

RAINFOREST PARTNERSHIP

(A Nonprofit Organization)

FINANCIAL STATEMENTS

WITH INDEPENDENT ACCOUNTANTS'

REVIEW REPORT

For the Year Ended December 31, 2017

RAINFOREST PARTNERSHIP
(A Nonprofit Organization)
Table of Contents
For the Year Ended December 31, 2017

	<u>Page</u>
INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to the Financial Statements	7



nonprofit & business advisors

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Rainforest Partnership

We have reviewed the accompanying financial statements of Rainforest Partnership (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Avenson Hamann CPAs, LLP

Avenson Hamann CPAs, LLP

January 15, 2019

FINANCIAL STATEMENTS

RAINFOREST PARTNERSHIP
 (A Nonprofit Organization)
 Statement of Financial Position
 As of December 31, 2017

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 92,372
Total Current Assets	92,372

Property and Equipment

Computer Hardware/Software	31,880
Furniture/Equipment	13,607
Less: Accumulated Depreciation	(44,496)
Total Property and Equipment	991

Other Assets

	1,791
--	-------

TOTAL ASSETS

	\$ 95,154
--	-----------

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$ 8,005
Accrued Expenses	6,625
Total Current Liabilities	14,630

Net Assets

Unrestricted	79,474
Temporarily Restricted	1,050
Total Net Assets	80,524

TOTAL LIABILITIES AND NET ASSETS

	\$ 95,154
--	-----------

See accompanying notes and accountants' report

RAINFOREST PARTNERSHIP
 (A Nonprofit Organization)
 Statement of Activities
 For the Year Ended December 31, 2017

	Unrestricted	Temporarily Restricted	Total
Revenue and Other Support			
Contributions	\$ 128,622		\$ 128,622
Fundraising Events	115,999		115,999
Donated Goods and Services	491,499		491,499
Other Income	368		368
Net Assets Released from Restriction	2,150	(2,150)	-
Total Revenues and Net Assets Released from Restriction	738,638	(2,150)	736,488
Expenses			
Program Services	540,148		540,148
Management and General	105,944		105,944
Fundraising	42,219		42,219
Total Expenses	688,311	-	688,311
Change in Net Assets	50,327	(2,150)	48,177
Net Assets at Beginning of Year	29,147	3,200	32,347
Net Assets at End of Year	\$ 79,474	\$ 1,050	\$ 80,524

See accompanying notes and accountants' report

RAINFOREST PARTNERSHIP
 (A Nonprofit Organization)
 Statement of Cash Flows
 For the Year Ended December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in Net Assets \$ 48,177

Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:

(Increase)/ Decrease in Operating Assets:

Depreciation 2,730

Pledges Receivable 20,000

Inventory 480

Increase/ (Decrease) in Operating Liabilities:

Accounts Payable 4,379

Accrued Expenses 5,230

Net cash provided (used) by operating activities 80,996

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Property and Equipment -

Net cash provided (used) by operating activities -

NET INCREASE IN CASH AND CASH EQUIVALENTS 80,996

Cash and Cash Equivalents at Beginning of Year 11,376

Cash and Cash Equivalents at End of Year \$ 92,372

RAINFOREST PARTNERSHIP
 (A Nonprofit Organization)
 Statement of Functional Expenses
 For the Year Ended December 31, 2017

	Program Services	General & Administrative	Fundraising	Total
Payroll & Related Expenses	\$ 30,927	\$ 6,820	\$ 1,646	\$ 39,393
Contract Services	56,942	8,360	490	65,792
Occupancy	429	25,882	-	26,311
Travel	14,107	-	-	14,107
Project Activities	18,594	-	-	18,594
Event Expenses	-	-	7,774	7,774
Information Technology	1,975	1,317	-	3,292
Marketing	5,229	-	-	5,229
Supplies	-	1,058	62	1,120
Insurance	-	3,552	-	3,552
Depreciation	-	2,730	-	2,730
Conferences and Meetings	1,797	85	-	1,882
Other	3,748	3,288	-	7,036
In-Kind Goods	0	325	3,268	3,593
In-Kind Services	406,400	52,527	28,979	487,906
Total Expenses	<u>\$ 540,148</u>	<u>\$ 105,944</u>	<u>\$ 42,219</u>	<u>\$ 688,311</u>

See accompanying notes and accountants' report.

**NOTES TO THE
FINANCIAL STATEMENTS**

RAINFOREST PARTNERSHIP
(A Nonprofit Organization)
Notes to Financial Statements
For the Year Ended December 31, 2017

1. NATURE OF OPERATIONS

Rainforest Partnership is an international nonprofit organization based in Austin, Texas, dedicated to protecting tropical rainforests. Rainforest Partnership works directly with rainforest communities to create a basic income by sustainably developing products and services found only in the forest, giving the community a stake in keeping their forests intact.

By fostering collaborative partnerships directly with rainforest communities around the globe, Rainforest Partnership creates innovative opportunities to protect the forest. The approach is two-tiered:

- Collaborate with indigenous rainforest communities to implement projects that will have direct and measurable accomplishments in rainforest protection. These projects create sustainable income streams that make the rainforest as important economically as it is environmentally.
- Create a global network of rainforest partners that advocate and act on behalf of the rainforest; Rainforest Partnership does this by using innovative technologies to engage people while bringing the forest to the people around the world. Ongoing outreach initiatives include: Films for the Forest, an international short film challenge, Rainforest Listening, and an Education Initiative.

Summary of success to date for 2017 includes:

- Worked with 4 indigenous communities in Peru & Ecuador representing over 14,000 people, and helping them protect nearly 400,000 acres of rainforest land.
- Projects include producing artisan products, traditional medicine, butterfly sanctuary, ecotourism, and the designation of protected areas.
- Built a Butterfly Sanctuary that will protect the habitats and restore the populations of 15 endemic butterfly species in the cloud forests of central Peru.
- Finished construction of the Achuar Traditional Medicine center, allowing for the community to begin dispersing and preserving their traditional medicine knowledge.
- Launched the first-ever World Rainforest Day on June 22 and activated tens of thousands of people on 6 continents to learn and take action for rainforests.
- The Sani Isla Ecotourism and Sani Warmi projects are thriving, opening the door for additional growth opportunities.
- Received submissions from 12 countries on 5 continents and screened winning films at the SXSW Film Festival Community Screenings.

RAINFOREST PARTNERSHIP
(A Nonprofit Organization)
Notes to Financial Statements
For the Year Ended December 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. Accordingly, revenue is recognized when earned and expenses when the obligation is incurred.

Classification of Net Assets

Net assets, revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. As of December 31, 2017, the Organization had \$1,050 of temporarily restricted net assets restricted for film festival prizes.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that may be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. The Organization did not have any permanently restricted net assets as of December 31, 2017.

Contributions Revenue

Contributions, including unconditional promises to give, are recorded at fair value when promises are made by the respective donors. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. Conditional promises to give are recognized only when the conditions on which they are dependent are substantially met. The Organization considers all contributions to be unrestricted unless there is a donor-imposed stipulation specifying a use for the contribution that is more specific than the broad limits resulting from the nature and purpose of the Organization and its continuing programs.

RAINFOREST PARTNERSHIP
(A Nonprofit Organization)
Notes to Financial Statements
For the Year Ended December 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Expense Allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program or that relate to a specific source of revenue are allocated directly to that program.

Income Taxes

The organization is a nonprofit organization exempt from federal taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as an organization other than a private foundation. Therefore, no provision for income taxes was made in the accompanying financial statements. The Organization files IRS Form 990 and is subject to routine audits by taxing jurisdictions; all tax filings are current and there are no examinations currently in progress. The Organization believes it is no longer subject to Internal Revenue Service examinations for tax years ending prior to 2015. The Organization is subject to taxes on unrelated trade or business income.

Property and Equipment

Purchases of property and equipment are reported at cost. Donated assets are reported at estimated fair market value as of the date of donation. The Organization capitalizes all acquisitions of property and equipment with a value of \$1,000 or more and a useful life of more than one year. Depreciation expense is calculated using the straight-line method over the following estimated useful lives:

Furniture and Fixtures	5-7 years
Computer & Related Equipment	3 years

RAINFOREST PARTNERSHIP
(A Nonprofit Organization)
Notes to Financial Statements
For the Year Ended December 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date of the Independent Accountants' Review Report, the date the financial statements were available to be issued. In 2018, the operating lease agreement ending June 30, 2018 was extended to June 30, 2019. The base rent increased from \$720.96 per month to \$786.50 per month.

3. CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization's deposits did not exceed the federal depository insurance limits as of December 31, 2017.

4. LEASE COMMITMENTS

The Organization leases its administration office under a 15-month operating lease agreement that began February 25, 2015. The lease was extended on June 17, 2016 to June 30, 2017 and again on June 27, 2017 to June 30, 2018 with an option to extend again. Lease expense, including common area maintenance, taxes and insurance, for the year ending December 31, 2017 was \$25,322. As of December 31, 2017, future minimum operating lease payments, including common area maintenance, taxes and insurance, are approximately \$25,700, due in 2018.

5. DONATED SERVICES, SUPPLIES AND FACILITIES

The Organization recognized the following in-kind revenue and expense for the year ended December 31, 2017:

Professional Services	\$ 487,906
Other	325
Food	<u>3,268</u>
Total In-Kind Contributions	<u><u>\$ 491,499</u></u>

The above is based on management's estimate of fair market value based on grant guidance or from professional appraisers. Services are valued using the Independent Sector estimated value of volunteer time per hour for 2017 unless the service provider submitted an invoice documenting the value donated based on standard billing rates.