

RAINFOREST PARTNERSHIP

(A Nonprofit Organization)

FINANCIAL STATEMENTS

WITH INDEPENDENT ACCOUNTANTS'

REVIEW REPORT

For the Year Ended December 31, 2018

RAINFOREST PARTNERSHIP
(A Nonprofit Organization)
Table of Contents
For the Year Ended December 31, 2018

	<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, 2018, 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.

A handwritten signature in blue ink that reads 'Avenson Hamann CPAs, LLP'.

Avenson Hamann CPAs, LLP

November 14, 2019

FINANCIAL STATEMENTS

RAINFOREST PARTNERSHIP
 (A Nonprofit Organization)
 Statement of Financial Position
 As of December 31, 2018

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 50,613
Prepaid Expenses	2,195
Total Current Assets	52,808

Property and Equipment

Computer Hardware/Software	31,880
Furniture/Equipment	13,607
Less: Accumulated Depreciation	(44,896)
Total Property and Equipment	591

Other Assets

1,791

TOTAL ASSETS

\$ 55,190

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$ 13,503
Accrued Expenses	5,040
Total Current Liabilities	18,543

Net Assets

Without Donor Restrictions	36,647
With Donor Restrictions	-
Total Net Assets	36,647

TOTAL LIABILITIES AND NET ASSETS

\$ 55,190

See accompanying notes and accountants' report

RAINFOREST PARTNERSHIP
 (A Nonprofit Organization)
 Statement of Activities
 For the Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions	\$ 71,214		\$ 71,214
Fundraising Events	94,752		94,752
Donated Goods and Services	360,952		360,952
Other Income	2,262		2,262
Net Assets Released from Restriction	1,050	(1,050)	-
Total Revenues and Net Assets Released from Restricti	530,230	(1,050)	529,180
Expenses			
Program Services	486,394		486,394
Management and General	51,623		51,623
Fundraising	35,040		35,040
Total Expenses	573,057	-	573,057
Change in Net Assets	(42,827)	(1,050)	(43,877)
Net Assets at Beginning of Year	79,474	1,050	80,524
Net Assets at End of Year	\$ 36,647	\$ -	\$ 36,647

See accompanying notes and accountants' report

RAINFOREST PARTNERSHIP
 (A Nonprofit Organization)
 Statement of Cash Flows
 For the Year Ended December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in Net Assets	\$ (43,877)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
(Increase)/ Decrease in Operating Assets:	
Depreciation	400
Prepaid Expenses	(2,195)
Increase/ (Decrease) in Operating Liabilities:	
Accounts Payable	5,498
Accrued Expenses	(1,585)
Net cash provided (used) by operating activities	<u>(41,759)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Property and Equipment	<u>-</u>
Net cash provided (used) by operating activities	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(41,759)
Cash and Cash Equivalents at Beginning of Year	<u>92,372</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 50,613</u></u>

See accompanying notes and accountants' report

RAINFOREST PARTNERSHIP
 (A Nonprofit Organization)
 Statement of Functional Expenses
 For the Year Ended December 31, 2018

	Program Services	General & Administrative	Fundraising	Total
Payroll & Related Expenses	\$ 64,562	\$ 7,432	\$ -	\$ 71,994
Contract Services	69,618	-	500	70,118
Occupancy	23,510	2,612	-	26,122
Travel	20,233	-	-	20,233
Project Activities	4,521	-	-	4,521
Event Expenses	-	-	2,824	2,824
Information Technology	753	2,160	-	2,913
Marketing	110	1,006	-	1,116
Supplies	512	1,333	68	1,913
Insurance	-	3,122	-	3,122
Depreciation	-	400	-	400
Other	3,775	2,966	88	6,829
In-Kind Goods	-	-	6,135	6,135
In-Kind Services	298,800	30,592	25,425	354,817
Total Expenses	\$ 486,394	\$ 51,623	\$ 35,040	\$ 573,057

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, 2018

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 for 2018 includes:

- Worked with 4 local and indigenous communities in Peru & Ecuador representing over 14,000 people, and helping them protect nearly 860,000 acres of rainforest land.
- Projects include producing artisan products, mammal research, traditional medicine, beekeeping, butterfly sanctuary, ecotourism, and the designation of protected areas.
- Worked with the regional government of Junin to designate over 130,000 acres of highly diverse and valuable ecosystems as a protected area.
- Trained Achuar traditional medicine promoters on the techniques of sustainable plant extraction, safe and hygienic production of medicinal plant products, and treatment on patients.
- Discovered a thriving community of Andean Spectacled Bear and two new populations of endangered primates in the first-ever mammal study of the Colibri Cloudforest area, using 30
- Achieved prestigious Sustainable Top 100 and Best of Nature awards from Green Destination for Sani Lodge in our partner community Sani Isla in Ecuador.
- Activated tens of thousands of people in 45 countries on June 22 for World Rainforest Day, a day we launched to encourage action for rainforests.
- Received submissions from 13 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, 2018

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:

Net assets with donor restrictions - Net assets the use of which is subject to stipulation that can be fulfilled by actions of the Organization pursuant to those stipulations.

Net assets without donor restrictions - Net assets that are not subject to stipulations. Net assets without donor stipulations may be used for any purpose or designated for specific purposes by action of the Board of Directors of the Organization.

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.

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.

RAINFOREST PARTNERSHIP
(A Nonprofit Organization)
Notes to Financial Statements
For the Year Ended December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2016. 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

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. No events have occurred through that date that would impact the financial statements.

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, 2018.

RAINFOREST PARTNERSHIP
(A Nonprofit Organization)
Notes to Financial Statements
For the Year Ended December 31, 2018

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. The lease was extended again in 2018, currently expiring April 1, 2020. Lease expense, including common area maintenance, taxes and insurance, for the year ending December 31, 2018 was \$25,719. As of December 31, 2018, future minimum operating lease payments, including common area maintenance, taxes and insurance, are approximately \$26,505, due in 2019.

5. LIQUIDITY

As of December 31, 2018, the Organization had cash on hand equal to approximately three months of operating expenses. All net assets are without donor restrictions. The Organization is expanding operations in 2019 to include new regions and new collaborations with other entities and government agencies. Management believes there is sufficient capital required to fund operations for the next twelve months.

6. DONATED SERVICES, SUPPLIES AND FACILITIES

The Organization recognized the following in-kind revenue and expense for the year ended December 31, 2018:

Skilled Professional Services	\$ 352,198
Other	2,619
Food	<u>6,135</u>
Total In-Kind Contributions	<u><u>\$ 360,952</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 2018 unless the service provider submitted an invoice documenting the value donated based on standard billing rates.