

Rainforest Trust

Financial Statements
and
Independent Auditors' Report

December 31, 2017



Halt Buzas & Powell, LTD

TRUST, INTEGRITY AND A COMMITMENT TO YOUR SUCCESS

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Independent Auditors' Report

To the Board of Directors
Rainforest Trust
Warrenton, Virginia

We have audited the accompanying financial statements of Rainforest Trust (the 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.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter Regarding Restatement

As discussed in Note 9 to the financial statements, the December 31, 2016 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to that matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses (page 19) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Halt, Buzas & Powell, Ltd.

Alexandria, Virginia
November 5, 2018

Rainforest Trust
Statement of Financial Position
December 31, 2017

Assets

Current assets:

Cash and cash equivalents	\$ 21,724,122
Contributions receivable	1,999,971
Investments	1,281,411
Prepaid expenses	<u>54,974</u>

Total current assets 25,060,478

Property and equipment, net	44,741
Deposits	<u>7,083</u>

Total assets \$ 25,112,302

Liabilities and Net Assets

Current liabilities:

Accounts payable and accrued expenses	\$ 23,764
Deferred rent	<u>4,508</u>

Total current liabilities 28,272

Deferred rent, non-current 1,266

Total liabilities 29,538

Net (deficit) assets:

Unrestricted	(489,720)
Temporarily restricted	<u>25,572,484</u>

Total net assets 25,082,764

Total liabilities and net assets \$ 25,112,302

See accompanying notes to the financial statements.

3.

Rainforest Trust
Statement of Activities
For the Year Ended December 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Contributions	\$ 6,031,692	\$ 14,929,140	\$ 20,960,832
Investment income	380,747	-	380,747
In-kind contributions	7,038	-	7,038
Net assets released from restrictions:			
Satisfaction of donor restrictions	<u>3,583,322</u>	<u>(3,583,322)</u>	<u>-</u>
Total revenues	<u>10,002,799</u>	<u>11,345,818</u>	<u>21,348,617</u>
Expenses:			
Program services:			
World Land and Biodiversity Conservation	<u>12,273,744</u>	<u>-</u>	<u>12,273,744</u>
Support services:			
Fundraising	732,541	-	732,541
General and administrative	<u>149,336</u>	<u>-</u>	<u>149,336</u>
Total support services	<u>881,877</u>	<u>-</u>	<u>881,877</u>
Total expenses	<u>13,155,621</u>	<u>-</u>	<u>13,155,621</u>
Change in net assets	(3,152,822)	11,345,818	8,192,996
Net assets, beginning of year, as restated	<u>2,663,102</u>	<u>14,226,666</u>	<u>16,889,768</u>
Net (deficit) assets, end of year	<u>\$ (489,720)</u>	<u>\$ 25,572,484</u>	<u>\$ 25,082,764</u>

See accompanying notes to the financial statements.

4.

Rainforest Trust
Statement of Cash Flows
For the Year Ended December 31, 2017

Cash flows from operating activities:	
Change in net assets	\$ <u>8,192,996</u>
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	12,181
Deferred rent	(2,288)
Donated investments	(10,674,811)
Realized gain on investments	(70,217)
Unrealized gain on investments	(111,974)
Decrease (increase) in assets:	
Contributions receivable	(1,999,971)
Prepaid expenses	(9,761)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	<u>(5,817)</u>
Total adjustments	<u>(12,862,658)</u>
Net cash used in operating activities	<u>(4,669,662)</u>
Cash flows from investing activities:	
Proceeds from sales of investments	11,921,050
Purchases of property and equipment	(32,227)
Purchases of investments	<u>(943,976)</u>
Net cash provided by investing activities	<u>10,944,847</u>
Net increase in cash and cash equivalents	6,275,185
Cash and cash equivalents, beginning of year	<u>15,448,937</u>
Cash and cash equivalents, end of year	<u>\$ 21,724,122</u>

See accompanying notes to the financial statements.

5.

Rainforest Trust
Notes to the Financial Statements
December 31, 2017

1. Organization

Rainforest Trust (the Organization) is a nonprofit organization incorporated under the laws of New York and established exclusively for charitable purposes. Originally incorporated as World Parks Endowment on December 8, 1988, the Organization changed its name to Rainforest Trust in 2013.

The Organization was established in order to provide funds for conservation of parks and protected areas around the world that are of international importance for the conservation of biological diversity. Its program emphasizes the conservation of private lands, especially through acquisitions of critical sites for conservation.

2. Summary of Significant Accounting Policies

a. Basis of presentation

The Organization's financial statements are presented in accordance with generally accepted accounting principles for nonprofit organizations. Under those principles, the Organization is required to report information regarding its financial position and activities according to three classes of net assets:

- *Unrestricted Net Assets* represent resources that are not subject to donor imposed stipulations and are available for operations at management's discretion.
- *Temporarily Restricted Net Assets* represent resources restricted by donors as to purpose or by the passage of time.
- *Permanently Restricted Net Assets* represent resources whose use by the Organization is limited by donor imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by action of the Organization. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations.

The Organization has no permanently restricted net assets at December 31, 2017.

Rainforest Trust
Notes to the Financial Statements
December 31, 2017

b. Basis of accounting

The Organization's financial statements are prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses when obligations are incurred.

c. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses and their functional allocation during the reporting period. Actual results could differ from those estimates.

d. Fair value measurements

The Organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs used to measure fair value are categorized as follows:

- Level 1 - quoted prices in active markets for identical assets or liabilities.
- Level 2 - inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.
- Level 3 - unobservable inputs which are typically based on the Organization's own assumptions, as there is little, if any, related market activity.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities that are subject to the standard. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3. There were no Level 3 inputs for any assets held by the Organization at December 31, 2017.

Rainforest Trust
Notes to the Financial Statements
December 31, 2017

e. Income taxes

The Organization is exempt from federal and local income taxes under Section 501(c)(3) of the Internal Revenue Code on income derived from activities related to its exempt purpose. This code section enables the Organization to accept donations that qualify as charitable contributions to the donor. The Organization is subject to income taxes on taxable income from unrelated business activities. For the year ended December 31, 2017, the Organization did not recognize income tax expense in the accompanying financial statements as there was no unrelated business taxable income.

The Organization is not aware of any activities that would jeopardize their tax-exempt status that would require recognition in the accompanying financial statements. Generally, tax returns are subject to examination by taxing authorities for up to three years from the date a completed return is filed. If there are material omissions of income, tax returns may be subject to examination for up to six years. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in the accompanying financial statements. As of December 31, 2017, the Organization had no uncertain tax positions which should be recognized as a liability.

f. Cash and cash equivalents

For financial statement purposes, the Organization classifies demand deposits and short-term investments with an original maturity of three months or less as cash equivalents.

g. Contributions receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Amounts that are expected to be collected in more than one year are recorded at the present value of their estimated future cash flows. The cash flows are discounted at a discount rate commensurate with the risk involved. Amortization of the resulting discount is recognized as additional contribution revenue. Reserves are established for receivables that are delinquent and considered uncollectible based on periodic reviews by management. At December 31, 2017, all receivables are fully collectible, therefore, no allowance for doubtful accounts has been recognized.

Rainforest Trust
Notes to the Financial Statements
December 31, 2017

h. Investments

Investments are reported at fair value and realized and unrealized gains and losses are reported in the accompanying statement of activities as increases or decreases in unrestricted net assets, unless the income or loss is restricted temporarily or permanently by donor restrictions or law. The Organization invests in a variety of investments that are exposed to various risks, such as fluctuations in market value and credit risk. It is reasonably possible that changes in risks in the near term could materially affect investment balances and amounts reported in the accompanying financial statements.

i. Property and equipment, net

Property and equipment acquisitions are recorded in the financial statements at cost, net of accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets, which is five to seven years for furniture and computer equipment.

The Organization's policy is to capitalize major additions and improvements over \$500. Repairs and maintenance which do not significantly add to the value of assets are expensed as incurred.

j. Deferred rent and lease incentives

Deferred rent is recorded and amortized to the extent the total minimum rental payments allocated to the current period on a straight-line basis exceed, or are less than, the cash payments required. Lease incentives received as part of a lease agreement are recognized on a straight-line basis over the life of the lease as a reduction to rent expense.

Rainforest Trust
Notes to the Financial Statements
December 31, 2017

k. Revenue recognition

i. Contributions

Contributions are recognized as revenue when received or promised and are recorded net of any current year allowance or discount activity. The Organization reports gifts of cash and other assets as temporarily restricted support if they are received or promised with donor stipulations that limit the use of the donated assets to the Organization's programs or to a future year. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as unrestricted if the restriction expires in the same reporting period in which the contribution is recognized.

ii. In-kind contributions

Donated materials, services and use of facilities are recorded at fair value when an unconditional commitment is received and are recognized as in-kind contributions as revenue and expense in the accompanying financial statements. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The value of such services is recorded based on the estimated fair value of services provided and is classified as in-kind contributions revenue and expense charged to programs and supporting services based on the program or support services directly benefited.

l. Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited.

Rainforest Trust
Notes to the Financial Statements
December 31, 2017

3. Concentrations of Credit Risk

The Organization maintains bank deposits that, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) limits. At December 31, 2017, the Organization had bank deposits in excess of FDIC limits of \$18,939,240.

4. Investments and Fair Value Measurements

Investments are comprised of the following at December 31:

	2017 Cost	2017 Fair Value
Mutual funds	\$ 449,576	\$ 561,112
Common stock	11,924	12,165
Unsecured consumer credit notes	478,639	478,635
Exchange traded products	<u>214,907</u>	<u>229,499</u>
Total investments	<u>\$ 1,155,046</u>	<u>\$ 1,281,411</u>

Investment income is comprised of the following for the year ended December 31:

	2017
Interest and dividends	\$ 198,556
Realized gain on investments	70,217
Unrealized gain on investments	<u>111,974</u>
Total investment income	<u>\$ 380,747</u>

The table below presents the Organization's fair value hierarchy for those assets measured at fair value on a recurring basis at December 31, 2017:

	Level 1	Level 2	Total
Mutual funds	\$ 561,112	\$ -	\$ 561,112
Common stock	12,165	-	12,165
Unsecured consumer credit notes	-	478,635	478,635
Exchange traded products	<u>229,499</u>	<u>-</u>	<u>229,499</u>
Total investments	<u>\$ 802,776</u>	<u>\$ 478,635</u>	<u>\$ 1,281,411</u>

Rainforest Trust
Notes to the Financial Statements
December 31, 2017

5. Sustainability Fund

In 2014, the Organization received an investment portfolio worth approximately \$495,000. The vision of this fund is to provide a source of funding for habitat preservation in tropical regions throughout the world for endangered and threatened species. Once the fund reaches \$1.4 million dollars, or after five years, whichever comes first, the Organization can start disbursing these funds. Disbursements shall be used for land acquisition protection. Up to 50% of disbursements for the given year can be used for land reclamation and reforestation. Recipient of the disbursements will be deemed by the board to be responsible stewards of the land and funds, and financially sound and sustainable. At December 31, 2017, the total fund balance was \$1,045,248.

6. Property and Equipment, Net

The following is a summary of property and equipment held at December 31:

	<u>2017</u>
Furniture and computer equipment	\$ 66,355
Accumulated depreciation	<u>(21,614)</u>
Total property and equipment, net	<u>\$ 44,741</u>

Depreciation expense for the year ended December 31, 2017 was \$12,181.

7. Land

In performing its exempt purpose, the Organization may acquire and distribute various land plots in order to facilitate the conservation of those lands. It is not the policy of the Organization to own and hold land, therefore the Organization does not recognize the income and the distribution of the above land in the financial statements.

Rainforest Trust
Notes to the Financial Statements
December 31, 2017

8. Temporarily Restricted Net Assets

Net assets were released from donor restrictions during the year ended December 31, 2017 for the following purposes:

	2017
African Parks - Chad	\$ 57,930
Airo Pai - Peru	365,384
Amathole - Eastern Highlands South Africa	10,866
Armonia - Bolivia	1,638
Bagwa Mbo/ Mak-Betchou - (ERDF) Cameroon	110,657
Balanga - DRC	201,703
Blue Eyed Ground Dove - Brazil	199,987
Bugun - India	5,327
Bukit - Sumatra	93,656
CEDIA - Peru	116,008
Cambugan - Ecuador	4,000
Cerro Amay - Guatemala	4,681
Cerro Chucanti - Panama	18,898
Conservation Action Fund (CAF)	203
Daintree NP - Australia	173,543
Dinagat - Philippines	27,848
Douala Edea Gaz. - Cameroon	100,421
EThekwini KwaZulu - South Africa	31,000
Ecominga - Ecuador	165
El Dorado	162,026
Francois's Langur - Vietnam	76,405
Geometric Tortoise - South Africa	21,496
Gola Forest - Liberia	68,290
Hirola - Kenya	163,728
ICFC Initiative	487
Imawbum NP - Myanmar	61,302
Jocotoco - Ecuador	89,625
Kampot Karst Hill - Cambodia	26,409
Kien Luong Karst - Vietnam	10,640
Lost Rainforest - Madagascar	79,272
Mae Nyaw Kee - Myanmar	82,498
Mahamyaing WS - Myanmar	20,972
Mangabe - Madagascar	47,959
Mbe Mnts CW - Nigeria	80,473
Mnt. Manengouba - Cameroon	147,564
Mnt. Namuli - Phase II - Mozambique	10,029
Nakanacagi Bat Cave - Fiji	47,265
OBO NP Buffer Zone - Sao Tome	17,111
Other Restricted	233,410
Prachitgad (AERF) - India	25,940
REGUA - Brazil	19,852
Red Panda PCF - Nepal	50,430

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Rainforest Trust
Notes to the Financial Statements
December 31, 2017

Net assets released from restriction (continued)	2017
Rungan River Peat Swamp Forest - Borneo	41,490
Sabah Protected Areas - Malaysia	255,604
Selva Maya - Guatemala	12,285
Selva de Ventanas - Colombia	116,400
Sierra Santa Cruz - Guatemala	30,794
Sustainability Fund	2,080
Tree Kangaroo - PNG	57,571
Total net assets released from restrictions	\$ 3,583,322

At December 31, 2017, temporarily restricted net assets were available for the following programs:

	2017
African Parks - Chad	\$ 16,444
Airo Pai - Peru	559,834
Alan'Ankafobe-Madagascar	18,770
Amathole - Eastern Highlands South Africa	8,176
Anjiabe - Madagascar	392,875
Armonia - Bolivia	820
Atewa - Ghana	22,222
BTMacaw	2,097
Bagwa Mbo/ Mak-Betchou - (ERDF) Cameroon	240,571
Balanga - DRC	569,730
Binh Son - Vietnam	46,183
Blue Eyed Ground Dove - Brazil	60,429
Bolson Tortoise Preserve - Mexico	60,440
Bookman Initiative	429,777
Bugun - India	176,090
Bukit - Sumatra	598,839
CEDIA - Peru	417,796
Canande	1,038,106
Cardamom - Cambodia	1,715
Cerro Amay - Guatemala	138,912
Cerro Chucanti - Panama	106,278
Conservation	11,062
Conservation Action Fund - Congo	854
Copalinga	291,755
Cotton-top - Colombia	92,820
Daintree NP - Australia	34,797
Dinagat - Philippines	33,180
Documentary	20,000
Dodo River - Cote d'Ivoire	133,603
Douala Edea Gaz. - Cameroon	116,983
Dumarao-Mendoza Palawan - Forest Pond Turtle - Philippines	119,888
EThekwini KwaZulu - South Africa	78,408
Ecominga - Ecuador	544,554

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Rainforest Trust
Notes to the Financial Statements
December 31, 2017

Temporarily restricted net assets available (continued)	2017
El Tallonal - Puerto Rico	109,890
Embera Siapiadara (GPF) - Colombia	144
Fazenda Almas - Brazil	96,154
Forest of Hope - Palau	168,951
Francois's Langur - Vietnam	121,094
Galapagos	1,361,403
Geometric Tortoise - South Africa	39,273
Gola Forest - Liberia	91,823
Golfo Dulce - Costa Rica	234,607
Gorongosa - Mozambique	329,670
Hirola - Kenya	399,074
Hon Khoai - Vietnam	76,484
ICFC Initiative	97
Imawbum NP - Myanmar	166,667
Ivato - Madagascar	134,598
Jocotoco - Ecuador	201,562
Kaempfer's Woodpecker - Brazil	23,699
Kampot Karst Hill - Cambodia	43,833
Kenyir State Park - Malaysia	1,730,317
Kien Luong Karst - Vietnam	31,001
Kim Bang - Vietnam	246,516
Kluet - Sumatra	1,679,819
Kon Ha Comm PA - Vietnam	98,746
Lagoinha	43,963
Lake Nyaguo - Uganda	112,518
Los Tities de San Juan - Colombia	274,954
Lost Rainforest - Madagascar	391,883
Lumbasumba - Nepal	181,869
Mae Nyaw Kee - Myanmar	11,111
Magdalena/Paujil	225,909
Magombera - Tanzania	353,358
Mahamyaing WS - Myanmar	87,639
Maleo - Sulawesi - Indonesia	164,879
Mangabe - Madagascar	63,387
Marine Protected Areas - Bangladesh	25,000
Mbe Mnts CW - Nigeria	314,451
Mnt. Manengouba - Cameroon	341,985
Mono Tocon - Peru	43,011
Monte Mojino - Mexico	7,765
Morne - Haiti	200,000
Nakanacagi Bat Cave - Fiji	214,145
Nantu Wildlife Sanctuary - Indonesia	332,450
OBO NP Buffer Zone - Sao Tome	218,254
Onpone/ Amedzofe - Ghana	184,212
PC Stream Tree Frog - 10.5% - Ecuador	78,213
Palawan - Philippines	57,474
Perija - Colombia	279,422

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Rainforest Trust
Notes to the Financial Statements
December 31, 2017

Temporarily restricted net assets available (continued)	2017
Phnom Tben - Cambodia	83,680
Prachitgad (AERF) - India	129,869
REGUA - Brazil	152,154
Red Panda PCF - Nepal	150,878
Rungan River Peat Swamp Forest - Borneo	461,770
Sabah Protected Areas - Malaysia	788,107
Sangihe - Indonesia	14,891
Selva Maya - Guatemala	528,928
Serra Bonita - Brazil	9,450
Sierra Santa Cruz - Guatemala	69,444
Soutpansberg Mnt - S. Africa	1,250,276
Spix's Macaw - Brazil	567,527
Sre Ambel - Cambodia	315,557
Sustainability Fund	1,045,248
Taita Apalis - Kenya	228,955
Tanoe - Cote d'Ivoire	19,307
Tapichalaca	3,302
Teanu & Tinakula - Solomon Islands	63,956
Thoniê - New Calidonia	273,956
Tree Kangaroo - PNG	117,667
Tsinjoarivo - 10.5% - Madagascar	992,510
West Java Protected Area Network - 10.5% - Indonesia	327,770
Total temporarily restricted net assets	\$ 25,572,484

9. Prior Period Restatement

The Organization has restated its December 31, 2016 financial statements to correct amounts that relate to grants payable. As a result, program services expenses decreased and net assets increased by \$9,641,857 for the year ended December 31, 2016. The change in net assets for the year ended December 31, 2016 increased by \$9,641,857.

The following table summarizes the restatements to the financial statements for the year ended December 31, 2016:

	Unrestricted	Temporarily Restricted	Total
Net assets, as previously stated at December 31, 2016	\$ 167,149	\$ 7,080,763	\$ 7,247,912
Adjustment of grants payable	2,495,953	7,145,903	9,641,856
Net assets, as restated at December 31, 2016	\$ 2,663,102	\$ 14,226,666	\$ 16,889,768

Rainforest Trust
Notes to the Financial Statements
December 31, 2017

10. Concentrations of Revenue Risk

During the year ended December 31, 2017, the Organization received \$9,492,469 from one donor which is approximately 44% of its total revenue and support. Any significant reduction in revenue and support may adversely impact the Organization financial position and operations.

11. Commitment

Operating leases

In March 2015, the Organization entered into an agreement to lease office space. The four year lease calls for base monthly rent payments of \$7,083 with an annual increase of three percent. In addition, rent payments were abated for the first two months of the lease. The agreement will expire March 31, 2019. Rent expense for the year ending December 31, 2017 was \$81,600.

Aggregate future minimum lease payments are as follows for the years ending December 31:

2018	\$ 90,978
2019	<u>22,884</u>
Total	<u>\$ 113,862</u>

12. Retirement Plan

The Organization sponsors a SIMPLE-IRA (Savings Incentive Match Plan for Employees) to its full-time employees who are eligible to participate upon their date of hire. The Organization matches 100% of each eligible participant's elective deferrals up to 3% of each eligible participant's annual compensation. Retirement plan expense was \$33,904 for the year ending December 31, 2017.

13. Advertising Expense

The Organization expenses the cost of advertising as incurred. Advertising expense was \$241,910 for the year ended December 31, 2017.

Rainforest Trust
Notes to the Financial Statements
December 31, 2017

14. Subsequent Events

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 5, 2018, which is the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, these financial statements.

Supplemental Information

Rainforest Trust
Schedule of Functional Expenses
For the Year Ended December 31, 2017

	World Land and Biodiversity Conservation	Fundraising	General and administrative	Total support services	Total expenses
Advertising and promotional	\$ 235,856	\$ 5,921	\$ 133	\$ 6,054	\$ 241,910
Bank fees	47,605	7,170	8,566	15,736	63,341
Conferences, conventions and meetings	96,780	3,199	115	3,314	100,094
Consultants	78,467	5,207	17,761	22,968	101,435
Depreciation	11,364	678	139	817	12,181
Dues and subscription	8,985	7,776	692	8,468	17,453
Insurance	3,269	71	15	86	3,355
Legal fees	46,746	2,791	1,161	3,952	50,698
Miscellaneous expense	2,069	891	124	1,015	3,084
Office supplies	45,665	4,267	1,460	5,727	51,392
Partnerships - rapid response & feasibility studies	140,833	-	-	-	140,833
Payroll, payroll taxes and benefits	1,472,038	612,565	117,631	730,196	2,202,234
Postage and shipping	16,856	12,461	1	12,462	29,318
Printing and publications	36,573	34,522	25	34,547	71,120
Professional fees	488	12,983	672	13,655	14,143
Project grants	9,863,249	-	-	-	9,863,249
Rent and utilities	85,823	5,472	699	6,171	91,994
Telephone and communication	10,781	509	101	610	11,391
Travel	66,871	15,853	-	15,853	82,724
Website	3,426	205	41	246	3,672
Total expenses	<u>\$ 12,273,744</u>	<u>\$ 732,541</u>	<u>\$ 149,336</u>	<u>\$ 881,877</u>	<u>\$ 13,155,621</u>