



CPAs, LLP

nonprofit & business advisors

**RAINFOREST PARTNERSHIP**

(A Nonprofit Organization)

FINANCIAL STATEMENTS

WITH INDEPENDENT ACCOUNTANTS'

REVIEW REPORT

For the Year Ended December 31, 2015

RAINFOREST PARTNERSHIP  
(A Nonprofit Organization)  
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For the Year Ended December 31, 2015

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of  
Rainforest Partnership  
Austin, TX

We have reviewed the accompanying financial statements of Rainforest Partnership (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses 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.

Austin, TX

January 5, 2017

## **FINANCIAL STATEMENTS**

**RAINFOREST PARTNERSHIP**  
 (A Nonprofit Organization)  
 Statement of Financial Position  
 As of December 31, 2015

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$ 6,936
Inventory	480
Other Current Assets	1,791
Total Current Assets	9,207

**Property and Equipment**

Computer Hardware/Software	31,880
Furniture/Equipment	13,607
Less: Accumulated Depreciation	(39,705)
Total Property and Equipment	5,782

**TOTAL ASSETS**

\$ 14,989

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts Payable	\$ 4,644
Accrued Expenses	9,907
Total Current Liabilities	14,551

**Net Assets**

Unrestricted	(3,762)
Temporarily Restricted	4,200
Total Net Assets	438

**TOTAL LIABILITIES AND NET ASSETS**

\$ 14,989

See accompanying notes and accountants' report

**RAINFOREST PARTNERSHIP**  
 (A Nonprofit Organization)  
 Statement of Activities  
 For the Year Ended December 31, 2015

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>Revenue and Other Support</b>			
Grants	\$ 45,000	\$ -	\$ 45,000
Contributions	124,417		124,417
Fundraising Events	65,039		65,039
Donated Goods and Services	332,142		332,142
Other Income	1,500		1,500
Net Assets Released from Restriction	1,050	(1,050)	-
<b>Total Revenues and Net Assets Released from Restriction</b>	<b>569,148</b>	<b>(1,050)</b>	<b>568,098</b>
<b>Expenses</b>			
Program Services	492,526		492,526
Management and General	60,227		60,227
Fundraising	46,012		46,012
<b>Total Expenses</b>	<b>598,765</b>	<b>-</b>	<b>598,765</b>
Change in Net Assets	(29,617)	(1,050)	(30,667)
Net Assets at Beginning of Year	31,105	-	31,105
Prior Period Adjustments	(5,250)	5,250	-
Net Assets at End of Year	<b>\$ (3,762)</b>	<b>\$ 4,200</b>	<b>\$ 438</b>

See accompanying notes and accountants' report

**RAINFOREST PARTNERSHIP**  
 (A Nonprofit Organization)  
 Statement of Cash Flows  
 For the Year Ended December 31, 2015

**CASH FLOWS FROM OPERATING ACTIVITIES**

Increase in Net Assets \$ (30,667)

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

(Increase)/ Decrease in Operating Assets:

Depreciation 3,163  
 Security Deposits (1,791)

Increase/ (Decrease) in Operating Liabilities:

Accounts Payable 3,174  
 Accrued Expenses 5,399

**Net cash provided (used) by operating activities** (20,722)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of Property and Equipment (2,000)

**Net cash provided (used) by operating activities** (2,000)

**NET INCREASE IN CASH AND CASH EQUIVALENTS** (22,722)

Cash and Cash Equivalents at Beginning of Year 29,658

Cash and Cash Equivalents at End of Year \$ 6,936

See accompanying notes and accountants' report

RAINFOREST PARTNERSHIP  
 (A Nonprofit Organization)  
 Statement of Functional Expenses  
 For the Year Ended December 31, 2015

	Program Services	General & Administrative	Fundraising	Total
Payroll & Related Expenses	\$ 84,420	\$ 21,105	\$ -	\$ 105,525
Contract Services	80,942	8,530	-	89,472
Occupancy	2,010	20,328	-	22,338
Travel	9,489	2,753	-	12,242
Project Activities	8,769	-	-	8,769
Event Expenses	-	-	5,874	5,874
Information Technology	133	3,302	-	3,435
Marketing	2,506	749	-	3,255
Supplies	1,616	1,294	-	2,910
Insurance	193	2,110	-	2,303
Depreciation	-	3,163	-	3,163
Other	2,584	4,855	1,898	9,337
In-Kind Goods	0	1,004	8,056	9,060
In-Kind Services	269,825	21,073	30,184	321,082
Allocation of Indirect Expenses	30,039	(30,039)	-	-
Total Expenses	<u>\$ 492,526</u>	<u>\$ 60,227</u>	<u>\$ 46,012</u>	<u>\$ 598,765</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, 2015

## 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 2015 includes:

- Worked with 4 indigenous communities in Peru & Ecuador representing over 2,000 people, and helping them protect nearly 100,000 acres of rainforest land.
- Projects include producing artisan products, palm fiber harvesting and broom making, ecotourism and traditional medicine.
- Completed the Sani Isla artisan project started in 2010 allowing the women in Sani Isla to continue making an income on their own while protecting their forests from outside interests.
- Presented rainforest education to over 2,000 students at 18 schools as part of an Education Initiative.
- Received 61 film submissions from 17 countries from 4 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, 2015

## 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, 2015, the Organization had \$4,200 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, 2015.

### **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, 2015

**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 2013. 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, 2015

**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. As a result of this evaluation, no other events were identified that are required to be disclosed or would have material impact on reported net assets or changes in net assets.

**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, 2015.

**4. LEASE COMMITMENTS**

The Organization's month-to-month lease agreement, under which lease payments were waived as an in-kind donation, ended in 2014. The Organization leases its administration office under a 15-month operating lease agreement that began February 25, 2015. Lease expense, including common area maintenance, taxes and insurance, for the year ending December 31, 2015 was \$21,725. As of December 31, 2015, future minimum operating lease payments, including common area maintenance, taxes and insurance, are approximately \$9,550, due in 2016.

**5. DONATED SERVICES, SUPPLIES AND FACILITIES**

The Organization recognized the following in-kind revenue and expense for the year ended December 31, 2015:

Services	\$ 321,082
Events	9,060
Furniture	<u>2,000</u>
Total In-Kind Contributions	<u>\$ 332,142</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 2015 unless the service provider submitted an invoice documenting the value donated based on standard billing rates.

RAINFOREST PARTNERSHIP  
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Notes to Financial Statements  
For the Year Ended December 31, 2015

**5. PRIOR PERIOD ADJUSTMENTS**

A prior period adjustment to correct the net asset classification of a 2014 contribution of \$5,250 was recorded as of December 31, 2015.