



Rainforest Trust

Financial Statements
and
Independent Auditor's Report

December 31, 2020



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Independent Auditor's Report

To the Board of Directors
Rainforest Trust
Vint Hill, Virginia

We have audited the accompanying financial statements of Rainforest Trust (the Organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, 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 (USGAAP); 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.

Auditor's 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 auditor's 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, 2020, 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.

Sikich LLP

Alexandria, Virginia
September 25, 2021

Rainforest Trust
Statement of Financial Position
December 31, 2020

Assets

Current assets:

| | |
|---------------------------|---------------|
| Cash and cash equivalents | \$ 54,384,608 |
| Contributions receivable | 3,197,314 |
| Notes receivable | 5,513 |
| Investments | 326,269 |
| Prepaid expenses | <u>73,815</u> |

Total current assets 57,987,519

| | |
|---|----------------|
| Contributions receivable, non-current | 809,408 |
| Investments, Sustainability Fund | 1,709,466 |
| Property and equipment, net | 61,950 |
| Right-of-use asset for operating lease, net | <u>110,655</u> |

Total assets \$ 60,678,998

Liabilities and Net Assets

Current liabilities:

| | |
|---------------------------------------|----------------|
| Accounts payable and accrued expenses | \$ 156,468 |
| PPP loan payable | 41,962 |
| Lease liability for operating lease | <u>112,301</u> |

Total current liabilities 310,731

Net assets:

| | |
|----------------------------|-------------------|
| Without donor restrictions | 327,200 |
| With donor restrictions | <u>60,041,067</u> |

Total net assets 60,368,267

Total liabilities and net assets \$ 60,678,998

Rainforest Trust
Statement of Activities
For the Year Ended December 31, 2020

| | <u>Without donor restrictions</u> | <u>With donor restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|----------------------|
| Revenues: | | | |
| Contributions | \$ 2,140,214 | \$ 24,031,577 | \$ 26,171,791 |
| Investment income, net | 858,948 | 408,708 | 1,267,656 |
| Loan forgiveness | 505,438 | - | 505,438 |
| In-kind contributions | 53,924 | - | 53,924 |
| Net assets released from restrictions: | | | |
| Satisfaction of donor restrictions | <u>30,142,200</u> | <u>(30,142,200)</u> | <u>-</u> |
| Total revenues | <u>33,700,724</u> | <u>(5,701,915)</u> | <u>27,998,809</u> |
| Expenses: | | | |
| Program services: | | | |
| World Land and Biodiversity Conservation | <u>28,879,132</u> | <u>-</u> | <u>28,879,132</u> |
| Support services: | | | |
| Fundraising | 1,393,880 | - | 1,393,880 |
| General and administrative | <u>294,182</u> | <u>-</u> | <u>294,182</u> |
| Total support services | <u>1,688,062</u> | <u>-</u> | <u>1,688,062</u> |
| Total expenses | <u>30,567,194</u> | <u>-</u> | <u>30,567,194</u> |
| Change in net assets | 3,133,530 | (5,701,915) | (2,568,385) |
| Net (deficit) assets, beginning of year | <u>(2,806,330)</u> | <u>65,742,982</u> | <u>62,936,652</u> |
| Net assets, end of year | <u>\$ 327,200</u> | <u>\$ 60,041,067</u> | <u>\$ 60,368,267</u> |

See accompanying notes to the financial statements.

Rainforest Trust
Statement of Functional Expenses
For the Year Ended December 31, 2020

| | World Land and Biodiversity Conservation | Fundraising | General and administrative | Total support services | Total expenses |
|---------------------------------------|--|---------------------|-------------------------------|---------------------------|----------------------|
| Advertising and promotional | \$ 218 | \$ 225,701 | \$ 73 | \$ 225,774 | \$ 225,992 |
| Bank fees | 157,860 | 70 | 18,194 | 18,264 | 176,124 |
| Conferences, conventions and meetings | 33,712 | 1,328 | 259 | 1,587 | 35,299 |
| Consultants | 49,510 | 93,329 | 3,456 | 96,785 | 146,295 |
| Depreciation and amortization | 49,651 | 1,998 | 393 | 2,391 | 52,042 |
| Dues and subscriptions | 1,776 | 4,107 | 264 | 4,371 | 6,147 |
| Insurance | 6,155 | 2,868 | 665 | 3,533 | 9,688 |
| Legal fees | 59,928 | 8,396 | 20,621 | 29,017 | 88,945 |
| Licenses and fees | - | 10,589 | 274 | 10,863 | 10,863 |
| Miscellaneous expense | 57 | 27 | 10,565 | 10,592 | 10,649 |
| Office supplies | 1,694 | 5,222 | 720 | 5,942 | 7,636 |
| Payroll, payroll taxes and benefits | 1,962,730 | 914,661 | 211,954 | 1,126,615 | 3,089,345 |
| Postage and shipping | 4,461 | 14,000 | 130 | 14,130 | 18,591 |
| Printing and publications | 13,159 | 32,940 | 35 | 32,975 | 46,134 |
| Project grants | 26,357,643 | - | - | - | 26,357,643 |
| Recruiting | 95 | 315 | 10,051 | 10,366 | 10,461 |
| Rent | 139,362 | 63,267 | 14,661 | 77,928 | 217,290 |
| Staff development | 5,432 | 5,733 | 766 | 6,499 | 11,931 |
| Telephone and communication | 9,106 | 4,241 | 1,090 | 5,331 | 14,437 |
| Travel | 26,583 | 5,088 | 11 | 5,099 | 31,682 |
| Total expenses | <u>\$ 28,879,132</u> | <u>\$ 1,393,880</u> | <u>\$ 294,182</u> | <u>\$ 1,688,062</u> | <u>\$ 30,567,194</u> |

See accompanying notes to the financial statements

Rainforest Trust
Statement of Cash Flows
For the Year Ended December 31, 2020

| | |
|--|-----------------------------|
| Cash flows from operating activities: | |
| Change in net assets | \$ <u>(2,568,385)</u> |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | |
| Depreciation and amortization | 52,042 |
| Right-of-use asset amortization | 225,083 |
| Realized gain on investments | 43,328 |
| Unrealized gain on investments | (433,919) |
| Donated investments | (2,547,775) |
| Forgiveness of PPP loan | (505,438) |
| Loss on disposal of assets | 168 |
| Decrease (increase) in assets: | |
| Contributions receivable | 2,145,159 |
| Prepaid expenses | (57,417) |
| Increase (decrease) in liabilities: | |
| Accounts payable and accrued expenses | (33,463) |
| Lease liability for operating lease | (223,437) |
| | <u>-</u> |
| Total adjustments | <u>(1,335,669)</u> |
| Net cash used in operating activities | <u>(3,904,054)</u> |
| Cash flows from investing activities: | |
| Proceeds from sales of investments | 3,800,410 |
| Purchases of property and equipment | (2,539) |
| Purchases of investments | (1,360,684) |
| Payments on notes receivable | <u>43,508</u> |
| Net cash provided by investing activities | <u>2,480,695</u> |
| Cash flows from financing activities: | |
| Proceeds from issuance of PPP loan payable | <u>547,400</u> |
| Net cash provided by financing activities | <u>547,400</u> |
| Net decrease in cash and cash equivalents | (875,959) |
| Cash and cash equivalents, beginning of year | <u>55,260,567</u> |
| Cash and cash equivalents, end of year | <u>\$ <u>54,384,608</u></u> |

See accompanying notes to the financial statements.

Rainforest Trust
Notes to the Financial Statements
December 31, 2020

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 in the United States of America (USGAAP) for nonprofit organizations. Under those principles, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

- *Net Assets Without Donor Restrictions* represent resources that are not subject to donor imposed restrictions and are available for operations at management's discretion.
- *Net Assets With Donor Restrictions* represent resources restricted by donors. Some donor restrictions are temporary in nature and those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, donor restricted net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the accompanying statement of activities.

b. Basis of accounting

The Organization's financial statements are prepared on the accrual basis of accounting in accordance with USGAAP.

Rainforest Trust
Notes to the Financial Statements
December 31, 2020

c. Use of estimates

The preparation of financial statements in conformity with USGAAP 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

USGAAP establishes a framework for measuring fair value. That framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. USGAAP requires the Organization to maximize the use of observable inputs when measuring fair value. The hierarchy describes three levels of inputs, which are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Significant unobservable inputs.

In many cases, a valuation technique used to measure fair value includes inputs from more than one level of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The categorization of an investment within the hierarchy reflects the relative ability to observe the fair value measure and does not necessarily correspond to the perceived risk of that investment.

Valuation Techniques

Following is a description of the valuation techniques used for assets and liabilities measured at fair value on a recurring basis. There have been no changes to the techniques used during the year ended December 31, 2020.

- Mutual and exchange-traded funds: Valued at the NAV of shares on the last trading day of the year.
- Domestic equity securities: Valued at the closing quoted price in an active market.

Rainforest Trust
Notes to the Financial Statements
December 31, 2020

e. Income taxes

The Organization is exempt from federal and local income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. The Organization is not classified as a private foundation.

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. Accounts and notes receivable

Accounts receivable are due in less than one year and stated at their net realizable value. Notes receivable represent the unpaid principal balance plus accrued interest due on the loan. Reserves are established for receivables that are delinquent and considered uncollectible based on periodic reviews by management. At December 31, 2020, all accounts and notes receivable are fully collectible, therefore, no allowance for doubtful accounts has been recognized.

h. 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. The discount on those amounts expected to be collected in more than one year was determined to be immaterial to the financial statements and accordingly no adjustment has been made to reflect the discount. Reserves are established for receivables that are delinquent and considered uncollectible based on periodic reviews by management. At December 31, 2020, all contributions receivable are fully collectible, therefore, no allowance for doubtful accounts has been recognized.

Rainforest Trust
Notes to the Financial Statements
December 31, 2020

i. 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 net assets without donor restrictions, unless the income or loss is restricted 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. Investment income is reported net of external and direct internal investment expenses.

j. Property and equipment, net

Property and equipment acquisitions are recorded in the financial statements at cost, net of accumulated depreciation and amortization. Depreciation and amortization expense is computed using the straight-line method over the estimated useful lives of the assets as follows:

| | |
|----------------------------------|-------------|
| Furniture and computer equipment | 5 - 7 years |
| Leasehold improvements | 2 years |

The Organization's policy is to capitalize major additions and improvements over \$2,000. Leasehold improvements are amortized over the shorter of the lease life or useful life of the asset. Repairs and maintenance which do not significantly add to the value of assets are expensed as incurred.

Rainforest Trust
Notes to the Financial Statements
December 31, 2020

k. Revenue recognition

i. Contributions

Unconditional contributions are recognized as revenue when received or promised and are recorded net of any current year allowance or discount activity. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Conditional gifts received prior to the satisfaction of conditions are recorded as refundable advances. The Organization reports gifts of cash and other assets as donor 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, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions.

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. Such allocations are determined by management on an equitable basis.

Rainforest Trust
Notes to the Financial Statements
December 31, 2020

The expenses that are allocated include the following:

| <u>Expense</u> | <u>Method of Allocation</u> |
|--|---|
| Payroll, payroll taxes and benefits | Time and effort |
| Conferences, conventions and meetings, depreciation and amortization, legal fees, postage and shipping and travel | Percentage of total direct expenses (including allocated salaries and benefits) allocated to each functional class to total expenses |
| Consultants, dues and subscriptions, insurance, licenses and fees, office supplies, rent, staff development, telephone and communication | Percentage of total compensation (including allocated salaries and benefits) allocated to each functional class to total compensation |

3. Liquidity and Availability

The following represents the Organization's financial assets at December 31:

| | |
|---|-------------------|
| Financial assets at year end: | <u>2020</u> |
| Cash and cash equivalents | \$ 54,384,608 |
| Contributions receivable | 4,006,722 |
| Notes receivable | 5,513 |
| Investments | <u>2,035,735</u> |
| Total financial assets | 60,432,578 |
| Less amounts not available within one year: | |
| Net assets with donor restrictions | <u>60,041,067</u> |
| Financial assets available to meet general expenditures within one year | <u>\$ 391,511</u> |

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The contributions model results in financial assets restricted to programmatic conservation efforts, which are managed to reflect the needs of conservation expenditures. Unrestricted cash is maintained in liquid accounts and is available to meet general operating needs. Investments, including endowment investments, are discussed in Notes 6 and 7 of this report.

4. Concentrations of Credit Risk

The Organization maintains bank deposits that, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) limits. At December 31, 2020, the Organization had bank deposits in excess of FDIC limits of \$4,659,691.

Rainforest Trust
Notes to the Financial Statements
December 31, 2020

5. Contributions Receivable

Contributions receivable consist of unconditional promises to give and are summarized as follows:

| | <u>Contributions receivable - partner commitments</u> |
|---|---|
| Unconditional promises to give expected to be collected in: | |
| Less than one year | \$ 3,197,314 |
| One to three years | <u>809,408</u> |
| Contributions receivable, net | <u>\$ 4,006,722</u> |

The Organization believes the discount to present value is not material to the accompanying financial statements and no discount has been recorded.

6. Investments and Fair Value Measurements

Investments are comprised of the following at December 31, 2020. All investments are valued as Level 1 investments.

| | <u>2020 Cost</u> | <u>2020 Fair Value</u> |
|----------------------------|----------------------|----------------------------|
| Mutual funds | \$ 21,292 | \$ 30,557 |
| Exchange-traded funds | 1,327,941 | 1,676,094 |
| Domestic equity securities | <u>191,147</u> | <u>329,084</u> |
| Total investments | <u>\$ 1,540,380</u> | <u>\$ 2,035,735</u> |

7. Sustainability Endowment

In 2014, the Organization received an investment portfolio worth \$496,743. 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 the amounts in excess of the original corpus. 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. Under USGAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Rainforest Trust
Notes to the Financial Statements
December 31, 2020

Management has interpreted Virginia's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as net assets with donor restriction, held temporarily until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted funds: (1) duration and preservation of the fund; (2) purposes of the Organization and the donor-restricted endowment fund; (3) general economic conditions; (4) possible effect of inflation and deflation; (5) expected total return from income and the appreciation or depreciation of investments; (6) other resources of the Organization; and (7) investment policies of the Organization.

Change in endowment net assets for the year ended December 31, 2020 was:

| | With Donor Restrictions |
|---|----------------------------|
| Endowment net assets, beginning of year | \$ 1,337,458 |
| Investment return | |
| Investment income | 19,266 |
| Net appreciation | 317,336 |
| Total investment return | 336,602 |
| Contributions | 35,406 |
| Endowment net assets, end of year | \$ 1,709,466 |

Rainforest Trust
Notes to the Financial Statements
December 31, 2020

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the Organization is required to retain as a fund of perpetual duration pursuant to donor stipulation or UPMIFA. Such endowments are often referred to as “underwater” endowments. Though the Organization is not required by donor-imposed restriction or law to use its unrestricted resources to restore the endowments to their historic dollar value, accounting guidance for not-for-profit organization require that such losses and subsequent gains be reflected as changes in net assets with donor restriction until the fair values again reach their historical dollar values. In accordance with USGAAP, deficiencies of this nature are reported in net assets with donor restriction. There were no such deficiencies at December 31, 2020.

The Organization follows a conservative investment policy for endowment assets that attempts to fully preserve the original corpus and optimize returns. Should significant new donations be made to the endowment assets, the Organization's investment policy would permit a strategy of long-term growth of the endowment assets. Under such a policy, the endowment assets would be invested in a manner that is intended to produce favorable results while taking a prudent approach to risk.

8. Property and Equipment, Net

The following is a summary of property and equipment held at December 31, 2020:

| | |
|---|------------------|
| Furniture and computer equipment | \$ 85,646 |
| Leasehold improvements | <u>68,954</u> |
| Property and equipment | 154,600 |
| Accumulated depreciation and amortization | <u>(92,650)</u> |
| Total property and equipment, net | <u>\$ 61,950</u> |

Rainforest Trust
Notes to the Financial Statements
December 31, 2020

9. Net Assets with Donor Restrictions

Net assets were released from donor restrictions during the year ended December 31, 2020 for the following purposes:

| | |
|--|-----------|
| Albany Adder - South Africa | \$ 21,021 |
| Amigos del Bosque - Ecuador | 243,084 |
| Anaz Guassa - Ethiopia | 19,836 |
| Anjiabe, Beantely - Madagascar | 28,724 |
| Aquasis Sao Jose - Brazil | 268,496 |
| Araucaria Forest - Brazil | 3,768 |
| Bakan - Cambodia | 30,832 |
| Barbacoas - Colombia | 1,392,287 |
| Bosque de las Nubes - Dominican Republic | 17,668 |
| Bugun - India | 17,778 |
| CEDIA - Peru | 1,580,676 |
| Cerro Chucanti - Panama | 34,454 |
| Chimpanzees Bangangai - South Sudan | 186,414 |
| Coatepec Protected Area - Mexico | 9,916 |
| Cocobolo Expansion - Panama | 363,191 |
| Conservation Action Fund (CAF) | 112,319 |
| Corcovado MPA - Costa Rica | 33,279 |
| Dinagat - Philippines | 6,578 |
| Dodo River - Costa Rica | 16,264 |
| Dumarao, Sandova Palawan, Forest Pond Turtle - Philippines | 66,800 |
| Eastern Annamites, Saving Gibbons - Vietnam | 53,457 |
| Ecominga - Ecuador | 909,263 |
| Efatsy - Madagascar | 25,245 |
| Ekolo ys Bonobo - DRC | 205,660 |
| Embera Siapiadara - Colombia | 131,010 |
| eThekwini KwaZulu, Pickergill Reed Frog - South Africa | 29,621 |
| Expanding Amay Reserve - Guatemala | 66,732 |
| FKL Kluet - Indonesia | 273,733 |
| Forest of Hope - Palau | 57,369 |
| Foya Reserve - Liberia | 164,701 |
| Francois's Langur - Vietnam | 42,815 |
| Freitas 2020 - Brazil | 236,409 |
| Gola Expansion 2019 - Liberia | 186,493 |
| Golfo Dulce - Costa Rica | 30,935 |
| Grand Bereby First Marine Protected Area - Costa Rica | 52,931 |
| Gray Billed Comet - Peru | 5,000 |
| Guardian of the Rainforest | 32,841 |
| Guimbalete - Mexico | 48,089 |
| Hirola - Kenya | 99,622 |
| Imawbum NP - Myanmar | 23,124 |
| Ivato Forest - Madagascar | 20,531 |
| Ivohibory Lost Forest PA - Madagascar | 35,474 |
| Jocotoco - Ecuador | 1,222,467 |

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Rainforest Trust
Notes to the Financial Statements
December 31, 2020

Net assets released from donor restrictions (continued)

| | |
|---|-----------|
| Kampot Karst Hill - Cambodia | 4,374 |
| Kendige-Kotebavi Wildlife Sanctuary - India | 38,780 |
| Kensad Critical Habitat - Philippines | 36,019 |
| Kenyir State Park - Malaysia | 490,769 |
| Khoun Xe Nong Ma - Laos | 263,601 |
| Kien Luong Karst - Vietnam | 1,860 |
| Kim Bang - Vietnam | 102,643 |
| Kosnipata - Peru | 44,068 |
| Kumbira Forest - Angola | 10,045 |
| La Carranchia - Colombia | 38,404 |
| Lake Nyaguo - Uganda | 43,660 |
| Laney Rickman - Bolivia | 436,247 |
| LEWA Will Craig - Kenya | 4,546,669 |
| Loango Bay MPA - Republic of the Congo | 132,039 |
| Lomphat - Cambodia | 6,000 |
| Los Santos Reyes - Bolivia | 121,217 |
| Los Tities Chamorro - Colombia | 59,469 |
| Los Tities de San Juan Reserve - Colombia | 67,878 |
| Lungba Samba CA - Nepal | 21,832 |
| Magombera - Tanzania | 45,642 |
| Mahakam River Dolphin - Indonesia | 142,364 |
| Maleo, Sulawesi - Indonesia | 47,621 |
| Marin Alton 2020 - Puerto Rico | 7,012 |
| Marine Protected Areas - Bangladesh | 135,698 |
| Marsabit Meru Corridor - Kenya | 129,901 |
| Maya Forest - Belize | 1,957 |
| Mbe Mnts CWS - Nigeria | 77,309 |
| MFCC 2019 - Madagascar | 640 |
| MFCC 2020 - Madagascar | 22,472 |
| Mnt. Manengouba - Cameroon | 109,610 |
| Mnt. Namuli, Phase II - Mozambique | 82,130 |
| Monarch Corridor - Mexico | 132,345 |
| Monte Mojino - Mexico | 2,200 |
| Morne - Haiti | 5,280 |
| Nakanacagi Bat Cave - Fiji | 46,154 |
| Nan Thar Island - Myanmar | 42,675 |
| Nantu Wildlife Sanctuary - Indonesia | 213,198 |
| Njoagqi, Bagwa Mbo, Mak-Betchou ERDF - Cameroon | 9,829 |
| Numbala Cloud Forest Reserve - Ecuador | 226,105 |
| OBO NP Buffer Zone - Sao Tome | 55,100 |
| Oku Comm. Res. - DRC | 354,059 |
| Onepone 2019 - Ghana | 122,784 |
| Orangutang, Hutan, Danum - Malaysia | 61,600 |
| Other Restricted | (5,371) |
| Other Restricted - COVID 19 | 301,913 |
| Pak Thale Spoonbilled Sandpipers - Thailand | 13,942 |
| Pampa del Burro - Peru | 48,626 |

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Rainforest Trust
Notes to the Financial Statements
December 31, 2020

Net assets released from donor restrictions (continued)

| | |
|--|----------------------|
| Papung Snow Leopards - Nepal | 2 |
| Plateau Bateke National Park - Gabon | 46,844 |
| Prachitgad AERF - India | 31,446 |
| ProAves - Colombia | 271,066 |
| Red Panda PCF - Nepal | 17,778 |
| REGUA - Brazil | 247,362 |
| Rungan River Peat Swamp Forest - Indonesia | 108,869 |
| Sabah Northern Borneo PA - Malaysia | 84,204 |
| Salina Reserve - Cayman Islands | 6,731 |
| San Luis Philippine Eagle - Philippines | 53,988 |
| Sarah Baru 2020 - Indonesia | 181,755 |
| Selva de Ventanas - Colombia | 35,321 |
| Selva Maya - Guatemala | 168,960 |
| Sumac Mayu Expansion 2020 - Ecuador | 67,260 |
| Serra Bonita 2020 - Brazil | 18,360 |
| Soutpansberg Mnt - South Africa | 59,278 |
| Spix's Macaw - Brazil | 200,179 |
| Sre Ambel - Cambodia | 58,720 |
| Sustainability funds | 1,527 |
| Taita Apalis - Kenya | 20,906 |
| Tam My Tay - Vietnam | 11,423 |
| Techiman, Tanoso - Ghana | 6,000 |
| Tecpan de Galeana - Mexico | 5,785 |
| Thoniê - New Caledonia | 51,530 |
| TMJ Rhododendron - Nepal | 125,428 |
| Tofala Hill - Cameroon | 10,989 |
| Tree Kangaroo - Papua New Guinea | 93,968 |
| Tsinjoarivo - Madagascar | 139,049 |
| Ulpiano Casal Palm Rainforests - Puerto Rico | 5,622 |
| Valle Tranquilo - Mexico | 415,494 |
| West Java Protected Area Network - Indonesia | 131,673 |
| Yalbac / Laguna Seca - Belize | 10,083,291 |
| Zalon-Tuang - Myanmar | <u>76,116</u> |
| Total net assets released from restrictions | <u>\$ 30,142,200</u> |

At December 31, 2020, net assets with donor restrictions were available for the following programs:

| | |
|---|-----------|
| African Parks - Chad | \$ 16,444 |
| Alan'Ankafobe - Madagascar | 3,412 |
| Albany Adder - South Africa | 127,588 |
| Amathole Eastern Highlands - South Africa | 17,842 |
| Amigos del Bosque - Ecuador | 69,019 |
| Anaz Guassa - Ethiopia | 138,820 |
| Anjiabe - Madagascar | 399,937 |
| Aquasis Sao Jose - Brazil | 600 |

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Rainforest Trust
Notes to the Financial Statements
December 31, 2020

Net assets with donor restrictions available (continued)

| | |
|---|-----------|
| Araucaria Forest - Brazil | 330,093 |
| Atewa - Ghana | 22,222 |
| Bakan - Cambodia | 325,830 |
| Balanga - DRC | 200,242 |
| Barbacoas - Colombia | 38,895 |
| Bigal Biological Reserve - Ecuador | 181 |
| Bosque de las Nubes - Dominican Republic | 165,986 |
| Bugun - India | 88,090 |
| Bukit - Indonesia | 324,845 |
| CEDIA - Peru | 2,328,161 |
| Cerro Amay - Guatemala | 200,000 |
| Cerro Chucanti - Panama | 139,050 |
| Chimpanzees Bangangai - South Sudan | 192,705 |
| Coatepec Protected Area - Mexico | 35,275 |
| Cocobolo Expansion - Panama | 153 |
| Conservation Action Fund (CAF) | 9,265,960 |
| Corcovado MPA - Costa Rica | 363,650 |
| Djeke Triangle - DRC | 328,794 |
| Dodo River - Costa Rica | 97,582 |
| Dumarao, Sandova Palawan - Philippines | 40,370 |
| Eastern Annamites - Saving Gibbons - Vietnam | 104,023 |
| Ecominga - Ecuador | 80,726 |
| Efatsy - Madagascar | 325,633 |
| Ekolo ys Bonobo - DRC | 147,243 |
| Embera Siapiadara - Colombia | 143,915 |
| Expanding Amay Reserve - Guatemala | 3,195,639 |
| FKL Kluet - Indonesia | 467,889 |
| Forest of Hope - Palau | 66,422 |
| Foya Reserve - Liberia | 1,243,527 |
| Francois's Langur - Vietnam | 43,681 |
| Freitas - Brazil | 636,149 |
| Geometric Tortoise - South Africa | 146,054 |
| Gola Expansion - Liberia | 683,474 |
| Golfo Dulce - Costa Rica | 114,513 |
| Grand Bereby First Marine Protected Area - Costa Rica | 564,066 |
| Guardian of the Rainforest | 287,856 |
| Hirola - Kenya | 44,078 |
| Imawbum NP - Myanmar | 70,307 |
| Ivato - Madagascar | 231,057 |
| Ivohibory Lost Forest PA - Madagascar | 460,269 |
| Jocotoco - Ecuador | 6,973,351 |
| Kampot Karst Hill - Cambodia | 76,457 |
| Kendige, Kotebavi Wildlife Sanctuary - India | 57,535 |
| Kensad Critical Habitat - Philippines | 264,793 |
| Kenyir State Park - Malaysia | 316,415 |
| Khoun Xe Nong Ma - Laos | 1,380,556 |
| Kien Luong Karst - Vietnam | 6,193 |

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Rainforest Trust
Notes to the Financial Statements
December 31, 2020

Net assets with donor restrictions available (continued)

| | |
|---|-----------|
| Kim Bang - Vietnam | 201,973 |
| Kolombangara Forest National Park - Solomon Islands | 371,494 |
| Kosnipata - Peru | 141,202 |
| Kumbira Forest - Angola | 192,326 |
| La Carranchia - Colombia | 1,137 |
| Lake Nyaguo - Uganda | 68,654 |
| Laney Rickman - Bolivia | 541,475 |
| Lewa Will Craig - Kenya | 464,777 |
| Loango Bay MPA - DRC | 454,073 |
| Los Tities Chamorro - Colombia | 30,283 |
| Los Tities de San Juan Reserve - Colombia | 158,648 |
| Lungba Samba CA - Nepal | 24,267 |
| Magombera - Tanzania | 147,356 |
| Mahakam River Dolphin - Indonesia | 58,650 |
| Mahamyaing WS FOW - Myanmar | 54,822 |
| Maleo, Sulawesi - Indonesia | 13,889 |
| Mangabe - Madagascar | 1,641 |
| Marin Alton - Puerto Rico | 66,013 |
| Marine Protected Areas - Bangladesh | 269,206 |
| Marsabit Meru Corridor - Kenya | 1,766,810 |
| Maya Forest - Belize | 4,825,209 |
| Mbe Mnts CWS - Nigeria | 155,853 |
| Mnt. Manengouba - Cameroon | 70,999 |
| Mnt. Namuli, Phase II - Mozambique | 8,860 |
| Monarch Corridor - Mexico | 453,388 |
| Mono Tocon, TiTi Moneky - Peru | 8,157 |
| Nakanacagi Bat Cave - Fiji | 86,802 |
| Nan Thar Island - Myanmar | 206,314 |
| Nantu Wildlife Sanctuary - Indonesia | 332,388 |
| Njoagqi, Bagwa Mbo,/ Mak-Betchou ERDF - Cameroon | 265,898 |
| Numbala Cloud Forest Reserve - Ecuador | 38,385 |
| OBO NP Buffer Zone - Sao Tome | 96,456 |
| Oku Comm. Res. - DRC | 422,579 |
| Other Restricted | 3,998,784 |
| Other Restricted - COVID 19 | 129,426 |
| Pampa del Burro - Peru | 31,889 |
| Papung Snow Leopards - Nepal | 120,841 |
| Plateau Bateke National Park - Gabon | 614,587 |
| Prachitgad (AERF) - India | 29,400 |
| ProAves - Colombia | 181,000 |
| REGUA - Brazil | 151,122 |
| Red Panda PCF - Nepal | 34,111 |
| Regalo de Dios - Mexico | 15,589 |
| Rungan River Peat Swamp Forest - Indonesia | 313,609 |
| Sabah Northern Borneo PA - Malaysia | 85,160 |
| Sarah Baru - Indonesia | 1,716,021 |
| Selva Maya - Guatemala | 306,976 |

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Rainforest Trust
Notes to the Financial Statements
December 31, 2020

Net assets with donor restrictions available (continued)

| | |
|--|----------------------|
| Selva de Ventanas - Colombia | 24,896 |
| Serra Bonita - Brazil | 197,848 |
| Sierra Santa Cruz - Guatemala | 11,934 |
| Spix's Macaw - Brazil | 634,019 |
| Sre Ambel - Cambodia | 226,197 |
| Sustainability Funds | 2,077,395 |
| TMJ Rhoddodendron - Nepal | 597,003 |
| Taita Apalis - Kenya | 158,732 |
| Tanoe - Costa Rica | 14,513 |
| Teanu & Tinakula - Solomon Islands | 2,856 |
| Tecpan de Galeana - Mexico | 1,509 |
| Thoniê - New Calidonia | 595,751 |
| Tofala Hills - Cameroon | 25,874 |
| Tree Kangaroo - Papua New Guinea | 1,177 |
| Tsinjoarivo - Madagascar | 554,177 |
| Ulpiano Casal Palm Rainforests - Puerto Rico | 2,614 |
| Valle Tranquilo - Mexico | 1,135,300 |
| West Java Protected Area Network - Indonesia | 311,575 |
| Yalbac / Laguna Seca - Belize | 239,713 |
| Zalon-Tuang - Myanmar | <u>105,918</u> |
| Total net assets with donor restrictions | <u>\$ 60,041,067</u> |

10. Related Party Transactions

The Organization received total contributions from board members of \$2,377,157 for the year ended December 31, 2020.

11. Concentrations of Revenue Risk

During the year ended December 31, 2020, the Organization received \$4,100,482 from one donor which is approximately 15% of its total revenue and support. Any significant reduction in revenue and support may adversely impact the Organization financial position and operations.

Rainforest Trust
Notes to the Financial Statements
December 31, 2020

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. For the year ended December 31, 2020, retirement plan expense was \$55,655.

13. Commitments and Contingency

Operating leases

In April 2019, the Organization entered into an agreement to lease office space in Vint Hill, Virginia. The lease commenced on June 15, 2019 and expires on June 30, 2021, with a base monthly payment of \$18,286. For the year ended December 31, 2020, lease expense was \$217,290.

On January 1, 2019, the Organization implemented early adoption of ASU 2016-02, *Leases* (Topic 842), which changes the accounting treatment for operating leases by recognizing a right-of-use asset and lease liability at the present value of the total payments over the life of the lease. The discount rate used to obtain the present value of the lease payments was the incremental borrowing rate at the lease date. The discount on those amounts expected to be collected in more than one year was determined to be immaterial to the financial statements and accordingly no adjustment has been made to reflect the discount.

Aggregate future minimum lease payments are \$113,010 for the year ending December 31, 2021.

Contingency

Beginning around March 2020, the COVID-19 virus was declared a global pandemic as it continues to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. The Company expects that it is reasonably possible that this matter will negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time. No adjustments have been made to these financial statements as a result of this uncertainty.

Rainforest Trust
Notes to the Financial Statements
December 31, 2020

14. Paycheck Protection Program Loan

The Organization was approved for a loan on April 23, 2020 under this program in the amount of \$547,400. On November 25, 2020 loan forgiveness requirements were partially met and the organization received loan forgiveness in the amount of \$505,438. The forgiven balance of the loan is included as revenue in the accompanying statement of activities. The unforgiven balance of the loan is included in the accompanying statement of financial position as a note payable and was paid on February 2021.

15. Subsequent Events

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 25, 2021, which is the date the financial statements were available to be issued. Except as noted below, there were no additional subsequent events that require recognition or disclosure in these financial statements.

In June 2021, the Organization signed the first amendment for the lease in Vint Hill, Virginia. The lease became effective July 2021 and has a base monthly rent of \$8,860 with a 3% annual increase. The amendment extends the lease through June 2023. The Organization has the option to extend the lease for an additional year.