



*Rainforest Trust*

Financial Statements  
and  
Independent Auditor's Report

December 31, 2021



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## Independent Auditor's Report

To the Board of Directors  
Rainforest Trust  
Vint Hill, Virginia

### Opinion

We have audited the accompanying financial statements of Rainforest Trust (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rainforest Trust as of December 31, 2021, 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.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rainforest Trust and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rainforest Trust's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Rainforest Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rainforest Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Sikich LLP*

Alexandria, Virginia  
May 23, 2022

**Rainforest Trust**  
**Statement of Financial Position**  
**December 31, 2021**

**Assets**

Current assets:

Cash and cash equivalents	\$ 94,055,112
Contributions receivable	3,319,179
Notes receivable	1,395
Investments	367,209
Prepaid expenses	<u>61,137</u>

Total current assets 97,804,032

Contributions receivable, non-current	1,793,699
Investments, Sustainability Fund	1,915,080
Property and equipment, net	199,107
Right-of-use asset for operating lease, net	161,581
Right-of-use asset for financing lease, net	<u>12,772</u>

Total assets \$ 101,886,271

**Liabilities and Net Assets**

Current liabilities:

Accounts payable and accrued expenses	\$ 373,676
Lease liability for operating lease	107,658
Lease liability for financing lease	<u>4,226</u>

Total current liabilities 485,560

Lease liability for operating lease, non-current	54,720
Lease liability for financing lease, non-current	<u>8,300</u>

Total liabilities 548,580

Net assets:

Without donor restrictions	3,168,738
With donor restrictions	<u>98,168,953</u>

Total net assets 101,337,691

Total liabilities and net assets \$ 101,886,271

**Rainforest Trust**  
**Statement of Activities**  
**For the Year Ended December 31, 2021**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenues:			
Contributions	\$ 2,810,695	\$ 67,245,511	\$ 70,056,206
Investment income, net	301,207	201,529	502,736
In-kind contributions	16,200	-	16,200
Other income	2,224	-	2,224
Net assets released from restrictions:			
Satisfaction of donor restrictions	<u>29,319,154</u>	<u>(29,319,154)</u>	<u>-</u>
Total revenues	<u>32,449,480</u>	<u>38,127,886</u>	<u>70,577,366</u>
Expenses:			
Program services:			
World Land and Biodiversity Conservation	<u>27,687,076</u>	<u>-</u>	<u>27,687,076</u>
Support services:			
Fundraising	1,522,017	-	1,522,017
General and administrative	<u>398,849</u>	<u>-</u>	<u>398,849</u>
Total support services	<u>1,920,866</u>	<u>-</u>	<u>1,920,866</u>
Total expenses	<u>29,607,942</u>	<u>-</u>	<u>29,607,942</u>
Change in net assets	2,841,538	38,127,886	40,969,424
Net assets, beginning of year	<u>327,200</u>	<u>60,041,067</u>	<u>60,368,267</u>
Net assets, end of year	<u>\$ 3,168,738</u>	<u>\$ 98,168,953</u>	<u>\$ 101,337,691</u>

See accompanying notes to the financial statements.

**Rainforest Trust**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2021**

	World Land and Biodiversity Conservation	Fundraising	General and administrative	Total support services	Total expenses
Partnership grant distributions	\$ 25,447,334	\$ -	\$ -	\$ -	\$ 25,447,334
Payroll, payroll taxes and benefits	1,530,720	1,110,354	299,694	1,410,048	2,940,768
Advertising and promotional	35,360	238,072	7	238,079	273,439
License and fees	189,768	21,857	26,691	48,548	238,316
IT services and equipment	89,045	90,766	5,590	96,356	185,401
Professional fees	102,031	5,144	62,495	67,639	169,670
Occupancy and insurance	158,486	8,705	2,281	10,986	169,472
Supplies, postage and telephone	32,818	15,387	1,350	16,737	49,555
Printing	18,587	23,074	-	23,074	41,661
Depreciation and amortization	36,226	1,997	524	2,521	38,747
Conference registration	19,030	-	-	-	19,030
Travel	13,752	4,990	17	5,007	18,759
Staff development	9,462	522	137	659	10,121
Meals and entertainment	4,457	1,149	63	1,212	5,669
<b>Total expenses</b>	<b><u>\$ 27,687,076</u></b>	<b><u>\$ 1,522,017</u></b>	<b><u>\$ 398,849</u></b>	<b><u>\$ 1,920,866</u></b>	<b><u>\$ 29,607,942</u></b>

See accompanying notes to the financial statements

**Rainforest Trust**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2021**

Cash flows from operating activities:	
Change in net assets	\$ <u>40,969,424</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	38,747
Right-of-use asset amortization for financing lease	751
Right-of-use asset amortization for operating lease	164,433
Realized gain on investments	(105,577)
Unrealized gain on investments	(79,434)
Noncash contributions of securities	(39,875,879)
Proceeds from sales of contributed securities	43,005,379
Decrease (increase) in assets:	
Contributions receivable	(1,106,156)
Prepaid expenses	12,678
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	217,208
Lease liability for operating lease	<u>(165,282)</u>
Total adjustments	<u>2,106,868</u>
Net cash provided by operating activities	<u>43,076,292</u>
Cash flows from investing activities:	
Proceeds from sales of investments	1,544,570
Purchases of property and equipment	(175,904)
Purchases of investments	(1,738,075)
Payments of note receivable	<u>4,118</u>
Net cash provided by investing activities	<u>(365,291)</u>
Cash flows from financing activities:	
Payment of PPP loan payable	(41,962)
Principal payment on lease liability for financing lease	<u>(997)</u>
Net cash used in financing activities	<u>(42,959)</u>
Net increase in cash and cash equivalents	42,668,042
Cash and cash equivalents, beginning of year	<u>51,387,070</u>
Cash and cash equivalents, end of year	<u>\$ <u>94,055,112</u></u>

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**Rainforest Trust**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2021**

	<u>2021</u>
Non-cash transactions:	
Right-of-use asset obtained in exchange for new financing lease liability	\$ <u>13,523</u>
Right-of-use asset obtained in exchange for new operating lease liability	\$ <u>215,359</u>

See accompanying notes to the financial statements.

**Rainforest Trust**  
**Notes to the Financial Statements**  
**December 31, 2021**

**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 focuses on the creation and expansion of protected areas in the tropics and subtropics with local partners and communities through three mechanisms: establishment of government parks and protected areas, purchase of land and establishment of private reserves, and land titling and other mechanisms for delivering Indigenous and local community ownership and management.

**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 (US GAAP) 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, whereby the donor has stipulated the funds be maintained in perpetuity.

**b. Basis of accounting**

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

**Rainforest Trust**  
**Notes to the Financial Statements**  
**December 31, 2021**

**c.** Use of estimates

The preparation of financial statements in conformity with US GAAP 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

US GAAP establishes a framework for measuring fair value. That framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. US GAAP 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, 2021.

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

**Rainforest Trust**  
**Notes to the Financial Statements**  
**December 31, 2021**

**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, 2021, all accounts and notes receivable are fully collectible, therefore, no allowance for doubtful accounts has been recognized. However, actual writeoffs may occur.

**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, 2021, all contributions receivable are fully collectible, therefore, no allowance for doubtful accounts has been recognized. However, actual writeoffs may occur.

**Rainforest Trust**  
**Notes to the Financial Statements**  
**December 31, 2021**

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. The Organization follows a practice of capitalizing property and equipment with a cost of over \$1,000 and an estimated useful life of more than one year. Depreciation and amortization expense is computed using the straight-line method over the estimated useful lives of the assets, ranging from 5 to 7 years for furniture and 3 to 5 years for computer equipment. Leasehold improvements are amortized over the shorter of the lease life or useful life of the asset, which is 2 years. Repairs and maintenance which do not significantly add to the value of assets are expensed as incurred.

k. Revenue recognition

*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.

**Rainforest Trust**  
**Notes to the Financial Statements**  
**December 31, 2021**

*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.

I. 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.

The following summarizes the allocation methodology for 2021:

<u>Expense</u>	<u>Method of Allocation</u>
Payroll, payroll taxes and benefits	Estimated time and effort allocation by role
Partnership grant disbursements, advertising and promotional, licenses and fees, IT services and equipment, professional fees, printing, conference registration, travel, staff development, meals and entertainment	Direct charge to the cost center benefiting from the expense
Shared IT services and equipment, occupancy and insurance, depreciation and amortization, supplies, postage and telephone.	Allocated based on percentage of non-personnel expenses charged to each functional class relative to total non-personnel expenses

**Rainforest Trust**  
**Notes to the Financial Statements**  
**December 31, 2021**

**3. Liquidity and Availability**

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

	2021
Financial assets at year end:	
Cash and cash equivalents	\$ 94,055,112
Contributions receivable	5,112,878
Notes receivable	1,395
Investments	2,282,289
Total financial assets	101,451,674
Less amounts not available for unrestricted purposes within one year:	
Net assets with donor restrictions	98,168,952
Financial assets available to meet general expenditures within one year	\$ 3,282,722

Most of the Organization's financial assets are restricted for conservation projects that span multiple years. Donations are solicited at the launch of each project to assure that the financial commitment contracted with the implementing partner can be met. Funds are then disbursed to the partner as milestones are met through the life of the project. Thus, significant financial assets are held on the statement of financial position during project implementation. Seasonal variability in contributions can also lead to higher balances during peak giving periods. The Organization structures its financial assets to be available as its conservation partner payments, general expenditures, liabilities, and other obligations become due. 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, 2021, the Organization had bank deposits in excess of FDIC limits of \$93,580,727. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

**Rainforest Trust**  
**Notes to the Financial Statements**  
**December 31, 2021**

**5. Contributions Receivable**

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

Unconditional promises to give expected to be collected in:	Contributions receivable - partner commitments	Contributions receivable - other	Total
Less than one year	\$ 2,473,004	\$ 846,175	\$ 3,319,179
One to three years	<u>1,793,699</u>	<u>-</u>	<u>1,793,699</u>
Contributions receivable, net	<u>\$ 4,266,703</u>	<u>\$ 846,175</u>	<u>\$ 5,112,878</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**

Assets measured at fair value on a recurring basis at December 31, 2021 are as follows:

Assets:	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 342,569	\$ -	\$ -	\$ 342,569
Exchange-traded funds	1,527,080	-	-	1,527,080
Common stock	<u>6,161</u>	<u>-</u>	<u>-</u>	<u>6,161</u>
Total assets	<u>\$ 1,875,810</u>	<u>\$ -</u>	<u>\$ -</u>	1,875,810
Cash, reported at cost				<u>406,479</u>
Total investments				<u>\$ 2,282,289</u>

**Rainforest Trust**  
**Notes to the Financial Statements**  
**December 31, 2021**

**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 reached \$1.4 million dollars, or after five years, whichever came first, the Organization was able to 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. Recipients of the disbursements will be deemed by the board to be responsible stewards of the land and funds, and financially sound and sustainable. Under US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Management has interpreted the 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.

**Rainforest Trust**  
**Notes to the Financial Statements**  
**December 31, 2021**

Change in endowment net assets for the year ended December 31, 2021 was:

	With donor restrictions - held for time or purpose	With donor restrictions - held in perpetuity	Total
Endowment net assets, beginning of year	\$ 1,064,466	\$ 645,000	\$ 1,709,466
Investment return	-	-	-
Investment income	24,849	-	24,849
Net appreciation	176,680	-	176,680
Total investment return	201,529	-	201,529
Contributions	<u>4,085</u>	<u>-</u>	<u>4,085</u>
Endowment net assets, end of year	<u>\$ 1,270,080</u>	<u>\$ 645,000</u>	<u>\$ 1,915,080</u>

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 US GAAP, deficiencies of this nature are reported in net assets with donor restriction. There were no such deficiencies at December 31, 2021.

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.

**Rainforest Trust**  
**Notes to the Financial Statements**  
**December 31, 2021**

**8. Property and Equipment, Net**

The following is a summary of property and equipment held at December 31, 2021:

Furniture and computer equipment	\$ 261,551
Leasehold improvements	<u>68,954</u>
Property and equipment	330,505
Accumulated depreciation and amortization	<u>(131,398)</u>
Total property and equipment, net	<u>\$ 199,107</u>

**9. Net Assets with Donor Restrictions**

At December 31, 2021, net assets with donor restrictions were available for the following programs:

Pooled Funds for conservation projects that will be allocated to multiple countries and regions:

Conservation Action Fund	\$ 12,074,634
Rainforest Climate Action Fund	1,794,093
Sustainability Fund	<u>1,915,080</u>
Subtotal	15,783,807

Pooled Funds for specific purposes within multiple countries and regions:

Guardians of the Rainforest	415,728
COVID - 19	<u>35,814</u>
Subtotal	451,542

Project Funds specific to the following countries and regions:

Andes-Amazon	14,723,239
Angola	192,326
Bangladesh	133,351
Bolivia	2,962,329
Brazil	2,622,652
Cambodia	528,256
Cameroon	298,623
Central African Republic	6,887,011
Colombia	629,810
Congo Basin	4,907,746
Costa Rica	416,715
Cote d'Ivoire	503,396
Democratic Republic of Congo	1,823,899
Dominican Republic	295,505
Ecuador	10,004,753
Ethiopia	111,148
Fiji	86,802

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**Rainforest Trust**  
**Notes to the Financial Statements**  
**December 31, 2021**

Project Funds specific to the following countries and regions (continued):

Gabon	551,471
Ghana	22,222
Guatemala	2,898,092
India	122,205
Indonesia	7,075,851
Kenya	5,460,189
Laos	1,180,084
Liberia	2,159,872
Madagascar	1,598,855
Malaysia	305,283
Mexico	1,486,339
Mozambique	3,153,456
Multi-Regional Feasibility Studies	100,919
Multi-Regional Projects	403,517
Myanmar	352,427
Nepal	558,707
New Caledonia	551,795
Nigeria	293,123
Panama	109,900
Peru	3,089,326
Philippines	244,648
Puerto Rico	69,673
Republic of the Congo	937,286
Sao Tome and Principe	68,900
Solomon Islands	285,075
South Africa	674,030
South Sudan	89,738
Tanzania	276,633
Thailand	361,094
Uganda	42,965
Vietnam	<u>282,367</u>
Subtotal	<u>81,933,603</u>
Total net assets with donor restrictions	<u>\$ 98,168,952</u>

**10. Related Party Transactions**

In 2017, the Organization entered into a brand sharing and license agreement with Rainforest Trust UK. Rainforest Trust UK is a separately incorporated and governed Charitable Incorporated Organization registered in England and Wales. The agreement permits Rainforest Trust UK to use the Organization's brand documentation, licensed marks, license territory and marks with the review and approval of the Organization. There is no financial consideration associated with the agreement. Currently, one staff member of the Organization is a Board member of Rainforest Trust UK. The Organization received total contributions from Rainforest Trust UK of \$2,591,944 for the year ended December 31, 2021.

**Rainforest Trust**  
**Notes to the Financial Statements**  
**December 31, 2021**

The Organization received total contributions from board members of \$3,692,896 for the year ended December 31, 2021.

**11. Concentrations of Revenue Risk**

During the year ended December 31, 2021, the Organization received \$41,388,585 from two donors which is approximately 58% of its total revenue and support. Any significant reduction in revenue and support may adversely impact the Organization financial position and operations.

**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, 2021, retirement plan expense was \$144,233.

**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 expired on June 30, 2021, with a base monthly payment of \$18,286. In June 2021, the Organization signed the first amendment effective July 2021 with a base monthly rent of \$8,860 and 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, which was not considered when assessing the value of the right-of-use asset because the Organization is not yet reasonably certain that it will exercise its option to renew. The lease asset and liability were calculated utilizing the risk-free discount rate (.23%).

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

2022	\$ 107,919
2023	<u>54,757</u>
Total	162,676
Interest accretion	<u>(298)</u>
Present value of operating lease liability	<u>\$ 162,378</u>

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The following summarizes the line items in the statement of financial position which include amounts for operating leases as of December 31:

	2021
Operating lease right-of-use asset	\$ <u>161,581</u>
Operating lease liability, current	\$ 107,658
Operating lease liability, non-current	<u>54,720</u>
Total operating lease liabilities	\$ <u>162,378</u>

Operating lease expense, included in the statement of activities, for the year ended December 31, 2021 was \$145,393. Cash paid for amounts included in the measurement of lease liabilities included in operating cash flows on the statement of cash flows for the year ended December 31, 2021 was \$146,708.

Financing leases

In November 2021, the Organization entered into an agreement to lease a copier for three years. The lease commenced on November 10, 2021, with a base monthly payment of \$380. The lease asset and liability were calculated utilizing the risk-free discount rate (.83%).

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

2022	\$ 4,561
2023	4,561
2024	<u>3,801</u>
Total	12,923
Interest	<u>(367)</u>
Present value of financing lease liability	\$ <u>12,556</u>

The following summarizes the line items in the statement of financial position which include amounts for financing leases as of December 31:

	2021
Financing lease right-of-use asset	\$ <u>12,772</u>
Financing lease liability, current	\$ 4,226
Financing lease liability, non-current	<u>8,300</u>
Total financing lease liabilities	\$ <u>12,526</u>

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Financing lease amortization expense, included in program services in the accompanying statement of activities, for the year ended December 31, 2021 was \$751. Cash paid for amounts included in the measurement of lease liabilities included in operating cash flows on the statement of cash flows for the year ended December 31, 2021 was \$1,006, which includes \$9 of interest expense.

Weighted Average Remaining Lease Term	<u>2021</u>
Operating lease	1.5 years
Financing lease	2.8 years
Weighted Average Discount Rate	
Operating lease	0.23%
Financing lease	0.83%

**14. Subsequent Events**

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 23, 2022, which is the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in these financial statements.