

RAINFOREST FOUNDATION, INC.

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2022 AND 2021

RAINFOREST FOUNDATION, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Rainforest Foundation, Inc.

Opinion

We have audited the accompanying financial statements of Rainforest Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years 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 Foundation, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rainforest Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 Foundation, Inc.'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 Foundation, Inc.'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.

Lutz + Carr, LLP

New York, New York
July 31, 2023

RAINFOREST FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash (Note 11a)	\$ 6,493,272	\$4,308,129
Investments (Notes 1c, 1d and 4)	112,494	59,105
Unconditional promises to give (Notes 1e and 5)		
Without donor restrictions	1,345,453	861,444
With donor restrictions	932,032	678,074
Prepaid expenses and other assets	57,919	7,274
Digital assets (Note 1f)	1,141	11,099
Operating lease right-of-use asset (Notes 1g and 6)	1,307,166	-
Property and equipment, at cost, net of accumulated depreciation and amortization (Notes 1h and 8)	43,904	48,474
Security deposit	<u>26,355</u>	<u>5,200</u>
Total Assets	<u><u>\$10,319,736</u></u>	<u><u>\$5,978,799</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 318,001	\$ 79,806
Grants payable (Note 1i)	941,483	385,851
Operating lease liability (Notes 1g and 6)	<u>1,312,311</u>	<u>-</u>
Total Liabilities	<u>2,571,795</u>	<u>465,657</u>
Contingency (Note 10)		
Net Assets		
Without donor restrictions	5,692,218	4,084,767
With donor restrictions (Note 3)	<u>2,055,723</u>	<u>1,428,375</u>
Total Net Assets	<u>7,747,941</u>	<u>5,513,142</u>
Total Liabilities and Net Assets	<u><u>\$10,319,736</u></u>	<u><u>\$5,978,799</u></u>

See notes to financial statements.

RAINFOREST FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Changes in Net Assets Without Restrictions		
Revenue and Support		
Government grants (Note 7)	\$ 1,075,986	\$ 921,249
Contributions (Note 11b)	7,936,352	4,670,033
Special events income	61,616	-
Less: Expenses directly benefiting contributions	(18,207)	-
Donated facilities (Note 9)	-	18,000
Realized gain on sale of digital assets	57,616	32,244
Net investment loss (Note 4)	(5,539)	(2,192)
Miscellaneous income	118	5,704
	<u>9,107,942</u>	<u>5,645,038</u>
Net assets released from restrictions		
Satisfaction of program restrictions	<u>1,302,033</u>	<u>1,499,305</u>
Total Revenue and Support	<u>10,409,975</u>	<u>7,144,343</u>
Expenses		
Program Services	<u>7,455,885</u>	<u>4,002,130</u>
Supporting Services		
Management and general	624,961	362,227
Fundraising	<u>721,678</u>	<u>462,616</u>
Total Supporting Services	<u>1,346,639</u>	<u>824,843</u>
Total Expenses	<u>8,802,524</u>	<u>4,826,973</u>
Increase in Net Assets Without Donor Restrictions	<u>1,607,451</u>	<u>2,317,370</u>
Changes in Net Assets With Restrictions		
Government grants (Note 7)	177,868	149,028
Contributions	1,877,556	1,343,109
Net assets released from restrictions	(1,302,033)	(1,499,305)
Foreign currency exchange loss	<u>(126,043)</u>	<u>-</u>
Increase (Decrease) in Net Assets With Donor Restrictions	<u>627,348</u>	<u>(7,168)</u>
Increase in net assets	2,234,799	2,310,202
Net assets, beginning of year	<u>5,513,142</u>	<u>3,202,940</u>
Net Assets, End of Year	<u><u>\$ 7,747,941</u></u>	<u><u>\$5,513,142</u></u>

See notes to financial statements.

RAINFOREST FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021				
	Program Services	Supporting Services		Program Services	Supporting Services			
		Management and General	Fundraising	Total Expenses		Management and General	Fundraising	Total Expenses
Salaries	\$ 848,055	\$ 285,666	\$ 448,940	\$1,582,661	\$ 719,303	\$ 132,999	\$ 269,589	\$1,121,891
Payroll taxes and employee benefits	227,715	56,762	51,961	336,438	199,752	72,146	40,129	312,027
Grants	3,647,180	-	-	3,647,180	1,676,756	-	-	1,676,756
Professional fees	72,387	87,974	61,870	222,231	115,007	92,256	30,907	238,170
Program expenses	1,171,337	-	-	1,171,337	712,923	-	-	712,923
Information technology	12,576	39,157	27,944	79,677	8,538	6,591	28,116	43,245
Printing and copying	6,052	2,041	23,353	31,446	14,718	34	14,704	29,456
Office expense	190,658	85,036	13,198	288,892	102,155	31,352	23,283	156,790
Supplies	40,766	10,253	2,062	53,081	58,421	2,367	862	61,650
Occupancy	58,604	20,453	49,032	128,089	49,212	12,166	35,262	96,640
Insurance	3,232	14,468	63	17,763	-	4,793	-	4,793
Advertising and communications	97,454	-	23,408	120,862	10,984	-	18,783	29,767
Travel	1,079,869	19,979	19,847	1,119,695	334,361	5,876	981	341,218
Total expenses before depreciation and amortization	7,455,885	621,789	721,678	8,799,352	4,002,130	360,580	462,616	4,825,326
Depreciation and amortization	-	3,172	-	3,172	-	1,647	-	1,647
Total Expenses	\$7,455,885	\$ 624,961	\$ 721,678	\$8,802,524	\$4,002,130	\$ 362,227	\$ 462,616	\$4,826,973

See notes to financial statements.

RAINFORREST FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Increase in net assets	\$2,234,799	\$2,310,202
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Non-cash operating lease expense	28,109	-
Depreciation and amortization	3,172	1,647
Loss on disposal of property and equipment	36,778	-
Donated securities	(55,187)	(127,081)
Donated digital assets	(765,552)	(358,537)
Realized (gain) loss on investments	5,545	2,253
Realized gain on sale of digital assets	(57,616)	(32,244)
(Increase) decrease in:		
Unconditional promises to give	(737,967)	(851,090)
Prepaid expenses and other assets	(50,645)	8,793
Security deposit	(21,155)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	238,195	(48,803)
Grants payable	555,632	(361,459)
Operating lease liability	(22,964)	-
Net Cash Provided By Operating Activities	<u>1,391,144</u>	<u>543,681</u>
Cash Flows From Investing Activities		
Purchase of investments	(45,039)	-
Proceeds from sales of investments	41,292	130,572
Proceeds from sale of digital assets	833,126	379,682
Purchase of property and equipment	(35,380)	(49,726)
Net Cash Provided By Investing Activities	<u>793,999</u>	<u>460,528</u>
Net increase in cash	2,185,143	1,004,209
Cash, beginning of year	<u>4,308,129</u>	<u>3,303,920</u>
Cash, End of Year	<u><u>\$6,493,272</u></u>	<u><u>\$4,308,129</u></u>
Supplemental Disclosure of Noncash Investing Activities		
Operating lease right-of-use asset obtained in exchange for operating lease liability	<u>\$ 1,335,275</u>	<u>\$ -</u>

See notes to financial statements.

RAINFOREST FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

Rainforest Foundation, Inc. (the "Organization") was incorporated in 1988 in accordance with State of California Not-For-Profit Corporation Law. The mission of the Organization is to support indigenous people and traditional populations of the rainforest in their efforts to protect their environment and fulfill their rights.

The Organization assists them in securing and controlling the natural resources necessary for their long-term well-being and managing these resources in ways which do not harm their environment, violate their culture or compromise their future. The Organization also assists in developing the means to protect their individual and collective rights and obtain, shape and control basic services.

b - Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.

Net Assets With Donor Restrictions

Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

c - Investments

The Organization reflects investments at fair value in the statement of financial position. Investment income, including unrealized gains and losses on investments, are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

RAINFOREST FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

d - Fair Value Measurements

Generally accepted accounting principles establish a fair value measurement hierarchy that prioritizes the inputs to valuation techniques. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs consist of unobservable inputs and have the lowest priority. The Organization uses the higher priority valuation techniques based on available inputs to measure fair values. The fair value of the Organization's investments in exchange-traded closed-end funds and common stock are measured using Level 1 inputs, quoted prices in active markets.

e - Unconditional Promises to Give and Contributions

Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Conditional promises to give – that is, those with a measurable performance-related or other barrier and right of return of assets transferred or release of a promisor's obligation to transfer asset in the future – are not recognized until the conditions upon which they depend have been met. Contributions restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible promises to give. The allowance, if necessary, is based on management's analysis of specific promises made.

f - Digital Assets

The Organization's digital assets as of December 31, 2022 and 2021 consist of cryptocurrency and are accounted for as indefinite-lived intangible assets. Digital assets are reported on the Organization's statements of financial position at cost and are reviewed for impairment annually, or more frequently if impairment indicators are identified. Gains and losses from the sale of digital assets are recorded in the Organization's statements of activities during the period in which the sale takes place.

RAINFOREST FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

g - Operating Lease Right-of-Use Asset and Operating Lease Liability

For leases with an initial term greater than twelve months, the Organization's operating lease liability is initially recorded at the present value of the unpaid lease payments as of the commencement date of the lease. The Organization's operating lease right-of-use asset is initially recorded at the carrying amount of the operating lease liability adjusted for initial direct costs, accruals, deferred rent liability and lease incentives, if any. Operating lease cost is recognized on a straight-line basis over the lease term.

For 2021, rent expense is recorded on a straight-line basis over the life of the lease. The difference between the straight-line amount and the amount actually paid during the year is recorded as a liability and an expense in the accompanying financial statements.

h - Property and Equipment

Purchased property and equipment are carried at cost and are depreciated using the straight-line method over the estimated useful life of the related asset.

i - Grants

Grants are accrued when authorized. Grants payable are due to be paid within one year.

j - Advertising

The Organization expenses the cost of advertising as incurred.

k - Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

l - Tax Status

The Organization is a not-for-profit corporation, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

m - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis. A substantial portion of the Organization's expenses are directly related to program activities. The expenses that are allocated include salaries, payroll taxes and employee benefits, insurance, general office expenses, and occupancy costs, which are allocated based on employee time and effort.

RAINFOREST FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

n - New Accounting Pronouncements

During 2022, the Organization adopted ASU 2016-02, *Leases* ("Topic 842"). The core principles of ASU 2016-02 (the "ASU") change the way organizations account for their leases by recognizing lease assets and related liabilities on the statement of financial position for all leases with terms longer than twelve months and disclosing key information about leasing arrangements. As such, results for 2022 are presented under Topic 842, while results for 2021 continue to be reported in accordance with historical accounting practices. The adoption of the ASU did not have a significant impact on the Organization's net assets as of January 1, 2022.

As part of the adoption of the ASU, the Organization elected to apply the modified retrospective transition approach as of the date of initial application without restating comparative period financial statements, to use a risk-free rate, equal to the five-year Treasury Bill rate for the discount of the operating lease and to apply the practical expedients which allows the Organization to not reassess (i) whether any expired or existing contracts are leases or contain leases (ii) the lease classification for any expired or existing leases (iii) initial direct costs for any existing leases.

For 2022, the Organization also adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 improves transparency of contributed nonfinancial assets through enhancements to presentation and disclosure and requires that contributed nonfinancial assets are presented separately in the statement of activities. New disclosures are also required to disaggregate contributed nonfinancial assets by category and other qualitative information about utilization and valuation techniques. The implementation of ASU 2020-07 did not have an effect on the Organization's financial statements except for enhanced disclosure.

o - Subsequent Events

The Organization has evaluated subsequent events through July 31, 2023, the date that the financial statements are considered available to be issued.

p - Prior Year Information

Certain 2021 amounts have been reclassified to conform to the financial statement presentation used in 2022.

RAINFOREST FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 2 - Information Regarding Liquidity and Availability

The Organization operates with a balanced budget for each year based on the revenues expected to be available to fund anticipated expenses. A substantial portion of annual revenue is comprised of contribution revenue raised during the year. The Organization considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to management and general and fundraising activities undertaken to support those services. The Organization regularly monitors liquidity to meet its operating needs and other commitments and obligations.

The Organization's financial assets as of December 31, 2022 and 2021 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2022</u>	<u>2021</u>
Financial Assets at Year End:		
Cash	\$6,493,272	\$4,308,129
Investments	112,494	59,105
Unconditional promises to give	<u>2,277,485</u>	<u>1,539,518</u>
Total Financial Assets	8,883,251	5,906,752
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions, subject to expenditure for specific purposes	(2,055,723)	(1,428,375)
Plus: Net assets with donor restrictions expected to be met in less than one year	<u>1,748,402</u>	<u>1,397,273</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$8,575,930</u>	<u>\$5,875,650</u>

Note 3 - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of December 31:

	<u>2022</u>	<u>2021</u>
Global Alliance of Territorial Communities	\$ 269,581	\$ 109,669
Peru	746,243	579,518
Panama	40,000	159,058
Guyana	133,167	580,130
Capacity strengthening	<u>866,732</u>	<u>-</u>
Total Net Assets With Donor Restrictions	<u>\$2,055,723</u>	<u>\$1,428,375</u>

RAINFOREST FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 4 - Investments

Investments are classified within Level 1 of the fair value hierarchy and consist of the following as of December 31:

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash equivalents	\$104,049	\$104,049	\$59,105	\$59,105
Common stock	<u>8,445</u>	<u>8,445</u>	<u>-</u>	<u>-</u>
	<u>\$112,494</u>	<u>\$112,494</u>	<u>\$59,105</u>	<u>\$59,105</u>

Net investment loss consists of the following for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 6	\$ 61
Realized loss	<u>(5,545)</u>	<u>(2,253)</u>
Net Investment Loss	<u>\$(5,539)</u>	<u>\$(2,192)</u>

Note 5 - Unconditional Promises to Give

At December 31, 2022 and 2021, unconditional promises to give are due within one year. Uncollectible promises to give are expected to be insignificant.

Amounts due from one donor represent 53% of unconditional promises to give as of December 31, 2022. Amounts due from two donors represent 40% of unconditional promises to give as of December 31, 2021.

Note 6 - Operating Lease

The Organization occupies office space under an operating lease agreement expiring September 30, 2032.

RAINFOREST FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 6 - Operating Lease (continued)

Operating lease cost for the year ended December 31, 2022 was \$110,633. There were no variable lease costs incurred. As of December 31, 2022, the remaining term of the Organization's operating lease is 117 months and the discount rate is 3.67%.

Maturities of the Organization's operating lease liability as of December 31, 2022 are as follows:

<u>Year Ending December 31</u>	
2023	\$ 141,634
2024	145,883
2025	150,259
2026	154,768
Thereafter, through September 30, 2032	<u>983,901</u>
	1,576,445
Less: Amount attributable to interest	<u>(264,134)</u>
	<u>\$1,312,311</u>

Note 7 - Conditional Contributions and Grants

a - During 2016 and 2021, the Organization was awarded grants by an agency of the Norwegian government toward a project designed to protect the forests in Guyana. Annual disbursement of the funds provided under these grants is subject to Norwegian Parliamentary appropriations.

The 2016 grant awarded funds up to \$4.2 million over a five-year period, 2016 to 2020. The term of the grant was subsequently extended through March 2021. During 2021, the Organization incurred costs related to the grant of \$14,276.

The 2021 grant awarded funds up to \$2 million over a five-year period, 2021 to 2025. The Organization received \$671,702 and \$609,088 under this grant in 2022 and 2021, respectively. The Organization incurred costs related to the grant of \$565,932 and \$460,503 in 2022 and 2021, respectively.

The grants were awarded in Norwegian krone and are subject to fluctuations in currency exchange rates.

RAINFOREST FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 7 - Conditional Contributions and Grants (continued)

a - (continued)

In connection with these grants, the Organization awarded \$467,075 and \$363,261 to subgrantees for 2022 and 2021, respectively. Based upon audited financial statements of the subgrantees, which were audited by other auditors, the total amount of grants disbursed by the Organization to the subgrantees as of December 31, 2022 exceeded related expenses incurred by \$174,521. These remaining grant funds will be expended by the subgrantees in 2023.

b - In October 2021, the Organization was awarded a grant by an agency of the United States federal government of approximately \$2 million over a three-year period towards a project aimed to expand and consolidate the regional structure of the Mesoamerican Alliance of Peoples and Forests ("AMPB") and to support its member organizations. Payments of grant funds to the Organization are conditional upon the Organization achieving specific milestones as specified in the grant agreement. As of December 31, 2022 and 2021, the Organization recognized \$392,857 and \$214,286, respectively, in relation to this grant as contribution income.

In connection with this grant, the Organization entered into a subaward contract in December 2021 with AMPB allowing for subgrants totaling \$1,349,491 through September 30, 2024. Grant payments to AMPB will be made quarterly based on estimated costs to be incurred by AMPB to achieve certain milestones, as specified in the subaward contract. During 2022, the Organization incurred \$409,667 in grant expense related to this subaward contract, of which \$400,000 was paid as of December 31, 2022.

c - In March 2021, the Organization was awarded a grant by an agency of the United States federal government totaling \$266,000 towards a project aimed at mitigating the health, social and economic impacts of the COVID-19 pandemic on the vulnerable population of indigenous communities and peoples. Payments of grant funds to the Organization are conditional upon achieving milestones as specified in the grant agreement. During 2021, the Organization recognized \$99,754 in contribution revenue for milestones achieved under the grant. During 2022, the Organization recognized \$8,995 in contribution revenue for milestones achieved under the grant.

RAINFOREST FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 8 - Property and Equipment

Property and equipment consist of the following as of December 31:

	<u>Life</u>	<u>2022</u>	<u>2021</u>
Computer equipment	5 years	\$49,120	\$40,216
Computer software	3 years	10,221	46,999
Leasehold improvements	10 years	<u>26,476</u>	<u>-</u>
		85,817	87,215
Less: Accumulated depreciation and amortization		<u>(41,913)</u>	<u>(38,741)</u>
Total		<u>\$43,904</u>	<u>\$ 48,474</u>

Note 9 - Donated Facilities

During 2021, the Organization received donated facilities which it utilized as part of its program services and supporting activities. The donated facilities were recorded at fair value based on current rates charged for similar premises.

Note 10 - Contingency

Government supported programs are subject to audit by the applicable granting agencies.

Note 11 - Concentrations

- a - The Organization maintains its cash balances in a financial institution located in New York City. The cash balances, at times, may exceed federally insured limits.
- b - For 2022, one donor accounted for approximately 22% of the Organization's total contribution revenue.

SUPPLEMENTARY INFORMATION



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**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors of
Rainforest foundation, Inc.

We have audited the financial statements of Rainforest Foundation, Inc. as of and for the years ended December 31, 2022 and 2021, and our report thereon dated July 31, 2023, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Government Grant Income and Expenses - Protecting Forests through Protecting Rights in Guyana (Grant Number GUY-21/003) for the year ended December 31, 2022 is presented for purposes of additional analysis is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Lutz + Carr, LLP

New York, New York
July 31, 2023

RAINFOREST FOUNDATION, INC.

**SCHEDULE OF GOVERNMENT GRANT INCOME AND EXPENSES
PROTECTING FORESTS THROUGH PROTECTING RIGHTS IN GUYANA
(GRANT NUMBER GUY-21/003)**

YEAR ENDED DECEMBER 31, 2022

Grantor: The Norwegian Agency for Development Cooperation

Grant Period: January 2021 to December 2025

Grant Income		<u>\$671,702</u>
Expenses		
Subgrants		
Forest Peoples Programme	\$100,236	
Amerindian Peoples Association	218,671	
The South Central Peoples Development Association	<u>148,168</u>	
Total Subgrants		\$467,075
Salaries		32,651
Payroll taxes and employee benefits		15,289
Professional fees		4,000
Non- personnel costs		3,225
Travel		13,009
Indirect costs		<u>30,683</u>
Miscellaneous		
		<u>\$565,932</u>

Note: Based upon audited financial statements of the subgrantees, grants disbursed to the subgrantees as of December 31, 2022 exceeded related expenses incurred by \$174,521. These remaining grant funds will be expended by the subgrantees in 2023.

See independent auditors' report on supplementary information.