



THE
AMAZON
CONSERVATION
TEAM®

THE AMAZON CONSERVATION TEAM AND AFFILIATE

Consolidated Financial Statements and Supplemental Information

For the Year Ended December 31, 2010



**and
Report Thereon**



THE AMAZON CONSERVATION TEAM AND AFFILIATE

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For the Year Ended December 31, 2010

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Amazon Conservation Team and Affiliate

CONSULTING
ACCOUNTING
TECHNOLOGY

*Certified Public
Accountants*

We have audited the accompanying consolidated statement of financial position of The Amazon Conservation Team (ACT-U.S.) and Affiliate (collectively referred to as ACT) as of December 31, 2010, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended. These consolidated financial statements are the responsibility of ACT's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ACT's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Amazon Conservation Team and Affiliate as of December 31, 2010, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental information on pages 15 to 17 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual entities. Such information has been subjected to the auditing procedures applied in our audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the consolidated financial statements taken as a whole.

Raffa, P.C.

RAFFA, P.C.

Washington, DC
June 22, 2011

THE AMAZON CONSERVATION TEAM AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2010

ASSETS

Cash and cash equivalents	\$ 1,896,269
Grants and pledges receivable	317,469
Field operating advances	173,703
Prepaid expenses	26,299
Property and equipment, net	128,548
Security deposit	4,287

TOTAL ASSETS \$ 2,546,575

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable and accrued expenses	\$ 128,743
Deferred revenue	21,288
Deferred lease incentives	128,500
Other liabilities	100

TOTAL LIABILITIES 278,631

Net Assets

Unrestricted	999,739
Temporarily restricted	1,268,205

TOTAL NET ASSETS 2,267,944

TOTAL LIABILITIES AND
NET ASSETS \$ 2,546,575

The accompanying notes are an integral part of these consolidated financial statements.

THE AMAZON CONSERVATION TEAM AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions	\$ 1,540,536	\$ 25,146	\$ 1,565,682
Grants	259,404	962,248	1,221,652
Investment income	10,142	-	10,142
Other	8,282	-	8,282
Net assets released from restrictions:			
Satisfaction of time restrictions	34,722	(34,722)	-
Satisfaction of purpose restrictions	2,227,946	(2,227,946)	-
	<u>4,081,032</u>	<u>(1,275,274)</u>	<u>2,805,758</u>
TOTAL REVENUE AND SUPPORT			
EXPENSES			
Program Services:			
Biodiversity	2,195,680	-	2,195,680
Culture	736,772	-	736,772
Health	498,723	-	498,723
	<u>3,431,175</u>	<u>-</u>	<u>3,431,175</u>
Supporting Services:			
General and administrative	797,557	-	797,557
Fundraising	135,735	-	135,735
	<u>933,292</u>	<u>-</u>	<u>933,292</u>
TOTAL EXPENSES	<u>4,364,467</u>	<u>-</u>	<u>4,364,467</u>
CHANGE IN NET ASSETS	(283,435)	(1,275,274)	(1,558,709)
NET ASSETS, BEGINNING OF YEAR	<u>1,283,174</u>	<u>2,543,479</u>	<u>3,826,653</u>
NET ASSETS, END OF YEAR	<u>\$ 999,739</u>	<u>\$ 1,268,205</u>	<u>\$ 2,267,944</u>

The accompanying notes are an integral part of these consolidated financial statements.

THE AMAZON CONSERVATION TEAM AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2010

	Program Services			Total Program Services	Supporting Services		Total Supporting Services	Total
	Biodiversity	Culture	Health		General and Administrative	Fundraising		
Salaries and benefits	\$ 768,124	\$ 473,046	\$ 240,732	\$ 1,481,902	\$ 486,061	\$ 87,104	\$ 573,165	\$ 2,055,067
Consulting services	343,416	49,951	26,906	420,273	35,819	8,860	44,679	464,952
Project related	304,088	45,953	38,276	388,317	-	-	-	388,317
Indigenous support	377,379	42,528	60,743	480,650	-	-	-	480,650
Travel	125,564	36,822	65,959	228,345	37,493	17,013	54,506	282,851
Occupancy and equipment	57,496	17,517	11,876	86,889	72,243	-	72,243	159,132
Telecommunications and office expenses	28,643	15,845	21,010	65,498	30,092	3,324	33,416	98,914
Project and field equipment	53,216	14,811	4,703	72,730	-	-	-	72,730
Publications	6,399	6,681	136	13,216	15,627	-	15,627	28,843
Other	36,624	23,643	9,846	70,113	18,851	16,424	35,275	105,388
Construction expenses	54,699	-	-	54,699	-	-	-	54,699
Meetings, trainings and workshops	19,440	507	9,249	29,196	54,739	2,510	57,249	86,445
Technology	20,592	9,468	9,287	39,347	46,632	500	47,132	86,479
TOTAL EXPENSES	\$ 2,195,680	\$ 736,772	\$ 498,723	\$ 3,431,175	\$ 797,557	\$ 135,735	\$ 933,292	\$ 4,364,467

The accompanying notes are an integral part of these consolidated financial statements.

THE AMAZON CONSERVATION TEAM AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2010

Increase (Decrease) in Cash and Cash Equivalents

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (1,558,709)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	5,483
Donated stocks	(12,640)
Changes in assets and liabilities:	
Grants and pledges receivable	863,811
Field operating advances	88,946
Prepaid expenses	2,224
Security deposit	(370)
Accounts payable and accrued expenses	70,905
Deferred revenue	(41,082)
Deferred lease incentives	128,500
Other liabilities	(54,900)

NET CASH USED IN OPERATING ACTIVITIES (507,832)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales of donated stocks	12,640
Purchases of furniture and equipment	(132,940)

NET CASH USED IN INVESTING ACTIVITIES (120,300)

NET DECREASE IN CASH AND CASH EQUIVALENTS (628,132)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 2,524,401

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 1,896,269

SUPPLEMENTAL CASH FLOW INFORMATION

Noncash investing transaction:	
Donated stocks	<u><u>\$ 12,640</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

THE AMAZON CONSERVATION TEAM AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2010

1. Organization and Summary of Significant Accounting Policies

Organization

The Amazon Conservation Team (ACT-U.S.) was incorporated under the laws of Virginia in 1998 as a nonprofit organization, which is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC).

ACT-U.S.'s mission is to work in partnership with indigenous people to conserve biodiversity, health and culture in tropical America. It has long been ACT-U.S.'s conviction that the people who best know, use and protect biodiversity are the indigenous people who live in tropical forests. This is reflected in the Amazon, where the most traditional indigenous groups are found within the largest intact expanses of remaining forest. To date, ACT-U.S. has partnered with more than 35 indigenous groups across the Amazon Basin in Brazil, Colombia and Suriname.

ACT-Colombia, *Equipo para la Conservación de la Amazonia*, is a nonprofit charitable organization registered under Colombia's law as a subsidiary of ACT-U.S.

Principles of Consolidation

The consolidated financial statements include the accounts and transactions of ACT-U.S. and ACT-Colombia (collectively referred to as ACT). ACT-U.S. and ACT-Colombia have been consolidated due to the presence of common control and economic interest. All significant intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

ACT considers demand deposits and money market funds to be cash and cash equivalents.

Property and Equipment and Related Depreciation and Amortization

All acquisitions of furniture, property and equipment greater than \$5,000 are capitalized at cost and are being depreciated using the straight-line method over estimated useful lives of three to seven years. Leasehold improvements are amortized over the lesser of their estimated useful lives or the remaining life of the lease. Expenditures for major additions and improvements are capitalized; expenditures for maintenance and repairs are charged to expense when incurred. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in revenue or expenses, as appropriate.

THE AMAZON CONSERVATION TEAM AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2010

1. Organization and Summary of Significant Accounting Policies (continued)

Classification of Net Assets

The net assets of ACT are reported as follows:

- Unrestricted net assets represent the portion of expendable funds that are available for the general support of ACT. Unrestricted net assets also include \$602,000 that has been designated by the Board of Directors of ACT as a contingency reserve.
- Temporarily restricted net assets represent amounts that are specifically restricted by donors for a specific purpose or use in future periods.

Revenue Recognition

Grants and contributions are recognized as revenue in the period received or when unconditional promises are made. Grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted revenue and support in the accompanying consolidated statement of activities. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and released from restrictions. Grants and pledges receivable represent amounts unconditionally committed by grantors that have not been received by ACT as of year-end.

Grants and contracts treated as exchange transactions are recognized as costs are incurred on the basis of direct costs plus allowable indirect expenses. Revenue recognized on these grants and contracts for which billings have not been presented to or collected from the awarding agency is included in grants and pledges receivable in the accompanying consolidated statement of financial position.

Functional Allocation of Expenses

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

Foreign Currency Translation

The conversion of financial statement balances into U.S. dollars (USD) follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 830, *Foreign Currency Matters*, which permits an entity to present its consolidated financial statements in any currency. If the currency in the financial statements differs from the entity's

THE AMAZON CONSERVATION TEAM AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2010

1. Organization and Summary of Significant Accounting Policies (continued)

Foreign Currency Translation (continued)

functional currency, ACT translates all assets and liabilities at the current rate at the date of the statement of financial position. Revenue and expense balances are translated at exchange rates at the dates of transactions or using an average rate for the period of the transactions.

The balances for ACT-Colombia as reported in the consolidated statement of financial position are translated at \$1 USD to 1,914 COP (Colombian Peso) based on the market representative rate, *Tasa de Cambio Representativa del Mercado* (TRM), at December 31, 2010. This is the official exchange rate published by the Central Bank on a daily basis. The balances for ACT-Colombia as reported in the consolidated statement of activities are translated at \$1 USD to 1,955 COP.

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Grants and Pledges Receivable

As of December 31, 2010, all grants and pledges receivable are expected to be received in less than one year. All grants and pledges receivable are deemed fully collectible.

THE AMAZON CONSERVATION TEAM AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2010

3. Property and Equipment and Accumulated Depreciation and Amortization

ACT held the following property and equipment as of December 31, 2010:

	ACT-U.S.	ACT- Colombia	Total
Leasehold improvements	\$ 128,500	\$ -	\$ 128,500
Computer equipment	11,868	44,310	56,178
Furniture, fixtures and equipment	29,736	8,801	38,537
Transportation fleet and equipment	-	1,980	1,980
Total Property and Equipment	170,104	55,091	225,195
Less: Accumulated Depreciation	(41,556)	(55,091)	(96,647)
Property and Equipment, Net	\$ 128,548	\$ -	\$ 128,548

Depreciation expense was \$5,483 for the year ended December 31, 2010.

THE AMAZON CONSERVATION TEAM AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2010

4. Temporarily Restricted Net Assets

As of December 31, 2010, temporarily restricted net assets were available for the following purposes:

Program restrictions:

Biodiversity:

Land management and protection	\$ 686,303
Land use documentation	<u>104,343</u>
Total Biodiversity	<u>790,646</u>

Culture:

Educational opportunities	75,000
Women's programs	14,000
Land and intellectual property rights	<u>14,041</u>
Total Culture	<u>103,041</u>

Health:

Integrated healthcare access	69,307
Healthcare knowledge capture and transmission	<u>12,454</u>
Total Health	81,761
Total Program Restrictions	<u>975,448</u>

Time restrictions:

Institutional capacity and general support for future periods	<u>292,757</u>
Total Temporarily Restricted Net Assets	<u><u>\$ 1,268,205</u></u>

5. Commitments and Risks

Operating Lease

In June 2006, ACT-U.S. entered into a four-and-a-half-year noncancelable operating lease for its Arlington, Virginia, location, which expired on December 31, 2010. The lease was amended in March and June 2010 and the lease term was extended through December 31, 2015. The base rent increases annually based on scheduled increases provided for in the lease. Under the terms of the amended lease, the lessor provided lease incentives to build out and renovate the office space, totaling approximately \$207,000. During the year ended December 31, 2010, ACT-U.S. used \$128,500 of the lease incentives. Under generally accepted accounting principles (GAAP), all rental payments, including fixed rent increases, are recognized on a straight-line basis over the term of the lease. Lease incentives are amortized

Continued

THE AMAZON CONSERVATION TEAM AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2010

5. Commitments and Risks (continued)

Operating Lease (continued)

over the life of the lease on a straight-line basis as an offset to rent expense. The difference between the GAAP rent expense and the required lease payments, as well as any unamortized lease incentives, are reflected as deferred lease incentives in the accompanying consolidated statement of financial position. There was no amortization of the leasehold improvement as of December 31, 2010, because the build out is associated with the lease starting January 1, 2011. Total rent expense attributable to ACT-U.S.'s office space was \$55,047 for the year ended December 31, 2010, and is included in occupancy and equipment in the accompanying consolidated statement of functional expenses.

The future minimum rental payments required under this lease are as follows:

For the Year Ending December 31,	
2011	\$ 62,925
2012	66,950
2013	68,958
2014	71,027
2015	73,158
Total	\$ 343,018

Credit Risk

ACT maintains its cash and cash equivalents with a U.S. commercial financial institution, which aggregate balance, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000 per depositor per institution. As of December 31, 2010, ACT had approximately \$1,536,000 composed of demand deposits (excluding noninterest-bearing transaction accounts, which are fully insured regardless of their balance), which exceeded the maximum limit insured by FDIC by approximately \$1,286,000. ACT monitors the creditworthiness of this institution and has not experienced any credit losses on its cash and cash equivalents.

Foreign Operations

ACT operates principally in Colombia, Brazil and Suriname. ACT maintains cash accounts in Colombia for program operations, and the field operating advances in the accompanying consolidated statement of financial position represent cash advances to related parties in Suriname and Brazil. The future of these programs can be adversely affected by a number of

THE AMAZON CONSERVATION TEAM AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2010

5. Commitments and Risks (continued)

Foreign Operations (continued)

potential factors, such as currency devaluations, terrorist activities or changes in political climate. As of December 31, 2010, assets in these countries totaled approximately \$253,000 representing approximately 10% of ACT's total consolidated assets.

6. Related Party Transactions

ACT works through partnerships with the following organizations: *Equipe de Conservação Da Amazônia* (ACT-Brazil), located in Brazil, and Stichting Amazon Conservation Team Suriname (ACT-Suriname), located in Suriname. These foreign entities are separately incorporated nonprofit organizations. ACT provides significant financial support for these organizations, however, it does not have control of these organizations, which requires consolidation as defined in Topic 958-810, *Not-for-Profit Entities – Consolidation*, under GAAP.

ACT has entered into memoranda of agreement (MOA) with these organizations, which share a similar mission and philosophy. The purpose of these agreements is for ACT and its related parties to collaborate with indigenous people in conserving biodiversity, health and culture in tropical America. Under the MOAs, ACT provides the majority of the financial resources and technical assistance to the foreign nonprofit organizations. These agreements also indicate that the majority of the fundraising will be executed by ACT, in collaboration with its partners, and are subject to modification at any time by mutual consent of both parties.

For the year ended December 31, 2010, ACT provided \$1,318,474 to ACT-Brazil and \$430,452 to ACT-Suriname for program and operational expenses. These expenses were covered with a combination of restricted and unrestricted funds and are shown in the accompanying supplemental combined statement of activities. ACT records the amounts transferred as field operating advances until the affiliate provides documentation to show that the advances were used in accordance with the applicable grant agreements. As of December 31, 2010, ACT-Brazil and ACT-Suriname had outstanding field operating advances of \$23,980 and \$149,723, respectively, which aggregated \$173,703. The outstanding balance corresponded to restricted funds advanced to the country programs for activities that were delayed until 2011 and are included in field operating advances in the accompanying consolidated statement of financial position.

THE AMAZON CONSERVATION TEAM AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2010

7. Pension Plans

ACT-U.S. sponsors a 403(b) pension plan (the 403(b) Plan). Employees are eligible to participate in the 403(b) Plan immediately after employment and may contribute up to the limits established by the IRC. ACT-U.S. matches employee contributions up to a maximum of 5% of each employee's salary. Employee contributions are 50% vested on the one-year anniversary of the employee's start date, and are 100% vested on the second-year anniversary. Effective October 1, 2010, the Board of ACT-U.S. suspended the employer matching contribution to the 403(b) Plan due to budgetary constraints. ACT-U.S.'s total pension expense was \$27,930 for the year ended December 31, 2010, and is included in salaries and benefits in the accompanying consolidated statement of functional expenses.

The privatized and fully funded pension system in Colombia is controlled by the national government through the Ministry of Social Welfare. The current system is regulated by Law 100, issued in December 1993. Under the defined contribution system, individuals have a choice of six private pension providers with which to open an account and make mandatory contributions (obligatory pensions). Contributions are made jointly by the employee (25% of the contribution) and the employer (75% of the contribution). Currently, the total pension contribution is 16% of the gross salary. The employee portion is 4% and the employer contribution is 12%. Employers are required by law to enroll and to make the contributions on behalf of the employees and themselves. ACT-Colombia's total pension expense was \$41,821 for the year ended December 31, 2010.

8. Income Taxes

ACT-U.S. is exempt from income taxes under Section 501(c)(3) of the IRC, and is only taxed on net unrelated business income. No provision for income taxes has been made in the consolidated financial statements for the year ended December 31, 2010, as there was no significant net unrelated business income.

ACT-Colombia is a taxpayer under the special tax regime laws in Colombia and is not subject to the presumptive income regime, and the net benefit or surplus, if any, not having an exempt nature, will be levied at a 20% rate. The net earnings or surplus will be exempt, when the maximum corporate body designates it, directly or indirectly, in the year following that when it is obtained, to programs developing its corporate object.

ACT follows the authoritative guidance relating to accounting for uncertainty in income taxes included in ASC Topic *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's consolidated financial statements and prescribe a threshold of "more likely than not" for recognition and

THE AMAZON CONSERVATION TEAM AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2010

8. Income Taxes (continued)

derecognition of tax positions taken or expected to be taken in a tax return. ACT performed an evaluation of uncertain tax positions for the year ended December 31, 2010, and determined that there were no matters that would require recognition in the consolidated financial statements or that may have any effect on its tax-exempt status. As of December 31, 2010, the statute of limitations for tax years 2007 through 2009 remains open with the U.S. federal jurisdiction or the various states and local jurisdictions in which ACT files tax returns. It is ACT's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense. As of December 31, 2010, ACT had no accruals for interest and/or penalties.

9. Subsequent Events

ACT's management has evaluated subsequent events through June 22, 2011, the date the consolidated financial statements were available to be issued.

On April 1, 2011, ACT-Colombia registered as an independent civil society organization incorporated in Colombia in order to finalize its status as a national entity.

SUPPLEMENTAL INFORMATION

THE AMAZON CONSERVATION TEAM AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2010

	<u>ACT-U.S.</u>	<u>ACT-Colombia</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 1,867,533	\$ 28,736	\$ -	\$ 1,896,269
Grants and pledges receivable	277,416	50,788	(10,735)	317,469
Field operating advances	173,703	-	-	173,703
Prepaid expenses	26,299	-	-	26,299
Property and equipment, net	128,548	-	-	128,548
Security deposit	4,287	-	-	4,287
	<u>2,477,786</u>	<u>79,524</u>	<u>(10,735)</u>	<u>2,546,575</u>
TOTAL ASSETS	<u>\$ 2,477,786</u>	<u>\$ 79,524</u>	<u>\$ (10,735)</u>	<u>\$ 2,546,575</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued expenses	\$ 72,592	\$ 66,886	\$ (10,735)	\$ 128,743
Deferred revenue	8,650	12,638	-	21,288
Deferred lease incentives	128,500	-	-	128,500
Other liabilities	100	-	-	100
	<u>209,842</u>	<u>79,524</u>	<u>(10,735)</u>	<u>278,631</u>
TOTAL LIABILITIES	<u>209,842</u>	<u>79,524</u>	<u>(10,735)</u>	<u>278,631</u>
Net Assets				
Unrestricted	999,739	-	-	999,739
Temporarily restricted	1,268,205	-	-	1,268,205
	<u>2,267,944</u>	<u>-</u>	<u>-</u>	<u>2,267,944</u>
TOTAL NET ASSETS	<u>2,267,944</u>	<u>-</u>	<u>-</u>	<u>2,267,944</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,477,786</u>	<u>\$ 79,524</u>	<u>\$ (10,735)</u>	<u>\$ 2,546,575</u>

THE AMAZON CONSERVATION TEAM AND AFFILIATE

CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2010

	Unrestricted		Temporarily Restricted	Eliminations	Total
	ACT-U.S.	ACT-Colombia	ACT-US		
REVENUE AND SUPPORT					
Contributions	\$ 1,530,539	\$ 9,997	\$ 25,146	\$ -	\$ 1,565,682
Grants	3,850	1,139,728	962,248	(884,174)	1,221,652
Investment income	9,198	944	-	-	10,142
Other	8,282	-	-	-	8,282
Net assets released from restrictions:					
Satisfaction of time restrictions	34,722	-	(34,722)	-	-
Satisfaction of purpose restrictions	2,227,946	-	(2,227,946)	-	-
TOTAL REVENUE AND SUPPORT	3,814,537	1,150,669	(1,275,274)	(884,174)	2,805,758
EXPENSES					
Program Services:					
Biodiversity	1,929,185	599,241	-	(332,746)	2,195,680
Culture	736,772	452,168	-	(452,168)	736,772
Health	498,723	99,260	-	(99,260)	498,723
Total Program Services	3,164,680	1,150,669	-	(884,174)	3,431,175
Supporting Services:					
General and administrative	797,557	-	-	-	797,557
Fundraising	135,735	-	-	-	135,735
Total Supporting Services	933,292	-	-	-	933,292
TOTAL EXPENSES	4,097,972	1,150,669	-	(884,174)	4,364,467
CHANGE IN NET ASSETS	(283,435)	-	(1,275,274)	-	(1,558,709)
NET ASSETS, BEGINNING OF YEAR	1,283,174	-	2,543,479	-	3,826,653
NET ASSETS, END OF YEAR	\$ 999,739	\$ -	\$ 1,268,205	\$ -	\$ 2,267,944

THE AMAZON CONSERVATION TEAM AND AFFILIATE

CONSOLIDATING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2010

Increase (Decrease) in Cash and Cash Equivalents

	<u>ACT-U.S.</u>	<u>ACT-Colombia</u>	<u>Eliminations</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	\$ (1,558,709)	\$ -	\$ -	\$ (1,558,709)
Adjustments to reconcile change in net assets to net cash used in operating activities:				
Depreciation and amortization	1,043	4,440	-	5,483
Donated stocks	(12,640)	-	-	(12,640)
Changes in assets and liabilities:				
Grants and pledges receivable	867,860	(14,784)	10,735	863,811
Field operating advances	88,946	-	-	88,946
Prepaid expenses	2,224	-	-	2,224
Security deposit	(370)	-	-	(370)
Accounts payable and accrued expenses	34,721	46,919	(10,735)	70,905
Deferred revenue	8,650	(49,732)	-	(41,082)
Deferred lease incentives	128,500	-	-	128,500
Other liabilities	(54,900)	-	-	(54,900)
NET CASH USED IN OPERATING ACTIVITIES	<u>(494,675)</u>	<u>(13,157)</u>	<u>-</u>	<u>(507,832)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales of donated stocks	12,640	-	-	12,640
Purchases of furniture and equipment	(128,500)	(4,440)	-	(132,940)
NET CASH USED IN INVESTING ACTIVITIES	<u>(115,860)</u>	<u>(4,440)</u>	<u>-</u>	<u>(120,300)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(610,535)</u>	<u>(17,597)</u>	<u>-</u>	<u>(628,132)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,478,068</u>	<u>46,333</u>	<u>-</u>	<u>2,524,401</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,867,533</u>	<u>\$ 28,736</u>	<u>\$ -</u>	<u>\$ 1,896,269</u>
SUPPLEMENTAL CASH FLOW INFORMATION				
Noncash investing transaction:				
Donated stocks	<u>\$ 12,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,640</u>



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**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTAL INFORMATION**

To the Board of Directors of
The Amazon Conservation Team

CONSULTING
ACCOUNTING
TECHNOLOGY

*Certified Public
Accountants*

We have audited the consolidated financial statements of The Amazon Conservation Team (ACT-U.S.) and Affiliate (collectively referred to as ACT) as of and for the year ended December 31, 2010, and our report thereon dated June 22, 2011, which expressed an unqualified opinion on those consolidated financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental combined information on pages 19 and 20, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Raffa, P.C.

RAFFA, P.C.

Washington, DC
June 22, 2011

THE AMAZON CONSERVATION TEAM AND AFFILIATE

COMBINED STATEMENT OF FINANCIAL POSITION

December 31, 2010

	<u>ACT-U.S.</u>	<u>ACT-Colombia</u>	<u>ACT-Suriname</u>	<u>ACT-Brazil</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 1,867,533	\$ 28,736	\$ 214,716	\$ 256,562	\$ -	\$ 2,367,547
Grants and pledges receivable	277,416	50,788	49,569	28,742	(10,735)	395,780
Field operating advances	173,703	-	-	-	(173,703)	-
Prepaid expenses	26,299	-	10,454	-	-	36,753
Property and equipment, net	128,548	-	-	78,539	-	207,087
Security deposit	4,287	-	5,500	-	-	9,787
	<u>2,477,786</u>	<u>79,524</u>	<u>280,239</u>	<u>363,843</u>	<u>(184,438)</u>	<u>3,016,954</u>
TOTAL ASSETS	\$ 2,477,786	\$ 79,524	\$ 280,239	\$ 363,843	\$ (184,438)	\$ 3,016,954
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable and accrued expenses	\$ 72,592	\$ 66,886	\$ 81,500	\$ 87,672	\$ (71,259)	\$ 237,391
Deferred revenue	8,650	12,638	113,179	-	(113,179)	21,288
Deferred lease incentives	128,500	-	-	-	-	128,500
Other liabilities	100	-	-	-	-	100
	<u>209,842</u>	<u>79,524</u>	<u>194,679</u>	<u>87,672</u>	<u>(184,438)</u>	<u>387,279</u>
TOTAL LIABILITIES	209,842	79,524	194,679	87,672	(184,438)	387,279
Net Assets						
Unrestricted	999,739	-	85,560	276,171	-	1,361,470
Temporarily restricted	1,268,205	-	-	-	-	1,268,205
	<u>2,267,944</u>	<u>-</u>	<u>85,560</u>	<u>276,171</u>	<u>-</u>	<u>2,629,675</u>
TOTAL NET ASSETS	2,267,944	-	85,560	276,171	-	2,629,675
TOTAL LIABILITIES AND NET ASSETS	\$ 2,477,786	\$ 79,524	\$ 280,239	\$ 363,843	\$ (184,438)	\$ 3,016,954

THE AMAZON CONSERVATION TEAM AND AFFILIATE

COMBINED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2010

	<u>ACT-U.S.</u>	<u>ACT-Colombia</u>	<u>ACT-Suriname</u>	<u>ACT-Brazil</u>	<u>Eliminations</u>	<u>Total</u>
REVENUE AND SUPPORT						
Contributions	\$ 1,555,685	\$ 9,997	\$ -	\$ -	\$ -	\$ 1,565,682
Grants	966,098	1,139,728	545,883	2,294,708	(2,633,101)	2,313,316
Investment income	9,198	944	343	-	-	10,485
Other	<u>8,282</u>	<u>-</u>	<u>17,105</u>	<u>15,436</u>	<u>-</u>	<u>40,823</u>
 TOTAL REVENUE AND SUPPORT	 <u>2,539,263</u>	 <u>1,150,669</u>	 <u>563,331</u>	 <u>2,310,144</u>	 <u>(2,633,101)</u>	 <u>3,930,306</u>
 EXPENSES						
Program Services:						
Biodiversity	1,929,185	599,241	375,681	2,036,391	(1,708,678)	3,231,820
Culture	736,772	452,168	98,596	82,500	(583,503)	786,533
Health	<u>498,723</u>	<u>99,260</u>	<u>252,891</u>	<u>20,700</u>	<u>(340,920)</u>	<u>530,654</u>
 Total Program Services	 <u>3,164,680</u>	 <u>1,150,669</u>	 <u>727,168</u>	 <u>2,139,591</u>	 <u>(2,633,101)</u>	 <u>4,549,007</u>
Supporting Services:						
General and administrative	797,557	-	-	-	-	797,557
Fundraising	<u>135,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,735</u>
 Total Supporting Services	 <u>933,292</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>933,292</u>
 TOTAL EXPENSES	 <u>4,097,972</u>	 <u>1,150,669</u>	 <u>727,168</u>	 <u>2,139,591</u>	 <u>(2,633,101)</u>	 <u>5,482,299</u>
 CHANGE IN NET ASSETS	 (1,558,709)	 -	 (163,837)	 170,553	 -	 (1,551,993)
 NET ASSETS, BEGINNING OF YEAR	 <u>3,826,653</u>	 <u>-</u>	 <u>249,397</u>	 <u>105,618</u>	 <u>-</u>	 <u>4,181,668</u>
 NET ASSETS, END OF YEAR	 <u>\$ 2,267,944</u>	 <u>\$ -</u>	 <u>\$ 85,560</u>	 <u>\$ 276,171</u>	 <u>\$ -</u>	 <u>\$ 2,629,675</u>