



the
**Amazon
Conservation
Team**

THE AMAZON CONSERVATION TEAM AND AFFILIATES

Consolidated Financial Statements and Supplementary Information

For the Year Ended December 31, 2019

(With Summarized Financial Information for the Year Ended December 31, 2018)



**and
Report Thereon**



THE AMAZON CONSERVATION TEAM AND AFFILIATES

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The Amazon Conservation Team (ACT-U.S.) and Affiliates (collectively referred to as ACT), which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of Amazon Conservation Team Colombia (ACT-Colombia), which statements reflect total assets of \$410,971 as of December 31, 2019, and total revenue and support of \$3,099,677 for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for ACT-Colombia, is based solely on the report of the other auditors. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

Continued

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effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit and the report of the other auditors, the 2019 consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Amazon Conservation Team and Affiliates as of December 31, 2019, 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.

Other Matters

Report on Prior Year Summarized Comparative Information

We have previously audited ACT's 2018 consolidated financial statements, and in our report dated July 15, 2019, we expressed an unmodified opinion on those consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position, activities and cash flows shown on pages 18 through 20 are presented for the purpose of additional analysis of the consolidated financial statements and are not a required part of the consolidated 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 consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit procedures performed as described above, and the report of the other auditors, the supplementary information, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Report on Other Information

The combined schedules of financial position and activities shown on pages 21 and 22 have 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.

Marcum LLP

Washington, DC
July 10, 2020

THE AMAZON CONSERVATION TEAM AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2019
(With Summarized Financial Information as of December 31, 2018)

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 6,601,354	\$ 5,010,937
Grants and pledges receivable	4,894,819	346,981
Field operating advances	1,932	9,323
Prepaid expenses	25,572	24,772
Investments	1,618,460	1,470,842
Property and equipment, net	145,856	174,784
Security deposit and other	9,282	9,056
	\$ 13,297,275	\$ 7,046,695
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 246,843	\$ 94,477
Deferred revenue	105,348	16,621
Due to related party	21,470	-
Deferred rent and lease incentives	2,779	4,387
	376,440	115,485
Net Assets		
Without donor restrictions	6,998,836	5,611,527
With donor restrictions	5,921,999	1,319,683
	12,920,835	6,931,210
TOTAL NET ASSETS		
	\$ 13,297,275	\$ 7,046,695

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

THE AMAZON CONSERVATION TEAM AND AFFILIATES

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

(With Summarized Financial Information for the Year Ended December 31, 2018)

	2019			2018 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE AND SUPPORT				
Contributions	\$ 4,018,279	\$ 580,032	\$ 4,598,311	\$ 4,544,981
Grants	1,653,831	6,087,687	7,741,518	1,162,254
In-kind contributions	199,022	-	199,022	302,132
Interest and investment income (loss), net	183,263	-	183,263	(137)
Other	11,116	-	11,116	750
Foreign currency valuation loss	(137,108)	-	(137,108)	(86,350)
Net assets released from restrictions:				
Satisfaction of program restrictions	1,751,758	(1,751,758)	-	-
Satisfaction of time restrictions	313,645	(313,645)	-	-
TOTAL REVENUE AND SUPPORT	7,993,806	4,602,316	12,596,122	5,923,630
EXPENSES				
Program Services:				
Land management	2,907,482	-	2,907,482	3,669,560
Sustainable alternatives livelihoods	1,246,153	-	1,246,153	457,860
Governance and culture	1,050,518	-	1,050,518	1,227,307
Total Program Services	5,204,153	-	5,204,153	5,354,727
Supporting Services:				
General and administrative	965,466	-	965,466	1,247,729
Fundraising	436,878	-	436,878	234,459
Total Supporting Services	1,402,344	-	1,402,344	1,482,188
TOTAL EXPENSES	6,606,497	-	6,606,497	6,836,915
Change in Net Assets Before Translation Adjustment	1,387,309	4,602,316	5,989,625	(913,285)
Translation adjustment	-	-	-	(1,922)
CHANGE IN NET ASSETS	1,387,309	4,602,316	5,989,625	(915,207)
NET ASSETS, BEGINNING OF YEAR	5,611,527	1,319,683	6,931,210	7,846,417
NET ASSETS, END OF YEAR	\$ 6,998,836	\$ 5,921,999	\$ 12,920,835	\$ 6,931,210

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

THE AMAZON CONSERVATION TEAM AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2019
(With Summarized Financial Information for the Year Ended December 31, 2018)

	Program Services			Supporting Services			2019 Total	2018 Total	
	Land Management	Sustainable Alternatives Livelihoods	Governance and Culture	Total Program Services	General and Administrative	Fundraising			Total Supporting Services
Salaries and benefits	\$ 637,972	\$ 441,704	\$ 343,133	\$ 1,422,809	\$ 452,257	\$ 282,890	\$ 735,147	\$ 2,157,956	\$ 1,734,773
Local communities support	443,383	321,243	171,669	936,295	2,000	-	2,000	938,295	686,265
Field-related consultants and other	484,192	197,064	114,895	796,151	-	-	-	796,151	813,093
Field transportation and logistics	483,936	74,622	103,416	661,974	-	-	-	661,974	831,864
Consulting services	126,024	80,253	144,118	350,395	83,559	120,000	203,559	553,954	843,650
Occupancy and equipment	28,007	34,506	27,973	90,486	113,348	2,076	115,424	205,910	212,959
Travel	39,287	12,423	49,996	101,706	82,063	10,800	92,863	194,569	252,462
Construction and land acquisition	172,898	490	3,979	177,367	-	-	-	177,367	552,638
Subgrants	139,880	35,541	-	175,421	-	-	-	175,421	-
Organizational meetings and workshops	7,268	800	46,731	54,799	93,359	6,482	99,841	154,640	176,537
Technology	15,879	10,467	14,465	40,811	58,862	5,720	64,582	105,393	120,594
Other	39,786	10,445	4,973	55,204	30,212	5,139	35,351	90,555	79,760
Telecommunications and office expense	22,137	17,734	15,966	55,837	20,202	3,771	23,973	79,810	87,909
Project and field equipment	46,959	5,763	-	52,722	6,429	-	6,429	59,151	87,811
Publications	20,852	3,098	9,204	33,154	23,175	-	23,175	56,329	54,468
Subtotal	2,708,460	1,246,153	1,050,518	5,005,131	965,466	436,878	1,402,344	6,407,475	6,534,783
Donated satellite imaging	199,022	-	-	199,022	-	-	-	199,022	302,132
TOTAL EXPENSES	\$ 2,907,482	\$ 1,246,153	\$ 1,050,518	\$ 5,204,153	\$ 965,466	\$ 436,878	\$ 1,402,344	\$ 6,606,497	\$ 6,836,915

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

THE AMAZON CONSERVATION TEAM AND AFFILIATES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2019

(With Summarized Financial Information for the Year Ended December 31, 2018)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets before translation adjustment	\$ 5,989,625	\$ (913,285)
Translation adjustment	-	(1,922)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	28,928	83,997
Unrealized and realized (gains) losses on investments	(106,368)	49,038
Changes in assets and liabilities:		
Grants and pledges receivable	(4,547,838)	1,120,005
Field operating advances	7,391	33,346
Prepaid expenses	(800)	(6,353)
Security deposit and other	(226)	258
Accounts payable and accrued expenses	152,366	(26,404)
Deferred revenue	88,727	(125,413)
Due to related party	21,470	(62,611)
Deferred rent and lease incentives	(1,608)	(79)
	1,631,667	150,577
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(274,319)	(1,524,908)
Proceeds from sales of investments	233,069	5,028
Purchases of property and equipment	-	(41,363)
	(41,250)	(1,561,243)
NET CASH USED IN INVESTING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,590,417	(1,410,666)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,010,937	6,421,603
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 6,601,354	\$ 5,010,937

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

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

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 that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the IRC).

The mission of ACT-U.S. is to partner with indigenous and other local communities to protect the tropical forest and strengthen traditional culture. ACT-U.S. works in Colombia, Suriname and Brazil, where each project is managed in partnership with local communities sharing knowledge and experience.

Amazon Conservation Team Colombia (ACT-Colombia) is a nonprofit charitable organization registered under Colombia's law as a subsidiary of ACT-U.S.

In February 2019, Amazon Conservation Team Brasil (ACT-Brasil) was established as a nonprofit charitable organization registered under Brazil's law as an affiliate of ACT-U.S.

In April 2019, Amazon Conservation Team-Europe's (ACT-EUR) by-laws were revised so that ACT-U.S. established control over the board. ACT-EUR was established to support fundraising activities out of Europe. The activities of ACT-EUR were deemed to be insignificant for separate presentation and these activities have been included with ACT-U.S. in these consolidated financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts and transactions of ACT-U.S., ACT-Colombia, ACT-Brasil and ACT-EUR (collectively referred to as ACT). ACT-U.S., ACT-Brasil, ACT-EUR, 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.

Basis of Presentation

The consolidated financial statements of ACT have been prepared on the accrual basis of accounting. Accordingly, revenue is recognized when earned and expenses are recognized when the obligation is incurred.

Cash and Cash Equivalents

ACT considers demand deposits, money market funds and all deposits with original maturities of three months or less to be cash and cash equivalents.

Investments

Investments consist of fixed-income and equity mutual funds and money market funds. The investments are recorded in the accompanying consolidated financial statements at their fair value, with gains and losses included in investment income in the consolidated statement of activities. Fair value is the price that would be received to sell an asset or liability through an orderly transaction between market participants at the measurement date.

Continued

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

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

Fair Value Measurement

Accounting standards define fair value and establish a framework for measuring fair value for those assets and liabilities that are measured at fair value on a recurring basis. In accordance with the fair value measurement standards, ACT has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest-level input that is significant to the fair value measurement of the instrument.

Applicable financial assets and liabilities are categorized on the basis of the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that ACT has the ability to access.

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

As of December 31, 2019, only ACT's investments, as described in Note 3 of these consolidated financial statements, were measured at fair value on a recurring basis.

Property and Equipment and Related Depreciation and Amortization

All acquisitions of property, equipment and software greater than \$5,000 and an estimated useful life in excess of more than a year are capitalized at cost and are being depreciated or amortized 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. Building and improvements are recorded at cost and are depreciated using the straight-line method over their useful lives of 45 years. Expenditures for major additions and improvements are capitalized; expenditures for maintenance and repairs are charged to expense when incurred. Upon the retirement or disposal of the 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.

Impairment of Long-Lived Assets

ACT reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. As of December 31, 2019, ACT has not recognized an impairment loss.

Continued

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

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

Classification of Net Assets

ACT's net assets are reported as follows:

- Net assets without donor restrictions represent the portion of expendable funds that are available for any purpose in performing the primary objectives of ACT at the discretion of ACT's management and the Board of Directors. From time to time, the Board designates a portion of these net assets for specific purposes, which makes that portion unavailable for use at management's discretion.
- Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or future time periods. These donor restrictions can be temporary in nature in that they will be met by actions of ACT or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. As of December 31, 2019, ACT had no net assets with donor restrictions that are required to be maintained in perpetuity.

Revenue Recognition

Unconditional grants and contributions are recognized as revenue and support in the accounting period in which they are received or when the unconditional promise to give is made. Unconditional grants and contributions are considered available for general 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 revenue and support with donor restrictions 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), net assets with donor restrictions are reclassified to net assets without donor restrictions and released from restrictions. Grants and pledges receivable represent amounts unconditionally committed by grantors that ACT has not received as of year-end.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at net present value when the discount is significant to the financial statements. Amortization of the discount is included in grants in the accompanying consolidated statement of activities.

ACT also has conditional grants where revenue is recognized upon the completion of certain milestones and or the occurrence of certain events. A contribution is considered conditional if the agreement includes a measureable performance or barrier and a right of return. Amounts that have been collected in advance but have not been earned are included in deferred revenue in the accompanying consolidated statement of financial position.

Donated Services

ACT received donated services primarily consisting of commercial satellite imagery to strengthen ACT's community-based conservation efforts in the diverse ecosystems of the Amazon rainforest. The value of these donated services is reflected in the accompanying consolidated statement of activities as in-kind contributions and is recorded at their estimated fair value.

Continued

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

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

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 functional expenses.

The consolidated statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area have been reported as an expense of that function. Direct salaries and benefits are allocated on the basis of time sheets. Costs such as occupancy, depreciation and amortization, and other administrative costs that benefit multiple functions are allocated proportionally on the basis of total direct costs incurred.

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 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 transaction date or using an average rate for the period of the transactions.

The balances for ACT-Colombia reported in the consolidated statement of financial position are translated at \$1 USD to 3,277 Colombian Peso (COP) on the basis of the market representative rate, the *Tasa de Cambio Representativa del Mercado*, at December 31, 2019. This is the official exchange rate published by the Central Bank of Colombia on a daily basis. The balances for ACT-Colombia reported in the consolidated statement of activities are translated at \$1 USD to 3,281 COP.

The balances for ACT-Brasil reports in the consolidated statement of financial position are translated at \$1 USD to 4.03 Brazilian Real (BRL) on the basis of the market representative rate at December 31, 2019. The balances for ACT-Brasil reported in the consolidated statement of activities are translated at \$1USF to 3.86 BRL.

Estimates

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

New Accounting Pronouncement

In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This ASU provides additional guidance to be used to determine whether a contribution is conditional and when a transaction should be accounted

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

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

New Accounting Pronouncement (continued)

for as a contribution versus an exchange. ACT adopted ASU 2018-08 as of January 1, 2019, and has applied the amendments of this standard on a modified prospective basis and elected to apply the standard only to agreements that were entered into after the effective date. This standard did not result in a material change to the consolidated financial statements or the timing of revenue recognition for ACT's grants and contributions.

2. Grants and Pledges Receivable

As of December 31, 2019, \$1,550,975 of grants and pledges receivable were expected to be received in less than one year and the remaining \$3,343,844 was expected to be received in one to five years. No discount was recorded on grants and pledges receivable due in future years, as the discount is not significant to the consolidated financial statements taken as a whole. All grants and pledges receivable are deemed fully collectible.

3. Investments and Fair Value Measurement

The following table summarizes ACT's investments measured at fair value on a recurring basis as of December 31, 2019, aggregated by the fair value hierarchy level with which those measurements were made:

	<u>Total Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Fixed-income mutual funds ^(a)	\$ 1,280,977	\$ 1,280,977	\$ -	\$ -
Equity mutual funds ^(a)	312,518	312,518	-	-
Money market funds ^(b)	<u>24,965</u>	<u>24,965</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,618,460</u>	<u>\$ 1,618,460</u>	<u>\$ -</u>	<u>\$ -</u>

(a) *Mutual funds* – Level 1 investments include mutual funds and are valued at the net asset value of shares held at year-end. The funds have readily available quoted market prices from an active market where there is significant transparency in the executed/quoted market price.

(b) *Money market funds* – These funds are held in accounts that are actively traded, are priced using independent market prices in the primary trading market and are classified as Level 1 on the basis of the availability of quotes for identical assets.

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THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

3. Investments and Fair Value Measurement (continued)

For the year ended December 31, 2019, investment income consisted of the following:

Interest and dividends	\$ 87,585
Unrealized gains	110,697
Investment fees	(10,690)
Realized losses	<u>(4,329)</u>
Investment Income, Net	<u><u>\$ 183,263</u></u>

4. Property and Equipment and Accumulated Depreciation and Amortization

ACT held the following property and equipment as of December 31, 2019:

	<u>ACT-U.S.</u>	<u>ACT- Colombia</u>	<u>Total</u>
Leasehold improvements	\$ 210,329	\$ -	\$ 210,329
Building	-	150,804	150,804
Computer equipment	15,712	34,557	50,269
Furniture, fixtures and equipment	-	19,024	19,024
Software and software development	<u>137,361</u>	<u>-</u>	<u>137,361</u>
Total Property and Equipment	363,402	204,385	567,787
Less: Accumulated Depreciation and Amortization	<u>(361,079)</u>	<u>(60,852)</u>	<u>(421,931)</u>
Property and Equipment, Net	<u><u>\$ 2,323</u></u>	<u><u>\$ 143,533</u></u>	<u><u>\$ 145,856</u></u>

Depreciation and amortization expense was \$28,928 for the year ended December 31, 2019.

5. Net Assets

Net Assets Without Donor Restrictions

ACT's net assets without donor restrictions are composed of undesignated amounts and board-designated amounts for a strategic reserve fund. As of December 31, 2019, ACT's net assets without donor restrictions were as follows:

Undesignated – ACT-U.S.	\$ 5,964,802
Undesignated – ACT-Colombia	143,533
Board-designated strategic reserve fund	<u>890,501</u>
Total Net Assets Without Donor Restrictions	<u><u>\$ 6,998,836</u></u>

The board-designated strategic reserve fund was created to secure ACT's long-term financial viability and address unforeseen adverse business events. In addition, the reserve may be used for one-time, nonrecurring expenses related to arising new programmatic initiatives that can build long-term capacity for ACT.

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THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

5. Net Assets (continued)

Net Assets With Donor Restrictions

As of December 31, 2019, net assets with donor restrictions were available as follows:

Subject to expenditure for specified purpose:	
Governance and culture	\$ 2,687,162
Land management	2,308,568
Sustainable alternatives livelihoods	<u>346,237</u>
Total Subject to Expenditure for Specified Purpose	<u>5,341,967</u>
Subject to the passage of time:	
General support for future periods	<u>580,032</u>
Total Subject to the Passage of Time	<u>580,032</u>
Total Net Assets With Donor Restrictions	<u>\$ 5,921,999</u>

6. Commitments and Risks

Operating Lease

In June 2006, ACT-U.S. entered into a noncancelable operating lease for its office space in Arlington, Virginia. The lease was amended several times and currently is set to expire on December 31, 2020. The amended lease also provides ACT-U.S. with an option to extend the lease term for an additional 48 months through December 31, 2024. The base rent increases annually based on scheduled increases provided for in the noncancelable operating lease.

Under the terms of the amended noncancelable operating lease, the lessor provided lease incentives to build out and renovate the office space. During the year ended December 31, 2011, ACT-U.S. used all of the lease incentives, which totaled \$210,329. Under 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 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, is reflected as deferred rent and lease incentives in the accompanying consolidated statement of financial position.

Future minimum lease payments required under this lease due during the year ending December 31, 2020, are \$79,124.

Total rent expense attributable to ACT-U.S.'s office space was \$76,093 for the year ended December 31, 2019, and is included in occupancy and equipment in the accompanying consolidated statement of functional expenses.

Continued

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

6. Commitments and Risks (continued)

Credit Risk

ACT-U.S. maintains its cash and cash equivalents with several U.S. commercial financial institutions, 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, 2019, ACT-U.S. had approximately \$6,410,000 composed of demand deposits, which exceeded the maximum limit insured by FDIC by approximately \$5,660,000. ACT-U.S. monitors the creditworthiness of these institutions and has not experienced any credit losses on its cash and cash equivalents.

Foreign Operations

ACT principally operates in Colombia, Suriname and Brazil. ACT maintains cash accounts in Colombia for program operations. The future of these programs can be adversely affected by a number of potential factors, such as currency devaluations, terrorist activities or changes in political climate. As of December 31, 2019, assets in these countries totaled approximately \$408,000 which represented approximately 3% of ACT's total consolidated assets.

Concentration of Revenue Risk

For the year ended December 31, 2019, ACT recognized revenue of \$8,075,108 from four donors, which represents approximately 63% of ACT's total consolidated revenue and support, excluding the foreign currency valuation loss. Additionally, ACT was owed \$4,538,202 from three donors, which accounted for 92% of ACT's grants and pledges receivable as of December 31, 2019.

7. Availability and Liquidity

ACT regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. ACT's financial assets available within one year of the consolidated statement of financial position date for general expenditures at December 31, 2019, were as follows:

Financial assets at year-end:	
Cash and cash equivalents	\$ 6,601,354
Current grants and pledges receivable	1,550,975
Investments	<u>1,618,460</u>
Total Financial Assets at Year-End	9,770,789
Less amounts not available to be used within one year:	
Amounts restricted by donors with purpose and time restrictions	(2,578,155)
Amounts unavailable to management without Board approval:	
Board-designated strategic reserve fund	<u>(890,501)</u>
Total Financial Assets Available Within One Year	<u>\$ 6,302,133</u>

Continued

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

7. Availability and Liquidity (continued)

ACT has various sources of liquidity at its disposal, including cash and cash equivalents and investments, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of ACT throughout the year. This is done through monitoring and reviewing ACT's cash flow needs on a monthly basis. As a result, management is aware of the cyclical nature of ACT's cash flow related to ACT's various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. As part of its liquidity plan, excess cash is invested in publicly traded investment vehicles, including mutual funds and equity securities, or to support organizational initiatives. ACT can liquidate its investments anytime, and therefore the investments are available to meet current cash flow needs. Additionally, ACT maintains board-designated net assets that ACT does not intend to spend for these purposes, but which could be made available for current operations with Board approval, if necessary.

8. Related-Party Transactions

During the year ended December 31, 2019, ACT worked through a partnership with the Stichting Amazon Conservation Team Suriname (ACT-Suriname), which is located in Suriname. This foreign entity is a separately incorporated nonprofit organization. ACT provided significant financial support to the organization. However, ACT does not have control of ACT-Suriname, which would require consolidation under GAAP, as defined in FASB ASC Topic 958-810, *Not-for-Profit Entities – Consolidation*.

ACT had entered into a memorandum of agreement (MOA) with this organization, which shares a similar mission and philosophy. The purpose of the MOA was for ACT and its related party to collaborate with local communities in conserving tropical forest in South America and strengthening its traditional culture. Under the MOA, ACT provided a majority of the foreign nonprofit organizations' financial resources and technical assistance. The MOA also indicated that ACT, in collaboration with its partner, would execute a majority of the fundraising activities and that those fundraising activities were subject to modification at any time by both parties' mutual consent.

For the year ended December 31, 2019, ACT provided \$918,988 to ACT-Suriname for program and operational expenses. These expenses were covered with a combination of funds with and without donor restrictions. 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, 2019, ACT owed ACT-Suriname \$21,470, corresponding to expenses incurred during the year ended December 31, 2019. The amount is included in due to related party in the accompanying consolidated statement of financial position.

9. 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 2% of each employee's salary.

Continued

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

9. Pension Plans (continued)

Employer contributions are 50% vested on the one-year anniversary of the employee's start date and are 100% vested on the second-year anniversary of the employee's start date. ACT-U.S.'s total pension expense was \$42,825 for the year ended December 31, 2019, 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, which was 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 an employee's gross salary. The employee's portion is 4% and the employer's 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 \$53,139 for the year ended December 31, 2019.

10. 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, 2019, 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. The net earnings or surplus, if any, that is not exempt in 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) for programs developing its corporate objective in the year following the year in which the earnings or surplus is obtained.

ACT-Brazil is a private non-profit association and is exempt from income taxes and social contribution on net profits under the terms of Law No. 9,532 / 97, article 15, fulfilling the requirements established in this legislation.

ACT has adopted the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB ASC Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. ACT-U.S. evaluated its uncertainty in income taxes for the year ended December 31, 2019, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. As of December 31, 2019, the statute of limitations for certain tax years remained open with the U.S. federal jurisdiction or the various states and local jurisdictions in which ACT-U.S. files tax returns; however, there are currently no audits pending or in progress. It is ACT-U.S.'s policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax or interest expense.

Continued

THE AMAZON CONSERVATION TEAM AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

11. Prior Year Summarized Financial Information

The accompanying consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with ACT's consolidated financial statements for the year ended December 31, 2018, from which the summarized information was derived.

12. Reclassification of Prior Year Balances

Certain amounts in the prior year consolidated financial statements have been reclassified for comparative purposes to conform to the presentation in the current year consolidated financial statements.

13. Subsequent Events

ACT's management has evaluated subsequent events through July 10, 2020, the date the consolidated financial statements were available to be issued.

In March 2020, the World Health organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic that continues to spread through the United States and international communities. ACT is monitoring the outbreak of COVID-19 and the related business and travel restrictions and changes to behavior intended to reduce its spread, in addition to the impact on its employees. Due to the rapid development and fluidity of the situation, the magnitude and duration of the pandemic and its impact on ACT's operations and liquidity is uncertain as of the date of this report. ACT has been able to continue most of its operations in a remote environment and is making plans to adjust activities that cannot, however, at this point, the extent to which COVID-19 may impact ACT's financial condition or results of operations is uncertain.

On April 17, 2020, ACT's Small Business Administration loan application under the Paycheck Protection Program (PPP) for the amount of \$236,900 has been approved by a financial institution. The loan will mature in April 2022 with a fixed interest rate at 1% per annum. The payments of principal and interest are deferred during the first six months of the loan, with the first monthly installment in November 2020, through the maturity. The loan amount may be eligible for forgiveness pursuant to the PPP, which established minimum amounts of the loan to be used to cover payroll costs and the remainder can be used for rent and utility costs over a specified period of time after the loan is made; and the number of employees and compensation levels are maintained.

Aside from the matters noted above, there were no subsequent events identified that require recognition or disclosure in these consolidated financial statements.

SUPPLEMENTARY INFORMATION

THE AMAZON CONSERVATION TEAM AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
December 31, 2019

	<u>ACT-U.S.</u>	<u>ACT-Brasil</u>	<u>ACT-Colombia</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 6,401,199	\$ 15,809	\$ 184,346	\$ -	\$ 6,601,354
Grants and pledges receivable	4,824,968	-	69,851	-	4,894,819
Field operating advances	13,019	-	-	(11,087)	1,932
Due from related party	-	-	7,957	(7,957)	-
Prepaid expenses	25,572	-	-	-	25,572
Investments	1,618,460	-	-	-	1,618,460
Property and equipment, net	2,323	-	143,533	-	145,856
Security deposit and other	3,998	-	5,284	-	9,282
	<u>\$ 12,889,539</u>	<u>\$ 15,809</u>	<u>\$ 410,971</u>	<u>\$ (19,044)</u>	<u>\$ 13,297,275</u>
LIABILITIES AND NET ASSETS					
Liabilities					
Accounts payable and accrued expenses	\$ 80,031	\$ 4,722	\$ 162,090	\$ -	\$ 246,843
Deferred revenue	-	-	105,348	-	105,348
Due to related party	29,427	11,087	-	(19,044)	21,470
Deferred rent and lease incentives	2,779	-	-	-	2,779
	<u>112,237</u>	<u>15,809</u>	<u>267,438</u>	<u>(19,044)</u>	<u>376,440</u>
Net Assets					
Without donor restrictions	6,855,303	-	143,533	-	6,998,836
With donor restrictions	5,921,999	-	-	-	5,921,999
	<u>12,777,302</u>	<u>-</u>	<u>143,533</u>	<u>-</u>	<u>12,920,835</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 12,889,539</u></u>	<u><u>\$ 15,809</u></u>	<u><u>\$ 410,971</u></u>	<u><u>\$ (19,044)</u></u>	<u><u>\$ 13,297,275</u></u>

See independent auditors' report on supplementary information.

THE AMAZON CONSERVATION TEAM AND AFFILIATES

CONSOLIDATING SCHEDULE OF ACTIVITIES

For the Year Ended December 31, 2019

	Without Donor Restrictions			With Donor Restrictions			Eliminations	Total
	ACT-U.S.	ACT-Brasil	ACT-Colombia	ACT-U.S.	ACT-Brasil	ACT-Colombia		
REVENUE AND SUPPORT								
Contributions	\$ 4,018,279	\$ -	\$ -	\$ 580,032	\$ -	\$ -	\$ -	\$ 4,598,311
Grants	729,488	89,883	3,099,488	6,087,687	-	-	(2,265,028)	7,741,518
In-kind contributions	199,022	-	-	-	-	-	-	199,022
Interest and investment income, net	183,263	288	189	-	-	-	(477)	183,263
Other	11,116	-	-	-	-	-	-	11,116
Foreign currency valuation loss	(137,108)	-	-	-	-	-	-	(137,108)
Net assets released from restrictions:								
Satisfaction of program restrictions	1,751,733	-	25	(1,751,733)	-	(25)	-	-
Satisfaction of time restrictions	313,645	-	-	(313,645)	-	-	-	-
TOTAL REVENUE AND SUPPORT	7,069,438	90,171	3,099,702	4,602,341	-	(25)	(2,265,505)	12,596,122
EXPENSES								
Program Services:								
Land management	2,581,025	28,095	1,793,485	-	-	-	(1,495,123)	2,907,482
Sustainable alternatives livelihoods	690,020	-	864,928	-	-	-	(308,795)	1,246,153
Governance and culture	1,005,714	62,076	444,315	-	-	-	(461,587)	1,050,518
Total Program Services	<u>4,276,759</u>	<u>90,171</u>	<u>3,102,728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,265,505)</u>	<u>5,204,153</u>
Supporting Services:								
General and administrative	965,466	-	-	-	-	-	-	965,466
Fundraising	436,878	-	-	-	-	-	-	436,878
Total Supporting Services	<u>1,402,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,402,344</u>
TOTAL EXPENSES	5,679,103	90,171	3,102,728	-	-	-	(2,265,505)	6,606,497
CHANGE IN NET ASSETS	1,390,335	-	(3,026)	4,602,341	-	(25)	-	5,989,625
NET ASSETS, BEGINNING OF YEAR	5,464,968	-	146,559	1,319,658	-	25	-	6,931,210
NET ASSETS, END OF YEAR	\$ 6,855,303	\$ -	\$ 143,533	\$ 5,921,999	\$ -	\$ -	\$ -	\$ 12,920,835

See independent auditors' report on supplementary information.

THE AMAZON CONSERVATION TEAM AND AFFILIATES

CONSOLIDATING SCHEDULE OF CASH FLOWS

For the Year Ended December 31, 2019

	<u>ACT-U.S.</u>	<u>ACT-Brasil</u>	<u>ACT-Colombia</u>	<u>Eliminations</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in net assets before translation adjustment	\$ 5,992,676	\$ -	\$ (3,051)	\$ -	\$ 5,989,625
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation and amortization	25,877	-	3,051	-	28,928
Unrealized and realized gains on investments	(106,368)	-	-	-	(106,368)
Changes in assets and liabilities:					
Grants and pledges receivable	(4,477,987)	-	(69,851)	-	(4,547,838)
Field operating advances	12,910	-	-	(5,519)	7,391
Due from related party	-	-	(7,957)	7,957	-
Prepaid expenses	(800)	-	-	-	(800)
Security deposit and other	(80)	-	(146)	-	(226)
Accounts payable and accrued expenses	12,005	4,722	135,639	-	152,366
Deferred revenue	-	-	72,121	16,606	88,727
Due to related party	29,427	11,087	-	(19,044)	21,470
Deferred rent and lease incentives	(1,608)	-	-	-	(1,608)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,486,052</u>	<u>15,809</u>	<u>129,806</u>	<u>-</u>	<u>1,631,667</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of investments	(274,319)	-	-	-	(274,319)
Proceeds from sales of investments	233,069	-	-	-	233,069
NET CASH USED IN INVESTING ACTIVITIES	<u>(41,250)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,250)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,444,802	15,809	129,806	-	1,590,417
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>4,956,397</u>	<u>-</u>	<u>54,540</u>	<u>-</u>	<u>5,010,937</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 6,401,199</u>	<u>\$ 15,809</u>	<u>\$ 184,346</u>	<u>\$ -</u>	<u>\$ 6,601,354</u>

See independent auditors' report on supplementary information.

OTHER INFORMATION

THE AMAZON CONSERVATION TEAM AND AFFILIATES

COMBINED SCHEDULE OF FINANCIAL POSITION

December 31, 2019

Unaudited

	<u>ACT-U.S.</u>	<u>ACT-Brasil</u>	<u>ACT-Colombia</u>	<u>ACT-Suriname</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 6,401,199	\$ 15,809	\$ 184,346	\$ 77,804	\$ -	\$ 6,679,158
Grants and pledges receivable	4,824,968	-	69,851	127,788	(348)	5,022,259
Field operating advances	13,019	-	-	-	(11,087)	1,932
Due from related party	-	-	7,957	21,470	(29,427)	-
Prepaid expenses	25,572	-	-	4,321	-	29,893
Investments	1,618,460	-	-	-	-	1,618,460
Property and equipment, net	2,323	-	143,533	12,907	-	158,763
Security deposit and other	3,998	-	5,284	16,958	-	26,240
TOTAL ASSETS	\$ 12,889,539	\$ 15,809	\$ 410,971	\$ 261,248	\$ (40,862)	\$ 13,536,705
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable and accrued expenses	\$ 80,031	\$ 4,722	\$ 162,090	\$ 125,704	\$ -	\$ 372,547
Deferred revenue	-	-	105,348	14,258	-	119,606
Due to related party	29,427	11,087	-	348	(40,862)	-
Deferred rent and lease incentives	2,779	-	-	-	-	2,779
TOTAL LIABILITIES	112,237	15,809	267,438	140,310	(40,862)	494,932
Net Assets						
Without donor restrictions	6,855,303	-	143,533	36,476	-	7,035,312
With donor restrictions	5,921,999	-	-	84,462	-	6,006,461
TOTAL NET ASSETS	12,777,302	-	143,533	120,938	-	13,041,773
TOTAL LIABILITIES AND NET ASSETS	\$ 12,889,539	\$ 15,809	\$ 410,971	\$ 261,248	\$ (40,862)	\$ 13,536,705

See independent auditors' report on other information.

THE AMAZON CONSERVATION TEAM AND AFFILIATES

COMBINED SCHEDULE OF ACTIVITIES

For the Year Ended December 31, 2019

Unaudited

	<u>ACT-U.S.</u>	<u>ACT-Brasil</u>	<u>ACT-Colombia</u>	<u>ACT-Suriname</u>	<u>Eliminations</u>	<u>Total</u>
REVENUE AND SUPPORT						
Contributions	\$ 4,598,311	\$ -	\$ -	\$ -	\$ -	\$ 4,598,311
Grants	6,817,175	89,883	3,099,488	1,210,732	(3,207,008)	8,010,270
In-kind contributions	199,022	-	-	-	-	199,022
Interest and investment income, net	183,263	288	189	28	(477)	183,291
Other	11,116	-	-	21,642	-	32,758
Foreign currency valuation loss	(137,108)	-	-	-	-	(137,108)
TOTAL REVENUE AND SUPPORT	<u>11,671,779</u>	<u>90,171</u>	<u>3,099,677</u>	<u>1,232,402</u>	<u>(3,207,485)</u>	<u>12,886,544</u>
EXPENSES						
Program Services:						
Land management	2,581,025	28,095	1,793,485	514,706	(1,887,252)	3,030,059
Sustainable alternatives livelihoods	690,020	-	864,928	394,642	(564,337)	1,385,253
Governance and culture	1,005,714	62,076	444,315	305,972	(755,896)	1,062,181
Total Program Services	<u>4,276,759</u>	<u>90,171</u>	<u>3,102,728</u>	<u>1,215,320</u>	<u>(3,207,485)</u>	<u>5,477,493</u>
Supporting Services:						
General and administrative	965,466	-	-	23,699	-	989,165
Fundraising	436,878	-	-	-	-	436,878
Total Supporting Services	<u>1,402,344</u>	<u>-</u>	<u>-</u>	<u>23,699</u>	<u>-</u>	<u>1,426,043</u>
TOTAL EXPENSES	<u>5,679,103</u>	<u>90,171</u>	<u>3,102,728</u>	<u>1,239,019</u>	<u>(3,207,485)</u>	<u>6,903,536</u>
CHANGE IN NET ASSETS	5,992,676	-	(3,051)	(6,617)	-	5,983,008
NET ASSETS, BEGINNING OF YEAR	<u>6,784,626</u>	<u>-</u>	<u>146,584</u>	<u>127,555</u>	<u>-</u>	<u>7,058,765</u>
NET ASSETS, END OF YEAR	<u>\$ 12,777,302</u>	<u>\$ -</u>	<u>\$ 143,533</u>	<u>\$ 120,938</u>	<u>\$ -</u>	<u>\$ 13,041,773</u>

See independent auditors' report on other information.