



the
Amazon
Conservation
Team

THE AMAZON CONSERVATION TEAM AND AFFILIATE

Consolidated Financial Statements and Supplemental Information

For the Year Ended December 31, 2015

(With Summarized Financial Information for the Year Ended December 31, 2014)



**and
Report Thereon**



THE AMAZON CONSERVATION TEAM AND AFFILIATE

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The Amazon Conservation Team (ACT-U.S.) and Affiliate (collectively referred to as ACT), which comprise the consolidated statement of financial position as of December 31, 2015, 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.

Auditor's 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 \$63,882 as of December 31, 2015 and total revenues of \$2,288,428 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 auditor's 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 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.

Continued

Opinion

In our opinion, based on our audit and the report of other auditors, 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, 2015, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited ACT's 2014 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 24, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position, activities and cash flows shown on pages 15 through 17 are presented for the purposes 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 consolidating statements of financial position, activities and cash flows have 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. In our opinion, the consolidating statements of financial position, activities and cash flows, which insofar as they relate to ACT-Colombia, are based on the report of other auditors, are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Raffa, P.C.

Raffa, P.C.

Washington, DC
September 30, 2016

THE AMAZON CONSERVATION TEAM AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2015
(With Summarized Financial Information as of December 31, 2014)

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 1,954,487	\$ 2,080,184
Grants and pledges receivable	342,938	1,077,993
Field operating advances	56,426	36,124
Prepaid expenses	46,749	43,872
Property and equipment, net	78,636	94,471
Security deposit and other	3,916	3,916
	\$ 2,483,152	\$ 3,336,560
TOTAL ASSETS		
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 104,455	\$ 73,839
Deferred revenue	-	79,280
Deferred rent and lease incentives	-	51,299
Other liabilities	2,150	-
	106,605	204,418
TOTAL LIABILITIES		
Net Assets		
Unrestricted	1,500,004	537,614
Temporarily restricted	876,543	2,594,528
	2,376,547	3,132,142
TOTAL NET ASSETS		
TOTAL LIABILITIES AND NET ASSETS	\$ 2,483,152	\$ 3,336,560

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, 2015

(With Summarized Financial Information for the Year Ended December 31, 2014)

	2015		2014	
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE AND SUPPORT				
Contributions	\$ 1,741,937	\$ 172,389	\$ 1,914,326	\$ 1,421,399
Grants	807,183	671,076	1,478,259	3,233,865
In-kind contributions	164,802	-	164,802	178,277
Investment income	2,819	-	2,819	1,459
Other	1,703	-	1,703	2,797
Foreign currency valuation gain (loss)	(92,586)	-	(92,586)	23,945
Net assets released from restrictions:				
Satisfaction of program restrictions	2,074,265	(2,074,265)	-	-
Satisfaction of time restrictions	487,185	(487,185)	-	-
	5,187,308	(1,717,985)	3,469,323	4,861,742
TOTAL REVENUE AND SUPPORT				
EXPENSES				
Program Services:				
Biodiversity	2,196,658	-	2,196,658	1,809,748
Culture	533,113	-	533,113	586,478
Health	779,259	-	779,259	489,472
	3,509,030	-	3,509,030	2,885,698
Total Program Services				
Supporting Services:				
General and administrative	542,979	-	542,979	502,113
Fundraising	172,909	-	172,909	213,824
	715,888	-	715,888	715,937
Total Supporting Services				
	4,224,918	-	4,224,918	3,601,635
TOTAL EXPENSES				
CHANGE IN NET ASSETS	962,390	(1,717,985)	(755,595)	1,260,107
NET ASSETS, BEGINNING OF YEAR	537,614	2,594,528	3,132,142	1,872,035
NET ASSETS, END OF YEAR	\$ 1,500,004	\$ 876,543	\$ 2,376,547	\$ 3,132,142

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, 2015
(With Summarized Financial Information for the Year Ended December 31, 2014)

	Program Services			Total Program Services	Supporting Services		Total Supporting Services	2015 Total	2014 Total
	Biodiversity	Culture	Health		General and Administrative	Fundraising			
Salaries and benefits	\$ 438,178	\$ 137,728	\$ 246,900	\$ 822,806	\$ 254,974	\$ 139,432	\$ 394,406	\$ 1,217,212	\$ 1,136,111
Project related	875,469	240,418	69,630	1,185,517	-	-	-	1,185,517	1,046,083
Community support	404,303	50,986	142,310	597,599	-	-	-	597,599	358,951
Consulting services	164,037	36,081	202,901	403,019	67,587	5,299	72,886	475,905	346,696
Travel	31,348	29,713	37,710	98,771	22,614	12,976	35,590	134,361	139,045
Occupancy and equipment	22,169	7,224	16,396	45,789	82,532	-	82,532	128,321	126,043
Other	23,470	5,602	12,628	41,700	25,757	2,318	28,075	69,775	88,114
Technology	23,310	3,404	10,234	36,948	45,917	6,025	51,942	88,890	71,431
Telecommunications and office expense	12,907	4,871	24,839	42,617	14,161	3,581	17,742	60,359	51,990
Organizational meetings and workshops	1,272	4,257	4,351	9,880	20,953	3,278	24,231	34,111	23,663
Project and field equipment	20,498	3,061	10,010	33,569	-	-	-	33,569	17,779
Publications	6,992	9,768	1,350	18,110	8,484	-	8,484	26,594	17,452
Subgrants	7,903	-	-	7,903	-	-	-	7,903	-
Subtotal	2,031,856	533,113	779,259	3,344,228	542,979	172,909	715,888	4,060,116	3,423,358
Donated services	164,802	-	-	164,802	-	-	-	164,802	178,277
TOTAL EXPENSES	\$ 2,196,658	\$ 533,113	\$ 779,259	\$ 3,509,030	\$ 542,979	\$ 172,909	\$ 715,888	\$ 4,224,918	\$ 3,601,635

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, 2015

(With Summarized Financial Information for the Year Ended December 31, 2014)

Increase (Decrease) in Cash and Cash Equivalents

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (755,595)	\$ 1,260,107
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	46,740	46,740
Changes in assets and liabilities:		
Grants and pledges receivable	735,055	(430,188)
Field operating advances	(20,302)	2,211
Prepaid expenses	(2,877)	(30,204)
Accounts payable and accrued expenses	30,616	2,490
Deferred revenue	(79,280)	47,870
Deferred rent and lease incentives	(51,299)	(49,158)
Other liabilities	2,150	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(94,792)	849,868
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of furniture and equipment	(30,905)	(149)
NET CASH USED IN INVESTING ACTIVITIES	(30,905)	(149)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(125,697)	849,719
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,080,184	1,230,465
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,954,487	\$ 2,080,184

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, 2015**

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 people to protect the rainforest. ACT-U.S. works hand-in-hand with local indigenous communities of tropical South America to devise and implement conservation strategies. ACT works in Colombia, Suriname and Brazil, where each project is managed in partnership with indigenous communities sharing knowledge and experience.

Amazon Conservation Team Colombia (ACT-Colombia) is a nonprofit charitable organization registered under Colombia's law as an affiliate 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 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.

Classification of Net Assets

ACT's net assets are reported as follows:

- Unrestricted net assets represent the portion of expendable funds that are available for ACT's general support. Unrestricted net assets also include \$637,719 that has been designated by ACT's Board of Directors as a contingency reserve.
- Temporarily restricted net assets represent amounts that are restricted by donors for a specific purpose or use in future periods.

THE AMAZON CONSERVATION TEAM AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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

Revenue Recognition

Grants and contributions are recognized as revenue in the period in which they are received or when unconditional promises are made. Grants and contributions are considered 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 ACT has not received 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. Conversely, 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.

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 proportionately among the programs and supporting services to which they relate on the basis of direct labor costs.

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 AMAZON CONSERVATION TEAM AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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

Foreign Currency Translation (continued)

The balances for ACT-Colombia reported in the consolidated statement of financial position are translated at \$1 USD to 3,149 Colombian Peso (COP) based on the market representative rate, the *Tasa de Cambio Representativa del Mercado*, at December 31, 2015. This is the official exchange rate published by the Central Bank on a daily basis. The balances for ACT-Colombia reported in the consolidated statement of activities are translated at \$1 USD to 2,746 COP.

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.

2. Grants and Pledges Receivable

As of December 31, 2015, \$327,938 of grants and pledges receivable are expected to be received in less than one year and the remaining \$15,000 is expected to be received in more than one year. No discount was recorded on grants and pledges receivable due in future years as the discount is considered to be immaterial to the consolidated financial statements taken as a whole. All grants and pledges receivable are deemed fully collectible.

3. Property and Equipment and Accumulated Depreciation and Amortization

ACT held the following property and equipment as of December 31, 2015:

Leasehold improvements	\$ 210,329
Computer equipment	30,665
Furniture, fixtures and equipment	19,133
Software and software development	<u>78,636</u>
Total Property and Equipment	338,763
Less: Accumulated Depreciation and Amortization	<u>(260,127)</u>
Property and Equipment, Net	<u>\$ 78,636</u>

Depreciation and amortization expense was \$46,740 for the year ended December 31, 2015.

THE AMAZON CONSERVATION TEAM AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

4. Temporarily Restricted Net Assets

As of December 31, 2015, temporarily restricted net assets were available for the following purposes:

Program restrictions:		
Biodiversity:		
Land management and protection	\$	460,282
Program management		<u>95,106</u>
Total Biodiversity		<u>555,388</u>
Culture:		
Educational opportunities		10,000
Program management		<u>15,106</u>
Total Culture		<u>25,106</u>
Health:		
Integrated Healthcare Access		25,000
Program management		<u>15,106</u>
Total Health		<u>40,106</u>
Board of Directors:		
Succession planning and strengthening of the fundraising efforts		<u>58,555</u>
Total Program Restrictions		<u>679,155</u>
Time restrictions:		
General support for future periods		<u>197,388</u>
Total Temporarily Restricted Net Assets	\$	<u><u>876,543</u></u>

5. 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 forty eight 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.

Continued

THE AMAZON CONSERVATION TEAM AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

5. Commitments and Risks (continued)

Operating Lease (continued)

Future minimum lease payments required under these leases are as follows:

<u>For the Year Ending</u> <u>December 31,</u>	
2016	\$ 73,158
2017	74,560
2018	76,051
2019	77,572
2020	<u>79,124</u>
Total	<u>\$ 380,465</u>

Total rent expense attributable to ACT-U.S.'s office space was \$21,859 for the year ended December 31, 2015, and is included in occupancy and equipment in the accompanying consolidated statement of functional expenses.

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, 2015, ACT- U.S. had approximately \$1,902,000 composed of demand deposits, which exceeded the maximum limit insured by FDIC by approximately \$1,396,000. 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 and Suriname. ACT maintains cash accounts in Colombia for program operations. The field operating advances in the accompanying consolidated statement of financial position represent cash advances to unconsolidated related parties in Suriname. 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, 2015, assets in these countries totaled approximately \$154,000, which represents approximately 6% of ACT's total consolidated assets.

Concentration of Revenue Risk

For the year ended December 31, 2015, ACT recognized revenue of \$1,795,500 from five donors, which represents approximately 50% of ACT's total consolidated revenue and support, excluding foreign currency valuation loss.

THE AMAZON CONSERVATION TEAM AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**

6. Related Party Transactions

ACT works through partnerships with Stichting Amazon Conservation Team Suriname (ACT-Suriname), which is located in Suriname. This foreign entity is a separately incorporated nonprofit organization. ACT provides significant financial support to this 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 has entered into a memorandum of understanding (MOU) with ACT Suriname, which shares a similar mission and philosophy. The purpose of this MOU is for ACT and its related party to collaborate with indigenous people in conserving biodiversity, health and culture in tropical America. Under the MOU, ACT provides a majority of the foreign nonprofit organization's financial resources and technical assistance. This MOU also indicates that ACT, in collaboration with its partner, will execute a majority of the fundraising activities and that those fundraising activities are subject to modification at any time by both parties' mutual consent.

For the year ended December 31, 2015, ACT provided \$533,587 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, 2015, ACT-Suriname had outstanding field operating advances of \$56,426. The outstanding balance corresponds to restricted funds advanced to the country program for activities that were delayed until 2016 and are included in field operating advances in the accompanying consolidated statement of financial position.

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 2% of each employee's salary. 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 \$10,245 for the year ended December 31, 2015, 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).

THE AMAZON CONSERVATION TEAM AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

7. Pension Plans (continued)

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 \$30,779 for the year ended December 31, 2015.

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, 2015, 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 follows 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 consolidated 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 performed an evaluation of uncertain tax positions for the year ended December 31, 2015, 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, 2015, the statute of limitations for tax years ended December 31, 2012, through December 31, 2014, remains open with the U.S. federal jurisdiction or the various states and local jurisdictions in which ACT-U.S. files tax returns. It is ACT-U.S.'s policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense. As of December 31, 2015, ACT-U.S. had no accruals for interest and/or penalties.

9. Reclassifications

Certain 2015 amounts have been reclassified to conform to the current year presentation.

10. 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, 2014, from which the summarized information was derived.

Continued

THE AMAZON CONSERVATION TEAM AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

11. Subsequent Events

ACT's management has evaluated subsequent events through September 30, 2016, the date the consolidated financial statements were available to be issued. There were no subsequent events identified that require recognition or disclosure in these consolidated financial statements.

SUPPLEMENTAL INFORMATION

THE AMAZON CONSERVATION TEAM AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2015

	ACT-U.S.	ACT-Colombia	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$ 1,900,676	\$ 53,811	\$ -	\$ 1,954,487
Grants and pledges receivable	332,867	10,071	-	342,938
Field operating advances	70,998	-	(14,572)	56,426
Prepaid expenses	46,749	-	-	46,749
Property and equipment, net	78,636	-	-	78,636
Security deposit and other	3,916	-	-	3,916
	TOTAL ASSETS	\$ 63,882	\$ (14,572)	\$ 2,483,152
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued expenses	\$ 55,145	\$ 49,310	\$ -	\$ 104,455
Deferred revenue	-	14,572	(14,572)	-
Other liabilities	2,150	-	-	2,150
	TOTAL LIABILITIES	63,882	(14,572)	106,605
Net Assets				
Unrestricted	1,500,004	-	-	1,500,004
Temporarily restricted	876,543	-	-	876,543
	TOTAL NET ASSETS	-	-	2,376,547
	TOTAL LIABILITIES AND NET ASSETS	\$ 63,882	\$ (14,572)	\$ 2,483,152

THE AMAZON CONSERVATION TEAM AND AFFILIATE

CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

	Unrestricted		Temporarily	Eliminations	Total
	ACT-U.S.	ACT-Colombia	Restricted		
REVENUE AND SUPPORT					
Contributions	\$ 1,741,937	\$ -	\$ 172,389	\$ -	\$ 1,914,326
Grants	-	2,288,042	671,076	(1,480,859)	1,478,259
In-kind contributions	164,802	-	-	-	164,802
Investment income	2,433	386	-	-	2,819
Other	1,703	-	-	-	1,703
Foreign currency valuation loss	(92,586)	-	-	-	(92,586)
Net assets released from restrictions:					
Satisfaction of program restrictions	2,074,265	-	(2,074,265)	-	-
Satisfaction of time restrictions	487,185	-	(487,185)	-	-
TOTAL REVENUE AND SUPPORT	<u>4,379,739</u>	<u>2,288,428</u>	<u>(1,717,985)</u>	<u>(1,480,859)</u>	<u>3,469,323</u>
EXPENSES					
Program Services:					
Biodiversity	1,613,972	1,803,022	-	(1,220,336)	2,196,658
Culture	308,232	289,322	-	(64,441)	533,113
Health	779,257	196,084	-	(196,082)	779,259
Total Program Services	<u>2,701,461</u>	<u>2,288,428</u>	<u>-</u>	<u>(1,480,859)</u>	<u>3,509,030</u>
Supporting Services:					
General and administrative	542,979	-	-	-	542,979
Fundraising	172,909	-	-	-	172,909
Total Supporting Services	<u>715,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>715,888</u>
TOTAL EXPENSES	<u>3,417,349</u>	<u>2,288,428</u>	<u>-</u>	<u>(1,480,859)</u>	<u>4,224,918</u>
CHANGE IN NET ASSETS	962,390	-	(1,717,985)	-	(755,595)
NET ASSETS, BEGINNING OF YEAR	<u>537,614</u>	<u>-</u>	<u>2,594,528</u>	<u>-</u>	<u>3,132,142</u>
NET ASSETS, END OF YEAR	<u>\$ 1,500,004</u>	<u>\$ -</u>	<u>\$ 876,543</u>	<u>\$ -</u>	<u>\$ 2,376,547</u>

THE AMAZON CONSERVATION TEAM AND AFFILIATE

CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2015
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	\$ (755,595)	\$ -	\$ -	\$ (755,595)
Adjustments to reconcile change in net assets to net cash used in operating activities:				
Depreciation and amortization	46,740	-	-	46,740
Changes in assets and liabilities:				
Grants and pledges receivable	731,478	3,577	-	735,055
Field operating advances	(31,742)	-	11,440	(20,302)
Prepaid expenses	(2,877)	-	-	(2,877)
Accounts payable and accrued expenses	18,217	12,399	-	30,616
Deferred revenue	-	(67,840)	(11,440)	(79,280)
Deferred rent and lease incentives	(51,299)	-	-	(51,299)
Other liabilities	2,150	-	-	2,150
	<u>(42,928)</u>	<u>(51,864)</u>	<u>-</u>	<u>(94,792)</u>
NET CASH USED IN OPERATING ACTIVITIES				
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of furniture and equipment	(30,905)	-	-	(30,905)
	<u>(30,905)</u>	<u>-</u>	<u>-</u>	<u>(30,905)</u>
NET CASH USED IN INVESTING ACTIVITIES				
NET DECREASE IN CASH AND CASH EQUIVALENTS	(73,833)	(51,864)	-	(125,697)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,974,509</u>	<u>105,675</u>	<u>-</u>	<u>2,080,184</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,900,676</u>	<u>\$ 53,811</u>	<u>\$ -</u>	<u>\$ 1,954,487</u>



Certified Public Accountants

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

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

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, 2015, and our report thereon dated September 30, 2016, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary combined information shown on pages 19 and 20 is presented for the purpose of additional analysis of the consolidated financial statements and is 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 combined financial statements and 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
September 30, 2016

THE AMAZON CONSERVATION TEAM AND AFFILIATES

COMBINED STATEMENT OF FINANCIAL POSITION
December 31, 2015

	<u>ACT-U.S.</u>	<u>ACT-Colombia</u>	<u>ACT-Suriname</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 1,900,676	\$ 53,811	\$ 70,575	\$ -	\$ 2,025,062
Grants and pledges receivable	332,867	10,071	71,386	-	414,324
Field operating advances	70,998	-	-	(70,998)	-
Prepaid expenses	46,749	-	2,891	-	49,640
Property and equipment, net	78,636	-	-	-	78,636
Security deposit and other	3,916	-	17,153	-	21,069
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 2,433,842</u>	<u>\$ 63,882</u>	<u>\$ 162,005</u>	<u>\$ (70,998)</u>	<u>\$ 2,588,731</u>
LIABILITIES AND NET ASSETS					
Liabilities					
Accounts payable and accrued expenses	\$ 55,145	\$ 49,310	\$ 22,309	\$ -	\$ 126,764
Deferred revenue	-	14,572	56,426	(70,998)	-
Other liabilities	2,150	-	-	-	2,150
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>57,295</u>	<u>63,882</u>	<u>78,735</u>	<u>(70,998)</u>	<u>128,914</u>
Net Assets					
Unrestricted	1,500,004	-	83,270	-	1,583,274
Temporarily restricted	876,543	-	-	-	876,543
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL NET ASSETS	<u>2,376,547</u>	<u>-</u>	<u>83,270</u>	<u>-</u>	<u>2,459,817</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,433,842</u>	<u>\$ 63,882</u>	<u>\$ 162,005</u>	<u>\$ (70,998)</u>	<u>\$ 2,588,731</u>

THE AMAZON CONSERVATION TEAM AND AFFILIATES

COMBINED STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

	<u>ACT-U.S.</u>	<u>ACT-Colombia</u>	<u>ACT-Suriname</u>	<u>Eliminations</u>	<u>Total</u>
REVENUE AND SUPPORT					
Grants	\$ 671,076	\$ 2,288,042	\$ 603,593	\$ (1,954,046)	\$ 1,608,665
Contributions	1,914,326	-	-	-	1,914,326
In-kind contributions	164,802	-	-	-	164,802
Investment income	2,433	386	207	-	3,026
Other	1,703	-	13,871	-	15,574
Foreign currency valuation loss	<u>(92,586)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(92,586)</u>
TOTAL REVENUE AND SUPPORT	<u>2,661,754</u>	<u>2,288,428</u>	<u>617,671</u>	<u>(1,954,046)</u>	<u>3,613,807</u>
EXPENSES					
Program Services:					
Biodiversity	1,613,972	1,803,022	103,655	(1,220,336)	2,300,313
Culture	308,232	289,322	152,328	(197,237)	552,645
Health	<u>779,257</u>	<u>196,084</u>	<u>354,690</u>	<u>(536,473)</u>	<u>793,558</u>
Total Program Services	<u>2,701,461</u>	<u>2,288,428</u>	<u>610,673</u>	<u>(1,954,046)</u>	<u>3,646,516</u>
Supporting Services:					
General and administrative	542,979	-	-	-	542,979
Fundraising	<u>172,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,909</u>
Total Supporting Services	<u>715,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>715,888</u>
TOTAL EXPENSES	<u>3,417,349</u>	<u>2,288,428</u>	<u>610,673</u>	<u>(1,954,046)</u>	<u>4,362,404</u>
CHANGE IN NET ASSETS	(755,595)	-	6,998	-	(748,597)
NET ASSETS, BEGINNING OF YEAR	<u>3,132,142</u>	<u>-</u>	<u>76,272</u>	<u>-</u>	<u>3,208,414</u>
NET ASSETS, END OF YEAR	<u>\$ 2,376,547</u>	<u>\$ -</u>	<u>\$ 83,270</u>	<u>\$ -</u>	<u>\$ 2,459,817</u>