

**THE RAINFOREST FUND, INC.**  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITORS' REPORT**  
**YEAR ENDED DECEMBER 31, 2013**

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
The Rainforest Fund, Inc.

We have audited the accompanying financial statements of The Rainforest Fund, Inc. (the "Organization") which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

**INDEPENDENT AUDITORS' REPORT** *(Continued)*

***Opinion***

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of The Rainforest Fund, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*DDK & Company LLP*

New York, New York  
July 28, 2014

**THE RAINFOREST FUND, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2013**

**ASSETS**

Cash and cash equivalents	\$ 490,092
Investments	6,691,120
Unconditional promises to give	1,515
Prepaid expenses	37,780
Property and equipment, net of accumulated depreciation and amortization of \$51,094	4,133
Security deposits	<u>8,934</u>
 Total assets	 <u><u>\$ 7,233,574</u></u>

**LIABILITIES AND NET ASSETS**

Liabilities	
Accounts payable and accrued expenses	<u>\$ 26,232</u>
 Total liabilities	 <u>26,232</u>
 Commitments and Contingencies	
Net Assets	
Unrestricted	<u>7,207,342</u>
 Total net assets	 <u>7,207,342</u>
 Total liabilities and net assets	 <u><u>\$ 7,233,574</u></u>

**THE RAINFOREST FUND, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2013**

**UNRESTRICTED NET ASSETS**

Unrestricted revenue and support	
Contributions	\$ 337,373
Interest and dividends	78,746
Net realized and unrealized gain on investments	<u>1,543,107</u>
Total unrestricted revenue and support	<u>1,959,226</u>
Expenses	
Program services:	
Project support	1,602,483
Supporting services:	
General and administrative	104,514
Fundraising	<u>50,139</u>
Total expenses	<u>1,757,136</u>
Change in net assets	202,090
Net assets at beginning of year	<u>7,005,252</u>
Net assets at end of year	<u><u>\$ 7,207,342</u></u>

**THE RAINFOREST FUND, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2013**

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
Salaries	\$ 19,290	\$ 19,290	\$ 19,290	\$ 57,870
Payroll taxes and employee benefits	7,198	7,199	7,198	21,595
Consulting	10,833	10,834	11,553	33,220
Support to related international organizations	1,516,355	-	-	1,516,355
Direct fundraising	-	-	40	40
Depreciation	-	1,285	-	1,285
Foreign taxes	-	4,482	-	4,482
Insurance	-	2,731	-	2,731
Investment fees	-	24,225	-	24,225
Office	-	9,557	-	9,557
Professional fees	-	12,855	-	12,855
Rent	9,194	9,193	9,194	27,581
Telephone	2,511	2,511	2,511	7,533
Travel and entertainment	35,714	-	-	35,714
Utilities	353	352	353	1,058
Website	1,035	-	-	1,035
<b>Total</b>	<b><u>\$ 1,602,483</u></b>	<b><u>\$ 104,514</u></b>	<b><u>\$ 50,139</u></b>	<b><u>\$ 1,757,136</u></b>

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

**THE RAINFOREST FUND, INC.**  
**STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2013**

***Cash Flows From Operating Activities***

Change in net assets	\$ 202,090
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Realized and unrealized gain on investments	(1,543,107)
Depreciation expense	1,285
Changes in operating assets and liabilities:	
Unconditional promises to give	50,485
Prepaid expenses	(37,780)
Security deposits	106
Accounts payable and accrued expenses	9,799
	(1,317,122)
Net cash used in operating activities	(1,317,122)

***Cash Flows From Investing Activities***

Purchases of investments	(47,943)
Proceeds from sale of investments	200,000
	152,057
Net cash provided by investing activities	152,057

Net decrease in cash and cash equivalents	(1,165,065)
Cash and cash equivalents at beginning of year	1,655,157
Cash and cash equivalents at end of year	\$ 490,092



**THE RAINFOREST FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2013**

**NOTE 1 - NATURE OF ACTIVITIES**

On November 18, 2008, The Rainforest Foundation Fund, Inc. changed its name to The Rainforest Fund, Inc. (the "Organization"). The Organization is a charitable foundation; its mission is to protect and support indigenous peoples and traditional populations of the Rainforest in their efforts to protect their environment and defend their rights, to promote a sustainable development of their communities, and to challenge government practices which have a damaging effect on their environment.

The Organization carries out its mission by funding programs and projects aimed at supporting indigenous peoples and traditional populations of the Rainforest to assert and defend their rights, to fight against development programs which have damaging effects on their environment, and to carry out various projects promoting the governance and the economic development of their communities.

The Organization provides financial support for projects in the field undertaken by related national organizations called Rainforest Foundation Norway, Rainforest Foundation UK, and Rainforest Foundation US; other organizations working in the fields of human rights and the environment can seek support from the Organization.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The Organization's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America.

***Basis of Financial Statement Presentation***

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 reported in the Statement of Activities as net assets released from restrictions.

The Organization reports information regarding its financial position according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**THE RAINFOREST FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2013**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

***Basis of Financial Statement Presentation*** *(Continued)*

Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- 1) Unrestricted net assets include assets, revenues, and gains that are available for support of the Organization's general operations.
- 2) Temporarily restricted net assets include contributions that are donor restricted for uses which have not yet been fulfilled either by the passage of time or by purpose. When a time restriction ends or a purpose restriction is accomplished, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. The Organization has no temporarily restricted net assets at December 31, 2013.
- 3) Permanently restricted net assets represent endowments which are subject to restrictions requiring that the principal be invested in perpetuity and only the income be used for specified or general purposes. The Organization has no permanently restricted net assets at December 31, 2013.

***Cash and Cash Equivalents***

Cash and cash equivalents include certain holdings in highly liquid investments, consisting of money market fund investments with original maturities of three months or less.

***Marketable Securities***

Investments in marketable securities are carried at fair value based on market quotes, with unrealized and realized gains and/or losses included in the statement of activities along with charges for impairments that are other than temporary.

***Unconditional Promises to Give***

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. The fair value of promises to give that are due in more than one year is estimated by discounting the future cash flows using a current risk free rate of return based on the yield of a U.S. Treasury security with a maturity date similar to the expected collection period.

The Organization provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Organization's estimate is based on historical collection experience and a review of the current status of unconditional promises to give. It is reasonably possible that the Organization's estimate of the allowance for doubtful accounts will change. At December 31, 2013, no allowance for uncollectible unconditional promises to give was deemed necessary.

**THE RAINFOREST FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2013**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

***Property and Equipment***

Property and equipment are stated at cost, less depreciation. Fully depreciated assets are retained in property and depreciation accounts until they are removed from service. When assets are retired or otherwise disposed of, their cost and related accumulated depreciation and amortization are removed from the accounts and the resulting gains or losses are included in operations. Depreciation of property and equipment is accounted for on the straight-line method over the estimated useful lives of the assets.

***Contributions***

Contributions, including unconditional promises to give, are recorded in the period received at fair value which is net of estimated uncollectible amounts. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated by the donor for future periods or are restricted by the donor for specified purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

A donor restriction expires when a stipulated time restriction ends, when an unconditional promise with an implied time restriction is collected, or when a purpose restriction is accomplished. Upon expiration, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions. Permanently restricted net assets include the principal amount of contributions accepted with the stipulation from the donor that the principal be maintained in perpetuity and only the income from the investments thereof is expended for either general purposes or a purpose specified by the donor.

***Donated Assets***

Donated marketable securities and other non-cash donations, if any, are recorded as contributions at their estimated fair value at the date of the donation.

Donated services, if any, are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers provide services throughout the year that are not recognized as contributions in the financial statements since the aforementioned recognition criteria were not met.

**THE RAINFOREST FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2013**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

***Income Taxes***

The Organization is a not-for-profit organization that is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code; the Organization is also exempt from state and local income taxes. Accordingly, no provision for income taxes has been made in the financial statements. In addition, the Organization is subject to tax on unrelated business income at statutory corporate income tax rates. However, the Organization did not have any unrelated business income for the year ended December 31, 2013.

The Board of Directors of the Organization has concluded that there are no uncertain tax positions that would require recognition in the financial statements. If the Organization was to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes. The Organization's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors. Generally, federal, state and local authorities may examine the tax returns for three years from the date of filing; consequently, the respective tax returns for years prior to 2010 are no longer subject to examination by tax authorities.

***Expense Allocation***

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

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

***Subsequent Events***

Management has evaluated subsequent events or transactions occurring through July 28, 2014 the date the financial statements were available to be issued.

**THE RAINFOREST FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2013**

**NOTE 3 - INVESTMENTS**

Investments as of December 31, 2013 are reported at fair value and are summarized as follows:

	<u>Cost</u>	<u>Gross Unrealized Gain</u>	<u>Fair Value</u>
<b><u>Unrestricted</u></b>			
Equity securities	\$ 868,277	\$ 938,909	\$ 1,807,186
Limited partnership	<u>2,175,058</u>	<u>2,708,876</u>	<u>4,883,934</u>
Total	<u>\$ 3,043,335</u>	<u>\$ 3,647,785</u>	<u>\$ 6,691,120</u>

Investments in securities are generally exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term.

The following schedule summarizes the related investment return and its classification in the statement of activities for the year ended December 31, 2013:

	<u>Amount</u>
Interest and dividends	\$ 78,746
Net realized and unrealized gain on investments	<u>1,543,107</u>
Total	<u>\$ 1,621,853</u>

**NOTE 4 - FAIR VALUE MEASUREMENTS**

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted observable quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

**THE RAINFOREST FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2013**

**NOTE 4 - FAIR VALUE MEASUREMENTS** *(Continued)*

***Basis of Fair Value Measurement***

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Limited Partnership has established valuation processes and procedures for Level 3 investments to ensure proper reporting within the fair value hierarchy and in accordance with U.S. GAAP. The Limited Partnership is responsible for the valuation processes and procedures of the Level 3 investments, including the development of written valuation policies and procedures, conducting periodic reviews of the valuation policies, and determining the proper and consistent application of the valuation policies.

The determination of fair value using these methodologies takes into consideration a range of factors, including, but not limited to, the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance, and financing transactions subsequent to the acquisition of the investment. These valuation methodologies involve a significant degree of judgment by the Limited Partnership.

The following tables present by level, within the fair value hierarchy the Organization investment assets at fair value, as of December 31, 2013. Investment assets are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement.

**THE RAINFOREST FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2013**

**NOTE 4 - FAIR VALUE MEASUREMENTS** *(Continued)*

***Basis of Fair Value Measurement*** *(Continued)*

The table below sets forth a summary of the fair value of the Organization's Level 1 and 3 investment assets for the year ended December 31, 2013:

<u>Description</u>	<u>Total</u>	<u>Quoted Prices in Active Market for Identical Assets (Level 1)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Available-for-sale securities	\$ 1,807,186	\$ 1,807,186	\$ -
Limited partnership	<u>4,883,934</u>	<u>-</u>	<u>4,883,934</u>
Total	<u>\$ 6,691,120</u>	<u>\$ 1,807,186</u>	<u>\$ 4,883,934</u>

The following is a roll forward of Level 3 investments for the year ended December 31, 2013:

	<u>Total</u>
Balance at January 1, 2013	\$ 3,616,901
Realized and unrealized gains on investment	<u>1,267,033</u>
Balance at December 31, 2013	<u>\$ 4,883,934</u>

**NOTE 5 - PROPERTY AND EQUIPMENT**

Major classes of property and equipment are summarized as follows:

	<u>Estimated Useful Lives - Years</u>	<u>Amounts</u>
Equipment	5	\$ 50,432
Furniture and fixtures	7	3,619
Software	3	<u>1,176</u>
Total cost		55,227
Less: Accumulated depreciation		<u>51,094</u>
Property and equipment, net		<u>\$ 4,133</u>

Related depreciation expense for the year ended December 31, 2013 was \$1,285.

**THE RAINFOREST FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2013**

**NOTE 6 - RENTAL INFORMATION**

On May 31, 2012, the Organization entered into a lease for an office facility located in New York City. The term of the lease is for a period of 3 years commencing on July 1, 2012 and expiring on June 30, 2015.

Rent expense totaled \$27,581 for the year ended December 31, 2013:

Total future minimum rental payments required under the non-cancelable operating lease agreement are approximately as follows:

<u>Years Ending December 31,</u>	<u>Amounts</u>
2014	\$ 28,000
2015	<u>14,000</u>
	<u>\$ 42,000</u>

**NOTE 7 - RISKS AND UNCERTAINTIES**

***Cash and Cash Equivalents***

At December 31, 2013, the bank balance at two commercial banks exceeded the \$250,000 insured FDIC limit by approximately \$230,000.

***Marketable Securities***

At December 31, 2013, the investment balance at one brokerage firm exceeded the insured SIPC limit by approximately \$807,000. In addition, the brokerage firm provides additional insurance for amounts above the SIPC limit.

**NOTE 8 - RELATED PARTY TRANSACTIONS**

The Organization conducted investment transactions with a related party. The Treasurer of the Organization owns and operates a limited partnership hedge fund. The Treasurer, as part of his duties, directs the Organization's investments throughout the year. The Organization's investment in the limited partnership hedge fund at December 31, 2013 was \$4,883,934.



**THE RAINFOREST FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2013**

**NOTE 9 - DESCRIPTION OF PROGRAMS**

The following summarizes the Organization's projects during the year ended December 31, 2013.

***PAPUA NEW GUINEA (PNG) - BISMARCK RAMU GROUP (BRG)***

The activities in 2013 were in line with the goal of bringing a new strategy and new technology to the fight for local rights and the massive destruction of PNG rainforests. BRG trained 11 members of Women in Agriculture (WIA), 18 members of Lutheran Development Service and staff members of local Non-Governmental Organizations and leaders to better understand development issues, local initiatives and their sustainability and globalization to help communities advance their voices and rights.

***MALAYSIA - THE INDIGENOUS PEOPLES NETWORK OF MALAYSIA (JOAS)***

The project coordinated meetings and assemblies between indigenous communities, youth, women and national representatives to advance land and human rights and articulate their positions. The first newsletter was produced in April 2013, and institutionally, the JOAS database and social media are updated regularly. The online radio geared up in unison with UNICEF to disseminate information to communities through podcasts and CDs/thumb drives.

***BOLIVIA - THE FEDERATION OF INDIGENOUS PEOPLES OF BOLIVIA***

After having worked with Comunidad Viva for over 10 years, we found it important to have a third party evaluate the project to determine successes, challenges and opportunities for the future.

The report concluded that the work has been effective, productive and empowering. Two suggestions that the external evaluator mentioned were for Comunidad Viva to establish a secure cash income from the goods the women's group produces, as well as ensuring the territory within which the bromeliad plants are grown.

***CENTRAL AFRICAN REPUBLIC (CAR) and in GABON - COMMUNITY LEGAL FIELDWORKERS (CLFW)***

In Gabon and in CAR until the project halted in the country in Spring 2013, CLFW were trained to gain expertise in identifying gaps in national laws and the ability to identify forest communities' rights in international agreements. Forty paralegals were trained in Gabon and CAR to tackle the core issues of community rights and the specific issues that their communities face. Over 2,000 people participated in meetings with 1,500 either trained or in training; 65 community representatives can explain their rights within national legislation and international conventions. Fifteen birth certificates for children in Gabon have been acquired, and this process will continue.

**THE RAINFOREST FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2013**

**NOTE 9 - DESCRIPTION OF PROGRAMS** *(Continued)*

***CAMEROON, CAR AND DRC - SUPPORTING INDIGENOUS PEOPLES AND FOREST COMMUNITIES TO ENGAGE IN THE DEVELOPMENT OF OFFICIAL CLIMATE CHANGE MITIGATION STRATEGIES***

This project aims to work with local NGO networks to support Indigenous peoples and forest communities to engage in Climate Change strategies aimed at giving them the tools to understand and be the voice in Climate Change policies.

***PANAMA - SECURING WOUNAAN LANDS IN THE DARIEN***

The project in 2013 expanded its work with the Wounaan, but also to the Embera, and focused on securing their rights to their ancestral land and implementing sustainable forest management systems. This project included three parts: securing land titles, building sustainable community management of collective lands and capacity building.

***PERU - STRENGTHENING THE ENVIRONMENTAL MONITORING OF THE QUECHUA OF THE PASTAZA RIVER (FEDIQUEP)***

This project focuses on reporting contamination and environmental violations to the State authorities and publicly demanding remedial action and compensation. This project also centers on three other timely major actions: improving the communities' knowledge about their rights and extractive industries, strengthening their own federation to better represent their voices and needs, and actively participating in an indigenous alliance of all federations in the Pastaza region.

***PERU - SECURING LAND RIGHTS FOR INDIGENOUS COMMUNITIES IN THE PERUVIAN AMAZON, AIDSESEP***

Over the past year, AIDSESEP and its lawyers have been highly successful in defending and acquitting over 100 of accused indigenous people and leaders who were arrested after the Bagua riots in 2009, ensuring that they are tried in the correct courtrooms and are given a fair trial.

***GUYANA - PROMOTING THE INTERESTS AND RIGHTS OF GUYANA'S INDIGENOUS PEOPLES IN CLIMATE CHANGE PROJECTS***

This project involves the holding of a Training of Trainers workshop, community capacity, building workshops, advocacy work and a land assessment study aimed at clearly identifying and documenting the land rights related problems being faced by indigenous communities in Guyana. The proposal provides institutional support to the American Power Act to remain engaged in the national discussion regarding Reducing Emissions from Deforestation and Forest Degradation and to continue representing the indigenous peoples of Guyana at the negotiating table.

**THE RAINFOREST FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2013**

**NOTE 10 - DESCRIPTION OF PROGRAMS** *(Continued)*

***BOLIVIA - COMUNIDAD VIVA***

The continuation of the Water Project by scaling up the access to clean water in the community Ayoreo Puesto Paz and Porvenir of which the majority of the population is composed of youngsters.

***BRAZIL - EQUIPE DE CONSERVACAO DA AMAZONIA (ECAM)***

The Surui have been working for years to establish carbon credits and have now been the first ever successful indigenous-led REDD project. In Fall 2013, the Surui in collaboration with the Brazil Cosmetics giant, Natura S.A., established an agreement for the sale of 120,000 Verified Carbon Credits, which will bring to the community between \$35-\$70 million over the next 30 years.

***ECUADOR - TECHNICAL SUPPORT IN THE CODILLERA DEL CONDOR REGION - E-Tech International***

In 2013, the project highlighted the need to address the environmental and human rights impacts of at least two large scale mining projects in the Cordillera del Condor in Southern Ecuador, home to the Shuar and the Saraguro indigenous communities.

***IVORY COAST - UNIVERSITY SCHOLARSHIP***

The Organization first granted a scholarship in 2010 to a young student, Paulin, from Ivory Coast who wanted to study Environmental Management in Abidjan. We granted \$3,000 for his studies, and he kept us informed about his progress.

***PERU - NINOS DE LA AMAZONIA***

In 2013, this project continued to support 5 young indigenous students to study at university in Iquitos. This year, the project enabled the students to live together in a rented house in the Iquitos, chaperoned by an indigenous "mother," Carola, from their village, and most importantly, provided them the opportunities to go back to their village during some weekends and holidays to maintain the link with their families and their own culture.

***CONGO BASIN - REDUCING THE NEGATIVE IMPACTS ON FOREST COMMUNITIES DUE TO THE EXPANSION OF INDUSTRIAL PALM OIL PLANTATIONS***

This project is aimed at reducing the negative impacts on forest communities due to the expansion of industrial palm oil plantations. As this project is an initial one, the preliminary groundwork in 2013 included strategy discussions for how to utilize the research conducted by Rainforest United Kingdom to best work with communities on advancing their rights while mitigating the effects of palm oil expansion.

**THE RAINFOREST FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2013**

**NOTE 10 - DESCRIPTION OF PROGRAMS** *(Continued)*

**PERU - FEDIQUEP, STRENGTHENING THE ENVIRONMENTAL MONITORING OF THE QUECHUA IN THE PASTAZA RIVER TO DEFEND THEIR TERRITORIES**

The first year of this project centered on an indigenous environmental monitoring program conducted by young indigenous leaders. Three major actions were added to the project in 2013: improving community members' knowledge about their rights, strengthening their own federation to better represent their voices and needs and actively participate in an indigenous alliance of all federations in the Pastaza region.

**ECUADOR - FRENTE DE DEFENSA DE LA AMAZONIA AND CLEARWATER, WATER PROJECT**

The Frente and ClearWater work side-by-side with indigenous and mestizo communities to develop, plan and execute the necessary steps for the construction of rainwater purification systems. Indigenous people are at the helm of this project and are directing the management, construction, education and finances - not only are these steps ones that enable them to carry out this Water Project, but are steps that simultaneously build their own skills, networks and sustainable methods of securing water rights, as well as their broader human, political and social rights.