

**THE RAINFOREST FUND, INC.**  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITORS' REPORT**  
**YEAR ENDED DECEMBER 31, 2016**

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**INDEPENDENT AUDITORS' REPORT**  
**YEAR ENDED DECEMBER 31, 2016**

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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, 2016, 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.

### ***Auditors' 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 auditors' 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 auditors consider 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 present fairly, in all material respects, the financial position of The Rainforest Fund, Inc. as of December 31, 2016, 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.

*DDK & Company LLP*

New York, New York  
September 8, 2017

**THE RAINFOREST FUND, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2016**

**ASSETS**

Cash and cash equivalents	\$ 1,427,406
Investments	4,518,320
Unconditional promises to give	1,147,123
Property and equipment, net	1,069
Security deposits	<u>4,171</u>
 Total assets	 <u><u>\$ 7,098,089</u></u>

**LIABILITIES AND NET ASSETS**

Liabilities	
Accounts payable and accrued expenses	<u>\$ 315,931</u>
 Total liabilities	 <u>315,931</u>
 Commitments and Contingencies	
Net Assets	
Unrestricted	<u>6,782,158</u>
 Total net assets	 <u>6,782,158</u>
 Total liabilities and net assets	 <u><u>\$ 7,098,089</u></u>

**THE RAINFOREST FUND, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2016**

**UNRESTRICTED NET ASSETS**

Unrestricted revenue and support	
Grants and contributions	\$ 437,431
Special events revenue	2,366,805
Less: Costs of direct benefit to donors	(487,019)
Interest and dividends, net of interest expense	105,298
Net realized and unrealized gain on investments	215,234
	<hr/>
Total unrestricted revenue and support	2,637,749
	<hr/>
Expenses	
Program services:	
Project support	1,587,305
Supporting services:	
General and administrative	97,398
Fundraising	789,561
	<hr/>
Total expenses	2,474,264
	<hr/>
Increase in net assets	163,485
Net assets at beginning of year	6,618,673
	<hr/>
Net assets at end of year	<u><u>\$ 6,782,158</u></u>

**THE RAINFOREST FUND, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2016**

	<b>Supporting Services</b>			
	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
Salaries	\$ 16,953	\$ 16,953	\$ 16,953	\$ 50,859
Payroll taxes and employee benefits	4,981	4,981	4,981	14,943
Consulting	15,533	15,533	15,533	46,599
Support to related international organizations	1,516,403	-	-	1,516,403
Direct fundraising	-	-	742,440	742,440
Depreciation	-	754	-	754
Foreign taxes	-	10,278	-	10,278
Insurance	-	1,177	-	1,177
Investment fees	-	12,723	-	12,723
Office	-	8,352	-	8,352
Professional fees	-	16,993	-	16,993
Rent	8,000	8,000	8,000	24,000
Telephone	1,654	1,654	1,654	4,962
Travel and entertainment	23,520	-	-	23,520
Website	261	-	-	261
<b>Total</b>	<b>\$ 1,587,305</b>	<b>\$ 97,398</b>	<b>\$ 789,561</b>	<b>\$ 2,474,264</b>

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

**THE RAINFOREST FUND, INC.**  
**STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2016**

***Cash Flows From Operating Activities***

Increase in net assets	\$ 163,485
Adjustments to reconcile increase in net assets to net cash used in operating activities	
Realized and unrealized gain on investments	(215,234)
Contribution of marketable securities	(10,434)
Depreciation expense	754
Changes in operating assets and liabilities	
Unconditional promises to give	(1,146,834)
Prepaid expenses	16,210
Accounts payable and accrued expenses	302,078
	(889,975)
Net cash used in operating activities	(889,975)

***Cash Flows From Investing Activities***

Purchases of investments	(625,238)
Proceeds from sale of investments	2,900,022
	2,274,784
Net cash provided by investing activities	2,274,784

Net increase in cash and cash equivalents	1,384,809
Cash and cash equivalents at beginning of year	42,597
	\$ 1,427,406
Cash and cash equivalents at end of year	\$ 1,427,406

***Supplemental Disclosure of Cash Flow Information***

Interest paid	\$ 553
Foreign taxes withheld	\$ 10,278

**THE RAINFOREST FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2016**

**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, 2016**

**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 had no temporarily restricted net assets at December 31, 2016.
- 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 had no permanently restricted net assets at December 31, 2016.

***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 classified and accounted for as available-for-sale and accordingly carried at fair value based on market quotes, with unrealized and realized gains and/or losses included in the statement of activities.

***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, 2016, no allowance for uncollectible unconditional promises to give was deemed necessary.

**THE RAINFOREST FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2016**

**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.

***Revenue Recognition***

The Organization generates revenue from ticket sales to its concert event, which occurs every other year.

***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***

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, 2016**

**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, 2016.

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.

***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 September 8, 2017 the date the financial statements were available to be issued.

**THE RAINFOREST FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
Year Ended December 31, 2016

**NOTE 3 - INVESTMENTS**

Investments as of December 31, 2016 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	\$ 941,254	\$ 486,270	\$ 1,427,524
Limited partnership	<u>385,116</u>	<u>2,705,680</u>	<u>3,090,796</u>
Total	<u>\$ 1,326,370</u>	<u>\$ 3,191,950</u>	<u>\$ 4,518,320</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, 2016:

	<u>Amount</u>
Interest and dividends	\$ 105,851
Net realized and unrealized gain on investments	<u>215,234</u>
Total	<u>\$ 321,085</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 as follows:

**THE RAINFOREST FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2016**

**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's investment assets at fair value, as of December 31, 2016. 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, 2016

**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, 2016:

<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	\$ 1,427,524	\$ 1,427,524	\$ -
Limited partnership	<u>3,090,796</u>	<u>-</u>	<u>3,090,796</u>
Total	<u>\$ 4,518,320</u>	<u>\$ 1,427,524</u>	<u>\$ 3,090,796</u>

The following is a roll forward of Level 3 investments for the year ended December 31, 2016:

	<u>Amounts</u>
Balance at January 1, 2016	\$ 5,436,876
Distribution	(2,500,000)
Interest and dividend income	86,827
Investment expenses	(10,702)
Foreign taxes paid	(10,261)
Realized and unrealized gains on investment	<u>88,056</u>
Balance at December 31, 2016	<u>\$ 3,090,796</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	\$ 3,070
Furniture and fixtures	7	3,619
Software	3	<u>1,176</u>
Total cost		7,865
Less: Accumulated depreciation		<u>6,796</u>
Property and equipment, net		<u>\$ 1,069</u>

Related depreciation expense for the year ended December 31, 2016 was \$754.

**THE RAINFOREST FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2016**

**NOTE 6 - RENTAL INFORMATION**

On June 30, 2015, 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 and 9 months commencing on July 1, 2015 and expiring on March 31, 2019.

Rent expense totaled \$24,000 for the year ended December 31, 2016:

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>
2017	\$ 24,000
2018	24,000
2019	<u>6,000</u>
	<u>\$ 54,000</u>

**NOTE 7 - RISKS AND UNCERTAINTIES**

***Marketable Securities***

At December 31, 2016, the investment balance at two brokerage firm exceeded the insured SIPC limit by approximately \$428,000. In addition, the brokerage firm provides additional insurance for amounts above the SIPC limit. The cash balance at one bank exceeded the FDIC insured limit per bank by approximately \$314,000.

**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, 2016 was \$3,090,796.

**THE RAINFOREST FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2016**

**NOTE 9 - EMPLOYEE BENEFIT PLAN**

The Organization participates in a 403(b) Profit Sharing Plan (the "Plan"). As allowed under Section 403(b) of the Internal Revenue Code, the Plan provides tax-deferred salary deductions for eligible employees. Participants must be 21 years of age and have completed six months of service and may make voluntary contributions to the Plan not to exceed the federally determined maximum allowable contribution. The Organization discretionarily matches a percentage of participants' compensation equal to 50% of each participant's deferred compensation, not to exceed 3% of the participant's annual compensation.

New employees are eligible to participate on the earlier of the first day of the plan year or the first day of the seventh month of the plan year which coincides with the date following satisfaction of the eligibility requirements. For the year ended December 31, 2016, the Company made contributions of \$823.

**NOTE 10 - DESCRIPTION OF PROGRAMS**

The following summarizes the Organization's projects during the year ended December 31, 2016:

***DEMOCRATIC REPUBLIC OF THE CONGO – ALLIANCE NATIONALE D'APPUI ET DE PROMOTION DES AIRES DU PATRIMOINE AUTOCHTONE ET COMMUNAUTAIRE (ANAPAC), Protect and Defend Indigenous Rights and Governance through REDD+***

This is a new project in the DRC to promote greater involvement and consideration of the rights and interests of the surrounding Indigenous communities in the REDD+ process and field projects. An important goal of the project is to help the local communities to understand their rights and be able to advocate for them when violations arise.

***Republic of the Congo - Community rights and conservation in the Congo Basin***

In its second year, this project aimed to promote local and indigenous peoples' rights in the context of conservation projects in the Congo Basin. Conservation is contentious as competing interests often ignore indigenous peoples who live in harmony with their natural environments, but are often treated as threats and face human rights violations from governments and big industry.

***INDONESIA - PARADISEA, Protection of the Forest in the Bird Head region of West Papua through sustainable management of the Forest by the local communities and the government***

2016 was this project's third year of funding and works to establish green corridors within nature reserves in West Papua. In these corridors, indigenous communities are secured in their right to manage the forest sustainably, according to their needs, while protecting the forest from industrial exploitation.

**THE RAINFOREST FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2016**

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

***INDONESIA - YAYASAN CITRA MANDIRI MENTAWAI (YCMM), Strengthen the participation of the Mentawai people in the design and implementation of public policies and in the management of their natural resources in a fair and sustainable way***

In its second year, YCMM led a project to support an alternative model for managing natural resources using traditional and sustainable methods. This program has allowed the Mentawai people to be more economically independent with increased income from traditional agriculture, and influence public policies through activism strategies. Additionally, the program aims to create policies to protect the land rights of the Mentawai people and add positive education about the Mentawai to the Indonesian school curriculums to end discrimination.

***BOLIVIA - COMUNIDAD VIVA, Strengthening the Cheque Oitedie Women's Cooperative***

2016 was the Organization's final year of funding Cheque Oitedie, part of the Comunidad Viva organization. Rainforest Fund supported the Cheque Oitedie cooperative in continuing to expand selling their handicrafts to an international audience through strengthening production and attending two international markets in the US. Cheque Oitedie is a cooperative led by Indigenous Ayoreo women artisans that aims to preserve cultural identity while generating jobs for financial independence.

***BRAZIL - EQUIPE DE CONSERVCAO DA AMAZONIA (ECAM), Strengthening of the Wai Wai people of the Trombetas Indigenous lands within the context of the National Policy for Environmental Management on Indigenous Territories (PNGATI)***

2016 was the Organization's second year of funding of the Wai Wai. The project aims to strengthen the Wai Wai community and its association in the face of increasing pressure on their traditional lands through creation and implementation of a territorial management plan and vigilance plan.

***BRAZIL - EQUIPE DE CONSERVCAO DA AMAZONIA (ECAM), Strengthening the Tembe Community of Para state in the Brazilian Amazon by improving their institutional capacity and implementing their Vigilance Plan***

This is the Organization's third year supporting the Tembe program. The Tembe have maintained and refined their Park Guard program, which has carried out vigilance expeditions to protect their land; improved infrastructure to expedite reaction time of the Guards; held workshops to strengthen the Tembe Association; and developed a free, prior, and informed consent process.

**THE RAINFOREST FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2016**

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

***ECUADOR - Ceibo Alliance (formerly Clear Water)***

As a form of continuing the Organization's "Water Project" in Ecuador's Northern Amazon, the Indigenous-led organization, Ceibo Alliance, has emerged to have a key role in the program. The Ceibo Alliance is made up of representatives from the Waorani, Secoya, Siona, Cofan and Kichwa Communities who together determine their needs, and develop strategies for meeting those needs. The program has continued to install and maintain rainwater catchment systems; constructing a total of 149 systems and maintaining 18, with about 1,000 people benefiting from this access to clean, fresh water. Along with rainwater catchment systems, 2016 adopted additional projects in environmental monitoring, territorial mapping, Indigenous rights defenders, women's empowerment, and cultural revival initiatives.

***PANAMA – CONGRESO GENERAL DEL TERRITORIO ANCESTRAL DULE TAGARKUNYAL, Laying the Groundwork for Titling the Tagarkunyal Ancestral Territory***

This project aims to strengthen the socio-cultural structures and policies within the Guna community and begin the process to prepare land title applications of the Guna tribe's land. This is being approached through community workshops, mapping, and the formation of leadership authorities.

***PERU - EJECUTOR DEL CONTRATO DE ADMINISTRACION (ECA), Strengthening Capacity for the Protection and Management of the Amarakaeri Communal Reserve***

In 2016, this project worked to promote community-based protection and management of the Amarakaeri Reserve by implementing a community environmental monitoring program and strengthening the capacity of community, legal, administrative, and organizational management mechanisms.

***PERU – FEDERACIÓN NATIVA DEL RÍO MADRE DE DIOS Y AFLUENTES (FENAMAD), Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest***

This is a new project in 2016 that provides and teaches Indigenous communities to use Real Time Monitoring technology in the Madre de Dios region of the Amazon. The technology is meant to assist Indigenous Peoples to better protect their forests from illegal logging and mining. The project also aims to liaise between the communities and government to design mechanisms that will enforce forest illegalities.

***PERU – NATIVE COMMUNITY OF SAWETO ALTO TAMAYA, Territorial Security and access to Justice for the Indigenous Asheninka Community of Alto Tamaya Saweto***

This is a first year project in support of the community in Saweto Alto Tamaya, Peru. The project focuses on strengthening the community through access to justice and personal safety after tribal leaders were killed in 2014, and assistance in securing newly demarcated borders.