

FORESTETHICS
Financial Statements
December 31, 2015
(With Comparative Totals for December 31, 2014)

FORESTETHICS

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
ForestEthics
San Francisco, California**

I have audited the accompanying financial statements of ForestEthics (a California non-profit public benefit corporation), which comprise the statements of financial position as of December 31, 2015, and the related statements of activities, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

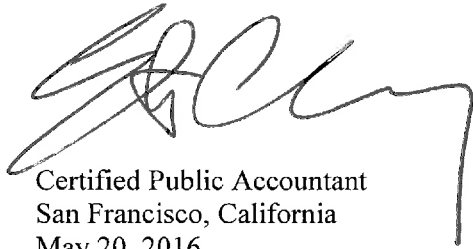
Opinion

In my audit, the financial statements referred to above present fairly, in all material respects, the financial position of ForestEthics as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT (Continued)

Report on Summarized Comparative Information

I have previously audited the ForestEthics December 31, 2014 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated April 21, 2015. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Certified Public Accountant
San Francisco, California
May 20, 2016

FORESTETHICS
STATEMENTS OF FINANCIAL POSITION
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 651,014	\$ 1,063,421
Investment - Short term (note 4)	8,918	113,353
Grants and pledges receivable (note 2)	447,662	232,250
Contracts and other receivables	368,694	34,558
Prepaid expenses	16,856	20,489
Total Current Assets	1,493,144	1,464,071
Other Assets		
Deposits	5,825	5,825
Other Asset	-	225
Total Other Assets	5,825	6,050
Fixed Assets		
Property and Equipment (note 6)	26,973	30,405
TOTAL ASSETS	\$ 1,525,942	\$ 1,500,526
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 28,995	\$ 31,341
Accrued vacation	50,063	55,754
Total Current Liabilities	79,058	87,095
TOTAL LIABILITIES	79,058	87,095
Net Assets		
Temporarily restricted (note 8)	1,028,847	1,059,255
Unrestricted	418,037	354,176
Total Net Assets	1,446,884	1,413,431
TOTAL LIABILITIES AND NET ASSETS	\$ 1,525,942	\$ 1,500,526

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

FORESTETHICS
STATEMENTS OF ACTIVITIES
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015</u>	<u>2014</u>
REVENUES AND SUPPORTS				
Foundation grants	\$ -	\$ 2,227,750	\$ 2,227,750	\$ 2,821,290
Contributions	92,867	184,685	277,552	201,596
In-kind Contributions	-	-	-	-
Contract revenue	184,685	-	184,685	265,417
Other event revenue	36,300	-	36,300	-
Interest income	3,287	-	3,287	235
Other income	42,740	-	42,740	2,324
Unrealize capital gain (loss)	-	-	-	-
Net assets released from restrictions	2,442,843	(2,442,843)	-	-
Total Revenues and Support	<u>2,802,722</u>	<u>(30,408)</u>	<u>2,772,314</u>	<u>3,290,862</u>
EXPENSES				
Program services	2,149,972	-	2,149,972	2,680,558
General and administrative	240,106	-	240,106	213,778
Development	348,783	-	348,783	292,709
Total Expenses	<u>2,738,861</u>	<u>-</u>	<u>2,738,861</u>	<u>3,187,045</u>
CHANGE IN NET ASSETS	63,861	(30,408)	33,453	103,817
NET ASSETS, beginning of year	354,176	1,059,255	1,413,431	1,344,614
Prior Period Adjustment	-	-	-	(35,000)
NET ASSETS, beginning bal. after adjustment (note 11)	<u>354,176</u>	<u>1,059,255</u>	<u>1,413,431</u>	<u>1,309,614</u>
NET ASSETS, end of year	<u>\$ 418,037</u>	<u>\$ 1,028,847</u>	<u>\$ 1,446,884</u>	<u>\$ 1,413,431</u>

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

FORESTETHICS
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	<u>BEN</u>	<u>Boreal Forest</u>	<u>BC Forest</u>	<u>Greenwash SFI</u>	<u>Climate - TS US</u>	<u>Climate - SHW</u>	<u>Climate - TS CA</u>	<u>2015 Program Services</u>	<u>2014 Program Services</u>
Wages	\$ 88,398	\$ 159,673	\$ 60,326	\$ 186,572	\$ 459,720	\$ 48,825	\$ 186,869	\$ 1,190,383	\$ 1,188,791
Payroll taxes	8,662	13,517	5,094	17,497	43,253	4,331	17,497	109,851	108,450
Other benefits	9,125	32,794	9,165	47,510	91,757	8,603	35,146	234,100	216,972
Payroll fees	3,415	4,315	241	6,237	15,304	1,344	5,652	36,508	-
Professional fees	23	3,139	4	62	8,331	18	104	11,681	-
Contract services	14,981	16,674	28,490	30,587	97,210	28,539	48,249	264,730	901,127
Rent	4,424	8,203	885	10,447	25,864	4,697	17,388	71,908	80,908
Utilities	623	1,155	125	1,472	3,644	662	2,451	10,132	11,460
Repair & maintenance	4	7	1	9	22	4	14	61	34
Office supplies	81	179	11	208	586	77	346	1,488	17,522
Office expenses	366	676	73	866	2,195	386	1,443	6,005	-
Telephone, fax & internet	1,361	2,035	210	2,611	7,562	1,136	4,348	19,263	20,561
Postage & delivery	-	-	-	309	220	-	-	529	1,040
Printing & photocopy	5	9	1	230	2,939	5	19	3,208	2,797
Advertising & promotion	241	481	16	666	2,078	189	1,115	4,786	781
Travel	2,829	11,976	1,362	8,605	39,352	2,958	13,265	80,347	70,674
Food and reception	243	1,159	90	842	6,837	244	1,849	11,264	9,884
Staff development & recognition	1,078	2,023	213	2,568	7,374	1,142	4,267	18,665	1,276
Stipend/Honorarium	-	-	-	260	-	-	-	260	-
Fundraising & special events	6	113	16	1,031	12,572	5	104	13,847	240
Meetings	42	84	-	116	37,284	33	193	37,752	26,247
Dues & subscriptions	1,319	829	52	1,239	3,597	343	2,193	9,572	8,327
Insurance	337	624	67	795	1,968	357	1,323	5,471	5,550
Bank fee & charges	-	-	-	-	-	-	-	-	148
Miscellaneous	85	160	17	219	822	89	340	1,732	4,581
Depreciation	610	880	33	768	2,894	152	892	6,229	3,188
Grants to other organizations	-	-	-	-	200	-	-	200	-
Total	<u>\$ 138,258</u>	<u>\$ 260,705</u>	<u>\$ 106,492</u>	<u>\$ 321,726</u>	<u>\$ 873,585</u>	<u>\$ 104,139</u>	<u>\$ 345,067</u>	<u>\$ 2,149,972</u>	<u>\$ 2,680,558</u>

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

FORESTETHICS
STATEMENT OF FUNCTIONAL EXPENSES (Continued)
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	<u>Support</u>			<u>2015 Expense</u>	<u>2014 Expense</u>
	<u>General & Administrative</u>	<u>Development</u>	<u>2015 Total Support</u>		
Wages	\$ 100,920	\$ 180,810	\$ 281,730	\$ 1,472,113	\$ 1,396,640
Payroll taxes	8,216	16,314	24,530	134,381	127,257
Other benefits	23,987	27,477	51,464	285,564	255,125
Payroll fees	14,728	5,055	19,783	56,291	-
Professional fees	16,025	-	16,025	27,706	-
Contract services	5,387	11,241	16,628	281,358	959,387
Rent	13,713	23,276	36,989	108,897	106,156
Utilities	1,933	3,280	5,213	15,345	15,038
Repair & maintenance	1,112	19	1,131	1,192	1,951
Office supplies	6,718	237	6,955	8,443	34,141
Office expenses	8,090	2,362	10,452	16,457	-
Telephone, fax & internet	3,978	8,014	11,992	31,255	30,648
Postage & delivery	866	1,981	2,847	3,376	5,857
Printing & photocopy	1,398	171	1,569	4,777	5,748
Advertising & promotion	2,178	-	2,178	6,964	908
Travel	8,899	14,351	23,250	103,597	81,818
Food and reception	4,812	4,832	9,644	20,908	22,500
Staff development & recognition	3,473	6,175	9,648	28,313	2,904
Stipend/Honorarium	-	-	-	260	-
Fundraising & special events	-	35,925	35,925	49,772	7,272
Meetings	-	-	-	37,752	33,407
Dues & subscriptions	3,480	403	3,883	13,455	14,781
Insurance	1,043	1,771	2,814	8,285	7,283
Bank fee & charges	-	-	-	-	11,882
Miscellaneous	2,448	3,412	5,860	7,592	37,584
Depreciation	6,702	1,677	8,379	14,608	9,495
Grants to other organizations	-	-	-	200	19,263
Total	<u>\$ 240,106</u>	<u>\$ 348,783</u>	<u>\$ 588,889</u>	<u>\$ 2,738,861</u>	<u>\$ 3,187,045</u>

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

FORESTETHICS
STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	2015	2014
Cash Flows from Operating Activities		
Change in Net Assets	\$ 33,453	\$ 103,817
Released from TRNA-non recovered grants	-	(35,000)
Adjustments from Operating Activities		
Depreciation	14,608	9,495
(Increase) Decrease in Operating Assets		
Grants and pledges receivable	(215,412)	321,894
Contract and other receivable	(334,136)	(6,488)
Prepaid expenses	3,633	76,442
Due from Tides Canada Initiate	-	4,263
Other asset	225	-
Increase (Decrease) in Operating Liabilities		
Accounts payable	(2,346)	(6,108)
Accrued vacation	(5,691)	13,568
	(505,666)	481,883
Cash Flows from Investing Activities		
Purchase of Investments	104,435	168,765
Fixed asset acquisitions	(11,176)	(20,759)
	93,259	148,006
Net Increase (Decrease) in Cash and Cash Equivalents	(412,407)	629,889
CASH, beginning of year	1,063,421	433,532
Unrestricted Cash and Cash Equivalents at End of Year	\$ 651,014	\$ 1,063,421
Supplemental Cash Flow Information		
Interest paid	\$ -	\$ -

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

FORESTETHICS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

NOTE 1 - NATURE OF ORGANIZATION

ForestEthics' mission is to protect Endangered Forests, wildlife, and human well-being. We believe that protecting our planet is everyone's business. Because of our work, environmentally responsible corporations and governments will thrive, natural systems will be protected, the people and wildlife that depend on them will prosper, and markets will be more transparent and ethical. Our mission is realized through our campaigns, which seek to:

- Protect and preserve vital endangered forests and pristine wild places such as Canada's vast Boreal Forest and British Columbia's iconic Great Bear Rainforest and Sacred Headwaters region.
- Halt the expansion of extreme energy production in Canada's Tar Sands and stop dangerous means of oil transportation including pipelines, tankers, and oil by rail
- Expose and curb the worst abuses of "greenwashing" as it relates to forest products, and
- Transform corporate practices and policies to support a more ethical and respectful relationship with the natural environment.

ForestEthics' campaigns consider all of the issues that affect wild places and the wildlife and people that depend on them—from biodiversity to air and water quality to climate change. We expand our work to new regions or issue areas when we can bring the leverage and power needed to win.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Descriptions of net assets

Unrestricted Net Assets

The portion of net assets that is neither temporarily restricted nor permanently restricted by donor restriction.

FORESTETHICS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Temporarily Restricted Net Assets

The portion of net assets for which use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization.

Permanently Restricted Net Assets

The portion of net assets for which use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can otherwise be removed by actions of the Organization.

Basis of Accounting

The Organization maintains its records using the accrual method of accounting.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Organization maintains its cash balances at one financial institution located in the San Francisco Bay Area. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. All funds in a noninterest-bearing transaction account are insured in full by the FDIC through December 31, 2015. At various times during the year the Organization had cash balances in excess of insured amounts.

Property and Equipment

All acquisitions of property and equipment in excess of \$500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are depreciated using the straight-line method over their estimated useful lives, generally 3 to 7 years.

Functional Allocation of Expense

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 benefitted.

FORESTETHICS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3) and the California Revenue and Taxation code Section 23701(d). The Organization has evaluated its current tax positions as of December 31, 2015 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization’s tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively after they are filed.

Promise to Give

The Organization recognizes all unconditional gifts and pledges in the period notified. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Amounts that are restricted by the donor/grantor are reported as increases in temporarily restricted net assets or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Receivables

Grants and pledges receivable represent unconditional promises to give at December 31, 2015 and 2014 as follows:

	<u>2015</u>	<u>2014</u>
Foundation and corporate grants receivable	\$ 447,662	\$ 227,202
Individual pledges receivable	-	5,048
Current grants and individual pledges receivable	447,662	232,250
Grants and pledges receivable, one to five years	-	-
Total grants and pledges receivable	<u>\$ 447,662</u>	<u>\$ 232,250</u>

FORESTETHICS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prior Year Summarized Information

The 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with ForestEthics's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Accounting for Restricted Support

The Organization report gifts of cash and other assets as restricted support if they are received with donor's stipulation limiting the use of the donated assets. When a donor's 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.

Pledges Received

Pledges of grants or donations are recorded as revenue when they are received in writing. The receivables are recorded net of allowance for estimated uncollectible amounts.

Allocation of Expenses

Shared expenses are allocated to programs and supporting services based on the ratio of each activity's direct salary cost to total salary expense.

Reclassifications

Certain accounts in the prior's year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

At the time of the audit, ForestEthics has evaluated all subsequent events through May 20, 2016, the date the financial statements were available to be issued, and determined that there is no material impact from the subsequent events. However, ForestEthics have officially changed their entity name to Stand as of March, 2016.

FORESTETHICS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

NOTE 3 – CASH AND CASH EQUIVALENTS

Investments in certificate deposits, money market fund, treasury bills, and commercial paper with original maturities of three months or less are considered cash equivalents.

NOTE 4 – INVESTMENT – SHORT TERM

	2015	2014
Equity	\$ 8,918	\$ 113,353
Business Money Market	-	-
Certificates of Deposit	-	-
	\$ 8,918	\$ 113,353

The investment earned interest income of \$3,287 and \$235 respectively and have varying maturity dates during 2015 and 2014.

NOTE 5 – FAIR VALUE MEASUREMENTS

Fair value of Financial Instruments

In conformity with accounting principles generally accepted in the United States of America, the Organization established a hierarchal disclosure framework that prioritizes and ranks the level of market price observability used in measuring assets and liabilities reported at fair value. The estimated fair value amounts have been determined using available market information, assumptions, estimates and valuation methodologies. When determining fair value, the Organization considers the principal or most advantageous market in which it would transact, and considers assumptions that market participants would use when pricing the asset or liability.

The fair value hierarchy distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

FORESTETHICS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

NOTE 5 – FAIR VALUE MEASUREMENTS (continued)

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

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities. Valuations for assets and liabilities traded in less active dealer or broker markets are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Inputs that are both significant to the fair value measurement and unobservable. Valuations for assets and liabilities are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The following tables present the Organization’s assets and liabilities that are measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of December 31, 2015 and 2014:

	December 31, 2015			
	Level 1	Level 2	Level 3	Fair Value Measurements
Other Asset/Investment	\$8,918	\$ -	\$ -	\$ 8,918
Total Other Assets/Investments	\$8,918	\$ -	\$ -	\$ 8,918

	December 31, 2014			
	Level 1	Level 2	Level 3	Fair Value Measurements
Other Asset/Investment	\$113,353	\$ -	\$ -	\$ 113,353
Total Other Assets/Investments	\$113,353	\$ -	\$ -	\$ 113,353

FORESTETHICS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

NOTE 6 – PROPERTY AND EQUIPMENT

		<u>December 31, 2015</u>	<u>December 31, 2014</u>
	<u>Depreciable Life</u>		
Computer Equipment	3 years	\$ 79,019	\$ 49,871
Furniture & Fixture	7 years	-	17,973
Less: Accumulated Depreciation		<u>52,046</u>	<u>37,439</u>
Net Property and Equipment		<u>\$ 26,973</u>	<u>\$ 30,405</u>

NOTE 7 – COMMITMENTS

Minimum annual rental payments required under the leases in effect on December 31, 2015 are as follows:

Year ending December 31,

	<u>San Francisco, CA</u>	<u>Bellingham, WA</u>
2016	\$ 78,327	\$ 33,032
2017	80,677	13,932
2018	47,875	-
	<u>\$ 206,879</u>	<u>\$ 46,964</u>

For the years ended December 31, 2015 and 2014, rent expense amounted to \$108,896 and \$106,156 respectively.

On July 3, 2014, the lease for Bellingham Washington was extended to May 31, 2017.

FORESTETHICS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2015, temporarily restricted net assets are restricted for the following purposes:

	<u>2015</u>	<u>2014</u>
Climate Campaign	\$ 598,000	\$ 708,310
Boreal Forest Campaign	-	5,350
BC - Forest	-	50,000
Business Ethics	27,338	65,595
Administration	403,509	230,000
Total	<u>\$ 1,028,847</u>	<u>\$ 1,059,255</u>

Net assets of \$2,442,843 were released from donor restrictions by incurring expenditures satisfying the restricted purposes.

NOTE 9 – RETIREMENT PLAN

The Organization has a defined contribution plan covering employees with at least 1,000 hours of service in the initial 12 months of employment or in any subsequent plan year. The Organization matches participants' contributions to the plan equal to 70% of the first 6% of before-tax savings. Participants can contribute before-tax contributions of 1 to 15% of their total compensation, up to the IRS indexed maximum for a calendar year. The total 2015 and 2014 employer's contribution was \$0 and \$0, respectively. Employer contribution plan is on hold since January 2009.

NOTE 10 – FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recorded at the rates of exchange in effect on the transaction date. Assets and liabilities denominated in foreign currencies other than the U.S. dollar are translated at rates of exchange in effect at the balance sheet date. The resulting foreign currency transaction loss for 2015 is \$1,191, for 2014 was \$1,288.

FORESTETHICS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

NOTE 11 – CONCENTRATIONS

Financial instruments that potentially subject the Organization to concentrations of credit risk are primarily cash, short term investments and accounts receivable. The Organization places its cash in financial institutions that are insured in limited amounts by the Securities Investor Protection Corporation and the Federal Deposit Insurance Corporation. Cash balances at December 31, 2015 and 2014 exceed the balances covered by such insurance by \$29,213 and \$391,394, respectively.