

Trees for the Future, Inc.

Financial Statements

For the Years Ended December 31, 2018 and 2017

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Independent Auditor's Report

To the Board of Directors
Trees for the Future, Inc.
Silver Spring, Maryland

We have audited the accompanying financial statements of Trees for the Future, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Trees for the Future, Inc. as of December 31, 2018 and 2017, 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.

Snyder Cohn, PC

SNYDER COHN, PC
North Bethesda, Maryland
July 31, 2019



Trees for the Future, Inc.
Statements of Financial Position

| December 31 | 2018 | 2017 |
|---|---------------------|---------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 1,592,616 | \$ 755,016 |
| Investments | 5,792 | 4,995 |
| Pledges receivable, net | 490,650 | 414,138 |
| Prepaid expenses | 24,977 | 10,800 |
| Total current assets | <u>2,114,035</u> | <u>1,184,949</u> |
| Property and equipment, net | <u>8,568</u> | <u>2,616</u> |
| Other assets: | | |
| Deposits | 4,082 | 4,082 |
| Intangible assets, net | 33,336 | 45,473 |
| Other assets | 18,490 | - |
| Total other assets | <u>55,908</u> | <u>49,555</u> |
| Total assets | <u>\$ 2,178,511</u> | <u>\$ 1,237,120</u> |
| Liabilities and net assets | | |
| Current liabilities: | | |
| Accounts payable | \$ 11,072 | \$ 16,534 |
| Accrued expenses | 68,950 | 43,550 |
| Deferred revenue | 1,000 | - |
| Total liabilities | <u>81,022</u> | <u>60,084</u> |
| Commitments | | |
| Net assets: | | |
| Without donor restrictions | 2,037,526 | 1,105,197 |
| With donor restrictions | 59,963 | 71,839 |
| Total net assets | <u>2,097,489</u> | <u>1,177,036</u> |
| Total liabilities and net assets | <u>\$ 2,178,511</u> | <u>\$ 1,237,120</u> |

See Accompanying Notes

Trees for the Future, Inc.

Statement of Activities

For the year ended December 31, 2018

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------------|
| Revenues: | | | |
| Contributions | \$ 2,820,667 | \$ 776,873 | \$ 3,597,540 |
| Interest and dividends | 599 | - | 599 |
| Investment loss | (113) | - | (113) |
| Other | 9,597 | - | 9,597 |
| | <u>2,830,750</u> | <u>776,873</u> | <u>3,607,623</u> |
| Net assets released from purpose restrictions | 788,749 | (788,749) | - |
| Total revenues | <u>3,619,499</u> | <u>(11,876)</u> | <u>3,607,623</u> |
| Expenses: | | | |
| Program expenses: | | | |
| Tree planting | 1,889,011 | - | 1,889,011 |
| Supporting services: | | | |
| Management and general | 265,891 | - | 265,891 |
| Fundraising | 532,268 | - | 532,268 |
| Total supporting services | <u>798,159</u> | <u>-</u> | <u>798,159</u> |
| Total expenses | <u>2,687,170</u> | <u>-</u> | <u>2,687,170</u> |
| Change in net assets | 932,329 | (11,876) | 920,453 |
| Net assets - beginning | <u>1,105,197</u> | <u>71,839</u> | <u>1,177,036</u> |
| Net assets - ending | <u>\$ 2,037,526</u> | <u>\$ 59,963</u> | <u>\$ 2,097,489</u> |

See Accompanying Notes

Trees for the Future, Inc.

Statement of Activities

For the year ended December 31, 2017

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---------------------------------------|------------------------------------|---------------------|
| Revenues: | | | |
| Contributions | \$ 1,772,825 | \$ 690,624 | \$ 2,463,449 |
| Interest and dividends | 259 | - | 259 |
| Investment gain | 2,505 | - | 2,505 |
| Other | - | - | - |
| | <u>1,775,589</u> | <u>690,624</u> | <u>2,466,213</u> |
| Net assets released from purpose restrictions | 673,124 | (673,124) | - |
| Total revenues | <u>2,448,713</u> | <u>17,500</u> | <u>2,466,213</u> |
| Expenses: | | | |
| Program expenses: | | | |
| Tree planting | <u>1,409,624</u> | <u>-</u> | <u>1,409,624</u> |
| Supporting services: | | | |
| Management and general | 212,684 | - | 212,684 |
| Fundraising | 396,968 | - | 396,968 |
| Total supporting services | <u>609,652</u> | <u>-</u> | <u>609,652</u> |
| Total expenses | <u>2,019,276</u> | <u>-</u> | <u>2,019,276</u> |
| Change in net assets | 429,437 | 17,500 | 446,937 |
| Net assets - beginning | <u>675,760</u> | <u>54,339</u> | <u>730,099</u> |
| Net assets - ending | <u>\$ 1,105,197</u> | <u>\$ 71,839</u> | <u>\$ 1,177,036</u> |

See Accompanying Notes

Trees for the Future, Inc.

Statement of Functional Expenses

For the year ended December 31, 2018

| | Program Services | Management and General | Fundraising | Total |
|---------------------------------------|---------------------|------------------------------|-------------------|---------------------|
| Advertising | \$ - | \$ - | \$ 8,398 | \$ 8,398 |
| Bank and credit card charges | - | 43,321 | - | 43,321 |
| Computer expenses | 6,434 | 1,419 | 1,609 | 9,462 |
| Consulting | 47,716 | 9,370 | 47,023 | 104,109 |
| Depreciation and amortization expense | 9,329 | 2,058 | 2,332 | 13,719 |
| Dues & subscriptions | - | 7,160 | - | 7,160 |
| Field office expense | 232,170 | 2,393 | 4,786 | 239,349 |
| Field stipends | 223,015 | - | - | 223,015 |
| Insurance | 31,098 | 6,974 | 20,719 | 58,791 |
| Interest expense | - | - | - | - |
| Legal and accounting | - | 72,880 | - | 72,880 |
| Licenses and permits | - | 213 | - | 213 |
| Marketing and public relations | - | - | 31,504 | 31,504 |
| Meals and entertainment | 2,335 | 192 | 79 | 2,606 |
| Miscellaneous | - | 83 | - | 83 |
| Other direct project expenses | 33,704 | - | - | 33,704 |
| Postage and delivery | - | 1,248 | 869 | 2,117 |
| Printing and copying | 5,933 | - | 17,863 | 23,796 |
| Rent | 33,295 | 7,344 | 8,324 | 48,963 |
| Retirement plan expense | 12,369 | 1,919 | 7,038 | 21,326 |
| Salaries | 588,480 | 91,316 | 334,825 | 1,014,621 |
| Seeds and planting materials | 174,527 | - | - | 174,527 |
| Special events | - | - | - | - |
| Storage | - | 1,068 | - | 1,068 |
| Taxes: | | | | |
| Other | 2,274 | 502 | 568 | 3,344 |
| Payroll | 52,826 | 8,197 | 30,054 | 91,077 |
| Telephone | 5,811 | 1,280 | 1,453 | 8,544 |
| Tools and equipment | 182,518 | - | - | 182,518 |
| Training | 51,366 | - | - | 51,366 |
| Travel | 72,638 | 6,954 | 11,244 | 90,836 |
| Website expense | 1,534 | - | 3,580 | 5,114 |
| Workshop expenses | 119,639 | - | - | 119,639 |
| Total expenses | \$ 1,889,011 | \$ 265,891 | \$ 532,268 | \$ 2,687,170 |

See Accompanying Notes

Trees for the Future, Inc.

Statement of Functional Expenses

For the year ended December 31, 2017

| | Program Services | Management and General | Fundraising | Total |
|---------------------------------------|---------------------|------------------------------|-------------------|---------------------|
| Advertising | \$ - | \$ - | \$ 3,462 | \$ 3,462 |
| Bank and credit card charges | - | 41,354 | - | 41,354 |
| Computer expenses | 3,369 | 743 | 842 | 4,954 |
| Consulting | 97,109 | - | 81,674 | 178,783 |
| Depreciation and amortization expense | 9,223 | 2,034 | 2,306 | 13,563 |
| Dues & subscriptions | - | 3,420 | - | 3,420 |
| Field office expense | 154,157 | 1,589 | 3,178 | 158,924 |
| Field stipends | 198,620 | - | - | 198,620 |
| Insurance | 17,837 | 5,112 | 9,632 | 32,581 |
| Interest expense | - | 45 | - | 45 |
| Legal and accounting | - | 75,422 | - | 75,422 |
| Licenses and permits | - | 69 | - | 69 |
| Marketing and public relations | - | - | 23,419 | 23,419 |
| Meals and entertainment | 2,033 | 390 | 65 | 2,488 |
| Miscellaneous | - | - | - | - |
| Other direct project expenses | 13,356 | - | - | 13,356 |
| Postage and delivery | - | 1,446 | 1,531 | 2,977 |
| Printing and copying | 1,512 | - | 5,094 | 6,606 |
| Rent | 28,466 | 6,279 | 7,117 | 41,862 |
| Retirement plan expense | 9,723 | 1,255 | 4,705 | 15,683 |
| Salaries | 463,996 | 59,870 | 224,514 | 748,380 |
| Seeds and planting materials | 104,725 | - | - | 104,725 |
| Special events | - | - | 31 | 31 |
| Storage | - | 996 | - | 996 |
| Taxes: | | | | |
| Other | 2,273 | 502 | 568 | 3,343 |
| Payroll | 40,714 | 5,253 | 19,699 | 65,666 |
| Telephone | 4,279 | 943 | 1,070 | 6,292 |
| Tools and equipment | 57,774 | - | - | 57,774 |
| Training | 66,057 | - | - | 66,057 |
| Travel | 37,483 | 5,962 | 1,138 | 44,583 |
| Website expense | 2,967 | - | 6,923 | 9,890 |
| Workshop expenses | 93,951 | - | - | 93,951 |
| Total expenses | \$ 1,409,624 | \$ 212,684 | \$ 396,968 | \$ 2,019,276 |

See Accompanying Notes

Trees for the Future, Inc.

Statements of Cash Flows

| For the years ended December 31 | 2018 | 2017 |
|---|---------------------|-------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 920,453 | \$ 446,937 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Non-cash contributions - donated stock | (9,443) | (25,030) |
| Depreciation and amortization | 13,719 | 13,563 |
| Realized gain on sale of investments | (827) | (287) |
| Unrealized (gain) loss on investments | 940 | (2,218) |
| (Increase) decrease in: | | |
| Pledges receivable, net | (76,512) | (129,451) |
| Prepaid expenses | (14,177) | 6,887 |
| Other assets | (18,490) | - |
| Increase (decrease) in: | | |
| Accounts payable | (5,462) | 8,070 |
| Accrued expenses | 25,400 | 8,937 |
| Deferred revenue | 1,000 | - |
| Deferred rent | - | (2,900) |
| Net cash provided by operating activities | <u>836,601</u> | <u>324,508</u> |
| Cash flows from investing activities: | | |
| Proceeds from sale of investments | 8,533 | 49,579 |
| Purchase of property and equipment | (7,534) | - |
| Net cash provided by investing activities | <u>999</u> | <u>49,579</u> |
| Cash flows from financing activities: | | |
| Payments made on capital lease obligation | - | (874) |
| Net increase in cash and cash equivalents | 837,600 | 373,213 |
| Cash and cash equivalents - beginning | <u>755,016</u> | <u>381,803</u> |
| Cash and cash equivalents - ending | <u>\$ 1,592,616</u> | <u>\$ 755,016</u> |
| Supplemental disclosure of cash flow information: | | |
| Cash paid during the year for: | | |
| Interest | \$ - | \$ 45 |

See Accompanying Notes

Trees for the Future, Inc.
Notes to Financial Statements

December 31, 2018 and 2017

Note 1: Summary of significant accounting policies:

Trees for the Future, Inc. (“the Organization”) was incorporated under the laws of the State of Maryland in 1989 as a tax-exempt charitable organization. The Organization’s purpose is to improve the livelihoods of impoverished families by planting trees that return prosperity to degraded lands. Trees for the Future aims to end hunger and poverty for a million people using its Forest Garden Approach, a four year training program that lifts subsistence farmers out of extreme poverty and provides opportunities, productivity and income never before imaginable.

Basis of presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Amounts that are specifically restricted by donors or grantors for various purposes or future time periods.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents - Cash and cash equivalents consist of cash on deposit and highly liquid investments with an original maturity of three months or less.

Pledges receivable - Pledges receivable consist of unconditional promises to give and are recorded at their net realizable value at the time the promises are received. At December 31, 2018 and 2017, all pledges receivable were expected to be collected within a year. Management reviews outstanding accounts periodically. A general allowance for pledges receivable is estimated by management taking into consideration past write-offs, the current status of delinquent accounts, and general economic conditions. An allowance for uncollectible pledges receivable of \$7,250 is included in pledges receivable at both December 31, 2018 and 2017.

Trees for the Future, Inc.
Notes to Financial Statements

December 31, 2018 and 2017

Note 1: Summary of significant accounting policies: (continued)

Investments - Investments, which consist of donated equity securities, are reported at fair value (all level 1 inputs), which is established at readily determinable current market values. Investments are sold as soon after donation as possible. As of December 31, 2018, \$5,792 of investments remained unsold for which the Organization had an unrealized loss of \$940. As of December 31, 2017, \$4,995 of investments remained unsold for which the Organization had an unrealized gain of \$2,218.

Property and equipment - Property and equipment is stated at cost and depreciated using the straight-line method over the estimated useful lives of the related assets ranging from 5 to 7 years. The Organization capitalizes all additions to property and equipment over \$1,000. Depreciation expense for the years ended December 31, 2018 and 2017 was \$1,582 and \$1,426, respectively.

Revenue recognition - All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as with donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

Advertising expense - Advertising costs are expensed as incurred. Advertising expense was \$8,398 and \$3,462 for the years ended December 31, 2018 and 2017, respectively.

Accounting for uncertainty in income taxes - The Organization accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax effect is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for uncertain tax positions. Interest and penalties, if any, are accrued as a component of general and administrative expenses when assessed. The Organization has identified its tax status as a tax exempt entity under Section 501(c)(3) and its determination that it has no unrelated business income as tax positions; however, the Organization has determined that such tax positions do not result in an uncertainty requiring recognition. Income tax years ended prior to December 31, 2015 are no longer subject to audit by taxing authorities.

Trees for the Future, Inc.
Notes to Financial Statements

December 31, 2018 and 2017

Note 1: Summary of significant accounting policies: (continued)

Fair value measurements - The FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

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.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Trees for the Future, Inc.
Notes to Financial Statements

December 31, 2018 and 2017

Note 1: Summary of significant accounting policies: (continued)

Change in accounting principle - On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the types of information provided about expenses and investment return. Trees for the Future, Inc. has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented which had no impact on previously reported net assets.

Note 2: Liquidity and availability:

The following reflects the financial assets of Trees for the Future, Inc. on December 31, 2018, reduced by amounts that are not available for general use because of donor imposed, board or time restrictions within one year of the balance sheet date.

| | |
|---|---------------------|
| Financial assets: | |
| Cash | \$ 1,592,616 |
| Investments | 5,792 |
| Pledges receivable, net | <u>490,650</u> |
| | 2,089,058 |
| Less those unavailable for general expenditure within one year, due to: | |
| Amounts designated for future purpose restrictions or endowment | <u>(59,963)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 2,029,095</u> |

Net assets with donor restrictions consist of cash received to be used for specific country program expenditures in the coming fiscal year or as part of an endowment the Organization received. Trees for the Future, Inc. relies on Individual, Foundation and Corporate donors to provide the resources to support the Organization's operating activities. During 2018, the Organization began investing a portion of cash in excess of daily requirements into money market funds, which was \$400,554 as of December 31, 2018.

Trees for the Future, Inc.
Notes to Financial Statements

December 31, 2018 and 2017

Note 3: Property and equipment:

Property and equipment consisted of the following at December 31:

| | 2018 | 2017 |
|--------------------------------|-----------|-----------|
| Furniture and equipment | \$ 32,553 | \$ 25,019 |
| Less: accumulated depreciation | (23,985) | (22,403) |
| Property and equipment, net | \$ 8,568 | \$ 2,616 |

Note 4: Intangible assets:

During 2014, the Organization purchased the rights to their website domain name. This purchase is stated at cost and is amortized over an estimated useful life of 15 years.

During 2015, the Organization incurred website development costs. The Organization accounts for website development costs in accordance with ASC 350-40 (Accounting for Internal Use Software Costs). Under ASC 350-40, all costs related to the planning activities of software and website development costs are expensed as incurred. Costs incurred as part of the application development stage can be capitalized, and costs associated with post implementation should be expensed as incurred. This purchase is stated at cost and is amortized over an estimated useful life of 5 years.

Intangible assets consist of the following at December 31, 2018:

| | 2018 | 2017 |
|--------------------------------|-----------|-----------|
| Website domain | \$ 18,500 | \$ 18,500 |
| Website development costs | 54,520 | 54,520 |
| | 73,020 | 73,020 |
| Less: accumulated amortization | (39,684) | (27,547) |
| Intangible assets, net | \$ 33,336 | \$ 45,473 |

Amortization expense for the years ended December 31, 2018 and 2017 was \$12,137.

Trees for the Future, Inc.
Notes to Financial Statements

December 31, 2018 and 2017

Note 4: Intangible assets: (continued)

At December 31, 2018, estimated amortization expense is as follows:

For the years ending December 31,

| | | | | |
|--|------------|--|----|--------|
| | 2019 | | \$ | 12,137 |
| | 2020 | | | 11,228 |
| | 2021 | | | 1,233 |
| | 2022 | | | 1,233 |
| | 2023 | | | 1,233 |
| | Thereafter | | | 6,272 |
| | | | | 6,272 |
| | | | \$ | 33,336 |

Note 5: Net assets with donor restrictions:

The net assets with donor restrictions of the Organization are available for the following purposes at December 31:

| | 2018 | 2017 |
|--|-----------|-----------|
| Endowment | \$ 54,339 | \$ 54,339 |
| Country specific | 5,624 | - |
| Training | - | 17,500 |
| Total net assets with donor restrictions | \$ 59,963 | \$ 71,839 |

Note 6: Retirement plan:

The Organization sponsors a qualified 403(b) retirement plan for the benefit of eligible participating employees. Employer contributions to the plan are discretionary and based on a percentage of employee compensation. Participants are eligible for employer contributions upon completion of one year of service according to provisions of the plan. Employer contributions for the years ended December 31, 2018 and 2017 were \$21,326 and \$15,683, respectively.

Trees for the Future, Inc.
Notes to Financial Statements

December 31, 2018 and 2017

Note 7: Commitments:

During 2012, the Organization entered into a 5 year, 3 month operating lease agreement for office space in Silver Spring, Maryland. The lease has an initial term expiring on July 31, 2017 with an option to renew for an additional five year term. In January 2017, the Organization renewed this lease. The lease calls for monthly base rental payments plus additional rent for operating expenses and real estate taxes as described in the operating lease agreement.

Future minimum lease payments for the years ending December 31 are as follows:

| | |
|------|-------------------|
| 2019 | \$ 48,213 |
| 2020 | 49,418 |
| 2021 | <u>29,243</u> |
| | <u>\$ 126,874</u> |

Rent expense under this lease agreement for the years ended December 31, 2018 and 2017 was \$48,963 and \$41,862, respectively.

Note 8: Concentrations:

The Organization maintains its cash balances at various financial institutions. The accounts at each of these institutions are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At various times throughout the year, cash balances at these institutions exceeded the federally insured limits. The Organization has not experienced any losses with respect to its cash balances.

At December 31, 2018, three corporate donors made up 39% of the total pledges receivable and between one individual donor and their foundation, they made up 17% of the Organization's support. At December 31, 2017, two corporate donors made up 33% of the total pledges receivable, of which one of the corporate donors made up 11% of the Organization's support.

Note 9: Functional allocation of expenses:

The costs of providing various programs and other activities have been summarized in the statements of functional expenses. Accordingly, certain costs have been allocated among program and supporting services benefited using various cost allocation techniques.

Trees for the Future, Inc.
Notes to Financial Statements

December 31, 2018 and 2017

Note 10: Subsequent events:

Subsequent events have been evaluated through July 31, 2019, which is the date the financial statements were available to be issued.

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