Rare and Affiliates

Consolidated Financial Report
September 30, 2018

Contents

Independent Auditor's Report

To the Board of Trustees
Rare

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Rare and Affiliates (Rare), which comprise the consolidated balance sheets as of September 30, 2018 and 2017, the related consolidated statements of activities and cash flows for the years then ended, and the related notes to consolidated financial statements (collectively, 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 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, 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 Rare and Affiliates as of September 30, 2018 and 2017, and the change 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.

RSM US LLP

McLean, Virginia
May 17, 2019

Rare and Affiliates

Consolidated Balance Sheets
September 30, 2018 and 2017

		2018		2017
Assets				
Operating assets:				
Cash and cash equivalents	**$**	**8,326,755**	$	2,324,472
Grants and contributions receivable, net		**11,470,419**		15,274,497
Prepaid expenses and other assets		**617,828**		681,558
Investments		**8,358,013**		8,187,370
Investments held for Meloy Fund I L.P.		**39,568**		-
Assets held for deferred compensation		**1,565,235**		1,593,412
Property and equipment, net		**286,100**		343,121
Total operating assets		**30,663,918**		28,404,430
Portfolio assets – Meloy Fund I L.P. (Notes 1 and 3):				
Cash and cash equivalents		**162,501**		443,982
Investments held by Meloy Fund I G.P.		**5,328,750**		-
Capital call receivable		**450,000**		-
Other assets		**111,946**		-
Investment in privately held securities, at fair value (cost $1,046,973)		**904,927**		836,688
Total portfolio assets		**6,958,124**		1,280,670
Total assets	**$**	**37,622,042**	$	29,685,100
Liabilities and Net Assets				
Operating liabilities:				
Accounts payable and accrued expenses	**$**	**3,239,233**	$	3,642,022
Refundable advances		**8,304,590**		2,678,452
Deferred compensation liabilities		**1,565,235**		1,593,412
Total operating liabilities		**13,109,058**		7,913,886
Portfolio liabilities – Meloy Fund I L.P. (Notes 1 and 3):				
Accounts payable and accrued expenses		**-**		83,802
Capital paid in advance		**5,328,750**		-
Note payable – Meloy Fund I L.P.		**-**		711,688
Total portfolio liabilities		**5,328,750**		795,490
Total liabilities		**18,437,808**		8,709,376
Commitments and contingencies (Notes 8, 9 and 13)				
Net assets:				
Unrestricted				
Undesignated		**284,927**		894,209
Designated by the Board		**8,486,598**		8,480,177
Total Rare unrestricted net assets		**8,771,525**		9,374,386
Noncontrolling interest in Meloy Fund I L.P. (Note 3)		**1,443,528**		485,180
Total unrestricted net assets		**10,215,053**		9,859,566
Temporarily restricted		**8,969,181**		11,116,158
Total net assets		**19,184,234**		20,975,724
Total liabilities and net assets	**$**	**37,622,042**	$	29,685,100

See notes to consolidated financial statements.

Rare and Affiliates

Consolidated Statements of Activities
Years Ended September 30, 2018 and 2017

	2018			2017		
	Unrestricted	**Temporarily Restricted**	**Total**	Unrestricted	Temporarily Restricted	Total
Operating support and revenue:						
Grants and contributions	**$ 18,318,040**	**$ 3,076,356**	**$ 21,394,396**	$ 20,630,492	$ 12,117,523	$ 32,748,015
In-country grants and contributions	**660,706**	**-**	**660,706**	259,625	-	259,625
Contributed services and materials	**128,320**	**-**	**128,320**	243,126	-	243,126
Net assets released from restrictions	**5,223,333**	**(5,223,333)**	**-**	4,532,454	(4,532,454)	-
Total operating support and revenue	**24,330,399**	**(2,146,977)**	**22,183,422**	25,665,697	7,585,069	33,250,766
Operating expenses:						
Program services	**22,048,876**	**-**	**22,048,876**	22,000,484	-	22,000,484
Fundraising	**2,258,110**	**-**	**2,258,110**	2,282,439	-	2,282,439
Administrative	**1,300,774**	**-**	**1,300,774**	1,410,462	-	1,410,462
Total operating expenses	**25,607,760**	**-**	**25,607,760**	25,693,385	-	25,693,385
Other income:						
Investment income	**53,263**	**-**	**53,263**	104,134	-	104,134
Changes in net assets before non-controlling interest	**(1,224,098)**	**(2,146,977)**	**(3,371,075)**	76,446	7,585,069	7,661,515
Other:						
Meloy Fund I L.P.						
Portfolio interest	**106,381**	**-**	**106,381**	64,379	-	64,379
Change in unrealized loss on privately held securities	**(142,046)**	**-**	**(142,046)**	-	-	-
Changes in net assets before contributions by limited partners	**(1,259,763)**	**(2,146,977)**	**(3,406,740)**	140,825	7,585,069	7,725,894
Contributions by limited partners	**1,615,250**	**-**	**1,615,250**	505,000	-	505,000
Change in net assets	**355,487**	**(2,146,977)**	**(1,791,490)**	645,825	7,585,069	8,230,894
Net assets:						
Beginning of year	**9,859,566**	**11,116,158**	**20,975,724**	9,213,741	3,531,089	12,744,830
End of year	**$ 10,215,053**	**$ 8,969,181**	**$ 19,184,234**	$ 9,859,566	$ 11,116,158	$ 20,975,724

See notes to consolidated financial statements.

Rare and Affiliates

Consolidated Statements of Cash Flows
Years Ended September 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Change in net assets before contributions by limited partners	$ (3,406,740)	$ 7,725,894
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	138,220	185,064
Bond premium amortization	51,677	47,231
(Decrease) in the allowance for doubtful accounts	(45,006)	(7,724)
Increase in discount on pledges	18,651	190,200
Net realized and unrealized losses	177,104	72,851
(Increase) decrease in:		
Grants and contributions receivable, net	3,641,587	(9,383,218)
Prepaid expenses and other assets	63,730	(95,030)
Assets held for deferred compensation	28,177	(268,776)
Increase (decrease) in:		
Accounts payable and accrued expenses	(402,789)	857,818
Refundable advances	5,626,138	616,312
Deferred compensation liabilities	(28,177)	268,776
Net cash provided by operating activities	5,862,572	209,398
Cash flows from investing activities:		
Purchase of property and equipment	(81,199)	(97,513)
Purchase of investments	(1,251,527)	(3,127,517)
Proceeds from sale of investments	817,468	1,559,810
Net cash used in investing activities	(515,258)	(1,665,220)
Cash flows from financing activities:		
Proceeds from note payable in Meloy Fund I L.P.	76,812	711,688
Payments on the note payable in Meloy Fund I L.P.	(788,500)	-
Changes in operating assets and liabilities for Meloy Fund I L.P.	(461,835)	-
Principal repayments related to privately held securities	30,656	-
Change in unrealized loss on privately held securities	142,046	-
Purchase of investments in privately held securities	(240,941)	-
Contribution by limited partners	1,615,250	505,000
Principal payments on line of credit	-	(3,000,000)
Proceeds from line of credit	-	3,000,000
Net cash provided by financing activities	373,488	1,216,688
Net increase (decrease) in cash and cash equivalents	5,720,802	(239,134)
Cash and cash equivalents:		
Beginning	2,768,454	3,007,588
Ending	$ 8,489,256	$ 2,768,454
Cash and cash equivalents – Operating	$ 8,326,755	$ 2,324,472
Cash and cash equivalents – Portfolio	162,501	443,982
	$ 8,489,256	$ 2,768,454

See notes to consolidated financial statements.

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization: Rare is a not-for-profit conservation organization that is solution-oriented and focused on inspiring change so people and nature thrive. Rare is incorporated under the laws of the state of Virginia and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi).

Headquartered in Arlington, Virginia, Rare has offices in Brazil, China, Philippines, Mozambique, Indonesia, Colombia, Germany and Mexico.

Rare believes that for every major environmental challenge facing our planet, people are both the problem and the solution - dwindling forests and fisheries; threats to biodiversity; resources in crisis; harmful climate change. Rare, a global conservation organization, believes the key to addressing these threats lies with the people and communities that face the challenges firsthand, where their livelihoods and their lives depend on finding solutions.

For over 40 years, Rare has worked directly with communities to better manage natural resources, restore fish populations, protect coral reefs, ensure access to clean fresh water and create a sustainable food supply. Rare is a global leader in the use of behavioral science to inspire change at a local level, to achieve conservation impact on a global scale. To learn more, go to rare.org.

Rare Ventures, LLC, Meloy Fund I, G.P. and Meloy Fund I, L.P.: Rare Ventures, LLC (the Management Company), a Delaware limited liability company, was formed in 2010 as a wholly owned subsidiary of Rare Inc. to provide contract services on behalf of Rare Inc.

During 2017, Rare authorized the formation of The Meloy Fund I, L.P., (the Fund), a Delaware limited partnership as a separate partnership entity. The Fund was formed to generate measurable social and environmental outcomes and to provide financial returns for investors by making debt and equity investments in fishing and fisheries-related enterprises that have operations in Indonesia and the Philippines. The Fund will continue until the tenth anniversary of the Final Closing Date, August 30, 2018, unless terminated sooner or extended in accordance with the provisions of the Amended and Restated Limited Partnership Agreement.

The Meloy Fund I G.P., LLC (the General Partner), a Delaware limited liability company, was formed in 2017 as a wholly owned subsidiary of Rare and the general partner of the Fund. Under the management agreement, the General Partner utilizes Rare's expertise in the development, support and management of marine common pool resources and sustainable fisheries to provide management services to the Fund. For the purposes of financial reporting, the General Partner and the Management Company are consolidated with Rare. Although the Fund is a separate entity, it is included in the consolidation.

A summary of Rare's significant accounting policies follows:

Basis of accounting: The accompanying consolidated financial statements have been prepared on the accrual basis of accounting, whereby unconditional support is recognized when received, revenue is recognized when earned and expenses are recognized when incurred.

Principles of consolidation: All transactions between Rare, the Management Company, the General Partner, and the Fund, have been eliminated in consolidation. For the purpose of this report, the entities are collectively referred to as Rare.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Basis of presentation: Rare reports information regarding its consolidated financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets, as applicable.

Unrestricted net assets: Revenues derived from contributions and other inflows of assets whose use is not subject to donor-imposed stipulations. The Board of Trustees has designated a portion of Rare's unrestricted net assets to build and maintain an adequate level of liquidity to support the organization's day-to-day operations in the event of unforeseen shortfalls. Earnings from the designated funds are reinvested in the fund. The board designated fund totaled $8,486,598 and $8,480,177 at September 30, 2018 and 2017, respectively.

Temporarily restricted net assets: Revenues derived from contributions and other inflows of assets whose use is subject to donor-imposed stipulations that either expire by the passage of time or will be met by actions of Rare pursuant to those stipulations, such as usage for specific programs.

Permanently restricted net assets: Revenues derived from contributions and other inflows of assets whose use is subject to donor-imposed stipulations that the principal must be maintained permanently by Rare. Rare had no permanently restricted net assets at September 30, 2018 and 2017.

Cash and cash equivalents: Rare considers all cash and highly-liquid investments with initial maturities of three months or less and which present insignificant risk of change in value to be cash and cash equivalents. As of September 30, 2018 and 2017, this balance included cash and demand bank deposits.

Foreign operations: The accompanying consolidated financial statements include the worldwide operations of Rare (headquarter and branch offices). At September 30, 2018 and 2017, assets held in non-US countries totaled approximately $358,200 and $351,600, respectively.

Financial and credit risk: Rare maintains its cash in bank accounts which, at times, may exceed insured limits. Rare has not experienced any losses in such accounts. Rare believes it is not exposed to any significant financial risk on cash.

Grants, contributions and contributions receivable: Grants and contributions are recognized as revenue and receivables in the year unconditional promises to give are received and increase the appropriate revenue category of net assets. Grants and contributions receivable that will not be collected within one year are discounted at a rate commensurate with the risks involved at the time the gift was pledged, based upon anticipated payment dates. Rare has established an allowance for uncollectible grants and contributions receivable in the amount of $141,335 and $186,341 at September 30, 2018 and 2017, respectively. Conditional promises to give are not reported as revenue until the conditions are substantially met.

On October 1, 2015, Rare entered into a grant agreement with a foundation in the amount of $11,469,000 to reform local fishing practices in the Philippines and Brazil. The grant was amended for an additional $7,500,000 on October 1, 2017. During the years ended September 30, 2018 and 2017, Rare recognized $6,275,487 and $5,552,830, respectively, in revenue pursuant to this agreement. At September 30, 2018 and 2017, Rare recognized a refundable advance of $2,052,726 and $822,983, respectively, from this grant agreement.

Investments: Investments consist primarily of fixed income securities carried at fair market value based on quoted market prices as described in Note 2. To adjust the carrying value of these investments, the change in fair market value is recorded as a component of investment income on the consolidated statements of activities.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Allowable investments in corporate bonds, mutual funds and international bonds are stipulated in Rare's investment policy. These investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is possible that changes in risks in the near term would materially affect investment balances and amounts reported in the consolidated financial statements. As of September 30, 2018 and 2017, the net unrealized loss on investments was $177,104 and $72,851 respectively.

Property and equipment: Property and equipment with a unit cost greater than $1,500 is initially recorded at cost and thereafter depreciated on a straight-line basis over the estimated useful lives of the related depreciable assets, generally three to ten years. The cost of maintenance and repairs is recorded as an expense.

Sub-grants and awards: Rare recognizes expenses for sub-grants and awards at the time the sub-grantee meets the conditions of the grant agreement and submits a request for payment. Conditions of a grant agreement include program milestones and documented expenses.

Refundable advances: Represents cash received on grants and contributions for which some condition has yet to be met. Conditions of a grant or contribution may include future funds availability, matching funding, or the completion of project tasks and related expenditures.

Contributed goods and services: Contributions of services are recognized when they are received if the services either: (a) create or enhance non-financial assets or (b) require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

Contributed non-cash goods and services are recognized at fair value per the contracts with Rare partners, or as provided by donors.

Use of estimates: The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosures in the consolidated financial statements. Actual results could differ from those estimates.

Foreign currency transactions: The functional currency of Rare is the U.S. dollar. The consolidated financial statements and transactions of Rare's non-US countries operations are maintained in the local currency.

Foreign currency translation: Where local currencies are used, assets and liabilities are translated into U.S. dollars at the consolidated balance sheet date at the exchange rate in effect at the fiscal year-end. Gains and losses resulting from these translations are recognized on the consolidated statements of activities. Monthly expenses that are incurred by field offices in foreign countries are paid in local currency and then translated into U.S. dollars at the rate of exchange in effect during the month of the transaction.

Allocation of functional expenses: The costs of providing programs and other supporting services have been summarized on a functional basis on the consolidated statements of activities. Expenses that relate directly to program or supporting services are allocated to that program or supporting service.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

The presentation of expenses on the consolidated statements of activities is primarily based on Rare's indirect cost rate agreement with the U.S. Government. This presentation does not fully satisfy the functional expense requirements of accounting principles generally accepted in the United States of America (U.S. GAAP). The table below has been added to the consolidated financial statements in order to satisfy the requirements of U.S. GAAP:

	For the Year Ended September 30, 2018		
	As Presented on the Statements of Activities	Adjustments to Arrive at U.S. GAAP	Functional Expense Totals (U.S. GAAP Basis)
Program services	$ 22,048,876	$ (934,951)	$ 21,113,925
Fundraising	2,258,110	(96,989)	2,161,121
Administrative	1,300,774	1,031,940	2,332,714
	$ 25,607,760	$ -	$ 25,607,760

	For the Year Ended September 30, 2017		
	As Presented on the Statements of Activities	Adjustments to Arrive at U.S. GAAP	Functional Expense Totals (U.S. GAAP Basis)
Program services	$ 22,000,484	$ (927,164)	$ 21,073,320
Fundraising	2,282,439	(90,246)	2,192,193
Administrative	1,410,462	1,017,410	2,427,872
	$ 25,693,385	$ -	$ 25,693,385

Noncontrolling interest: Rare follows ASU 2010-07, which provides guidance related to non-profit mergers and acquisitions. In addition, ASU 2010-07 provides accounting guidance on how a non-for-profit parent organization accounts for noncontrolling interests in the equity (net assets) of consolidated subsidiaries. The guidance requires: (i) noncontrolling interest to be reported as a separate component of the appropriate class of net assets in the consolidated balance sheet; and (ii) a not-for-profit (parent) that has one or more consolidated subsidiaries with a noncontrolling interest shall provide a schedule of changes in consolidated net assets attributable to the parent and the noncontrolling interest either in the notes of the consolidated financial statements or on the face of the financial statements, if practicable. That schedule shall reconcile beginning and ending balances of the parent's controlling interest and the noncontrolling interests for each class of net assets for which a noncontrolling interest exists during the reporting period. This standard also requires that the noncontrolling interests continue to be attributed their share of losses even if that the attribution results in a deficit noncontrolling interest balance.

Tax-exempt status: Rare is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). Rare is subject to unrelated business income taxes under Section 511 of the IRC; however, in the opinion of management, no provision for income taxes is required to be made.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Rare follows the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under this guidance, Rare may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes and accounting in interim periods. As of September 30, 2018, Rare had a cumulative unrelated business taxable loss of $331,004.

Management evaluated Rare's tax positions and concluded that Rare had taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance. Generally, Rare is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2015.

The General Partner is a limited liability corporation and the Fund is a limited partnership, registered in the state of Delaware. For federal tax filing purposes, the General Partner is considered a disregarded entity. The limited partners of the Fund report their respective portions of the Fund income and expense on their income tax returns.

Recent accounting pronouncements: In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU No. 2015-14, which defers the effective date of ASU No. 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. Management is currently evaluating the effect that the standard will have on its consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* The amendments in this ASU make improvements to the information provided in financial statements and accompanying notes of nonprofit entities. The amendments set forth the FASB's improvements to net asset classification requirements and the information presented about a nonprofit entity's liquidity, financial performance, and cash flows. The ASU will be effective for fiscal years beginning after December 15, 2017. Earlier application is permitted. The changes in this ASU should generally be applied on a retrospective basis in the year that the ASU is first applied. Management is currently evaluating the impact of this ASU on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Rare is currently evaluating the impact of the pending adoption of the new standard on its consolidated financial statements.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entitles (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The purpose of the ASU is to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in the ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The amendments in the ASU should be applied on a modified prospective basis, although retrospective application is permitted. Where Rare is the resource recipient, the ASU will be effective for the fiscal year ending September 30, 2020. Early adoption is permitted. Rare is currently evaluating the impact of the pending adoption of this new standard on its consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The ASU results in the removal, modification and addition of certain disclosure requirements related to transfers between levels within the fair value hierarchy, valuation processes and unrealized gains/losses presentation for Level 3 measurements, and liquidation timing for investments held at net asset value. The changes in this ASU should generally be applied on a retrospective basis in the year that the ASU is first applied except for the changes related to Level 3 measurements which should be applied prospectively. ASU No. 2018-13 is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Rare is currently evaluating the impact of this ASU on its consolidated financial statements.

Subsequent events: Rare evaluated subsequent events through May 17, 2019, which is the date the consolidated financial statements were available to be issued.

Note 2. Investments and Fair Value Measurements

Investments at September 30, 2018 and 2017, consist of the following:

	2018	2017
Corporate bonds	$ 4,878,962	$ 4,641,751
Mutual funds – fixed income	3,518,619	3,545,619
	$ 8,397,581	$ 8,187,370

Investment income for the years ended September 30, 2018 and 2017, consists of the following:

	2018	2017
Dividends and interest	$ 230,367	$ 176,985
Net realized and unrealized losses	(177,104)	(72,851)
	$ 53,263	$ 104,134

The Accounting Standards Codification (the Codification) Topic on Fair Value Measurement establishes a framework for measuring fair value in accordance with U.S. GAAP, and expands disclosures about fair market value measurements. This enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking quality and reliability of the information used to determine fair value.

Note 2. Investments and Fair Value Measurements (Continued)

The provision applies to all assets and liabilities that are being measured and reported on a fair value basis, and are disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities

Level 2: Observable market-based inputs or unobservable inputs corroborated by market data

Level 3: Unobservable inputs that are not corroborated by market data

In determining the appropriate levels, Rare performs a detailed analysis of the assets and liabilities that are subject to the Fair Value Measurement Topic. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3. There were no Level 3 inputs for any assets held by Rare at September 30, 2018 and 2017.

Note 2. Investments and Fair Value Measurements (Continued)

The tables below present the balances of assets measured at fair value on a recurring basis by level within the hierarchy:

	2018			
Description	Total	Level 1	Level 2	Level 3
Corporate bonds	$ 4,878,962	$ -	$ 4,878,962	$ -
Mutual funds	3,518,619	3,518,619	-	-
Other investments measured at net asset value (a)	904,927	-	-	-
Money market	5,328,750	5,328,750	-	-
	14,631,258	8,847,369	4,878,962	-
Employee benefit plan:				
Mutual funds	1,565,235	1,565,235	-	-
Total assets	$ 16,196,493	$ 10,412,604	$ 4,878,962	$ -
Deferred compensation liabilities	$ 1,565,235	$ -	$ 1,565,235	$ -
	$ 1,565,235	$ -	$ 1,565,235	$ -

	2017			
Description	Total	Level 1	Level 2	Level 3
Corporate bonds	$ 4,641,751	$ -	$ 4,641,751	$ -
Mutual funds	3,545,619	3,545,619	-	-
Other investments measured at net asset value (a)	836,688	-	-	-
	9,024,058	3,545,619	4,641,751	-
Employee benefit plan:				
Mutual funds	1,593,412	1,593,412	-	-
Total assets	$ 10,617,470	$ 5,139,031	$ 4,641,751	$ -
Deferred compensation liabilities	$ 1,593,412	$ -	$ 1,593,412	$ -
	$ 1,593,412	$ -	$ 1,593,412	$ -

Note 2. Investments and Fair Value Measurements (Continued)

(a) In accordance with Accounting Standards Codification Topic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheet.

Mutual funds included in Level 1 assets are actively traded, and fair market values for identical assets are readily obtainable.

Corporate bonds are included in Level 2 assets as they are not actively traded. The fair market values are based on quoted prices for similar assets in active markets or quoted prices for identical assets in markets that are not active. Deferred compensation liabilities are also Level 2 as they are based on Level 1 fair values but only indirectly.

Note 3. Meloy Fund I L.P.

Debt investment receivables (Investments held for Meloy Fund I L.P.): The Meloy Fund I L.P. makes debt and equity investments designed to catalyze the development and adoption of sustainable fisheries in related enterprises that support the recovery of coastal fisheries. In addition to providing a financial return, these debt investments are designed to have a positive impact on the lives of fishers and their households by placing approximately 1.2 million hectares of coastal habitats under improved fisheries management.

Management has reviewed the collectability of the debt investment receivables and determined an allowance for impairment of $142,047 as of September 30, 2018. Previously, it was determined that the impairment allowance was not necessary. The fair value of the debt investment receivables at September 30, 2018 and 2017, were $904,927 and $836,688, respectively.

Scheduled repayments of debt investment receivables, at cost as of September 30, 2018, are as follows:

Years ending September 30:	
2019	$ 169,574
2020	228,254
2021	248,339
2022	239,722
2023	161,084
	$ 1,046,973

Interest income on debt investments is recognized when earned. During the years ended September 30, 2018 and 2017, interest earned on debt investments was $39,568 and $64,279, respectively.

Capital paid in advance – Meloy Fund I L.P.: The Fund received capital contributions in advance in the amount of $5,328,750 as of September 30, 2018. This contribution has not yet been called by the Fund and is in the custody of the General Partner. The capital paid in advance is shown on the consolidated balance sheet as a portfolio asset Investments held by Meloy Fund I L.P.

Note 3. Meloy Fund I L.P. (Continued)

Notes payable – Meloy Fund I L.P.: On November 14, 2016, the Fund entered into a convertible promissory note with a Limited Partner which provided for borrowings of $1,013,500 and was convertible into limited partnership interests. The Fund repaid $176,812 in July 2017 and $611,688 in December 2017. The remaining balance of the note, $225,000, was converted to a limited partner interest. There are no outstanding balances related to the convertible promissory note as of September 30, 2018.

Contribution by limited partners to Meloy Fund I L.P.: The changes in the noncontrolling partners' interests in the Fund at September 30, 2018 and 2017, are as follows:

	2018	2017
Beginning balance - Noncontrolling limited partners' interest in Meloy Fund I L.P.	$ 485,180	$ -
Capital contribution by noncontrolling limited partners	1,615,250	505,000
Net loss	(656,902)	(19,820)
Noncontrolling limited partners' interest in Meloy Fund I L.P., September 30, 2018	$ 1,443,528	$ 485,180

The schedule of changes in consolidated unrestricted net assets related to Rare and noncontrolling interest in Meloy Fund I L.P. is as follows:

	Rare	Noncontrolling Interest	Total
Unrestricted net assets:			
Balance, September 30, 2016	$ 9,213,741	$ -	$ 9,213,741
Change in unrestricted net assets	160,645	485,180	645,825
Distributions to noncontrolling interest	-	-	-
Balance, September 30, 2017	$ 9,374,386	$ 485,180	$ 9,859,566
Change in unrestricted net assets	(602,861)	958,348	355,487
Distributions to noncontrolling interest	-	-	-
Balance, September 30, 2018	$ 8,771,525	$ 1,443,528	$ 10,215,053

Although the noncontrolling interest in Meloy Fund I L.P. is shown on the consolidated balance sheet as part of unrestricted net assets, these funds are designated for the Meloy Fund L.P. and cannot be used for Rare unrestricted expenditures.

Note 4. Property and Equipment

Property and equipment, net of accumulated depreciation, at September 30, 2018 and 2017, consists of the following:

	2018	2017
Office furniture and equipment	$ 761,438	$ 690,012
Leasehold improvements	258,515	249,395
Website	360,500	360,500
	1,380,453	1,299,907
Less accumulated depreciation and amortization	(1,094,353)	(956,786)
	$ 286,100	$ 343,121

Depreciation expense for the years ended September 30, 2018 and 2017, was $138,220 and $185,064, respectively.

Note 5. Grants and Contributions Receivable

As of September 30, 2018 and 2017, grants and contributions receivable are due as follows:

	2018	2017
Within one year	$ 8,524,572	$ 6,818,338
1 to 2 years	3,163,333	5,320,000
3 to 5 years	140,000	3,520,000
Gross grants and contributions receivable	11,827,905	15,658,338
Less present value discount at 6%	(216,151)	(197,500)
Less allowance for doubtful accounts	(141,335)	(186,341)
Net grants and contributions receivable	$ 11,470,419	$ 15,274,497

Conditional grants: At September 30, 2018 and 2017, $15,171,706 and $13,749,510, respectively, had been conditionally pledged to Rare. Rare did not receive a cash advance payment from the grantor and the specified conditions of the grant agreement were not yet met. As such, these amounts are not reported in the accompanying consolidated balance sheets or consolidated statements of activities. Conditional pledges are recognized as revenue when the specified conditions of the grant are met such as documented expenses or program deliverables. A refundable advance is recorded when a grantor makes a cash advance payment on a conditional pledge and Rare has not yet met the condition.

Note 6. Temporarily Restricted Net Assets

Net assets with donor restrictions consisted of the following at September 30, 2018 and 2017:

	2018	2017
Time restricted	$ 8,969,181	$ 11,116,158

Note 6. Temporarily Restricted Net Assets (Continued)

During the years ended September 30, 2018 and 2017, net assets with donor restrictions were released from restriction as follows:

	2018	2017
Time restricted	$ 5,223,333	$ 4,532,454

Note 7. Board Designated Fund

The primary investment objective of the board designated fund assets is capital preservation. The Board of Trustees reviews performance of related investments on an annual basis. Future fund growth comes from surplus unrestricted net assets and investment earnings from the fund. On an annual basis, management recommends a contribution amount that is approved by the Board of Trustees. All earnings are reinvested in the fund.

Under the terms of the governing documents, the Board of Trustees has the ability to distribute so much of the corpus of the Board designated fund as the Board of Trustees in its sole discretion shall determine. As a result of the ability to distribute corpus, all Board Designated contributions are classified as unrestricted net assets for financial statement purposes. The Board Designated account contains no contributions that are classified as either temporarily restricted or permanently restricted.

The Board designated fund is net assets without donor restrictions. Changes in the Board designated fund are as follows for the years ended September 30, 2018 and 2017:

	2018	2017
Board designated fund, beginning of year	$ 8,480,177	$ 7,867,965
Investment income	193,245	184,910
Management account fees	(9,720)	-
Net unrealized/realized gains (losses)	(177,104)	(72,698)
Contribution to Board Designated	-	500,000
Board designated fund, end of year	$ 8,486,598	$ 8,480,177

Note 8. Line of Credit

During 2016, Rare had a line of credit totaling $4,000,000 from J.P. Morgan. The line of credit was renewed in January 2017 for $3,000,000 with a variable interest rate equal to London Interbank Offered Rate (LIBOR) plus 1.35% and an expiration date of January 31, 2019. Investments are used as a collateral for this line of credit. As of September 30, 2018 and 2017, there were no balances due on the line of credit.

Note 9. Lease Commitments

On September 1, 2015, Rare entered into an operating lease agreement for office space in Arlington, Virginia. The lease term commenced on December 1, 2015, and ends on November 30, 2025.

Note 9. Lease Commitments (Continued)

Rare also leases office space at other locations, as well as storage and miscellaneous furnishings and equipment under various non-cancelable operating leases. All lease expenditures are recognized on a straight-line basis ratably over the term of the lease. The difference between the straight-line expense and the required lease payment is reflected as deferred rent and is included in the liabilities in the accompanying consolidated balance sheets.

Future minimum lease payments related to these leases are as follows:

Years ending September 30:	
2019	$ 1,402,918
2020	1,305,128
2021	1,334,943
2022	1,368,060
2023	1,402,262
Thereafter	3,157,116
	$ 9,970,427

During the years ended September 30, 2018 and 2017, rent expense was $1,440,176 and $1,393,686, respectively. The Arlington headquarters office rent charges include standard operating expenses.

Note 10. Employee Benefit Plans

Rare sponsors a defined-contribution retirement plan under Section 401(k) of the IRC for all employees who meet certain service requirements. The plan provides for employee contributions not to exceed annual limits as determined by the Internal Revenue Service (IRS). In 2018 and 2017, Rare contributed 3% of base salary for all eligible employees and matched 4% of each employee's contribution. Employees are vested in the employer contributions after two years of service. Retirement plan expense for the years ended September 30, 2018 and 2017, was $408,922 and $667,407, respectively.

During 2003, Rare established a non-qualified deferred compensation plan, the International Retirement Savings Plan (IRSP), to cover all foreign employees who meet certain service requirements. There are no employee contributions allowed under the IRSP plan. Rare contributes 3% of compensation for all eligible employees and increases its contribution to 7% of compensation after completion of two years of service. New participants to the plan vest over five years. At September 30, 2018 and 2017, the value of the IRSP was $913,772 and $904,023, respectively. There is a corresponding deferred compensation liability in the same amount that is included in deferred compensation liabilities on the consolidated balance sheets.

During 2011, Rare established a 457(f), non-qualified compensation plan, for certain key employees. This plan is funded annually based on an amount that is approved by the Board. For the years ended September 30, 2018 and 2017, $140,993 and $79,288, respectively, was approved and funded. As of September 30, 2018 and 2017, the 457(f) liability amounted to $417,158 and $357,503, respectively.

Rare also established a Section 457(b) supplemental employee retirement plan (the Plan). Under the terms of the Plan, eligible employees elect to deposit a percentage of their compensation into the Plan, subject to IRS limits. Employee deposits and accumulations are accounted for as an asset and offsetting liability on Rare's consolidated balance sheets until they are distributed to the participants. The amount of deposits and related accumulations were $234,305 and $331,886 at September 30, 2018 and 2017, respectively. As of September 30, 2018 and 2017, the 457(b) liability amounted to $234,305 and $331,886, respectively.

Note 10. Employee Benefit Plan (Continued)

The assets held for deferred compensation and the deferred compensation liabilities at September 30, 2018 and 2017, are as follows:

	2018	
	Asset	Liability
IRSP Plan	$ 913,772	$ 913,772
457(b) Plan	234,305	234,305
457(f) Plan	417,158	417,158
	$ 1,565,235	$ 1,565,235

	2017	
	Asset	Liability
IRSP Plan	$ 904,023	$ 904,023
457(b) Plan	331,886	331,886
457(f) Plan	357,503	357,503
	$ 1,593,412	$ 1,593,412

Note 11. Contributed Service and Materials

During the years ended September 30, 2018 and 2017, the value of contributed services and materials was as follows:

	2018		
	Program Services	Administrative	Total
Consulting and contract fees	$ 128,320	$ -	$ 128,320
In-country direct contributions	660,706	-	660,706
	$ 789,026	$ -	$ 789,026

	2017		
	Program Services	Administrative	Total
Consulting and contract fees	$ -	$ 243,126	$ 243,126
In-country direct contributions	259,625	-	259,625
	$ 259,625	$ 243,126	$ 502,751

Direct cash contributions are distinguished from in-kind donations when funds are paid directly in-country by a third party on behalf of the project, rather than for the provision of goods and services.

Note 12. Related Party Transaction

In June 2017, Rare entered into a service contract with a company that is majority-owned by a Trustee of Rare. The contract is for a boat charter expedition on the National Geographic Quest ship to the Mesoamerican Reef areas of Belize and Honduras. The total contract amount is $421,875. As of September 30, 2018, Rare has paid the balance of the contract.

Note 13. Contingency

Rare participates in a number of federally-assisted grant programs which are subject to financial and compliance audits by the federal government or its representatives. As such, there exists a contingent liability for potential questioned costs that may result from such audits. Management does not anticipate any significant adjustments as a result of such audits.

RSM US LLP

Independent Auditor's Report on the Supplementary Information

To the Board of Directors
Rare

We have audited the consolidated financial statements (the financial statements) of Rare as of and for the years ended September 30, 2018 and 2017, and have issued our report thereon, which contains an unmodified opinion on those financial statements. See pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole.

The accompanying consolidating and other information is presented for purposes of additional analysis rather than to present the financial position and change in net assets of the individual companies and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The consolidating and other information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

RSM US LLP

McLean, Virginia
May 17, 2019

Rare and Affiliates

Consolidating Balance Sheet
September 30, 2018

	Rare	Meloy Fund I G.P.	Meloy Fund I L.P.	Elimination	Total
Assets					
Operating assets:					
Cash and cash equivalents	$ 8,317,815	$ 8,940	$ -	$ -	$ 8,326,755
Grants and contributions receivable, net	11,614,347	-	-	(143,928)	11,470,419
Contracts receivable, Meloy Fund I G.P.	-	188,846	-	(188,846)	-
Prepaid expenses and other assets	617,828	-	-	-	617,828
Investments	8,358,013	-	-	-	8,358,013
Investments held for Meloy Fund I L.P.	-	5,368,318	-	(5,328,750)	39,568
Assets held for deferred compensation	1,565,235	-	-	-	1,565,235
Property and equipment, net	286,100	-	-	-	286,100
Total operating assets	30,759,338	5,566,104	-	(5,661,524)	30,663,918
Portfolio assets – Meloy Fund I L.P.:					
Cash and cash equivalents	-	-	162,501	-	162,501
Invested funds due from Meloy Fund I G.P.	-	-	5,328,750	-	5,328,750
Capital call receivable	-	-	450,000	-	450,000
Other assets	-	-	114,946	(3,000)	111,946
Debt investment receivables, at fair value	-	-	904,927	-	904,927
Total portfolio assets	-	-	6,961,124	(3,000)	6,958,124
Total assets	$ 30,759,338	$ 5,566,104	$ 6,961,124	$ (5,664,524)	$ 37,622,042
Liabilities and Net Assets					
Operating liabilities:					
Accounts payable and accrued expenses	$ 3,239,233	$ 146,928	$ -	$ (146,928)	$ 3,239,233
Refundable advances	8,304,590	-	-	-	8,304,590
Invested funds due to Meloy Fund I L.P.	-	5,328,750	-	(5,328,750)	-
Deferred compensation liabilities	1,565,235	-	-	-	1,565,235
Total operating liabilities	13,109,058	5,475,678	-	(5,475,678)	13,109,058
Portfolio liabilities – Meloy Fund I L.P.:					
Accounts payable and accrued expenses	-	-	188,846	(188,846)	-
Capital paid in advance	-	-	5,328,750	-	5,328,750
Total portfolio liabilities	-	-	5,517,596	(188,846)	5,328,750
Total liabilities	13,109,058	5,475,678	5,517,596	(5,664,524)	18,437,808
Net assets:					
Unrestricted					
Undesignated	194,501	90,426	-	-	284,927
Designated by the Board	8,486,598	-	-	-	8,486,598
Total Rare unrestricted net assets	8,681,099	90,426	-	-	8,771,525
Noncontrolling interest in Meloy Fund I L.P. (Note 3)	-	-	1,443,528	-	1,443,528
Total unrestricted net assets	8,681,099	90,426	1,443,528	-	10,215,053
Temporarily restricted	8,969,181	-	-	-	8,969,181
Total net assets	17,650,280	90,426	1,443,528	-	19,184,234
Total liabilities and net assets	$ 30,759,338	$ 5,566,104	$ 6,961,124	$ (5,664,524)	$ 37,622,042

Rare and Affiliates

Consolidating Statement of Activities
Year Ended September 30, 2018

	Rare	Meloy Fund I G.P.	Meloy Fund I L.P.	Elimination	Total
Operating support and revenue:					
Grants and contributions	$ 21,662,768	$ -	$ -	$ (268,372)	$ 21,394,396
In-country grants and contributions	660,706	-	-	-	660,706
Contributed services and materials	128,320	-	-	-	128,320
Management fees and other revenue	-	319,230	-	(319,230)	-
Total operating support and revenue	22,451,794	319,230	-	(587,602)	22,183,422
Operating expenses:					
Program services	21,746,869	268,372	621,237	(587,602)	22,048,876
Fundraising	2,258,110	-	-	-	2,258,110
Administrative	1,300,774	-	-	-	1,300,774
Total operating expenses	25,305,753	268,372	621,237	(587,602)	25,607,760
Other income:					
Investment income	13,695	39,568	-	-	53,263
Changes in net assets before non-controlling interest	(2,840,264)	90,426	(621,237)	-	(3,371,075)
Other:					
Meloy Fund I L.P.					
Portfolio interest	-	-	106,381	-	106,381
Change in unrealized loss on privately held securities	-	-	(142,046)	-	(142,046)
Changes in net assets before contributions by limited partners	(2,840,264)	90,426	(656,902)	-	(3,406,740)
Contributions by limited partners	-	-	1,615,250	-	1,615,250
Change in net assets	(2,840,264)	90,426	958,348	-	(1,791,490)
Net assets:					
Beginning of year	20,490,544	-	485,180	-	20,975,724
End of year	$ 17,650,280	$ 90,426	$ 1,443,528	$ -	$ 19,184,234

Rare and Affiliates

Consolidated Schedule of Functional Expenses
Year Ended September 30, 2018

	2018				
	Program Services	Fundraising	Administrative	Total	2017 Total
Salaries and benefits	$ 10,804,577	$ 1,596,924	$ 1,445,116	$ 13,846,617	$ 14,650,287
Consulting and professional fees	4,373,089	109,150	394,715	4,876,954	4,207,016
Travel and meetings	3,031,262	146,716	40,952	3,218,930	2,976,492
Occupancy costs	1,120,728	271,276	129,014	1,521,018	1,152,246
Subgrants and awards	1,146,552	-	-	1,146,552	1,446,549
Miscellaneous	254,294	2,303	20,931	277,528	153,255
Depreciation and amortization	-	-	138,220	138,220	106,071
Supplies	93,224	4,886	34,519	132,629	161,685
Communications	68,436	8,538	43,622	120,596	111,508
Postage and printing	30,875	21,061	25,049	76,985	155,721
Professional development	76,014	-	-	76,014	185,064
Equipment and materials	45,786	-	21,466	67,252	246,561
Insurance	37,305	-	24,232	61,537	84,199
Bank fees	17,388	267	14,878	32,533	40,099
Interest expense – Meloy Fund LP	14,395	-	-	14,395	16,632
Subtotal	21,113,925	2,161,121	2,332,714	25,607,760	25,693,385
Allocation of administrative costs	934,951	96,989	(1,031,940)	-	-
Total	$ 22,048,876	$ 2,258,110	$ 1,300,774	$ 25,607,760	$ 25,693,385

Organization: Rare, Inc.
Donor: C&A Foundation
Grant Purpose: Accelerating Organic Cotton in China by Replicating Behavioral Change
Grant Reference No.: 5412
Grant Duration: February 1, 2016 - February 15, 2019
Grant Amount: EUR 2,510,428
Financial Reporting Period: October 1, 2017 - September 30, 2018

	YEAR 1			YEAR 2			YEAR 3			
	FY16 Feb 16 - Sept 16	FY17 Oct 16 - Jan 17	YEAR 1 TOTAL	FY17 Feb 17 - Sept 17	FY18 Oct 17 - Jan 18	YEAR 2 TOTAL	Year 3 Budget	FY18 Feb 18 - Sept 18	Unspent Balance	FY18 TOTAL
	Total (EUR)	Total (EUR)	Total (EUR)	Total (EUR)	Total (EUR)	Total (EUR)	Total (EUR)	Total (EUR)	Total (EUR)	Total (EUR)
DIRECT COSTS	**457,584**	**234,616**	**692,200**	**492,720**	**283,588**	**776,307**	**813,700**	**587,551**	**226,149**	**871,139**
Manpower Costs for Project Staff	**342,670**	**181,413**	**524,083**	**358,224**	**219,021**	**577,244**	**574,727**	**361,559**	**213,169**	**580,579**
Consultants & Contractors	**41,256**	**5,144**	**46,400**	**43,170**	**1,926**	**45,097**	**61,651**	**51,983**	**9,668**	**53,910**
Organic cotton expert	21,581	2,360	23,941	21,922	1,912	23,833	30,769	24,691	6,078	26,602
Monitoring & Evaluation	19,309	316	19,625	16,649	-	16,649	30,882	-	30,882	-
Senior Advisor, China: Government and Corp relations	-	-	-	-	-	-	-	-	-	-
Campaigning for Conservation (C4C) local marketing firm	367	2,467	2,834	4,599	15	4,614	-	-	-	15
Soil & More					-	-	-	27,293	(27,293)	27,293
Travel Expenses	**62,079**	**19,387**	**81,466**	**49,702**	**26,263**	**75,965**	**75,000**	**72,929**	**2,071**	**99,192**
Material Costs (Please provide details below)	**15,186**	**683**	**15,869**	**14,623**	**1,438**	**16,061**	**17,351**	**14,002**	**3,349**	**15,441**
Supplies and materials for local staff	107	233	340	1,152	542	1,693	2,698	4,425	(1,727)	4,967
Farming input costs and farming subsidies	8,815	348	9,163	5,141	870	6,011	9,653	7,965	1,688	8,835
Campaigning for Conservation (C4C) materials and logistics	6,263	103	6,366	8,330	27	8,357	5,000	1,612	3,388	1,639
Events (Please provide details below)	**1,609**	**15,486**	**17,095**	**37,607**	**26,451**	**64,057**	**65,649**	**65,625**	**24**	**92,075**
Government Engagement Workshops and Travel	1,553	12,784	14,337	7,337	8,678	16,015	10,000	8,517	1,483	17,195
Training of Trainers	-	2,700	2,700	0	-	0	-	-	-	-
Community trainings (FFS)/Farm Manager Training	57	1	58	2,787	-	2,787	13,149	3,568	9,581	3,568
Training network support	-	-	-	-	8,733	8,733	8,000	11,690	(3,690)	20,422
C4C campaigns	-	-	-	24,152	2,253	26,405	30,000	36,788	(6,788)	39,040
Brands site visits	-	-	-	3,330	333	3,663	4,500	4,230	270	4,564
Marketing		-	-	-	6,454	6,454	-	832	(832)	7,286
Certification	**6,583**	**5,980**	**12,563**	**-**	**461**	**461**	**40,755**	**39,693**	**1,062**	**40,154**
Organic certification	6,583	5,980	12,563	-	461	461	40,755	39,693	1,062	40,154
...	-									
Payment to Local partners (if any)	**-**									
	-									
Payments to GMO Testing Labs (if any)	**-**	**-**	**-**	**607**	**-**	**607**	**3,000**	**6,605**	**(3,605)**	**6,605**
Other Expenses (Please Specify Details)	**29,457**	**11,667**	**41,124**	**31,957**	**9,954**	**41,911**	**37,218**	**27,138**	**10,080**	**37,092**
In-country Office running costs	19,307	9,000	28,307	25,433	6,144	31,576	27,164	18,282	8,882	24,425
In-country Accountant	4,216	426	4,642	6,117	1,150	7,267	9,554	8,448	1,106	9,598
Legal fees for establishing an entity	351	719	1,070	349	2,266	2,615	-	409	(409)	2,675
Computer and Software for new staff and replacements for current staff	5,148	1,268	6,416	-	-	-	-	-	-	-
Annual Software licenses	434	254	689	59	394	452	500	0	500	394
Total Direct Costs	**457,584**	**234,616**	**692,200**	**492,720**	**283,588**	**776,307**	**813,700**	**587,551**	**226,149**	**871,139**
INDIRECT COSTS at 10% of Total Direct Costs	**45,758**	**23,462**	**69,220**	**49,272**	**28,359**	**77,631**	**81,370**	**58,755**	**22,615**	**87,114**
Other overheads	**45,758**	**23,462**	**69,220**	**49,272**	**28,359**	**77,631**	**81,370**	**58,755**	**22,615**	**87,114**
Indirect Costs 10% of Total Direct Costs	45,758	23,462	69,220	49,272	28,359	77,631	81,370	58,755	22,615	87,114
...	-									
Total (Direct + Indirect Costs)	**503,342**	**258,078**	**761,420**	**541,992**	**311,946**	**853,938**	**895,070**	**646,306**	**248,764**	**958,253**
Partners contribution/In-kind contributions	-	**97,778**	**97,778**	**108,858**	**16,859**	**125,717**	**208,508**	**213,259**	**(4,751)**	**230,118**
Orrick		44,720	44,720	24,208	-	24,208	34,464	4,779	29,685	4,779
Paper Stone Scissors		3,141	3,141	3,014	-	3,014		-	-	-
Albright Stonebridge Group advising		49,917	49,917	11,690	5,395	17,085	33,501	-	33,501	5,395
Organic Cotton Awareness							3,900	4,131	(231)	4,131
Bonobo							1,385	1,467	(82)	1,467
Ministry of Agriculture Extension Worker (time and expense)			-	-	-	-		-	-	-
Contributed farm input costs (e.g. fertilizers)			-	69,945	11,464	81,409	135,259	202,882	(67,624)	214,346
Total In-kind Contribution	**-**	**97,778**	**97,778**	**108,858**	**16,859**	**125,717**	**208,508**	**213,259**	**(4,751)**	**230,118**
Rare contribution	**90,776**	**57,318**	**148,094**	**145,121**	**58,735**	**203,856**	**218,941**	**164,796**	**54,145**	**223,531**
Rare in-kind – additional staff time spent on project	2,367	9,555	11,922	39,225	3,384	42,609	48,738	40,383	8,355	43,767
Rare match (difference between Indirect rate of 29.17% and 10%)	88,409	47,763	136,172	105,896	55,351	161,247	170,203	124,413	45,790	179,764
Total Rare Contribution	**90,776**	**57,318**	**148,094**	**145,121**	**58,735**	**203,856**	**218,941**	**164,796**	**54,145**	**223,531**
Total (Direct Costs + Indirect + Partners contribution)	**594,118**	**413,174**	**1,007,292**	**795,970**	**387,540**	**1,183,511**	**1,322,519**	**1,024,361**	**298,158**	**1,411,902**