

WILDAID, INC.

DECEMBER 31, 2018

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INDEPENDENT AUDITORS' REPORT

AND

CONSOLIDATED FINANCIAL STATEMENTS

# **WildAid, Inc.**

## **Independent Auditors' Report and Consolidated Financial Statements**

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A Century Strong

## **Independent Auditors' Report**

THE BOARD OF DIRECTORS  
WILDAID, INC.  
San Francisco, California

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of **WILDAID, INC. AND SUBSIDIARIES (collectively, WildAid)** which comprise the consolidated statement of financial position as of December 31, 2018, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to WildAid's preparation and fair presentation of the consolidated 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 WildAid'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of WildAid as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Report on Summarized Comparative Information*

The consolidated financial statements of WildAid as of December 31, 2017, were audited by other auditors whose report dated March 27, 2018 expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Effect of Adopting New Accounting Standard**

As described in Note 2, WildAid adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Accordingly, the accounting change has been retrospectively applied to prior periods presented with the exception of the omission of certain information as permitted by the ASU. Our opinion is not modified with respect to that matter.

*Hood & Strong LLP*

San Francisco, California  
May 6, 2019

# WildAid, Inc.

## Consolidated Statement of Financial Position

<i>December 31,</i>	2018	2017
<b>Assets</b>		
Cash and cash equivalents	\$ 3,236,946	\$ 5,297,491
Investments	8,001,311	7,208,163
Contributions and grants receivable	3,373,208	4,216,834
Advances to field programs	140,264	300,079
Prepaid expenses and other assets	196,186	476,915
Fixed assets, net	145,379	175,975
<b>Total Assets</b>	<b>\$ 15,093,294</b>	<b>\$ 17,675,457</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 214,894	\$ 397,143
Accrued wages and related costs	97,377	102,547
Deferred revenue		25,000
<b>Total liabilities</b>	<b>312,271</b>	<b>524,690</b>
<b>Net Assets:</b>		
Without donor restrictions	12,525,685	12,565,054
With donor restrictions	2,255,338	4,585,713
<b>Total net assets</b>	<b>14,781,023</b>	<b>17,150,767</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 15,093,294</b>	<b>\$ 17,675,457</b>

See accompanying notes to consolidated financial statements.

# WildAid, Inc.

## Consolidated Statement of Activities and Change in Net Assets

Year Ended December 31, 2018 (with comparative totals to 2017)

	2018			2017 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>Revenue and Support:</b>				
Contributions	\$ 4,980,212	\$ 609,122	\$ 5,589,334	\$ 4,584,860
Grants and awards	1,890,967	2,867,705	4,758,672	6,474,268
Special events (net of direct expenses of \$625,519 for 2018)	158,169		158,169	407,264
Contributed goods and services	233,182,988		233,182,988	225,705,458
Interest income	113,914		113,914	53,089
Other income	2,652	1,060	3,712	22,317
Net assets released from restrictions	5,808,262	(5,808,262)	-	-
<b>Total revenue and support</b>	<b>246,137,164</b>	<b>(2,330,375)</b>	<b>243,806,789</b>	<b>237,247,256</b>
<b>Expenses:</b>				
Program services:				
Wildlife	154,270,516		154,270,516	166,823,951
Marine protection	2,344,169		2,344,169	2,570,126
Climate change	83,017,704		83,017,704	60,551,007
Other programs	5,320,271		5,320,271	4,457,603
Support services:				
Management and general	594,907		594,907	466,641
Fundraising	628,966		628,966	540,521
<b>Total expenses</b>	<b>246,176,533</b>	<b>-</b>	<b>246,176,533</b>	<b>235,409,849</b>
<b>Change in Net Assets</b>	<b>(39,369)</b>	<b>(2,330,375)</b>	<b>(2,369,744)</b>	<b>1,837,407</b>
<b>Net Assets, beginning of year</b>	<b>12,565,054</b>	<b>4,585,713</b>	<b>17,150,767</b>	<b>15,313,360</b>
<b>Net Assets, end of year</b>	<b>\$ 12,525,685</b>	<b>\$ 2,255,338</b>	<b>\$ 14,781,023</b>	<b>\$ 17,150,767</b>

See accompanying notes to consolidated financial statements.

# WildAid, Inc.

## Consolidated Statement of Functional Expenses

Year Ended December 31, 2018 (with comparative totals for 2017)

	Program Services				Supporting Services			2018 Total	2017 Total
	Wildlife	Marine Protection	Climate Change	Other Programs	Total Program Services	Management and General	Fund- Raising		
<b>Expenses</b>									
Salaries and wages	\$ 975,982	\$ 418,206	\$ 370,131	\$ 601,905	\$ 2,366,224	\$ 264,252	\$ 293,233	\$ 2,923,709	\$ 2,362,903
Professional services	663,454	390,153	75,711	485,032	1,614,350	68,392	23,200	1,705,942	2,105,300
Occupancy	170,859	63,103	48,885	78,759	361,606	43,943	13,978	419,527	433,664
Public service announcement and production	661,034	25,630	169,632	342,518	1,198,814	1,213	1,499	1,201,526	1,084,488
Media, website, surveys	1,841,509	5,582	515,052	179,195	2,541,338	6,533	604	2,548,475	1,148,358
Marine protection and local enforcement	1,015	661,373		906	663,294	60	625	663,979	217,198
Program supplies and equipment	68,065	345,142	3,358	24,431	440,996		1,593	442,589	352,994
Travel	283,300	203,030	31,658	287,351	805,339	19,250	74,907	899,496	573,552
Printing and postage	16,693	10,230	5,520	7,581	40,024	12,327	16,965	69,316	57,485
Office supplies and equipment	12,818	19,921	5,879	42,904	81,522	56,588	1,250	139,360	83,994
Conferences	30,399	1,184	279	6,776	38,638	1,147	62,616	102,401	164,136
Grants	307,140	82,800		584,747	974,687			974,687	240,000
Insurance, fees, and bank charges	91,951	13,573	45,613	119,438	270,575	34,002	19,780	324,357	196,906
Depreciation	1,077	8,133		16,792	26,002	31,064		57,066	51,211
Miscellaneous	40,150	96,109	3,489	208,564	348,312	4,146	7,789	360,247	198,396
Bad debt expenses					-	51,990	110,927	162,917	433,806
<b>Total expenses before donated media services</b>	<b>5,165,446</b>	<b>2,344,169</b>	<b>1,275,207</b>	<b>2,986,899</b>	<b>11,771,721</b>	<b>594,907</b>	<b>628,966</b>	<b>12,995,594</b>	<b>9,704,391</b>
Contributed media services	149,105,070		81,742,497	2,333,372	233,180,939			233,180,939	225,705,458
<b>Total expenses</b>	<b>\$ 154,270,516</b>	<b>\$ 2,344,169</b>	<b>\$ 83,017,704</b>	<b>\$ 5,320,271</b>	<b>\$ 244,952,660</b>	<b>\$ 594,907</b>	<b>\$ 628,966</b>	<b>\$ 246,176,533</b>	<b>\$ 235,409,849</b>

See accompanying notes to consolidated financial statements.

# WildAid, Inc.

## Consolidated Statement of Cash Flows

<i>Year Ended December 31, 2018 (with comparative totals for 2017)</i>	2018	2017
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ (2,369,744)	\$ 1,837,407
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation	57,066	51,211
Bad debt expense	162,917	433,806
Changes in operating assets and liabilities:		
Contributions and grants receivable	680,709	(934,362)
Other receivables		138,046
Advances to field programs	159,815	324,470
Prepaid expenses and other assets	280,729	(150,761)
Accounts payable and accrued expenses	(182,249)	177,792
Accrued wages and related costs	(5,170)	39,251
Deferred revenue	(25,000)	25,000
<b>Net cash (used) provided by operating activities</b>	<b>(1,240,927)</b>	<b>1,941,860</b>
<b>Cash Flows from Investing Activities:</b>		
Purchases of fixed assets	(26,470)	(167,006)
Sales (purchases) of investments, net	(793,148)	(343,091)
<b>Net cash used in investing activities</b>	<b>(819,618)</b>	<b>(510,097)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(2,060,545)</b>	<b>1,431,763</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>5,297,491</b>	<b>3,865,728</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 3,236,946</b>	<b>\$ 5,297,491</b>

See accompanying notes to consolidated financial statements.



# WildAid, Inc.

## Notes to Consolidated Financial Statements

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### Note 1 - Organization:

Founded in 2000, WildAid, Inc. (WildAid) is headquartered in San Francisco, with programs in the United States, China, Hong Kong, Vietnam, Thailand, Tanzania, Gabon, Zimbabwe, Uganda, South Africa, Kenya, Ecuador, and Indonesia. WildAid focuses on addressing the underlying demand for endangered species products and strengthening the protection of these animals in the field. WildAid's mission is to end the illegal wildlife trade in our lifetimes by reducing demand for endangered wildlife products through public awareness campaigns and providing comprehensive marine protection. WildAid is well known for their work on sharks, elephants, rhinos, pangolins and other threatened species.

In 2013, WildAid, Inc. formed a wholly owned subsidiary, Biyuan Consulting Co. Ltd. (Biyuan), a private consulting company in China, in order to facilitate program activity in China. In 2018, WildAid formed a new subsidiary, WildAid Beijing, which became active in early 2018. WildAid Beijing will take over all activities from Biyuan by June 2019.

Wildaid also formed a subsidiary, WildAid Hong Kong, Limited (WA HK), to facilitate program activity in Hong Kong. For the purposes of these consolidated financial statements, the assets of WA HK are not consolidated as they are not material to WildAid's consolidated financial statements.

The following is a summary of WildAid's programs:

*Wildlife:* WildAid's high-impact media campaigns feature some of the most influential voices in the world advocating for wildlife conservation on a massive scale thanks to more than \$230 million worth of donated media placement each year. Video, print and online campaigns have measurably increased awareness about poaching, and prompted changes in attitudes and behavior. As a result, there have been significant drops in prices and consumption of endangered species products, such as ivory, rhino horn and shark fin.

*Marine Protection:* WildAid's marine program is working to make the promise of Marine Protected Areas real. WildAid pioneered a program for building effective marine enforcement that can be customized for specific local government and non-government organization partner needs and scaled to include hundreds of project sites. WildAid currently has active projects in the Galapagos Islands, coastal Ecuador, Palau, Indonesia, and Malaysia.

*Climate Change:* WildAid also works closely with stakeholders across China to encourage sustainable, low-carbon lifestyles and limit the impact of individual emissions on climate change. Harnessing proven communications strategies with strong media and government partnerships, WildAid spearheads two climate mitigation campaigns to reduce emissions from daily lifestyle choices: GOblue (reducing car emissions) and Shu Shi (reduced meat and dairy diets).

*Other Programs:* WildAid's Small Grants initiative supports human wildlife conflict mitigation programs on the ground in Tanzania, Kenya, Botswana, Gabon, and Uganda.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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### Note 2 - Summary of Significant Accounting Policies:

#### a. Basis of Presentation and Description of Net Assets

The accompanying consolidated financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S GAAP). Information regarding WildAid's financial position and activities are reported according to the following net asset classifications:

##### *Net Assets Without Donor Restrictions*

The portion of net assets that is not subject to donor-imposed restrictions and may be designated for use by management or the Board of Directors. WildAid seeks to maintain an operating reserve equivalent to six months of operational expenses. As of December 31, 2018, WildAid's operating reserve is approximately \$5,100,000.

##### *Net Assets With Donor Restrictions*

The portion of net assets whose use by WildAid is limited by stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature and will be met by passage of time or can be fulfilled and removed by actions of WildAid. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. WildAid has no net assets with perpetual donor restrictions as of December 31, 2018.

#### b. Principles of Consolidation

The accompanying consolidated financial statements include all amounts and operations of WildAid, Inc., Biyuan, and WildAid Beijing. All intercompany transactions and accounts have been eliminated.

#### c. Cash and Cash Equivalents

WildAid considers all highly liquid investments with original maturity dates of three months or less to be cash equivalents. Cash and cash equivalents include operating cash, but exclude investment account money funds.

#### d. Investments

WildAid reports investments at fair value. Gains and losses that result from market fluctuations are recognized in the Consolidated Statement of Activities and Change in Net Assets in the period such fluctuations occur. Dividend and interest income are accrued when earned. Investments received through gifts are recorded at estimated fair value at the date of donation.

For cash flow purposes, purchases of investments represent the total additions to the portfolio from revenues received during the year. Proceeds from the sale of investments represent the withdrawals used for operations.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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e. Fair Value Measurements

WildAid carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. WildAid classifies its financial assets and liabilities according to three levels and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 - Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 - Observable inputs other than quoted prices included within Level 1 for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability that are not corroborated by market data.

f. Revenue Recognition

Contributions and grants are recognized when the donor/grantor makes an unconditional promise to give to WildAid. Donor restricted support is reported as an increase in net assets with donor restrictions. When the restriction is met or expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction is released in the same reporting period in which the contribution is received. Revenue, other than from contributions and grants, is recognized in the period in which the service has been provided.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows when a material impact is noted and are discounted at an appropriate discount rate. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

g. Contributed Goods and Services

Contributed goods and services are recorded based on the estimated fair value at the date the contribution is made. Contributed services are recognized as contribution revenue for certain services received at the fair value of those services, if the services (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would be purchased if not donated. WildAid received contributed services in foreign countries, which is primarily comprised of media placement for Public Service Announcements (PSAs). The estimated fair value of the contributed media services is derived from third-party valuation specialists. In addition to the recognized donated services, WildAid's work is made possible by substantial volunteer time that was not recognized as contributions in the consolidated financial statements as the recognition criteria was not met.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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### h. Advances to Field Programs

WildAid advances funds to field offices in various countries to support its field operations. Such funds are recorded as advances to field programs when wired, and are expensed quarterly, based upon receipt of expenses incurred, as reported by the field offices.

### i. Grants

Grants are generally made to tax-exempt organizations with objectives consistent with the mission of WildAid. Grant expenses are recorded when WildAid makes an unconditional promise to give. Conditional promises to give are recognized as grant expense in the period in which the recipient meets the terms of the condition. Grant cancellations or unspent funds are recorded in the year cancelled or the funds are returned.

### j. Fixed Assets

Fixed assets are carried at cost or, if donated, at the estimated fair value on the date of the gift. Fixed assets are depreciated on a straight-line basis over their estimated useful lives ranging from three to five years. WildAid generally capitalizes assets with an original cost over \$1,500. Maintenance and repair costs which do not improve or extend the lives of the respective assets are expensed as incurred.

Equipment purchased for use in foreign field offices is expensed as acquired. In the Galapagos and Indonesia programs, equipment acquired is placed in immediate service with the Galapagos National Park Service or the Daram Marine Reserve, under contractual agreement, with annual review by WildAid. The total cost of equipment expensed during the year ended December 31, 2018 totaled \$341,359.

### k. Functional Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the Consolidated Statement of Activities and Change in Net Assets. Expenses such as salaries, benefits, insurance and office rent are allocated among programs, general, administrative and fundraising based on estimated time spent per individual on each functional area. Allocations are decided during the budgeting process prior to each fiscal year and can be adjusted throughout the year to accommodate changing focuses.

### l. Income Tax Status

WildAid is a qualified organization exempt from Federal income and California franchise taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code, respectively.

WildAid has evaluated its current tax positions and has concluded that as of December 31, 2018, it does not have any significant uncertain tax positions for which a reserve would be necessary.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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m. Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

n. Comparative Information and Reclassifications

The consolidated financial statements include certain comparative information for which the prior year information is summarized in total but not by net asset class. Accordingly, such information should be read in conjunction with WildAid's consolidated financial statements for the year ended December 31, 2017, from which the summarized information is derived.

Certain reclassifications have been made to the 2017 consolidated financial statements in order to conform to the 2018 presentation. These reclassifications had no impact on net assets or change in net assets.

o. Recent Accounting Pronouncements

*Pronouncements Adopted*

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this update are designed to improve the current net asset classification requirements and the information presented in the consolidated financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows.

The adoption of this accounting standard changed the terminology used in describing WildAid's net assets and added a new disclosure (Note 3) that discusses WildAid's availability of financial assets and liquidity. Accordingly, the accounting change has been retrospectively applied to all periods presented with the exception of the omission of prior year functional expense and liquidity and availability of resource information as permitted by the ASU.

In January 2016, the FASB issued ASU 2016-01 *Financial Instruments (Topic 825)*. The amendments update certain aspects of recognition, measurement, presentation and disclosure of financial instruments. The standard will be effective for WildAid for fiscal years beginning after December 15, 2018. WildAid elected to early adopt the amendment that no longer requires disclosure of the fair value of financial instruments that are not measured at fair value and as such, these disclosures are not included in the consolidated financial statements.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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### *Pronouncements Effective in the Future:*

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. The ASU clarifies and improves current guidance about whether a transfer of assets, or the reduction, settlement, or cancellation of liabilities, is a contribution or an exchange transaction. It provides criteria for determining whether the resource provider is receiving commensurate value in return for the resources transferred which, depending on the outcome, determines whether the organization follows contribution guidance or exchange transaction guidance in the revenue recognition and other applicable standards. The ASU does not apply to transfers of assets from governments to businesses. The amendments in the update related to contributions received are effective for WildAid for its fiscal year ending December 31, 2019, while the amendments related to contributions made are effective one year later. WildAid is currently evaluating the impact of this pronouncement on its consolidated financial statements.

In February 2016, the FASB issued amendments to ASU 2016-02, *Leases*. Among other things, in the amendments, lessees will be required to recognize the following for all leases (with exception of short-term leases) at the commencement date: 1) A lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and 2) A right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The amendments are effective for WildAid for its fiscal year ending December 31, 2020. Early adoption is permitted. WildAid is currently evaluating the impact of this guidance.

p. Subsequent Events

WildAid evaluated subsequent events from December 31, 2018 through May 6, 2019, the date the consolidated financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these consolidated financial statements.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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### Note 3 - Availability of Financial Assets and Liquidity:

WildAid's financial assets available within one year of the consolidated statement of financial position date for general expenditures are as follows:

Financial assets at year-end:	
Cash and cash equivalents	\$ 3,236,946
Contributions receivable	3,373,208
Investments	8,001,311
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Total financial assets	14,611,465
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Less amounts not available to be used within one year:	
Net assets with donor restrictions	(2,255,338)
Net assets with purpose and time restrictions to be met in less than a year	1,789,753
Net assets designated by the board	(5,131,930)
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	(5,597,515)
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Financial assets available to meet general expenditures over the next twelve months	\$ 9,013,950
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WildAid's goal is generally to maintain financial assets to meet six months of prior years operating expenses (approximately \$5,100,000) as a Board designated operating reserve. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit. The Board can undesignate the Board designated operating reserve and make it available for general operations.

### Note 4 - Contributions and Grants Receivable:

Contributions and grants receivable consist of the following at December 31, 2018:

Individuals	\$ 861,556
Foundations and institutions	2,511,652
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	\$ 3,373,208
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At December 31, 2018, \$2,907,622 is expected to be collected within one year with the remaining balance of \$465,586 due in one to five years. WildAid has \$400,000 in conditional contributions receivable at December 31, 2018.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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### Note 5 - Investments and Fair Value Measurements:

#### *Investments*

Investments are summarized as follows:

Cash and cash equivalents	\$ 372,329
U.S. treasury money market funds	2,263,981
Certificates of deposit	5,365,001
	<hr/>
	\$ 8,001,311

#### *Fair Value Measurement*

Investments include cash and cash equivalents and money market products that have a fair value of \$2,636,310 and are classified as Level 1. Certificates of deposit are not subject to fair value measurements as they do not meet the definition of an equity security.

### Note 6 - Advances to Field Programs:

Advances to field programs consist of the following at December 31, 2018:

Indonesia	\$ 41,761
Galapagos	17,344
Other	81,159
	<hr/>
	\$ 140,264

### Note 7 - Fixed Assets:

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

Furniture and fixtures	\$ 14,144
Equipment	316,616
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Less accumulated depreciation	185,381
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	\$ 145,379

Depreciation expense for the year ended December 31, 2018 is \$57,066.



# WildAid, Inc.

## Notes to Consolidated Financial Statements

### Note 8 - Contributed Goods and Services:

The estimated fair value of donated goods and services received are recorded as contributions. WildAid received material donations of advertisement space on print and on electronic billboards, airtime on television, advertising on the Internet and radio, and advertising in magazines during 2018 in China, Vietnam, and the United States. The participation of these media vendors is an irreplaceable part of WildAid's program to educate the public and reduce the demand for endangered animal products and is a significant part of WildAid's world-wide mission.

In addition, WildAid has over 100 celebrities worldwide who have donated their time to be featured in WildAid's PSAs. Along with filming, they often participate in campaign launches and other media events as well. No value is booked to reflect their donated time, although the value of their participation is invaluable to the delivery of WildAid's message.

WildAid has obtained an independent, third-party valuation from CTR Market Research Company, Ltd. for donations of advertisement space in certain Chinese TV markets. Such valuations have been included in the Consolidated Statement of Activities and Change in Net Assets as contributed goods and services for the year ended December 31, 2018.

The media outlet, media type, and value included as contributed goods and services revenue and contributed media expense for the years ended December 31, 2018 is as follows:

	China	U.S.	Vietnam	Total
Advertising companies	\$ 64,427,812	\$ 951,050	\$ 2,501,269	\$ 67,880,131
Radio	54,852			54,852
Newspaper	497,215			497,215
Magazine	2,871,487			2,871,487
Television	157,573,401	1,382,321	101,075	159,056,797
Websites	2,820,457			2,820,457
	<u>\$ 228,245,224</u>	<u>\$ 2,333,371</u>	<u>\$ 2,602,344</u>	<u>\$ 233,180,939</u>

### Note 9 - Net Assets with Donor Restrictions:

Net assets with donor restrictions consist of the following as of December 31, 2018:

Galapagos Islands	\$ 1,007,035
Climate Change	815,432
MPA, Indonesia	432,871
	<u>\$ 2,255,338</u>

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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Net assets with donor restrictions released from restriction during the year are as follows:

Sharks	\$ 972,417
Elephant and Rhino	974,947
Galapagos Islands	1,124,235
Climate Change	1,275,207
MPA, Indonesia	1,026,734
Other	434,722
	<hr/>
	\$ 5,808,262

### Note 10 - Commitments and Contingencies:

WildAid leases office space in San Francisco, California under an agreement which expires on April 30, 2021. WildAid leases office space in the Galapagos Islands, which expires on October 31, 2019. WildAid also leases office space in China under a lease agreement which will expire on August 31, 2019.

The scheduled future minimum lease payments under the above lease terms are as follows:

Year Ending December 31,	
2019	\$ 232,000
2020	224,000
2021	75,000
	<hr/>
	\$ 531,000

Rent expense totaled \$360,538 for the year ended December 31, 2018.

### Note 11 - Retirement Plan:

WildAid maintains a qualified 401(k) retirement plan for all eligible employees. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. WildAid adopted a Safe Harbor Amendment effective January 1, 2012, matching employee contributions up to a maximum of 4% of compensation. WildAid made contributions to the plan totaling \$42,684 for the year ended December 31, 2018.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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### **Note 12 - Concentration of Risk:**

WildAid has defined its financial instruments which are potentially subject to credit risk. Risks associated with cash and cash equivalents are mitigated by banking with creditworthy institutions. The financial instruments consist principally of cash and receivables.

Periodically, throughout the year, WildAid maintained balances in various operation and money market accounts in excess of federally insured limits.

During the year ended December 31, 2018, grants from three foundations accounted for approximately 42% of total grants and awards revenue.

As of December 31, 2018, grants and contributions receivable from three foundations accounted for approximately 57% of total contributions and grants receivable.

WildAid received contributions from board members totaling approximately \$998,000 during the year ended December 31, 2018. WildAid had contributions receivable due from board members totaling approximately \$195,000 as of December 31, 2018.