

WILDAID, INC.

DECEMBER 31, 2019

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INDEPENDENT AUDITORS' REPORT

AND

CONSOLIDATED FINANCIAL STATEMENTS

# **WildAid, Inc.**

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

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## **Independent Auditors' Report**

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

### **Report on the Consolidated 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, 2019, 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 Consolidated 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, Inc and Subsidiaries as of December 31, 2019, 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 Matter**

#### *Report on Summarized Comparative Information*

We have previously audited WildAid's December 31, 2018 consolidated financial statements and we expressed an unmodified opinion on those statements in our report dated May 6, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Hood & Strong LLP". The signature is written in black ink and is positioned above the typed name and date.

San Francisco, California  
April 13, 2020

# WildAid, Inc.

## Consolidated Statement of Financial Position

<i>December 31, 2019 (with comparative totals for 2018)</i>	2019	2018
<b>Assets</b>		
Cash and cash equivalents	\$ 2,988,281	\$ 3,236,946
Contributions and grants receivable	1,133,380	3,373,208
Investments	9,913,892	8,001,311
Advances to field programs	331,186	140,264
Prepaid expenses and other assets	366,971	341,565
<b>Total Assets</b>	<b>\$ 14,733,710</b>	<b>\$ 15,093,294</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 432,636	\$ 214,894
Accrued wages and related costs	119,917	97,377
Total liabilities	552,553	312,271
<b>Net Assets:</b>		
Without donor restrictions	11,781,247	12,525,685
With donor restrictions	2,399,910	2,255,338
Total net assets	14,181,157	14,781,023
<b>Total Liabilities and Net Assets</b>	<b>\$ 14,733,710</b>	<b>\$ 15,093,294</b>

See accompanying notes to consolidated financial statements.

# WildAid, Inc.

## Consolidated Statement of Activities and Change in Net Assets

*Year Ended December 31, 2019 (with comparative totals for 2018)*

	2019			2018 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>Revenue and Support:</b>				
Contributions and grants	\$ 5,617,788	\$ 4,347,344	\$ 9,965,132	\$ 10,348,006
Special events (net of direct expenses of \$783,117 for 2019)	135,718	2,000	137,718	158,169
Contributed goods and services	218,308,018		218,308,018	233,182,988
Interest income	231,994		231,994	113,914
Other income	35,919		35,919	3,712
Net assets released from restrictions	4,204,772	(4,204,772)	-	-
<b>Total revenue and support</b>	<b>228,534,209</b>	<b>144,572</b>	<b>228,678,781</b>	<b>243,806,789</b>
<b>Expenses:</b>				
Program services:				
Wildlife	159,312,335		159,312,335	154,270,516
Marine protection	1,762,189		1,762,189	2,344,169
Climate change	63,618,132		63,618,132	83,017,704
Other programs	3,079,573		3,079,573	5,320,271
Support services:				
Management and general	698,747		698,747	594,907
Fundraising	807,671		807,671	628,966
<b>Total expenses</b>	<b>229,278,647</b>	<b>-</b>	<b>229,278,647</b>	<b>246,176,533</b>
<b>Change in Net Assets</b>	<b>(744,438)</b>	<b>144,572</b>	<b>(599,866)</b>	<b>(2,369,744)</b>
<b>Net Assets, beginning of year</b>	<b>12,525,685</b>	<b>2,255,338</b>	<b>14,781,023</b>	<b>17,150,767</b>
<b>Net Assets, end of year</b>	<b>\$ 11,781,247</b>	<b>\$ 2,399,910</b>	<b>\$ 14,181,157</b>	<b>\$ 14,781,023</b>

See accompanying notes to consolidated financial statements.

# WildAid, Inc.

## Consolidated Statement of Functional Expenses

Year Ended December 31, 2019 (with comparative totals for 2018)

	Program Services				Supporting Services			2019 Total	2018 Total
	Wildlife	Marine Protection	Climate Change	Other Programs	Total Program Services	Management and General	Fund- Raising		
<b>Expenses:</b>									
Salaries and wages	\$ 1,173,977	\$ 486,977	\$ 482,430	\$ 697,617	\$ 2,841,001	\$ 275,308	\$ 362,732	\$ 3,479,041	\$ 2,923,709
Professional services	618,185	643,895	54,457	572,953	1,889,490	69,896	113,192	2,072,578	1,705,942
Occupancy	138,020	74,457	45,371	58,060	315,908	64,023	32,238	412,169	419,527
Public service announcement and production	395,718	2,535	106,646	342,215	847,114	373	7,292	854,779	1,201,526
Media, website, surveys	969,226	11,890	252,235	232,204	1,465,555	4,450	10,984	1,480,989	2,548,475
Marine protection and local enforcement	4,594	94,711		18,634	117,939	14		117,953	663,979
Program supplies and equipment	82,858	217,980	30,196	54,679	385,713	19,233	5,696	410,642	442,589
Travel	325,920	172,003	40,594	249,242	787,759	32,388	145,463	965,610	899,496
Printing and postage	7,617	9,063	1,802	11,243	29,725	16,994	11,356	58,075	69,316
Office supplies and equipment	6,803	5,341	2,778	46,452	61,374	68,621	4,094	134,089	139,360
Conferences	74,916	1,794	4,046	21,528	102,284		3,000	105,284	102,401
Grants	2,000			380,500	382,500			382,500	974,687
Insurance, fees, and bank charges	28,028	29,661	9,138	110,338	177,165	51,037	8,738	236,940	324,357
Depreciation	1,770	8,128		14,174	24,072	34,040		58,112	57,066
Miscellaneous	109	3,754	23	2,692	6,578	62,370	136	69,084	360,247
Bad debt expenses	30,034				30,034		102,750	132,784	162,917
<b>Total expenses before donated media services</b>	<b>3,859,775</b>	<b>1,762,189</b>	<b>1,029,716</b>	<b>2,812,531</b>	<b>9,464,211</b>	<b>698,747</b>	<b>807,671</b>	<b>10,970,629</b>	<b>12,995,594</b>
<b>Contributed media services</b>	<b>155,452,560</b>		<b>62,588,416</b>	<b>267,042</b>	<b>218,308,018</b>			<b>218,308,018</b>	<b>233,180,939</b>
<b>Expenses as shown on the Statement of Activities and Change in Net Assets</b>	<b>159,312,335</b>	<b>1,762,189</b>	<b>63,618,132</b>	<b>3,079,573</b>	<b>227,772,229</b>	<b>698,747</b>	<b>807,671</b>	<b>229,278,647</b>	<b>246,176,533</b>
<b>Other Expenses:</b>									
Special event costs							783,117	783,117	625,519
<b>Total expenses</b>	<b>\$ 159,312,335</b>	<b>\$ 1,762,189</b>	<b>\$ 63,618,132</b>	<b>\$ 3,079,573</b>	<b>\$ 227,772,229</b>	<b>\$ 698,747</b>	<b>\$ 1,590,788</b>	<b>\$ 230,061,764</b>	<b>\$ 246,802,052</b>

See accompanying notes to consolidated financial statements.

# WildAid, Inc.

## Consolidated Statement of Cash Flows

<i>Year Ended December 31, 2019 (with comparative totals for 2018)</i>	2019	2018
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ (599,866)	\$ (2,369,744)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	58,112	57,066
Bad debt expense	132,784	162,917
Loss on disposal of fixed assets	7,346	
Changes in operating assets and liabilities:		
Contributions and grants receivable	2,107,044	680,709
Advances to field programs	(190,922)	159,815
Prepaid expenses and other assets	-	280,729
Accounts payable and accrued expenses	217,742	(182,249)
Accrued wages and related costs	22,540	(5,170)
Deferred revenue		(25,000)
Net cash provided (used) by operating activities	1,754,780	(1,240,927)
<b>Cash Flows from Investing Activities:</b>		
Purchases of fixed assets	(90,864)	(26,470)
Purchases of investments, net	(1,912,581)	(793,148)
Net cash used by investing activities	(2,003,445)	(819,618)
<b>Net Change in Cash and Cash Equivalents</b>	(248,665)	(2,060,545)
<b>Cash and Cash Equivalents, beginning of year</b>	3,236,946	5,297,491
<b>Cash and Cash Equivalents, end of year</b>	\$ 2,988,281	\$ 3,236,946

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, Mozambique, Gabon, Zimbabwe, Uganda, South Africa, Kenya, Ecuador, Palau, and the Bahamas. WildAid works to reduce global consumption of illegal wildlife products and to increase local support for conservation efforts. WildAid also works with governments and partners to strengthen enforcement of marine reserves from illegal fishing and shark finning, and to reduce climate change impacts.

In 2013, WildAid 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 took over all activities from Biyuan in June 2019. In 2018, WildAid began the process of dissolving Biyuan. As of December 31, 2019, final government approval for dissolution had not been received. There were no operations for Biyuan in 2019 and none are expected in 2020.

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 \$218 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 partners with local governments to strengthen enforcement of marine protected areas (MPAs) by providing funding for surveillance technology, staff training, professional development and community engagement, allowing more MPAs to fulfill their conservation potential. WildAid currently has active projects in the Galapagos Islands, coastal Ecuador, Palau, the Bahamas, Gabon, and Tanzania.

*Climate Change:* WildAid uses its proven communications strategies, strong media networks, and government partnerships to empower individuals to live more sustainable, low-carbon lifestyles. WildAid's 'Green Lifestyle' campaigns encourage individuals to make smart low-carbon choices in areas such as transport, diet, waste management, and energy.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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*Other Programs:* WildAid runs a small grants program supporting organizations with goals in line with its own, as well as media-based human wildlife conflict mitigation programs on the ground in areas throughout Africa.

### 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 is not subject to time or donor-imposed restrictions and may be expended for any purpose in performing the primary objective of WildAid. These net assets are intended for use of management and the Board of Directors for program and supporting services. WildAid seeks to maintain an operating reserve equivalent to six months of operational expenses. As of December 31, 2019, WildAid's Board of Directors has designated approximately \$6,600,000 as an operating reserve.

*Net Assets With Donor Restrictions*

The portion of net assets of which use by WildAid is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of WildAid. WildAid has no net assets with perpetual donor restrictions as of December 31, 2019.

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.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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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.

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 - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Consequently, at December 31, 2019, contributions approximating \$393,000, have not been recognized in the accompanying Consolidated Statement of Activities and Change in Net Assets because the condition(s) on which they depend have not yet been met. The conditional contributions depend on the donors receipt and approval of WildAid's interim reports or are to be paid from a donor advised fund.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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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.

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 or equivalent 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. Depreciation expense for the year ended December 31, 2019 is \$58,112.

Equipment purchased for use in foreign field offices is expensed as acquired. The total cost of equipment expensed during the year ended December 31, 2019 totaled \$224,975.

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, management and general, 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.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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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 follows the guidance on accounting for uncertainty in income taxes issued by Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) Topic 740. As of December 31, 2019, management evaluated WildAid's tax positions and concluded that WildAid had maintained its tax-exempt status and had taken no uncertain tax positions that required adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements.

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

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, 2018, from which the summarized information is derived.

o. Recent Accounting Pronouncements

*Pronouncements Adopted:*

In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* which 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. WildAid has adopted this ASU on a modified prospective basis as of January 1, 2019. The impact of adopting this guidance is reflected in the financial statements and did not have a significant impact on the financial statements or disclosures.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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The FASB issued authoritative guidance, *Revenue from Contracts with Customers (Topic 606)*. These amendments provide that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance was adopted as of January 1, 2019. The impact of adopting this guidance is reflected in the financial statements and did not have a significant impact on the financial statements or disclosures. Furthermore, analysis of various provisions of this standard resulted in no significant changes in the way WildAid recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

*Pronouncements Effective in the Future:*

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. WildAid is currently evaluating the impact of this guidance.

p. Subsequent Events

The management of WildAid evaluated events with respect to the financial statements from December 31, 2019 through April 13, 2020, the date the consolidated financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying consolidated financial statements nor have any subsequent events occurred, the nature of which would require disclosure except as discussed in Note 12.

**Note 3 - Contributions and Grants Receivable:**

Contributions and grants receivable consist of the following at December 31, 2019:

Individuals	\$ 337,150
Foundations and institutions	796,230
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	\$ 1,133,380

At December 31, 2019, \$1,031,592 is expected to be collected within one year with the remaining balance of \$101,788 due in one to five years.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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### Note 4 - Investments and Fair Value Measurements:

Investments consist of the following at December 31, 2019:

Cash and cash equivalents	\$ 392,273
Stock equities	24,193
U.S. treasury money market funds	2,839,145
Certificates of deposit	6,658,281
	<hr/>
	\$ 9,913,892

Investments include cash and cash equivalents, stock equities, and money market products that have a fair value of \$3,255,611 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 5 - Advances to Field Programs:

Advances to field programs consist of the following at December 31, 2019:

Galapagos	\$ 177,326
Vietnam	138,487
Other	15,373
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	\$ 331,186

### Note 6 - 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 2019 in China, Vietnam, the United States and Africa. 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 worldwide 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, Inc.

## Notes to Consolidated Financial Statements

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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, 2019.

The media outlet, media type, and value included as contributed goods and services revenue and contributed media expense for the year ended December 31, 2019 is as follows:

China	\$	216,711,208
Vietnam		1,343,171
U.S.		199,404
Africa		54,235
		<hr/>
	\$	218,308,018

During 2019, WildAid's supervising government agency in China (National Forestry and Grasslands Administration) reviewed WildAid's campaigns to ensure WildAid was compliant with the terms of the official Memorandum of Understanding (MOU). During this review period, which lasted approximately six months, WildAid was asked to suspend activities. After an in-depth review it was concluded that WildAid was fully compliant and WildAid was given clearance to resume activities in accordance with its MOU and approved annual workplan. As a result of this review, actual expenses decreased approximately \$2.3 million of which approximately \$1.3 million was in the Wildlife program, and total in-kind decreased approximately \$14 million in comparison to the 2018 fiscal year.

### Note 7 - Net Assets with Donor Restrictions:

Net assets with donor restrictions consist of the following as of December 31, 2019:

Climate Change	\$	1,284,781
Marine Protection		1,024,871
Other Programs		66,156
Wildlife		24,102
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	\$	2,399,910



# 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:

Wildlife	\$ 1,752,407
Marine Protection	1,306,418
Climate Change	710,512
Other Programs	435,435
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	\$ 4,204,772

**Note 8 - Commitments and Contingencies:**

WildAid leases office space in San Francisco, California, the Galapagos Islands, and China under lease agreements which expire at various times through September 30, 2023.

The scheduled future minimum lease payments under these leases are as follows:

Year Ending December 31,	
2020	\$ 286,000
2021	88,000
2022	13,000
2023	10,000
	<hr/>
	\$ 397,000

Rent expense totaled \$335,376 for the year ended December 31, 2019.

**Note 9 - 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 \$55,157 for the year ended December 31, 2019.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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### Note 10 - Availability of Financial Assets and Liquidity:

WildAid's financial assets available within one year of December 31, 2019 for general expenditures are as follows:

Financial assets at year-end:	
Cash and cash equivalents	\$ 2,988,281
Contributions receivable	1,133,380
Investments	9,913,892
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Total financial assets	14,035,553
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Less amounts not available to be used within one year:	
Net assets with donor restrictions	(2,399,910)
Net assets with purpose and time restrictions to be met in less than a year	2,298,122
Net assets designated by the board	(6,622,728)
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Total amounts not available to be used within one year	(6,724,516)
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Financial assets available to meet general expenditures over the next twelve months	\$ 7,311,037
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WildAid's goal is generally to maintain financial assets to meet six months of prior years operating expenses (approximately \$6,600,000) 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 un-designate the Board designated operating reserve and make it available for general operations.

### Note 11 - Concentration of Risk:

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

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, 2019, grants from three foundations accounted for approximately 37% of total contributions and grants revenue.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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As of December 31, 2019, contributions and grants receivable from three foundations accounted for approximately 39% of total contributions and grants receivable.

WildAid received contributions from board members of approximately \$731,000 during the year ended December 31, 2019. WildAid had contributions receivable due from board members totaling approximately \$86,000 as of December 31, 2019.

### **Note 12 - Subsequent Event:**

An outbreak of respiratory disease caused by a novel (new) coronavirus was first detected in China and has now been detected in more than 100 locations internationally, including in the United States. The virus has been named “SARS-CoV-2” and the disease it causes has been named “coronavirus disease 2019” (abbreviated “COVID-19”). On March 11, 2020 the World Health Organization publicly characterized COVID-19 as a pandemic.

Many Federal, state and local governmental agencies have declared a state of emergency and issued a variety of recommendations impacting travel, group gatherings, etc. WildAid has not seen a significant impact to its operations and advertising in China as WildAid has been tasked with providing additional education around consumption of wild animals. However, certain trips and WildAid’s gala event may be cancelled.

In addition, financial markets volatility has significantly increased with general decrease in the value of major market equity indices. A decline in market valuations is not expected to negatively impact WildAid’s financial investments as WildAid’s portfolio is set up so it doesn’t fluctuate significantly with market trends.