

WILDAID, INC.

DECEMBER 31, 2020

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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** 1 - 2

**Consolidated Financial Statements:**

Consolidated Statement of Financial Position 3

Consolidated Statement of Activities and Change in Net Assets 4

Consolidated Statement of Functional Expenses 5

Consolidated Statement of Cash Flows 6

Notes to Consolidated Financial Statements 7 - 18



A Century Strong

## **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, 2020, 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, 2020, 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, 2019 consolidated financial statements and we expressed an unmodified opinion on those statements in our report dated April 13, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*Hood + Strong LLP*

San Francisco, California  
May 18, 2021

# WildAid, Inc.

## Consolidated Statement of Financial Position

<i>December 31, 2020 (with comparative totals for 2019)</i>	2020	2019
<b>Assets</b>		
Cash and cash equivalents	\$ 4,072,920	\$ 2,988,281
Contributions and grants receivable, net	728,918	1,133,380
Investments	9,813,248	9,913,892
Advances to field programs	178,956	331,186
Prepaid expenses and other assets	343,257	366,971
<b>Total Assets</b>	<b>\$ 15,137,299</b>	<b>\$ 14,733,710</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 324,328	\$ 432,636
Accrued wages and related costs	169,208	119,917
Deferred revenue	350,000	-
Note payable - paycheck protection program	426,340	-
<b>Total liabilities</b>	<b>1,269,876</b>	<b>552,553</b>
<b>Net Assets:</b>		
Without donor restrictions	12,785,638	11,781,247
With donor restrictions	1,081,785	2,399,910
<b>Total net assets</b>	<b>13,867,423</b>	<b>14,181,157</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 15,137,299</b>	<b>\$ 14,733,710</b>

See accompanying notes to consolidated financial statements.

## WildAid, Inc.

### Consolidated Statement of Activities and Change in Net Assets

*Year Ended December 31, 2020 (with comparative totals for 2019)*

	2020			2019 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>Revenue and Support:</b>				
Contributions and grants	\$ 3,761,576	\$ 3,971,500	\$ 7,733,076	\$ 8,123,677
Service income	296,609		296,609	-
Government contract		122,430	122,430	-
Special events (net of direct expenses of \$14,845 for 2020)	527,883	339,439	867,322	1,979,173
Contributed goods and services	307,801,799		307,801,799	218,308,018
Interest income	152,767		152,767	231,994
Other income	34,656		34,656	35,919
Net assets released from restrictions	5,751,494	(5,751,494)	-	-
<b>Total revenue and support</b>	<b>318,326,784</b>	<b>(1,318,125)</b>	<b>317,008,659</b>	<b>228,678,781</b>
<b>Expenses:</b>				
Program services:				
Wildlife	206,624,760		206,624,760	159,312,335
Marine protection	1,917,621		1,917,621	1,762,189
Habitat (Climate)	104,488,872		104,488,872	63,618,132
Other programs	2,738,842		2,738,842	3,079,573
Support services:				
Management and general	807,142		807,142	698,747
Fundraising	745,156		745,156	807,671
<b>Total expenses</b>	<b>317,322,393</b>	<b>-</b>	<b>317,322,393</b>	<b>229,278,647</b>
<b>Change in Net Assets</b>	<b>1,004,391</b>	<b>(1,318,125)</b>	<b>(313,734)</b>	<b>(599,866)</b>
<b>Net Assets, beginning of year</b>	<b>11,781,247</b>	<b>2,399,910</b>	<b>14,181,157</b>	<b>14,781,023</b>
<b>Net Assets, end of year</b>	<b>\$ 12,785,638</b>	<b>\$ 1,081,785</b>	<b>\$ 13,867,423</b>	<b>\$ 14,181,157</b>

See accompanying notes to consolidated financial statements.

# WildAid, Inc.

## Consolidated Statement of Functional Expenses

Year Ended December 31, 2020 (with comparative totals for 2019)

	Program Services					Supporting Services		2020 Total	2019 Total
	Wildlife	Marine Protection	Habitat (Climate)	Other Programs	Total Program Services	Management and General	Fund- Raising		
<b>Expenses:</b>									
Salaries and wages	\$ 1,096,958	\$ 536,621	\$ 462,245	\$ 976,576	\$ 3,072,400	\$ 292,190	\$ 401,961	\$ 3,766,551	\$ 3,479,041
Professional services	379,640	731,203	24,903	598,062	1,733,808	133,705	199,324	2,066,837	2,072,578
Occupancy	150,855	66,947	46,892	69,937	334,631	61,096	50,880	446,607	412,169
Public service announcement and production	258,719	15,300	74,131	43,148	391,298	132	20	391,450	854,779
Media, website, surveys	827,915	6,633	310,473	118,891	1,263,912	21,602	886	1,286,400	1,480,989
Marine protection and local enforcement	28,922	200,478			229,400			229,400	117,953
Program supplies and equipment	42,366	176,694	18,612	60,148	297,820	2,917	910	301,647	410,642
Travel	41,615	48,611	7,316	13,065	110,607	17,417	6,381	134,405	965,610
Printing and postage	3,845	10,385	643	4,467	19,340	13,923	462	33,725	58,075
Office supplies and equipment	8,164	23,509	2,321	20,733	54,727	108,877	4,676	168,280	134,089
Conferences	1,945			3,930	5,875			5,875	105,284
Grants	6,000	60,855		133,900	200,755			200,755	382,500
Insurance, fees, and bank charges	34,219	28,760	15,734	73,368	152,081	45,092	14,501	211,674	236,940
Depreciation	1,073	7,788		8,771	17,632	22,000		39,632	58,112
Miscellaneous	8,760	3,837	4,717	31,696	49,010	88,191		137,201	69,084
Bad debt expenses				35,000	35,000		65,155	100,155	132,784
<b>Total expenses before donated media services</b>	<b>2,890,996</b>	<b>1,917,621</b>	<b>967,987</b>	<b>2,191,692</b>	<b>7,968,296</b>	<b>807,142</b>	<b>745,156</b>	<b>9,520,594</b>	<b>10,970,629</b>
<b>Contributed media services</b>	<b>203,733,764</b>		<b>103,520,885</b>	<b>547,150</b>	<b>307,801,799</b>			<b>307,801,799</b>	<b>218,308,018</b>
<b>Expenses as shown on the Statement of Activities and Change in Net Assets</b>	<b>206,624,760</b>	<b>1,917,621</b>	<b>104,488,872</b>	<b>2,738,842</b>	<b>315,770,095</b>	<b>807,142</b>	<b>745,156</b>	<b>317,322,393</b>	<b>229,278,647</b>
<b>Other Expenses:</b>									
Special event costs							14,845	14,845	783,117
<b>Total expenses</b>	<b>\$ 206,624,760</b>	<b>\$ 1,917,621</b>	<b>\$ 104,488,872</b>	<b>\$ 2,738,842</b>	<b>\$ 315,770,095</b>	<b>\$ 807,142</b>	<b>\$ 760,001</b>	<b>\$ 317,337,238</b>	<b>\$ 230,061,764</b>

See accompanying notes to consolidated financial statements.

# WildAid, Inc.

## Consolidated Statement of Cash Flows

<i>Year Ended December 31, 2020 (with comparative totals for 2019)</i>	2020	2019
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ (313,734)	\$ (599,866)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	39,632	58,112
Change in allowance for bad debt	17,800	
Loss on disposal of fixed assets		7,346
Changes in operating assets and liabilities:		
Contributions and grants receivable	386,662	2,239,828
Advances to field programs	152,230	(190,922)
Prepaid expenses and other assets	(13,718)	
Accounts payable and accrued expenses	(108,308)	217,742
Accrued wages and related costs	49,291	22,540
Deferred revenue	350,000	
Net cash provided by operating activities	559,855	1,754,780
<b>Cash Flows from Investing Activities:</b>		
Purchases of fixed assets	(2,200)	(90,864)
Sales (purchases) of investments, net	100,644	(1,912,581)
Proceeds from note payable - paycheck protection program	426,340	
Net cash provided (used) by investing activities	524,784	(2,003,445)
<b>Net Change in Cash and Cash Equivalents</b>	<b>1,084,639</b>	<b>(248,665)</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>2,988,281</b>	<b>3,236,946</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 4,072,920</b>	<b>\$ 2,988,281</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, 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 early 2018, WildAid formed another subsidiary, WildAid Beijing, which took over all activities from Biyuan in June 2019. In 2018, WildAid began the process of dissolving Biyuan and as of December 31, 2020, final government approval for dissolution had not been received. There were no operations for Biyuan in 2020 and none are expected in 2021.

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 hundreds of millions 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.

*Habitat (Climate):* WildAid uses its proven communications strategies, strong media networks, and government partnerships to empower individuals to live more sustainable, low-carbon lifestyles and reduce impacts on wildlife habitats. WildAid's 'Sustainable Lifestyle' campaigns encourage individuals to make smart low-carbon choices in areas such as diet, transportation and plastics.

# 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 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, 2020, WildAid's designated operating reserve is approximately \$4,767,720.

##### *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, 2020.

#### 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.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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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.

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. 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.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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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, 2020, contributions of \$100,000 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 WildAid achieving key milestones.

*Service income* is accounted for by applying the requirements of Topic 606, which includes the following steps: 1) Identification of the contract, or contracts, with a customer; 2) Identification of the performance obligations in the contract; 3) Determination of the transaction price; 4) Allocation of the transaction price to the performance obligations in the contract; 5) Recognition of revenue when, or as, the company satisfies a performance obligation.

Payment terms and conditions vary by type. Revenue disaggregated by type, during the year ended December 31, 2020 consists of the following:

Coastal Ecuador	\$ 120,171
Galapagos	69,300
MPA	33,734
Plastics	31,500
Operations	41,904
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	\$ 296,609

There were no beginning or ending balances of receivables, contract assets or contract liabilities.

*Government contract* is conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when WildAid has incurred expenditures in compliance with specific contract provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Statement of Financial Position. WildAid was awarded a cost-reimbursable grant of approximately \$180,000 that has not been recognized at December 31, 2020 because qualifying expenditures have not yet been incurred.

# 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, 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 as of December 31, 2020, advances to field programs were \$178,956, and is included in the Statement of Financial Position.

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, 2020 is \$39,632.

Equipment purchased for use in foreign field offices is expensed as acquired. The total cost of equipment expensed during the year ended December 31, 2020 totaled \$147,795.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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### 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.

### 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, 2020, 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 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, 2019, from which the summarized information is derived.

Certain reclassifications have been made to the 2019 financial statements in order to conform to the 2020 presentation. These reclassifications had no impact on net assets or the change in net assets.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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o. Recent Accounting Pronouncements

*Pronouncements Effective in the Future:*

In February 2016, the FASB issued amendments to Accounting Standards Update (ASU) 2016-02, *Leases*. Among other things, lessees will be required to recognize the following at the commencement date of all leases not classified as short term: 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 represents the lessee's right to use, or control the use of, a specified asset for the lease term. Nonpublic business entities should apply the amendments for fiscal years beginning after December 15, 2021 (i.e., January 1, 2022 for a calendar year entity). WildAid is currently evaluating the impact of this guidance.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU changes the required presentation for in-kind contributions other than contributed services. The first element will require separate presentation on the Statement of Activities and the second element will require additional disclosure about how the in-kind gifts were utilized (in which program or part of management and general or fundraising), donor restrictions associated with the gifts and valuation techniques employed. The ASU is effective for WildAid for the fiscal year beginning after June 15, 2021 with early application permitted. WildAid is currently assessing the impact the adoption of this ASU will have on its financial statements.

p. Subsequent Events

The management of WildAid evaluated events with respect to the financial statements from December 31, 2020 through May 18, 2021, 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 noted in Note 5.

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

Contributions and grants receivable consist of the following at December 31, 2020:

Individuals	\$ 369,295
Foundations and institutions	377,423
	746,718
Less discount	(17,800)
	\$ 728,918

At December 31, 2020, the full \$728,918 is expected to be collected within one year.

# 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, 2020:

Cash and cash equivalents	\$ 382,145
U.S. treasury money market funds	2,793,643
Certificates of deposit	6,637,460
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	\$ 9,813,248

Investments include cash and cash equivalents, stock equities, and money market products that have a fair value of \$3,175,788 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 - Loan Payable – Paycheck Protection Program:

WildAid received loan proceeds in the amount of \$426,340 with a maturity date of May 4, 2022 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest may be forgivable as long as WildAid uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll and other personnel related levels. The amount of loan forgiveness will be reduced if certain requirements are not met. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first 10 months. WildAid intends to use the proceeds for purposes consistent with the PPP.

WildAid submitted the application for forgiveness and received full forgiveness in April 2021. WildAid received \$376,845 in loan proceeds under the second draw of PPP (PPP 2). The forgiveness process for the PPP 2 loan generally will be done under similar terms and conditions as the first draw PPP.

### 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 2020 in China and Vietnam. 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.



# WildAid, Inc.

## Notes to Consolidated Financial Statements

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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, 2020.

The media outlet and value included as contributed goods and services revenue and contributed media expense for the year ended December 31, 2020 is as follows:

China	\$	306,324,486
Vietnam		1,477,313
		<hr/>
	\$	307,801,799

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

Net assets with donor restrictions consist of the following as of December 31, 2020:

Habitat (Climate)	\$	104,911
Marine Protection		202,586
Wildlife		774,288
		<hr/>
	\$	1,081,785

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

Wildlife	\$	1,524,229
Marine Protection		1,611,299
Habitat (Climate)		1,820,736
Other Programs		795,230
		<hr/>
	\$	5,751,494

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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### Note 8 - Availability of Financial Assets and Liquidity:

WildAid's financial assets available within one year of December 31, 2020 for general expenditures are as follows:

Financial assets at year-end:	
Cash and cash equivalents	\$ 4,072,920
Contributions receivable	728,918
Investments	9,813,248
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Total financial assets	14,615,086
Less amounts not available to be used within one year:	
Deferred revenue included in cash	(350,000)
Net assets with donor restrictions	(1,081,785)
Net assets with purpose and time restrictions to be met in less than a year	1,081,785
Net assets designated by the board	(4,767,720)
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Total amounts not available to be used within one year	(5,117,720)
Financial assets available to meet general expenditures over the next twelve months	\$ 9,497,366
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WildAid's goal is generally to maintain financial assets to meet six months of prior years operating expenses (approximately \$4,800,000) 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 9 - 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.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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

Year Ending December 31,	
2021	\$ 141,600
2022	13,000
2023	9,800
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	\$ 164,400

Rent expense totaled \$351,787 for the year ended December 31, 2020.

### Note 10 - 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 \$71,246 for the year ended December 31, 2020.

### 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, 2020, grants from two foundations accounted for approximately 38% of total contributions and grants revenue.

As of December 31, 2020, contributions and grants receivable from five donors/foundations accounted for approximately 69% of total contributions and grants receivable.

WildAid received contributions from board members of approximately \$610,000 during the year ended December 31, 2020. WildAid had contributions receivable due from board members totaling approximately \$248,000 as of December 31, 2020.

# WildAid, Inc.

## Notes to Consolidated Financial Statements

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### Note 12 - COVID-19 Pandemic:

On March 11, 2020, the World Health Organization publicly characterized COVID-19 as a pandemic. States of emergency were declared in many federal, state, and local jurisdictions and shelter-in-place orders were instituted in many cities and states, including California, which impacted general business operations in most industries and sectors.

The outbreak of the COVID-19 coronavirus pandemic and the measures adopted by governments in countries worldwide to mitigate the pandemic's spread have led to some decline in expected donations and slowdown in implementation of programs. WildAid's 2020 Africa trip was postponed and will be rescheduled for 2022. Payments received in advance for this trip have been deferred and will be recorded as revenue when the trips take place. WildAid's annual gala was held virtually and gross revenues from the event decreased 66% from the previous year. Due to the travel ban, programmatic spending decreased 19% during the year. However, thanks to the support of WildAid's donor base, individual donations only decreased 5% and were within 1% of WildAid's budget. WildAid additionally was able to pivot existing program work to focus more directly on wildlife markets and their risk to the human population. Support of this messaging from state and private media partners in China resulted in an increase in donated media of 29% for 2020.