

**WILDAID, INC.**

**JUNE 30, 2022**

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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

### Opinion

We have audited the consolidated financial statements of **WILDAID, INC. AND SUBSIDIARIES (collectively, WildAid)** which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the period from January 1, 2021 to June 30, 2022, and the related notes to the consolidated financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of WildAid as of June 30, 2022, and the changes in its net assets and its cash flows for the period from January 1, 2021 to June 30, 2022 in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of WildAid and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management 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; and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WildAid's ability to continue as a going concern for one year from the date of this report.

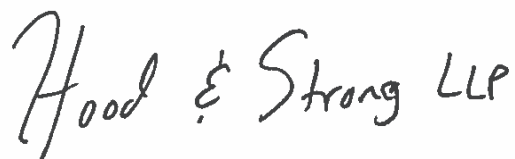
## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WildAid's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

The image shows a handwritten signature in black ink that reads "Hood & Strong LLP". The signature is written in a cursive, flowing style.

San Francisco, California  
November 29, 2022

# WildAid, Inc.

## Consolidated Statement of Financial Position

June 30, 2022

### Assets

Cash and cash equivalents	\$	3,607,096
Contributions and grants receivable, net		292,106
Investments		10,515,803
Advances to field programs		138,680
Prepaid expenses and other assets		386,058

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<b>Total Assets</b>	<b>\$</b>	<b>14,939,743</b>
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### Liabilities and Net Assets

#### Liabilities:

Accounts payable and accrued expenses	\$	345,102
Accrued wages and related costs		154,092
Deferred revenue		209,901

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Total liabilities		709,095
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#### Net Assets:

Without donor restrictions		12,273,610
With donor restrictions		1,957,038

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Total net assets		14,230,648
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<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b>14,939,743</b>
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See accompanying notes to the consolidated financial statements.

## WildAid, Inc.

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

*For the period from January 1, 2021 to June 30, 2022*

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support:</b>			
Contributions and grants	\$ 6,999,714	\$ 6,034,152	\$ 13,033,866
Service income	478,048		478,048
Special events (net of direct expenses of \$103,491)	1,516,059		1,516,059
Contributed goods and services	200,346,796		200,346,796
Investment loss, net	(45,396)		(45,396)
Net assets released from restrictions	5,158,899	(5,158,899)	-
<b>Total revenue and support</b>	<b>214,454,120</b>	<b>875,253</b>	<b>215,329,373</b>
<b>Expenses:</b>			
Program services:			
Wildlife	153,568,419		153,568,419
Marine protection	3,952,198		3,952,198
Habitat (Climate)	55,286,839		55,286,839
Support services:			
Management and general	1,965,597		1,965,597
Fundraising	1,399,779		1,399,779
<b>Total expenses</b>	<b>216,172,832</b>	<b>-</b>	<b>216,172,832</b>
<b>Change in Net Assets Before Other Changes</b>	<b>(1,718,712)</b>	<b>875,253</b>	<b>(843,459)</b>
<b>Other Changes in Net Assets</b>			
Gain on foreign exchange transactions	22,778		22,778
Consolidation of related entity (Note 1)	380,721		380,721
Forgiveness of Paycheck Protection Program Loan (Note 5)	803,185		803,185
<b>Change in Net Assets</b>	<b>(512,028)</b>	<b>875,253</b>	<b>363,225</b>
<b>Net Assets, beginning of year</b>	<b>12,785,638</b>	<b>1,081,785</b>	<b>13,867,423</b>
<b>Net Assets, end of year</b>	<b>\$ 12,273,610</b>	<b>\$ 1,957,038</b>	<b>\$ 14,230,648</b>

See accompanying notes to the consolidated financial statements.

# WildAid, Inc.

## Consolidated Statement of Functional Expenses

*For the period from January 1, 2021 to June 30, 2022*

	Program Services			Supporting Services			Total
	Wildlife	Marine Protection	Habitat (Climate)	Total Program Services	Management and General	Fundraising	
<b>Expenses:</b>							
Salaries and wages	\$ 3,726,999	\$ 1,939,605	\$ 609,550	\$ 6,276,154	\$ 1,145,356	\$ 1,044,176	\$ 8,465,686
Professional services	130,548	286,904	64,446	481,898	89,756	114,600	686,254
Occupancy	262,421	110,989	74,920	448,330	159,644	59,717	667,691
Public service announcement and production	762,925	23,333	19,904	806,162	67	611	806,840
Media, website, surveys	1,347,547	6,466	352,495	1,706,508	123,434		1,829,942
Marine protection and local enforcement	31,069	400,236		431,305			431,305
Program supplies and equipment	48,304	792,566	8,445	849,315	9,564	7,261	866,140
Travel	364,087	175,928	22,942	562,957	57,484	20,657	641,098
Printing and postage	45,338	4,743	1,273	51,354	4,276	6,435	62,065
Office supplies and equipment	69,345	22,326	8,989	100,660	182,816	13,873	297,349
Conferences	27,501	818		28,319	45,978	11,928	86,225
Grants	308,523	57,849		366,372			366,372
Insurance, fees, and bank charges	123,917	26,108	11,059	161,084	86,604	20,521	268,209
Depreciation	6,902	10,665		17,567	21,161		38,728
Miscellaneous	40,186	93,662	33,566	167,414	39,457		206,871
Bad debt expenses			5,261	5,261		100,000	105,261
<b>Total expenses before donated media services</b>	<b>7,295,612</b>	<b>3,952,198</b>	<b>1,212,850</b>	<b>12,460,660</b>	<b>1,965,597</b>	<b>1,399,779</b>	<b>15,826,036</b>
<b>Contributed media services</b>	<b>146,272,807</b>		<b>54,073,989</b>	<b>200,346,796</b>			<b>200,346,796</b>
<b>Expenses as shown on the Statement of Activities and Change in Net Assets</b>	<b>153,568,419</b>	<b>3,952,198</b>	<b>55,286,839</b>	<b>212,807,456</b>	<b>1,965,597</b>	<b>1,399,779</b>	<b>216,172,832</b>
<b>Other Expenses:</b>							
Special event costs				-		103,491	103,491
<b>Total expenses</b>	<b>\$ 153,568,419</b>	<b>\$ 3,952,198</b>	<b>\$ 55,286,839</b>	<b>\$ 212,807,456</b>	<b>\$ 1,965,597</b>	<b>\$ 1,503,270</b>	<b>\$ 216,276,323</b>

See accompanying notes to the consolidated financial statements.

# WildAid, Inc.

## Consolidated Statement of Cash Flows

*For the period from January 1, 2021 to June 30, 2022*

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**Cash Flows from Operating Activities:**

Change in net assets	\$ 363,225
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Forgiveness of Paycheck Protection Program Loan (Note 5)	(803,185)
Depreciation	38,728
Change in allowance for bad debt	39,700
Changes in operating assets and liabilities:	
Contributions and grants receivable	397,112
Advances to field programs	40,276
Prepaid expenses and other assets	(60,778)
Accounts payable and accrued expenses	20,774
Accrued wages and related costs	(15,116)
Deferred revenue	(140,099)

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Net cash used by operating activities	(119,363)
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**Cash Flows from Investing Activities:**

Purchases of fixed assets	(20,751)
Sales (purchases) of investments, net	(702,555)
Proceeds from note payable - paycheck protection program	376,845

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Net cash used by investing activities	(346,461)
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<b>Net Change in Cash and Cash Equivalents</b>	<b>(465,824)</b>
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<b>Cash and Cash Equivalents, beginning of year</b>	<b>4,072,920</b>
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<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 3,607,096</b>
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See accompanying notes to the consolidated financial statements.



# WildAid, Inc.

## Notes to the Consolidated Financial Statements

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### Note 1 - Organization:

Founded in 2000, WildAid, Inc. (WildAid) is headquartered in San Francisco, with programs all over the world. 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 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 June 30, 2022 final government approval for dissolution had not been received. There were no operations for Biyuan during the period from January 1, 2021 to June 30, 2022.

WildAid also has a subsidiary in Ecuador (WildAid EC), which helps to execute activities related to the Marine program. Effective January 1, 2021, the decision was made to consolidate the governance and operations of WildAid EC with WildAid, and WildAid EC became part of WildAid's reporting entity as WildAid has both governance control and an economic interest in WildAid EC. The \$380,721 opening net asset balance of WildAid EC as of January 1, 2021 was included in the Consolidating Statement of Activities and Changes in Net Assets at that date.

WildAid has 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, bushmeat, and human-wildlife conflict 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 75 MPA active projects around the world.

# WildAid, Inc.

## Notes to the Consolidated Financial Statements

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*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.

### 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 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 June 30, 2022, WildAid's designated operating reserve is approximately \$4,945,000.

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

The portion of net assets limited by donor-imposed stipulations are restricted until the restrictions 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 June 30, 2022.

#### b. Principles of Consolidation

The accompanying consolidated financial statements include all amounts and operations of WildAid, Inc., Biyuan, WildAid Beijing, and WildAid EC. 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 the 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 Changes 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.

Investments, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

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 - Unadjusted quoted market prices 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.

# WildAid, Inc.

## Notes to the Consolidated Financial Statements

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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.

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 June 30, 2022, contributions of approximately \$3,943,000 have not been recognized in the accompanying Consolidated Statement of Activities and Changes in Net Assets because the conditions 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 18-month period ended June 30, 2022 consists of the following:

Coastal Ecuador	\$	174,971
Galapagos		260,732
MPA		42,345
		<hr/>
	\$	478,048

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

# WildAid, Inc.

## Notes to the Consolidated Financial Statements

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*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 Consolidated Statement of Financial Position. WildAid was awarded a cost-reimbursable grant of approximately \$53,000 that has not been recognized at June 30, 2022 because qualifying expenditures have not yet been incurred.

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); see Note 6.

In addition to the recognized donated services, WildAid's work is made possible by substantial volunteer time that was not recognized as a contribution 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 June 30, 2022, advances to field programs were \$138,680, which are included in the Consolidated 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 period 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 18-month period ended June 30, 2022 was \$38,729.

# WildAid, Inc.

## Notes to the Consolidated Financial Statements

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Equipment purchased for use in foreign field offices is expensed as acquired. The total cost of equipment expensed during the 18-month period ended June 30, 2022 totaled \$762,222.

k. Allocation of Functional Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the Consolidated Statement of Activities and Changes 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.

As of June 30, 2022, 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 consolidated financial statements. Therefore, no provision or liability for income taxes or deferred income taxes has been included in the consolidated 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. Recent Accounting Pronouncements

*Adopted:*

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07 *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization, among other things, to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets and to disclose the types of contributed nonfinancial assets received, the techniques used to value them, and the uses to which they were put.

# WildAid, Inc.

## Notes to the Consolidated Financial Statements

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### *Pronouncements Effective in the Future:*

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. Among other things, under this guidance, lessees will be required to recognize the following for all leases with a term longer than twelve months 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. Nonpublic business entities should apply the guidance for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. WildAid is currently evaluating the impact of this pronouncement on its consolidated financial statements.

o. Subsequent Events

The management of WildAid evaluated events with respect to the consolidated financial statements from June 30, 2022 through November 29, 2022, 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 described in Note 13.

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

Contributions and grants receivable consisted of the following at June 30, 2022:

Foundations and institutions	\$	223,120
Individuals		126,486
		<hr/>
		349,606
Less allowance for doubtful accounts		(57,500)
		<hr/>
	\$	292,106
		<hr/>

At June 30, 2022, the full \$349,606 is expected to be collected within one year.

# WildAid, Inc.

## Notes to the Consolidated Financial Statements

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

Investments consisted of the following at June 30, 2022:

Cash and cash equivalents	\$ 949,543
U.S. Treasury money market funds	2,794,847
Certificates of deposit	6,771,413
	<hr/>
	\$ 10,515,803

Investments include cash and cash equivalents, stock equities, and money market products that have a fair value of \$3,744,390 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.

Net investment income is recorded on the Statement of Activities. Investment loss for the period was \$45,396.

### Note 5 - Loan Payable:

WildAid received two loans through the Paycheck Protection Loan Program (PPP) totaling \$803,185. Both loans were forgiven in full as of June 30, 2022, based on adherence the required guidelines. WildAid recognized the full value of the loans as income in the Statement of Activities and Changes in Net Assets as of June 30, 2022.

### 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 2021. 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 obtains 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 Changes in Net Assets as contributed goods and services for the 18-month period ended June 30, 2022.



# WildAid, Inc.

## Notes to the Consolidated Financial Statements

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The media outlet and value included as contributed goods and services revenue and contributed media expense was as follows for the 18-month period ended June 30, 2022:

Wildlife	\$ 146,272,807
Habitat (Climate)	54,073,989
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	\$ 200,346,796

**Note 7 - Net Assets With Donor Restrictions:**

Net assets with donor restrictions were as follows at June 30, 2022:

Wildlife	\$ 437,074
Marine	1,490,650
Habitat (Climate)	29,314
	<hr/>
	\$ 1,957,038

Net assets with donor restrictions were released from donor restriction as follows during the 18-month period ended June 30, 2022:

Wildlife	\$ 3,172,603
Marine Protection	1,385,063
Habitat (Climate)	601,233
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	\$ 5,158,899

# WildAid, Inc.

## Notes to the Consolidated Financial Statements

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

WildAid's financial assets available within one year for general expenditures were as follows at June 30, 2022:

Financial assets at year end:	
Cash and cash equivalents	\$ 3,607,096
Contributions receivable	192,106
Investments	10,515,803
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Total financial assets	14,415,005
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Less amounts not available to be used within one year:	
Deferred revenue included in cash	(109,901)
Net assets with donor restrictions	(1,957,038)
Net assets designated by the Board	(4,945,274)
Add: Net assets with purpose and time restrictions to be met in less than a year	1,957,038
<hr/>	
Total amounts not available to be used within one year	(5,055,175)
<hr/>	
Financial assets available to meet general expenditures over the next twelve months	\$ 9,359,830
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WildAid's goal is generally to maintain financial assets to meet six months of prior periods' operating expenses (approximately \$4,900,000) 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.

# WildAid, Inc.

## Notes to the Consolidated Financial Statements

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### 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 June 30, 2027.

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

Year Ending		
June 30,		
2023	\$	167,000
2024		97,000
2025		84,000
2026		86,000
2027		86,000
		<hr/>
	\$	520,000

Rent expense totaled \$518,722 for the 18-month period ended June 30, 2022.

### 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 \$104,761 for the 18-month period ended June 30, 2022.

### 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 18-month period ended June 30, 2022, grants from two foundations accounted for approximately 21% of total contributions and grants revenue.

# WildAid, Inc.

## Notes to the Consolidated Financial Statements

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As of June 30, 2022, contributions and grants receivable from five donors/foundations accounted for approximately 89% of total contributions and grants receivable.

WildAid received contributions from Board members of approximately \$1,509,000 during the 18-month period ended June 30, 2022.

### **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 ongoing nature of the COVID-19 pandemic caused continuing impacts to WildAid's operations during the period from January 1, 2021 to June 30, 2022. The environment of uncertainty caused by the pandemic impacted WildAid in various ways, in particular, affecting plans that required travel for its staff and field partners. In part as a response to the pandemic, WildAid has shifted to greater remote work for its staff. Overall, the impacts of the pandemic on WildAid's operations have substantially lessened throughout the period.

### **Note 13 - Subsequent Event:**

On November 29, 2022, WildAid entered into a fiscal sponsorship agreement with a related party who will manage an organization (the Organization). The Organization will operate wildlife programs in Africa, land based climate programs and distribute mass communications in Africa to change attitudes towards poaching, trafficking, habitat loss, human-life wildlife conflict. The sponsorship agreement will be effective January 1, 2023.