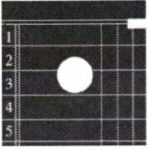


WILDLANDS NETWORK
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2019

WILDLANDS NETWORK
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2019

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Dave Bembridge, CPA PS

Certified Public Accountants

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Independent Auditor's Report

Board of Directors
Wildlands Network
Seattle, Washington

Report on the Financial Statements

We have audited the accompanying statements of financial position of the Wildlands Network (a not-for-profit organization) as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

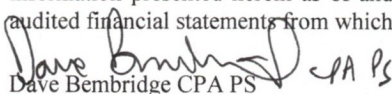
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wildlands Network as of December 31, 2019, and the results of their operations and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Wildlands Network's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 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 financial statements from which it has been derived.


Dave Bembridge CPA PS
Certified Public Accountant
June 17, 2020

WILDLANDS NETWORK
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS

<u>Current Assets</u>		
Cash and Cash Equivalents	\$1,099,286	\$726,526
Accounts Receivable	60,427	248,350
Pre-paid Expenses & Deposits	15,071	8,998
Inventory	<u> -</u>	<u>1,360</u>
Total Current Assets	1,174,784	985,234
<u>Other Assets</u>		
Vermont Community Foundation Fund (Note Seven)	<u>31,774</u>	<u>27,295</u>
TOTAL ASSETS	<u>\$1,206,558</u>	<u>\$1,012,529</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts Payable	\$35,475	\$26,791
Accrued Vacation	<u>25,856</u>	<u>17,446</u>
Total Current Liabilities	<u>61,331</u>	<u>44,237</u>
TOTAL LIABILITIES	<u>61,331</u>	<u>44,237</u>
<u>Net Assets</u>		
Net Assets without Donor Restrictions (Note Five)	151,845	37,552
Net Assets with Donor Restrictions (Note Six)	<u>993,382</u>	<u>930,740</u>
Total Net Assets	<u>1,145,227</u>	<u>968,292</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$1,206,558</u>	<u>\$1,012,529</u>

The accompanying notes are an integral part
of these financial statements.

WILDLANDS NETWORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Net Assets Without Donor <u>Restrictions</u>	Net Assets With Donor <u>Restrictions</u>	Total <u>2019</u>	Summarized Total <u>2018</u>
REVENUE:				
Grants and Contributions	953,710	1,146,600	2,100,310	1,660,199
Gain (Loss) on Endowment Fund	4,594	-	4,594	(2,063)
Interest and Dividends	359	-	359	341
Other Revenue	<u>3,181</u>	<u>-</u>	<u>3,181</u>	<u>2,416</u>
TOTAL REVENUE	961,844	1,146,600	2,108,444	1,660,893
Net Assets Released from Restrictions	<u>1,083,958</u>	<u>(1,083,958)</u>	<u>-</u>	<u>-</u>
	2,045,802	62,642	2,108,444	1,660,893
EXPENSES:				
Program Services	1,462,863	-	1,462,863	1,078,200
Management & Administration	183,930	-	183,930	124,304
Fundraising & Development	<u>284,716</u>	<u>-</u>	<u>284,716</u>	<u>218,096</u>
TOTAL EXPENSES	<u>1,931,509</u>	<u>-</u>	<u>1,931,509</u>	<u>1,420,600</u>
INCREASE IN NET ASSETS	114,293	62,642	176,935	240,293
NET ASSETS, BEGINNING	<u>37,552</u>	<u>930,740</u>	<u>968,292</u>	<u>727,999</u>
NET ASSETS, ENDING	<u>\$151,845</u>	<u>\$993,382</u>	<u>\$1,145,227</u>	<u>\$968,292</u>

The accompanying notes are an integral part of
these financial statements.

WILDLANDS NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u> <u>2019</u>	<u>Summarized</u> <u>Totals</u> <u>2018</u>
Employment Cost					
Salaries and Wages	\$ 843,847	\$ 51,232	\$ 179,714	\$ 1,074,793	\$ 893,088
Payroll Taxes	76,679	933	16,696	94,308	78,690
Employee Benefits	34,618	32,967	8,728	76,313	
Total Employment Cost	<u>955,144</u>	<u>85,132</u>	<u>205,138</u>	<u>1,245,414</u>	<u>971,778</u>
Contract and Professional Services	280,051	12,575	13,980	306,606	203,196
Travel and Conferences	92,465	30,509	35,997	158,971	80,884
Equipment	54,132	2,244	4,090	60,466	36,666
Rent	33,604	28,990		62,594	39,253
Printing and Reproduction	14,280	19	7,381	21,680	16,442
Software and Subscriptions	6,781	778	8,511	16,070	14,831
Telephone and Internet	7,471	3,808	1,288	12,567	11,285
Donor Development and Solicitation Fees		32	3,771	3,803	8,709
Bank Charges and Fees	151	731	2,234	3,116	8,109
Website	4,362			4,362	4,511
Insurance		3,572		3,572	3,717
Postage and Delivery	1,113	270	1,510	2,893	2,636
Miscellaneous	92	116		208	1,401
Moving Expenses		11,381		11,381	
Office Supplies	13,217	3,773	816	17,806	17,182
Total Expenses	<u>\$ 1,462,863</u>	<u>\$ 183,930</u>	<u>\$ 284,716</u>	<u>\$ 1,931,509</u>	<u>\$ 1,420,600</u>

The accompanying notes are an integral part
of these financial statements

WILDLANDS NETWORK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from Contributions and Grants	\$2,283,700	\$1,526,582
Other Revenue	3,540	2,416
Payments to Employees and Suppliers	(1,914,480)	(1,431,864)
Net Cash Provided (Absorbed) by Operating Activities	<u>372,760</u>	<u>97,134</u>
NET (DECREASE) INCREASE IN CASH	372,760	97,134
CASH AT BEGINNING OF YEAR	<u>726,526</u>	<u>629,392</u>
CASH AT END OF YEAR	<u>\$1,099,286</u>	<u>\$726,526</u>
Reconciliation of Change in Net Assets to Net Cash Flows from Operating Activities		
Change in Net Assets	\$176,935	\$240,293
Change in Investments	(4,479)	1,722
Adjustments to reconcile change in net assets to net cash from operating activities		
Changes in:		
Accounts Receivable	187,923	(133,617)
Prepaid Expenses and Deposit	(6,073)	(1,074)
Vacation Payable	8,410	2,768
Inventory	1,360	225
Accounts Payable	<u>8,684</u>	<u>(13,183)</u>
Total Adjustments	<u>200,304</u>	<u>(144,881)</u>
Net Cash Flows from Operating Activities	<u>372,760</u>	<u>97,134</u>

The accompanying notes are an integral part
of these financial statements.

WILDLANDS NETWORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note One - Organization

Wildlands Network works to reconnect, restore and rewild North America so that life—in all its diversity—can thrive. Our work is founded in science, driven by fieldwork and furthered through strategic policy and partnerships. With staff based across the United States and in Mexico, Wildlands Network has been at the forefront of continental-scale conservation for nearly 30 years. The core principle of all we do is this: if protected areas are connected with healthy habitats on a continental scale, our treasured native plants and animals will thrive—as will life-supporting ecological processes like carbon storage and pollination.

Since our founding, we have advocated for continental networks of continuous habitat and movement corridors as a key solution to preserving healthy ecosystems. Using foundational principles of conservation biology, our founders identified the core natural areas on which native animals depend, and the corridors that connect them. We call them Wildways. This innovative concept has fundamentally shaped the work and goals of conservation communities operating in Canada, the United States and Mexico.

Within the Wildways and across North America, we advance key conservation initiatives and policies to achieve our mission. Wildlands Network is a leader in the field of road ecology, which aims to understand and mitigate wildlife-vehicle collisions and the impact of roads on ecosystems. Together with local, state and federal partners in the United States and Mexico, we identify roads of critical concern for wildlife, conduct field research to better understand the issues at hand, and develop location-specific measures to address them. We also work with lawmakers at the state and federal level to craft policies designed to identify and protect wildlife corridors and incentivize greater investment in road crossings and other wildlife-friendly infrastructure, as well as protect and restore native species, including carnivores, across suitable habitat.

Note Two - Significant Accounting Policies

Generally accepted accounting principles require that net assets and revenues, expenses and gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, the net assets of Wildlands Network and the changes therein are classified and reported as follows:

Net Assets without Donor Restrictions

Net Assets without Donor Restrictions are funds not subject to donor imposed stipulations. Expirations of donor restrictions on net assets, that is, the donor imposed stipulated purpose has been accomplished, are reported as reclassifications between the applicable classes of net assets.

WILDLANDS NETWORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

(continued)

Note Two - Significant Accounting Policies (continued)

Net Assets with Donor Restrictions

Net Assets with Donor Restrictions are funds subject to donor imposed stipulations that will be met by actions of Wildlands Network and/or the passage of time. Net Assets with Donor Restrictions are released when the funds are spent for the donor stipulated purpose. Note Five discloses the Donor Restrictions.

Federal Income Tax

Management believes the organization's activities do not generate unrelated business taxable income. Accordingly, no provision for federal income taxes has been made in these financial statements.

Property and Equipment

Purchased assets are recorded at acquisition cost and donated items are recorded at fair market value as of the date of acquisition. Items of property and equipment in excess of \$3,000 are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the various assets, ranging from 3-7 years.

Cash & Cash Equivalents

Cash and cash equivalents include all amounts in banks and savings accounts with maturity dates of less than three months.

Inventory

Inventory, consisting of books, is carried at the lower of cost or market, using the first-in, first-out method of costing.

Accrued Vacation

Wildlands Network accrues paid time off up to 40 hours due to employees.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

WILDLANDS NETWORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

(continued)

Note Two - Significant Accounting Policies (continued)

Expense Allocation

The organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program or support service are allocated directly according to their proper expenditure classification. Other expenses, which are common to several functions, are allocated based on time records and the judgment of management.

Donated Goods and Services

Contributed services are recognized as income and expense at fair market value. Services that enhance an asset are capitalized. Gifts in kind are recognized at fair market value and are either capitalized or shown as expense based on the item and the value. Gifts of stocks (marketable securities) are sold immediately and included in contribution income.

Concentration of Credit Risk

The Organization maintains cash and cash equivalents in accounts that may exceed federally insured limits at times during the year. The amounts by which the accounts exceeded the insured limits for the years ended December 31, 2019 and 2018 are \$777,070 and \$476,501 respectively

Note Three – Liquidity and Availability

Financial Assets available for general expenditures within one year of December 31, 2019, are determined as follows:

	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	\$1,099,286	\$726,526
Accounts Receivable	<u>60,427</u>	<u>248,350</u>
Total Financial Assets	1,159,713	974,876
Board Designated Operating Reserve	(50,041)	-
Net Assets with Donor Restrictions	<u>(993,382)</u>	<u>(930,740)</u>
Financial Assets Available for General Expenditures within one year	<u>\$116,290</u>	<u>\$44,136</u>

Note Four - Federal Tax Status

Wildlands Network has been granted exemption from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has classified Wildlands Network as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code.

WILDLANDS NETWORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

(continued)

Note Four - Federal Tax Status (continued)

Management has considered the tax positions taken in its tax returns and believes that all of the positions taken by Wildlands Network in its federal and state tax returns are more likely than not to be sustained upon examination. Wildlands Network's federal tax returns could be subject to examination for three years after they are filed.

Note Five – Net Assets without Donor Restrictions

Net Assets without Donor Restrictions are comprised of the following:

	<u>2019</u>	<u>2018</u>
Board Designated Operating Reserve	\$50,041	\$ -
Undesignated	103,164	37,552
Total Net Assets without Donor Restrictions	<u>\$153,205</u>	<u>\$37,552</u>

The Operating Reserve may only be spent with the approval of the President in consultation with the Executive Director.

Note Six – Net Assets with Donor Restrictions

Net Assets with Donor Restrictions are comprised of the following:

	<u>2019</u>	<u>2018</u>
West Program	\$635,382	\$424,907
Policy Program	10,000	22,500
East Program	333,000	468,333
Endowment Fund (Note Seven)	<u>15,000</u>	<u>15,000</u>
	<u>\$993,382</u>	<u>\$930,740</u>

Note Seven – Endowment Fund

In October 2002, the Organization established the Wild Earth Society Fund at the Vermont Community Foundation (VCF) and transferred to it permanently restricted endowment funds of \$15,000. Variance power was granted to VCF. The Board of Trustees of the Vermont Community Foundation (VCF Board) shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to a specified organization if, in the sole judgment of the VCF Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served.

Income from the fund is currently reinvested, but is distributable to the Organization upon request. Additionally, the Organization can request the fund principal to be returned with VCF Board approval.

Income from this fund may be used at the discretion of the Organization's board.

WILDLANDS NETWORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

(continued)

Note Seven – Endowment Fund (continued)

	<u>2019</u>	<u>2018</u>
Beginning Value	27,295	29,017
Dividends & Interest	342	341
Gains (Losses)	4,594	(1,831)
Investment Expenses	<u>(457)</u>	<u>(232)</u>
Ending Value	<u>\$31,774</u>	<u>\$27,295</u>
Permanently Restricted	15,000	15,000
Unrestricted	<u>16,774</u>	<u>12,295</u>
Total Ending Value	<u>\$31,774</u>	<u>\$27,295</u>

Note Eight - Commitments

Property Lease

Wildlands Network had a lease for their Seattle office starting February 1, 2017 and terminating January 31, 2020. There are additional leases in Durham, NC, Salt Lake City, UT, and Tucson, AZ. The following are the future minimum lease obligations in terms of the leases:

<u>Year</u>	
2020	33,554
2021	<u>28,016</u>
Total Commitments	<u>\$61,570</u>

Note Nine – Funding Dependency

The organization received a significant portion of its revenue (\$1,040,000 – 49%) from four donors (2018 \$747,000 – 45% from three donors). Without continued support from these donors, operations of the organization would have to be reduced significantly.

Note Ten – Comparative Financial Information

The financial statements include certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organization’s financial statements for the year ended December 31, 2018, from which the summarized information was derived.

WILDLANDS NETWORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

(continued)

Note Eleven – Subsequent Events

Management of Wildlands Network has evaluated events and transactions subsequent to December 31, 2019 for potential recognition or disclosure in the financial statements. Subsequent events have been evaluated through the date the financial statements became available to be issued, June 17, 2020.

The COVID-19 pandemic has had a significant impact on the economy in the United States. This leads to some uncertainty about the levels of funding available to the organization. While we don't expect a significant decline from our primary funding sources, some temporary reduction in levels of funding is possible.