

WILD EARTH SOCIETY INCORPORATED
dba WILDLANDS NETWORK

AUDITED FINANCIAL STATEMENTS

Year Ended December 31, 2022 with Summarized
Comparative Totals for 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Wild Earth Society Incorporated
dba Wildlands Network

Opinion

We have audited the accompanying financial statements of Wild Earth Society Incorporated (a nonprofit organization) which comprise the statement of financial position as of December 31, 2022, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wild Earth Society Incorporated as of December 31, 2022 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.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wild Earth Society Incorporated 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 Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Wild Earth Society Incorporated's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 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 Wild Earth Society Incorporated'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wild Earth Society Incorporated'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.

Report on Summarized Comparative Information

We have previously audited Wild Earth Society Incorporated's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 22, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Squire & Company, PC

Orem, Utah
May 4, 2023

WILD EARTH SOCIETY INCORPORATED
dba WILDLANDS NETWORK
STATEMENT OF FINANCIAL POSITION

December 31, 2022 with Summarized Comparative Totals for 2021

	2022	2021
ASSETS		
Current Assets:		
Cash	\$ 2,457,898	\$ 2,237,113
Investments	19,696	24,758
Contributions and grants receivable	264,849	99,882
Prepaid expenses	<u>14,701</u>	<u>10,034</u>
Total current assets	2,757,144	2,371,787
Operating Lease Right-of-Use Assets	47,326	-
Security Deposits	<u>3,607</u>	<u>3,607</u>
Total assets	<u>\$ 2,808,077</u>	<u>\$ 2,375,394</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 64,452	\$ 18,183
Current portion of lease liabilities	43,823	-
Due to other organizations	<u>194,846</u>	<u>267,341</u>
Total current liabilities	303,121	285,524
Operating Lease Liabilities , less current portion	<u>3,939</u>	<u>-</u>
Total liabilities	307,060	285,524
Net Assets:		
Without donor restrictions	694,430	729,565
With donor restrictions	<u>1,806,587</u>	<u>1,360,305</u>
Total net assets	<u>2,501,017</u>	<u>2,089,870</u>
Total liabilities and net assets	<u>\$ 2,808,077</u>	<u>\$ 2,375,394</u>

The accompanying notes are an integral part of this financial statement.

WILD EARTH SOCIETY INCORPORATED
dba WILDLANDS NETWORK
STATEMENT OF ACTIVITIES

Year Ended December 31, 2022 with Summarized Comparative Totals for 2021

	2022	2021
Net Assets without Donor Restrictions:		
Revenues and support:		
Grants and contributions	\$ 1,146,729	\$ 1,161,793
Investment earnings (loss)	(2,618)	2,941
Other	10,335	15,591
Employee retention credit	160,431	-
Net assets released from restrictions	<u>1,345,305</u>	<u>1,305,380</u>
Total revenues and support	2,660,182	2,485,705
Gain on PPP loan forgiveness	<u>-</u>	<u>426,008</u>
Total revenues, support, and gains	2,660,182	2,911,713
Expenses:		
Program services	2,234,438	1,980,554
Supporting services:		
Management and general	136,462	153,755
Fundraising	<u>324,417</u>	<u>259,408</u>
Total expenses	<u>2,695,317</u>	<u>2,393,717</u>
Change in net assets without donor restrictions	(35,135)	517,996
Net Assets with Donor Restrictions:		
Grants and contributions	1,791,587	1,298,805
Net assets released from restrictions	<u>(1,345,305)</u>	<u>(1,305,380)</u>
Change in net assets with donor restrictions	<u>446,282</u>	<u>(6,575)</u>
Change in Net Assets	411,147	511,421
Net Assets at Beginning of Year	<u>2,089,870</u>	<u>1,578,449</u>
Net Assets at End of Year	<u><u>\$ 2,501,017</u></u>	<u><u>\$ 2,089,870</u></u>

The accompanying notes are an integral part of this financial statement.

WILD EARTH SOCIETY INCORPORATED
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2022 with Summarized Comparative Totals for 2021

	Program Services	Supporting Services		Totals	
		Management and General	Fundraising	2022	2021
Wages and benefits	\$ 1,583,807	\$ 81,286	\$ 277,059	\$ 1,942,152	\$ 1,692,377
Awards and grants	42,500	-	-	42,500	95,126
Professional fees	320,875	33,077	12,144	366,096	304,979
Promotion	525	-	36	561	9,123
Occupancy	76,973	3,206	12	80,191	82,980
Insurance	-	4,103	-	4,103	3,990
Equipment	13,299	-	118	13,417	2,402
Office	41,870	6,910	33,645	82,425	119,678
Other	24,260	4,177	618	29,055	23,771
Travel	130,329	3,703	785	134,817	59,291
Total expenses	<u>\$ 2,234,438</u>	<u>\$ 136,462</u>	<u>\$ 324,417</u>	<u>\$ 2,695,317</u>	<u>\$ 2,393,717</u>

The accompanying notes are an integral part of this financial statement.

WILD EARTH SOCIETY INCORPORATED
dba WILDLANDS NETWORK
STATEMENT OF CASH FLOWS

Year Ended December 31, 2022 with Summarized Comparative Totals for 2021

	2022	2021
Cash Flows from Operating Activities:		
Change in net assets	\$ 411,147	\$ 511,421
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized (gains) losses on investments	3,711	(2,836)
Operating lease right-of-use assets	8,872	-
Gain on PPP loan forgiveness	-	(424,631)
Changes in operating assets and liabilities:		
Contributions and grants receivable	(164,967)	(74,882)
Prepaid expenses	(4,667)	5,149
Security deposits	-	525
Accounts payable	46,269	2,538
Operating lease liabilities	(8,436)	-
Due to other organizations	(72,495)	38,424
Total adjustments	<u>(191,713)</u>	<u>(455,713)</u>
Net cash provided by operating activities	219,434	55,708
Cash Flows from Investing Activities:		
Net sales of investments	1,351	1,416
Cash Flows from Financing Activities:		
Proceeds from PPP loan	-	247,666
Net Change in Cash	220,785	304,790
Cash at Beginning of Year	<u>2,237,113</u>	<u>1,932,323</u>
Cash at End of Year	<u><u>\$ 2,457,898</u></u>	<u><u>\$ 2,237,113</u></u>

Supplementary Data:

The Organization paid no interest or income taxes during the year.

The Organization had no noncash investing or financing activities during the year.

The Organization recognized \$56,198 of operating lease right-of-use assets through the assumption of operating lease liabilities.

The accompanying notes are an integral part of this financial statement.

WILD EARTH SOCIETY INCORPORATED
dba WILDLANDS NETWORK
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Wild Earth Society Incorporated dba Wildlands Network (the Organization) have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Organization

The Organization is a nonprofit corporation organized under the laws of the State of Vermont. The purpose, for which the Organization was formed is to reconnect, restore, and rewild North America so that life, in all its diversity, can thrive. The Organization is funded by grants and contributions from various groups and individuals.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Organization’s management and board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as contributions without donor restrictions.

Contributions and Grants Receivable

The Organization has not established an allowance for doubtful accounts at December 31, 2022. The Organization believes all amounts are fully collectible.

Investments

Investments represent funds invested with the Vermont Community Foundation (VCF). VCF manages a pooled investment fund for various organizations.

Due to Other Organizations

The Organization acts as the fiscal agent for two independent organizations. Amounts held on behalf of these organizations are reported as a liability with amounts received and expended for these organizations as changes in this liability.

WILD EARTH SOCIETY INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS

Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the Organization are tax deductible to donors under Section 170 of the IRC. The Organization is not classified as a private foundation.

Recent Accounting Pronouncement

The Organization adopted AUS No. 2016-02, *Leases* (Topic 842), as of January 1, 2022, using the modified retrospective approach. The modified retrospective approach provides a method for recording existing leases at the application date.

The adoption of the new standard had a material impact in the Organization's statement of financial position but did not have an impact in the Organization's statements of activities. The most significant impact was the recognition of operating lease right-to-use assets and operating lease liabilities. Adoption of the new standard resulted in the recording of additional lease assets and liabilities of \$56,198 as of January 1, 2022.

The Organization has elected to account for leases as short-term leases if the lease has a term of 12 months or less and does not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. Short-term lease expense is recognized on a straight-line basis over the lease term.

Contributed Services and Materials

Many individuals volunteer their time and perform a variety of tasks that assist the Organization. The Organization receives a substantial amount of volunteer hours per year, but do not meet the requirements for recognition in the financial statements.

Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Certain costs are allocated to one or more program or supporting functions based on time and effort. Such allocations are determined by management on an equitable basis.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through May 4, 2023, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

WILD EARTH SOCIETY INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – NET ASSETS WITH DONOR RESTRICTIONS

Donor-restricted net assets are summarized as follows at December 31, 2022:

Specific-purpose restrictions:	
Western Wildway	\$ 903,035
Eastern Wildway	522,000
Pacific Wildway	138,969
Policy	214,583
Science	13,000
Endowment	15,000
	<u>\$ 1,806,587</u>

Net assets released from donor restrictions are summarized as follows for the year ended December 31, 2022:

Satisfaction of purpose restrictions:	
Western Wildway	\$ 794,472
Eastern Wildway	512,500
Pacific Wildway	23,315
Policy	14,018
Data	1,000
	<u>\$ 1,345,305</u>

NOTE 3 – AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2022:

Financial assets at year end:	
Cash	\$ 2,457,898
Investments	19,696
Contributions and grants receivable	<u>264,849</u>
Total financial assets	2,742,443
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>(1,806,587)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 935,856</u>

The Organization's goal is generally to maintain financial assets to meet three months of operating expenses (approximately \$675,000).

WILD EARTH SOCIETY INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 – FAIR VALUE MEASUREMENTS

The Organization reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability’s measurement within the fair market hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices for identical assets or liabilities in active markets to which the School has access at the measurement date.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets in markets that are not active.

Level 3 – Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure fair value if observable inputs are not available.

The primary uses of fair value measures in the Organization’s financial statements are initial measurement of noncash gifts and recurring measurement of investments.

The Organization’s investments in the pooled fund are recorded at the fair value reported in the active market. This method of valuation may not be indicative of net realizable value or future fair values.

Fair value of assets measured on a recurring basis at December 31, 2022 is as follows:

	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	<u>\$ 19,696</u>	<u>\$ 19,696</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 – CONCENTRATIONS OF RISK

The Organization’s cash accounts had a book balance and bank balance of \$2,457,898, of which \$500,000 was covered by federal depository insurance.

NOTE 6 – COMMITMENT

The Organization awarded an organization \$50,000, which is to be paid as project milestones are reached. The Organization has paid \$25,000 through December 31, 2022 and anticipates paying the remaining \$25,000 during the year ended December 31, 2023.

WILD EARTH SOCIETY INCORPORATED
dba WILDLANDS NETWORK
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – LEASES

Certain lease obligations have provided the Organization with the right to use office space for a period of time. Operating lease expense was \$43,823 for the year ended December 31, 2022. The operating lease weighted-average remaining lease term was 0.54 years and weighted-average discount rate was 4 percent at December 31, 2022. Future minimum operating lease payments are as follows:

<u>Year Ending</u> <u>June 30,</u>	
2023	\$ 44,130
2024	<u>4,800</u>
Total minimum lease payments	48,930
Amount representing interest	<u>(1,168)</u>
Present value of minimum lease payments	<u><u>\$ 47,762</u></u>