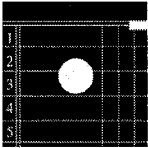


**WILDLANDS NETWORK**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**

**WILDLANDS NETWORK**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**

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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, 2018, 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.

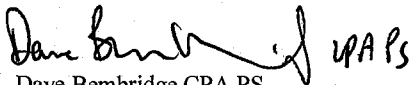
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *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, 2018, 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 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 19, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

 CPA PS

Dave Bembridge CPA PS  
Certified Public Accountant  
August 6, 2019

**WILDLANDS NETWORK**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2018**

**ASSETS**

	<u>2018</u>	<u>2017</u>
<b><u>Current Assets</u></b>		
Cash and Cash Equivalents	\$726,526	\$629,392
Accounts Receivable	248,350	114,733
Pre-paid Expenses & Deposits	8,998	7,924
Inventory	<u>1,360</u>	<u>1,585</u>
Total Current Assets	985,234	753,634
<b><u>Other Assets</u></b>		
Vermont Community Foundation Fund (Note Six)	<u>27,295</u>	<u>29,017</u>
<b>TOTAL ASSETS</b>	<b><u>\$1,012,529</u></b>	<b><u>\$782,651</u></b>

**LIABILITIES AND NET ASSETS**

<b><u>Current Liabilities</u></b>		
Accounts Payable	\$26,791	\$39,974
Accrued Vacation	<u>17,446</u>	<u>14,678</u>
Total Current Liabilities	<u>44,237</u>	<u>54,652</u>
<b>TOTAL LIABILITIES</b>	<b><u>44,237</u></b>	<b><u>54,652</u></b>
<b><u>Net Assets</u></b>		
Net Assets without Donor Restrictions	37,552	19,264
Net Assets with Donor Restrictions (Note Five)	<u>930,740</u>	<u>708,735</u>
Total Net Assets	<u>968,292</u>	<u>727,999</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b><u>\$1,012,529</u></b>	<b><u>\$782,651</u></b>

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

**WILDLANDS NETWORK**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Net Assets Without Donor <u>Restrictions</u>	Net Assets With Donor <u>Restrictions</u>	Total <u>2018</u>	Summarized Total <u>2017</u>
<b>REVENUE:</b>				
Grants and Contributions	679,904	980,295	1,660,199	1,351,844
Contract and Program Revenue	-	-	-	14,694
Gain (Loss) on Endowment Fund	(2,063)	-	(2,063)	3,726
Interest and Dividends	341	-	341	296
Other Revenue	<u>2,416</u>	<u>-</u>	<u>2,416</u>	<u>2,581</u>
<b>TOTAL REVENUE</b>	<b>680,598</b>	<b>980,295</b>	<b>1,660,893</b>	<b>1,373,141</b>
Net Assets Released from Restrictions	<u>758,290</u>	<u>(758,290)</u>	<u>-</u>	<u>-</u>
	1,438,888	222,005	1,660,893	1,373,141
<b>EXPENSES:</b>				
Program Services	1,078,200	-	1,078,200	761,146
Management & Administration	124,304	-	124,304	171,639
Fundraising & Development	<u>218,096</u>	<u>-</u>	<u>218,096</u>	<u>177,030</u>
<b>TOTAL EXPENSES</b>	<b><u>1,420,600</u></b>	<b><u>-</u></b>	<b><u>1,420,600</u></b>	<b><u>1,109,815</u></b>
<b>INCREASE IN NET ASSETS</b>	<b>18,288</b>	<b>222,005</b>	<b>240,293</b>	<b>263,326</b>
<b>NET ASSETS, BEGINNING</b>	<b><u>19,264</u></b>	<b><u>708,735</u></b>	<b><u>727,999</u></b>	<b><u>464,673</u></b>
<b>NET ASSETS, ENDING</b>	<b><u>\$37,552</u></b>	<b><u>\$930,740</u></b>	<b><u>\$968,292</u></b>	<b><u>\$727,999</u></b>

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

**WILDLANDS NETWORK**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u> <u>2018</u>	<u>Summarized</u> <u>Totals</u> <u>2017</u>
Employment Cost					
Salaries and Wages	\$ 697,336	\$ 35,402	\$ 160,350	\$ 893,088	\$ 681,816
Payroll Taxes	60,412	4,340	13,938	78,690	54,209
Total Employment Cost	<u>757,748</u>	<u>39,742</u>	<u>174,288</u>	<u>971,778</u>	<u>736,025</u>
Contract and Professional Services	176,655	26,541		203,196	133,159
Travel and Conferences	45,204	30,515	5,165	80,884	99,319
Office Supplies and Equipment	50,932	924	1,992	53,848	22,821
Rent	29,512	9,741		39,253	33,328
Printing and Reproduction	437	313	15,692	16,442	26,681
Software and Subscriptions	5,493	2,559	6,779	14,831	12,962
Telephone and Internet	5,906	3,236	2,143	11,285	10,718
Donor Development and Solicitation Fees		1,535	7,174	8,709	3,087
Bank Charges and Fees	420	5,141	2,548	8,109	9,480
Website	4,511			4,511	7,483
Insurance	79	3,638		3,717	3,102
Postage and Delivery	188	133	2,315	2,636	3,660
Miscellaneous	1,115	286		1,401	102
Special Projects					7,888
Total Expenses	<u>\$ 1,078,200</u>	<u>\$ 124,304</u>	<u>\$ 218,096</u>	<u>\$ 1,420,600</u>	<u>\$ 1,109,815</u>

The accompanying notes are an integral part  
of these financial statements

**WILDLANDS NETWORK**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2018</u>	<u>2017</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Receipts from Contributions and Grants	\$1,526,582	\$1,312,123
Receipts from Contract and Program Revenue	-	53,667
Other Revenue	2,416	2,581
Payments to Employees and Suppliers	<u>(1,431,864)</u>	<u>(1,093,766)</u>
Net Cash Provided (Absorbed) by Operating Activities	<u>97,134</u>	<u>274,605</u>
NET (DECREASE) INCREASE IN CASH	97,134	274,605
CASH AT BEGINNING OF YEAR	<u>629,392</u>	<u>354,787</u>
CASH AT END OF YEAR	<u>\$726,526</u>	<u>\$629,392</u>

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

**WILDLANDS NETWORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note One - Organization**

The Wild Earth Society, Incorporated, dba Wildlands Network, is a Vermont corporation with its headquarters located in Seattle, Washington. Wildlands Network's mission is to reconnect nature across North America, and to inspire similar efforts worldwide. We focus on the protection and creation of large-scale wildlife corridors to enable wide-ranging wildlife to adapt to a changing climate and to facilitate the restoration of apex predators. We do this through collaborations of networked science, allies, partners and resources to reduce duplicative efforts and address the urgency facing our planet.

Using our science, networks and collaboratives we are creating landscapes that sustain life and provide enough Room to Roam © to protect wildlife and people for the long-term. This includes safe passage on private lands, highway overpasses and underpasses to reduce wildlife-vehicle collisions, protecting core habitat areas through easements or purchase, and reintroducing species (keystone species) that have a significant impact on maintaining a natural ecological balance and reducing fragmentation of landscapes. We work smarter and faster together as a functioning network – sharing resources, jobs and expertise – and have fewer duplicative efforts throughout our conservation partners as a result.

Incorporated in 1991, we were founded by the father of conservation biology, Michael Soule, and renowned conservationist David Foreman, and their respective colleagues. We were the original voice for landscape connectivity and governments and NGOs across the world have adopted our approach to conservation.

**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 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.

**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.

**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.



**WILDLANDS NETWORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(continued)

**Note Two - Significant Accounting Policies (continued)**

**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.

**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.

**WILDLANDS NETWORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

(continued)

**Note Two - Significant Accounting Policies (continued)**

**Adoption of New Accounting Standard**

The Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 (ASU 2016-14) has been adopted. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and lack of consistency in the type of information provided about expenses and the investment return between not-for-profit entities. A key change required by ASU 206-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets are now reported as net assets with donor restrictions. Note Three on liquidity has also been added.

The accompanying summarized information from the 2017 financial statements has been restated to conform to the presentation and disclosure requirements of ASU 2016-14.

**Note Three – Liquidity and Availability**

Financial Assets available for general expenditures within one year of December 31, 2018, are determined as follows:

	<u>2018</u>	<u>2017</u>
Cash and Cash Equivalents	\$726,526	\$629,392
Accounts Receivable	<u>248,350</u>	<u>114,733</u>
Total Financial Assets	974,876	744,125
Net Assets with Donor Restrictions	<u>(930,740)</u>	<u>(708,735)</u>
Financial Assets Available for General Expenditures within one year	<u>\$44,136</u>	<u>\$35,390</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.

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.

**WILDLANDS NETWORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(continued)

**Note Five – Net Assets with Donor Restrictions**

Net Assets with Donor Restrictions are comprised of the following:

	<u>2018</u>	<u>2017</u>
West Program	\$424,907	\$200,735
Policy Program	22,500	12,500
East Program	468,333	375,500
Pacific Northwest	-	20,000
Communications	-	85,000
Endowment Fund (Note Six)	<u>15,000</u>	<u>15,000</u>
	<u>\$930,740</u>	<u>\$708,735</u>

**Note Six – 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.

	<u>2018</u>	<u>2017</u>
Beginning Value	29,017	24,995
Dividends & Interest	341	296
Gains (Losses)	(1,831)	4,158
Investment Expenses	<u>(232)</u>	<u>(432)</u>
Ending Value	<u>\$27,295</u>	<u>\$29,017</u>
Permanently Restricted	15,000	15,000
Unrestricted	<u>12,295</u>	<u>14,017</u>
Total Ending Value	<u>\$27,295</u>	<u>\$29,017</u>

**WILDLANDS NETWORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(continued)

**Note Seven - Commitments**

**Property Lease**

Wildlands Network signed a lease for their Seattle office space on November 2, 2017. The new lease is for three years beginning February 1, 2018 and terminating January 31, 2020. There are three additional short term leases for satellite offices. The following are the future minimum lease obligations in terms of these leases:

<u>Year</u>	
2019	35,866
2020	<u>4,639</u>
	<u>\$40,505</u>

**Note Eight – Funding Dependency**

The organization received a significant portion of its revenue (\$747,000 – 45% (2017 \$610,000 – 45%)) from three donors. Without continued support from these donors, operations of the organization would have to be reduced significantly.

**Note Nine – 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, 2017, from which the summarized information was derived.

**Note Ten – Subsequent Events**

Management of Wildlands Network has evaluated events and transactions subsequent to December 31, 2018 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, July 6, 2019.