The International Wilderness Leadership Foundation, Inc.
d/b/a The WILD Foundation

(a not-for-profit New York corporation)

Boulder, Colorado

Financial Statements

December 31, 2018 and 2017
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<td>6</td>
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<td>8-16</td>
</tr>
</tbody>
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Independent Auditor's Report

To the Board of Directors
The International Wilderness Leadership Foundation, Inc.
d/b/a The WILD Foundation
Boulder, Colorado

We have audited the accompanying financial statements of The International Wilderness Leadership Foundation, Inc. d/b/a The WILD Foundation (a not-for-profit New York corporation), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The Organization's 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 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 audits to obtain reasonable assurance about whether the financial statements are free from 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 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.
Independent Auditor’s Report (continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The International Wilderness Leadership Foundation, Inc. as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Brock and Company, CPAs, P.C.
Certified Public Accountants

Longmont, Colorado
June 11, 2019
The International Wilderness Leadership Foundation, Inc.
d/b/a The WILD Foundation

Statements of Financial Position

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1,775,019</td>
<td>2,661,320</td>
</tr>
<tr>
<td>Investments, at fair value</td>
<td>1,293,513</td>
<td>763,398</td>
</tr>
<tr>
<td>Grants and pledges receivable</td>
<td>6,000</td>
<td>73,145</td>
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<tr>
<td>Prepaid expenses and other current assets</td>
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<td>7,934</td>
</tr>
<tr>
<td>Total current assets</td>
<td>3,090,351</td>
<td>3,505,797</td>
</tr>
<tr>
<td><strong>Property and Equipment</strong></td>
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<td></td>
</tr>
<tr>
<td>Land, building and improvements</td>
<td>461,539</td>
<td>466,283</td>
</tr>
<tr>
<td>Vehicles</td>
<td>32,472</td>
<td>76,080</td>
</tr>
<tr>
<td>Furniture, fixtures and equipment</td>
<td>495,196</td>
<td>495,196</td>
</tr>
<tr>
<td>Works of art</td>
<td>47,229</td>
<td>47,229</td>
</tr>
<tr>
<td>Website</td>
<td>51,000</td>
<td>32,000</td>
</tr>
<tr>
<td></td>
<td>1,087,436</td>
<td>1,116,788</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(352,553)</td>
<td>(342,779)</td>
</tr>
<tr>
<td>Net property and equipment</td>
<td>734,883</td>
<td>774,009</td>
</tr>
<tr>
<td><strong>Other Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments, deferred compensation plan</td>
<td>93,702</td>
<td>85,829</td>
</tr>
<tr>
<td>Total assets</td>
<td>3,918,936</td>
<td>4,365,635</td>
</tr>
</tbody>
</table>
## LIABILITIES AND NET ASSETS

### Current Liabilities
- Accounts payable $109,882 $55,607
- Accrued compensation and benefits 23,236 20,801
- Deferred revenue 250,000 -
- Long-term note payable, current portion 3,213 -
- **Total current liabilities** 386,331 76,408

### Long-Term Liabilities
- Long-term note payable, net of current maturities 9,258 -
- Deferred compensation plan obligation 93,702 85,829
- **Total long-term liabilities** 102,960 85,829

- **Total liabilities** 489,291 162,237

### Net Assets
- Without donor restrictions
  - Undesignated 1,110,043 1,069,974
  - Board-designated 984,415 1,025,904
  - **Total without donor restrictions** 2,094,458 2,095,878
- With donor restrictions 1,335,187 2,107,520
- **Total net assets** 3,429,645 4,203,398

- **Total liabilities and net assets** $3,918,936 $4,365,635

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The accompanying Notes are an integral part of these financial statements
The International Wilderness Leadership Foundation, Inc.  
d/b/a The WILD Foundation

Statements of Activities and Change in Net Assets

<table>
<thead>
<tr>
<th>Years ended December 31</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Without Donor Restrictions</td>
</tr>
<tr>
<td><strong>Support and Revenue</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Support</strong></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$ 925,473</td>
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<tr>
<td>Net assets released from restriction</td>
<td>4,760,845</td>
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<tr>
<td>Total support</td>
<td>5,686,318</td>
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<tr>
<td><strong>Revenue</strong></td>
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<tr>
<td>Realized gain on investments</td>
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</tr>
<tr>
<td>Interest and dividends</td>
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<tr>
<td>Gain on disposal of assets</td>
<td>6,966</td>
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<tr>
<td>Other income</td>
<td>45,423</td>
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<td>Total revenue</td>
<td>162,906</td>
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<td><strong>Total support and revenue</strong></td>
<td>5,849,224</td>
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<tr>
<td><strong>Functional Expenses and Losses</strong></td>
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</tr>
<tr>
<td><strong>Functional Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>5,107,900</td>
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<tr>
<td>Supporting services</td>
<td></td>
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<tr>
<td>Fundraising</td>
<td>255,056</td>
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<tr>
<td>General and administrative</td>
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<tr>
<td>Total supporting services</td>
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<tr>
<td><strong>Total functional expenses</strong></td>
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<tr>
<td><strong>Losses</strong></td>
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</tr>
<tr>
<td>Loss on foreign currency translation</td>
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<tr>
<td>Unrealized loss on investments</td>
<td>150,474</td>
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<td>Total losses</td>
<td>159,404</td>
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<tr>
<td><strong>Total functional expenses and losses</strong></td>
<td>5,850,644</td>
</tr>
<tr>
<td><strong>Change in Net Assets</strong></td>
<td>(1,420)</td>
</tr>
<tr>
<td><strong>Net Assets, Beginning of Year</strong></td>
<td>2,095,878</td>
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<tr>
<td><strong>Net Assets, End of Year</strong></td>
<td>$ 2,094,458</td>
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<tr>
<td>Without Donor Restrictions</td>
<td>With Donor Restrictions</td>
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<tr>
<td>----------------------------</td>
<td>-------------------------</td>
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<tr>
<td>$1,326,658</td>
<td>$5,362,762</td>
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<tr>
<td>4,524,378</td>
<td>(4,524,378)</td>
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<td>5,851,036</td>
<td>838,384</td>
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<p>| 72,346 | - | 72,346 |</p>
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<td>-</td>
<td>41,233</td>
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<tr>
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<td>141,420</td>
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<tr>
<td>5,992,456</td>
<td>838,384</td>
<td>6,830,840</td>
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| 5,017,254 | - | 5,017,254 |
| 183,045 | - | 183,045 |
| 299,535 | - | 299,535 |
| 482,580 | - | 482,580 |
| 5,499,834 | - | 5,499,834 |

| 3,141 | - | 3,141 |
| 22,318 | - | 22,318 |
| 25,459 | - | 25,459 |
| 5,525,293 | - | 5,525,293 |
| 467,163 | 838,384 | 1,305,547 |
| 1,628,715 | 1,269,136 | 2,897,851 |
| $2,095,878 | $2,107,520 | $4,203,398 |

The accompanying Notes are an integral part of these financial statements.
The International Wilderness Leadership Foundation, Inc.
d/b/a The WILD Foundation

Statement of Functional Expenses

Year ended December 31, 2018

<table>
<thead>
<tr>
<th>Services</th>
<th>Program Services</th>
<th>Supporting Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Fundraising</td>
</tr>
<tr>
<td>Grants and projects</td>
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<td>$ -</td>
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<tr>
<td>Professional fees</td>
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<tr>
<td>Salaries and wages</td>
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<td>Travel, meals and entertainment</td>
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<td>Miscellaneous</td>
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<tr>
<td>Employee benefits</td>
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<td>-</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>12,065</td>
<td>8,580</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
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<td>648</td>
</tr>
<tr>
<td>Information technology</td>
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<td>252</td>
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<tr>
<td>Printing and publication</td>
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<td>1,668</td>
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<tr>
<td>Insurance</td>
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<tr>
<td>Bank and investment fees</td>
<td>76</td>
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<td>Advertising and promotion</td>
<td>175</td>
<td>303</td>
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<table>
<thead>
<tr>
<th></th>
<th>General and Administrative</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Grants and projects</td>
<td>$ 3,912,216</td>
<td>$ 3,912,216</td>
</tr>
<tr>
<td>Professional fees</td>
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<td>848,982</td>
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<td>Salaries and wages</td>
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<td>Travel, meals and entertainment</td>
<td>14,525</td>
<td>199,541</td>
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<td>10,346</td>
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<td>Advertising and promotion</td>
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<td>896</td>
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<table>
<thead>
<tr>
<th></th>
<th>Depreciation</th>
<th>Total expenses</th>
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<td></td>
<td>$ 70,306</td>
<td>$ 5,107,900</td>
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<tr>
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<td></td>
<td>$ 255,056</td>
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<tr>
<td></td>
<td></td>
<td>$ 328,284</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$ 5,691,240</td>
</tr>
</tbody>
</table>

The accompanying Notes are an integral part of these financial statements.
The International Wilderness Leadership Foundation, Inc.  
d/b/a The WILD Foundation

Statement of Functional Expenses

Year ended December 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Fundraising</th>
<th>General and Administrative</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and projects</td>
<td>4,058,849</td>
<td>-</td>
<td>2,285</td>
<td>4,061,134</td>
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<tr>
<td>Professional fees</td>
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<td>31,816</td>
<td>64,783</td>
<td>553,233</td>
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<td>Salaries and wages</td>
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</tr>
<tr>
<td>Travel, meals and</td>
<td>149,003</td>
<td>26,119</td>
<td>14,625</td>
<td>189,747</td>
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<tr>
<td>entertainment</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Printing and publication</td>
<td>93,462</td>
<td>-</td>
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<td>93,462</td>
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<tr>
<td>Office expenses</td>
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<td>1,955</td>
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<td>48,482</td>
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<tr>
<td>Payroll taxes</td>
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<td>9,490</td>
<td>8,989</td>
<td>29,825</td>
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<tr>
<td>Employee benefits</td>
<td>-</td>
<td>-</td>
<td>29,358</td>
<td>29,358</td>
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<tr>
<td>Miscellaneous</td>
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<td>1,706</td>
<td>18,452</td>
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</tr>
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<td>Dues and subscriptions</td>
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<td>12,869</td>
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<tr>
<td>Insurance</td>
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<td>-</td>
<td>9,541</td>
<td>9,541</td>
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<tr>
<td>Bank and investment fees</td>
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<td>-</td>
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<td>6,599</td>
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<tr>
<td>Information technology</td>
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<td>338</td>
<td>4,088</td>
<td>6,239</td>
</tr>
<tr>
<td>Advertising and</td>
<td>646</td>
<td>827</td>
<td>-</td>
<td>1,473</td>
</tr>
<tr>
<td>promotion</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total expenses before depreciation  
4,942,351  183,045  282,141  5,407,537

Depreciation  
74,903 - 17,394 92,297

Total expenses  
$ 5,017,254  $ 183,045  $ 299,535  $ 5,499,834

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

Page 6
The International Wilderness Leadership Foundation, Inc.  
d/b/a The WILD Foundation

**Statements of Cash Flows**
Increase (Decrease) in Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>Years ended December 31</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
</table>

**Cash Flows From Operating Activities**
- Change in net assets: $ (773,753) $ 1,305,547
- Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:
  - Depreciation: 94,840 92,297
  - Unrealized loss on investments: 150,474 22,318
  - Realized gain on investments: (69,039) (72,346)
  - Gain on disposal of assets: (6,966) -
- Increase (decrease) from changes in assets and liabilities:
  - Grants and pledges receivable: 67,145 (72,145)
  - Prepaid expenses and other current assets: (7,885) (3,197)
  - Accounts payable: 54,275 931
  - Accrued compensation and benefits: 2,435 (4,994)
  - Deferred revenue: 250,000 -
- Net cash provided (used) by operating activities: (238,474) 1,268,411

**Cash Flows From Investing Activities**
- Proceeds from sale of investments: 142,197 110,514
- Purchases and contributions of investments: (753,747) (249,994)
- Purchases of equipment: (36,277) (99,962)
- Net cash used by investing activities: (647,827) (239,442)

**Net Increase (Decrease) in Cash and Cash Equivalents**: (886,301) 1,028,969

**Cash and Cash Equivalents, Beginning of Year**: 2,661,320 1,632,351

**Cash and Cash Equivalents, End of Year**: $ 1,775,019 $ 2,661,320

**Supplemental Information**
- Cash paid for interest: $ 20 $ -
- Debt incurred to acquire equipment: $ 12,471 $ -

The accompanying Notes are an integral part of these financial statements
Note 1 - Nature of Organization and Significant Accounting Policies

Nature of Organization. The International Wilderness Leadership Foundation, Inc. d/b/a The WILD Foundation (the "Organization") is a not-for-profit corporation established in 1974 to provide protection and promote understanding of wilderness and wildlife throughout the world. Funding for the Organization is obtained through contributions from foundations and individuals that support conservation issues.

Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Basis of Accounting. The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Changes in Accounting Principles. Commencing on January 1, 2018, the Organization adopted the provisions of FASB ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities, which became effective. The update changes the presentation of net assets, requires the presentation of the statement of functional expenses, modifies the presentation of cash flows, requires certain disclosures about liquidity and availability of resources, and provides for disclosures of investment return. The change in accounting principle has been retroactively applied to all periods presented.

Net Asset Classification. The Organization distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. The Organization complies with established standards for external reporting by not-for-profit organizations, which requires that resources be classified for reporting purposes into two net asset categories according to externally (donor) imposed restrictions. The two net asset categories are as follows:

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 the Organization's management and the board of directors.

Net assets with donor restrictions. Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

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 statements of activities.
Note 1 - Nature of Organization and Significant Accounting Policies (continued)

**Functional Allocation of Expenses.** Direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

**Cash and Cash Equivalents.** The Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

**Investments.** The Organization's investments are stated at fair value. Fair value is 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. The Organization's management determines the valuation policies utilizing information provided by the investment advisors and custodians.

Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

**Fair Value Measurements.** The Organization reports using fair value measurements, which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- **Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

- **Level 2** Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

  If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- **Level 3** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.
The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

U.S. equities and mutual funds are publicly traded and are valued using quoted prices in active markets. There have been no changes in the methodologies used at December 31, 2018 and 2017.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

Grants and Pledges Receivable. Grants and pledges receivable are stated net of allowances for uncollectible accounts. At the time receivables are originated, the Organization considers an allowance for doubtful accounts based on the creditworthiness of the donor. The allowance is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover future uncollectible amounts. The allowance is management's best estimate of uncollectible amounts and is determined based on historical performance that is tracked by the Organization on an ongoing basis. Management believes that all grants and pledges receivable are fully collectible at December 31, 2018 and 2017.

Property and Equipment. It is the Organization's policy to capitalize property and equipment at cost for purchases over $500, while repair and maintenance items are charged to expense. Donations of property and equipment are capitalized at their estimated fair value at the date of gift. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. In general, asset lives are as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Life in Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and improvements</td>
<td>10 - 40</td>
</tr>
<tr>
<td>Vehicles</td>
<td>5 - 7</td>
</tr>
<tr>
<td>Furniture, fixtures and equipment</td>
<td>3 - 10</td>
</tr>
<tr>
<td>Website</td>
<td>5</td>
</tr>
</tbody>
</table>

Grants and Pledges Receivable.

Property and Equipment.
Note 1 - Nature of Organization and Significant Accounting Policies (continued)

Depreciation expense for the years ended December 31, 2018 and 2017 was $94,840 and $92,297, respectively.

*Works of Art.* It is the Organization’s policy to capitalize works of art at cost for purchases, while donations are capitalized at their estimated fair value at the date of gift. Works of art are not depreciated as the estimated useful lives are extraordinarily long.

*Impairment of Long-Lived Assets.* In the event that facts and circumstances indicate that property and equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during the years ended December 31, 2018 and 2017.

*Contributions.* Contributions are recognized when the donation is received. Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions and grants that are restricted by the donor or grantor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

*Contributed Services.* Contributed services are recognized if services received (a) create or enhance non-financial assets or (b) require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. No services were provided that meet the above criteria for the year ended December 31, 2018. The Organization recognized $5,397 of contributed legal services for the year ended December 31, 2017.

A substantial number of individuals have made contributions of their time to assist the Organization in a variety of tasks and services. The value of these services is not recorded in the accompanying financial statements, as these services do not meet the criteria for recognition.

*Advertising.* The Organization expenses advertising costs, including donated advertising, as they are incurred. Advertising expenses for the years ended December 31, 2018 and 2017 were $896 and $1,473, respectively.

*Foreign Currency Transactions.* The functional currency of the Organization's foreign operations is the West African CFA Franc. The translation of foreign currency into U.S. dollars is performed for statement of financial position accounts using the exchange rate in effect at the financial position date, and for support and revenue and functional expense accounts using a weighted average exchange rate during the period. The Organization recorded a cumulative foreign currency translation loss of $8,930 and $3,141 in 2018 and 2017, respectively.
The International Wilderness Leadership Foundation, Inc.
d/b/a The WILD Foundation

Notes to Financial Statements
December 31, 2018 and 2017

Note 1 - Nature of Organization and Significant Accounting Policies (continued)

Income Taxes. The Organization is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

The Organization utilizes the provisions of ASC 740, pertaining to accounting for uncertainty in income taxes. The pronouncement requires the use of a more-likely-than-not recognition criteria before and separate from the measurement of a tax position. An entity shall initially recognize the financial statement effects of a tax position when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. With respect to the Organization, this would primarily relate to the determination of unrelated business taxable income and to the maintenance of its tax exempt status.

Management has evaluated the adopted policies and procedures that have been implemented to provide assurance that income is properly characterized and activities that jeopardize its tax exempt status are within limits established under existing tax code and regulations. Management has determined the effects of uncertain tax positions are not material to the Organization for recognition or disclosure in the accompanying financial statements and, accordingly, no income tax liability has been recorded for uncertain income tax positions in the accompanying financial

Income tax years from 2015 through the current year are open for examination. Penalties and interest may be assessed on income taxes that are delinquent.

Note 2 - Availability and Liquidity

The following represents the Organization's financial assets for the years ended December 31:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets at year end</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,775,019</td>
<td>$2,661,320</td>
</tr>
<tr>
<td>Investments</td>
<td>1,293,513</td>
<td>763,398</td>
</tr>
<tr>
<td>Grants and pledges receivable</td>
<td>6,000</td>
<td>73,145</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>3,074,532</td>
<td>3,497,863</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Less amounts not available to be used within one year for general expenditures</th>
<th>1,335,187</th>
<th>2,107,520</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donor restricted net assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets available to meet general expenditures over the next twelve months</td>
<td>$1,739,345</td>
<td>$1,390,343</td>
</tr>
</tbody>
</table>

The Organization has financial assets to meet approximately three months of operating expenses. As part of its liquidity plan, the Organization invests in short term certificates of deposit with staggered maturity dates that are available for liquidation as needed.
Note 3 - Investments

The Organization's fair value hierarchy for those investment assets measured at fair value on a recurring basis is as follows at December 31, 2018 and 2017:

<table>
<thead>
<tr>
<th>2018</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of Deposit</td>
<td>$599,405</td>
<td>$ -</td>
<td>$ -</td>
<td>$599,405</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large blend</td>
<td>393,843</td>
<td>-</td>
<td>-</td>
<td>393,843</td>
</tr>
<tr>
<td>Large value</td>
<td>210,466</td>
<td>-</td>
<td>-</td>
<td>210,466</td>
</tr>
<tr>
<td>Small growth</td>
<td>1,011</td>
<td>-</td>
<td>-</td>
<td>1,011</td>
</tr>
<tr>
<td>Exchange traded funds, debt</td>
<td>88,788</td>
<td>-</td>
<td>-</td>
<td>88,788</td>
</tr>
<tr>
<td>Total mutual funds</td>
<td>694,108</td>
<td>-</td>
<td>-</td>
<td>694,108</td>
</tr>
<tr>
<td>Total Investments at Fair Value</td>
<td>$1,293,513</td>
<td>$ -</td>
<td>$ -</td>
<td>$1,293,513</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2017</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Equities</td>
<td>$24,370</td>
<td>$ -</td>
<td>$ -</td>
<td>$24,370</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large blend</td>
<td>426,890</td>
<td>-</td>
<td>-</td>
<td>426,890</td>
</tr>
<tr>
<td>Large value</td>
<td>220,198</td>
<td>-</td>
<td>-</td>
<td>220,198</td>
</tr>
<tr>
<td>Small growth</td>
<td>1,032</td>
<td>-</td>
<td>-</td>
<td>1,032</td>
</tr>
<tr>
<td>Exchange traded funds, debt</td>
<td>90,908</td>
<td>-</td>
<td>-</td>
<td>90,908</td>
</tr>
<tr>
<td>Total mutual funds</td>
<td>739,028</td>
<td>-</td>
<td>-</td>
<td>739,028</td>
</tr>
<tr>
<td>Total Investments at Fair Value</td>
<td>$763,398</td>
<td>$ -</td>
<td>$ -</td>
<td>$763,398</td>
</tr>
</tbody>
</table>

Changes in Fair Value Levels. The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Organization evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2018 and 2017, there were no significant transfers in or out of fair value levels.

Deferred Compensation Plan. The Organization has a 457(f), deferred compensation plan for its Executive Director. The entire account balance totaling $93,702 and $85,829 at December 31, 2018 and 2017, respectively, is invested in equity and debt mutual funds. Realized and unrealized gains, and investment income are recorded as the deferred compensation plan liability, and are not reflected in the accompanying statements of activities.
Note 3 - Investments (continued)

Investment income (loss) consisted of the following for the years ended December 31:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends earned on investments</td>
<td>$41,478</td>
<td>$27,841</td>
</tr>
<tr>
<td>Unrealized loss on investments</td>
<td>(150,474)</td>
<td>(22,318)</td>
</tr>
<tr>
<td>Realized gain on investments</td>
<td>69,039</td>
<td>72,346</td>
</tr>
<tr>
<td></td>
<td>$ (39,957)</td>
<td>$ 77,869</td>
</tr>
</tbody>
</table>

Note 4 - Long-Term Debt

During 2018, the Organization entered into a note payable agreement with JP Morgan Chase Bank with outstanding borrowings of $12,471 at December 31, 2018. The note bears interest at 0.9%, and is due in monthly installments of $276, including principal and interest. The agreement is collateralized by a vehicle. The note matures in October 2022, at which time all outstanding principal and interest becomes due.

Scheduled maturities of the long-term note payable are as follows at December 31, 2018:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$3,213</td>
</tr>
<tr>
<td>2020</td>
<td>3,242</td>
</tr>
<tr>
<td>2021</td>
<td>3,271</td>
</tr>
<tr>
<td>2022</td>
<td>2,745</td>
</tr>
<tr>
<td></td>
<td>$12,471</td>
</tr>
</tbody>
</table>

Note 5 - Board-Designated Net Assets

Board designated net assets are net assets without donor restrictions subject to self imposed limits by action of the governing body. The following summarizes the changes in net assets without donor restrictions designated by the Board of Directors for the years ended December 31, 2018 and 2017:

<table>
<thead>
<tr>
<th></th>
<th>Conservation Projects</th>
<th>Operating Reserve</th>
<th>Executive Reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, January 1, 2017</td>
<td>$106,978</td>
<td>$175,000</td>
<td>$250,000</td>
<td>$531,978</td>
</tr>
<tr>
<td>Designations</td>
<td>623,582</td>
<td></td>
<td></td>
<td>623,582</td>
</tr>
<tr>
<td>Expenditures</td>
<td>(108,892)</td>
<td></td>
<td></td>
<td>(108,892)</td>
</tr>
<tr>
<td>Transfers</td>
<td>(20,764)</td>
<td></td>
<td></td>
<td>(20,764)</td>
</tr>
<tr>
<td>Balance, December 31, 2017</td>
<td>600,904</td>
<td>175,000</td>
<td>250,000</td>
<td>1,025,904</td>
</tr>
<tr>
<td>Designations</td>
<td>28,222</td>
<td></td>
<td></td>
<td>28,222</td>
</tr>
<tr>
<td>Expenditures</td>
<td>(69,711)</td>
<td></td>
<td></td>
<td>(69,711)</td>
</tr>
<tr>
<td>Balance, December 31, 2018</td>
<td>$559,415</td>
<td>$175,000</td>
<td>$250,000</td>
<td>$984,415</td>
</tr>
</tbody>
</table>
The following summarizes the changes in net assets with donor restrictions for the years ended December 31, 2018 and 2017:

<table>
<thead>
<tr>
<th>Conservation Projects</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, January 1, 2017</td>
<td>$1,269,136</td>
</tr>
<tr>
<td>Receipts</td>
<td>5,362,762</td>
</tr>
<tr>
<td>Expenditures, net of transfers</td>
<td>(4,524,378)</td>
</tr>
<tr>
<td>Balance, December 31, 2017</td>
<td>2,107,520</td>
</tr>
<tr>
<td>Receipts</td>
<td>3,988,512</td>
</tr>
<tr>
<td>Expenditures, net of transfers</td>
<td>(4,760,845)</td>
</tr>
<tr>
<td>Balance, December 31, 2018</td>
<td>$1,335,187</td>
</tr>
</tbody>
</table>

Note 7 - Related Party Transactions

The Organization paid for book publication services from a company controlled by members of the Board of Directors. Publication expenses paid to the related party for the years ended December 31, 2018 and 2017 were $371 and $499, respectively.

The Organization granted funds to an organization controlled by a member of the Board of Directors. The total amount granted to the related party totaled $1,397 for the year ended December 31, 2017.

One of the Organization's board members is an officer of a not-for-profit entity with a similar mission. The Organization received management fees from the related entity totaling $42,200 and $13,200 for the years ended December 31, 2018 and 2017, respectively.

Note 8 - Employee Benefit Plans

The Organization sponsors a 401(k) plan (the Plan). Under the terms of the Plan, employees may contribute a percentage of their pre-tax compensation into the Plan, subject to certain limits set by the Internal Revenue Code (IRC) and Plan documents. The Plan covers all employees who are at least 21 years of age and have completed at least three months of service. The Company may make discretionary contributions, which are fully vested. The Organization's contributions totaled $14,436 and $12,225 for the year ended December 31, 2018 and 2017, respectively.
The Organization also maintains a deferred compensation plan for certain senior personnel under Section 457(f) of the Internal Revenue Code. Under this plan, eligible employees may defer a limited amount of their compensation to future years. Although deferred by employees for tax purposes, amounts contributed to this plan by the Organization are treated as an expense in the year earned. The Organization's contributions totaled $15,000 for the years ended December 31, 2018 and 2017.

Note 9 - Concentrations

**Bank Deposits.** The Organization routinely maintains cash balances in excess of federally insured limits.

**Investments.** The Organization's investments subject to credit risk consist primarily of equities and mutual funds. The credit risk is reduced by maintaining the investments in a variety of funds. The investment funds are held and managed by a single financial institution trustee.

Note 10 - Subsequent Events

The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through June 11, 2019, the date at which the financial statements were available for release.