WILDLIFE FOREVER

INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS

DECEMBER 31, 2022
(With Comparative Totals for
the Year Ended December 31, 2021)

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# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wildlife Forever

**Opinion**

We have audited the accompanying financial statements of Wildlife Forever (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and 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 Wildlife Forever 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. 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 Wildlife Forever 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 Wildlife Forever's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 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 Wildlife Forever'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 Wildlife Forever'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 Wildlife Forever's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 13, 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 is derived.

Respectfully submitted,

Lewis, Kisch & Associates, Ltd.

February 20, 2023

## STATEMENTS OF FINANCIAL POSITION

## DECEMBER 31, 2022 AND 2021

| | 2022 | 2021 |
|---|---|---|
| **ASSETS** | | |
| Current Assets | | |
| Cash and Cash Equivalents | $ 365,232 | $ 122,186 |
| Cash and Cash Equivalents - Reserved | 14,347 | 19,731 |
| Total Cash and Cash Equivalents | 379,579 | 141,917 |
| Accounts Receivable | 67,824 | 104,329 |
| Prepaid Expenses | 1,870 | 4,251 |
| Total Current Assets | 449,273 | 250,497 |
| Property and Equipment | | |
| Furniture and Equipment | 57,976 | 57,865 |
| Less: Accumulated Depreciation | (23,341) | (55,409) |
| Net Property and Equipment | 34,635 | 2,456 |
| Other Assets | | |
| Lease Deposit | 2,417 | 2,417 |
| Right-of-Use Asset | 103,352 | |
| Total Other Assets | 105,769 | 2,417 |
| Total Assets | $ 589,677 | $ 255,370 |
| **LIABILITIES AND NET ASSETS** | | |
| Current Liabilities | | |
| Accounts Payable | $ 27,012 | $ 41,836 |
| Accrued Expenses | 11,336 | 9,632 |
| Refundable Advances | 158,476 | |
| Lease Liabilities, Current Portion | 35,289 | |
| Notes Payable, Current Portion | 8,337 | 2,275 |
| Total Current Liabilities | 240,450 | 53,743 |
| Other Liabilities | | |
| Lease Liabilities, Net of Current Portion | 70,114 | |
| Notes Payable, Net of Current Portion | 20,344 | |
| Total Other Liabilities | 90,458 | |
| Total Liabilities | 330,908 | 53,743 |
| Net Assets | | |
| Without Donor Restrictions | 256,974 | 165,760 |
| With Donor Restrictions | 1,795 | 35,867 |
| Total Net Assets | 258,769 | 201,627 |
| Total Liabilities and Net Assets | $ 589,677 | $ 255,370 |

See accompanying notes to financial statements.

# STATEMENT OF ACTIVITIES

## YEAR ENDED DECEMBER 31, 2022
(With Comparative Totals for the Year Ended December 31, 2021)

| | 2022 | | | 2021 |
|---|---|---|---|---|
| SUPPORT AND REVENUE | Without Donor Restrictions | With Donor Restrictions | Total | Total |
| Support | | | | |
| Contributions | $ 125,702 | $ 1,795 | $ 127,497 | $ 152,301 |
| Government Grants | 687,561 | | 687,561 | 853,441 |
| Membership Dues | 71,729 | | 71,729 | 78,862 |
| In-Kind Contributions | 617,680 | | 617,680 | 642,039 |
| Total Support | 1,502,672 | 1,795 | 1,504,467 | 1,726,643 |
| Revenue | | | | |
| Merchandise Sales | 158,988 | | 158,988 | 153,666 |
| Less: Direct Expenses | (37,881) | | (37,881) | (28,349) |
| Net | 121,107 | | 121,107 | 125,317 |
| Gain on Disposal of Furniture and Equipment | 2,572 | | 2,572 | |
| Royalties and Licensing | 21,913 | | 21,913 | 12,894 |
| Interest and Dividends | 64 | | 64 | 6 |
| Other Income | 718 | | 718 | |
| Total Revenue | 146,374 | | 146,374 | 138,217 |
| Net Assets Released from Restriction | 35,867 | (35,867) | | |
| Total Support and Revenue | 1,684,913 | (34,072) | 1,650,841 | 1,864,860 |
| FUNCTIONAL EXPENSES | | | | |
| Program Services | 1,523,103 | | 1,523,103 | 1,695,045 |
| Management and General | 29,314 | | 29,314 | 25,537 |
| Fundraising | 41,282 | | 41,282 | 42,086 |
| Total Functional Expenses | 1,593,699 | | 1,593,699 | 1,762,668 |
| Change in Net Assets | 91,214 | (34,072) | 57,142 | 102,192 |
| Net Assets - Beginning of Year | 165,760 | 35,867 | 201,627 | 99,435 |
| Net Assets - End of Year | $ 256,974 | $ 1,795 | $ 258,769 | $ 201,627 |

See accompanying notes to financial statements.

## STATEMENT OF FUNCTIONAL EXPENSES

### YEAR ENDED DECEMBER 31, 2022
(With Comparative Totals for the Year Ended December 31, 2021)

| | 2022 | | | | | | | 2021 |
|---|---|---|---|---|---|---|---|---|
| | Program Services | | | | | | | |
| | Invasive Species | Prairie Restoration | State-Fish Art | Total | Management and General | Fundraising | Grand Total | Total |
| Grants and Support | $ 1,022,294 | $ 725 | $ 159,030 | $ 1,182,049 | | | $ 1,182,049 | $ 1,376,404 |
| Education and Mailings | 17,140 | 1,604 | 1,303 | 20,047 | $ 192 | $ 8,303 | 28,542 | 45,850 |
| Salaries and Benefits | 169,348 | 15,845 | 55,542 | 240,735 | 23,976 | 24,419 | 289,130 | 258,151 |
| Occupancy | 25,404 | 2,377 | 1,931 | 29,712 | 2,123 | 3,537 | 35,372 | 28,511 |
| Outside Services | 1,654 | 155 | 126 | 1,935 | 138 | 230 | 2,303 | 1,741 |
| Equipment and Maintenance | 10,400 | 973 | 791 | 12,164 | 868 | 1,448 | 14,480 | 14,861 |
| Supplies and Other | 13,639 | 1,276 | 1,037 | 15,952 | 552 | 903 | 17,407 | 15,439 |
| Insurance | 4,860 | 455 | 369 | 5,684 | 406 | 677 | 6,767 | 6,820 |
| Telephone | 2,193 | 205 | 167 | 2,565 | 184 | 305 | 3,054 | 2,462 |
| Professional Services | 6,105 | 571 | 464 | 7,140 | 510 | 850 | 8,500 | 8,375 |
| Depreciation | 4,377 | 410 | 333 | 5,120 | 365 | 610 | 6,095 | 4,054 |
| Direct Merchandise Expenses | 20,061 | 1,877 | 1,525 | 23,463 | | 14,418 | 37,881 | 28,349 |
| Total Expenses | 1,297,475 | 26,473 | 222,618 | 1,546,566 | 29,314 | 55,700 | 1,631,580 | 1,791,017 |
| Less Expenses Included With Revenues on the Statements of Activities: | | | | | | | | |
| Direct Merchandise Expenses | (20,061) | (1,877) | (1,525) | (23,463) | | (14,418) | (37,881) | (28,349) |
| Total Expenses | $ 1,277,414 | $ 24,596 | $ 221,093 | $ 1,523,103 | $ 29,314 | $ 41,282 | $ 1,593,699 | $ 1,762,668 |

See accompanying notes to financial statements.

## STATEMENTS OF CASH FLOWS

## YEARS ENDED DECEMBER 31, 2022 AND 2021

| | 2022 | 2021 |
|---|---|---|
| **CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES** | | |
| Change in Net Assets | $ 57,142 | $ 102,192 |
| Adjustments to Reconcile Increase (Decrease) in Net Assets | | |
| to Net Cash Provided by Operating Activities: | | |
| Depreciation | 6,095 | 4,054 |
| Amortization of Right-of-Use Asset | 8,932 | |
| (Gain) Loss on Disposal of Assets | (2,572) | |
| (Increase) Decrease in Current Assets: | | |
| Accounts Receivable | 36,505 | (22,375) |
| Prepaid Expenses | 2,381 | 33 |
| Increase (Decrease) in Current Liabilities: | | |
| Accounts Payable | (14,824) | (14,457) |
| Accrued Expenses | 1,704 | 1,288 |
| Refundable Advances | 158,476 | (43,800) |
| Deferred Revenue | | (29,605) |
| Lease Liabilities | (6,881) | |
| Net Cash Flows from (Used in) Operating Activities | 246,958 | (2,670) |
| **CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES** | | |
| Purchases of Furniture and Equipment | (5,360) | |
| Proceeds from Sales of Furniture and Equipment | 3,000 | |
| Net Cash Flows from (Used in) Investing Activities | (2,360) | |
| **CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES** | | |
| Payments on Notes Payable | (6,936) | (3,900) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 237,662 | (6,570) |
| Cash and Cash Equivalents - Beginning of Year | 141,917 | 148,487 |
| Cash and Cash Equivalents - End of Year | $ 379,579 | $ 141,917 |
| **NONCASH INVESTING AND FINANCING ACTIVITIES** | | |
| Purchases of Furniture and Equipment with Notes Payable | $ 33,342 | |
| Right-of-Use Assets Obtained in Exchange for Lease Liabilities | $ 112,284 | |

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

## 1. The Organization

Wildlife Forever (the "Organization") is a nonprofit corporation established to conserve America's wildlife heritage through conservation education, preservation of habitat, and management of fish and wildlife. Since 1987, Wildlife Forever has funded conservation works in all 50 states and Canada, with more than 1,500 projects throughout North America.

The Organization's major programs include:

Invasive Species – Wildlife Forever has teamed up with more than 2,500 organizations across the nation, including federal, state, and Canadian organizations, to stop the spread of invasive species with the Clean Drain Dry ("CD2") initiative, which reaches millions of outdoor enthusiasts each year. CD2 uses the common denominator found in outreach education to generate behavior-changing practices in recreational users that help protect natural resources from invasive species.

Prairie Restoration – In partnership with other conservation nonprofits and federal, state, and local governments, Wildlife Forever works to restore and prevent commercial development of critical habitats of wildlife species throughout the US and Canada. Restoration efforts include performing prescribed burns, cultivating native plant species, and constructing wetlands to provide habitat for shorebirds and waterfowl.

Prairie City USA is a municipal certification and organizing program designed to complement existing community conservation activities that integrate prairie and pollinator best practices. Prairie City USA communities work to enhance and restore commercial, residential, and industrial green spaces into native prairie and pollinator habitat, achieving benefits in three key areas: financial savings, ecological function, and civic engagement.

State-Fish Art – The State-Fish Art Project is an exciting, multimedia education program designed to increase awareness of and respect for aquatic resources. Interdisciplinary in nature, the program uses art as a springboard into the fascinating world of fish. The project has two primary components:

*Fish On! Lesson Plan* – The lesson plan includes information about fish species, their habitat, and conservation needs, as well as a profile of each state fish, containing a beautifully illustrated physical description, reproductive and feeding behaviors, and habitat requirements.

*State-Fish Art Contest* – The project culminates in a national art contest for children who have actively participated in the Fish On! lesson. Students use their newly acquired knowledge to create a learning portfolio, which includes an original state-fish art illustration and a related composition/essay about their chosen state fish.

The Organization obtains revenue through individual memberships and contributions, grants from governments, foundations, and corporations, royalties and licensing fees, and sales of merchandise bearing the Organization's logo.

## 2. Summary of Significant Accounting Policies

Comparative Financial Information – The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class and functional allocation. 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, 2021, from which the summarized information was derived.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") applicable to not-for-profit organizations. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and the changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

**2. Summary of Significant Accounting Policies (Continued)**

*Net Assets with Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other 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 and reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Organization considers all cash and highly liquid financial instruments with original maturities of three months or less that are neither held for nor restricted by donors for long-term purposes to be cash and cash equivalents.

Reserved Cash and Cash Equivalents – Amounts reported on the statements of financial position as reserved cash and cash equivalents are related to income from and expenses for the Minnesota Invasive Species Advisory Council ("MISAC"). See Note 4 for a description of the Organization's fiscal sponsorship agreement with MISAC.

Accounts Receivable – Accounts receivable represent contribution, grant, and contract receivables, which are all receivable in less than one year. The Organization periodically reviews individual accounts, and as of December 31, 2022 and 2021, no allowance for uncollectible accounts was considered necessary.

Property and Equipment – Property and equipment are recorded at cost, or if donated, at fair market value at the date of donation. Items costing $500 or less are expensed in the year purchased. Depreciation is computed using the straight-line method and is charged to expense over the estimated useful lives of the assets, which range from five to seven years for furniture and equipment. Costs of maintenance and repairs that do not improve or extend the useful life of the respective assets are expensed as incurred.

Leases – The Organization determines if an arrangement is a lease upon inception. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to control the use of an asset includes the right to obtain substantially all the economic benefits of the underlying asset and the right to direct how and for what purpose the asset is used.

After adoption of Accounting Standards Update 2016-02 and related standards (see below), operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Company has elected to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

Revenues and Revenue Recognition – The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor stipulations for their use.

The Organization recognizes revenue from merchandise sales at the time the merchandise is transferred to the customer. Payments received in advance of transfer to the customer are reported as deferred revenue on the statements of financial position.

Membership dues, which are nonrefundable, are considered contributions, as the value of any benefits provided to members is trivial. Therefore, revenue from membership dues is recognized in the same manner as other contribution revenue, described above.

**2. Summary of Significant Accounting Policies (Continued)**

Revenue and Revenue Recognition (Continued) – A portion of the Organization's revenue is derived from cost-reimbursable federal, state, and county contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. In 2022, the Organization received cost-reimbursable grants of $403,836 that have not been recognized as revenue at December 31, 2022, because qualifying expenditures have not yet been incurred. Advance payments of $158,476 are reported on the statements of financial position as refundable advances as of December 31, 2022. In 2021, the Organization received cost-reimbursable grants of $73,341 that were not recognized at December 31, 2021

The Organization also received a forgivable loan during the year ended December 31, 2021. This loan, which was accounted for as a conditional contribution from the lender, is described in detail in Note 15.

In-Kind Contributions – The Organization receives in-kind contributions, including contracted program-related services and informative and educational content on billboards, television, print, and radio. Donated services are recognized at fair value if the services meet the recognition criteria prescribed by generally accepted accounting principles, which include: a) requiring specialized skills; b) provided by someone with those skills; and c) would have to be purchased if they were not donated. Donations of supplies, materials, and advertising are recorded as contributions at their estimated fair value at the date of donation.

Advertising – Advertising costs are expensed as incurred. Advertising costs, excluding in-kind, for the years ended December 31, 2022 and 2021, were $229,877 and $287,963, respectively. In-kind advertising is detailed in Note 11. The majority of the Organization's advertising consists of public awareness and education campaigns funded by donors, which are included in grants and support on the statement of activities.

Functional Allocation of Expenses – The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes – The Organization is exempt from federal income tax under Internal Revenue Code § 501(c)(3) and similar state statutes and is not considered a private foundation. Management has evaluated for uncertain tax positions and has determined there are no uncertain tax positions as of December 31, 2022. Tax returns for the past three years remain open for examination by tax jurisdictions.

Estimates – The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Concentration of Credit Risk – Financial instruments, which potentially subject the Organization to credit risk, consist primarily of cash and cash equivalents. The Organization's cash and cash equivalents have been placed with major financial institutions. At times, such amounts may exceed Federal Deposit Insurance Corporation ("FDIC") limits. The Organization closely monitors these balances and has not experienced credit losses.

Recently Adopted Accounting Pronouncements – In September 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* This standard increased the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The amendments in this ASU should be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021. The Organization implemented the provisions of ASU No. 2020-07 during the year ended December 31, 2022, and adjusted the presentation and disclosures in these financial statements accordingly. There was no effect on net assets in connection with the Organization's implementation of ASU No. 2020-07.

**2. Summary of Significant Accounting Policies (Continued)**

Recently Adopted Accounting Pronouncements (Continued) – Effective January 1, 2022, the Organization adopted FASB ASC 842, *Leases.* The new standard establishes a right of use ("ROU") model that requires a lessee to record an ROU asset and a lease liability on the statement of financial position for all leases with terms longer than twelve months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of activities and functional expenses. Leases with a term of less than twelve months will not record a right-of-use asset and lease liability, and the payments will be recognized on a straight-line basis over the lease term.

The Organization elected to adopt FASB ASC 842, *Leases,* using the optional transition method that allows the Organization to initially apply the new leases standard at the adoption date and recognize a cumulative effect adjustment, if any, to the opening balance of net assets in the period of adoption. As a result, the Organization reporting for the comparative period presented in the financial statements is in accordance with the previous lease guidance, FASB ASC 840.

The Organization elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption; relief from having to reevaluate the classification of leases in effect at the date of adoption; and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The lease in effect at December 31, 2021, had a remaining life of less than twelve months; therefore, there was no effect on the statement of financial position upon the new lease standard's adoption on January 1, 2022.

Subsequent Events – The Organization has performed an evaluation of subsequent events through February 20, 2023 which is the date the financial statements were available to be issued.

**3. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2022 and 2021, comprise the following:

| | 2022 | 2021 |
|---|---|---|
| Cash and cash equivalents | $ 379,579 | $ 141,917 |
| Less: Cash and cash equivalents - reserved | (14,347) | (19,731) |
| Available cash and cash equivalents | 365,232 | 122,186 |
| Accounts receivable | 67,824 | 104,329 |
| Less: Refundable advances | (158,476) | |
| Less: Net assets with donor restrictions for purpose | (1,795) | (35,867) |
| Total | $ 272,785 | $ 190,648 |

The Organization's reserved cash and cash equivalents consist of amounts held for MISAC, which are not available for general expenditure. See Note 4 for more details regarding this arrangement.

As part of the Organization's liquidity management plan, the Organization invests cash in excess of daily requirements in an interest-earning savings account. Additionally, the Organization has a line of credit available from a local bank, described in Note 5.

**4. Fiscal Sponsorship**

On October 31, 2017, the Organization entered into a formalized fiscal sponsorship agreement with MISAC, an unincorporated council composed of various incorporated and unincorporated entities involved with invasive species education, control, and remediation. Per the fiscal sponsorship agreement, Wildlife Forever provides fiduciary oversight, financial management, and other administrative services to support the charitable projects of MISAC. Support received and expenses incurred during 2022 related to MISAC totaled $1,840 and $7,284, respectively. In 2021, support received and expenses incurred related to MISAC totaled $14,546 and $8,949, respectively.

## 5. Line of Credit

The Organization has a $50,000 renewable line of credit with a variable interest rate of 0.075 percentage points under index, which matures on October 15, 2024. The interest rate on the line was 6.25% at December 31, 2022, and 4.74% at December 31, 2021. All business assets of the Organization are collateral on this line when it is used. The Organization had no outstanding balance on the line of credit at December 31, 2022 and 2021.

## 6. Notes Payable

The Organization's notes payable consisted of the following at December 31:

| | 2022 | 2021 |
|---|---|---|
| On July 1, 2022, the Organization purchased $30,092 of computers and related equipment with a note payable over 54 months at 0% interest. The Organization is required to make monthly payments of $557 through December 2026. | $ 26,748 | |
| On February 1, 2022, the Organization purchased a new copier for $3,250 with a note payable over 24 months at 4.5% interest. The Organization is required to make monthly payments of $142 through February 2024. | 1,932 | |
| On July 10, 2017, the Organization purchased $19,500 of computers and related equipment with a note payable over 60 months at 0% interest. The Organization was required to make monthly payments of $325 through August 2022. | | $ 2,275 |
| Total notes payable | 28,681 | 2,275 |
| Less: Current portion | (8,337) | (2,275) |
| Notes payable, net of current portion | $ 20,344 | |

Principal payments required under these notes are as follows for the years ending December 31:

| | |
|---|---|
| 2023 | $ 8,337 |
| 2024 | 6,970 |
| 2025 | 6,687 |
| 2026 | 6,687 |
| Total | $ 28,681 |

## 7. Commitments

On July 1, 2022, the Organization entered into a 54-month service contract with an IT support firm. As of December 31, 2022, future minimum payments related to this agreement are as follows:

| | |
|---|---|
| 2023 | $ 8,967 |
| 2024 | 8,967 |
| 2025 | 8,967 |
| 2026 | 8,969 |
| Total | $ 35,870 |

## 8. Leases

The Organization leases office space in White Bear Lake under a thirty-six-month operating lease, which commenced October 1, 2022. Minimum monthly rent under this lease is as follows:

| | |
|---|---|
| October 1, 2022 – January 31, 2023 | $ 2,600 |
| February 1, 2023 – September 30, 2023 | 3,200 |
| October 1, 2023 – September 30, 2024 | 3,350 |
| October 1, 2024 – September 30, 2025 | 3,500 |

During the year ended December 31, 2022, rent paid under this lease totaled $7,800.

## 8. Leases (Continued)

Supplemental statement of financial position information related to leases is as follows as of December 31, 2022:

| | |
|---|---|
| Operating leases: | |
| Right-of-use assets | $ 112,284 |
| Accumulated amortization | (8,932) |
| Net right-of-use assets | $ 103,352 |
| Current lease liabilities | $ 35,289 |
| Noncurrent lease liabilities | 70,114 |
| Total lease liabilities | $ 105,402 |
| Weighted-average remaining lease term (in years) | 2.75 |
| Weighted-average discount rate | 3.42% |

Future maturities of operating lease liabilities are as follows for the years ending December 31:

| | |
|---|---|
| 2023 | $ 38,250 |
| 2024 | 40,650 |
| 2025 | 31,500 |
| Total | 110,400 |
| Less: Amounts representing interest | (4,998) |
| Present value of future minimum lease payments | 105,402 |
| Less: Current obligations | (35,289) |
| Long-term lease obligations | $ 70,114 |

*Disclosures related to leases in effect prior to the adoption of the new lease standard:*

On May 1, 2017, the Organization began leasing facilities in White Bear Lake, Minnesota, under a thirty-six-month lease, with options to extend the lease for two additional twelve-month terms. On April 30, 2020, the lease was extended for one year, until April 30, 2021, with monthly rental payments of $2,514. In 2021, the lease was extended for another year, to April 30, 2022. At October 1, 2021, the monthly rental payments increased to $2,600. This lease ended on September 30, 2022. During the years ended December 31, 2022 and 2021, rents under this lease were $23,400 and $28,511, respectively.

## 9. Refundable Advances

The following table provides information about significant changes in refundable advances for the years ended December 31, 2022 and 2021:

| | 2022 | 2021 |
|---|---|---|
| Refundable advances, beginning of year | | $ 43,800 |
| Revenue recognized that was included in refundable advances at the beginning of the year | | (43,800) |
| Increase in refundable advances due to cash received during the period | $ 158,476 | |
| Refundable advances, end of year | $ 158,476 | |

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

**10. Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods at December 31:

| | 2022 | 2021 |
|---|---|---|
| Subject to expenditure for specified purpose: | | |
| Clean Drain Dry | | $ 10,000 |
| State-Fish Art | $ 1,795 | 17,742 |
| Invasive Species PSAs | | 1,375 |
| Promises to give, the proceeds from which have been restricted by donors for Prairie City USA | | 6,750 |
| Total | $ 1,795 | $ 35,867 |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows during the years ended December 31, 2022 and 2021:

| | 2022 | 2021 |
|---|---|---|
| Satisfaction of purpose restrictions | | |
| Clean Drain Dry | $ 10,000 | |
| State-Fish Art | 17,742 | $ 8,612 |
| Invasive Species PSAs | 1,375 | |
| Expiration of time restrictions | 6,750 | |
| Total released | $ 35,867 | $ 8,612 |

**11. Donated Professional Services and Materials**

The Organization received donated professional services and materials as follows during the years ended December 31:

| | Invasive Species | State-Fish Art | Total |
|---|---|---|---|
| 2022 | | | |
| Advertising | $ 447,216 | | $ 447,216 |
| Contracted Work | 13,729 | | 13,729 |
| State-Fish Art | | $ 151,670 | 151,670 |
| Merchandise and Other | 5,065 | | 5,065 |
| Total | $ 466,010 | $ 151,670 | $ 617,680 |
| 2021 | | | |
| Advertising | $ 543,189 | | $ 543,189 |
| Contracted Work | 11,976 | | 11,976 |
| State-Fish Art | | $ 80,625 | 80,625 |
| Merchandise and Other | 6,249 | | 6,249 |
| Total | $ 561,414 | $ 80,625 | $ 642,039 |

**12. Functionalized Expenses**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses of the Organization are allocated based on estimates of time and effort.

**12. Functionalized Expenses (Continued)**

For the years ended December 31, 2022 and 2021, the Organization's expenses were allocated as follows:

| | 2022 | | 2021 | |
|---|---|---|---|---|
| Program Services | | | | |
| Invasive Species | $ 1,277,414 | 80.16% | $ 1,496,452 | 84.90% |
| Prairie Restoration | 24,596 | 1.54% | 52,571 | 2.98% |
| State-Fish Art | 221,093 | 13.87% | 146,022 | 8.28% |
| Total Program Services | 1,523,103 | 95.57% | 1,695,045 | 96.16% |
| Management and General | 29,314 | 1.84% | 25,537 | 1.45% |
| Fundraising | 41,282 | 2.59% | 42,086 | 2.39% |
| Total | $ 1,593,699 | 100.00% | $ 1,762,668 | 100.00% |

**13. Retirement Plan**

The Organization has adopted a SIMPLE IRA plan for all eligible employees. The Organization will match up to 3% of the employee's pay contributed to the plan. The expense to the Organization was $4,540 and $5,099 for the years ended December 31, 2022 and 2021, respectively.

**14. Concentrations**

During the year ended December 31, 2022, 23.3% of the Organization's revenues were from one entity. In 2021, 13.4% of the Organization's revenues were from one entity. Loss of these supporters could have a major impact on the Organization's activities.

At December 31, 2022, 69.9% of the Organization's accounts receivable were due from one entity. At December 31, 2021, 40.6% and 36.4% of the Organization's accounts receivable were due from each of two entities, respectively. Default on any of these accounts could have a significant effect on the Organization's cash flows.

Additionally, the Organization receives the majority of its funding through various grants from governmental entities. The non-renewal of any of these major grants could substantially affect the Organization's operations.

**15. Paycheck Protection Program**

During the year ended December 31, 2020, the Organization was granted a $38,800 loan administered by a Small Business Administration ("SBA") approved partner under the Paycheck Protection Program ("PPP") created as part of the relief efforts related to COVID-19. The loan was uncollateralized and fully guaranteed by the federal government. The Organization was eligible for forgiveness of up to 100% of the loan, upon meeting certain requirements. The Organization reported the loan as a refundable advance at December 31, 2020.

On January 22, 2021, the Organization received notification that this loan had been fully forgiven. The forgiveness is reported as grant revenue on the statement of activities for the year ended December 31, 2021, in accordance with the Organization's accounting policy for conditional contributions, described in Note 2 to the financial statements.

During 2021, the Organization applied and was approved for an additional $42,700 loan under the Paycheck Protection Program, under similar terms to the loan described above. This loan was fully forgiven on August 3, 2021, and is included in grant revenue on the statement of activities for the year ended December 31, 2021.