

RE:WILD
(A Nonprofit Corporation)
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

JUNE 30, 2021 AND 2020

RE:WILD
(A Nonprofit Corporation)

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Independent Auditors' Report

Board of Directors
Re:wild
Austin, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Re:wild, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, 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

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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 auditors' 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 auditors consider 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 Re:wild as of June 30, 2021 and 2020, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Atchley & Associates, LLP

Austin, Texas

February 9, 2022

RE:WILD
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 15,572,674	\$ 3,578,170
Short term investments	29,003,439	44,328,768
Assets held for sale	945,000	945,000
Contributions and grants receivable	10,114,160	1,138,910
Prepaid expenses	63,078	57,398
Total current assets	55,698,351	50,048,246
Non-current assets		
Program related investment	1,000,000	1,000,000
Long term investments	11,298,864	10,130,456
Total assets	\$ 67,997,215	\$ 61,178,702
LIABILITIES AND NET ASSETS		
Current liabilities		
Accrued liabilities	\$ 315,393	\$ 208,860
Current portion of long-term debt	108,139	219,669
Total current liabilities	423,532	428,529
Long-term debt	555,861	352,331
Total liabilities	979,393	780,860
Net assets		
Without donor restrictions:		
Undesignated	4,199,592	8,017,819
Board designated	2,034,896	4,283,213
Total without donor restrictions:	6,234,488	12,301,032
With donor restrictions:		
For time or purpose	57,755,704	45,069,930
In perpetuity	3,027,630	3,026,880
Total with donor restrictions:	60,783,334	48,096,810
Total net assets	67,017,822	60,397,842
Total liabilities and net assets	\$ 67,997,215	\$ 61,178,702

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

RE:WILD
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions		Total
		For Time or Purpose	In Perpetuity	
Revenues				
Contributions and grants	\$ 665,160	\$ 35,501,023	\$ 750	\$ 36,166,933
In-kind contributions	1,278,585	80,274	-	1,358,859
Investment return, net	577,160	1,002,555	-	1,579,715
Other revenue	587,445	-	-	587,445
Total revenues	3,108,350	36,583,852	750	39,692,952
Net assets released from restrictions	23,898,078	(23,898,078)	-	-
Total revenues and net assets released from restrictions	27,006,428	12,685,774	750	39,692,952
Expenses				
Program services	29,600,089	-	-	29,600,089
General and administrative	3,141,868	-	-	3,141,868
Fundraising	331,015	-	-	331,015
Total expenses	33,072,972	-	-	33,072,972
Change in net assets	(6,066,544)	12,685,774	750	6,619,980
Net assets at beginning of year	12,301,032	45,069,930	3,026,880	60,397,842
Net assets at end of year	<u>\$ 6,234,488</u>	<u>\$ 57,755,704</u>	<u>\$ 3,027,630</u>	<u>\$ 67,017,822</u>

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

RE:WILD
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions		Total
		For Time or Purpose	In Perpetuity	
Revenues				
Contributions and grants	\$ 996,992	\$ 45,524,215	\$ 250	\$ 46,521,457
In-kind contributions	484,449	720,000	-	1,204,449
Investment return, net	968,711	(97,244)	-	871,467
Other revenue	10,841	-	-	10,841
Total revenues	2,460,993	46,146,971	250	48,608,214
Net assets released from restrictions	24,690,626	(24,690,626)	-	-
Total revenues and net assets released from restrictions	27,151,619	21,456,345	250	48,608,214
Expenses				
Program services	28,682,316	-	-	28,682,316
General and administrative	2,213,117	-	-	2,213,117
Fundraising	467,501	-	-	467,501
Total expenses	31,362,934	-	-	31,362,934
Change in net assets	(4,211,315)	21,456,345	250	17,245,280
Net assets at beginning of year	16,512,347	23,613,585	3,026,630	43,152,562
Net assets at end of year	\$ 12,301,032	\$ 45,069,930	\$ 3,026,880	\$ 60,397,842

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

RE:WILD
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Corporate Services	\$ 225,090	\$ 527,637	\$ 25,200	\$ 777,927
Contract Services	4,547,896	249,484	30,413	4,827,793
Grants and Awards	20,461,551	-	-	20,461,551
Facilities and Equipment	-	66,873	-	66,873
Communications	810,679	187,210	4,514	1,002,403
Supplies	43,362	75,739	1,528	120,629
Other Expenses	104,510	41,894	11,974	158,378
Payroll Expenses	3,354,358	1,986,907	256,394	5,597,659
Travel and Meetings	52,643	6,124	992	59,759
Total expenses	<u>\$ 29,600,089</u>	<u>\$ 3,141,868</u>	<u>\$ 331,015</u>	<u>\$ 33,072,972</u>

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

RE:WILD
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Corporate Services	\$ 386,937	\$ 293,177	\$ 38,113	\$ 718,227
Contract Services	1,721,865	190,347	83,742	1,995,954
Grants and Awards	22,657,819	-	-	22,657,819
Facilities and Equipment	14,586	227,084	-	241,670
Communications	100,315	159,664	4,181	264,160
Supplies	107,127	53,932	-	161,059
Other Expenses	171,266	31,023	32,702	234,991
Payroll Expenses	2,545,844	1,162,805	285,917	3,994,566
Travel and Meetings	976,557	95,085	22,846	1,094,488
Total expenses	<u>\$ 28,682,316</u>	<u>\$ 2,213,117</u>	<u>\$ 467,501</u>	<u>\$ 31,362,934</u>

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

RE:WILD
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 6,619,980	\$ 17,245,280
Adjustments to reconcile change in net assets to net cash from operating activities:		
Donation of program related investment	-	(1,000,000)
(Gains)/losses on investments	(1,122,834)	35,358
Forgiveness of debt	(572,000)	-
Change in assets and liabilities:		
Contributions and grants receivable	(8,975,250)	12,281,219
Prepaid expenses	(5,680)	(6,500)
Donated artwork	-	(720,000)
Accrued liabilities	106,533	41,859
Net cash flows from operating activities	(3,949,251)	27,877,216
Cash flows from investing activities:		
Purchases of investments	(1,932,832)	(26,128,665)
Proceeds from sale of investments	17,212,587	745,532
Net cash flows from investing activities	15,279,755	(25,383,133)
Cash flows from financing activities:		
Proceeds from notes payable	664,000	572,000
Net cash flows from financing activities	664,000	572,000
Net change in cash and cash equivalents	11,994,504	3,066,083
Cash and cash equivalents, beginning of year	3,578,170	512,087
Cash and cash equivalents, end of year	\$ 15,572,674	\$ 3,578,170

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

RE:WILD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. ORGANIZATION

Re:wild, formerly known as Global Wildlife Conservation, was founded in 2008 and its mission is to protect and restore the wild to build a thriving Earth where all life flourishes. Re:wild works with hundreds of partners and Indigenous communities to protect the wild that's left and restores the rest. Our organization has a singular and powerful focus: the wild as the most effective solution to the interconnected climate, biodiversity, and human health crises currently facing our global community. We bring strategy, science, tactics, funding, communications, capacity building, and a global approach to help co-implement programs and projects around the world.

As Re:wild, our newly rebranded and expanded organization is scaling up our work with local partners to protect and restore ecosystems in the most important places for biodiversity on the planet. We work with more than 400 partners in over 50 countries, developing and replicating best practices that can be tailored and implemented locally. We believe that the best people to protect the local environment are the leaders who live there – who we call Guardians – including local and Indigenous peoples, nongovernmental organizations, and governments. Our work has helped to protect over 4.8 million hectares benefitting more than 16,000 species in the world's most irreplaceable places for biodiversity.

Related Entities - ReWild Colombia Corp is a Delaware Corporation established on February 24, 2021, and is wholly-owned by Re:wild. Lonely Whale, LLC is a Delaware Corporation established on April 23, 2015, and is wholly-owned by Re:wild. Both ReWild Colombia Corp and Lonely Whale, LLC have no activity and are not included in these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP) as defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Net assets and revenues, expenses, gains, and losses are classified based on the existence of donor-imposed restrictions. Accordingly, net assets of Re:wild and changes therein are classified and reported as follows:

Net assets without donor restrictions - These types of net assets are not subject to donor-imposed stipulations. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Net assets with donor restrictions - These types of net assets are subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Re:wild or by the passage of time. 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. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

RE:WILD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Accounting - Re:wild's financial statements have been prepared on the accrual basis of accounting applicable to not-for-profit organizations in accordance with GAAP.

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

Cash Equivalents - Re:wild considers all highly liquid investments with an original maturity of three months or less to be cash equivalents, unless designated for investment purposes.

Investments - Certificates of deposit and investments, which consist of U.S. Agency securities and bonds, corporate bonds, mutual funds, equity securities, and asset-backed securities, are stated at fair market value.

Program Related Investment - At June 30, 2021 and 2020, Re:wild had one program related investment in the form of an unsecured loan in the amount of \$1,000,000. The loan bears interest at an interest rate of 1% per annum and matures October 2021. Re:wild regularly monitors the loan by reviewing the borrower's financial standing through financial covenants.

Contributions and Grants Receivable - Contributions and grants receivable are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of benefits received. Contributions and grants receivable are recorded at net realizable value if expected to be collected in one year and at the present value of their estimated future cash flows if expected to be collected in more than one year, unless otherwise noted. Conditional promises to give are recognized when the condition on which they depend is substantially met.

Contributions and grants receivable are recorded at the amount Re:wild expects to collect on outstanding balances. Re:wild has not set up an allowance for uncollectible receivables at June 30, 2021 and 2020, because management estimates all balances to be collectible. Management closely monitors outstanding balances and write offs.

All contributions and grants are recorded at their fair value and are considered to be available for operations of Re:wild unless specifically restricted by the donor. Unconditional pledges to give cash and other assets are reported as either net assets with donor restrictions for time or purpose or net assets with donor restrictions in perpetuity, if they are received with donor stipulations that limit the use of donated assets. When donor restrictions expire, that is, when a stipulated time restriction ends or restricted purpose is accomplished, the related net assets with donor restrictions for time or purpose are reclassified to net assets without donor restrictions. This is reported in the statements of activities as net assets released from restrictions. Conditional pledges to give are recognized only when the conditions on which they depend are substantially met and pledges become unconditional.

RE:WILD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Contributed services are recognized as contributions if the services (1) create or enhance non-financial assets, or (2) require special skills, are performed by people with those skills, and would otherwise be purchased by Re:wild. Under those criteria, donated professional services and materials are reflected as contribution revenue at their estimated fair value at the date of receipt and are expensed or capitalized as appropriate.

Functional Allocation of Expenses - The costs of providing the various program services and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses that are directly related to a program or supporting service are allocated accordingly. Rent is allocated based on square footage. The remaining expenses are based on time and effort.

Federal Income Taxes - Re:wild is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). No provision for income taxes has been made in the accompanying financial statements. Re:wild has adopted the recognition requirements for uncertain income tax positions as required by GAAP, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more likely than not be sustained upon examination by taxing authorities. Re:wild has analyzed the tax positions taken in its filings with the Internal Revenue Service and state jurisdictions where it operates.

Re:wild believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on Re:wild's financial position, changes in net assets or cash flows. Accordingly, Re:wild has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2021 and 2020. Re:wild is subject to income tax audits for the previous three years which are open. There are currently no income tax audits for any tax periods in progress.

RE:WILD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value Measurement and Disclosures - The requirements of FASB ASC 820, *Fair Value Measurements and Disclosures*, apply to all financial instruments and all nonfinancial assets and nonfinancial liabilities that are being measured and reported on a fair value basis. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement is the same in both cases – to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price). *Fair Value Measurements and Disclosures* also establish a fair value hierarchy that prioritizes the inputs used in valuation methodologies into the following three levels:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

- Level 2 Inputs other than quoted prices included with Level 1 that are observable for the asset or liability either directly or indirectly.

- Level 3 Unobservable inputs for the asset or liability.

Subsequent Events - Management of Re:wild has evaluated subsequent events for disclosure through the date of the Independent Auditors' Report, the date the financial statements were available to be issued. See Note 17.

3. INVESTMENTS

The following table represents assets and liabilities reported on the statements of financial position at their fair value and cost as of June 30, 2021 and 2020, by level within the fair value measurement hierarchy.

2021	Cost	Level 1 Fair Value	Unrealized Appreciation (Depreciation)
Cash and cash equivalents	\$ 737,790	\$ 737,790	\$ -
Certificates of deposit	10,229,674	10,567,372	337,698
Equities	1,806,113	2,383,537	577,424
Municipal bonds	-	-	-
Mutual funds	20,215,941	25,561,107	5,345,166
Corporate bonds	1,060,578	1,052,497	(8,081)
US government-related agency securities and bonds	-	-	-
Total investments	\$ 34,050,096	\$ 40,302,303	\$ 6,252,207

RE:WILD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

3. INVESTMENTS - CONTINUED

2020	Cost	Level 1 Fair Value	Unrealized Appreciation (Depreciation)
Cash and cash equivalents	\$ 160,163	\$ 160,163	\$ -
Certificates of deposit	10,015,581	10,553,758	538,177
Equities	1,806,113	2,023,288	217,175
Municipal bonds	-	-	-
Mutual funds	36,328,752	40,712,215	4,383,463
Corporate bonds	744,364	756,891	12,527
US government-related agency securities and bonds	248,011	252,909	4,898
Total investments	\$ 49,302,984	\$ 54,459,224	\$ 5,156,240

The following schedule summarizes the investment earnings and its classification in the statements of activities for the years ended June 30, 2021 and 2020:

	2021	2020
Interest and dividends	\$ 473,369	\$ 930,768
Unrealized and realized gains (losses)	1,122,834	(35,358)
Investment management fees	(16,488)	(23,943)
Investment return, net	\$ 1,579,715	\$ 871,467

4. ASSETS HELD FOR SALE

The following schedule summarizes the assets held for sale as of June 30, 2021 and 2020:

	2021	2020
Ruby Artwork	\$ 225,000	\$ 225,000
Schwartz Necklace	65,000	65,000
Klyukin Tiger Artwork	155,000	155,000
Brody Tiger Artwork	100,000	100,000
Butterfield Kelly Canyon Artwork	400,000	400,000
	\$ 945,000	\$ 945,000

These assets were valued by third party industry experts/appraisers and are considered to be level 3.

RE:WILD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

5. CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable at June 30, 2021 and 2020, were as follows:

	2021	2020
Contributions	\$ 10,114,160	\$ 138,910
Grants	-	1,000,000
	\$ 10,114,160	\$ 1,138,910

6. CONCENTRATIONS

Financial instruments which potentially subject Re:wild to credit risk consist of cash and cash equivalents, investments and contributions receivable. Re:wild places its cash and cash equivalents and investments with quality financial institutions and may exceed the amount of insurance provided on such deposits. At June 30, 2021 and 2020, the cash deposits exceeded Federal Deposit Insurance Corporation and Securities Investor Protection Corporation insurances by \$15,264,529 and \$3,000,631, respectively. Re:wild's investments are exposed to various risks such as interest rate, market and credit risk. Re:wild does not maintain collateral for its contributions receivable and does not believe significant risk exists.

7. LONG-TERM DEBT

A summary of long-term debt as June 30, 2021 and 2020, follows:

	2021	2020
Note payable related to the Paycheck Protection Program dated May 4 2020, in the original amount of \$572,000, at an interest rate of 1%, with monthly payments of \$12,900, including interest until maturity on May 4, 2022. This note was forgiven on March 3, 2021, and is recognized as other revenue on the statement of activities for the year ended June 30, 2021.	\$ -	\$ 572,000
Note payable related to the Paycheck Protection Program dated March 24, 2021, in the original amount of \$664,000, at an interest rate of 1%, with monthly payments of \$12,900, including interest until maturity on March 24, 2026.	664,000	-
Less current installments of long-term debt	(108,139)	(219,669)
Long-term debt, excluding current installments	\$ 555,861	\$ 352,331

RE:WILD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

7. LONG-TERM DEBT - CONTINUED

Future maturities of long-term debt are as follows as of June 30:

2022	\$	108,139
2023		555,861
		555,861
Total	\$	664,000

The Paycheck Protection Program was made available due to the Covid 19 pandemic. Re:wild believes that the Paycheck Protection Program loan will be forgiven in its entirety. See Note 17.

8. IN-KIND CONTRIBUTIONS

Re:wild received the following in-kind contributions included in the statements of activities for program services and general and administrative during the years ended June 30, 2021 and 2020:

	2021	2020
Donated services including professional fees for legal and accounting	\$ 1,278,585	\$ 484,449
Donated artwork and collectibles	80,274	720,000
Total in-kind contributions	\$ 1,358,859	\$ 1,204,449

Donated artwork and collectibles are recorded at fair value based on third-party appraisals, which are considered to be level 3 in the fair value hierarchy.

9. ENDOWMENTS

Re:wild has the Walter Steven Sechrest Endowment for Wildlife Protection, the Habitat for Biodiversity Endowment, and the Small Wild Cat Endowment (Endowments). The mission of the Walter Steven Sechrest Endowment for Wildlife Protection is to protect endangered wildlife through anti-poaching efforts, including support to wildlife rangers at nature reserves around the world. The mission of the Habitat for Biodiversity Endowment is to protect endangered wildlife through establishing nature reserves around the world, either through private, community, indigenous, or government protection. The mission of the Small Wild Cat Endowment is to ensure the survival of small wild cats and their natural habitats worldwide.

RE:WILD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

9. ENDOWMENTS - CONTINUED

The Board of Directors of Re:wild interpret the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The original value of gifts donated to the permanent endowment, plus the original value of subsequent gifts to the endowment are classified as net assets with donor restrictions into perpetuity. Also included are accumulations to the permanent endowment if directed by the donor gift instrument. The remaining portion of the donor restricted endowment fund is classified as purpose restricted net assets until those funds are appropriated for expenditure by Re:wild in a manner consistent with the standard of prudence prescribed by UPMIFA.

Re:wild has investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under the investment policy approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results as stated in Re:wild's policy while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, Re:wild relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). Re:wild targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives with prudent risk constraints.

Re:wild has a policy spending rate of 5%. The withdrawals can be lump sum or spread out over the fiscal year. In determining the total amount to withdraw from the Endowments in any given year, the Investment Committee incorporates a document hybrid method. The Investment Committee must approve any special appropriation or decision not to spend the amount indicated by the spending formula in advance.

Endowment balances were as follows as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Walter Steven Sechrest Endowment for Wildlife Protection	\$ 3,311,602	\$ 2,585,303
Habitat for Biodiversity Endowment	50,916	38,974
Small Wild Cat Endowment	<u>2,545,594</u>	<u>2,086,132</u>
	<u>\$ 5,908,112</u>	<u>\$ 4,710,409</u>

RE:WILD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

9. ENDOWMENTS - CONTINUED

Changes in endowment net assets were as follows for the year ended June 30, 2021:

	Without Donor Restrictions		With Donor Restrictions		Total
	Board Designated	For Time or Purpose		In Perpetuity	
Beginning balance	\$ 1,248,213	\$ 435,316	\$ 3,026,880	\$ 4,710,409	
Contributions	-	-	750	750	
Investment return, net	292,448	1,002,555	-	1,295,003	
Appropriated	-	(98,050)	-	(98,050)	
Ending balance	<u>\$ 1,540,661</u>	<u>\$ 1,339,821</u>	<u>\$ 3,027,630</u>	<u>\$ 5,908,112</u>	

Changes in endowment net assets were as follows for the year ended June 30, 2020:

	Without Donor Restrictions		With Donor Restrictions		Total
	Board Designated	For Time or Purpose		In Perpetuity	
Beginning balance	\$ 1,243,824	\$ 532,560	\$ 3,026,630	\$ 4,803,014	
Contributions	-	-	250	250	
Investment return, net	4,389	(97,244)	-	(92,855)	
Appropriated	-	-	-	-	
Ending balance	<u>\$ 1,248,213</u>	<u>\$ 435,316</u>	<u>\$ 3,026,880</u>	<u>\$ 4,710,409</u>	

10. NET ASSETS

Net assets with donor restrictions were restricted for the following purposes as of June 30, 2021 and 2020:

	2021	2020
Habitat conservation	\$ 16,744,731	\$ 15,202,109
General conservation	13,128,453	11,203,539
Galapagos	12,922,618	-
Center for global conservation	5,000,000	5,000,000
Office of the chief conservation officer	2,288,231	2,895,249
Species survival commission	815,322	1,736,644
Amazon protection	792,006	2,453,068
Guardians	510,506	1,592,747
Australia wildfire fund	220,491	1,195,992

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10. NET ASSETS - CONTINUED

	<u>2021</u>	<u>2020</u>
Wildlife protection:		
Primates	1,430,550	1,422,041
Other species	1,348,353	622,862
Antipoaching	1,034,273	339,657
Elephants	749,772	668,516
Amphibians	447,844	528,185
Other	<u>322,554</u>	<u>209,321</u>
	<u>\$ 57,755,704</u>	<u>\$ 45,069,930</u>

Net assets with donor restrictions in perpetuity were restricted for the following purposes as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Walter Steven Sechrest Endowment for Wildlife Protection	\$ 1,310,258	\$ 1,309,508
Habitat for Biodiversity Endowment	30,705	30,705
Small Wild Cat Endowment	<u>1,686,667</u>	<u>1,686,667</u>
	<u>\$ 3,027,630</u>	<u>\$ 3,026,880</u>

In addition to the designated net assets included in the Endowments (See Note 9), the Board has designated other net assets without donor restriction for other projects or purposes. Board designated net assets as of June 30, 2021 and 2020, and their stipulated purposes were as follows:

	<u>2021</u>	<u>2020</u>
Wildlands Fund	\$ -	\$ 2,000,000
Endowments	1,540,660	1,248,213
Sumatran rhino	394,236	935,000
Conservation diet	<u>100,000</u>	<u>100,000</u>
	<u>\$ 2,034,896</u>	<u>\$ 4,283,213</u>

11. CONCENTRATION OF REVENUE

Re:wild solicits contributions from a diverse range of constituents including private individuals, nonprofit organizations, foundations, corporations, government agencies and international organizations. Re:wild is highly dependent upon these contributions to support its conservation programs. During the years ended June 30, 2021 and 2020, contributions from one donor were 26% and 32% of total contributions revenue, respectively. On June 30, 2021 and 2020, contributions receivable from one donor were 99% and 88%, respectively, of total contributions receivable.

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12. 403(b) RETIREMENT PLAN

During the year ended June 30, 2017, Re:wild began the Global Wildlife 403(b) Retirement Plan (the Plan). A 403(b) plan is a retirement plan for employees to invest in either annuities or mutual funds by making salary contributions. Under the Plan, employees may make salary contributions as tax deferred or as a Roth 403(b) contribution. The contributions are elective deferrals set up by the employee and withheld from the employee's salary with a limit of \$18,000. Starting in July 2019, Re:wild started matching up to 3% of employee contributions for employees with 1 year of service. Total matching contributions are \$87,534 and \$66,403, for the years ending June 30, 2021 and 2020, respectively. Vesting is 25% after 1 year, 50% after 2 years, and 100% after 3 years.

13. RELATED PARTY TRANSACTIONS

Certain members of the Board contributed \$0 and \$3,649,800 to Re:wild during the years ended June 30, 2021 and 2020, respectively. At June 30, 2021 and 2020, there were pledges receivable from board members in the amount of \$0 and \$50,000, respectively.

14. ASSET TRANSFER

On December 27, 2019, The Leonardo DiCaprio Foundation (LDF) transferred assets into Re:wild. Under the closing agreement of the transfer, LDF donated cash, art, collectibles, equipment, all accounts or notes receivable held by LDF, and certain other assets to Re:wild. Re:wild accepted the assets and assumed miscellaneous liabilities. The following transaction was recorded by Re:wild in the year ended June 30, 2020, for the transfer:

Cash	\$ 13,575,870
Program related investment	1,000,000
Assets held for sale	720,000
Contributions receivable	<u>64,160</u>
Contribution recognized from transfer	<u><u>\$ 15,360,030</u></u>

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15. AVAILABILITY AND LIQUIDITY

The following represents Re:wild's financial assets at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 15,572,674	\$ 3,578,170
Short term investments	29,003,439	44,328,768
Contributions and grants receivable	10,114,160	1,138,910
Program related investment	1,000,000	1,000,000
Long term investments	11,298,864	10,130,456
	<u>66,989,137</u>	<u>60,176,304</u>
Less amounts not available to be used within one year:		
Program related investment	1,000,000	1,000,000
Net assets restricted in perpetuity	3,027,630	3,026,880
Board designated net assets	2,034,896	4,283,213
Net assets with restrictions	57,755,704	45,069,930
Less net assets with purpose restrictions to be met in less than twelve months	<u>(23,328,476)</u>	<u>(21,300,000)</u>
	<u>40,489,754</u>	<u>32,080,023</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 26,499,383</u></u>	<u><u>\$ 28,096,281</u></u>

Re:wild's goal is generally to maintain financial assets to meet 90 days of operating expenses. To achieve this target, the entity creates a yearly budget with periodic reviews, forecasts future cash flows, monitors its liquidity quarterly, and monitors its reserves annually.

Re:wild receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures.

16. CURRENT ENVIRONMENT

During March of 2020, the Covid 19 pandemic reached the state of Texas and began its effect on organizations. Re:wild has adapted to the new work environment that Covid has prompted and continues to be able to operate effectively. Revenues for the year have been negatively impacted, and Re:wild is relying on its reserves and a PPP loan to mitigate those losses. Covid 19 has also changed how many employees work as global travel came to a halt. Re:wild works with local partners around the globe and has been able to maximize its conservation impact even in the midst of a global pandemic by relying on these local organizations to continue to implement conservation work.

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17. SUBSEQUENT EVENTS

In September 2021, the PPP loan obtained by Re:wild was fully forgiven by the U.S. Small Business Administration.