

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

JUNE 30, 2023 AND 2022

RE:WILD
(A Nonprofit Corporation)

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Independent Auditors' Report

Board of Directors
Re:wild
Austin, Texas

Opinion

We have audited the accompanying consolidated financial statements of Re:wild, which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Re:wild as of June 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report. We are required to be independent of Re:wild and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Re:wild's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated 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 Re:wild'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Re:wild'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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Atchley & Associates LLP

Austin, Texas

November 7, 2023

RE:WILD
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

| | 2023 | 2022 |
|-----------------------------------|---------------|---------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 1,271,798 | \$ 7,924,286 |
| Short term investments | 63,137,367 | 55,298,460 |
| Assets held for sale | 945,000 | 945,000 |
| Contributions receivable | 120,050 | 850 |
| Prepaid expenses | 305,482 | 80,428 |
| Total current assets | 65,779,697 | 64,249,024 |
| Non-current assets | | |
| Program related investment | 450,720 | 1,000,000 |
| Long term investments | 10,978,194 | 10,542,287 |
| Total assets | \$ 77,208,611 | \$ 75,791,311 |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Accrued liabilities | \$ 366,509 | \$ 741,116 |
| Current portion of long-term debt | - | - |
| Total current liabilities | 366,509 | 741,116 |
| Long-term debt | 8,252,734 | 8,000,000 |
| Total liabilities | 8,619,243 | 8,741,116 |
| Net assets | | |
| Without donor restrictions: | | |
| Undesignated | 4,523,405 | 7,512,473 |
| Board designated | 1,638,674 | 1,512,882 |
| Total without donor restrictions | 6,162,079 | 9,025,355 |
| With donor restrictions: | | |
| For time or purpose | 59,399,659 | 54,997,210 |
| In perpetuity | 3,027,630 | 3,027,630 |
| Total with donor restrictions | 62,427,289 | 58,024,840 |
| Total net assets | 68,589,368 | 67,050,195 |
| Total liabilities and net assets | \$ 77,208,611 | \$ 75,791,311 |

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

RE: WILD
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

| | Without Donor Restrictions | With Donor Restrictions | | Total |
|---|-------------------------------|-------------------------|---------------|---------------|
| | | For Time or Purpose | In Perpetuity | |
| Revenues | | | | |
| Contributions and grants | \$ 1,536,059 | \$ 47,579,366 | \$ - | \$ 49,115,425 |
| Contributed nonfinancial assets | 474,385 | - | - | 474,385 |
| Investment return, net | 1,959,989 | 327,692 | - | 2,287,681 |
| Advertising revenue | 1,766,872 | - | - | 1,766,872 |
| Other revenue | 1,145 | 1,922,851 | - | 1,923,996 |
| Total revenues | 5,738,450 | 49,829,909 | - | 55,568,359 |
| Net assets released from restrictions | 45,427,460 | (45,427,460) | - | - |
| Total revenues and net assets released from restrictions | 51,165,910 | 4,402,449 | - | 55,568,359 |
| Expenses | | | | |
| Program services | 50,946,913 | - | - | 50,946,913 |
| General and administrative | 2,032,399 | - | - | 2,032,399 |
| Fundraising | 1,049,874 | - | - | 1,049,874 |
| Total expenses | 54,029,186 | - | - | 54,029,186 |
| Change in net assets | (2,863,276) | 4,402,449 | - | 1,539,173 |
| Net assets at beginning of year | 9,025,355 | 54,997,210 | 3,027,630 | 67,050,195 |
| Net assets at end of year | \$ 6,162,079 | \$ 59,399,659 | \$ 3,027,630 | \$ 68,589,368 |

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

RE: WILD
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

| | Without Donor Restrictions | With Donor Restrictions | | Total |
|---|-------------------------------|-------------------------|---------------|---------------|
| | | For Time or Purpose | In Perpetuity | |
| Revenues | | | | |
| Contributions and grants | \$ 8,986,497 | \$ 53,679,729 | \$ - | \$ 62,666,226 |
| Contributed nonfinancial assets | 901,400 | - | - | 901,400 |
| Investment return, net | (835,012) | (389,807) | - | (1,224,819) |
| Advertising revenue | 1,363,974 | - | - | 1,363,974 |
| Other revenue | 706,938 | - | - | 706,938 |
| Total revenues | 11,123,797 | 53,289,922 | - | 64,413,719 |
| Net assets released from restrictions | 56,048,416 | (56,048,416) | - | - |
| Total revenues and net assets released from restrictions | 67,172,213 | (2,758,494) | - | 64,413,719 |
| Expenses | | | | |
| Program services | 59,718,954 | - | - | 59,718,954 |
| General and administrative | 3,861,632 | - | - | 3,861,632 |
| Fundraising | 800,760 | - | - | 800,760 |
| Total expenses | 64,381,346 | - | - | 64,381,346 |
| Change in net assets | 2,790,867 | (2,758,494) | - | 32,373 |
| Net assets at beginning of year | 6,234,488 | 57,755,704 | 3,027,630 | 67,017,822 |
| Net assets at end of year | \$ 9,025,355 | \$ 54,997,210 | \$ 3,027,630 | \$ 67,050,195 |

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

RE:WILD
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

| | Program Services | General and Administrative | Fundraising | For-Profit Subsidiary | Total |
|--------------------------|----------------------|----------------------------|---------------------|-----------------------|----------------------|
| Corporate services | \$ 212,692 | \$ 594,555 | \$ 26,500 | \$ - | \$ 833,747 |
| Contract services | 5,919,032 | 124,122 | 175,645 | 567,641 | 6,786,440 |
| Grants and awards | 34,624,506 | - | - | - | 34,624,506 |
| Facilities and equipment | 28,869 | 79,374 | - | 46,752 | 154,995 |
| Communications | 333,477 | 187,014 | 4,246 | - | 524,737 |
| Supplies | 114,610 | 59,335 | 955 | 20,754 | 195,654 |
| Other expenses | 304,388 | 74,858 | 64,063 | 146,410 | 589,719 |
| Payroll expenses | 5,736,740 | 861,649 | 745,759 | 1,133,218 | 8,477,366 |
| Travel and meetings | 1,682,396 | 51,492 | 32,706 | 75,428 | 1,842,022 |
| Total expenses | \$ 48,956,710 | \$ 2,032,399 | \$ 1,049,874 | \$ 1,990,203 | \$ 54,029,186 |

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

RE:WILD
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

| | Program Services | General and Administrative | Fundraising | For-Profit Subsidiary | Total |
|--------------------------|------------------|----------------------------|-------------|-----------------------|---------------|
| Corporate services | \$ 153,895 | \$ 1,241,970 | \$ 26,450 | \$ - | \$ 1,422,315 |
| Contract services | 3,331,036 | 137,697 | 38,211 | 209,769 | 3,716,713 |
| Grants and awards | 42,664,575 | 6,150 | - | - | 42,670,725 |
| Facilities and equipment | - | 65,543 | - | 50,407 | 115,950 |
| Communications | 161,757 | 221,009 | 2,427 | - | 385,193 |
| Supplies | 147,187 | 49,945 | 128 | 11,451 | 208,711 |
| Other expenses | 7,541,236 | 188,884 | 213 | 23,037 | 7,753,370 |
| Payroll expenses | 4,061,497 | 1,921,314 | 704,474 | 614,017 | 7,301,302 |
| Travel and meetings | 673,550 | 29,120 | 28,857 | 75,540 | 807,067 |
| Total expenses | \$ 58,734,733 | \$ 3,861,632 | \$ 800,760 | \$ 984,221 | \$ 64,381,346 |

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

RE:WILD
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

| | 2023 | 2022 |
|--|--------------|--------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 1,539,173 | \$ 32,373 |
| Adjustments to reconcile change in net assets to net cash from operating activities: | | |
| (Gains)/losses on investments | (8,772) | 1,778,436 |
| Donation of stock | (11,668,530) | (29,936,070) |
| Forgiveness of program related investment | 549,280 | |
| Forgiveness of debt | - | (664,000) |
| Change in assets and liabilities: | | |
| Contributions receivable | (119,200) | 10,113,310 |
| Prepaid expenses | (225,054) | (17,350) |
| Accrued liabilities | (374,607) | 425,723 |
| Net cash flows from operating activities | (10,307,710) | (18,267,578) |
| Cash flows from investing activities: | | |
| Purchases of investments | (3,441,196) | (8,123,489) |
| Proceeds from sale of investments | 6,843,684 | 10,742,679 |
| Net cash flows from investing activities | 3,402,488 | 2,619,190 |
| Cash flows from financing activities: | | |
| Proceeds from notes payable | 252,734 | 8,000,000 |
| Net cash flows from financing activities | 252,734 | 8,000,000 |
| Net change in cash and cash equivalents | (6,652,488) | (7,648,388) |
| Cash and cash equivalents, beginning of year | 7,924,286 | 15,572,674 |
| Cash and cash equivalents, end of year | \$ 1,271,798 | \$ 7,924,286 |
| Supplemental information | | |
| Interest paid | \$ 825 | \$ - |
| Taxes paid | \$ 20,717 | \$ 225 |

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

RE:WILD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

1. ORGANIZATION

Re:wild protects and restores the wild. We do this because the solutions to our most pressing challenges — climate change, biodiversity loss and threats to human health — lie in nature. Re:wild works with 500+ partners, most of whom are Indigenous peoples and local communities, in more than 80 countries. Our work conserves more than 460 million acres of the wild in over 300 areas around the world, storing more than 75 gigatons of carbon. Re:wild and partners are driving targeted conservation action for nearly 200 threatened species, and more than 33,000 species benefit from our site-based conservation work. Learn more at rewild.org.

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. Rewild Colombia Corp has no activity and is not included in these consolidated financial statements. On May 10, 2021, 52HZ, Inc., a Delaware Corporation, was established as a wholly-owned subsidiary of Lonely Whale, LLC and their activity is included in these consolidated financial statements.

As noted above, the accompanying consolidated financial statements include the operations of Re:wild, Lonely Whale, LLC, and 52HZ, Inc. (collectively referred to as Re:wild). All interorganizational transactions have been eliminated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Accounting - Re:wild's consolidated 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 consolidated 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.

Revenue Recognition - 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, 2023 and 2022, 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.

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.

RE:WILD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue Recognition - continued

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.

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.

RE:WILD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Federal Income Taxes - Re:wild is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). 52HZ, Inc. is a taxable corporation for federal and state income tax purposes. It files annual federal and state tax returns based on its calendar year end. 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, 2023 and 2022. 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.

Significant Accounting Pronouncements - Effective July 1, 2022, Re:wild adopted the new lease accounting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. Re:wild has elected the package of practical expedients permitted in FASB Accounting Standards Codification (ASC) Topic 842. As of June 30, 2023, Re:wild has no operating leases.

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

RE:WILD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

3. INVESTMENTS

The following table summarized investments reported on the consolidated statements of financial position at their fair value and cost as of June 30, 2023 and 2022, by level within the fair value measurement hierarchy.

| 2023 | Cost | Level 1 Fair Value | Unrealized Appreciation (Depreciation) |
|---------------------------|----------------------|-----------------------|--|
| Cash and cash equivalents | \$ 8,578,521 | \$ 8,578,521 | \$ - |
| Certificates of deposit | 9,545,762 | 9,005,163 | (540,599) |
| Municipal bonds | 1,164,362 | 1,158,376 | (5,986) |
| Equities | 1,836,601 | 2,390,403 | 553,802 |
| Mutual funds | 18,736,779 | 23,733,123 | 4,996,344 |
| Corporate bonds | 29,364,092 | 29,249,975 | (114,117) |
| Total investments | <u>\$ 69,226,117</u> | <u>\$ 74,115,561</u> | <u>\$ 4,889,444</u> |

| 2022 | Cost | Level 1 Fair Value | Unrealized Appreciation (Depreciation) |
|---------------------------|----------------------|-----------------------|--|
| Cash and cash equivalents | \$ 264,219 | \$ 275,326 | \$ 11,107 |
| Certificates of deposit | 10,516,554 | 10,156,776 | (359,778) |
| Equities | 1,806,113 | 2,281,775 | 475,662 |
| Mutual funds | 21,336,234 | 26,032,975 | 4,696,741 |
| Corporate bonds | 27,281,663 | 27,093,895 | (187,768) |
| Total investments | <u>\$ 61,204,783</u> | <u>\$ 65,840,747</u> | <u>\$ 4,635,964</u> |

The following schedule summarizes the investment earnings and its classification in the consolidated statements of activities for the years ended June 30, 2023 and 2022:

| | 2023 | 2022 |
|--|---------------------|-----------------------|
| Interest and dividends | \$ 2,294,919 | \$ 572,250 |
| Unrealized and realized gains (losses) | 8,772 | (1,778,436) |
| Investment management fees | (16,010) | (18,633) |
| Investment return, net | <u>\$ 2,287,681</u> | <u>\$ (1,224,819)</u> |

RE:WILD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

4. PROGRAM RELATED INVESTMENT

At June 30, 2023 and 2022, 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 2022. Re:wild regularly monitors the loan by reviewing the borrower's financial standing through financial covenants. Effective July 1, 2022, this loan was amended to mature on October 31, 2024, and the amount is being reduced to \$450,720 with Re:wild forgiving 52% of the loan balance.

5. ASSETS HELD FOR SALE

The following schedule summarizes the assets held for sale as of June 30, 2023 and 2022:

| | 2023 | 2022 |
|----------------------------------|------------|------------|
| 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.

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, 2023, the cash deposits exceeded Federal Deposit Insurance Corporation by \$795,269. 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.

RE:WILD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

7. LONG-TERM DEBT

A summary of long-term debt as June 30, 2023 and 2022, follows:

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|
| Note payable dated December 8, 2021, in the original amount of \$8,000,000, at an interest rate of 2% with quarterly interest only payments or increasing the principal amount for interest not paid. This note matures on December 8, 2026, where the full amount of unpaid principal and interest are due. | \$ 8,252,734 | \$ 8,000,000 |
| Less current installments of long-term debt | - | - |
| Long-term debt, excluding current installments | <u>\$ 8,252,734</u> | <u>\$ 8,000,000</u> |

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

| | |
|------|---------------------|
| 2027 | <u>\$ 8,252,734</u> |
|------|---------------------|

8. CONTRIBUTED NONFINANCIAL ASSETS

Re:wild received the following contributed nonfinancial assets included in the consolidated statements of activities for during the years ended June 30, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|---|-------------------|-------------------|
| Donated services including professional fees for legal and accounting | \$ 474,385 | \$ 901,400 |
| Total contributed nonfinancial assets | <u>\$ 474,385</u> | <u>\$ 901,400</u> |

Donated services are comprised of professional services from attorneys advising Re:wild on various administrative legal matters. Donated services are valued and reported at the estimated fair value in the financial statements based on current rates for similar legal services.

RE:WILD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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.

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, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|
| Walter Steven Sechrest Endowment for Wildlife Protection | \$ 3,012,411 | \$ 2,817,834 |
| Habitat for Biodiversity Endowment | 49,931 | 44,277 |
| Small Wild Cat Endowment | <u>2,426,807</u> | <u>2,338,492</u> |
| | <u>\$ 5,489,149</u> | <u>\$ 5,200,603</u> |

RE:WILD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

9. ENDOWMENTS - CONTINUED

Changes in endowment net assets were as follows for the year ended June 30, 2023:

| | Without Donor | | With Donor Restrictions | | Total |
|------------------------|---------------------|-------------------------|-------------------------|---------------------|-------|
| | Restrictions | With Donor Restrictions | | Total | |
| | Board Designated | For Time or Purpose | In Perpetuity | | |
| Beginning balance | \$ 1,402,699 | \$ 770,274 | \$ 3,027,630 | \$ 5,200,603 | |
| Contributions | - | - | - | - | |
| Investment return, net | 125,792 | 300,344 | - | 426,136 | |
| Appropriated | - | (137,590) | - | (137,590) | |
| Ending balance | <u>\$ 1,528,491</u> | <u>\$ 933,028</u> | <u>\$ 3,027,630</u> | <u>\$ 5,489,149</u> | |

Changes in endowment net assets were as follows for the year ended June 30, 2022:

| | Without Donor | | With Donor Restrictions | | Total |
|------------------------|---------------------|-------------------------|-------------------------|---------------------|-------|
| | Restrictions | With Donor Restrictions | | Total | |
| | Board Designated | For Time or Purpose | In Perpetuity | | |
| Beginning balance | \$ 1,540,661 | \$ 1,339,821 | \$ 3,027,630 | \$ 5,908,112 | |
| Contributions | - | - | - | - | |
| Investment return, net | (137,962) | (389,807) | - | (527,769) | |
| Appropriated | - | (179,740) | - | (179,740) | |
| Ending balance | <u>\$ 1,402,699</u> | <u>\$ 770,274</u> | <u>\$ 3,027,630</u> | <u>\$ 5,200,603</u> | |

RE:WILD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

10. NET ASSETS

Net assets with donor restrictions were restricted for the following purposes as of June 30, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|--|----------------------|----------------------|
| Amazon protection | \$ 6,943,763 | \$ 575,428 |
| Andes | 18,509,543 | 23,942,296 |
| Argentina | 1,518,323 | 1,038,923 |
| Carbon initiatives | 3,037,786 | - |
| Center for Global Conservation | 5,000,000 | 5,000,000 |
| Eastern Tropical Pacific | 6,684,857 | 4,077,813 |
| Galapagos | 1,131,858 | 4,879,663 |
| General conservation | 6,448,582 | 7,524,544 |
| Guardians/Capacity Building | 274,157 | 205,156 |
| Habitat conservation | 1,593,982 | 393,083 |
| Office of the chief conservation officer | 967,193 | 1,474,740 |
| Other | 84,637 | - |
| Species Survival Commission | 1,299,176 | 734,877 |
| Wildlife protection: | | |
| Primates | 2,451,384 | 1,769,894 |
| Other species | 1,455,590 | 1,505,599 |
| Elephants | 772,084 | 856,781 |
| Antipoaching | 706,232 | 659,151 |
| Amphibians | 520,512 | 359,262 |
| | <u>\$ 59,399,659</u> | <u>\$ 54,997,210</u> |

Net assets with donor restrictions in perpetuity were restricted for the following purposes as of June 30, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|
| Walter Steven Sechrest Endowment for Wildlife Protection | \$ 1,310,258 | \$ 1,310,258 |
| Habitat for Biodiversity Endowment | 30,705 | 30,705 |
| Small Wild Cat Endowment | 1,686,667 | 1,686,667 |
| | <u>\$ 3,027,630</u> | <u>\$ 3,027,630</u> |

RE:WILD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

10. NET ASSETS - CONTINUED

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, 2023 and 2022, and their stipulated purposes were as follows:

| | 2023 | 2022 |
|----------------|--------------|--------------|
| Endowments | \$ 1,528,491 | \$ 1,402,699 |
| Sumatran rhino | 110,183 | 110,183 |
| | \$ 1,638,674 | \$ 1,512,882 |

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, 2023 and 2022, contributions from one donor were 20% and 46% of total contributions revenue, respectively.

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 \$101,304 and \$97,860, for the years ending June 30, 2023 and 2022, 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 \$134,503 and \$151,999 to Re:wild during the years ended June 30, 2023 and 2022, respectively.

RE:WILD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

14. AVAILABILITY AND LIQUIDITY

The following represents Re:wild's financial assets at June 30, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|--|-----------------------------|-----------------------------|
| Financial assets at year end: | | |
| Cash and cash equivalents | \$ 1,271,798 | \$ 7,924,286 |
| Short term investments | 63,137,367 | 55,298,460 |
| Contributions and grants receivable | 120,050 | 850 |
| Program related investment | 450,720 | 1,000,000 |
| Long term investments | 10,978,194 | 10,542,287 |
| | <u>75,958,129</u> | <u>74,765,883</u> |
| Less amounts not available to be used within one year: | | |
| Program related investment | 450,720 | 1,000,000 |
| Net assets restricted in perpetuity | 3,027,630 | 3,027,630 |
| Board designated net assets | 1,638,674 | 1,512,882 |
| Net assets with restrictions | 59,399,659 | 54,997,210 |
| Less net assets with purpose restrictions to be met in less than twelve months | <u>(18,968,724)</u> | <u>(23,328,476)</u> |
| | <u>45,547,959</u> | <u>37,209,246</u> |
| Financial assets available to meet general expenditures over the next twelve months | <u><u>\$ 30,410,170</u></u> | <u><u>\$ 37,556,637</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.

SUPPLEMENTARY INFORMATION

RE:WILD
SUPPLEMENTARY SCHEDULE - CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

| | <u>Re:wild</u> | <u>Lonely Whale, LLC</u> | <u>Eliminations</u> | <u>Consolidated</u> |
|-----------------------------------|----------------------------|------------------------------|---------------------|----------------------|
| | ASSETS | | | |
| Current assets | | | | |
| Cash and cash equivalents | \$ 1,092,774 | \$ 179,024 | \$ - | \$ 1,271,798 |
| Short term investments | 63,137,367 | - | - | 63,137,367 |
| Assets held for sale | 945,000 | - | - | 945,000 |
| Contributions receivable | 47,790 | 72,260 | - | 120,050 |
| Prepaid expenses | 305,482 | - | - | 305,482 |
| Total current assets | <u>65,528,413</u> | <u>251,284</u> | <u>-</u> | <u>65,779,697</u> |
| Non-current assets | | | | |
| Program related investment | 450,720 | - | - | 450,720 |
| Long term investments | <u>10,978,194</u> | <u>-</u> | <u>-</u> | <u>10,978,194</u> |
| Total assets | <u>\$ 76,957,327</u> | <u>\$ 251,284</u> | <u>\$ -</u> | <u>\$ 77,208,611</u> |
| | LIABILITIES AND NET ASSETS | | | |
| Current liabilities | | | | |
| Accrued liabilities | \$ 271,647 | \$ 94,862 | \$ - | \$ 366,509 |
| Current portion of long-term debt | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total current liabilities | <u>271,647</u> | <u>94,862</u> | <u>-</u> | <u>366,509</u> |
| Long-term debt | <u>8,252,734</u> | <u>-</u> | <u>-</u> | <u>8,252,734</u> |
| Total liabilities | <u>8,524,381</u> | <u>94,862</u> | <u>-</u> | <u>8,619,243</u> |
| Net assets | | | | |
| Without donor restrictions | | | | |
| Undesignated | 4,366,983 | 156,422 | - | 4,523,405 |
| Board designated | <u>1,638,674</u> | <u>-</u> | <u>-</u> | <u>1,638,674</u> |
| Total without donor restrictions: | <u>6,005,657</u> | <u>156,422</u> | <u>-</u> | <u>6,162,079</u> |
| With donor restrictions | | | | |
| For time or purpose | 59,399,659 | - | - | 59,399,659 |
| In perpetuity | <u>3,027,630</u> | <u>-</u> | <u>-</u> | <u>3,027,630</u> |
| Total with donor restrictions: | <u>62,427,289</u> | <u>-</u> | <u>-</u> | <u>62,427,289</u> |
| Total net assets | <u>68,432,946</u> | <u>156,422</u> | <u>-</u> | <u>68,589,368</u> |
| Total liabilities and net assets | <u>\$ 76,957,327</u> | <u>\$ 251,284</u> | <u>\$ -</u> | <u>\$ 77,208,611</u> |

RE: WILD
SUPPLEMENTARY SCHEDULE - CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

| | Re:wild | | | | | Eliminations | Total |
|---|----------------------------|---|---------------|-------------------|-------------------|--------------|-------------------|
| | Without Donor Restrictions | With Donor Restrictions For Time or Purpose | In Perpetuity | Total | Lonely Whale, LLC | | |
| Revenues | | | | | | | |
| Contributions and grants | \$ 1,536,059 | \$ 47,579,366 | \$ - | \$ 49,115,425 | \$ - | \$ - | \$ 49,115,425 |
| In-kind contributions | 474,385 | - | - | 474,385 | - | - | 474,385 |
| Investment return, net | 1,959,989 | 327,692 | - | 2,287,681 | - | - | 2,287,681 |
| Advertising revenue | - | - | - | - | 1,766,872 | - | 1,766,872 |
| Other revenue | 1,145 | 1,922,851 | - | 1,923,996 | - | - | 1,923,996 |
| Total revenues | 3,971,578 | 49,829,909 | - | 53,801,487 | 1,766,872 | - | 55,568,359 |
| Net assets released from restrictions | 45,427,460 | (45,427,460) | - | - | - | - | - |
| Total revenues and net assets released from restrictions | 49,399,038 | 4,402,449 | - | 53,801,487 | 1,766,872 | - | 55,568,359 |
| Expenses | | | | | | | |
| Program services | 48,956,710 | - | - | 48,956,710 | 1,990,203 | - | 50,946,913 |
| General and administrative | 2,032,399 | - | - | 2,032,399 | - | - | 2,032,399 |
| Fundraising | 1,049,874 | - | - | 1,049,874 | - | - | 1,049,874 |
| Total expenses | 52,038,983 | - | - | 52,038,983 | 1,990,203 | - | 54,029,186 |
| Change in net assets | (2,639,945) | 4,402,449 | - | 1,762,504 | (223,331) | - | 1,539,173 |
| Net assets at beginning of year | 8,645,602 | 54,997,210 | 3,027,630 | 66,670,442 | 379,753 | - | 67,050,195 |
| Net assets at end of year | \$ 6,005,657 | \$ 59,399,659 | \$ 3,027,630 | \$ 68,432,946 | \$ 156,422 | \$ - | \$ 68,589,368 |