WILD EARTH ALLIES

FINANCIAL STATEMENTS

DECEMBER 31, 2016

KRONZEK, FISHER & LOPEZ, PLLC
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Wild Earth Allies
Chevy Chase, MD

We have audited the accompanying financial statements of Wild Earth Allies (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wild Earth Allies as of December 31, 2016, 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.

Kronzek, Fisher & Lopez, PLLC

KRONZEK, FISHER & LOPEZ, PLLC
Washington, DC
September 7, 2017

WILD EARTH ALLIES

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 1,633,425
Receivables	1,556,742
Prepaid expenses	16,390
	3,206,557
OTHER ASSETS	
Intangible assets, net	62,292
Deposits	16,071
	78,363
TOTAL ASSETS	$ 3,284,920

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable & accrued expenses	$ 143,936
Due to field	579,880
Deferred rent	850
Security deposit held	850
Deferred lease obligation - Current portion (See Note 6)	26,467
	751,983
NON CURRENT LIABILITIES	
Deferred lease obligation - Non-current portion (See Note 6)	16,242
TOTAL LIABILITIES	768,225
NET ASSETS	
Unrestricted	282,265
Temporarily restricted	2,234,430
TOTAL NET ASSETS	2,516,695
TOTAL LIABILITIES AND NET ASSETS	$ 3,284,920

See accompanying notes to financial statements.

WILD EARTH ALLIES

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2016

	Unrestricted	Temporarily Restricted	Total
REVENUE			
Grants & contributions	$ 988,860	$ 794,508	$ 1,783,368
Contract revenue	11,625	-	11,625
Rental income	1,700	-	1,700
Interest income	233	-	233
	1,002,418	794,508	1,796,926
Net assets released from:			
Satisfaction of program restrictions	4,055,206	(4,055,206)	-
Total revenue	5,057,624	(3,260,698)	1,796,926
EXPENSES			
Program Services			
Africa	965,878	-	965,878
Americas	747,530	-	747,530
Asia Pacific	2,782,331	-	2,782,331
Eurasia	99,070	-	99,070
Global Programs	127,498	-	127,498
Total program expenses	4,722,307	-	4,722,307
Support Services			
General & Administrative	302,327	-	302,327
Fundraising	59,911	-	59,911
Total support services	362,238	-	362,238
Total expenses	5,084,545	-	5,084,545
CHANGE IN NET ASSETS	(26,921)	(3,260,698)	(3,287,619)
Beginning net assets	309,186	5,495,128	5,804,314
Ending net assets	$ 282,265	$ 2,234,430	$ 2,516,695

See accompanying notes to financial statements.

WILD EARTH ALLIES

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2016

	Africa	Americas	Asia Pacific	Eurasia	Global Programs	Total Program	Gen. & Admin.	Fdrsg.	Total Expenses
Salaries	$ 134,398	$ 89,723	$ 393,886	$ 11,209	$ 14,180	$ 643,396	$ 61,740	$ 30,895	$ 736,031
Payroll txs & benefits	27,556	21,326	79,377	2,826	3,638	134,723	15,849	7,925	158,497
Consultants	27,590	21,353	79,478	2,830	3,642	134,893	15,870	7,935	158,698
Professional fees						-	173,050		173,050
Field projects	730,588	579,726	2,097,817	77,514	100,000	3,585,645	-	-	3,585,645
Travel/meetings/wkshps	5,576	4,316	16,063	572	736	27,263	3,207	1,604	32,074
Supplies	3,001	2,322	8,644	308	396	14,671	1,726	863	17,260
Printing & duplicating	1,067	826	3,073	109	141	5,216	614	307	6,137
Postage & shipping	601	465	1,732	62	79	2,939	346	173	3,458
Occupancy	30,617	23,695	88,195	3,140	4,041	149,688	17,611	8,805	176,104
Communications	2,228	1,724	6,417	228	294	10,891	1,280	641	12,812
Insurance						-	6,558		6,558
License & registrations	763	590	2,197	78	101	3,729	439	219	4,387
Amortization expense	471	364	1,356	48	62	2,301	272	135	2,708
Miscellaneous	1,422	1,100	4,096	146	188	6,952	3,765	409	11,126
Totals	$ 965,878	$ 747,530	$ 2,782,331	$ 99,070	$ 127,498	$ 4,722,307	$ 302,327	$ 59,911	$ 5,084,545

See accompanying notes to financial statements.

WILD EARTH ALLIES

STATEMENT OF CASH FLOWS

DECEMBER 31, 2016

Cash flows from operating activities:	
Cash received from grants & contributions	$ 3,466,742
Cash received from contract revenue	11,625
Cash received from rental income	2,550
Interest received	233
Cash paid to employees and vendors	(4,461,392)
Net cash used by operating activities	(980,242)
Cash flows from investing activities:	
Cash paid for website development and branding costs	(65,000)
Net decrease in cash and cash equivalents	(1,045,242)
Cash and cash equivalents - January 1, 2016	2,678,667
Cash and cash equivalents - December 31, 2016	$ 1,633,425

Reconciliation of decrease in net assets to net cash used by operating activities:

Decrease in net assets	$ (3,287,619)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Amortization	2,708
Changes in assets and liabilities:	
Decrease in receivables	1,683,374
Decrease in advances to field	34,312
Decrease in prepaid expenses	10,772
Decrease in deposits	1,200
Decrease in accounts payable and accrued expenses	(21,323)
Increase in due to field	579,880
Increase in deferred rent	850
Increase in security deposit held	850
Increase in deferred lease obligation	14,754
Net cash used by operating activities	$ (980,242)

See accompanying notes to financial statements.

NOTE 1 - ORGANIZATION

Wild Earth Allies is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is publicly supported under the IRC Section 170(b)(1)(A)(vi). The organization was founded in 1981, and in 2016 changed its name to Wild Earth Allies from Fauna & Flora, International, Inc. As Wild Earth Allies, the Organization now focuses both on direct implementation and working through a global network of partners on biodiversity conservation, rather than through their historic collaboration with Fauna & Flora International (FFI) headquartered in Cambridge, UK. In 2016, Wild Earth Allies focused on developing new partnerships and expending prior-year restricted revenue associated with FFI projects, not on revenue generation. Accordingly, in 2016, Wild Earth Allies has experienced an expected and temporary decline in revenue compared to previous years. Moving forward, new revenue will reflect Wild Earth Allies program priorities and partnerships around the world, including in the United States.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America for not-for-profit organizations.

Basis of Presentation – The financial statement presentation follows the provisions of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Revenue Recognition – Grants and contributions are recognized when an unconditional grant or contribution has been awarded, or when the organization has satisfied the requirements of the condition. Grants and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence of any donor restrictions.

Unrestricted grants & contributions are recognized in the unrestricted fund when awarded. Grants and contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets. When the provisions of the restriction have been met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The organization had no permanently restricted grants

Equipment & furniture – The organization's policy is to record equipment & furniture at cost, however, to date there have been no items capitalized. Depreciation is determined by the straight-line method based on an estimated useful life of three to seven years.

Intangible Assets – Intangible assets consist of costs related to branding and the design and development of the organization's website, net of accumulated amortization. Amortization began in November 2016, when the website was available for use as intended by management. The website is being amortized over an estimated useful life of three years. Costs associated with maintaining the website are expensed as incurred.

Cash and Cash Equivalents – The organization considers cash equivalents to be highly liquid investments with original maturities at time of purchase of less than 90 days.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments - The financial instruments of the organization are reported on the statement of financial position at market or fair values, or at carrying amounts that approximate fair values because of the short maturity of the instruments. See Note 7 for a description of financial instruments carried at fair value.

Investments – The organization reports under ASC 320 Investments Debt & Equity Securities. Under ASC 320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Functional expenses – The organization accounts for its expenses on a functional basis. Functional expenses include certain allocated overhead costs (occupancy, telephone, insurance, etc.)

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

NOTE 3 – RETIREMENT PLAN

The organization contributed 10% of all eligible employees' salary into a Safe Harbor 401(k) retirement plan for 2016. The Board reviews employer contributions to this plan annually, against a legal requirement to contribute a mandatory 3% for eligible participants. The organization's employer contributions for 2016 were $63,733.

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

Africa	$ 435,297
Americas	398,792
Asia Pacific	1,264,718
Eurasia	67,423
Global Programs	68,200
Total	$2,234,430

Net assets were released from donor restrictions by incurring expenses satisfying the purpose of time or program restrictions specified by donors as follows:

Purpose restriction accomplished:

Africa	$ 861,681
Americas	654,689
Asia Pacific	2,450,102
Eurasia	88,454
Global Programs	280
Total	$4,055,206

NOTE 5 – CONCENTRATION OF CREDIT RISK

The organization maintains cash balances in excess of $250,000 in accounts, which are insured by the Federal Deposit Insurance Corporation up to $250,000. At December 31, 2016, the organization's cash balance in excess of FDIC insurance totaled $1,133,425.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

Effective October, 2015, the organization moved and began subleasing office space at 2 Wisconsin Circle, Suite 900, Chevy Chase, MD through June 30, 2018. Monthly base rent payments under the new lease were abated 100% for October 2015, November 2015, October 2016 and November 2016. The total rent abatement $65,569 is being recognized and amortized over the life of the lease as a reduction to rent expense.

The organization's minimum lease commitment as of December 31, 2016 contained in the lease is as follows:

For the fiscal year ending –	
December 31, 2017	$ 202,571
December 31, 2018	104,295
Total	$ 306,866

Monthly rent expense being recognized over the lease on a straight line basis is $14,675 ($484,289 divided by 33 months). The difference between this amount recognized and paid is being adjusted to deferred lease obligation throughout the term of the lease. The balance in the deferred lease obligation was $42,709 as of December 31, 2016.

Rent expense for the year ending December 31, 2016 was $176,104.

NOTE 7 – FAIR VALUE MEASUREMENTS

The organization follows FASB ASC 820-10 for financial assets (and liabilities) measured on a recurring basis, as amended. FASB ASC 820-10 clarifies fair value, establishes a framework for measuring fair value under generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. FASB ASC 820-10 emphasizes that fair value is a market based measurement, not an entity-specific measurement and, therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, FASB ASC 820-10 established a fair value hierarchy based upon the transparency of the inputs to the valuation of an asset or liability. These inputs may be observable, whereby the market participant assumptions are developed based on market data obtained from independent sources, and unobservable, whereby assumptions about market participant assumptions are developed by the reporting entity based on the best information available in the circumstances. The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

> Level 1 – inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.

NOTE 7 – FAIR VALUE MEASUREMENTS (CONTINUED)

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset and liability, either directly or indirectly, through corroboration with observable market data (market corroborated inputs).

Level 3 – unobservable inputs for the asset or liability including inputs that reflect the reporting entity's own assumptions in determining the fair value measurements.

As of December 31, 2016 the Organization did not have any assets and liabilities that are measured at fair value on a recurring basis.

NOTE 8 – INCOME TAXES

The organization is exempt from income taxes under Internal Revenue Code 501(c)(3) and applicable DC statutes. No provision for income taxes is required at December 31, 2016, as the Organization had no net unrelated business income.

The organization follows FASB ASC 740 Income Taxes, the authoritative guidance relating to accounting for uncertainty in income taxes. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and de-recognition of tax positions taken or expected to be taken in a tax return. The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2016, and determined that there were no matters that would require recognition in the financial statements or which may have any effect on its tax-exempt status. As of December 31, 2016, the statute of limitations for tax years 2013 through 2015 remains open with federal and state authorities.

NOTE 9 – SUBSEQUENT EVENTS

The organization's management has evaluated subsequent events through September 7, 2017, the date the financial statements were available to be issued. There were no subsequent events identified through September 7, 2017, which were required to be disclosed in these financial statements.