

Financial Report



December 31, 2019

Contents

	<u>Page</u>
Independent Auditor's Report on the Consolidated Financial Statements	1
Financial Statements	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7
Supplementary Information	
Supplemental Consolidating Statement of Financial Position	13
Supplemental Consolidating Statement of Activities	14



INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Board of Directors
WILDCOAST and Subsidiary
San Diego, California

We have audited the accompanying consolidated financial statements of WILDCOAST and its subsidiary, Costasalvaje, which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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 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 consolidated financial statements based on our audit. We did not audit the financial statements of Costasalvaje, the subsidiary, which statements reflect total assets of \$8,556,961 as of December 31, 2019, and the total support and revenues of \$248,227 for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Costasalvaje, is based solely on the report of the other auditors. 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, based on our audit and the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of WILDCOAST and its subsidiary as of December 31, 2019, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We and other auditors have previously audited WILDCOAST's, and subsidiary, Costasalvaje's, 2018 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated July 26, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary statements on pages 13 and 14 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 related 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.



WEST RHODE & ROBERTS

San Diego, California
November 12, 2020

WILDCOAST AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2019
(With Summarized Financial Information for December 31, 2018)

	2019	2018 (Note 11)
ASSETS		
Cash and cash equivalents	\$ 1,882,688	\$ 1,615,498
Receivables	155,857	200,000
Prepaid expenses	9,214	7,367
Land and land interests	8,479,205	8,471,358
Property and equipment, net	91,887	117,161
Total assets	\$ 10,618,851	\$ 10,411,384
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 123,020	\$ 104,125
Total liabilities	123,020	104,125
Commitments (Note 7)		
Net assets:		
Without donor restrictions		
Expended for land interests, property and equipment	8,571,092	8,588,519
Undesignated	953,925	609,799
	9,525,017	9,198,318
With donor restrictions	970,814	1,108,941
Total net assets	10,495,831	10,307,259
Total liabilities and net assets	\$ 10,618,851	\$ 10,411,384

WILDCOAST AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended December 31, 2019
(With Summarized Financial Information for Year Ended December 31, 2018)

	Without Donor Restrictions	With Donor Restrictions	2019	2018 (Note 11)
<u>Operating Activities:</u>				
SUPPORT AND REVENUE				
Contributions and grants	\$ 526,090	\$ 1,424,234	\$ 1,950,324	\$ 1,985,511
Special events	117,530	-	117,530	165,591
Other income	867	-	867	7,426
Investment income	15,085	-	15,085	5,204
Currency translation (loss) gain	(4,044)	-	(4,044)	(1,802)
Net assets released from restrictions:				
Satisfaction of restriction	1,562,361	(1,562,361)	-	-
Total operating support and revenue	<u>2,217,889</u>	<u>(138,127)</u>	<u>2,079,762</u>	<u>2,161,930</u>
EXPENSES				
Program services				
Coastal	976,796	-	976,796	1,068,552
Marine	564,048	-	564,048	589,897
Total program services	1,540,844	-	1,540,844	1,658,449
Supporting services				
Management and general	276,134	-	276,134	269,105
Fundraising	36,326	-	36,326	38,947
Total program and supporting services	1,853,304	-	1,853,304	1,966,501
Cost of direct benefits to donors	37,886	-	37,886	44,553
Total operating expenses	<u>1,891,190</u>	<u>-</u>	<u>1,891,190</u>	<u>2,011,054</u>
Operating support and revenue in excess (deficit) of expenses	<u>326,699</u>	<u>(138,127)</u>	<u>188,572</u>	<u>150,876</u>
Change in net assets	326,699	(138,127)	188,572	150,876
NET ASSETS AT BEGINNING OF YEAR	<u>9,198,318</u>	<u>1,108,941</u>	<u>10,307,259</u>	<u>10,156,383</u>
NET ASSETS AT END OF YEAR	<u>\$ 9,525,017</u>	<u>\$ 970,814</u>	<u>\$ 10,495,831</u>	<u>\$ 10,307,259</u>

WILDCOAST AND SUBSIDIARY
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019
(With Summarized Financial Information for the Year Ended December 31, 2018)

	Program Services			Supporting Services		2019 Total	2018 (Note 11)
	Coastal	Marine	Total Program Services	Management and General	Fundraising		
EXPENSES							
Salaries	\$ 498,095	\$ 305,429	\$ 803,524	\$ 198,409	\$ -	\$ 1,001,933	\$ 973,944
Payroll taxes & employee benefits	87,292	60,124	147,416	33,926	-	181,342	185,427
	<u>585,387</u>	<u>365,553</u>	<u>950,940</u>	<u>232,335</u>	<u>-</u>	<u>1,183,275</u>	<u>1,159,371</u>
Outside services	98,136	59,195	157,331	1,579	20,150	179,060	205,059
Travel	89,829	41,244	131,073	1,192	85	132,350	176,513
Occupancy costs	35,516	25,109	60,625	9,668	4,146	74,439	72,185
Other expenses	34,688	18,312	53,000	5,458	357	58,815	94,765
Professional fees	14,693	14,693	29,386	14,844	4,198	48,428	49,647
Depreciation	33,447	1,816	35,263	-	-	35,263	36,688
Marketing	17,514	14,185	31,699	300	719	32,718	53,552
IT expenses	21,966	1,119	23,085	370	4,774	28,229	27,292
Telephone	16,898	2,878	19,776	4,316	-	24,092	23,476
Program expenses	9,659	10,143	19,802	99	31	19,932	21,876
Office supplies	8,210	5,341	13,551	3,019	975	17,545	15,669
Insurance	5,039	4,399	9,438	1,111	891	11,440	11,477
Staff/ board expenses	<u>5,814</u>	<u>61</u>	<u>5,875</u>	<u>1,843</u>	<u>-</u>	<u>7,718</u>	<u>18,931</u>
Total expenses	<u>\$ 976,796</u>	<u>\$ 564,048</u>	<u>\$ 1,540,844</u>	<u>\$ 276,134</u>	<u>\$ 36,326</u>	<u>\$ 1,853,304</u>	<u>\$ 1,966,501</u>

WILDCOAST AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2019
(With Summarized Financial Information for Year Ended December 31, 2018)

	2019	2018 (Note 11)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 188,572	\$ 150,876
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	35,263	36,688
Change in operating assets and liabilities:		
Receivables	44,143	226,178
Prepaid expenses	(1,847)	8,123
Accounts payable and accrued expenses	18,895	20,034
Net cash provided by operating activities	285,026	441,899
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land and land interests	(7,847)	(320,683)
Purchase of equipment	(9,989)	(32,446)
Net cash used in investing activities	(17,836)	(353,129)
Change in cash and cash equivalents	267,190	88,770
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,615,498	1,526,728
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,882,688	\$ 1,615,498

Note 1. Organization and Significant Accounting Policies

Organization and Activities

WILDCOAST was founded in 2000 to protect and conserve some of the most ecologically important coastal wildlands, lagoons, islands, and marine ecosystems that remain in California, Baja California, and the Sea of Cortez. Since then, WILDCOAST has also successfully conserved more than 2 million acres of coastal wildlands and wildlife habitat including Laguna San Ignacio, Bahia de los Angeles, Tijuana Estuary, Coronado Islands, Magdalena Bay, Los Cirios Coast, and Cabo Pulmo. These stunningly beautiful treasures provide habitat for a myriad of wildlife species including sea turtles, whale sharks, gray whales, bottlenose dolphins, and peregrine falcons.

Within San Diego County and Southern California, WILDCOAST is working with local communities to protect endangered wildlife and restore our beaches and remaining open spaces through hands-on restoration projects, environmental education, community involvement, and cleanup activities.

WILDCOAST formed the subsidiary Costasalvaje, a Mexican nonprofit organization, in 2008 to facilitate fundraising and land conservation in Mexico. Costasalvaje began operating in the fourth quarter of 2009 with its office located in Ensenada, Baja California, Mexico.

Significant Accounting Policies

Principles of Consolidation – The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and include accounts of WILDCOAST and its subsidiary Costasalvaje (collectively the Organization). All intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements.

Method of Accounting – The financial statements of the Organization have been prepared using the accrual basis of accounting.

Basis of Presentation – The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

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

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Measure of Operations – The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing programs. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Revenue Recognition

Grant Revenues – Grant Revenues received are recognized as revenue when they are unconditionally pledged or when all conditions have been met.

WILD COAST AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Contract revenues are comprised of revenues classified as both exchange transactions and contributions. In accordance with Accounting Standards Codification ("ASC") 958, Not-for-Profit Entities, Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made, the Organization reviews all contract agreements and determines whether the agreement qualifies as an exchange transaction or as a contribution. In cases where agreements are determined to be exchange transactions, the Organization recognizes revenues as services are rendered and, if applicable, funds received in advance of services being rendered are classified as deferred revenue. Revenue is recognized in the period in which services are rendered and is presented as revenue without donor restrictions in the Statement of Activities.

In cases where agreements are determined to be contributions, the agreement is reviewed for barriers or restrictions and, if applicable, advanced payments are classified as deferred revenue until the barrier or restriction has been met. Revenue is recognized in the period in which all barriers and restrictions have been met and is presented as contract revenue without donor restrictions on the Statement of Activities.

Contributions - The Organization reports contributions as restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, revenues with donor restrictions are reclassified to revenues without donor restrictions and reported in the statement of activities as revenues released from restrictions. Contributions with donor restrictions requiring the principal gift to be held in perpetuity are reported as permanently restricted. The income earned from such assets is generally restricted to the purpose designated by the donor. Gifts not designated for a specific purpose are reported as increases in net assets without donor restrictions.

Cash and Cash Equivalents – Cash and cash equivalents include highly liquid investments with maturity of three months or less.

Receivables – Receivables consist of contributions or grant income that the Organization has earned prior to year-end. Receivables are reviewed for collectability and reserves for uncollectible amounts are recorded based on previous experience and history with donor or funding agency. Accounts are written off against the allowance for doubtful accounts when deemed uncollectible. Management has determined that no allowance is necessary for the year ended December 31, 2019.

Property and Equipment – Purchased property and equipment are recorded at cost. Donated assets are recorded at their estimated fair value at the date of the donation. The Organization capitalizes all amounts greater than \$1,500. Property and equipment is depreciated on a straight-line basis as follows:

Furniture and equipment	3 to 7 years
Leasehold improvements	5 to 10 years

The Organization's depreciation expense totaled \$35,263 for the year ended December 31, 2019.

Land and Land Interests – WILD COAST and its subsidiary record land and land interests at cost, if purchased, or at fair value at the date of acquisition, if all or part of the land was received as a donation.

Conservation Lands – Real property with significant ecological value. These properties are managed in an effort to protect the natural biological diversity of the property.

Conservation Easements – Intangible assets comprised of listed rights and/or restrictions over the owned property that are conveyed by a property owner to WILD COAST or its subsidiary in order to protect the owned property as a significant natural area.

Contributed Services – No amounts have been reflected in the financial statements for contributed services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization.

WILD COAST AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Cost of Direct Benefits to Donors – The costs of special events that represent a direct benefit to donors are separately reported. For the year ended December 31, 2019 the amount totaled \$37,886.

Foreign Currency – The Organization’s international operations use the U.S. dollar as their functional currency. Costasalvaje translates monetary assets and liabilities using current rates of exchange at the balance sheet date and translates nonmonetary assets and liabilities using historical rates of exchange. Net loss from re-measurement of \$4,044 has been included as a loss on the statement of activities for the year ended December 31, 2019.

Functional Allocation of Expenses – The statement of functional expenses presents expense by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. A portion of costs that benefit multiple functional areas (indirect costs) have been allocated across programs and supporting services based on the full-time employee equivalents of programs or supporting service. Depreciation expense is allocated based on a square footage.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, support, and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes – WILD COAST is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and is also exempt from the State of California franchise and income tax under Section 23701(d) of the State Revenue and Taxation Code.

Costasalvaje is a Mexican company that has been granted non-profit status in Mexico and is exempt from income tax in Mexico.

The Financial Accounting Standards Board (FASB) issued Accounting Standards Codification No. 740-10, *Accounting for Uncertainties in Income Tax*, which sets a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return.

Tax positions for the open tax years as of December 31, 2019 were reviewed by the Organization and it was determined that it has no uncertain tax positions requiring accrual or disclosure.

Recently Adopted Accounting Standards – In June 2018, the FASB issued ASU 2018-08, Not-for-profit Entities, Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made, this update clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The update assists in determining if transactions should be accounted for as exchange transaction or a contribution and determining if a contribution is conditional.

Subsequent Events – Subsequent events are events or transactions that occur after the consolidated statement of financial position date but before the consolidated financial statements are available to be issued. The Organization recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at that date, including the estimates inherent in the process of preparing consolidated financial statements. The Organization’s consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statement of financial position, but arose after that date and before the consolidated financial statements are available to be issued.

The Organization has evaluated subsequent events through November 12, 2020, which is the date the financial statements are available for issuance, and concluded that the below event needs disclosed.

WILD COAST AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In March 2020, the COVID-19 virus was declared a global pandemic. Business continuity, including supply chains and consumer demand across a broad range of industries and countries could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. We are actively working to mitigate the impact of these and other unforeseen potential disruptions to our operations.

Subsequent to year end, the Organization applied for and was approved a \$145,671 loan under the Paycheck Protection Program created as part of the relief efforts related to coronavirus pandemic and administered by the Small Business Administration. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal Government.

Note 2. Liquidity and Availability of Resources

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents	\$ 1,882,688
Accounts receivable	<u>155,857</u>
Total financial assets available within one year	<u>2,038,545</u>
Less:	
Amounts unavailable for general expenditures within one year due to:	
Restricted by donors with purpose restrictions	<u>(970,814)</u>
Total amounts unavailable for general expenditures within one year	<u>(970,814)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 1,067,731</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 3. Fair Value Measurements

Due to the short-term nature of cash equivalents, receivables, prepaid expense, accounts payable and deferred income, fair value approximates carrying value. In accordance with Financial Accounting Standards Board Codification No. 820 (FASB ASC 820), fair value is defined as the price that the Organization would receive upon selling an asset or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market of the asset.

FASB ASC 820 establishes a three-tier hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs and to establish the classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

The standard describes three-tier hierarchy of inputs that may be used to measure fair value as follows:

Level 1: Quoted prices (unadjusted) of identical assets or liabilities in active markets that the Organization has the ability to access as of the measurement date.

WILDCOAST AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Organization's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for the Organization's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

The Organization's statement of financial position includes cash and cash equivalents which have been considered as Level 1 assets and are reported at fair value based on quoted prices. The Organization's management is responsible for making the fair value measurements and disclosures in the financial statements. As part of fulfilling this responsibility, management has established an accounting and financial reporting process for determining the fair value measurements and disclosures.

Note 4. Concentration of Credit Risk

At times, the Organization's bank accounts exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Note 5. Land and Land Interests

Land and land interests which consist of land located in Baja California, Mexico are as follows:

Conservation lands	\$ 8,200,017
Conservation easements	279,188
	<u>\$ 8,479,205</u>

Note 6. Property and Equipment

Property and equipment at December 31, 2019 consist of the following:

Furniture & equipment	\$ 142,757
Transportation equipment	136,438
Leasehold improvements	24,762
Computer equipment	<u>182,431</u>
	486,388
Less accumulated depreciation	<u>(394,501)</u>
	<u>\$ 91,887</u>

Note 7. Commitments and Contingencies

Loss Contingency – The Organization is currently involved in litigious matters that arose in the ordinary course of business. However, after discussion with the Organization's attorney, management determined that the likelihood that the Organization will need to pay out any amount in relation to these matters are remote.

WILDCOAST AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Operating Leases – The Organization leases office space in Imperial Beach, California under an operating lease which expires on January 1, 2022. Future minimum rental payments totaling \$56,400 are due under this lease as follows:

2020	\$ 27,600
2021	<u>28,800</u>
	<u>\$ 56,400</u>

In addition, the Organization leases office space in Ensenada, Baja California, Mexico, under an operating lease that is month to month.

For the year ended December 31, 2019, total rent expense was \$56,124.

Note 8. Net Assets with Donor Restrictions

Net assets with donor restrictions represent contributions and other inflows received by the Organization, which are limited in their use by donor-imposed stipulations. As of December 31, 2019, net assets with donor restrictions of the Organization consist of the following:

Marine	\$ 549,089
Mexican Wildlands	361,144
US/Mexico Border Conservation	<u>60,581</u>
	<u>\$ 970,814</u>

Note 9. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. During the year ended December 31, 2019, the net assets were released for the following purposes:

Mexican Wildlands	\$ 905,282
Marine	414,020
US/Mexico Border Conservation	118,059
Communications	<u>125,000</u>
	<u>\$ 1,562,361</u>

Note 10. Defined Contribution Plan

The Organization maintains a 403(b) defined contribution plan covering eligible employees who meet certain age and service requirements. Eligible employees may contribute a portion of their earnings each plan year subject to certain Internal Revenue Service limitations. The 403(b) defined contribution plan allows for employer matching contributions to eligible employees. For the year ended December 31, 2019, there were no employer contributions made to the plan.

Note 11. December 31, 2018 Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2018, from which the summarized information was derived.

Certain prior year amounts have been reclassified to conform to the current year's financial statement presentation. These reclassifications had no effect on the change in net assets.

WILDCOAST AND SUBSIDIARY
SUPPLEMENTAL CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2019

	<u>WILDCOAST</u>	<u>Costasalvaje</u>	<u>Total</u>	<u>Eliminating Entries</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 1,832,879	\$ 49,809	\$ 1,882,688	\$ -	\$ 1,882,688
Receivables	155,599	258	155,857	-	155,857
Prepaid expenses	2,054	7,160	9,214	-	9,214
Investment in subsidiary	1,186,098	-	1,186,098	(1,186,098)	-
Land and land interests	-	8,479,205	8,479,205	-	8,479,205
Property and equipment, net	71,358	20,529	91,887	-	91,887
Total assets	<u>\$ 3,247,988</u>	<u>\$ 8,556,961</u>	<u>\$ 11,804,949</u>	<u>\$ (1,186,098)</u>	<u>\$ 10,618,851</u>
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable and accrued expenses	<u>\$ 87,633</u>	<u>\$ 35,387</u>	<u>\$ 123,020</u>	<u>\$ -</u>	<u>\$ 123,020</u>
Total liabilities	<u>87,633</u>	<u>35,387</u>	<u>123,020</u>	<u>-</u>	<u>123,020</u>
Commitments (Note 7)					
Net assets	<u>3,160,355</u>	<u>8,521,574</u>	<u>11,681,929</u>	<u>(1,186,098)</u>	<u>10,495,831</u>
Total liabilities and net assets	<u>\$ 3,247,988</u>	<u>\$ 8,556,961</u>	<u>\$ 11,804,949</u>	<u>\$ (1,186,098)</u>	<u>\$ 10,618,851</u>

WILD COAST AND SUBSIDIARY
SUPPLEMENTAL CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

	<u>WILD COAST</u>	<u>Costasalvaje</u>	<u>Total</u>	<u>Eliminating Entries</u>	<u>Total</u>
Operating Activities:					
SUPPORT AND REVENUE					
Contributions and grants	\$ 1,699,145	\$ 691,379	\$ 2,390,524	\$ (440,200)	\$ 1,950,324
Special events	117,530	-	117,530	-	117,530
Other income	-	867	867	-	867
Investment income	14,860	225	15,085	-	15,085
Currency translation gain (loss)	-	(4,044)	(4,044)	-	(4,044)
Total operating support and revenue	<u>1,831,535</u>	<u>688,427</u>	<u>2,519,962</u>	<u>(440,200)</u>	<u>2,079,762</u>
EXPENSES					
Program services					
Coastal	757,538	454,122	1,211,660	(234,864)	976,796
Marine	<u>533,821</u>	<u>201,300</u>	<u>735,121</u>	<u>(171,073)</u>	<u>564,048</u>
Total program services	1,291,359	655,422	1,946,781	(405,937)	1,540,844
Supporting services					
Management and general	274,520	35,877	310,397	(34,263)	276,134
Fundraising	<u>36,326</u>	<u>-</u>	<u>36,326</u>	<u>-</u>	<u>36,326</u>
Total program and supporting services	1,602,205	691,299	2,293,504	(440,200)	1,853,304
Cost of direct benefits to donors	<u>37,886</u>	<u>-</u>	<u>37,886</u>	<u>-</u>	<u>37,886</u>
Total operating expenses	<u>1,640,091</u>	<u>691,299</u>	<u>2,331,390</u>	<u>(440,200)</u>	<u>1,891,190</u>
Operating support and revenue in excess (deficit) of expenses	<u>191,444</u>	<u>(2,872)</u>	<u>188,572</u>	<u>-</u>	<u>188,572</u>
CHANGE IN NET ASSETS	<u>\$ 191,444</u>	<u>\$ (2,872)</u>	<u>\$ 188,572</u>	<u>\$ -</u>	<u>\$ 188,572</u>