Financial Report

WILDCOAST
COSTASALVAJE

December 31, 2022

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Contents

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INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Board of Directors
WILDCOAST and Subsidiary
San Diego, California

Opinion

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, 2022, 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of WILDCOAST as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WILDCOAST and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We did not audit the financial statements of Costasalvaje, the subsidiary, which statements reflect total assets of $8,725,573 as of December 31, 2022, and total support and revenues of $795,242 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. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 WILDCOAST'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 WILDCOAST's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 2, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

West Rhode + Roberts

WEST RHODE & ROBERTS

San Diego, California
November 17, 2023

WILDCOAST AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2022
(With Summarized Financial Information for December 31, 2021)

	2022	2021 (Note 11)
ASSETS		
Cash and cash equivalents	$ 3,767,623	$ 2,788,220
Receivables	1,206,198	316,175
Prepaid expenses	5,383	4,096
Land and land interests	8,658,579	8,662,404
Property and equipment, net	80,413	58,718
Right of use asset	33,653	-
Total assets	$ 13,751,849	$ 11,829,613
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 166,157	$ 152,435
Lease liability	36,892	-
Refundable advance	-	144,280
Total liabilities	203,049	296,715
Net assets:		
Without donor restrictions		
Expended for land interests, property and equipment	8,692,232	8,721,122
Undesignated	2,306,734	1,731,434
	10,998,966	10,452,556
With donor restrictions	2,549,834	1,080,342
Total net assets	13,548,800	11,532,898
Total liabilities and net assets	$ 13,751,849	$ 11,829,613

WILDCOAST AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended December 31, 2022
(With Summarized Financial Information for Year Ended December 31, 2021)

	Without Donor Restrictions	With Donor Restrictions	2022	2021 (Note 11)
Operating Activities:				
SUPPORT AND REVENUE				
Contributions and grants	$ 1,298,473	$ 3,343,613	$ 4,642,086	$ 2,947,497
Special events	106,669	-	106,669	35,992
Other income	587	-	587	5,487
Investment income	7,753	-	7,753	139
Currency translation loss	(8,616)	-	(8,616)	(3,050)
Net assets released from restrictions:				
Satisfaction of restriction	1,874,121	(1,874,121)	-	-
Total operating support and revenue	3,278,987	1,469,492	4,748,479	2,986,065
EXPENSES				
Program services				
Coastal	1,259,621	-	1,259,621	939,702
Marine	906,512	-	906,512	922,209
Total program services	2,166,133	-	2,166,133	1,861,911
Supporting services				
Management and general	334,786	-	334,786	323,973
Fundraising	223,479	-	223,479	144,378
Total program and supporting services	2,724,398	-	2,724,398	2,330,262
Cost of direct benefits to donors	8,179	-	8,179	2,684
Total operating expenses	2,732,577	-	2,732,577	2,332,946
Operating support and revenue in excess of expenses	546,410	1,469,492	2,015,902	653,119
Change in net assets	546,410	1,469,492	2,015,902	653,119
NET ASSETS AT BEGINNING OF YEAR	10,452,556	1,080,342	11,532,898	10,879,779
NET ASSETS AT END OF YEAR	$ 10,998,966	$ 2,549,834	$ 13,548,800	$ 11,532,898

WILDCOAST AND SUBSIDIARY

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022
(With Summarized Financial Information for the Year Ended December 31, 2021)

	Program Services			Supporting Services			
	Coastal	Marine	Total Program Services	Management and General	Fundraising	2022 Total	2021 (Note 11)
EXPENSES							
Salaries	$ 524,352	$ 450,937	$ 975,289	$ 165,839	$ 134,235	1,275,363	$ 1,174,317
Payroll taxes & employee benefits	110,148	97,240	207,388	56,811	26,818	291,017	230,713
	634,500	548,177	1,182,677	222,650	161,053	1,566,380	1,405,030
Outside services	223,815	199,024	422,839	27,381	41	450,261	423,826
Travel	112,574	45,339	157,913	3,560	4,069	165,542	108,420
Program expenses	90,021	27,355	117,376	5,745	37,630	160,751	38,564
Other expenses	55,137	15,807	70,944	37,232	4,569	112,745	80,878
Occupancy costs	34,433	27,719	62,152	5,067	5,540	72,759	80,785
Professional fees	6,971	17,427	24,398	24,318	3,485	52,201	57,199
Marketing	19,458	10,914	30,372	30	2,241	32,643	25,800
IT expenses	23,427	1,091	24,518	906	4,045	29,469	31,220
Depreciation	28,600	149	28,749	425	-	29,174	33,718
Telephone	14,890	1,122	16,012	1,799	-	17,811	24,631
Staff/ board expenses	8,149	7,878	16,027	612	53	16,692	6,491
Insurance	5,640	3,037	8,677	2,981	753	12,411	10,714
Office supplies	2,006	1,473	3,479	2,080	-	5,559	2,986
Total expenses	$ 1,259,621	$ 906,512	$ 2,166,133	$ 334,786	$ 223,479	$ 2,724,398	$ 2,330,262

WILDCOAST AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2022
(With Summarized Financial Information for Year Ended December 31, 2021)

	2022	2021 (Note 11)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 2,015,902	$ 653,119
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	29,174	33,718
Right of use asset	22,126	-
Change in operating assets and liabilities:		
Receivables	(890,023)	(246,531)
Prepaid expenses	(1,287)	5,991
Accounts payable and accrued expenses	13,722	17,019
Refundable advance	(144,280)	(1,391)
Lease liability	(18,887)	-
Net cash provided by operating activities	1,026,447	461,925
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land and land interests	3,825	(3,566)
Purchase of equipment	(50,869)	(19,315)
Net cash used in investing activities	(47,044)	(22,881)
Change in cash and cash equivalents	979,403	439,044
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,788,220	2,349,176
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 3,767,623	$ 2,788,220

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.

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.

Significant Accounting Policies

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.

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 eliminated. 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.

Employee retention tax credit - The Coronavirus Aid, Relief, and Economic Security (CARES) Act introduced employee retention tax credit during the year 2020, which allows eligible employers to take tax credit on wages paid to employees retained through the crisis. As of December 31, 2022, WILDCOAST received $50,000 of employee retention tax credit that has been recorded as contributions and grants on the consolidated statement of activities.

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, 2022.

Investments – The Organization reports investments at fair market value.

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 $29,174 for the year ended December 31, 2022.

Land and Land Interests – WILDCOAST 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 WILDCOAST 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.

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, 2022, the amount totaled $8,179.

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 $8,616 has been included on the statement of activities for the year ended December 31, 2022.

Refundable advance – WILDCOAST received two loans under the Paycheck Protection Program (PPP). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act. WILDCOAST qualified for and received forgiveness of the second PPP loan in 2022 for $144,280. At December 31, 2022, $144,280 has been recorded as a contributions on the statement of activities.

Leases – Under ASC 842, WILDCOAST determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the balance sheet. ROU assets represent the right to control the use of an identified asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at their commencement date based on the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. WILDCOAST does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

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 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 – WILDCOAST 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, 2022, 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 February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) that requires a lessee to recognize on the statement of financial position, a liability to make lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term, regardless of classification of a lease as an operating or finance lease. The Organization adopted ASU 2016-02 on July 1, 2022, using the modified retrospective approach for operating leases with a term greater than 12 months. The Organization also elected the package of practical expedients permitted under the new standard that allowed the Organization to carry forward historical lease classification for existing leases on the adoption date, and allowed the Organization not to assess whether an existing contract contains a lease or initial direct costs. As permitted by the guidance, prior comparative periods will not be adjusted under this method.

The adoption of this standard resulted in recognition of operating right-of-use assets of $55,779 and lease liabilities of $59,778 on the statement of financial position as of January 1, 2022. There was no material impact on the statement of activities, statement of functional expenses or statement of cash flows.

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 17, 2023 which is the date the financial statements are available for issuance and concluded that there are no events or transactions that needed to be disclosed as of December 31, 2022.

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:

Financial assets	
Cash and cash equivalents	$ 3,767,623
Receivables	1,206,198
Total financial assets available within one year	4,973,821
Less:	
Amounts unavailable for general expenditures within one year due to:	
Restricted by donors with purpose restrictions	(2,549,834)
Total amounts unavailable for general expenditures within one year	(2,549,834)
Total financial assets available to management for general expenditure within one year	$ 2,423,987

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 and Investments

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.

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. Risks and Uncertainties

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 at December 31, 2022 which consist of land located in Baja California, Mexico, are as follows:

Conservation lands	$ 8,382,783
Conservation easements	275,796
	$ 8,658,579

Note 6. Property and Equipment

Property and equipment at December 31, 2022 consist of the following:

Computer equipment	$ 202,667
Furniture & equipment	144,587
Transportation equipment	180,407
Leasehold improvements	36,186
	563,847
Less accumulated depreciation	(483,434)
	$ 80,413

Note 7. Leases

The Organization evaluated current contracts to determine which met the criteria of a lease. The ROU assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use US treasury rate as of December 1, 2022, to discount future lease payments. The US treasury rate applied to calculate lease liabilities was 1.04%.

For the year ended December 31, 2022, total operating lease cost was $53,400, and is included with occupancy costs on the statement of functional expenses.

Right-of-use assets at December 31, 2022 were $33,653.

Future minimum lease payments at December 31, 2022 required under the lease agreement for the years ending December 31:

2023	$ 24,600
2024	12,600
Total lease payments	37,200
Present value of lease liability	(308)
	$ 36,892

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, 2022, net assets with donor restrictions of the Organization consist of the following:

Marine	$ 1,169,849
Mexican Wildlands	1,379,985
	$ 2,549,834

Note 9. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors. During the year ended December 31, 2022, the net assets were released for the following purposes:

Mexican Wildlands	$ 1,086,858
Marine	637,181
Communications	150,082
	$ 1,874,121

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, 2022, there were no employer contributions made to the plan.

Note 11. December 31, 2021, 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, 2021, 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, 2022

	WILDCOAST	Costasalvaje	Total	Eliminating Entries	Total
ASSETS					
Cash and cash equivalents	$ 3,754,804	$ 12,819	$ 3,767,623	$ -	$ 3,767,623
Receivables	1,206,198	-	1,206,198	-	1,206,198
Prepaid expenses	5,054	329	5,383	-	5,383
Investment in subsidiary	1,186,098	-	1,186,098	(1,186,098)	-
Land and land interests	-	8,658,579	8,658,579	-	8,658,579
Property and equipment, net	26,567	53,846	80,413	-	80,413
Right of use asset	33,653	-	33,653	-	33,653
Total assets	$ 6,212,374	$ 8,725,573	$ 14,937,947	$ (1,186,098)	$ 13,751,849
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable and accrued expenses	$ 125,160	$ 40,997	$ 166,157	$ -	$ 166,157
Lease Liability	36,892	-	36,892	-	36,892
Total liabilities	162,052	40,997	203,049	-	203,049
Net assets	6,050,322	8,684,576	14,734,898	(1,186,098)	13,548,800
Total liabilities and net assets	$ 6,212,374	$ 8,725,573	$ 14,937,947	$ (1,186,098)	$ 13,751,849

WILDCOAST AND SUBSIDIARY

SUPPLEMENTAL CONSOLIDATING STATEMENT OF ACTIVITIES

Year Ended December 31, 2022

	WILDCOAST	Costasalvaje	Total	Eliminating Entries	Total
Operating Activities:					
SUPPORT AND REVENUE					
Contributions and grants	$ 4,545,511	$ 803,575	$ 5,349,086	$ (707,000)	$ 4,642,086
Special events	106,669	-	106,669	-	106,669
Other income	587	-	587	-	587
Investment income	7,470	283	7,753	-	7,753
Currency translation loss	-	(8,616)	(8,616)	-	(8,616)
Total operating support and revenue	4,660,237	795,242	5,455,479	(707,000)	4,748,479
EXPENSES					
Program services					
Coastal	1,205,469	489,649	1,695,118	(435,497)	1,259,621
Marine	837,149	256,865	1,094,014	(187,502)	906,512
Total program services	2,042,618	746,514	2,789,132	(622,999)	2,166,133
Supporting services					
Management and general	378,382	40,405	418,787	(84,001)	334,786
Fundraising	223,479	-	223,479	-	223,479
Total program and supporting services	2,644,479	786,919	3,431,398	(707,000)	2,724,398
Cost of direct benefits to donors	8,179	-	8,179	-	8,179
Total operating expenses	2,652,658	786,919	3,439,577	(707,000)	2,732,577
Operating support and revenue in excess of expenses	2,007,579	8,323	2,015,902	-	2,015,902
CHANGE IN NET ASSETS	$ 2,007,579	$ 8,323	$ 2,015,902	$ -	$ 2,015,902