

# **WILDLIFE HABITAT COUNCIL, INC.**

AUDITED FINANCIAL STATEMENTS

For the years ended December 31, 2021 and 2020



# **WILDLIFE HABITAT COUNCIL, INC.**

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## **REPORT OF INDEPENDENT AUDITOR**

Board of Directors  
Wildlife Habitat Council, Inc.  
Silver Spring, Maryland

### **Opinion**

We have audited the accompanying financial statements of Wildlife Habitat Council, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and 20, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wildlife Habitat Council, Inc. as of December 31, 2021 and 2020, and the changes in its net assets 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 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 Wildlife Habitat Council, Inc. 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 the 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 Wildlife Habitat Council, Inc.'s ability to continue as a going concern within one year after the date that the 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 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. 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 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 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 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 Wildlife Habitat Council, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wildlife Habitat Council, Inc.'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.

*UHY LLP*

Columbia, Maryland  
May 23, 2022

**WILDLIFE HABITAT COUNCIL, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,028,171	\$ 876,116
Accounts receivable	349,331	96,575
Grants and contributions receivable	70,000	-
Prepaid expenses	894	15,516
Investments	471,495	426,815
	<u>1,919,891</u>	<u>1,415,022</u>
<b>NON-CURRENT ASSETS</b>		
Grants and contributions receivable, net of current portion	50,000	-
Property and equipment, net	13,158	39,341
Security deposit	31,206	19,241
	<u>94,364</u>	<u>58,582</u>
Total assets	<u>\$ 2,014,255</u>	<u>\$ 1,473,604</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 40,076	\$ 26,132
Accrued vacation and employee benefits	29,705	23,569
Deferred revenue for services	524,343	242,800
Line of credit	-	100,000
Deferred rent	16,261	33,863
Paycheck Protection Program loans	239,581	264,600
	<u>849,966</u>	<u>690,964</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred rent, net of current portion	-	16,261
	<u>849,966</u>	<u>707,225</u>
<b>NET ASSETS</b>		
Without donor restrictions	894,547	624,271
With donor restrictions	269,742	142,108
	<u>1,164,289</u>	<u>766,379</u>
Total liabilities and net assets	<u>\$ 2,014,255</u>	<u>\$ 1,473,604</u>

See notes to the financial statements.

**WILDLIFE HABITAT COUNCIL, INC.**  
**STATEMENTS OF ACTIVITIES**  
For the years ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>						
Memberships	\$ 779,620	\$ -	\$ 779,620	\$ 757,160	\$ -	\$ 757,160
Grants and contributions	317,585	242,000	559,585	473,224	55,000	528,224
Technical assistance	425,865	-	425,865	319,681	-	319,681
Conference and workshop fees	126,684	-	126,684	103,787	-	103,787
Certifications	351,250	-	351,250	352,600	-	352,600
Calendar	65,747	-	65,747	75,383	-	75,383
Site sign and other revenue	55,246	-	55,246	69,294	-	69,294
Interest and dividends, net of fees	2,053	-	2,053	2,995	-	2,995
Net assets released from restrictions	114,366	(114,366)	-	102,798	(102,798)	-
<b>Total revenue and support</b>	<b>2,238,416</b>	<b>127,634</b>	<b>2,366,050</b>	<b>2,256,922</b>	<b>(47,798)</b>	<b>2,209,124</b>
<b>EXPENSES</b>						
Program services:						
Wildlife Habitat Strategy and Planning	1,023,809	-	1,023,809	920,886	-	920,886
Knowledge Center and Conference	102,085	-	102,085	90,457	-	90,457
WHC Conservation Certification®	272,950	-	272,950	291,038	-	291,038
Membership Services	533,904	-	533,904	474,931	-	474,931
Total program services	1,932,748	-	1,932,748	1,777,312	-	1,777,312
Supporting services:						
General and administrative	287,234	-	287,234	258,903	-	258,903
Development and fundraising	55,385	-	55,385	92,146	-	92,146
Total supporting services	342,619	-	342,619	351,049	-	351,049
<b>Total expenses</b>	<b>2,275,367</b>	<b>-</b>	<b>2,275,367</b>	<b>2,128,361</b>	<b>-</b>	<b>2,128,361</b>
<b>Change in Net Assets from Operations</b>	<b>(36,951)</b>	<b>127,634</b>	<b>90,683</b>	<b>128,561</b>	<b>(47,798)</b>	<b>80,763</b>
<b>NON-OPERATING REVENUE</b>						
Realized and Unrealized Gains on Investments	42,627	-	42,627	37,123	-	37,123
PPP Loan debt forgiveness	264,600	-	264,600	-	-	-
<b>Total non-operating revenue</b>	<b>307,227</b>	<b>-</b>	<b>307,227</b>	<b>37,123</b>	<b>-</b>	<b>37,123</b>
<b>Change in Net Assets</b>	<b>270,276</b>	<b>127,634</b>	<b>397,910</b>	<b>165,684</b>	<b>(47,798)</b>	<b>117,886</b>
<b>Net Assets, Beginning</b>	<b>624,271</b>	<b>142,108</b>	<b>766,379</b>	<b>458,587</b>	<b>189,906</b>	<b>648,493</b>
<b>Net Assets, Ending</b>	<b>\$ 894,547</b>	<b>\$ 269,742</b>	<b>\$ 1,164,289</b>	<b>\$ 624,271</b>	<b>\$ 142,108</b>	<b>\$ 766,379</b>

**WILDLIFE HABITAT COUNCIL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended December 31, 2021

	Wildlife Habitat Strategy and Planning	Knowledge Center and Conference	WHC Conservation Certification®	Membership Services	Total Program Services	Supporting Services		Total
						General and Administrative	Development and Fundraising	
Personnel costs:								
Salaries	\$ 545,963	\$ 56,517	\$ 125,473	\$ 293,940	\$ 1,021,893	\$ 137,080	\$ 35,689	\$ 1,194,662
Benefits	101,843	2,771	20,898	47,575	173,087	10,035	5,695	188,817
Payroll taxes	40,134	10,333	9,710	12,302	72,479	18,804	2,743	94,026
Total personnel costs	687,940	69,621	156,081	353,817	1,267,459	165,919	44,127	1,477,505
Bank service charges	3,383	487	8,805	3,585	16,260	1,285	157	17,702
Conference and meetings	2,585	271	-	-	2,856	976	-	3,832
Depreciation	11,966	1,239	2,750	6,442	22,397	3,004	782	26,183
Dues and subscriptions	1,243	-	744	-	1,987	11,605	-	13,592
Equipment rent and maintenance	2,717	-	-	-	2,717	13,660	-	16,377
Information technology	28,288	22,485	11,739	13,355	75,867	28,054	1,222	105,143
Insurance	12,551	1,299	2,884	6,757	23,491	3,153	820	27,464
Interest	-	-	-	-	-	2,199	-	2,199
Other	5	-	-	-	5	536	-	541
Photography	-	565	-	653	1,218	-	-	1,218
Postage and shipping	152	542	350	6,532	7,576	2,467	-	10,043
Printing and certification site signs	858	2,478	1,941	81,138	86,415	-	-	86,415
Professional fees	63,450	1,900	60,398	1,650	127,398	25,793	-	153,191
Project materials	35,930	-	75	14	36,019	1,911	-	37,930
Rent	143,476	-	26,069	56,840	226,385	10,897	8,007	245,289
Telephone and internet	4,136	428	953	2,227	7,744	1,037	270	9,051
Training	999	-	-	-	999	3,308	-	4,307
Travel	24,130	770	161	894	25,955	11,430	-	37,385
	<u>\$ 1,023,809</u>	<u>\$ 102,085</u>	<u>\$ 272,950</u>	<u>\$ 533,904</u>	<u>\$ 1,932,748</u>	<u>\$ 287,234</u>	<u>\$ 55,385</u>	<u>\$ 2,275,367</u>

**WILDLIFE HABITAT COUNCIL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended December 31, 2020

	Wildlife Habitat Strategy and Planning	Knowledge Center and Conference	WHC Conservation Certification®	Membership Services	Total Program Services	Supporting Services		Total
						General and Administrative	Development and Fundraising	
Personnel costs:								
Salaries	\$ 498,495	\$ 60,065	\$ 140,795	\$ 286,187	\$ 985,542	\$ 116,683	\$ 60,370	\$ 1,162,595
Benefits	77,845	9,380	21,987	44,691	153,903	18,223	9,427	181,553
Payroll taxes	41,363	4,984	11,683	23,747	81,777	9,682	5,009	96,468
Total personnel costs	617,703	74,429	174,465	354,625	1,221,222	144,588	74,806	1,440,616
Awards and grants	95,000	-	-	-	95,000	-	-	95,000
Bank service charges	2,887	504	8,416	3,657	15,464	948	267	16,679
Conference and meetings	682	236	-	-	918	411	-	1,329
Depreciation	11,528	1,389	3,256	6,618	22,791	2,699	1,396	26,886
Dues and subscriptions	266	-	-	2,000	2,266	769	41	3,076
Equipment rent and maintenance	731	-	-	-	731	10,338	-	11,069
Information technology	22,793	4,784	18,483	13,946	60,006	23,294	2,284	85,584
Insurance	7,797	939	2,202	4,476	15,414	1,826	944	18,184
Interest	-	-	-	-	-	5,159	-	5,159
Other	-	300	100	-	400	281	-	681
Photography	-	509	-	390	899	-	-	899
Postage and shipping	112	22	300	3,421	3,855	1,462	-	5,317
Printing and certification site signs	214	2,526	248	24,374	27,362	-	-	27,362
Professional fees	12,425	4,055	56,185	9,250	81,915	22,727	-	104,642
Project materials	17,579	-	47	88	17,714	2,891	-	20,605
Rent	111,780	-	25,544	48,444	185,768	40,026	11,640	237,434
Telephone and internet	6,343	764	1,792	3,642	12,541	1,484	768	14,793
Travel	13,046	-	-	-	13,046	-	-	13,046
	<u>\$ 920,886</u>	<u>\$ 90,457</u>	<u>\$ 291,038</u>	<u>\$ 474,931</u>	<u>\$ 1,777,312</u>	<u>\$ 258,903</u>	<u>\$ 92,146</u>	<u>\$ 2,128,361</u>



**WILDLIFE HABITAT COUNCIL, INC.**  
**STATEMENTS OF CASH FLOWS**  
For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities</b>		
Cash received from grants and contributions	\$ 439,585	\$ 669,455
Cash received from memberships	779,620	757,160
Cash received from programs and other	1,053,579	983,648
Cash received from interest and dividends	7,729	7,862
Cash paid for personnel costs	(1,471,369)	(1,510,144)
Cash paid for goods and services	(792,418)	(713,199)
Cash paid for interest	(2,199)	(5,159)
	<u>14,527</u>	<u>189,623</u>
<b>Net cash provided by operating activities</b>		
<b>Cash Flows from Investing Activities</b>		
Proceeds from sales of investments	150,498	139,999
Purchases and reinvested earnings on investments	(152,551)	(142,995)
	<u>(2,053)</u>	<u>(2,996)</u>
<b>Net cash used by investing activities</b>		
<b>Cash Flows from Financing Activities</b>		
Proceeds from Paycheck Protection Program loan	239,581	264,600
Repayments of line of credit	(100,000)	-
	<u>139,581</u>	<u>264,600</u>
<b>Net cash provided by investing activities</b>		
<b>Net Increase in Cash and Cash Equivalents</b>	152,055	451,227
<b>Cash and Cash Equivalents, Beginning</b>	876,116	424,889
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 1,028,171</u>	<u>\$ 876,116</u>
<b>Reconciliation of Change in Net Assets to Net Cash from Operating Activities</b>		
Change in net assets	\$ 397,910	\$ 117,886
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	26,183	26,886
Realized and unrealized gains on investments	(42,627)	(37,123)
PPP Loan debt forgiveness	(264,600)	-
Changes in operating assets and liabilities:		
Accounts receivable	(252,756)	(12,929)
Grants and contributions receivable	(120,000)	141,231
Prepaid expenses	14,622	(15,516)
Security deposits	(11,965)	-
Accounts payable	13,944	(10,376)
Accrued vacation and employee benefits	6,136	(69,528)
Deferred revenue	281,543	75,831
Deferred rent	(33,863)	(26,739)
	<u>\$ 14,527</u>	<u>\$ 189,623</u>
<b>Net cash provided by operating activities</b>		

**WILDLIFE HABITAT COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2021 and 2020**

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Wildlife Habitat Council, Inc. (WHC) is organized pursuant to the laws of the District of Columbia as a nonprofit, charitable organization. WHC promotes and certifies wildlife habitat conservation and management on corporate lands through partnerships and education. WHC believes that every act of conservation matters. Whether it's a small pollinator garden or a complex wetlands restoration, each and every conservation action contributes to the collective positive outcome for the environment.

WHC's programs translate corporate sustainability goals and objectives into tangible and measurable on-the-ground actions. Through a focus on building collaboration for conservation with corporate employees, other conservation organizations, government agencies and community members, WHC's programs focus on healthy ecosystems and connected communities. WHC has allocated their resources among the following programs:

Wildlife Habitat Strategy and Planning

WHC delivers customized, comprehensive services that help companies align conservation efforts with business needs. WHC works with over 80 members and numerous partners to build strong conservation programs on their lands using a variety of approaches that range from the development of conservation plans, implementation of conservation projects on corporate lands, stakeholder and employee engagement in plan design and implementation, and corporate-wide approaches that leverage conservation to meet a business opportunity. The voluntary conservation programs can be found in 47 U.S. states, the District of Columbia and 19 countries. Comprehensive services focus on property-scale efforts and extend to nature-based solutions to climate change. Under the Climate Action Works initiative, the organization helps corporate landowners utilize nature-based climate change solutions that are corporate-driven, community-minded, and biodiversity-based. During a year of challenges related to the pandemic, technical expertise was widely dispensed related to the use of conservation and biodiversity as a tool for health and wellness. Another initiative, Across Fence Lines, seeks to connect corporate lands with urban and community forestry.

Content and Engagement

WHC webinars provide expertise on conservation trends, tools and topics. These free on-demand and live webinars are designed for practical conservation, produced within a corporate context, and presented by an expert(s) in the field of study. WHC webinars attract 150 to 500 attendees per session. WHC also brings community partners, government agencies, corporations and local environmental non-governmental organizations together to increase awareness of the power of conservation to address environmental and social challenges. The efforts focus on underserved communities and urban industrial areas. The group also performs research and publishes case studies and conservation tools for broad use globally. Grants are sought from foundations, the government and other entities, which allow WHC to convene partners and engage in projects to restore both the natural and the human communities in which our members operate.

**WILDLIFE HABITAT COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2021 and 2020**

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Conservation Conferences

The WHC Conservation Conference, hosted in person or virtually, provides attendees with educational opportunities, relationship building, and awards recognition. Over 400 individuals attend this annual meeting open to conservation leaders, community members, students, decision-makers, and employee volunteers from all programs engaged in conservation. The summer meeting includes learning sessions and networking events in which participants share successes, discuss challenges and inspire one another. The meeting has been held virtually for the past two years.

WHC Conservation Certification®

Conservation Certification® is a voluntary sustainable standard that recognizes meaningful wildlife habitat management and conservation education programs through an objective, third-party review. With over 600 certified programs worldwide, Conservation Certification produces an aggregated metric for reporting and disclosure, helping companies demonstrate a long-term commitment to managing quality habitat for wildlife, conservation education and community outreach initiatives. Conservation Certification® requires all projects to be locally appropriate, exceed pertinent regulatory requirements, add value to the environment or community, be designed around a conservation objective, and be monitored as evidence of implementation.

Membership Services

WHC helps members connect corporate level sustainability goals to meaningful on-the-ground actions through a series of decision tools and strategic engagements that may be utilized for corporate sustainability key performance indicators. These biodiversity and education actions enhance the meaning of corporate conservation throughout the company and ensures the longevity of both implementation and management, which in turn improves conservation and education outcomes. WHC produces several types of guidance, including 22 WHC Project Guidances that provide suggestions and instruction on the development and implementation of conservation projects across four categories: Habitat, Species, Education and Awareness, and Other Options. WHC also produces white papers, success stories and blogs highlighting case studies from WHC members that demonstrate positive outcomes for biodiversity, the environment, and communities. Toolkits and other publications specifically written to support member efforts are also produced.

Supporting services include the following categories:

General and Administrative

Activities include program oversight, business management, general record-keeping, budgeting, and related administrative activities.

**WILDLIFE HABITAT COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2021 and 2020**

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Development and Fundraising

WHC solicits contributions from individuals, foundations, and corporations. Fundraising activities also include development and management of various activities involved with soliciting contributions.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP), whereby revenue is recognized when earned and expenses are recognized when incurred.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents. Cash and short-term investments held by the investment advisors are reported as investments.

**Accounts Receivable**

Receivables are carried at the original invoice amounts less an estimate made for doubtful receivables based on an annual review of all outstanding amounts. Management determines the allowance for doubtful accounts by annually evaluating individual receivables and considering the financial condition, credit history, and current economic conditions of the creditors. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded in revenue when received. A receivable is considered past due if any portion of the receivable balance is outstanding for more than ninety days. However, WHC does not charge interest on past due receivables. As of December 31, 2021 and 2020, there is no allowance for doubtful accounts, based on management's evaluation of the collectability of accounts receivable, and the accounts receivable are due in less than one year.

**Grants and Contributions Receivable**

Grants and contributions receivable represent unconditional amounts committed to WHC and recorded at the earlier of the date received or the date of receipt of a donor's non-contingent promise or pledge. Unconditional promises to give that are expected to be collected in one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is included in grants and contributions revenue. The discount will be recognized as contribution revenue in future fiscal years as the discount is amortized over the duration of the contributions. At December 31, 2021 and 2020, no allowance for doubtful accounts has been recorded based on management's evaluation of the grants and contributions receivable. No discount has been recorded since the amount was not material to the financial statements.

**WILDLIFE HABITAT COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2021 and 2020

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investments**

Investments in exchange traded funds with readily determinable fair values are reflected at fair market value. The change in fair market value is recorded as a component of realized and unrealized gains on investments in the statements of activities. Money market funds are reported at fair value which equals cost. Interest and dividends are recorded in revenue when earned.

**Fair Value Measurements**

WHC complies with the accounting standard on accounting for fair value measurements. This standard defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of the fair value hierarchy under this topic are described below:

Basis of Fair Value Measurement

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities
- Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable

WHC holds investments in a money market fund and in various exchange traded funds. The exchange traded funds held by WHC are publicly traded on the New York Stock Exchange.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

*Exchange Traded Funds* - An exchange traded fund is a marketable security that tracks an index and trades like a common stock on a national stock market exchange. The funds are valued at the last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year-end. Such securities are classified within Level 1 of the valuation hierarchy.

**WILDLIFE HABITAT COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2021 and 2020**

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property and Equipment**

Property and equipment are recorded at cost and consists of office equipment and leasehold improvements. WHC capitalizes all property and equipment with a useful life greater than one year and a cost basis of \$5,000 or more. Depreciation of office equipment is computed over an estimated useful life of three years on a straight-line basis. Depreciation of leasehold improvements is computed over the shorter of the lease term or the useful life of the improvement on a straight-line basis. When office equipment is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts with any resulting gain or loss reflected in income. Repairs and maintenance are expensed when incurred.

**Net Assets**

Net assets, revenue, gains and losses are classified based on the existence or absence of contributions with donor-imposed restrictions. Accordingly, net assets of WHC and changes therein are classified and reported as follows:

Net assets without donor restriction - Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. From time to time, the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net assets with donor restrictions - Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. WHC reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

See Note 8 for more information on the composition of net assets with donor restrictions.

**Contributions and Grants**

WHC recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. Contributions received are reported as either revenue without donor restrictions or revenue with donor restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenue without donor restrictions. Conditional promises to give, with a measurable barrier and a right of return, are not recognized until the conditions on which they depend are substantially met.

Revenue from federal grants is recognized as services are performed and costs are incurred. WHC received cost-reimbursable grants of which \$83,920 has not been recognized during the year ended December 31, 2021, because qualifying expenditures have not yet been incurred.

**WILDLIFE HABITAT COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2021 and 2020

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Recognition**

Membership revenue is recognized as contributions when they are received. Certification fees are recognized as revenue when the certification components have been completed. Technical assistance, project site fees, and site signs revenue are recognized as services are completed.

Calendar revenue received in advance are recorded as deferred revenue and recognized when the calendars are published. Calendars sold after the publication date are recognized when orders are fulfilled. Conference and registration fees are recognized as revenue in the year the event occurs. Fees received prior to the conference or workshop event are included in deferred revenue. Other revenue is recognized when earned.

**In-Kind Services**

In-kind contributions are recorded at fair value as of the date of the donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. WHC receives services from a number of volunteers who give significant amounts of their time to WHC's programs and fund-raising campaigns but these services do not meet the criteria for financial statement recognition.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated on the basis of estimates of time and effort except for direct costs associated with specific programs, which are recorded as expenses for the program benefited.

**Measure of Operations**

The accompanying statement of activities distinguishes between operating and non-operating activities. Operating activities include all revenue and expenses that are an integral part of WHC's programs. Non-operating activities include the net realized and unrealized gains (losses) on investments and debt forgiveness on the PPP loan.

**WILDLIFE HABITAT COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2021 and 2020

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ materially from those estimates and be affected by the severity and duration of the COVID-19 pandemic, the extent of actions to contain or treat COVID-19, how quickly and to what extent normal economic and operating activity can resume, and the severity and duration of the global economic downturn that results from the pandemic.

**Income Taxes**

WHC is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, as amended, and classified as other than a private foundation. However, income from certain activities not directly related to WHC's tax-exempt purpose may be subject to taxation as unrelated business income.

The income tax positions taken by WHC for any years open under the various statutes of limitations are that WHC continues to be exempt from income taxes and that they have properly reported unrelated business income that is subject to income taxes. WHC believes that there are no tax positions taken or expected to be taken that would significantly increase unrecognized tax liabilities within 12 months of the reporting date. None of WHC's federal returns are currently under examination.

**NOTE 2 - GRANTS AND CONTRIBUTIONS RECEIVABLE**

As of December 31, 2021, grants and contributions receivable were due as follows:

	<u>2021</u>
Due in less than 1 year	\$ 70,000
Due in 1 - 5 years	<u>50,000</u>
Total	<u>\$ 120,000</u>



**WILDLIFE HABITAT COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2021 and 2020

**NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS**

The table below represents the balances of investments measured at fair value on a recurring basis by level within the hierarchy as of December 31, 2021 and 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments - December 31, 2021				
Exchange traded funds	\$ 455,222	\$ -	\$ -	\$ 455,222
Money market funds	<u>16,273</u>	<u>-</u>	<u>-</u>	<u>16,273</u>
Total	<u>\$ 471,495</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 471,495</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments - December 31, 2020				
Exchange traded funds	\$ 412,140	\$ -	\$ -	\$ 412,140
Money market funds	<u>14,675</u>	<u>-</u>	<u>-</u>	<u>14,675</u>
Total	<u>\$ 426,815</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 426,815</u>

Net investment income consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 7,729	\$ 7,862
Less investment expenses	<u>(5,676)</u>	<u>(4,867)</u>
	<u>2,053</u>	<u>2,995</u>
Net realized gains (losses)	23,316	(194)
Net unrealized gains	<u>19,311</u>	<u>37,317</u>
	<u>42,627</u>	<u>37,123</u>
Net investment income	<u>\$ 44,680</u>	<u>\$ 40,118</u>

**WILDLIFE HABITAT COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2021 and 2020

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Office equipment	\$ 290,975	\$ 290,975
Leasehold improvements	<u>47,428</u>	<u>47,428</u>
Total depreciable property and equipment	338,403	338,403
Less, Accumulated depreciation	<u>(325,245)</u>	<u>(299,062)</u>
Net value of property and equipment	<u>\$ 13,158</u>	<u>\$ 39,341</u>

Depreciation expense totaled \$26,183 and \$26,886 for the years ended December 31, 2021 and 2020, respectively.

**NOTE 5 - LINE OF CREDIT**

WHC has a \$100,000 revolving line of credit, which is due on demand, collateralized by WHC's investments, and has a 6.50% annual interest rate. The line of credit does not have a specific term or duration and can be terminated at the bank's discretion. There was \$-0- and \$100,000 outstanding as of December 31, 2021 and 2020, respectively.

**NOTE 6 - PAYCHECK PROTECTION PROGRAM (PPP) LOAN**

WHC was granted the first PPP Loan on April 17, 2020 for \$264,600 and a second PPP Loan on March 17, 2021 for \$239,581 from Truist Bank under Paycheck Protection Program. Established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), the PPP provides for loans to qualifying businesses and certain nonprofit organizations. The notes bear interest at 1% and mature in two years; however, monthly payments are deferred for a period of six months. PPP borrowers can qualify to have the loans forgiven if the proceeds are used for payroll and certain eligible costs.

On June 17, 2021, the first loan was fully forgiven by the SBA and the bank. WHC recognized government grant revenue for the loan forgiveness amount of \$264,600 during the year ended December 31, 2021. The second PPP loan was fully forgiven on March 1, 2022.

According to the rules of the SBA, WHC is required to retain PPP loan documentation for six years after the date the loan is forgiven or repaid in full, and permit authorized representatives of the SBA, including representatives of its Office of Inspector General, to access such files upon request. Should the SBA conduct such a review and reject all or some of WHC's judgments pertaining to satisfying PPP loan eligibility or forgiveness conditions, WHC may be required to adjust previously reported amounts and disclosures in the financial statements.

**WILDLIFE HABITAT COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2021 and 2020

**NOTE 7 - DEFERRED REVENUE**

Deferred revenue by type consists of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Certification fees	\$ 228,600	\$ 186,000
Service plan	135,848	48,000
Conference	59,445	8,800
Conditional grants	<u>100,450</u>	<u>-</u>
Total deferred revenue	<u>\$ 524,343</u>	<u>\$ 242,800</u>

**NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following activities during the year ended December 31, 2021

	<u>December 31, 2021</u>			
	<u>Balance January 1, 2021</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance December 31, 2021</u>
Purpose restrictions:				
Enbridge project	\$ 10,000	\$ -	\$ -	\$ 10,000
Calumet office	17,039	50,000	(39,691)	27,348
Climate smart corporate conservation	9,890	-	(9,890)	-
EdTech youth challenge	-	50,000	-	50,000
NBS Toolkit	-	30,000	-	30,000
Tree planting	-	12,000	-	12,000
Time restrictions	<u>105,179</u>	<u>100,000</u>	<u>(64,785)</u>	<u>140,394</u>
Total	<u>\$ 142,108</u>	<u>\$ 242,000</u>	<u>\$ (114,366)</u>	<u>\$ 269,742</u>

**WILDLIFE HABITAT COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2021 and 2020

**NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Net assets with donor restrictions consist of the following activities during the year ended December 31, 2020:

	December 31, 2020			
	Balance January 1, 2020	Additions	Releases	Balance December 31, 2020
Purpose restrictions:				
Enbridge project	\$ 10,000	\$ -	\$ -	\$ 10,000
Calumet office	-	40,000	(22,961)	17,039
Content and Partnership	1,527	-	(1,527)	-
Climate smart corporate conservation	30,071	-	(20,181)	9,890
Time restrictions	148,308	15,000	(58,129)	105,179
Total	\$ 189,906	\$ 55,000	\$ (102,798)	\$ 142,108

**NOTE 9 - COMMITMENTS AND CONTINGENCIES**

**Annual Conservation Conference**

WHC has entered into hotel space contracts for the annual conference to be held in June 2022 and June 2023.

**Leases**

WHC leases office space under an extended non-cancelable operating lease agreement. Base rent on the office space lease agreement is subject to annual escalations, and is recorded on a straight-line basis over the entire lease term. The deferred rent liability in the accompanying statements of financial position represents the cumulative difference between the monthly rent expense and rent paid. The lease expires on May 30, 2022.

The future minimum payment under the lease for the year ending December 31, 2022 will be \$112,913.

Rent expense under the lease agreement for the years ended December 31, 2021 and 2020 totaled \$245,289 and \$237,434, respectively, which is included in rent expense in the statements of functional expenses.

On June 22, 2021, WHC signed a membership agreement with an organization to rent office space on a month-to-month basis.

**WILDLIFE HABITAT COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2021 and 2020

**NOTE 10 - RETIREMENT PLAN**

WHC maintains a defined contribution retirement plan for its employees who are eligible to participate. WHC contributes 3% of each covered employee's annual salary. Retirement plan contributions are included as a component of benefits expense on the statements of functional expenses. For the years ended December 31, 2021 and 2020, retirement expenses totaled \$43,821 and \$47,136, respectively.

**NOTE 11 - LIQUIDITY AND AVAILABILITY OF RESOURCES**

WHC's financial assets that are available for general expenditures within one year of the statement of financial position date are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,028,171	\$ 876,116
Accounts receivable	349,331	96,575
Grants and contributions receivable	70,000	-
Investments	<u>471,495</u>	<u>426,815</u>
	1,918,997	1,399,506
Less, amounts unavailable for general expenditure within one year, due to restrictions by donors for specified purposes	<u>(269,742)</u>	<u>(36,929)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 1,649,255</u>	<u>\$ 1,362,577</u>

WHC structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE 12 - CONCENTRATIONS OF CREDIT RISK**

WHC maintains the cash and investment accounts with financial institutions that, from time to time, may exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC). WHC has not experienced any credit losses on its cash and investments to date, as it relates to FDIC and SIPC insurance limits. WHC assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

Financial instruments that potentially subject WHC to significant concentrations of credit risk consist of cash and investments. Such investments are exposed to various risks such as market and credit fluctuation. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

**WILDLIFE HABITAT COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2021 and 2020**

**NOTE 13 - COVID-19 FINANCIAL STATEMENT IMPACT**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. WHC is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on WHC's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on WHC's donors, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact WHC's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

**NOTE 14 - SUBSEQUENT EVENTS**

On March 1, 2022, the second PPP loan was fully forgiven by the SBA and the bank in the amount of \$239,581.

WHC evaluated subsequent events through May 23, 2022, which is the date the financial statements were available to be issued. No other items were noted which would require adjustment to these financial statements or disclosure.