

**Conservation Earth, Inc. dba Wildmind**  
(A California Nonprofit Organization)

Audited Financial Statements &  
Independent Auditor's Report  
August 31, 2020



**Chavan & Associates, LLP**  
Certified Public Accountants  
1475 Saratoga Ave, Suite 180  
San Jose, CA 95129

**Conservation Earth, Inc. dba Wildmind**  
(A California Nonprofit Organization)

Table of Contents

---

TITLE	PAGE
Independent Auditor's Report.....	1
Financial Statements:	
Statement of Financial Position .....	3
Statement of Activities.....	4
Statement of Functional Expenses .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements.....	7



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Conservation Earth, Inc. dba Wildmind  
Half Moon Bay, California

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Conservation Earth, Inc. dba Wildmind (a California Nonprofit Organization), which comprise the statement of financial position as of August 31, 2020, the related statements of activities, functional expenses and cash flows for the year then ended, and the notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



Chavan and Associates, LLP  
Certified Public Accountants

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Conservation Earth, Inc. dba Wildmind as of March 29, 2021, 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.

C & A LLP

March 29, 2021  
San Jose, California

## ***Financial Statements***

**Conservation Earth, Inc. dba Wildmind**  
(A California Nonprofit Organization)  
Statement of Financial Position  
August 31, 2020

---

**ASSETS**

Cash and cash equivalents	\$ 355,071
Prepaid expenses	5,027
Rebranding costs, net	20,544
Property and equipment, net	<u>1,776,456</u>
Total Assets	<u><u>\$ 2,157,098</u></u>

**LIABILITIES**

Accounts payable	\$ 18,418
Accrued payroll liabilities	52,952
Line of credit	171,174
Mortgage payable	733,377
Paycheck Protection Program loan	97,600
Economic Injury Disaster loan	<u>149,900</u>
Total Liabilities	<u><u>1,223,421</u></u>

**NET ASSETS**

Without donor restrictions:	
Undesignated	721,221
Board designated	126,703
With donor restrictions	<u>85,753</u>
Total Net Assets	<u><u>933,677</u></u>
Total Liabilities and Net Assets	<u><u>\$ 2,157,098</u></u>

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

**Conservation Earth, Inc. dba Wildmind**  
(A California Nonprofit Organization)  
Statement of Activities  
For the Year Ended August 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, SUPPORT AND GAINS</b>			
Contributions	\$ 318,635	\$ 16,000	\$ 334,635
Grants	163,200	100,000	263,200
Program service fees	97,158	-	97,158
Gross special events revenue	6,837	-	6,837
In-kind contributions	500	-	500
Net investment return	54	-	54
Other revenue	1,082	-	1,082
Net assets released from restrictions:			
Satisfaction of program restrictions	64,283	(64,283)	-
	<u>651,749</u>	<u>51,717</u>	<u>703,466</u>
<b>EXPENSES AND LOSSES</b>			
Program expenses:			
Educational programs	308,392	-	308,392
Animal care	370,966	-	370,966
Total program expenses	679,358	-	679,358
Management and general expenses	127,086	-	127,086
Fundraising	60,367	-	60,367
	<u>866,811</u>	<u>-</u>	<u>866,811</u>
Change in Net Assets	(215,062)	51,717	(163,345)
Total Net Assets - Beginning	<u>1,062,986</u>	<u>34,036</u>	<u>1,097,022</u>
Total Net Assets - Ending	<u>\$ 847,924</u>	<u>\$ 85,753</u>	<u>\$ 933,677</u>

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

**Conservation Earth, Inc. dba Wildmind**  
(A California Nonprofit Organization)  
Statement of Functional Expenses  
For the Year Ended August 31, 2020

	Program Services			Management and General	Fundraising	Total Expenses
	Educational Programs	Animal Care	Total			
Animal care, food and supplies	\$ -	\$ 58,630	\$ 58,630	\$ -	\$ -	\$ 58,630
Facilities	-	29,606	29,606	-	-	29,606
Fundraising marketing, printing and postage	-	-	-	-	8,850	8,850
Professional services	-	-	-	38,080	-	38,080
Office expenses	-	-	-	25,183	-	25,183
Salaries, benefits and personnel costs	173,071	160,709	333,780	41,207	37,087	412,074
Insurance	5,228	-	5,228	-	-	5,228
Marketing and promotion	9,805	-	9,805	-	-	9,805
Telephone	3,525	-	3,525	-	-	3,525
Transportation	9,845	-	9,845	-	-	9,845
Supplies and support	2,193	-	2,193	-	-	2,193
Educational consultants	4,100	-	4,100	-	-	4,100
Interest	-	47,633	47,633	-	-	47,633
Amortization	14,430	-	14,430	14,430	14,430	43,290
Depreciation	10,863	53,758	64,621	8,156	-	72,777
Loss on asset disposals	75,332	20,630	95,962	-	-	95,962
Other	-	-	-	30	-	30
Total expenses by function	308,392	370,966	679,358	127,086	60,367	866,811

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



**Conservation Earth, Inc. dba Wildmind**  
(A California Nonprofit Organization)  
Statement of Cash Flows  
For the Year Ended August 31, 2020

---

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ (163,345)
Adjustments to reconcile change in net assets to net cash provided by/used for operating activities:	
Depreciation and amortization expense	116,067
Loss on assets disposals	95,962
Changes in operating assets and liabilities:	
Prepaid expenses	4,784
Accounts payable	(22,490)
Accrued payroll liabilities	23,928
Net cash provided by (used for) operating activities	54,906

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Principal paid on line of credit	(52)
Principal paid on mortgage loan	(21,121)
Proceed from Paycheck Protection Program loan	97,600
Proceed from Economic Injury Disaster loan	149,900
Net cash provided by (used for) financing activities	226,327

Net change in cash and cash equivalents	281,233
Cash and cash equivalents - beginning of year	73,838
Cash and cash equivalents - end of year	\$ 355,071

**Additional Cash Flow Disclosures:**

Interest paid	\$ 47,633
---------------	-----------

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

## **Conservation Earth, Inc. dba Wildmind**

(A California Nonprofit Organization)

Notes to Financial Statements

For the Year Ended August 31, 2020

---

### **NOTE 1 - PRINCIPAL ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

Conservation Earth, Inc. dba Wildmind (the “Organization” or “Wildmind”) is a 501(c)(3) corporation founded in 1983. Wildmind was established to educate the public about wildlife, nature, and to provide guardianship of non-releasable wildlife. From its office and wildlife sanctuary in Half Moon Bay, California, Wildmind cares for injured and orphaned wildlife and presents site specific and distance learning environmental educational programs throughout Northern California. Over 80 percent of Wildmind’s support is provided by generous donors while the remainder comes from fees charged for educational programs.

#### **Basis of Presentation**

The financial statements are presented in conformity with accounting principles generally accepted in the United States of America (GAAP) for not-for-profit entities (FASB Topic 958, ASU 2016-14).

#### **Cash and Cash Equivalents**

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition, as applicable.

#### **Receivables and Credit Policies**

When applicable, accounts receivable consists primarily of noninterest-bearing amounts due for program support services. Management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. As of August 31, 2020, there were no accounts receivable nor an allowance for uncollectable accounts.

#### **Promises to Give and Grant Receivable**

The Organization records unconditional promises to give and grants receivable that are expected to be collected within one year at net realizable value. Unconditional promises to give and grants expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The Organization determines the allowance for uncollectable promises to give and grants receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give and grant receivable are written off when deemed uncollectable. As of August 31, 2020, there were no promises to give, grants receivable nor an allowance for uncollectable accounts.

#### **Investments**

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend

**Conservation Earth, Inc. dba Wildmind**  
(A California Nonprofit Organization)  
Notes to Financial Statements  
For the Year Ended August 31, 2020

---

income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

**Property and Equipment**

The Organization records property and equipment additions at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets of 5 to 30 years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Management reviewed the carrying values of property and equipment for impairment as of August 31, 2020 and determined that material assets were not impaired.

**Net Assets**

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

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed (or certain grantor-imposed) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Revenue and Revenue Recognition**

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**Donated Services and In-Kind Contributions**

Volunteers contribute significant amounts of time to the Organization's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services received, when applicable. The Organization reported revenue of \$500 for in-kind contributions during the year ended August 31, 2020.

**Conservation Earth, Inc. dba Wildmind**  
(A California Nonprofit Organization)  
Notes to Financial Statements  
For the Year Ended August 31, 2020

---

**Advertising Costs**

Advertising costs for marketing and promoting the Organization are expensed as incurred and totaled \$17,231 during the year ended August 31, 2020.

**Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Income Taxes**

The Organization is organized as a California nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3) and Section 23701(d) of the California Code, qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be private Organizations under IRC Sections 509(a)(1) and (3). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. Management has determined that the Organization did not have unrelated business income tax for the year ended August 31, 2020.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

**Financial Instruments and Credit Risk**

The Organization manages deposit concentration risk by placing cash in accounts with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts.

**Relevant Upcoming New Accounting Pronouncements**

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (ASU 2016-02)*. ASU 2016-02 requires a lessee to recognize a lease asset representing its right to use the underlying asset for the lease term, and a lease liability for the payments to be made to lessor, on its balance sheet for all operating leases greater than 12 months. ASU 2016-02 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Organization does not anticipate this ASU will have a significant impact on its financial statements.

**Conservation Earth, Inc. dba Wildmind**  
(A California Nonprofit Organization)  
Notes to Financial Statements  
For the Year Ended August 31, 2020

---

In January 2018, FASB issued Accounting Standards Update (ASU) 2018-01, Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842. ASU 2018-01 allows for an entity to elect an optional transition practical expedient to not evaluate under Topic 842 land easements that exist or expired before the entity's adoption of Topic 842 and that were not previously accounted for as leases under Topic 840. ASU 2018-01 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Organization does not anticipate this ASU will have a significant impact on its financial statements.

In August 2018, FASB issued Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement. Effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. Early adoption is permitted upon issuance of this Update. An entity is permitted to early adopt any removed or modified disclosures upon issuance of this Update and delay adoption of the additional disclosures until their effective date. The Organization does not anticipate this ASU will have a significant impact on its financial statements.

In March 2019, FASB issued Accounting Standards Update 2019-03, Not-for-Profit Entities (Topic 958): Updating the Definition of Collections. The FASB is issuing this update to improve the definition of collections in the Master Glossary by realigning it with the definition in the American Alliance of Museums' (AAM) Code of Ethics for Museums (the Code). The FASB also is making a technical correction in Topic 360, Property, Plant, and Equipment, to clarify that the accounting and disclosure guidance for collections in Subtopic 958-360, Not-for-Profit Entities—Property, Plant, and Equipment, applies to business entities as well as not-for-profit entities, consistent with what was indicated in Statement 116. Amendments in this update are effective for annual financial statements issued for fiscal years beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020. Early application of the amendments is permitted. The amendments in this update should be applied on a prospective basis. The Organization does not anticipate this ASU will have a significant impact on its financial statements.

## **NOTE 2 - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	<u>\$ 142,615</u>
---------------------------	-------------------

As part of its liquidity management plan, the Organization deposits cash in accounts with trusted financial institutions that are insured by FDIC.

## **NOTE 3 - FAIR VALUE MEASUREMENTS AND DISCLOSURES**

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of

**Conservation Earth, Inc. dba Wildmind**  
(A California Nonprofit Organization)  
Notes to Financial Statements  
For the Year Ended August 31, 2020

---

whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value 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 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 based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, the Organization develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk, or liquidity profile of the asset or liability. The Organization did not have any assets or liabilities reported at fair value as of August 31, 2020.

#### **NOTE 4 - REBRANDING COSTS**

Wildmind has spent \$190,799 for a Board approved rebranding program which was designed to address elements of strategic positioning, media and technology, and sanctuary development. Rebranding costs are amortized over three years and amortization expense totaled \$43,290 for the year ended August 31, 2020. Rebranding costs of \$20,544 are reflected net of accumulated amortization totaling \$170,255 as of August 31, 2020.

**Conservation Earth, Inc. dba Wildmind**  
(A California Nonprofit Organization)  
Notes to Financial Statements  
For the Year Ended August 31, 2020

---

**NOTE 5 - PROPERTY AND EQUIPMENT, NET**

Property and equipment consisted of the following as of August 31, 2020:

Land	\$ 1,260,227
Buildings	593,575
Sanctuary	563,790
Furniture and equipment	50,572
Office equipment	8,748
Vehicles	15,954
Property improvements	98,902
Accumulated depreciation	<u>(815,312)</u>
Property and equipment, net	<u>\$ 1,776,456</u>

Depreciation expense for the year ended August 31, 2020 was 72,777.

**NOTE 6 - LINE OF CREDIT**

In March of 2019, Wildmind obtained a line of credit with Tri Counties Bank for up to \$200,000 with a variable interest rate based on the Prime Rate as published in the Wall Street Journal. The interest rate as of August 31, 2020 was 6.25 percent. Interest expense on the line of credit was \$8,877 during the year ended August 31, 2020.

**NOTE 7 - MORTGAGE PAYABLE**

A mortgage payable of \$733,377 as of August 31, 2020 is payable to Tri Counties Bank, accrues interest at the rate of 5.5% per annum, and requires monthly principal and interest payments in the amount of \$5,381. The mortgage amortizes over 30 years with a maturity date of June 27, 2038 and is secured by real estate including land, buildings and structures. Interest expense related to the mortgage payable amounted to \$38,295 for the year ended August 31, 2020.

The following summarizes the future minimum debt service payments as of August 31, 2020:

Fiscal Year	Principal	Interest	Total
2021	\$ 23,886	\$ 40,779	\$ 64,665
2022	25,233	39,432	64,665
2023	26,656	38,009	64,665
2024	28,160	36,505	64,665
2025	29,748	34,917	64,665
Thereafter	<u>599,694</u>	<u>297,881</u>	<u>897,575</u>
Totals	<u>\$ 733,377</u>	<u>\$ 487,523</u>	<u>\$ 1,220,900</u>

**Conservation Earth, Inc. dba Wildmind**  
(A California Nonprofit Organization)  
Notes to Financial Statements  
For the Year Ended August 31, 2020

---

**NOTE 8 - U.S. SMALL BUSINESS ADMINISTRATION PAYCHECK PROTECTION PROGRAM LOAN (SBA LOAN)**

On May 11, 2020, the Organization was issued a \$97,600 U.S. Small Business Administration loan with Tri Counties Bank bearing interest annually at 1% and maturing on May 11, 2022. This loan was issued under the Paycheck Protection Program and the provisions of Section 1106 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The first loan payment is due on December 1, 2020. The Organization may apply to Tri Counties Bank for loan forgiveness in an amount equal to the sum of payroll costs, interest on a covered mortgage obligation, covered rent obligations, and covered utility payments incurred during the 8-week period or 24-week period beginning on the date of first disbursement. The period must be selected when applying for loan forgiveness. This is a non-recourse loan unless used for unauthorized purposes.

The future loan repayment schedule is as follows:

Year Ending August 31	Principal	Interest	Total
2021	\$ 48,152	\$ 1,037	\$ 49,189
2022	49,448	208	49,656
Total	<u>\$ 97,600</u>	<u>\$ 1,245</u>	<u>\$ 98,845</u>

**NOTE 9 – ECONOMIC INJURY DISASTER LOAN (EIDL LOAN)**

On May 24, 2020, the Organization was issued an Economic Injury Disaster loan of \$149,900 by the U.S. Small Business Administration. The loan will be repaid over 30 years at \$641 per month, bearing fixed interest at 2.75 percent per annum. The first loan repayment is due May 24, 2021. This is a working capital loan and is secured by all of the Organizations assets.

The future loan repayment schedule is as follows:

Year Ending August 31	Principal	Interest	Total
2021	\$ 1,167	\$ 1,397	\$ 2,564
2022	3,538	4,154	7,692
2023	3,637	4,055	7,692
2024	3,738	3,954	7,692
2025	3,842	3,850	7,692
2026-2030	20,875	17,585	38,460
2031-2035	23,949	14,511	38,460
2036-2040	27,475	10,986	38,460
2040-2045	31,519	6,941	38,460
2046-2050	30,161	2,306	32,467
Total	<u>\$ 149,900</u>	<u>\$ 69,739</u>	<u>\$ 219,639</u>



**Conservation Earth, Inc. dba Wildmind**  
(A California Nonprofit Organization)  
Notes to Financial Statements  
For the Year Ended August 31, 2020

---

**NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following as of August 31, 2020:

**Net Assets with Donor Restrictions**

Subject to Expenditure for Specified Purpose:

At-Risk Youth	\$ 57,581
Climate Change	10,000
Generators	1,000
Grantwriter	15,000
Science	500
Others	<u>1,672</u>

Total Net Assets with Donor Restrictions \$ 85,753

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by the donors as follows for the year ended August 31, 2020:

**Net Assets Released from Restrictions**

Subject to Expenditure for Specified Purpose:

Animal Acquisition	\$ 1,166
At-Risk Youth	44,662
Science	17,161
Others	<u>1,294</u>

Total Net Assets Released from Restrictions \$ 64,283

**NOTE 11 - RETIREMENT PLAN**

Wildmind maintains a salary deferral plan for eligible employees which is qualified under Internal Revenue Code Section 403(b). All contributions are made from employee compensation. The Plan does not provide for any matching contributions by Wildmind.

**NOTE 12 - RELATED PARTY TRANSACTIONS**

In connection with the occupation of its facilities in Half Moon Bay, California, Wildmind has an ongoing commitment to provide its founder, and employee, with the free use of part of a building as a personal residence. The agreement provides that Wildmind, as the employer, requires its founder to maintain a physical presence at the facility in order to oversee the animal facilities and promote community relations. Wildmind has followed Internal Revenue Code Section 119 and Revenue Ruling 75-540 which covers the tax ramifications regarding the value of lodging furnished by an employer for the convenience of the employer.

**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

In the normal course of business there are various commitments and contingencies outstanding, such as commitments to enter into and/or renew contracts related to ongoing operations, which are not reflected in the financial statements. Such commitments and contingencies also include risks associated with various

**Conservation Earth, Inc. dba Wildmind**  
(A California Nonprofit Organization)  
Notes to Financial Statements  
For the Year Ended August 31, 2020

---

economic and operating factors, which include contractual restrictions and donor conditions which obligate Wildmind to fulfill certain requirements set forth in legal instruments, funding level which vary based on service agreements with key management personnel, and financial risks associated with funds on deposit in accounts at financial institutions. Management believes that such commitments and contingencies will not have a material adverse effect on the financial statements.

**NOTE 14 - SUBSEQUENT EVENTS**

Management has evaluated all subsequent events from the statement of financial position date of August 31, 2020, through the date the financial statements were available to be issued, March 29, 2021. Beginning in March 2020, the United States economy began suffering adverse effects from the COVID 19 Virus Crisis ("CV19 Crisis"). As of the date of issuance of the financial statements, the Organization had not yet suffered material adverse impact from the CV19 Crisis. However, the future impact of the CV19 Crisis cannot be reasonably estimated.