

# The Wilderness Society and The Wilderness Society Action Fund

## Audited Consolidated Financial Statements and Other Financial Information

*Years ended September 30, 2020 and 2019  
with Report of Independent Auditors*

The Wilderness Society and  
The Wilderness Society Action Fund

Audited Consolidated Financial Statements and Other Financial Information

Years ended September 30, 2020 and 2019

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## Report of Independent Auditors

Governing Council  
The Wilderness Society  
Washington, DC

We have audited the accompanying consolidated financial statements of The Wilderness Society and The Wilderness Society Action Fund (collectively, the Society), which comprise the consolidated statements of financial position as of September 30, 2020 and 2019 and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

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

### ***Auditor's Responsibility***

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

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

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

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Wilderness Society and The Wilderness Society Action Fund as of September 30, 2020 and 2019 and the changes in their consolidated net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position as of September 30, 2020 and 2019 on pages 25-26, and consolidating schedules of activities for the years then ended on pages 27-28, are presented for the purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subject to auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in black ink that reads "Johnson Lambert LLP". The signature is written in a cursive, flowing style with large loops and flourishes.

Vienna, Virginia  
February 26, 2021

The Wilderness Society and  
The Wilderness Society Action Fund

Consolidated Statements of Financial Position

	September 30,	
	2020	2019
<b>Assets</b>		
Cash and cash equivalents	\$ 20,947,477	\$ 8,674,806
Certificate of deposit	1,800,917	-
Accounts and contributions receivable, net	3,311,388	4,960,966
Investments	37,840,742	46,089,748
Planned giving investments	3,778,900	3,852,124
Beneficial interest in assets held by others	5,342,701	5,583,100
Long-term receivables, net	645,462	2,193,201
Prepaid expenses and other assets	976,749	612,138
Fixed assets, net	791,713	757,787
Total assets	\$ 75,436,049	\$ 72,723,870
<b>Liabilities and net assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 3,269,298	\$ 3,659,076
Deferred revenue	50,754	36,324
Deferred rent	1,138,112	1,256,730
Deposits	5,500	19,238
Planned giving liabilities	2,341,161	2,865,845
Total liabilities	6,804,825	7,837,213
Net assets:		
Without donor restrictions	36,593,213	28,442,796
With donor restrictions	32,038,011	36,443,861
Total net assets	68,631,224	64,886,657
Total liabilities and net assets	\$ 75,436,049	\$ 72,723,870

See accompanying notes to the consolidated financial statements.

The Wilderness Society and  
The Wilderness Society Action Fund

Consolidated Statements of Activities

For the years ended September 30,

	2020			2019		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<b>Revenues</b>						
Contributions:						
Individuals	\$ 25,362,233	\$ 4,465,306	\$ 29,827,539	\$ 25,861,310	\$ 4,885,789	\$ 30,747,099
Foundations	2,076,988	2,521,320	4,598,308	169,048	2,277,141	2,446,189
Corporations	605,641	275,000	880,641	724,875	52,000	776,875
	<u>28,044,862</u>	<u>7,261,626</u>	<u>35,306,488</u>	<u>26,755,233</u>	<u>7,214,930</u>	<u>33,970,163</u>
Program services	119,777	-	119,777	318,503	-	318,503
Investment income, net	455,834	289,337	745,171	411,786	202,452	614,238
Spending policy	783,148	(783,148)	-	785,016	(785,016)	-
Other revenues	619,361	-	619,361	588,563	99,194	687,757
Total revenues	<u>30,022,982</u>	<u>6,767,815</u>	<u>36,790,797</u>	<u>28,859,101</u>	<u>6,731,560</u>	<u>35,590,661</u>
Net assets released from restrictions	<u>12,329,764</u>	<u>(12,329,764)</u>	<u>-</u>	<u>13,218,948</u>	<u>(13,218,948)</u>	<u>-</u>
Total revenues	42,352,746	(5,561,949)	36,790,797	42,078,049	(6,487,388)	35,590,661
<b>Expenses</b>						
Program services:						
Land and Water	11,965,402	-	11,965,402	12,218,404	-	12,218,404
Energy and Climate	8,760,269	-	8,760,269	8,975,697	-	8,975,697
People Outdoors	4,934,580	-	4,934,580	5,367,304	-	5,367,304
Action Fund	1,806,054	-	1,806,054	502,817	-	502,817
	<u>27,466,305</u>	<u>-</u>	<u>27,466,305</u>	<u>27,064,222</u>	<u>-</u>	<u>27,064,222</u>
Support services:						
Fundraising	6,396,736	-	6,396,736	6,163,149	-	6,163,149
Management and general	1,356,987	-	1,356,987	1,401,871	-	1,401,871
	<u>7,753,723</u>	<u>-</u>	<u>7,753,723</u>	<u>7,565,020</u>	<u>-</u>	<u>7,565,020</u>
Total expenses	<u>35,220,028</u>	<u>-</u>	<u>35,220,028</u>	<u>34,629,242</u>	<u>-</u>	<u>34,629,242</u>
Change in net assets from operations	7,132,718	(5,561,949)	1,570,769	7,448,807	(6,487,388)	961,419
Gain/(loss) on investments	904,858	547,724	1,452,582	98,468	(149,125)	(50,657)
Change in value of beneficial interest	-	721,216	721,216	-	492,925	492,925
Change in net assets	<u>8,037,576</u>	<u>(4,293,009)</u>	<u>3,744,567</u>	<u>7,547,275</u>	<u>(6,143,588)</u>	<u>1,403,687</u>
Beginning net assets	30,117,686	34,768,971	64,886,657	22,570,411	40,912,559	63,482,970
Reclassification of Action Fund net assets for consolidation	<u>(1,562,049)</u>	<u>1,562,049</u>	<u>-</u>	<u>(1,674,890)</u>	<u>1,674,890</u>	<u>-</u>
Ending net assets	<u>\$ 36,593,213</u>	<u>\$ 32,038,011</u>	<u>\$ 68,631,224</u>	<u>\$ 28,442,796</u>	<u>\$ 36,443,861</u>	<u>\$ 64,886,657</u>

See accompanying notes to the consolidated financial statements.

The Wilderness Society and  
The Wilderness Society Action Fund

Consolidated Statement of Functional Expenses

Year ended September 30, 2020

	Program Services				Total Program Services	Supporting Services			Total Expenses
	Land and Water	Energy and Climate	People Outdoors	Action Fund		Fundraising	Management and General	Total Supporting Services	
Compensation	\$ 5,573,629	\$ 3,699,557	\$ 1,660,957	\$ 245,686	\$ 11,179,829	\$ 2,646,009	\$ 595,415	\$ 3,241,424	\$ 14,421,253
Fringe benefits	<u>1,430,860</u>	<u>947,839</u>	<u>424,637</u>	<u>60,264</u>	<u>2,863,600</u>	<u>683,109</u>	<u>117,940</u>	<u>801,049</u>	<u>3,664,649</u>
	7,004,489	4,647,396	2,085,594	305,950	14,043,429	3,329,118	713,355	4,042,473	18,085,902
Professional fees	1,635,434	1,371,827	699,056	831,412	4,537,729	781,477	269,885	1,051,362	5,589,091
Grants and awards	154,968	520,625	681,258	470,000	1,826,851	-	-	-	1,826,851
Supplies	43,534	26,086	13,357	2,078	85,055	20,763	4,423	25,186	110,241
Telephone	119,010	78,799	34,479	5,148	237,436	63,014	13,106	76,120	313,556
Postage and shipping	396,907	281,971	276,995	340	956,213	505,323	38,783	544,106	1,500,319
Occupancy	1,260,140	836,349	368,397	54,374	2,519,260	667,792	139,903	807,695	3,326,955
Equipment rental	38,324	25,490	18,370	1,464	83,648	19,996	5,122	25,118	108,766
Printing and art work	662,973	573,913	473,191	108,092	1,818,169	703,678	56,463	760,141	2,578,310
Travel	270,392	131,264	85,619	5,140	492,415	58,289	60,976	119,265	611,680
Dues and subscriptions	145,186	111,082	80,441	16,756	353,465	54,304	18,670	72,974	426,439
Insurance	24,814	16,451	7,198	1,075	49,538	13,156	2,736	15,892	65,430
Mailing list rentals	91,209	64,266	64,968	-	220,443	104,546	8,721	113,267	333,710
Personnel acquisitions	26,895	15,603	14,003	-	56,501	24,049	2,958	27,007	83,508
Depreciation, amortization, and miscellaneous	<u>91,127</u>	<u>59,147</u>	<u>31,654</u>	<u>4,225</u>	<u>186,153</u>	<u>51,231</u>	<u>21,886</u>	<u>73,117</u>	<u>259,270</u>
Total	<u>\$ 11,965,402</u>	<u>\$ 8,760,269</u>	<u>\$ 4,934,580</u>	<u>\$ 1,806,054</u>	<u>\$ 27,466,305</u>	<u>\$ 6,396,736</u>	<u>\$ 1,356,987</u>	<u>\$ 7,753,723</u>	<u>\$ 35,220,028</u>

See accompanying notes to the consolidated financial statements.

The Wilderness Society and  
The Wilderness Society Action Fund

Consolidated Statement of Functional Expenses

Year ended September 30, 2019

	Program Services				Total Program Services	Supporting Services			Total Expenses
	Land and Water	Energy and Climate	People Outdoors	Action Fund		Fundraising	Management and General	Total Supporting Services	
Compensation	\$ 5,350,914	\$ 3,643,432	\$ 1,557,600	\$ 51,366	\$ 10,603,312	\$ 2,414,273	\$ 600,357	\$ 3,014,630	\$ 13,617,942
Fringe benefits	<u>1,267,435</u>	<u>862,292</u>	<u>368,494</u>	<u>12,525</u>	<u>2,510,746</u>	<u>568,969</u>	<u>134,681</u>	<u>703,650</u>	<u>3,214,396</u>
	6,618,349	4,505,724	1,926,094	63,891	13,114,058	2,983,242	735,038	3,718,280	16,832,338
Professional fees	1,743,035	1,325,000	1,184,582	235,532	4,488,149	751,455	249,906	1,001,361	5,489,510
Grants and awards	328,004	684,100	810,795	10,000	1,832,899	-	-	-	1,832,899
Supplies	60,778	47,896	19,238	529	128,441	26,615	6,731	33,346	161,787
Telephone	159,301	108,250	45,175	1,488	314,214	80,804	17,875	98,679	412,893
Postage and shipping	365,142	275,105	220,813	83	861,143	525,094	45,719	570,813	1,431,956
Occupancy	1,242,799	844,352	353,774	11,602	2,452,527	632,229	140,725	772,954	3,225,481
Equipment rental	57,659	39,152	21,498	475	118,784	28,869	7,834	36,703	155,487
Printing and art work	734,616	577,171	484,492	175,808	1,972,087	703,345	79,146	782,491	2,754,578
Travel	605,268	332,169	145,847	1,984	1,085,268	235,371	81,161	316,532	1,401,800
Dues and subscriptions	95,741	92,927	62,101	225	250,994	30,965	12,095	43,060	294,054
Insurance	23,683	15,774	6,607	218	46,282	11,817	2,612	14,429	60,711
Mailing list rentals	76,233	58,147	47,299	-	181,679	83,836	9,671	93,507	275,186
Personnel acquisitions	14,274	6,135	2,382	1	22,792	11,743	1,605	13,348	36,140
Depreciation, amortization, and miscellaneous	<u>93,522</u>	<u>63,795</u>	<u>36,607</u>	<u>981</u>	<u>194,905</u>	<u>57,764</u>	<u>11,753</u>	<u>69,517</u>	<u>264,422</u>
Total	<u>\$ 12,218,404</u>	<u>\$ 8,975,697</u>	<u>\$ 5,367,304</u>	<u>\$ 502,817</u>	<u>\$ 27,064,222</u>	<u>\$ 6,163,149</u>	<u>\$ 1,401,871</u>	<u>\$ 7,565,020</u>	<u>\$ 34,629,242</u>

See accompanying notes to the consolidated financial statements.



The Wilderness Society and  
The Wilderness Society Action Fund

Consolidated Statements of Cash Flows

	Years ended September 30,	
	2020	2019
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 3,744,567	\$ 1,403,687
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	261,307	262,476
Loss on disposal of fixed assets	14,255	-
Discount on long-term receivables	(185,996)	(81,146)
Allowance for uncollectible receivables	(111,265)	(171,791)
Net realized and unrealized investment (gain)/loss	(1,452,582)	50,657
Changes in investments held in trust	(73,224)	(257,757)
Donated securities	(2,307,707)	(2,210,975)
Contributions restricted for long-term investment	(15,855)	(19,950)
Changes in operating assets and liabilities:		
Accounts and contributions receivable	3,494,578	4,181,122
Beneficial interests in assets held by others	240,399	(681,400)
Prepaid expenses and other assets	(364,611)	15,101
Accounts payable and accrued expenses	(389,778)	292,275
Deferred revenue	14,430	32,224
Deferred rent	(118,618)	(115,714)
Deposits	(13,738)	3,700
Net cash provided by operating activities	2,736,162	2,702,509
<b>Cash flows from investing activities</b>		
Purchase of equipment	(280,979)	(243,455)
Proceeds from sale of investments	57,702,468	3,170,522
Purchase of investments	(45,575,234)	(2,174,486)
Certificate of deposit	(1,800,917)	-
Net cash provided by investing activities	10,045,338	752,581
<b>Cash flows from financing activities</b>		
Investment return on planned giving assets, net	(524,684)	421,457
Contributions restricted for long-term investment	15,855	19,950
Net cash (used in)/provided by financing activities	(508,829)	441,407
Change in cash and cash equivalents	12,272,671	3,896,497
Cash and cash equivalents, beginning of year	8,674,806	4,778,309
Cash and cash equivalents, end of year	\$ 20,947,477	\$ 8,674,806

See accompanying notes to the consolidated financial statements.

The Wilderness Society and  
The Wilderness Society Action Fund

Notes to Consolidated Financial Statements

*Years ended September 30, 2020 and 2019*

**Note A - Organization and Purpose**

The Wilderness Society (TWS) is the leading conservation organization working to protect wilderness and inspire Americans to care for our wild places. Founded in 1935, and now with more than 700,000 members and supporters, The Wilderness Society has led the effort to permanently protect 109 million acres of wilderness. We work to ensure sound management of our shared national lands, which include 635 million acres owned by the American people and managed by our government.

The Wilderness Society Action Fund (Action Fund) is an affiliated organization of TWS and was created for the purpose of educating the public and advancing issue advocacy dedicated to protecting wilderness.

TWS's major programs are as follows:

Land and Water Program

Our Land and Water Program focuses on priority landscapes and watersheds to ensure they are better protected, connected and able to adapt to the changing climate and include a variety of ecosystem types. This requires better funding of land agencies and defense of the nation's bedrock conservation laws. Our nation's protected lands must also include more places that honor and recognize geographic, racial, ethnic, cultural and socioeconomic diversity. We work to build awareness and support for public lands among diverse people, partners and decision makers.

Energy and Climate Program

The Wilderness Society also works to address the key challenges for public lands as we transition to a cleaner energy future. Specifically, we work to ensure that wildlands and high-value-conservation areas are protected from degradation from new energy infrastructure, and appropriate protections established in key areas. We strive to secure policies so public lands are managed to reduce their contributions to climate change. We engage the public to increase awareness and support for the management of public lands as part of our national response to climate change.

People Outdoors Program

Inspiring Americans to care for wild places is a challenge due to the effects of urbanization, outdated policies and lack of access, among other factors. We work to spur new initiatives to get people outdoors and make public lands more inclusive. We focus on connecting communities of color and low-income residents in urban areas with public lands, helping to make them accessible and relevant to their lives; ensuring young people have multiple chances to learn, play and work outside; and fostering sustainable recreation that results in life-long enjoyment and connections to the outdoors.

The Wilderness Society and  
The Wilderness Society Action Fund

Notes to Consolidated Financial Statements (Continued)

**Note A - Organization and Purpose (Continued)**

Action Fund

Defending the nation's most treasured places requires action. The Action Fund works to generate awareness among citizens about threatened places. Concerned citizens in turn ask lawmakers in Congress to support conservation goals. This grassroots effort is essential for protecting specific places, whether the Arctic National Wildlife Refuge in northeast Alaska, wild forests in Maine or rugged landscapes in southern Utah. This action is also essential for protecting the bedrock laws that guard legal protections for America's lands and waters. The Action Fund is an avenue through which The Wilderness Society pursues this type of advocacy work.

**Note B - Summary of Significant Accounting Policies**

*Principles of consolidation*

The consolidated financial statements include the accounts of TWS and the Action Fund (collectively, the Society). Significant intercompany accounts and transactions have been eliminated in consolidation. For purposes of consolidated reporting, the Society has classified the net assets without donor restrictions of the Action Fund as net assets with donor restrictions.

*Basis of accounting*

The Society presents its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) promulgated by the Financial Accounting Standards Board Accounting Standards Codification.

*Subsequent events*

The Society has performed an evaluation of subsequent events through February 26, 2021, which is the date the consolidated financial statements were available to be issued and has considered any relevant matters in the preparation of the consolidated financial statements and notes.

*Use of estimates*

GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts and classifications of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates, and those differences could be material.

*Income taxes*

TWS is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is not a private foundation under Section 509(a) of the IRC. The Action Fund is exempt from federal income taxes under Section 501(c)(4) of the IRC. The Society is subject to income taxes on unrelated business income, less applicable deductions. Management has concluded that the Society has properly maintained its exempt status and there are no uncertain tax positions as of September 30, 2020. There are currently no examinations being conducted.

The Wilderness Society and  
The Wilderness Society Action Fund

Notes to Consolidated Financial Statements (Continued)

**Note B - Summary of Significant Accounting Policies (Continued)**

*Risk and uncertainties*

The Society invests in various securities. These securities are exposed to a variety of risks, such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position.

In March 2020, the World Health Organization declared a pandemic related to the rapidly spreading coronavirus (COVID-19) outbreak, which has led to a global health emergency. The Society's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on the Society and its donors, employees, and vendors. As such, COVID-19 could have a material adverse effect on the Society's financial position in the future. The ultimate duration and impact of the COVID-19 outbreak on the Society's financial position cannot be reasonably estimated at this time.

*Cash and cash equivalents*

The Society considers all highly liquid investments with original maturities at the purchase date of 90 days or less to be cash equivalents. The Federal Deposit Insurance Corporation (FDIC) insures amounts on deposit with each financial institution up to limits prescribed by law. The Society may hold funds with financial institutions in excess of the FDIC insured amounts; however, the Society has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents. Cash and cash equivalents held within the investment accounts, or by bank custodians that are intended to be invested, are classified as investments in the accompanying consolidated statements of financial position.

*Certificate of deposit*

Certificates of deposit with original maturities of greater than 90 days are stated cost plus accrued interest. Certificates of deposit do not meet the definition of securities under accounting standards and thus are not subject to the fair value disclosure requirements of GAAP.

*Investments and fair value measurement*

Investments are recorded at fair value. Investment income or loss, including realized and unrealized gains and losses, is included in the consolidated statements of activities as an increase or decrease in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Dividend and interest income are considered operating revenue of the Society. Realized and unrealized gains and losses above the spending rate approved by the Governing Council are not used in operations and, therefore, are reported as net assets with donor restrictions in the consolidated statements of activities as gain on investments.

The Wilderness Society and  
The Wilderness Society Action Fund

Notes to Consolidated Financial Statements (Continued)

**Note B - Summary of Significant Accounting Policies (Continued)**

*Investments and fair value measurement (continued)*

In accordance with GAAP, the Society prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The levels of the hierarchy are as follows:

Level 1 – Inputs to the valuation methodology are quoted (unadjusted) for identical assets or liabilities in actively traded markets which the Society has the ability to access.

Level 2 – Inputs to the valuation methodology 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 – Inputs to the valuation methodology are unobservable for the asset or liability and are significant to the fair value measurement.

*Planned giving assets and liabilities*

The Society maintains a pooled income fund for planned giving investments. Donors contribute to the Society an irrevocable remainder interest in assets while they reserve the right to income earned on the assets. The Society recognizes its remainder interest in the assets received as with donor restriction contribution revenue in the period the assets are received. The contribution is recorded at the fair value of the asset discounted over the actuarially estimated time period until the donor's death.

Charitable gift annuity contributions are recorded net of the present value of the liability of the future annuity payments. The rate used to calculate the net present value is the adjusted discount rate for the month in which the gift is made. The value of the liability is adjusted to reflect amortization of the discount, payments to the donor, and changes in actuarial assumptions.

Charitable remainder trusts are recorded at the present value of estimated future cash flows. The discount rate used to calculate the net present value of the estimated future cash flows for the years ended September 30, 2020 and 2019 was 0.4% and 2.2%, respectively. The value of the trust liability is adjusted to reflect amortization of the discount and changes in actuarial assumptions related to interest rate fluctuations or other variables.

The Wilderness Society and  
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Notes to Consolidated Financial Statements (Continued)

**Note B - Summary of Significant Accounting Policies (Continued)**

*Planned giving assets and liabilities (continued)*

Earnings generated by planned giving investments are recorded as liabilities to cover commitments to the beneficiaries of planned giving agreements. The change in the actuarial value of planned giving assets is recorded as change in value of beneficial interest in the consolidated statements of activities.

*Beneficial interest in assets held by others*

The Society has been named as an irrevocable beneficiary of several charitable trusts held and administered by independent trustees. These trusts were created independently by donors and are administered by outside agents designated by the donors. Therefore, the Society does not have either possession or control over the assets of the trusts. It is the policy of the Society to record such assets only when the Society's interest is deemed to be irrevocable and where there is sufficient information to quantify a fair and accurate valuation. When the Society has enough information to record the beneficial interest, a contribution with donor restrictions is recorded in the statements of activities, and a beneficial interest in assets held by others is recorded in the consolidated statements of financial position at fair value using the discounted present value of the gift, based on the date of the gift and the trust life. Thereafter, beneficial interests in the trusts are reported at fair value in the statements of financial position, with changes in fair value recognized in the statements of activities. Upon receipt of trust distributions or expenditures, or both, in satisfaction of the donor-restricted purpose, if any, net assets with donor-imposed time or purpose restrictions are released to net assets without donor restrictions. Trust distributions with donor-imposed restrictions that are perpetual in nature are transferred to the endowment, in which case, net assets with donor-restrictions are not released.

The beneficial interest in assets held by others for which the Society does not serve as trustee, amounted to \$5,589,000 and \$5,887,000 as of September 30, 2020 and 2019, respectively, and is recorded in net assets with donor restrictions in the accompanying consolidated statements of financial position. Of these amounts, \$246,299 and \$303,900, is included within accounts receivable as of September 30, 2020 and 2019, respectively as payment is due within one year. Trust assets include publicly traded U.S. stock, corporate and government bonds, mutual funds, and property and land. The change in value of beneficial interests was \$721,216 and \$492,925 for the years ended September 30, 2020 and 2019, respectively.

*Contributions receivable*

Contributions receivable that are expected to be collected within one year are reported net of any estimated uncollectible amounts. Contributions expected to be collected beyond one year are reported net of any estimated uncollectible amounts and are discounted to present value using the United States Treasury obligations risk-adjusted rate according to their corresponding terms.

The Wilderness Society and  
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Notes to Consolidated Financial Statements (Continued)

**Note B - Summary of Significant Accounting Policies (Continued)**

*Contributions*

The Society recognizes contributions when an unconditional promise to give is received. Conditional promises to give, with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Contributions are recorded as with donor restrictions or without donor restrictions, depending on the existence or nature of any donor imposed restrictions. A contribution is reported as without donor restrictions if a restriction is fulfilled in the same period in which the contribution is received.

*Allowance for uncollectible contributions*

The Society has established an allowance for uncollectible contributions based on management's judgment of the creditworthiness of the donors, past collection experience, and other relevant factors. Although variability is inherent in such estimates, management believes that the allowance provided in the consolidated financial statements is adequate, but largely dependent on economic conditions.

*Fixed assets*

Furniture and equipment expenditures over \$5,000 are recorded at cost and are depreciated using the straight-line method, with estimated useful lives ranging from three to ten years. Leasehold improvements are recorded at cost and are amortized over the shorter of their useful lives or the remaining term of the lease.

*Collections*

The Society's collections include artwork and photographs that are held for educational purposes. Each item is preserved and cared for in a manner similar to works of art held for public exhibition. The collections, which were acquired through various donations since the Society's inception, are not recognized as assets on the consolidated statements of financial position.

*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. The governing council has designated, from net assets without donor restrictions, net assets for a capital reserve.

The Wilderness Society and  
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Notes to Consolidated Financial Statements (Continued)

**Note B - Summary of Significant Accounting Policies (Continued)**

*Net assets (continued)*

Net assets with donor restrictions – Net assets subject to donor, 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.

When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

*Functional allocation of expenses*

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs, including compensation, fringe benefits, professional fees, travel, printing and artwork, postage and shipping, and occupancy have been allocated among the programs, general and administrative and fundraising costs based on employee headcount as calculated by time expended.

*Reclassifications*

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported total consolidated net assets.

*Accounting principles adopted*

As of October 1, 2019, the Society adopted the provisions of Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and Accounting for Contributions Received and Contributions Made (topic 958)*. This accounting standard is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional. There was no impact to the consolidated financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded.



The Wilderness Society and  
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Notes to Consolidated Financial Statements (Continued)

**Note B - Summary of Significant Accounting Policies (Continued)**

*Accounting principles adopted (continued)*

Additionally, the Society adopted ASU 2018-13, *Disclosure Framework- Changes to the Disclosure Requirements for Fair Value Measurement*. This standard modifies the disclosure requirements for assets and liabilities measured at fair value. The requirements to disclose the amounts of and reasons for the transfers between Level 1 and Level 2 of the fair value hierarchy, the policy for the timing of of transfers between levels and the valuation process for Level 3 fair value measurements have been removed.

**Note C - Liquidity and Availability**

Financial assets available for general expenditure within one year of the balance sheet date, comprise the following as of September 30:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 20,947,477	\$ 7,959,224
Accounts and contributions receivable, net	3,311,388	4,960,966
Investments	20,593,710	28,759,501
Endowment spending-rate distributions and appropriations	<u>890,561</u>	<u>917,732</u>
	<u>\$ 45,743,136</u>	<u>\$ 42,597,423</u>

As part of the liquidity management plan, the Society's internal policy provides guidance in structuring financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Society conducts an annual planning process in which revenues and expenses are budgeted for the coming year. This budget is created on a month-by-month basis, as a calendarization of revenue and expenses. As part of that process, cash and non-cash items are materially identified such that a cash forecast can be produced. The Society invests cash in excess of daily requirements in mutual funds, equities, and fixed income securities.

The Society's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure. Donor restricted endowment funds are subject to an annual spending rate of 5% percent as described in Note E.

The Wilderness Society and  
The Wilderness Society Action Fund

Notes to Consolidated Financial Statements (Continued)

**Note C - Liquidity and Availability (Continued)**

The Society has designated a portion of its net assets without donor restrictions as board designated, which are set aside for investment capital reserves. These board designated net assets are subject to self-imposed limits by action of the Governing Council or management and are earmarked for future programs, investments, contingencies, and other uses. These amounts are not deemed to be board designated endowment funds. Although the Society does not intend to spend from these board-designated amounts set aside as capital reserves, these amounts could be made available if necessary by either the Finance Committee or management, and can be used for ongoing programs and operations. Occasionally, the Governing Council could designate a portion of any operating surplus to the capital reserve.

The Society is supported, in part, by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Society must maintain sufficient resources to meet those responsibilities to its donors. The Society has evaluated its general expenditures for the next fiscal year and has determined that certain donor restrictions are for purposes related to its ongoing programs and activities. Therefore, certain donor restricted financial assets are considered available for general expenditure and are included in the above analysis. As of September 30, 2020 and 2019, approximately \$5.0 million and \$6.4 million of net assets with donor restrictions are expected to be available to meet general expenditures within one year of the consolidated statements of financial position.

**Note D - Investments and Fair Value Measurement**

Investments, at fair value, within the fair value hierarchy at September 30, 2020 are as follows:

	Level 1	Level 2	Level 3	Total
Investments:				
Cash and cash equivalents *	\$ -	\$ -	\$ -	\$ 480,292
Equities	26,531,364	-	-	26,531,364
Fixed income	<u>5,637,209</u>	<u>5,191,877</u>	-	<u>10,829,086</u>
Total investments	32,168,573	5,191,877	-	37,840,742
Planned giving assets:				
Cash and cash equivalents *	-	-	-	152,451
Mutual funds	1,334,556	-	-	1,334,556
Common stock	1,485,434	-	-	1,485,434
Fixed income	<u>365,233</u>	<u>441,226</u>	-	<u>806,459</u>
Total planned giving assets	3,185,223	441,226	-	3,778,900
Beneficial interest in assets held by others	<u>-</u>	<u>-</u>	<u>5,342,701</u>	<u>5,342,701</u>
Total	<u>\$ 35,353,796</u>	<u>\$ 5,633,103</u>	<u>\$ 5,342,701</u>	<u>\$ 46,962,343</u>

The Wilderness Society and  
The Wilderness Society Action Fund

Notes to Consolidated Financial Statements (Continued)

**Note D - Investments and Fair Value Measurement (Continued)**

\*Cash and cash equivalents held within investment accounts have been excluded from the fair value level disclosures in the above table, in accordance with GAAP.

Investments, at fair value, within the fair value hierarchy at September 30, 2019 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Cash and cash equivalents *	\$ -	\$ -	\$ -	\$ 20,908,845
Equities	14,793,906	-	-	14,793,906
Fixed income	<u>3,044,845</u>	<u>7,342,152</u>	-	<u>10,386,997</u>
Total investments	17,838,751	7,342,152	-	46,089,748
Planned giving assets:				
Cash and cash equivalents *	-	-	-	234,327
Mutual funds	1,750,894	-	-	1,750,894
Common stock	1,083,076	-	-	1,083,076
Fixed income	<u>350,644</u>	<u>433,183</u>	-	<u>783,827</u>
Total planned giving assets	3,184,614	433,183	-	3,852,124
Beneficial interest in assets held by others	<u>-</u>	<u>-</u>	<u>5,583,100</u>	<u>5,583,100</u>
Total	<u>\$ 21,023,365</u>	<u>\$ 7,775,335</u>	<u>\$ 5,583,100</u>	<u>\$ 55,524,972</u>

\*Cash and cash equivalents held within investment accounts have been excluded from the fair value level disclosures in the above table, in accordance with GAAP.

**Note E - Endowment Funds**

The Society's endowment consists of individual funds established for a variety of purposes and are donor-restricted. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Wilderness Society and  
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Notes to Consolidated Financial Statements (Continued)

**Note E - Endowment Funds (Continued)**

*Interpretation of Relevant Law*

The Governing Council of the Society has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the Society retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts donated to the endowment), and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Society and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Society
- The investment policies of the Society

As of September 30 2020, and 2019, the Society had the following endowment net asset composition by type of fund:

With Donor Restriction	2020	2019
Donor-restricted endowment funds		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 10,993,885	\$ 10,934,626
Planned giving assets (net), and donated insurance	599,839	546,301
Beneficial interest in assets held by third parties	1,554,000	1,559,000
Accumulated investment gains	5,697,483	5,812,427
	<u>\$ 18,845,207</u>	<u>\$ 18,852,354</u>

The Wilderness Society and  
The Wilderness Society Action Fund

Notes to Consolidated Financial Statements (Continued)

**Note E - Endowment Funds (Continued)**

*Interpretation of relevant law (continued)*

Changes in endowment net assets for the years ended September 30, 2020 and 2019 are as follows:

With Donor Restrictions	2020	2019
Endowment net assets, beginning of year	\$ 18,852,354	\$ 19,761,603
Appropriation of endowment assets pursuant to spending-rate policy	(917,732)	(942,745)
Investment return, net	851,326	13,546
Contributions	59,259	19,950
Endowment net assets, end of year	<u>\$ 18,845,207</u>	<u>\$ 18,852,354</u>

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Society has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no deficiencies in donor-restricted endowment funds as of September 30, 2020 and 2019, and thus, no action taken by the Society during 2020 or 2019 concerning appropriation from underwater endowment funds.

*Investment and Spending Policies*

The Society has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets consist of those assets of donor-restricted funds that the Society must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Governing Council, the endowment's assets are invested in a manner that is intended to produce results that exceed the price and yield results of a benchmark including 75% S&P 500 index and 25% Barclays Capital Aggregate Bond Index. The Society expects its endowment funds, over time, to provide an average rate of return of approximately 6 percent annually. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Society relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Society targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

The Wilderness Society and  
The Wilderness Society Action Fund

Notes to Consolidated Financial Statements (Continued)

**Note E - Endowment Funds (Continued)**

*Investment and spending policies (continued)*

The Society has a policy of appropriating for distribution each year 5 percent of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end proceeding the fiscal year in which the distribution is planned, including those endowments deemed to be underwater, each year. In establishing this policy, the Society considered the long-term expected return on its endowment. Accordingly, over the long term, the Society expects the current spending policy to allow its endowment to grow at an average sufficient to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

**Note F - Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods.

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Conservation and education programs	\$ 5,605,989	\$ 9,777,976
Campaign	<u>850,000</u>	<u>1,075,000</u>
	<u>6,455,989</u>	<u>10,852,976</u>
Subject to the passage of time:		
Beneficial interests in assets held by others	3,788,701	4,024,100
Planned giving agreements	1,139,766	735,641
Beneficial interests held in asset held by others - short term	<u>246,299</u>	<u>303,900</u>
	<u>5,174,766</u>	<u>5,063,641</u>
Subject to NFP endowment spending policy and appropriation:		
Conservation and education programs	10,993,885	10,934,626
Beneficial interests in assets held by others	510,207	536,564
Planned giving agreements	<u>599,839</u>	<u>546,301</u>
	<u>12,103,931</u>	<u>12,017,491</u>
Subject to appropriation and expenditure when a specified event occurs:		
Accumulated earnings (net) from endowments available for conservation and education programs	<u>5,697,483</u>	<u>5,812,427</u>
Not subject to spending policy or appropriations:		
Beneficial interests in perpetual trusts	<u>1,043,793</u>	<u>1,022,436</u>
Reclassification of Action Fund net assets for consolidation	<u>1,562,049</u>	<u>1,674,890</u>
Total net assets with donor restrictions	<u>\$ 32,038,011</u>	<u>\$ 36,443,861</u>

The Wilderness Society and  
The Wilderness Society Action Fund

Notes to Consolidated Financial Statements (Continued)

**Note F - Net Assets With Donor Restrictions (Continued)**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended September 30:

	<u>2020</u>	<u>2019</u>
<i>Purpose restriction</i>	\$ 9,685,776	\$ 10,597,685
<i>Time restriction:</i>		
Split interest agreements	383,607	126,124
Multi-year pledge payments	<u>2,260,381</u>	<u>2,495,139</u>
Net assets released from restriction	<u>\$ 12,329,764</u>	<u>\$ 13,218,948</u>

**Note G - Accounts and Contributions Receivable**

Accounts and contributions receivable, including long-term receivables, included the following at September 30:

	<u>2020</u>	<u>2019</u>
Contributions receivable:		
Due in one to five years	\$ 949,537	\$ 2,794,537
Less: Allowance for uncollectible pledges	(101,690)	(212,955)
Less: Discount on long-term portion	<u>(202,385)</u>	<u>(388,381)</u>
	645,462	2,193,201
Due in less than one year	<u>2,888,407</u>	<u>3,703,506</u>
	3,533,869	5,896,707
Beneficial interest in assets held by others due in less than one year	246,299	303,900
Accounts receivable	<u>176,682</u>	<u>953,560</u>
	<u>\$ 3,956,850</u>	<u>\$ 7,154,167</u>

**Note H - Fixed Assets**

Furniture, equipment, and leasehold improvements consist of the following at September 30:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 461,835	\$ 1,343,201
Computer equipment and related assets	2,295,320	3,353,250
Leasehold improvements	<u>849,069</u>	<u>2,290,424</u>
	3,606,224	6,986,875
Accumulated depreciation and amortization	<u>(2,814,511)</u>	<u>(6,229,088)</u>
	<u>\$ 791,713</u>	<u>\$ 757,787</u>

The Wilderness Society and  
The Wilderness Society Action Fund

Notes to Consolidated Financial Statements (Continued)

**Note I - Obligations Under Facility and Other Leases**

The Society has entered into various operating lease agreements for office space at both its headquarters and its field offices, as well as operating leases for various office equipment. In May 2000, the Society signed a non-cancelable lease for its headquarters in Washington, D.C. Under the terms of the agreement, the Society is committed to annual rental payments adjusted for defined escalations based on rentable square feet. Since lease commencement, the Society has signed multiple lease amendments revising the annual base rent and extending the lease term. The Society signed the most recent amendment in November 2011, revising the annual base rent and extending the lease term through June 2023. Rent expense, rent abatements, and other concessions are recognized on a straight-line basis over the term of the lease, with the difference between the straight-line rent and the actual rent payments being recorded as deferred rent in the accompanying consolidated statements of financial position. As required by the terms of its lease for its headquarters, the Society maintains a letter-of-credit agreement for \$200,000 with a local financial institution for the benefit of the landlord.

In June 2020, the Society signed a separate non-cancelable lease agreement to move its Washington, D.C. headquarters to a different location. As of September 30, 2020, the anticipated commencement date of this lease is June 2021, with a term of 180 months and a five year renewal option. As required by the terms of its lease, the Society maintains a certificate of deposit for \$1,800,000 with a local financial institution for the benefit of the landlord.

Occupancy expense under operating leases was \$3,326,955 and \$3,225,481 in 2020 and 2019, respectively.

The Society's future minimum payments for occupancy and equipment under noncancelable operating leases as of September 30, 2020 are:

	<u>Facility</u>	<u>Equipment</u>	<u>Total</u>
2021	\$ 2,854,018	\$ 27,956	\$ 2,881,974
2022	2,400,492	6,180	2,406,672
2023	2,239,010	2,060	2,241,070
2024	2,003,319	-	2,003,319
2025	2,048,301	-	2,048,301
Thereafter	<u>22,726,231</u>	<u>-</u>	<u>22,726,231</u>
Total	<u>\$ 34,271,371</u>	<u>\$ 36,196</u>	<u>\$ 34,307,567</u>



The Wilderness Society and  
The Wilderness Society Action Fund

Notes to Consolidated Financial Statements (Continued)

**Note J - Rental Income**

The Society is the lessor of a portion of its building space to various organizations under operating leases. Rental income of \$445,456 and \$496,230 was recognized during the years ended September 30, 2020 and 2019, respectively, which is included in other revenue on the consolidated statements of activities. As part of the new operating lease signed for the Washington DC headquarters in 2020 (see Note I), the new landlord will be the ultimate recipient of future rental income upon the commencement of the new lease anticipated in June 2021. As of September 30, 2020, future minimum rental income of \$26,997 is expected to be received in 2021 under these noncancelable leases.

**Note K - Allocation of Joint Costs of Direct Mailings**

The Society produces mailings that include programmatic and administrative information, together, with a request for contributions in support of the Society's mission. The costs of producing these mailings is not directly attributable to any single function. In 2020 and 2019, the Society incurred joint costs of \$5,676,387 and \$5,521,090, respectively, for informational materials and activities that included fundraising appeals. Of those costs, \$2,820,661 and \$2,628,446, respectively, were allocated to program expenses, \$1,294,033 and \$1,534,688, respectively, were allocated to management and general, and \$1,561,693 and \$1,357,956, respectively, remained in fundraising.

**Note L - Retirement Plan**

The Society has a noncontributory defined contribution pension plan covering all eligible permanent employees. The Society makes quarterly contributions of 6% of the eligible compensation paid to plan participants. For the years ended September 30, 2020 and 2019, the Society contributed \$774,693 and \$701,673, respectively, to the plan.

**Note M - Related Party Transactions**

The consolidated statements of financial position include \$1,744,536 and \$3,240,536 in outstanding contributions receivable as of September 30, 2020 and 2019, respectively, from members of the Society's Governing Council. The Society recognized \$7,699,700 and \$7,359,657 in contribution revenue from these members for the years ended September 30, 2020 and 2019, respectively.

**Note N - Self-Insured Health Plan**

The Society provides self-insured health benefits for its eligible employees. Under the Program, the Society pays the administrative fees and benefit claims of its employees up to \$70,000. Individual claims in excess of these limits are insured by a third-party insurance carrier.

The Wilderness Society and  
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Notes to Consolidated Financial Statements (Continued)

**Note N - Self-Insured Health Plan (Continued)**

The Society recorded claims payable and incurred but not reported of \$184,186 as of September 30, 2020 and 2019, respectively, which is included in accounts payable and accrued expenses in the accompanying consolidated statements of financial position. Additionally, the claims paid under this Program were \$1,988,725 and \$1,598,807 for the years ended September 30, 2020 and 2019, respectively.

It is inherently difficult to estimate the liability for claims payable and incurred but not reported as of the consolidated statement of financial position date due to the unknown nature of the claims and the potentially lengthy settlement process. This significant estimate is based on management's best estimate and judgment, and may be adjusted as more current information becomes available. Resulting adjustments could be material.

The Wilderness Society and  
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Consolidating Schedule of Financial Position

September 30, 2020

	The Wilderness Society	The Wilderness Society Action Fund	Reclassifications & Eliminations	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 19,288,005	\$ 1,659,472	\$ -	\$ 20,947,477
Certificate of deposit	1,800,917	-	-	1,800,917
Accounts and contributions receivable, net	3,643,770	5,000	(337,382)	3,311,388
Investments	37,840,742	-	-	37,840,742
Planned giving investments	3,778,900	-	-	3,778,900
Beneficial interest in assets held by others	5,342,701	-	-	5,342,701
Long-term receivables, net	645,462	-	-	645,462
Prepaid expenses and other assets	689,349	287,400	-	976,749
Fixed assets, net	762,825	28,888	-	791,713
Total assets	<u>\$ 73,792,671</u>	<u>\$ 1,980,760</u>	<u>\$ (337,382)</u>	<u>\$ 75,436,049</u>
<b>Liabilities and net assets</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 3,187,969	\$ 418,711	\$ (337,382)	\$ 3,269,298
Deferred revenue	50,754	-	-	50,754
Deferred rent	1,138,112	-	-	1,138,112
Deposits	5,500	-	-	5,500
Planned giving liabilities	2,341,161	-	-	2,341,161
Total liabilities	6,723,496	418,711	(337,382)	6,804,825
Net assets:				
Without donor restrictions	36,593,213	1,562,049	(1,562,049)	36,593,213
With donor restrictions	30,475,962	-	1,562,049	32,038,011
Total net assets	<u>67,069,175</u>	<u>1,562,049</u>	<u>-</u>	<u>68,631,224</u>
Total liabilities and net assets	<u>\$ 73,792,671</u>	<u>\$ 1,980,760</u>	<u>\$ (337,382)</u>	<u>\$ 75,436,049</u>

The Wilderness Society and  
The Wilderness Society Action Fund

Consolidating Schedule of Financial Position

	September 30, 2019			
	The Wilderness Society	The Wilderness Society Action Fund	Reclassifications & Eliminations	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 7,085,773	\$ 1,589,033	\$ -	\$ 8,674,806
Accounts and contributions receivable, net	4,860,966	100,000	-	4,960,966
Investments	46,089,748	-	-	46,089,748
Planned giving investments	3,852,124	-	-	3,852,124
Beneficial interest in assets held by others	5,583,100	-	-	5,583,100
Long-term receivables, net	2,193,201	-	-	2,193,201
Prepaid expenses and other assets	599,712	12,426	-	612,138
Fixed assets, net	734,641	23,146	-	757,787
Total assets	\$ 70,999,265	\$ 1,724,605	\$ -	\$ 72,723,870
<b>Liabilities and net assets</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 3,609,361	\$ 49,715	\$ -	\$ 3,659,076
Deferred revenue	36,324	-	-	36,324
Deferred rent	1,256,730	-	-	1,256,730
Deposits	19,238	-	-	19,238
Planned giving liabilities	2,865,845	-	-	2,865,845
Total liabilities	7,787,498	49,715	-	7,837,213
Net assets:				
Without donor restrictions	28,442,796	1,674,890	(1,674,890)	28,442,796
With donor restrictions	34,768,971	-	1,674,890	36,443,861
Total net assets	63,211,767	1,674,890	-	64,886,657
Total liabilities and net assets	\$ 70,999,265	\$ 1,724,605	\$ -	\$ 72,723,870

The Wilderness Society and  
The Wilderness Society Action Fund

Consolidating Schedule of Activities

Year ended September 30, 2020

	The Wilderness Society			Action Fund			Consolidated Totals			
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>										
Contributions										
Individuals	\$ 23,923,135	\$ 4,465,306	\$ 28,388,441	\$ 1,439,098	\$ -	\$ 1,439,098	\$ -	\$ 25,362,233	\$ 4,465,306	\$ 29,827,539
Foundations	2,076,988	2,521,320	4,598,308	-	-	-	-	2,076,988	2,521,320	4,598,308
Corporations	605,641	275,000	880,641	240,000	-	240,000	(240,000)	605,641	275,000	880,641
	26,605,764	7,261,626	33,867,390	1,679,098	-	1,679,098	(240,000)	28,044,862	7,261,626	35,306,488
Program services	119,777	-	119,777	-	-	-	-	119,777	-	119,777
Investment income, net	441,719	289,337	731,056	14,115	-	14,115	-	455,834	289,337	745,171
Spending policy	783,148	(783,148)	-	-	-	-	-	783,148	(783,148)	-
Other revenue	619,361	-	619,361	-	-	-	-	619,361	-	619,361
Total revenues	28,569,769	6,767,815	35,337,584	1,693,213	-	1,693,213	(240,000)	30,022,982	6,767,815	36,790,797
Net assets released from restrictions	12,329,764	(12,329,764)	-	-	-	-	-	12,329,764	(12,329,764)	-
Total revenues	40,899,533	(5,561,949)	35,337,584	1,693,213	-	1,693,213	(240,000)	42,352,746	(5,561,949)	36,790,797
<b>Expenses</b>										
Program services:										
Land and Water	12,205,402	-	12,205,402	-	-	-	(240,000)	11,965,402	-	11,965,402
Energy and Climate	8,760,269	-	8,760,269	-	-	-	-	8,760,269	-	8,760,269
People Outdoors	4,934,580	-	4,934,580	-	-	-	-	4,934,580	-	4,934,580
Action Fund	-	-	-	1,806,054	-	1,806,054	-	1,806,054	-	1,806,054
	25,900,251	-	25,900,251	1,806,054	-	1,806,054	(240,000)	27,466,305	-	27,466,305
Supporting services:										
Fundraising	6,396,736	-	6,396,736	-	-	-	-	6,396,736	-	6,396,736
Management and general	1,356,987	-	1,356,987	-	-	-	-	1,356,987	-	1,356,987
	7,753,723	-	7,753,723	-	-	-	-	7,753,723	-	7,753,723
Total expenses	33,653,974	-	33,653,974	1,806,054	-	1,806,054	(240,000)	35,220,028	-	35,220,028
Change in net assets from operations	7,245,559	(5,561,949)	1,683,610	(112,841)	-	(112,841)	-	7,132,718	(5,561,949)	1,570,769
Gain on investments	904,858	547,724	1,452,582	-	-	-	-	904,858	547,724	1,452,582
Change in value of beneficial interest	-	721,216	721,216	-	-	-	-	-	721,216	721,216
Change in net assets	8,150,417	(4,293,009)	3,857,408	(112,841)	-	(112,841)	-	8,037,576	(4,293,009)	3,744,567
Net assets, beginning of year - prior to reclassification of Action Fund net assets for consolidation	28,442,796	34,768,971	63,211,767	1,674,890	-	1,674,890	-	30,117,686	34,768,971	64,886,657
Net assets, end of year - prior to reclassification of Action Fund net assets for consolidation	36,593,213	30,475,962	67,069,175	1,562,049	-	1,562,049	-	38,155,262	30,475,962	68,631,224
Reclassification of Action Fund in consolidation	-	-	-	-	-	-	-	(1,562,049)	1,562,049	-
Net assets, end of year	\$ 36,593,213	\$ 30,475,962	\$ 67,069,175	\$ 1,562,049	\$ -	\$ 1,562,049	\$ -	\$ 36,593,213	\$ 32,038,011	\$ 68,631,224

The Wilderness Society and  
The Wilderness Society Action Fund

Consolidating Schedule of Activities

Year ended September 30, 2019

	The Wilderness Society			Action Fund			Consolidated Totals			
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>										
Contributions										
Individuals	\$ 24,675,652	\$ 4,885,789	\$ 29,561,441	\$ 1,185,658	\$ -	\$ 1,185,658	\$ -	\$ 25,861,310	\$ 4,885,789	\$ 30,747,099
Foundations	169,048	2,277,141	2,446,189	-	-	-	-	169,048	2,277,141	2,446,189
Corporations	724,875	52,000	776,875	125,000	-	125,000	(125,000)	724,875	52,000	776,875
	25,569,575	7,214,930	32,784,505	1,310,658	-	1,310,658	(125,000)	26,755,233	7,214,930	33,970,163
Program services	318,503	-	318,503	-	-	-	-	318,503	-	318,503
Investment income, net	411,786	202,452	614,238	-	-	-	-	411,786	202,452	614,238
Spending policy	785,016	(785,016)	-	-	-	-	-	785,016	(785,016)	-
Other revenue	591,697	99,194	690,891	-	-	-	(3,134)	588,563	99,194	687,757
Total revenues	27,676,577	6,731,560	34,408,137	1,310,658	-	1,310,658	(128,134)	28,859,101	6,731,560	35,590,661
Net assets released from restrictions	13,218,948	(13,218,948)	-	-	-	-	-	13,218,948	(13,218,948)	-
Total revenues	40,895,525	(6,487,388)	34,408,137	1,310,658	-	1,310,658	(128,134)	42,078,049	(6,487,388)	35,590,661
<b>Expenses</b>										
Program services:										
Land and Water	12,343,404	-	12,343,404	-	-	-	(125,000)	12,218,404	-	12,218,404
Energy and Climate	8,975,697	-	8,975,697	-	-	-	-	8,975,697	-	8,975,697
People Outdoors	5,367,304	-	5,367,304	-	-	-	-	5,367,304	-	5,367,304
Action Fund	-	-	-	505,951	-	505,951	(3,134)	502,817	-	502,817
	26,686,405	-	26,686,405	505,951	-	505,951	(128,134)	27,064,222	-	27,064,222
Supporting services:										
Fundraising	6,163,149	-	6,163,149	-	-	-	-	6,163,149	-	6,163,149
Management and general	1,401,871	-	1,401,871	-	-	-	-	1,401,871	-	1,401,871
	7,565,020	-	7,565,020	-	-	-	-	7,565,020	-	7,565,020
Total expenses	34,251,425	-	34,251,425	505,951	-	505,951	(128,134)	34,629,242	-	34,629,242
Change in net assets from operations	6,644,100	(6,487,388)	156,712	804,707	-	804,707	-	7,448,807	(6,487,388)	961,419
Loss on investments	98,468	(149,125)	(50,657)	-	-	-	-	98,468	(149,125)	(50,657)
Change in value of beneficial interest	-	492,925	492,925	-	-	-	-	-	492,925	492,925
Change in net assets	6,742,568	(6,143,588)	598,980	804,707	-	804,707	-	7,547,275	(6,143,588)	1,403,687
Net assets, beginning of year - prior to reclassification of Action Fund net assets for consolidation	21,700,228	40,912,559	62,612,787	870,183	-	870,183	-	22,570,411	40,912,559	63,482,970
Net assets, end of year - prior to reclassification of Action Fund net assets for consolidation	28,442,796	34,768,971	63,211,767	1,674,890	-	1,674,890	-	30,117,686	34,768,971	64,886,657
Reclassification of Action Fund in consolidation	-	-	-	-	-	-	-	(1,674,890)	1,674,890	-
Net assets, end of year	\$ 28,442,796	\$ 34,768,971	\$ 63,211,767	\$ 1,674,890	\$ -	\$ 1,674,890	\$ -	\$ 28,442,796	\$ 36,443,861	\$ 64,886,657