WILDEARTH GUARDIANS

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2014

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

WILDEARTH GUARDIANS

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2014

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Taylor, Roth and Company, PLLC
Certified Public Accountants
working exclusively with nonprofit organizations

April 10, 2015

Independent Auditors' Report

Board of Directors
WildEarth Guardians
Santa Fe, New Mexico

We have audited the accompanying financial statements of **WildEarth Guardians**, (a New Mexico nonprofit corporation), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and cash flows for the year then ended, and the related 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 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 of 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 auditors' 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WildEarth Guardians as of December 31, 2014, 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.

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Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited WildEarth Guardians' financial statements for the year ended December 31, 2013, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 28, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Taylor, Roth and Company PLLC

TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

WILDEARTH GUARDIANS

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	2014	2013 (restated)
Assets		
Cash and cash equivalents - unrestricted	$ 350,747	$ 946,189
Cash and cash equivalents - fiscal agent	271,745	271,338
Cash and cash equivalents - temporarily restricted	388,868	357,145
Accounts receivable	26,106	62,855
Pledges receivable - temporarily restricted	-	1,860
Grants and contracts receivable - temporarily restricted	-	80,000
Contingent pledge receivable (Note 3)		
Prepaid expenses	15,326	11,614
Donated lease receivable - temporarily restricted (Note 4)	97,937	30,349
Investments (Note 5)	949,003	399,664
Property held for sale (Note 6)	469,999	644,306
Property and equipment, net (Note 6)	15,660	31,670
Beneficial interest in assets held by others - board-designated (Note 7)	47,711	45,492
Beneficial interest in assets held by others - temporarily restricted (Note 7)	18,034	49,512
Beneficial interest in assets held by others - permanently restricted (Note 7)	181,082	181,082
Total assets	$ 2,832,218	$ 3,113,076
Liabilities and net assets		
Liabilities		
Accounts payable	$ 43,447	$ 28,541
Accrued payroll expenses	43,861	73,255
Fiscal agent (Note 8)	271,745	271,338
Notes payable (Note 9)	407,202	430,209
Capital lease payable (Note 10)	3,605	6,007
Commitments and contingencies (Note 11)		
Total liabilities	769,860	809,350
Net assets		
Unrestricted		
Operating	61,532	1,318,526
Net investment in property and equipment	74,852	239,760
Board-designated endowment (Note 7)	47,711	45,492
Board-designated reserve (Note 12)	1,192,342	-
Temporarily restricted (Note 13)	504,839	518,866
Permanently restricted (Notes 7 and 14)	181,082	181,082
Total net assets	2,062,358	2,303,726
Total liabilities and net assets	$ 2,832,218	$ 3,113,076

The accompanying notes are an integral part of these financial statements

WILDEARTH GUARDIANS

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	2014				2013 (restated)
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Revenue and other support					
Grants	$ 264,463	$1,036,970	$ -	$ 1,301,433	$ 1,185,528
Individual donations	737,648	482,828	-	1,220,476	780,621
Government grants and contracts	523,038	-	-	523,038	477,973
Special events, net	151,263	-	-	151,263	144,964
Less: direct expenses for events	(77,475)	-	-	(77,475)	(73,639)
Program service fees	129,964	-	-	129,964	291,922
Rental income	35,248	-	-	35,248	11,272
Other revenue	6,672	-	-	6,672	9,038
Change in beneficial interest in assets held by others (Note 7)	3,702	638		4,340	-
Investment income(loss)	(1,245)	-	-	(1,245)	8,093
In-kind contributions (Note 16)	113,670	105,922	-	219,592	325,000
Net assets released from restrictions (Note 17)	1,640,385	(1,640,385)	-	-	-
Total revenue and other support	3,527,333	(14,027)	-	3,513,306	3,160,772
Expense					
Program services	3,009,048	-	-	3,009,048	2,162,733
Supporting services					
Management and general	238,147	-	-	238,147	247,995
Fund-raising	333,172	-	-	333,172	155,244
Total expense	3,580,367	-	-	3,580,367	2,565,972
Unusual item (Note 6)	(174,307)	-	-	(174,307)	217,669
Change in net assets	(227,341)	(14,027)	-	(241,368)	812,469
Net assets, beginning of year, as previously reported	1,603,778	469,354	230,594	2,303,726	1,491,257
Restatement (Note 18)	-	49,512	(49,512)	-	-
Net assets, beginning of year, restated	1,603,778	518,866	181,082	2,303,726	1,491,257
Net assets, end of year	$ 1,376,437	$ 504,839	$ 181,082	$ 2,062,358	$ 2,303,726

The accompanying notes are an integral part of these financial statements

WILDEARTH GUARDIANS

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	2014	2013 (restated)
Cash flows from operating activities		
Change in net assets	$ (241,368)	$ 812,469
Adjustment to reconcile change in net assets to net cash provided by operating activities		
Net (gains)losses on investments	1,279	-
Donated securities	(209,997)	(32,002)
Discount on purchase of property	-	(207,500)
Impairment of property held for sale	174,307	-
Gain on acquisitions - noncash assets acquired	-	(13,633)
Depreciation expense	16,010	17,975
(Increase)decrease in donated lease receivable	(67,588)	34,998
(Increase)decrease in assets held by others	29,259	(13,849)
Changes in operating assets and liabilities		
(Increase)decrease in accounts receivable	36,749	(20,588)
(Increase)decrease in pledges receivable	1,860	28,140
(Increase)decrease in grants and contracts receivable	80,000	33,000
(Increase)decrease in prepaid expenses	(3,712)	(8,724)
(Increase)decrease in inventory	-	109,229
Increase(decrease) in accounts payable	14,906	(21,746)
Increase(decrease) in accrued payroll expenses	(29,394)	56,147
Increase(decrease) in fiscal agent	407	750
Net cash provided(used) by operating activities	(197,282)	774,666
Cash flows from investing activities		
Net (purchases)sales of investments	(340,621)	(366,066)
(Purchases) of property and equipment	-	(11,187)
Proceeds from assets held by others	-	206,360
Net cash provided(used) by investing activities	(340,621)	(170,893)
Cash flows from financing activities		
(Repayments) on capital lease	(2,402)	(2,420)
(Repayments) on notes payable	(23,007)	(8,921)
Net cash provided(used) by financing activities	(25,409)	(11,341)
Net change in cash	(563,312)	592,432
Cash and cash equivalents, beginning of year	1,574,672	982,240
Cash and cash equivalents, end of year	$ 1,011,360	$ 1,574,672
Supplemental disclosure of information:	-	-
Cash paid during the period for interest	$ 22,879	$ 7,329
Property purchased with financing	$ -	$ 436,000

The accompanying notes are an integral part of these financial statements

WILDEARTH GUARDIANS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 - NATURE OF ACTIVITIES

WildEarth Guardians (the Organization) is a New Mexico nonprofit corporation, incorporated in 1992, that seeks to protect and restore wildlife, wild rivers, and wild places in the American West through fundamental reform of public policies and practices. The Organization operates the following major programs:

Wild Places - Halting logging projects; working for grazing reform on public lands; protecting national grasslands and prairies; and analyzing fire policy and management practices. In addition WildEarth Guardians works to restore wounded landscapes by planting trees and removing roads.

Wildlife - Preventing extinction and promoting recovery of imperiled native plants and animals in the West.

Climate and Energy - Addressing the climate crisis by challenging fossil fuel extraction and use promoting energy efficiency, and promoting appropriate sustainable energy.

Wild Rivers - Focus is on advocating for clean, free-flowing rivers across the West including defending the Rio Grande's right to its own waters.

WildEarth Guardians' significant outreach activities include three newsletters, an annual report, various events designed to engage the community in our conservation programs, and an extensive website. The Organization is supported primarily by foundation grants, individual donations, and government grants and contracts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

   The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

   The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

3. Restricted and Unrestricted Revenue

   Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

4. Cash and Cash Equivalents

   The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (continued)

5. Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollected amounts through a provision for bad debt expense. No provision was deemed necessary at December 31, 2014.

6. Promises to Give

Unconditional promises to give are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fund-raising activity.

7. Capitalization and Depreciation

The Organization follows a practice of capitalizing all expenditures for property and equipment in excess of $5,000. The fair value of donated assets is similarly capitalized. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

8. Donations

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities, as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless the explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent donor stipulations regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

9. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (concluded)

10. Fair Value Measurements

The Organization is subject to the provisions of the *Fair Value Measurements and Disclosures* accounting standard. This standard requires the use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

11. Income Taxes

WildEarth Guardians has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). The Organization is subject to tax on unrelated business income for income from debt-financed property and has filed Form 990-T, *Exempt Organization Business Income Tax Return*. In accordance with the provisions associated with accounting for uncertainty in income taxes, management has analyzed its various federal and state filing positions and believes that its income tax filing positions and deductions are well documented and supported. Additionally, management believes that no accruals for tax liabilities related to uncertain income tax positions are required. Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements. The Organization's *Federal Return of Organization Exempt from Income Tax* (Form 990) and *Exempt Organization Business Income Tax Return* (Form 990-T) are subject to examination by the IRS, generally for three years after filing.

12. Functional Reporting of Expenses

For the year ended December 31, 2014, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

13. Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2013 from which the summarized information was derived.

14. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements. Specifically, in the *Schedule of Functional Expense*, payroll taxes and benefits, equipment leases, office expense, and all other prior year totals were modified. In the *Statement of Activities*, the category *Reimbursed Expenses* was combined with *Other Revenue*.

15. Subsequent Events

Management has evaluated subsequent events through April 10, 2015, the date the financial statements were available to be issued.

NOTE 3 - CONTINGENT PLEDGE RECEIVABLE

The Organization has received a pledge of $2 million that is restricted for the retirement of grazing permits in the Greater Gila bioregion. This pledge is contingent upon changes in federal legislation within two years, the status of which is currently uncertain. This pledge is considered a conditional promise to give, and therefore, it is not recorded in the financial statements. The pledge will be recognized as income in the period when the contingency is met.

NOTE 4 - DONATED LEASE RECEIVABLE

The Organization leases office space in Santa Fe from an unrelated party for $1 per year. The lease is for the period of October 15, 2014 to October 15, 2017. The estimated value of the lease was $38,336 per year. Unconditional promises to give are discounted at 6 percent. The unconditional promise to give consists of the following:

Description	Amount
Receivable in less than one year	$ 38,336
Receivable in one to three years	68,685
Total	107,021
Less: discount to present value	(9,084)
Net donated lease receivable	$ 97,937

NOTE 5 - INVESTMENTS

At year-end, the market value of investments approximated cost and consisted of five certificates of deposit with maturity dates ranging from February 2015 to June 2015. The investments are Level 1 investments in the fair value hierarchy.

Investment income for the year consisted of the following:

Description	Amount
Dividends and interest income - investments	$ 1,065
Interest income - demand accounts	412
Realized and unrealized gain(loss) - unrestricted investments	(1,279)
Management fees	(1,443)
Total	$ (1,245)

NOTE 6 - PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following:

Description	Amount
Vehicles	$ 45,129
Office furniture and equipment	39,573
River restoration equipment	8,841
Total	93,543
Less: accumulated depreciation	(77,883)
Net property and equipment	$ 15,660

Depreciation expense for the year was $16,010.

In August 2013, the Organization purchased property in Missoula, Montana, which is currently held for sale and not used in operations. The property consists of two adjacent lots, both of which have residential structures. The property was sold to the Organization by an unrelated party at a discount, and the Organization obtained a loan from a bank in Montana and financed 100% of the purchase. The property was recorded in the financial statements at $644,306, which was equal to the appraised value of $637,500 plus closing costs. Due to market conditions, the Organization reduced the asking price to $469,999 in February 2015. An impairment of $174,307 was recognized during the period ended December 31, 2014, which management estimates reduces the price to the net realizable value after considering all costs of sales. The property held for sale is valued according to Level 3 inputs in the fair value hierarchy. The valuation technique is based on realtor market appraisal.

The Organization hired a management company to lease the residential structures, and as of December 31, 2014, both properties are leased on a month-to-month basis.

NOTE 7 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

For purposes of endowment, the Organization has placed funds on deposit with three different community foundations. The unrestricted portion of the New Mexico Community Foundation, the Albuquerque Community Foundation, and Santa Fe Community Foundation money is a quasi-endowment, over which the Board of Directors has ultimate authority.

The permanently restricted portion of the New Mexico Community Foundation and Santa Fe Community Foundation money is a permanent endowment, to be held in perpetuity by the community foundation, with only an income component available to the Organization each year.

The investments are shown at market value at December 31, 2014.

NOTE 7 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (concluded)

Changes in endowment assets held with the New Mexico Community Foundation, the Albuquerque Community Foundation, and the Santa Fe Community Foundation for the year ended December 31, 2014, are as follows:

Description	Board-designated	Temporarily-restricted	Permanently-restricted	Total Endowment Net Assets
Balance, beginning of year, as previously reported	$ 45,492	$ -	$ 230,594	$ 276,086
Restatement (Note 17)	-	49,512	(49,512)	-
Balance, beginning of year, as restated	45,492	49,512	181,082	276,086
Gifts and contributions	-	-	-	-
Investment return:				
Net earnings	4,111	1,182	-	5,293
Assessment	(234)	-	-	(234)
Management fees	(175)	(544)	-	(719)
Total investment return	3,702	638	-	4,340
Appropriation of assets for expenditure	(1,483)	(32,116)	-	(33,599)
Balance, end of year	$ 47,711	$ 18,034	$ 181,082	$ 246,827

NOTE 8 - FISCAL AGENT

WildEarth Guardians and other environmental groups collectively won a case in 2005 to protect the silvery minnow habitat in the Rio Grande River. The settlement agreement required payment of $225,000 from the Albuquerque Bernalillo County Water Utility Authority and $25,000 from environmental groups, collectively, to be put into an escrow account. The funds held in escrow are to be used to purchase water rights. If the funds are not used, they may be returned to the contributing parties. The Organization is the fiscal agent of the funds. The original escrow agreement was for the period of January 18, 2007 to 2012, and during 2012, the parties negotiated an extension for an additional 5 years. Changes in the balance of these funds held for others includes interest earned on the original contributions, and as of December 31, 2014, the total amount held under this fiscal agency agreement was $271,495.

The Organization became a fiscal agent for another unrelated program in 2013 and holds an additional $250 as of December 31, 2014, under this agreement.

Total cash held by the Organization as a fiscal agent is $271,745 at December 31, 2014.

NOTE 9 - NOTES PAYABLE

Notes payable at December 31, 2014 consist of the following:

Description	Amount
Local bank in Missoula, Montana: Original amount $436,000, dated August, 15, 2013; maturity date August 15, 2016; 35 monthly P & I payments of $3,437 beginning September 15, 2013, with an estimated balloon payment of $376,372 due on August 15, 2016; rate of 4.950%; secured by property purchased in Missoula, MT and personal guarantee	$ 407,202

The future scheduled maturities for the years ended December 31st are:

Year	Amount
2015	$ 21,487
2016	385,715
Total	$ 407,202

Interest expense on the notes payable totaled $22,483 for the year ended December 31, 2014.

NOTE 10 - CAPITAL LEASE

The Organization leases office equipment under a capital lease. The lease is for the period of April 1, 2012, to March 31, 2016. The monthly rental payment is $238. The interest rate used was 6.00% and is imputed based on the lower of the Organization's incremental borrowing rate at the inception of the lease or the lessor's implicit rate of return. The balance of the capital lease at December 31, 2014, was $3,605.

The future scheduled minimum payments for the years ending December 31st are:

Year	Amount
2015	$ 2,861
2016	954
Total payments	3,815
Amount representing interest	(210)
Capital lease payable	$ 3,605

Interest expense on the capital lease totaled $354 for the year ended December 31, 2014.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

1. Line of Credit

During 2014, the Organization had a $220,000 line of credit with a local bank. There were no borrowings, repayments, or interest expense on the line of credit during 2014. The agreement matured on January 15, 2015, and the agreement with the bank was not renewed.

2. Office Leases

As discussed in Note 3, the Organization receives the use of in-kind office space for its Santa Fe location. The lease payment is $1 per year. The lease expires on October 15, 2017.

The Organization also leases office space for its Denver, Tucson, Salt Lake City, and Missoula locations. The Denver and Tucson leases are on a month-to-month basis. Monthly base rental payments for the Denver office are $934 plus an assessment for net operating expenses. One-third of the premises are shared with an unrelated non-profit organization. WildEarth Guardians is not responsible for any unpaid rent by this tenant. The Tucson lease rate is $290 per month.

The Salt Lake City office is leased for $1,390 a month, and the lease expires in April 2015. The Missoula office is leased for $1,890 a month, and the lease expires in September 2016. Three unrelated non-profit organizations sublet the office space in Missoula from the Organization. These sub-lease agreements are on a month-to-month basis.

Total office rent expense for 2014 was $51,889. The minimum future lease payments for the Salt Lake City and Missoula locations are:

Year	Amount
2015	$ 28,240
2016	17,010
Total payments	$ 45,250

3. Equipment Leases

The Organization rents equipment for its river restoration work on a month-to-month basis. Equipment lease expense totaled $25,081 for 2014.

4. Land Leases

WildEarth Guardians is the lessee of land leases in New Mexico and Arizona expiring in various years through 2016. The purpose of the leases is to control the grazing of the land. Minimum future land lease payments are as follows:

Year	Amount
2015	$ 300
2016	300
Total payments	$ 600

Total land lease expense for 2014 was $4,010.

NOTE 11 - COMMITMENTS AND CONTINGENCIES (concluded)

5. Conservation Easements

The Organization holds conservation easements on two properties located in New Mexico. The Organization is responsible for monitoring the easements to ensure that their conditions are being followed. If any conditions of the easements are not followed, legal action by WildEarth Guardians may be necessary.

NOTE 12 - BOARD-DESIGNATED RESERVE

It is the policy of the Board of Directors that the Organization work towards building a cash reserve fund that is a minimum of 4 months of expenses at any one time and when averaged over the 12 months of the year, a minimum average of 6 months of expenses. As of December 31, 2014, the minimum reserve was $1,192,342.

NOTE 13 - TEMPORARILY RESTRICTED NET ASSETS

At year-end, temporarily restricted net assets are available for the following purposes:

Description	Amount
Gila Bioregion and grazing permit retirement	$ 315,820
In-kind rent for 2015, 2016, and 2017	97,937
Rewilding and off-road vehicles	42,787
Endowment earnings - assets held by others	18,034
Trap-free New Mexico	17,410
Wild Places	10,229
War on Wildlife	2,622
Total	$ 504,839

NOTE 14 - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consisted of an endowment fund established at the New Mexico Community Foundation and the Santa Fe Community Foundation as described in Note 5, Beneficial Interest in Assets Held by Others. The principal amount of the fund is to be held in perpetuity for the benefit of the Organization, with annual distributions of investment income to the Organization.

NOTE 14 - PERMANENTLY RESTRICTED NET ASSETS (concluded)

Investment Return Objectives, Risk Parameters and Strategies. The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution plus the costs of administering these funds with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 3 - 5%, while growing the funds if possible. Therefore, the Organization expects its endowment assets, over time, to produce an average rate of return of approximately 4 - 6% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy. The Organization has a policy of appropriating for distribution each year 3 - 5% of its endowment fund's fair value based on a 12-quarter rolling average. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Organization expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 4 - 6% annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

NOTE 15 - CHANGES IN ENDOWMENT

A portion of the endowment funds held with the New Mexico Community Foundation and the Santa Fe Community Foundation becomes available for grants each quarter. The Organization received payments of $33,599 from these funds in 2014.

NOTE 16 - IN-KIND CONTRIBUTIONS

In-kind contributions are reflected in the accompanying statements at estimated values at date of receipt. The value of donated materials and services included in the financial statements and the corresponding expenses for the year are as follows:

Description	Amount
Google AdWords	$ 113,670
Office rent	105,922
Total	$ 219,592

NOTE 16 - IN-KIND CONTRIBUTIONS (concluded)

WildEarth Guardians also received contributed services not requiring professional level specialized skills, valued at $30,000, as follows:

Description	Hours
River restoration	1,200
Administrative assistance	200
Total	1,400

NOTE 17 - NET ASSETS RELEASED FROM RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the restricted program purposes:

Description	Amount
Gila Bioregion	$ 584,030
Climate and energy	280,945
Rewilding	196,318
Wildlife protection	148,467
Wild Places	126,271
Time restrictions - 2014	85,000
River restoration	45,000
Sagebrush Sea	40,170
In-kind rent	38,334
Endangered species	32,684
Endowment earnings	32,116
River restoration - Youth Conservation Corps	21,050
Events	10,000
Total	$ 1,640,385

NOTE 18 - RESTATEMENT

The Organization recorded a restatement of $49,512 for the year ended December 31, 2013, to reclassify investment earnings on permanently restricted assets held by others to temporarily restricted net assets. The earnings on the permanently restricted assets held by others are temporarily restricted until appropriated for expenditure.

NOTE 19 - PENSION PLAN

During 2014, the Organization adopted a 403(b) retirement plan which includes an employer contribution of up to 3 percent of gross salary. Non-seasonal employees are eligible to participate in the plan on the first day of employment, and the employer match is effective after 12 months of employment. The amount contributed by the employee vests to the employee immediately, and the employer match is fully vested upon 24 months of employment. Retirement expense for the year ended December 31, 2014, was $11,009.

SUPPLEMENTARY INFORMATION

WILDEARTH GUARDIANS

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	2014													2013 (restated)
	Program Services									Supporting Services				
	Wild Places	Restoration	Wildlife	Legal	Publications and Outreach	Climate and Energy	Wild Rivers	Events	Lobbying	Total Program Services	Management and General	Fund-raising	Total	Total
Salaries	$ 284,590	$ 259,320	$245,532	$197,505	$ 41,468	$ 87,212	$ 57,210	$22,532	$ 3,963	$1,199,332	$ 124,516	$135,427	$1,459,275	$1,139,463
Payroll taxes and benefits	73,613	42,280	63,046	49,104	10,900	21,911	13,838	6,197	877	281,766	31,220	35,390	348,376	279,297
Grazing permit buy-out	500,000	-	-	-	-	-	-	-	-	500,000	-	-	500,000	-
Contract labor	38,315	170,290	14,837	4,801	1,819	8,756	4,982	436	184	244,420	3,274	30,521	278,215	191,462
Publications and media	9,992	53	12,592	166	141,617	7,653	86	15	8	172,182	120	72,320	244,622	188,251
Occupancy	26,808	5,900	23,136	18,019	3,985	8,140	5,436	2,246	355	94,025	11,644	12,957	118,626	83,076
Travel	26,124	38,127	22,996	5,236	547	6,479	5,577	-	352	105,438	1,009	9,832	116,279	96,096
Website development	16,988	3,642	14,482	11,208	27,204	5,214	3,408	1,344	236	83,726	7,280	8,171	99,177	64,051
Legal services	-	-	-	48,889	-	11,051	-	-	-	59,940	-	-	59,940	193,309
Supplies	715	53,977	4	22	-	-	17	-	-	54,735	-	-	54,735	66,545
Office expense	7,971	2,677	7,185	5,106	1,255	2,245	1,703	692	62	28,896	3,806	4,162	36,864	15,024
Staff development and training	6,432	952	10,103	5,950	741	2,725	1,938	248	147	29,236	2,183	2,725	34,144	14,482
Telephone	6,954	1,508	5,963	4,632	1,027	2,184	1,404	527	114	24,313	3,017	3,371	30,701	21,890
Equipment leases	-	25,081	-	-	-	-	-	-	-	25,081	-	-	25,081	59,071
Interest	-	10	-	-	-	-	-	-	-	10	22,869	-	22,879	7,329
Insurance	3,172	6,245	2,732	2,172	478	875	642	324	15	16,655	3,655	1,504	21,814	18,251
Fees	1,661	254	2,672	5,564	129	885	1,028	84	7	12,284	3,853	8,638	24,775	-
Professional services	11,299	-	5,113	-	-	1,412	1,338	-	-	19,162	-	-	19,162	46,633
Accounting services	-	-	-	-	-	-	-	-	-	-	15,492	-	15,492	9,375
Postage	2,317	427	2,466	2,576	352	2,265	803	140	28	11,374	724	2,015	14,113	12,312
Printing	716	133	3,428	424	90	569	240	52	10	5,662	277	358	6,297	6,938
River restoration	-	5,813	-	-	-	-	-	-	-	5,813	-	-	5,813	16,456
Land leases	4,010	-	-	-	-	-	-	-	-	4,010	-	-	4,010	3,792
Director's discretionary	-	-	-	-	-	1,031	-	-	-	1,031	74	556	1,661	7,531
All other	8,130	363	3,635	3,417	295	811	1,020	116	31	17,818	716	3,772	22,306	7,363
	1,029,807	617,052	439,922	364,791	231,907	171,418	100,670	34,953	6,389	2,996,909	235,729	331,719	3,564,357	2,547,997
Depreciation	3,030	1,975	2,679	2,125	464	891	626	331	18	12,139	2,418	1,453	16,010	17,975
Total expenses	$1,032,837	$ 619,027	$442,601	$366,916	$ 232,371	$172,309	$101,296	$35,284	$ 6,407	$3,009,048	$ 238,147	$333,172	$3,580,367	$2,565,972

See independent auditors' report