

WILDEARTH GUARDIANS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2008

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

WILDEARTH GUARDIANS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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Taylor, Roth and Company, PLLC

Certified Public Accountants

working exclusively with nonprofit organizations

March 12, 2009

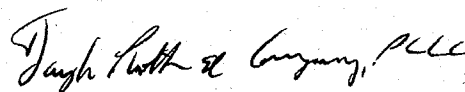
Independent Auditors' Report

Board of Directors
WildEarth Guardians
Santa Fe, New Mexico

We have audited the accompanying statement of financial position of **WildEarth Guardians** (a New Mexico nonprofit corporation) as of December 31, 2008 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of WildEarth Guardians' management. Our responsibility is to express an opinion on these financial statements based on our audit. Information for the year ended December 31, 2007, is presented for comparative purposes only and was extracted from the financial statements presented by net asset class for that year, on which an unqualified opinion dated April 4, 2008, was expressed.

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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2008, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.



TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

WILDEARTH GUARDIANS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008
(WITH COMPARATIVE TOTALS FOR 2007)

	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
Cash and cash equivalents - unrestricted	\$ 130,782	\$ 57,017
Cash and cash equivalents - temporarily restricted	55,000	62,500
Accounts receivable	6,832	5,130
Grants and contracts receivable	-	31,990
Prepaid expenses	808	7,284
Investments (Note 3)	256,325	175,310
Net property and equipment (Note 4)	10,317	35,404
Beneficial interest in assets held by others - unrestricted (Note 5)	177,453	191,435
Beneficial interest in assets held by others - permanently restricted (Note 5)	201,473	311,625
Total assets	<u>\$ 838,990</u>	<u>\$ 877,695</u>
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 15,432	\$ 18,769
Payroll accruals	18,816	8,833
Fiscal agent	-	11,372
Deferred revenue	-	384
Line of credit (Note 6)	-	-
Commitments (Note 7)	-	-
Total liabilities	<u>34,248</u>	<u>39,358</u>
<u>Net assets</u>		
<u>Unrestricted</u>		
Operating	360,499	237,373
Net investment in fixed assets	10,317	35,404
Board designated endowment (Note 5)	177,453	191,435
Temporarily restricted (Note 8)	55,000	62,500
Permanently restricted (Note 5)	201,473	311,625
Total net assets	<u>804,742</u>	<u>838,337</u>
Total liabilities and net assets	<u>\$ 838,990</u>	<u>\$ 877,695</u>

The accompanying notes are an integral part of these financial statements

WILDEARTH GUARDIANS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE TOTALS FOR 2007)

	2008			2007	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
<u>Revenue and other support</u>					
Grants	\$ 117,742	\$ 505,100	\$ -	\$ 622,842	\$ 480,130
Individual donations	473,707	35,000	-	508,707	336,622
Government grants and contracts	319,796	-	-	319,796	111,861
Special events	108,086	-	-	108,086	120,687
Other revenue	17,364	-	-	17,364	36,485
Investment gains(losses)	(5,632)	-	(110,152)	(115,784)	(4,984)
Net assets released from restrictions (Note 9)	547,600	(547,600)	-	-	-
Total revenue and other support	1,578,663	(7,500)	(110,152)	1,461,011	1,080,801
<u>Expense</u>					
<u>Program services</u>					
Restoration	433,140	-	-	433,140	186,774
Wildlife	374,699	-	-	374,699	167,506
Wild Places	252,617	-	-	252,617	276,511
Publications and Outreach	128,411	-	-	128,411	63,981
Climate and energy	97,577	-	-	97,577	-
Events	94,004	-	-	94,004	73,738
Water	36,757	-	-	36,757	49,577
Total program services	1,417,205	-	-	1,417,205	818,087
<u>Supporting services</u>					
Management and general	85,451	-	-	85,451	105,135
Fund-raising	108,935	-	-	108,935	96,039
Total expense	1,611,591	-	-	1,611,591	1,019,261
Change in net assets - Operating	(32,928)	(7,500)	(110,152)	(150,580)	61,540
Gain on Sinapu merger (Note 10)	116,985	-	-	116,985	-
Change in net assets - Total	84,057	(7,500)	(110,152)	(33,595)	61,540
Net assets, beginning of year	464,212	62,500	311,625	838,337	776,797
Net assets, end of year	\$ 548,269	\$ 55,000	\$ 201,473	\$ 804,742	\$ 838,337

The accompanying notes are an integral part of these financial statements

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Salaries	\$ 107,5
Payroll taxes and benefits	21,2
Contract labor	133,2
River restoration	133,8
Office rent	8,0
Printing	1,5
Event expenses	1
Accounting fees	6,8
Office expense	3,7
Publications and media	1,1
Website development	2,4
Travel	2,2
Telephone	1,8
Postage	1,2
Fundraising	
Professional services	
Insurance	2
Staff development and training	4
Research	7
Land leases	4,5
Equipment leases	5
Dues and subscriptions	
All other	
	<u>431,7</u>
Depreciation	<u>1,3</u>
Total expenses	<u><u>\$ 433,1</u></u>

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WILDEARTH GUARDIANS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE TOTALS FOR 2007)

	<u>2008</u>	<u>2007</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ (33,595)	\$ 61,540
Adjustment to reconcile change in net assets to net cash provided by operating activities		
Net (gains)losses on investments	(10,111)	-
Loss on disposition of fixed assets	13,577	-
Depreciation expense	11,510	13,100
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in accounts receivable	(1,702)	(1,006)
(Increase)decrease in grants and contracts receivable	31,990	5,699
(Increase)decrease in prepaid expense	6,476	(6,166)
(Increase)decrease in assets held by others	124,134	(87,403)
Increase(decrease) in accounts payable	(3,337)	2,529
Increase(decrease) in payroll accruals	9,983	(445)
Increase(decrease) in deferred revenue	(384)	384
Increase(decrease) in fiscal agent	(11,372)	(22,049)
Net cash provided(used) by operating activities	<u>137,169</u>	<u>(33,817)</u>
<u>Cash flows from investing activities</u>		
Purchases of investments	(516,985)	(192,599)
Sale of investments	453,000	20,462
Interest income reinvested	(6,919)	(262)
(Purchases) of fixed assets	-	(7,365)
Net cash provided(used) by investing activities	<u>(70,904)</u>	<u>(179,764)</u>
<u>Cash flows from financing activities</u>		
Borrowing on line-of-credit	-	90,000
(Repayments) on line-of-credit	-	(90,000)
Net cash provided(used) by financing activities	<u>-</u>	<u>-</u>
Net change in cash	66,265	(213,581)
Cash and cash equivalents, beginning of year	<u>119,517</u>	<u>333,098</u>
Cash and cash equivalents, end of year	<u>\$ 185,782</u>	<u>\$ 119,517</u>

The accompanying notes are an integral part of these financial statements

WILDEARTH GUARDIANS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008

NOTE 1 - NATURE OF ACTIVITIES

WildEarth Guardians (the Organization; formerly known as Forest Guardians) 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. They operate the following major programs:

Restoration – restoring native streamside forests, improving native wildlife habitat, enhancing the health and beauty of the arid southwest’s arteries of life.

Wildlife – preventing extinction and promoting recovery of imperiled native plants and animals in the West.

Wild Places - halting logging projects; working against overgrazing on public lands; protecting national grasslands and prairies; and analyzing fire policy and management practices.

Publications and Outreach – publishing and distributing newsletters, an organization brochure, and an annual report.

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

Events – Various events designed to engage the community in WildEarth Guardian programs.

Water – Focus on advocating for clean, free-flowing rivers across the West including defending the Rio Grande’s right to its own waters.

The Organization is supported primarily by grants and donations.

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

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standard (SFAS) No. 117, “Financial Statement of Not-for-Profit Organizations.” Under SFAS No. 117, 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.

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

3. 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.

4. 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.

5. Capitalization and Depreciation

The Organization follows a practice of capitalizing all expenditures for furniture and equipment in excess of \$1,000. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

6. 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.

7. Income Taxes

WildEarth Guardians has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

8. Functional Reporting of Expenses

For the year ended December 31, 2008, 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.

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

9. 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, 2007, from which the summarized information was derived.

NOTE 3 - INVESTMENTS

At year-end, the market value of investments approximated cost and consisted of:

<u>Description</u>	<u>Amount</u>
Money market funds	<u>\$ 256,325</u>

Investment income (loss) for the year consisted of the following

<u>Description</u>	<u>Amount</u>
Realized and unrealized gain(loss) - unrestricted investments	(\$5,632)
Realized and unrealized gain (loss) - permanently restricted portion of endowment	<u>(110,152)</u>
Total investment gains(losses)	<u>(\$ 115,784)</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of:

<u>Description</u>	<u>Amount</u>
Furniture and fixtures	\$ 45,489
Less: accumulated depreciation	<u>(35,172)</u>
Net property and equipment	<u>\$ 10,317</u>

Depreciation expense for the year was \$11,510.

NOTE 5 - ASSETS HELD BY OTHERS

For purposes of endowment, the Organization has placed funds on deposit with three different community foundations, with the majority being held by the New Mexico Community Foundation. The unrestricted portion of the New Mexico 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 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.

NOTE 6 - LINE OF CREDIT

At year end, there is a zero balance on a \$220,000 line of credit, with a 6.50% interest rate, and a maturity on January 30, 2010. There were no borrowings or repayments on the line of credit during 2008.

NOTE 7 - COMMITMENTS

The Organization leases office space for its Santa Fe location. The lease has expired and is currently on a month-to-month continuation at the rate of \$3,167 per month. There are no minimum future payments required.

The Organization also leases office space for its Denver location. The lease is for the period of January 1, 2009 through December 31, 2010. 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 Organization's portion of future minimum lease payments is as follows:

<u>Year</u>	<u>Amount</u>
2009	\$ 6,800
2010	<u>7,040</u>
Total	<u>\$ 13,840</u>

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

At year-end, temporarily restricted net assets consist of the following:

<u>Description</u>	<u>Amount</u>
Wildlife protection	\$ 35,000
Rio Grande From Above photo project	<u>20,000</u>
Total	<u>\$ 55,000</u>

NOTE 9 - NET ASSETS RELEASED FROM RESTRICTIONS

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

<u>Description</u>	<u>Amount</u>
Wild places	\$ 256,100
Wildlife protection	210,000
Clean water and restoration	74,000
Time restriction	5,000
Climate and energy	<u>2,500</u>
Total	<u>\$ 547,600</u>

NOTE 10 - MERGED OPERATIONS AND NAME CHANGE

Effective January 11, 2008, Forest Guardians, Sinapu, and the Sagebrush Sea Campaign joined forces to become WildEarth Guardians. With offices in Boulder, Denver, Phoenix and Santa Fe, WildEarth Guardians protects and restores wildlife, wild places, and wild rivers in the American West.

As a result of the merger with Sinapu, WildEarth Guardians recognized a gain on the merger in the amount of \$116,985, the net value of assets received.

On November 26, 2008, Rocky Mountain Clean Air Action merged their operations with WildEarth Guardians. There were no assets or liabilities assumed in the merger.

NOTE 11 - CHANGES IN ENDOWMENT

A portion of the endowment funds held with the Santa Fe Community Foundation become available for grants each quarter. During 2008, the Organization received payments in the amount of \$894 from these available funds.