

WildAid, Inc. and Subsidiary

Consolidated Financial Statements

December 31, 2017 and 2016



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
WildAid, Inc. and Subsidiary
San Francisco, California

We have audited the accompanying consolidated financial statements of WildAid, Inc. and Subsidiary (a California nonprofit corporation) (the "WildAid"), which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the years 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 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 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 audits. We conducted our audits 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 financial position of WildAid, Inc. and Subsidiary as of December 31, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Armanino LLP

Armanino^{LLP}
San Ramon, California

March 27, 2018

WildAid, Inc. and Subsidiary
Consolidated Statements of Financial Position
December 31, 2017 and 2016

	2017	2016
ASSETS		
Cash and cash equivalents	\$ 5,662,494	\$ 3,865,728
Investments	6,843,160	6,865,072
Contributions and grants receivable	4,216,834	3,716,278
Other receivables	5,000	143,046
Advances to field programs	300,079	624,549
Prepaid expenses and other assets	369,968	186,482
Property and equipment, net	175,975	60,180
Security deposits	101,947	134,672
Total assets	\$ 17,675,457	\$ 15,596,007
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 397,143	\$ 219,351
Accrued expenses	102,547	63,296
Deferred revenue	25,000	-
Total liabilities	524,690	282,647
Net assets		
Unrestricted	12,565,054	9,473,482
Temporarily restricted	4,585,713	5,839,878
Total net assets	17,150,767	15,313,360
Total liabilities and net assets	\$ 17,675,457	\$ 15,596,007

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

WildAid, Inc. and Subsidiary
Consolidated Statements of Activities
For the Years Ended December 31, 2017 and 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues, gains and other support						
Contributions	\$ 3,890,236	\$ 694,624	\$ 4,584,860	\$ 2,393,780	\$ 582,008	\$ 2,975,788
Grants and awards	1,488,816	4,985,452	6,474,268	1,609,875	4,323,768	5,933,643
Federated campaigns	19,562	-	19,562	24,950	-	24,950
Special events revenue	873,027	-	873,027	516,765	-	516,765
Contributed goods and services	3,384,245	222,321,213	225,705,458	-	289,325,305	289,325,305
Other income	1,045	1,710	2,755	27,142	168,759	195,901
Interest income	53,089	-	53,089	12,125	-	12,125
Net assets released from restriction	<u>229,257,164</u>	<u>(229,257,164)</u>	<u>-</u>	<u>296,190,292</u>	<u>(296,190,292)</u>	<u>-</u>
	<u>238,967,184</u>	<u>(1,254,165)</u>	<u>237,713,019</u>	<u>300,774,929</u>	<u>(1,790,452)</u>	<u>298,984,477</u>
Functional expenses						
Program services	<u>234,402,687</u>	<u>-</u>	<u>234,402,687</u>	<u>297,477,960</u>	<u>-</u>	<u>297,477,960</u>
Support services						
Management and general	466,641	-	466,641	594,082	-	594,082
Fundraising	<u>1,006,284</u>	<u>-</u>	<u>1,006,284</u>	<u>696,789</u>	<u>-</u>	<u>696,789</u>
Total support services	<u>1,472,925</u>	<u>-</u>	<u>1,472,925</u>	<u>1,290,871</u>	<u>-</u>	<u>1,290,871</u>
Total functional expenses	<u>235,875,612</u>	<u>-</u>	<u>235,875,612</u>	<u>298,768,831</u>	<u>-</u>	<u>298,768,831</u>
Change in net assets	3,091,572	(1,254,165)	1,837,407	2,006,098	(1,790,452)	215,646
Net assets, beginning of year	<u>9,473,482</u>	<u>5,839,878</u>	<u>15,313,360</u>	<u>7,467,384</u>	<u>7,630,330</u>	<u>15,097,714</u>
Net assets, end of year	<u>\$ 12,565,054</u>	<u>\$ 4,585,713</u>	<u>\$ 17,150,767</u>	<u>\$ 9,473,482</u>	<u>\$ 5,839,878</u>	<u>\$ 15,313,360</u>

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

WildAid, Inc. and Subsidiary
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2017

	Program Services				Support Services			Total Expenses
	Wildlife	Marine Protection	Climate Change	Other Programs	Total Program Services	Management and General	Fundraising	
Expenses								
Salaries and benefits	\$ 1,076,705	\$ 342,237	\$ 217,388	\$ 223,619	\$ 1,859,949	\$ 214,754	\$ 288,200	\$ 2,362,903
Professional services	962,813	772,363	159,443	88,946	1,983,565	113,543	8,192	2,105,300
Occupancy	192,082	131,864	31,515	24,552	380,013	38,579	15,071	433,664
PSA and video production	724,297	12,614	180,006	165,989	1,082,906	150	1,597	1,084,488
Media, website, surveys	615,398	70,439	322,196	122,326	1,130,359	779	17,221	1,148,358
Marine protection and local enforcement	5,092	212,035	-	73	217,200	-	-	217,198
Equipment expensed	195	329,042	20	6,292	335,549	-	-	335,548
Program supplies and other	13,769	-	1,173	2,503	17,445	-	-	17,446
Travel	152,411	283,441	26,189	64,683	526,724	20,281	26,545	573,552
Printing and postage	18,039	7,480	4,294	9,888	39,701	5,689	12,094	57,485
Office supplies and equipment	14,426	29,862	2,892	7,254	54,434	26,744	2,816	83,994
Conferences and events	2,748	54	-	30	2,832	-	627,068	629,899
Grants	65,000	-	-	175,000	240,000	-	-	240,000
Insurance, fees, and bank charges	52,777	4,982	9,721	83,933	151,413	40,987	4,509	196,906
Depreciation	1,024	6,811	-	39,603	47,438	2,697	1,076	51,211
Miscellaneous	38,249	148,748	2,144	4,754	193,895	2,438	1,895	198,396
Bad debt expense	161,739	218,154	-	53,913	433,806	-	-	433,806
Total expenses before donated media services	4,096,764	2,570,126	956,981	1,073,358	8,697,229	466,641	1,006,284	10,170,154
Donated media services	162,727,187	-	59,594,026	3,384,245	225,705,458	-	-	225,705,458
Total expenses	<u>\$ 166,823,951</u>	<u>\$ 2,570,126</u>	<u>\$ 60,551,007</u>	<u>\$ 4,457,603</u>	<u>\$ 234,402,687</u>	<u>\$ 466,641</u>	<u>\$ 1,006,284</u>	<u>\$ 235,875,612</u>

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

WildAid, Inc. and Subsidiary
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2016

	Program Services				Total Program Services	Support Services		Total Expenses
	Wildlife	Marine Protection	Climate Change	Other Programs		Management and General	Fundraising	
Expenses								
Salaries and benefits	\$ 1,150,862	\$ 294,843	\$ 266,372	\$ 190,130	\$ 1,902,207	\$ 263,666	\$ 255,913	\$ 2,421,786
Professional services	914,677	506,822	156,840	107,870	1,686,209	99,058	14,685	1,799,952
Occupancy	198,936	78,375	30,478	34,030	341,819	104,441	19,945	466,205
PSA and video production	762,385	2,453	391,667	124,945	1,281,450	119	1,575	1,283,144
Media, website, surveys	1,094,929	39,280	183,593	125,853	1,443,655	-	4,492	1,448,147
Marine protection and local enforcement	6,408	341,101	1,301	-	348,810	-	4,264	353,074
Equipment expensed	491	336,053	-	4,949	341,493	-	-	341,493
Program supplies and other	28,130	31,415	10,691	323	70,559	178	29	70,766
Travel	222,893	147,604	39,446	72,732	482,675	19,943	18,359	520,977
Printing and postage	12,017	3,807	559	2,816	19,199	4,026	10,049	33,274
Office supplies and equipment	5,137	2,078	366	18,321	25,902	37,868	1,071	64,841
Conferences and events	33	-	-	3,315	3,348	-	352,779	356,127
Grants	20,000	-	-	10,000	30,000	-	-	30,000
Insurance, fees, and bank charges	43,600	2,148	7,500	32,310	85,558	40,981	10,812	137,351
Depreciation	269	1,291	-	-	1,560	19,543	-	21,103
Miscellaneous	9,226	47,740	645	30,600	88,211	4,259	2,816	95,286
Total expenses before donated media services	4,469,993	1,835,010	1,089,458	758,194	8,152,655	594,082	696,789	9,443,526
Donated media services	223,717,203	-	60,248,160	5,359,942	289,325,305	-	-	289,325,305
Total expenses	<u>\$ 228,187,196</u>	<u>\$ 1,835,010</u>	<u>\$ 61,337,618</u>	<u>\$ 6,118,136</u>	<u>\$ 297,477,960</u>	<u>\$ 594,082</u>	<u>\$ 696,789</u>	<u>\$ 298,768,831</u>

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

WildAid, Inc. and Subsidiary
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016

	2017	2016
Cash flows from operating activities		
Change in net assets	\$ 1,837,407	\$ 215,646
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation	51,211	21,103
Changes in operating assets and liabilities		
Contributions and grants receivable	(500,556)	(368,947)
Other receivables	138,046	(24,528)
Advances to field programs	324,470	(324,312)
Prepaid expenses and other assets	(183,486)	3,711
Security deposits	32,725	(89,831)
Accounts payable	177,792	(32,497)
Accrued expenses	39,251	10,850
Deferred revenue	25,000	-
Net cash provided by (used in) operating activities	1,941,860	(588,805)
Cash flows from investing activities		
Purchases of property and equipment	(167,006)	(37,065)
Proceeds from sale (purchases) of investments, net	21,912	(1,361,619)
Net cash used in investing activities	(145,094)	(1,398,684)
Net increase (decrease) in cash and cash equivalents	1,796,766	(1,987,489)
Cash and cash equivalents, beginning of year	3,865,728	5,853,217
Cash and cash equivalents, end of year	\$ 5,662,494	\$ 3,865,728

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

WildAid, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2017 and 2016

1. NATURE OF OPERATIONS

Founded in 2000, WildAid, Inc. is headquartered in San Francisco, with programs in the United States, China, Hong Kong, Vietnam, Thailand, Tanzania, South Africa, Ecuador, Indonesia, Mexico, and Kenya. WildAid, Inc.'s conservation approach is unique and effective; WildAid, Inc. focuses on addressing the underlying demand for endangered species products and strengthening the protection of these animals in the field.

In 2013, WildAid, Inc. formed Biyuan Consulting Co. Ltd. ("Biyuan"), a private consulting company, in China in order to facilitate fundraising efforts in China, as a subsidiary of WildAid, Inc. WildAid, Inc. and Biyuan are collectively referred to as "WildAid".

WildAid's mission is to end the illegal wildlife trade in our lifetimes by reducing demand for endangered wildlife products through public awareness campaigns and providing comprehensive marine protection. WildAid is well known for their work on sharks, tigers, elephants, rhinos, mantas and other threatened species.

WildAid is the only organization that focuses on reducing the demand for endangered species products by specifically targeting consumers with engaging public service announcements and education initiatives. The "Conservation through Communication" program is focused on Asia, where demand for these products is highest. The campaigns use sophisticated, culturally-appropriate, and compelling 30-second Public Service Announcements ("PSAs") featuring more than 100 of the world's biggest stars to deliver the message: "When the buying stops, the killing can too". The messages are designed in collaboration with leading advertising agencies in New York, London, and China, either pro-bono or at a fraction of their regular rate.

WildAid secured over \$226,000,000 and \$289,000,000 of donated media support for its innovative multimedia campaigns during the years ended December 31, 2017 and 2016, respectively. WildAid's distribution network includes television, cable, Internet, mobile devices, magazines, outdoor billboards, LCD screens and monitors in government buildings, shopping centers, banks, university cafeterias, trains, subways, taxis, metro rails, airplanes, hospitals, and airports.

The communications by the numbers:

- WildAid PSAs reach up to 1 billion television viewers across China
- 260+ public service announcements in multiple languages, versions and formats
- 100+ international celebrity, athlete, and business leader ambassadors
- 110+ media partners in TV, transportation, outdoor, video, Internet and print

In addition to species programs, WildAid directs media campaigns in China aimed at reducing individual behaviors that contribute to climate change.

WildAid, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2017 and 2016

1. NATURE OF OPERATIONS (continued)

WildAid also implements a marine protection program delivering enforcement solutions to top priority marine reserves around the world, including the Galapagos in Ecuador, Raja Ampat in Indonesia, and Northern Reef in Palau. WildAid assists local governments and communities to institute cost-effective enforcement programs utilizing appropriate technology, comprehensive management, and necessary legal reforms. Marine protection activities help ensure the sustainability of the emblematic resources of the marine reserves and their long-term tourism potential.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

Net assets and changes therein are classified as follows:

- *Unrestricted net assets* - net assets not subject to donor-imposed restrictions.
- *Temporarily restricted net assets* - net assets subject to donor-imposed stipulations that may or will be met by actions of WildAid and/or the passage of time.
- *Permanently restricted net assets* - net assets subject to donor-imposed stipulations that they be maintained permanently by WildAid. WildAid has no permanently restricted net assets as of December 31, 2017 or 2016.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor restriction or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of Biyuan.

All intercompany balances and transactions have been eliminated.

Revenue recognition

Revenue, other than from contributions and grants, is recognized in the period in which the service has been provided.

WildAid, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2017 and 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recognition of donor restricted contributions

Donor restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When the restriction is met or expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contribution, grants, and awards

Contribution, grants, and awards received are reported as unrestricted, temporarily restricted, or permanently restricted, depending upon donor restrictions (if any).

Contribution, grants, and awards, including unconditional promises to give, are recognized in the period that the promise, grant, and award is received. Conditional promises to give are not recognized until they become unconditional; that is when the condition on which they depend are substantially met. Contribution, grants, and awards that are promised in one year but are not expected to be collected until after the end of the year promised are considered contributions and grants receivable and are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of any such discounts is recorded as additional contribution and grants and award revenue, as appropriate, in accordance with donor-imposed restrictions, if any, on the contributions and grants and awards.

Donated material, services, and equipment

Donated materials and equipment are recorded based on the estimated fair value at the date the contribution is made. Donated services are recognized as contribution revenue for certain services received at the fair value of those services, if the services (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills, and would be purchased if not donated. WildAid received contributed services in foreign countries, which is primarily comprised of media placement for public service announcements. The estimated fair value of the contributed media services is derived from third-party valuation specialists (see Note 6). In addition to the recognized donated services, WildAid's work is made possible by substantial volunteer time that was not recognized as contributions in the consolidated financial statements as the recognition criteria was not met.

Cash and cash equivalents

WildAid considers all highly liquid investments with original maturity dates of three months or less to be cash equivalents. WildAid places its cash and temporary cash investments with high quality institutions. Periodically, such deposits may be in excess of federally insured limits. WildAid maintains cash balances (advances to field programs) at financial institutions in foreign countries. The majority of the funds invested in foreign countries are uninsured and represent funding for the quarterly activities of the field programs.

WildAid, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2017 and 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments consist of highly liquid funds primarily invested in time deposits with original maturity dates in excess of three months and U.S. Treasury money market funds. These short-term investments also serve as an operating reserve; WildAid seeks to maintain an operating reserve equivalent to six months of operational expenses.

Advances to field programs

WildAid advances funds to field offices in various countries to support its field operations. Such funds are recorded as advances to field programs when wired, and are expensed quarterly, based upon receipted expenses incurred, as reported by the field offices (see Note 4).

Property and equipment

Property and equipment are carried at cost or, if donated, at the estimated fair value on the date of the gift. Property and equipment are depreciated on a straight-line basis over their estimated useful lives ranging from three to five years. WildAid generally capitalizes assets with an original cost over \$1,500. Maintenance and repairs costs which do not improve or extend the lives of the respective assets are expensed as incurred.

Equipment purchased for use in foreign field offices is expensed as acquired. In the Galapagos and Indonesia programs, equipment acquired is placed in immediate service with the Galapagos National Park Service or the Daram Marine Reserve, under contractual agreement, with annual review by WildAid. The total cost of equipment expensed during the years ended December 31, 2017 and 2016 totaled \$335,548 and \$341,493, respectively, and includes \$329,042 and \$336,053 for the Galapagos, Indonesia and China programs, for the years ended December 31, 2017 and 2016, respectively.

Functional expenses

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

Income tax status

WildAid is a qualified organization exempt from Federal income and California franchise taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code, respectively.

WildAid, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2017 and 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax status (continued)

WildAid recognizes the effect of income tax positions only if those positions are more likely than not of being sustained, and changes in recognition or measurement are reflected in the period in which the change in judgment occurs. WildAid has evaluated its current tax positions and has concluded that as of December 31, 2017 and 2016, it does not have any significant uncertain tax positions for which a reserve would be necessary.

WildAid's returns are subject to examination by federal and state taxing authorities for three years and four years, respectively, after they are filed.

Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Uses of estimates include, but are not limited to, accounting for allocation of operating expenses, allowances for doubtful contributions and grants receivable, and estimated useful lives of property and equipment.

Subsequent events

WildAid has evaluated subsequent events through March 27, 2018, the date the consolidated financial statements were available to be issued. WildAid formed a new subsidiary WildAid Beijing, which became active in early 2018. The plan is for WildAid Beijing to gradually take over all activities from Biyuan by June 2018. No subsequent events have occurred that would have a material impact on WildAid's consolidated financial statements.

3. CONTRIBUTIONS RECEIVABLE

Unconditional promises to give, which are not expected to be collected until after the year promised, are reflected in the accompanying consolidated financial statements as contributions receivable and revenue in the appropriate net asset category. Contributions and grants receivable have not been discounted to present value as management determined that the related discounts at December 31, 2017 and 2016 are immaterial. Contributions receivable totaling \$3,480,183 and \$736,651 are expected to be collected during the years ended December 31, 2018 and 2019, respectively. No allowance was deemed necessary as of December 31, 2017 and 2016 as all contributions and grants receivable were deemed collectible.

WildAid, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2017 and 2016

3. CONTRIBUTIONS RECEIVABLE (continued)

Contributions receivable consist of the following:

	2017	2016
Individuals	\$ 707,765	\$ 453,637
Foundations and institutions	3,509,069	3,262,641
	\$ 4,216,834	\$ 3,716,278

4. ADVANCES TO FIELD PROGRAMS

Advances to field programs consist of the following:

	2017	2016
China	\$ -	\$ 217,269
Indonesia and Manta	70,201	354,806
Galapagos Islands	192,515	52,474
Other	37,363	-
	\$ 300,079	\$ 624,549

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2017	2016
Furniture and fixtures	\$ 14,144	\$ 14,144
Equipment	290,590	123,583
	304,734	137,727
Less accumulated depreciation	(128,759)	(77,547)
	\$ 175,975	\$ 60,180

Depreciation expense for the years ended December 31, 2017 and 2016 was \$51,211 and \$21,103, respectively.

WildAid, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2017 and 2016

6. CONTRIBUTED GOODS AND SERVICES

The estimated fair value of donated supplies and expert services received are recorded as contributions. WildAid received material donations of advertisement space on print and on electronic billboards, airtime on television, advertising on the Internet and radio, and advertising in magazines during 2017 and 2016 in China, India, Vietnam, and the United States. The participation of these media vendors is an irreplaceable part of WildAid's program to educate the public and reduce the demand for endangered animal products and is a significant part of WildAid's world-wide mission.

WildAid has obtained an independent, third-party valuation from CTR Market Research Company, Ltd. for donations of advertisement space in certain Chinese TV markets since 2010. Beginning in 2012, WildAid has also obtained detailed, certified valuations from other sources for video and billboard placement outlets in various public spaces (such as government buildings, shopping centers, banks, university cafeterias, trains, subways, taxis, metro rails, airplanes, hospitals and airports). Such valuations have been included in the consolidated statements of activities as in-kind donations for the years ended December 31, 2017 and 2016.

WildAid, Inc. and Subsidiary
Notes to Consolidated Financial Statements
December 31, 2017 and 2016

6. CONTRIBUTED GOODS AND SERVICES (continued)

The media outlet, media type, and value of in-kind media services included as in-kind revenue and expense for the years ended December 31, is as follows:

	<u>2017</u>	<u>2016</u>
Xinhua News Agency CNC	\$ 135,517,309	\$ 103,842,941
Chongqing TV (including satellite)	7,178,747	44,285,697
Shenzhen TV (including satellite)	3,369,979	16,827,058
Discovery Asia Beijing	-	14,604,230
Beijing Yanhuang Health Media	-	14,368,251
Heilongjiang TV	-	13,459,880
Focus Media	444,709	12,039,761
BTV Neo Media	10,822,883	10,943,985
Shanghai TV	1,821,551	9,886,494
Jiangsu (road/railway media)	133,949	-
Other non-TV, Billboards	-	8,701,595
Youku/Iqiyi/Letv Sports/Xinhua Net Video/Meitu/Sina/Weibo/163 (website)	547,701	4,952,857
Magazines	680,310	4,901,736
Shanghai East Radio	12,108,052	4,757,813
Shanghai Yishihudong Culture Media	2,000,298	3,912,922
Shanghai DAC Media Company	-	3,093,617
Shanghai Education TV	19,317,851	3,077,904
CCTV	-	2,372,495
Bundstar Media (advertising agency)	2,321,774	2,347,753
United States (various outlets)	2,775,600	1,878,193
JC Decaux (advertising agency)	2,026,735	1,685,290
Renmin Shuzi Technology Media	1,160,887	1,354,474
Vietnam (various outlets)	2,523,136	1,345,742
Zhongxin Citic Bookstore Media	-	1,151,302
Shenzhen Airport Asiaray Media	187,826	1,083,579
Shenzhen Press Metro Media	1,875,279	1,083,579
Guizhou TV	-	757,125
Other TV	290,704	609,032
Beijing DAC Holding Ltd	4,124,721	-
Beijing Dixiatiedao Tongcheng Media Company	744,158	-
Beijing Tianwa Media Company	601,280	-
Chongqing Feiyang Media Company	1,041,822	-
Netease News	538,771	-
The Western Airport Group Media Company	967,406	-
Zhengzhou Hengyun Media Company	1,416,878	-
Zhejiang Shike Media Company	805,179	-
Guangzhou letu Media Company	863,700	-
Other Ad Co	1,785,755	-
Meipai	2,009,228	-
Guangzhou Liben Culture Media Company	557,226	-

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6. CONTRIBUTED GOODS AND SERVICES (continued)

	<u>2017</u>	<u>2016</u>
Other Website	386,962	-
Century Media Group	175,964	-
China Daily	347,735	-
Shaanxi TV (including satellite)	139,677	-
Oriental Outlook	1,269,013	-
Sanlian Life Weekly	<u>824,703</u>	<u>-</u>
	<u>\$ 225,705,458</u>	<u>\$ 289,325,305</u>

In addition, WildAid has over 100 celebrities worldwide who have donated their time to be featured in WildAid's public service announcements. Along with filming, they often participate in campaign launches and other media events as well. No value is booked to reflect their donated time, although the value of their participation is invaluable to the delivery of WildAid's message.

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

	<u>2017</u>	<u>2016</u>
Galapagos Islands	\$ 1,897,888	\$ 2,607,538
Climate change	1,457,935	1,510,080
MPA, Indonesia and Marta	880,554	1,365,763
Elephant and Rhino	-	120,239
Other	<u>349,336</u>	<u>236,258</u>
	<u>\$ 4,585,713</u>	<u>\$ 5,839,878</u>

Temporarily restricted net assets released from restriction during the year were as follows:

	<u>2017</u>	<u>2016</u>
Sharks	\$ 28,683,821	\$ 45,673,619
Elephant and Rhino	67,091,882	119,344,797
Galapagos Islands	1,087,543	1,015,018
Climate change	60,551,008	61,337,618
MPA, Indonesia and Marta	29,721,146	21,354,655
Other	<u>42,121,764</u>	<u>47,464,585</u>
	<u>\$ 229,257,164</u>	<u>\$ 296,190,292</u>

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8. COMMITMENTS AND CONTINGENCIES

WildAid leases office space in San Francisco, California under an agreement which expires on April 30, 2021. WildAid leases two office facilities in the Galapagos Islands under noncancelable lease agreements. One lease expired on December 31, 2017 and the other lease will expire on October 31, 2019. WildAid also leases office space in China under a lease agreement which will expire on August 31, 2018.

The scheduled minimum lease payments under the lease terms are as follows:

<u>Year ending December 31,</u>	
2018	\$ 270,848
2019	226,392
2020	224,120
2021	<u>75,439</u>
	<u>\$ 796,799</u>

Rent expense totaled \$309,061 and \$292,408 for the years ended December 31, 2017 and 2016, respectively.

9. RETIREMENT PLAN

WildAid maintains a qualified 401(k) retirement plan for all eligible employees. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. WildAid adopted a Safe Harbor Amendment effective January 1, 2012, matching employee contributions up to a maximum of 4%. WildAid made contributions to the plan totaling \$40,924 and \$45,127 for the years ended December 31, 2017 and 2016, respectively.

10. CONCENTRATION OF REVENUE AND SUPPORT

During the year ended December 31, 2017, grants from three foundations accounted for approximately 47% of total grants and awards revenue. During the year ended December 31, 2016, grants from three foundations accounted for approximately 43% of total grants and awards revenue.

As of December 31, 2017, grants and contributions receivable from three foundations accounted for approximately 64% of total contributions and grants receivable. As of December 31, 2016, grant receivables from three foundations accounted for approximately 42% of total contributions and grants receivable.

WildAid received contributions from board members totaling approximately \$939,000 and \$650,000 during the years ended December 31, 2017 and 2016, respectively. WildAid had contributions receivable due from board members totaling approximately \$198,000 and \$79,000 as of December 31, 2017 and 2016, respectively.