

THE WILDLIFE SOCIETY, INC.

AUDITED FINANCIAL STATEMENTS

For the years ended June 30, 2023 and 2022



THE WILDLIFE SOCIETY, INC.

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INDEPENDENT AUDITOR'S REPORT

TWS Council
The Wildlife Society, Inc.
Bethesda, Maryland

Opinion

We have audited the accompanying financial statements of The Wildlife Society, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Wildlife Society, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Wildlife Society, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Wildlife Society, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Wildlife Society, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Wildlife Society, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

UHY LLP

Columbia, Maryland
March 14, 2024

THE WILDLIFE SOCIETY, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,202,765	\$ 716,544
Accounts receivable	151,199	155,981
Inventory	-	30,100
Prepaid expenses	105,194	73,287
	<u>1,459,158</u>	<u>975,912</u>
OTHER ASSETS		
Investments	3,467,698	3,111,436
Property and equipment, net	55,794	41,859
	<u>3,523,492</u>	<u>3,153,295</u>
TOTAL ASSETS	<u>\$ 4,982,650</u>	<u>\$ 4,129,207</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 62,628	\$ 58,753
Working groups funds	251,203	82,959
Deferred revenue, current portion	738,294	507,516
	<u>1,052,125</u>	<u>649,228</u>
NET ASSETS		
Without donor restrictions	2,695,253	2,613,754
With donor restrictions	1,235,272	866,225
	<u>3,930,525</u>	<u>3,479,979</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,982,650</u>	<u>\$ 4,129,207</u>

See notes to financial statements.

THE WILDLIFE SOCIETY, INC.
STATEMENT OF ACTIVITIES
For the year ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
Annual conference	\$ 1,005,376	\$ -	\$ 1,005,376
Royalties	816,101	-	816,101
Membership dues	656,175	-	656,175
Contributions	80,054	359,190	439,244
Grants	-	160,950	160,950
Publications	89,771	-	89,771
Partner fees	46,750	-	46,750
Professional development	5,098	-	5,098
Merchandise sales and other income	869	-	869
Net assets released from restrictions	199,950	(199,950)	-
	<u>2,900,144</u>	<u>320,190</u>	<u>3,220,334</u>
Expenses			
Program services	2,351,053	-	2,351,053
Management and general	488,543	-	488,543
Fundraising	218,315	-	218,315
	<u>3,057,911</u>	<u>-</u>	<u>3,057,911</u>
	<u>(157,767)</u>	<u>320,190</u>	<u>162,423</u>
Change in Net Assets from Operations			
Net Investment Income			
Interest and dividends	72,501	16,820	89,321
Unrealized gains on investments	119,626	39,066	158,692
Realized gains on investments	72,950	1,992	74,942
Less investment fees	(25,811)	(9,021)	(34,832)
	<u>239,266</u>	<u>48,857</u>	<u>288,123</u>
	<u>81,499</u>	<u>369,047</u>	<u>450,546</u>
Change in Net Assets			
	<u>2,613,754</u>	<u>866,225</u>	<u>3,479,979</u>
Net Assets, Beginning			
	<u>\$ 2,695,253</u>	<u>\$ 1,235,272</u>	<u>\$ 3,930,525</u>
Net Assets, Ending			

See notes to financial statements.

THE WILDLIFE SOCIETY, INC.
STATEMENT OF ACTIVITIES
For the year ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Annual conference	\$ 361,700	\$ -	\$ 361,700
Royalties	846,833	-	846,833
Membership dues	634,915	-	634,915
Contributions	140,832	166,500	307,332
Grants	-	170,225	170,225
Publications	111,429	-	111,429
Partner fees	11,267	-	11,267
Professional development	4,920	-	4,920
Merchandise sales and other income	26,990	-	26,990
Net assets released from restrictions	179,175	(179,175)	-
	<u>2,318,061</u>	<u>157,550</u>	<u>2,475,611</u>
Expenses			
Program services	1,706,448	-	1,706,448
Management and general	548,522	-	548,522
Fundraising	89,860	-	89,860
	<u>2,344,830</u>	<u>-</u>	<u>2,344,830</u>
	<u>(26,769)</u>	<u>157,550</u>	<u>130,781</u>
Change in Net Assets from Operations			
Net Investment Income			
Interest and dividends	82,592	21,017	103,609
Unrealized losses on investments	(474,117)	(66,697)	(540,814)
Realized gains on investments	71,034	4,003	75,037
Less investment fees	(30,267)	(6,577)	(36,844)
	<u>(350,758)</u>	<u>(48,254)</u>	<u>(399,012)</u>
	<u>(377,527)</u>	<u>109,296</u>	<u>(268,231)</u>
Change in Net Assets			
	<u>2,991,281</u>	<u>756,929</u>	<u>3,748,210</u>
Net Assets, Beginning			
	<u>\$ 2,613,754</u>	<u>\$ 866,225</u>	<u>\$ 3,479,979</u>
Net Assets, Ending			

See notes to financial statements.

THE WILDLIFE SOCIETY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2023

	PROGRAM SERVICES					SUPPORTING SERVICES		TOTAL
	Member Services	Public Service and Education	Annual Conference	Publications and Communications	Total Program Services	Management and General	Fundraising	
Personnel costs:								
Salaries	\$ 166,961	\$ 312,167	\$ 42,471	\$ 391,363	\$ 912,962	\$ 173,134	\$ 100,302	\$ 1,186,398
Employee benefits	19,215	30,509	5,057	49,131	103,912	18,967	10,677	133,556
Payroll taxes	12,075	19,969	3,073	28,306	63,423	14,486	7,252	85,161
Total personnel costs	198,251	362,645	50,601	468,800	1,080,297	206,587	118,231	1,405,115
Audit fees	-	-	-	-	-	29,700	-	29,700
Awards and honoraria	1,500	72,269	840	34,858	109,467	-	-	109,467
Bank and credit card fees and interest	10,803	19,760	2,758	25,544	58,865	11,255	6,443	76,563
Computer services	8,536	15,614	2,179	20,185	46,514	8,891	5,091	60,496
Contributions	2,000	-	-	-	2,000	-	-	2,000
Depreciation and amortization	854	1,562	218	2,019	4,653	886	509	6,048
Dues and subscriptions	3,028	10,892	502	-	14,422	2,408	-	16,830
Equipment leasing and rental	56	103	15	133	307	54	34	395
Insurance	2,710	4,956	692	6,407	14,765	2,820	1,616	19,201
Legal and accounting fees	-	-	-	-	-	78,059	-	78,059
Miscellaneous	-	72	-	-	72	-	-	72
Office supplies	45	716	3,147	184	4,092	2,599	-	6,691
Postage and delivery	5,508	772	3,389	42,597	52,266	671	54	52,991
Printing, publications, and journal	3,543	3,013	4,028	154,162	164,746	183	5,687	170,616
Professional fees	68,099	124,568	17,382	161,031	371,080	70,967	40,612	482,659
Rent and utilities	3,953	7,230	1,009	9,346	21,538	4,117	2,357	28,012
Telephone and internet	1,418	2,593	362	3,352	7,725	1,474	846	10,045
Travel and meetings	8,175	59,900	321,403	8,766	398,244	67,872	6,735	472,851
In-Kind	-	-	-	-	-	-	30,100	30,100
Total expenses	\$ 318,479	\$ 686,665	\$ 408,525	\$ 937,384	\$ 2,351,053	\$ 488,543	\$ 218,315	\$ 3,057,911

THE WILDLIFE SOCIETY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2022

	PROGRAM SERVICES				SUPPORTING SERVICES			TOTAL
	Member Services	Public Service and Education	Annual Conference	Publications and Communications	Total Program Services	Management and General	Fundraising	
Personnel costs:								
Salaries	\$ 102,641	\$ 277,067	\$ 61,559	\$ 257,291	\$ 698,558	\$ 319,818	\$ 65,243	\$ 1,083,619
Employee benefits	13,894	27,726	8,139	37,030	86,789	15,478	8,226	110,493
Payroll taxes	7,394	18,552	4,435	18,535	48,916	25,929	4,701	79,546
Total personnel costs	123,929	323,345	74,133	312,856	834,263	361,225	78,170	1,273,658
Audit fees	-	-	-	-	-	15,450	-	15,450
Awards and honoraria	550	34,316	-	31,000	65,866	-	-	65,866
Bank and credit card fees and interest	4,386	11,442	2,624	11,071	29,523	12,779	2,766	45,068
Computer services	4,572	11,929	2,735	11,542	30,778	13,325	2,884	46,987
Contributions	1,000	-	-	-	1,000	-	-	1,000
Depreciation and amortization	351	914	210	884	2,359	1,017	221	3,597
Dues and subscriptions	3,008	12,830	117	489	16,444	4,497	-	20,941
Equipment leasing and rental	42	110	26	106	284	118	27	429
Insurance	1,721	4,490	1,030	4,345	11,586	5,013	1,086	17,685
Legal and accounting fees	-	-	-	-	-	63,005	-	63,005
Miscellaneous	-	149	-	-	149	600	-	749
Office supplies	1,211	1,821	444	-	3,476	4,733	-	8,209
Postage and delivery	4,169	213	-	37,277	41,659	703	-	42,362
Printing, publications, and journal	-	1,654	3,793	235,666	241,113	-	-	241,113
Professional fees	56,900	20,203	151,455	130,200	358,758	6,766	-	365,524
Rent and utilities	5,059	13,199	3,027	12,771	34,056	14,743	3,191	51,990
Telephone and internet	799	2,083	478	2,016	5,376	2,324	504	8,204
Travel and meetings	1,675	25,411	819	1,853	29,758	42,224	1,011	72,993
Total expenses	\$ 209,372	\$ 464,109	\$ 240,891	\$ 792,076	\$ 1,706,448	\$ 548,522	\$ 89,860	\$ 2,344,830

THE WILDLIFE SOCIETY, INC.
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Cash received from operations:		
Annual conference	\$ 1,008,703	\$ 357,120
Royalties	1,058,208	770,404
Membership dues	670,653	632,540
Contributions	439,244	307,332
Grants	160,950	170,225
Publications	72,169	14,445
Partner fees	40,000	17,600
Other income	5,967	31,910
Interest and dividends	89,321	103,609
	<u>3,545,215</u>	<u>2,405,185</u>
Cash disbursed for operations:		
Payments for personnel	1,384,656	1,278,158
Payments for goods and services	1,665,110	1,027,468
Investment expenses	34,832	36,844
Inventory	-	30,100
	<u>3,084,598</u>	<u>2,372,570</u>
Total cash received	<u>3,545,215</u>	<u>2,405,185</u>
Total cash disbursed	<u>3,084,598</u>	<u>2,372,570</u>
Net cash provided by operating activities	<u>460,617</u>	<u>32,615</u>
Cash Flows from Investing Activities		
Proceeds from sales of investments	274,854	190,188
Purchases of investments	(397,482)	(165,956)
Reinvested dividends	-	(16,877)
Purchases of property and equipment	(19,983)	(6,733)
Amounts received for chapters, sections, and working group affiliates	287,810	56,627
Amounts paid to chapters, sections, and working group affiliates	(119,595)	(22,155)
	<u>25,604</u>	<u>35,094</u>
Net cash provided by investing activities	<u>25,604</u>	<u>35,094</u>
Net Increase in Cash and Cash Equivalents	486,221	67,709
Cash and Cash Equivalents, Beginning	<u>716,544</u>	<u>648,835</u>
Cash and Cash Equivalents, Ending	<u>\$ 1,202,765</u>	<u>\$ 716,544</u>

THE WILDLIFE SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 1 - DESCRIPTION OF ORGANIZATION

The Wildlife Society, Inc. (the Society) was founded in 1937 and is a non-profit organization formed in Washington, D.C. The Society's mission is to inspire, empower, and enable wildlife professionals to sustain wildlife populations and habitats through science-based management and conservation. The Society enhances their members' networking and learning opportunities, professional and career development, and provides numerous ways for them to get more involved in creating a better future for wildlife and their habitats. The Society derives revenue from various sources, but primarily from royalties, annual conferences, and membership dues.

Programs:

Membership Services - The Society provides members with a weekly e-newsletter which highlights updates on the activities of the Society and features timely news articles on wildlife science, management, and conservation. Members have access to an online membership directory to enhance collaboration and networking with their professional peers and foster mentoring opportunities for students and young professionals. Members can also participate in the Society's more than 25 Working Groups that focus on specific wildlife science and management topic areas. The Society also provides year-round online and personal support for membership transactions.

Public Service and Education - The Society provides materials to the general public through information materials, website content, conferences, and meetings. The Society also actively provides science-based wildlife conservation information to decision-makers so they can make better decisions about issues that impact wildlife and benefits the general public. In addition, the Society provides a wide variety of programs, resources, and activities designed to support and advance the careers of wildlife professionals. This includes a peer-reviewed wildlife biologist certification process that bestows the title of Associate Wildlife Biologist® or Certified Wildlife Biologist® to members that meet rigorous educational and experience criteria.

Annual Conference - The Society holds an annual conference which provides education sessions, workshops, and events that assists both professionals within the wildlife industry and aspiring wildlife professionals. In addition, the annual conference provides opportunities for wildlife professionals and students to meet colleagues, find mentors, and present groundbreaking science and wildlife management best practices to enhance their interdisciplinary skills.

Publications and Communications - The Society issues various publications that include informational and scientific materials on conservation and professional issues. These include the Journal of Wildlife Management, The Wildlife Professional, Wildlife Monographs, Wildlife Society Bulletin, and other books.

THE WILDLIFE SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP), whereby revenue is recognized when earned and expenses are recognized when incurred.

Measure of Operations

The accompanying statements of activities distinguish between operating and non-operating activities. Operating activities include all revenue and expenses that are an integral part of the Society's programs. Non-operating activities include the net investment returns.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Society considers all highly liquid investments with original maturities of 90 days or less to be cash equivalents. Cash and cash equivalents consist of checking accounts, savings accounts, and money market funds held at brokerage institutions.

Accounts Receivable

The Society grants trade credit to its members and non-members. Accounts receivable are valued at management's estimate of the amount that will ultimately be collected. The allowance for doubtful accounts is based on specific identification of uncollectible accounts and the Society's historical collection experience. Management considers all accounts receivable to be collectible as of June 30, 2023 and 2022.

THE WILDLIFE SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants Receivable

Grants and contributions receivable that are expected to be collected in future years are recorded at their fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants and contribution revenue. All grants and contributions receivable are considered by management to be fully collectible and due within one year. Accordingly, an allowance for doubtful accounts or discount has not been established.

Conditional promises to give - that is, those with a measurable performance or other barrier and right of return - are not recognized until the conditions on which they depend are met. There were no conditional promises to give as of June 30, 2023 and 2022.

Investments

The Society reports investments at fair value using quoted market prices when available. Donated securities are recorded at fair value on the date the securities are received. Interest, dividends, and realized and unrealized gains and losses are recorded as revenue when earned. Investment income is reported net of investment fees in the statements of activities. Investment income and gains restricted by donors are reported as increases in net assets with donor restrictions until the restriction expires, at which time they are reclassified as net assets without donor restrictions and reported on the statements of activities as net assets released from restriction.

Fair Value Measurements

The Society complies with the Statement of Financial Accounting Standards Codification Topic *Fair Value Measurements FASB ASC 820*, which defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement).

The three levels of the fair value hierarchy under this topic are described below:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

THE WILDLIFE SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used in fair value measurements need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Society invests in money market funds, corporate trusts, exchange traded funds, mutual funds, common and preferred stocks, and corporate bonds. Such investments are exposed to various risks such as market and credit fluctuation.

Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

Exchange-Traded Funds, Mutual Funds, and Corporate Fixed Income Bonds: Valued at the closing price reported in the active market on which the individual securities are traded (Level 1).

Preferred Stock: Valued based on either the most recent observable trade and/or external quotes, depending on availability (Level 2).

Corporate Trusts: These assets are measured at fair value utilizing the net asset value (NAV) per unit multiplied by the total number of units held or its equivalent as a practical expedient. In accordance with ASC 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. Investing in these funds involves a high degree of risk. The Society does not intend to sell any of the funds at an amount different from net asset value per share. The Society reviews and evaluates the net asset values provided by the investment advisors and fund managers and agrees with the valuation methods and assumptions used in determining net asset values of these funds.

There were no changes in the methodologies used during the years ended June 30, 2023 and 2022.

Property and Equipment

The Society follows the practice of capitalizing, at cost, all expenditures for property, equipment, and building improvements with a useful life greater than one year and a cost in excess of \$500. Depreciation and amortization of furniture, equipment, and software is computed on the straight-line basis over the estimated useful lives of the related assets, which range from five to ten years. Depreciation of the building and amortization of building improvements are computed on a straight-line basis over forty years. Repairs and maintenance costs are expensed when incurred.

THE WILDLIFE SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Working Groups Funds

The working groups funds represents monies held for working groups. This liability account was set up to receive and disburse funds for the working groups whose activity did not warrant opening up individual bank accounts.

Net Assets

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

Net assets without donor restriction - Net assets without donor restrictions are available for use at the discretion of the TWS Council and/or management for general operating purposes. From time to time, the TWS Council may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net assets with donor restrictions - Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Society reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets with donor restrictions and reported in the statement of activities as net assets released from restrictions.

See notes 7 and 8 for more information on the composition of net assets with donor restrictions.

Revenue Recognition

Contributions: Contributions and grants received are recorded as either net assets with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions. Contributions and support with donor restrictions received and released in the same period are recognized as revenues without donor restrictions. Revenue from government grants is recognized only to the extent of actual expenses incurred in compliance with the grant agreement.

The Society recognizes various revenue streams under contracts with customers. For each revenue stream identified below, revenue recognition is subject to the completion of performance obligations. For each contract with a customer, the Society determined whether the performance obligations in the contracts are distinct or should be bundled. Factors that were considered were the pattern of transfer, whether the customers could benefit from the resources, and whether the resources were readily available. The Society also performed an analysis to determine if membership dues or other streams constituted separate performance obligations.

THE WILDLIFE SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Membership Dues: Includes payments for membership with the Society. Revenue is recognized over the member year based on renewal periods. Dues received in advance are reported as deferred revenue.

Annual Conference and Exhibits: Revenue from the annual conference and partner fees includes amounts earned from conference registrations, exhibits, workshop fees, and sponsorships. Revenue is recognized in the period when the event is held. Any amounts received in advance for future conferences are recorded as deferred revenue.

Royalties: Royalties include amounts from the Wiley publishing agreement. Royalty revenue is recognized at the time it is earned in accordance with the agreement. Any amounts received in advance for future periods is recorded as deferred revenue until earned.

Publications: Publication revenue includes amounts received to publish in the periodic journals. Revenue is recognized when the journal is published and is transferred to the customer in exchange for the amount that reflects the consideration to which the Society expects to be entitled to. Amounts received in advance for any publications yet to be published is recorded as deferred revenue until earned.

Professional Development: Professional development and merchandise sales, and other income are recognized when earned when the event or services occur. All other revenue received in advance of being earned is recognized in the period to which they apply.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Expenses that can be identified with a specific program or supporting service are charged directly to that program or supporting service.

Supporting services are comprised of management and general and fundraising expenses and include costs that are not directly identifiable with any specific program but provide for the overall support and direction of the Society. Accordingly, certain overhead expenses have been allocated based on time spent by the Society's personnel in such functions.

Income Taxes

The Society is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Services as an organization that is not a private foundation. However, income from certain activities not directly related to the Society's tax-exempt purpose is subject to taxation as unrelated business income. For the years ended June 30, 2023 and 2022, the Society had no taxable net income or tax liability.

THE WILDLIFE SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

The Society believes that there are no tax positions taken or expected to be taken that would require recognition in the financial statements or which may have an effect on its tax-exempt status. None of the Society's federal or state income tax returns are currently under examination.

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENT

The tables below present the balances of assets measured at fair value on a recurring basis by level within the hierarchy as of June 30, 2023 and 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments - June 30, 2023				
Exchange-traded funds	\$ 3,160,799	\$ -	\$ -	\$ 3,160,799
Mutual funds	249,401	-	-	249,401
Preferred stock - financial	-	24,258	-	24,258
	<u>\$ 3,410,200</u>	<u>\$ 24,258</u>	<u>\$ -</u>	3,434,458
Measured at NAV:				
Corporate trusts				<u>33,240</u>
Total investments				<u>\$ 3,467,698</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments - June 30, 2022				
Exchange-traded funds	\$ 2,774,122	\$ -	\$ -	\$ 2,774,122
Mutual funds	224,756	-	-	224,756
Preferred stock - financial	-	25,700	-	25,700
Corporate fixed income	48,881	-	-	48,881
	<u>\$ 3,047,759</u>	<u>\$ 25,700</u>	<u>\$ -</u>	3,073,459
Measured at NAV:				
Corporate trusts				<u>37,977</u>
Total investments				<u>\$ 3,111,436</u>

THE WILDLIFE SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Building	\$ 317,095	\$ 317,095
Furniture and equipment	150,341	130,358
Building improvements	57,084	57,084
Software	2,216	2,216
	<u>526,736</u>	<u>506,753</u>
Less, accumulated depreciation and amortization	<u>(503,956)</u>	<u>(497,908)</u>
	22,780	8,845
Land	<u>33,014</u>	<u>33,014</u>
	<u>\$ 55,794</u>	<u>\$ 41,859</u>
Net value of property and equipment		

For the years ended June 30, 2023 and 2022, depreciation and amortization expense totaled \$6,048 and \$3,597, respectively.

NOTE 5 - DEFERRED REVENUE

Certain amounts pertaining to member dues, subscriptions, and other revenue were received in advance. Accordingly, deferred revenue consisted of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Membership dues and subscriptions	\$ 343,168	\$ 340,892
Publishing royalties - current portion	280,321	38,214
Registration fees	108,555	110,010
Publications	-	5,400
Partner fees	<u>6,250</u>	<u>13,000</u>
	738,294	507,516
Total current portion		
Publishing royalties - noncurrent portion	<u>-</u>	<u>-</u>
	<u>\$ 738,294</u>	<u>\$ 507,516</u>
Totals		

THE WILDLIFE SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 6 - CHAPTER, SECTIONS, AND WORKING GROUP AFFILIATES

The Society has various local chapters, sections, and working groups that operate autonomously. The Society collects membership dues on their behalf and remits these dues on a quarterly basis. The financial transactions of these affiliates are not included in the Society's financial statements. These affiliates are exempt from federal income taxes under the Society's group exemption under Section 501(c)(3) of the Internal Revenue Code. Amounts collected for chapter, sections, and working group affiliates during the years ended June 30, 2023 and 2022 were \$293,633 and \$160,158, respectively. Amounts remitted during the years ended June 30, 2023 and 2022 were \$125,388 and \$125,656, respectively. Amounts due as of June 30, 2023 and 2022 were \$251,203 and \$82,959, respectively.

NOTE 7 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions are available to finance the general operations of the Society. The only limits on the use of net asset without donor restrictions are the TWS Council's limits resulting from the nature of the Society, the environment in which they operate, and the purpose specified in their bylaws. Voluntary resolutions by the TWS Council to designate a portion of its net assets without donor restrictions for specific purposes do not result in restricted funds. Since designations are voluntary and may be reversed by the TWS Council at any time, internally designated net assets are reported as net assets without donor restrictions.

Net assets without donor restrictions consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Operations	\$ 1,888,082	\$ 1,897,883
Council designated fund	671,762	606,012
Council designated endowment	<u>135,409</u>	<u>109,859</u>
	<u>\$ 2,695,253</u>	<u>\$ 2,613,754</u>

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions result from gifts of cash, assets donated with stipulations that they be invested to provide a permanent source of income (endowment funds), or assets such as land or works of art donated with stipulations that they be preserved and not be sold. Donations received in response to an appeal for funds or contribution to be used for a specified purpose are also considered to be restricted funds. Earnings on some endowment funds are to be used for specified purposes and thus are additions to net assets with donor restrictions. Earnings on other endowment funds are available for general operations once they have been appropriated for expenditure and thus are included in investment income net assets with donor restrictions until appropriated.

THE WILDLIFE SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets with donor restrictions are released from restrictions when the specified date passes or amounts are expended for the purpose specified. The Society's net assets with donor restrictions consisted for the following as of June 30:

	<u>2023</u>	<u>2022</u>
Temporarily restricted net assets:		
Rusch	\$ 68,003	\$ 63,917
Robert F. Labisky	308,250	50,152
Wildlife research and awards	98,107	71,494
Donor restricted programs	<u>94,000</u>	<u>113,750</u>
	<u>\$ 568,360</u>	<u>\$ 299,313</u>
Permanently restricted net assets:		
Perm endowments	\$ 406,912	406,912
Robert F. Labisky	100,000	-
Kleberg fund	150,000	150,000
McDonough award fund	<u>10,000</u>	<u>10,000</u>
Total permanently restricted net assets	<u>\$ 666,912</u>	<u>\$ 566,912</u>
Total net assets with donor restrictions	<u><u>\$ 1,235,272</u></u>	<u><u>\$ 866,225</u></u>

NOTE 9 - ENDOWMENTS

The Society's endowments consist of funds established for a variety of purposes by donors. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Society to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

THE WILDLIFE SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 9 - ENDOWMENTS (Continued)

Standard of Investment

Absent explicit donor stipulations to the contrary, 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 absent. As a result of this interpretation, the Society classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Society in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Society, and (7) the Society's investment policies.

Spending Policy and Accumulation of Income and Principal

The Society has adopted investment and spending policies, approved by the TWS Council for endowments assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowments over the long-term.

Accordingly, the investment process seeks to achieve an after-cost total rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities. The Society expects its endowment assets, over time, to produce an average rate of return of approximately 5% 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 prevent exposing the fund to unacceptable levels of risk.

The Society has a policy of appropriating for distribution each year only amounts that are earned in excess of the fair value of the original gift donated as the permanent endowment or the amount designated by the Society as permanent, up to the limits established by UPMIFA.

In establishing this policy, the Society 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. This is consistent with the Society'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.

THE WILDLIFE SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 9 - ENDOWMENTS (Continued)

Funds with Deficiencies

From time to time, the fair values of assets associated with individual donor restricted endowment funds may fall below the level that the donor or applicable law requires to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets without donor restrictions. The deficiency generally results from unfavorable market fluctuations and over-spending. Endowment earnings shortfalls are covered by investments held in net assets without donor restrictions.

There were no deficiencies as of June 30, 2023 and 2022.

Endowment net asset composition by type of fund as of June 30, 2023 and 2022:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
2023				
Donor-restricted endowment funds	\$ -	\$ 98,107	\$ 666,912	\$ 765,019
Council-designated endowment funds	<u>135,409</u>	<u>-</u>	<u>-</u>	<u>135,409</u>
Total funds	<u>\$ 135,409</u>	<u>\$ 98,107</u>	<u>\$ 666,912</u>	<u>\$ 900,428</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
2022				
Donor-restricted endowment funds	\$ -	\$ 71,494	\$ 566,912	\$ 638,406
Council-designated endowment funds	<u>109,859</u>	<u>-</u>	<u>-</u>	<u>109,859</u>
Total funds	<u>\$ 109,859</u>	<u>\$ 71,494</u>	<u>\$ 566,912</u>	<u>\$ 748,265</u>

Changes in endowment net assets for the year ended June 30, 2023 were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, July 1, 2022	<u>\$ 109,859</u>	<u>\$ 71,494</u>	<u>\$ 566,912</u>	<u>\$ 748,265</u>
Investment return:				
Investment income	11,597	604	100,000	112,201
Net realized and unrealized appreciation	42,718	31,037	-	73,755
Investment fees	(28,765)	(5,028)	-	(33,793)
Total investment return	<u>25,550</u>	<u>26,613</u>	<u>100,000</u>	<u>152,163</u>
Endowment net assets, June 30, 2023	<u>\$ 135,409</u>	<u>\$ 98,107</u>	<u>\$ 666,912</u>	<u>\$ 900,428</u>

THE WILDLIFE SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 9 - ENDOWMENTS (Continued)

Changes in endowment net assets for the year ended June 30, 2022 were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, July 1, 2021	\$ 214,187	\$ 106,943	\$ 566,912	\$ 888,042
Investment return:				
Investment income	13,490	17,266	-	30,756
Net realized and unrealized appreciation	(88,445)	(50,139)	-	(138,584)
Investment fees	(29,373)	(2,576)	-	(31,949)
Total investment return	<u>(104,328)</u>	<u>(35,449)</u>	<u>-</u>	<u>(139,777)</u>
Endowment net assets, June 30, 2022	<u>\$ 109,859</u>	<u>\$ 71,494</u>	<u>\$ 566,912</u>	<u>\$ 748,265</u>

NOTE 10 - CONCENTRATION OF CREDIT RISK

The Society's financial instruments that are exposed to concentrations of credit risk include cash and highly liquid, temporary cash investments. At times, such cash and temporary investment balances may be in excess of the Federal Deposit Insurance Corporation insurance limit. The Society places its cash and temporary cash investments with high credit quality financial institutions. The Society has not experienced any losses in such accounts and believes it is not exposed to significant credit risk.

NOTE 11 - TAX-DEFERRED ANNUITY PLAN

The Society maintains a Tax-Deferred Annuity Plan (the "Plan") for all salaried employees. The Society contributes 8.5% of each eligible employee's salary to the plan each year. Contributions to the Plan vest over a three-year period. During the years ended June 30, 2023 and 2022, contributions to the Plan totaled \$93,879 and \$68,903, respectively, and are included with employee benefits in the statements of functional expenses.

THE WILDLIFE SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 12 - PUBLICATIONS AGREEMENT

The Society has an agreement with Wiley Periodicals, Inc. (the “Publisher”) concerning the publication of *the Journal of Wildlife Management*, *Wildlife Monographs*, and the *Wildlife Society Bulletin* (collectively “the Journals”). The agreement specifies that the Society shall remain the owner of the Journals, while the publishing, sales and marketing activities are the responsibility of Publisher. In addition, the Society grants a limited, revocable worldwide license to the Publisher to use the names and logos of the Society and the Journals. The agreement is effective for seven calendar publication years until 2029, although either party may provide a 12-month notification to discontinue the annual automatic renewal.

The Publisher agrees to pay the Society royalties fees of 60% of all non-member revenue earned, whereby a royalty payment of no less than 80% of the prior year’s actual royalties will be paid each calendar year. The Publisher will contribute to the costs of the editorial offices for *The Journal of Wildlife Management* and the *Wildlife Society Bulletin* totaling \$115,000 annually. In addition, the Society agrees to offer and provide free exhibit space to the Publisher at the Society’s annual meeting.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

The Society has entered into several agreements for future meeting sites with various hotels. If the Society decides to cancel any of these contracts prior to the event, the Society would be liable for cancellation fees. The Society purchases event cancellation insurance annually to minimize impact of a cancelled event, but that insurance does not cover every possible scenario.

The Society participates in federal grant programs which are subject to financial and compliance audits by the federal agencies or their representatives. As such, there is a possibility that questioned costs might result from such an audit in the future.

THE WILDLIFE SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 14 - LIQUIDITY AND AVAILABILITY OF RESOURCES

For general operating expenditures, the Society's financial assets available for operations during one year from the following dates:

	June 30:	
	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,202,765	\$ 716,544
Receivables due within one year	151,199	155,981
Investments	<u>3,467,698</u>	<u>3,111,436</u>
 Total financial assets available within one year	 4,821,662	 3,983,961
 Less amounts unavailable for general expenditures within one year due to:		
Restricted by donors	(1,235,272)	(866,225)
 Less amounts unavailable to management without the TWC Council's approval:		
Designated investment fund	(671,762)	(606,012)
Designated endowment funds	<u>(135,409)</u>	<u>(109,859)</u>
 Total financial assets available to management for general expenditures within one year	 <u>\$ 2,779,219</u>	 <u>\$ 2,401,865</u>

Liquidity Management

The Society maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the TWS Council has established internally-designated net assets of \$807,171 and \$715,873 as of June 30, 2023 and 2022, respectively, that could be available for current operations.

NOTE 15 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 14, 2024, which is the date the financial statements were available to be issued. Management has determined that there are no unrecognized subsequent events that require additional disclosure.