

**WOLF CONSERVATION CENTER, INC.**

**Financial Statements  
For the Years Ended  
December 31, 2023  
and  
December 31, 2022**

## **Independent Auditor's Report**

To the Board of Directors  
Wolf Conservation Center, Inc.

### ***Opinion***

We have audited the accompanying financial statements of Wolf Conservation Center, Inc. (the "Center"), which comprise the statement of financial position as of December 31, 2023 and December 31, 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 Center as of December 31, 2023 and December 31, 2022 and the results of its activities 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 audits 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 Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Center'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 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 Center'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 Center'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.

*Cordian O'Meara McElroy & Donnelly LLP*

September 5, 2024

**WOLF CONSERVATION CENTER, INC.**

**Statement of Financial Position**

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,271,648	\$ 8,568,931
Investments, at fair value	8,116,854	-
Certificates of deposit	-	50,769
Accounts receivable	10,126	8,976
Contributions receivable	270,572	254,485
Inventory	63,716	71,297
Prepaid expenses	12,998	56,294
Total current assets	9,745,914	9,010,752
<b>Contributions receivable – net of current portion</b>	50,000	133,000
<b>Property and equipment, net</b>	4,088,735	4,041,268
<b>Total assets</b>	<b>\$ 13,884,649</b>	<b>\$ 13,185,020</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 86,829	\$ 68,797
Deferred revenue	42,489	37,585
Total liabilities	129,318	106,382
<b>Net assets</b>		
Without donor restrictions		
Operating	7,391,218	6,751,573
Board-designated	2,350,000	2,350,000
Total without donor restrictions	9,741,218	9,101,573
With donor restrictions	4,014,113	3,977,065
Total net assets	13,755,331	13,078,638
<b>Total liabilities and net assets</b>	<b>\$ 13,884,649</b>	<b>\$ 13,185,020</b>

See notes to financial statements.

**WOLF CONSERVATION CENTER, INC.**

**Statement of Activities**

	Year Ended December 31			
	2023		2022	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
	Total	Total	Total	Total
<b>Support and revenue</b>				
Contributions	\$ 1,888,457	-	\$ 2,144,373	-
Fundraising revenue	135,734	-	115,467	-
Merchandise sales, net	77,997	-	119,479	-
Foundation, corporate and other grants	114,639	-	335,815	10,500
Fundraising campaign	-	100,000	-	255,250
In-kind services	18,570	-	27,705	-
Educational program	399,371	-	342,516	-
Other	53,889	-	66,190	-
Interest	-	-	253	3
Net assets released from restrictions	137,138	(137,138)	180,891	(180,891)
Total support and revenue	<u>2,825,795</u>	<u>(37,138)</u>	<u>3,332,689</u>	<u>84,862</u>
				<u>3,417,551</u>
<b>Expenses</b>				
Program services	<u>1,592,437</u>	-	<u>1,339,364</u>	-
Supporting activities				
Management and general	325,671	-	305,954	-
Fundraising	362,651	-	306,553	-
Total supporting activities	<u>688,322</u>	-	<u>612,507</u>	-
Total expenses	<u>2,280,759</u>	-	<u>1,951,871</u>	-
Increase (decrease) in net assets before other	545,036	(37,138)	1,380,818	84,862
Investment return, net	94,609	74,186	-	-
<b>Increase in net assets</b>	<b>639,645</b>	<b>37,048</b>	<b>1,380,818</b>	<b>84,862</b>
<b>Net assets, beginning of year</b>	<b>9,101,573</b>	<b>3,977,065</b>	<b>7,720,755</b>	<b>3,892,203</b>
<b>Net assets, end of year</b>	<b>\$ 9,741,218</b>	<b>\$ 4,014,113</b>	<b>\$ 9,101,573</b>	<b>\$ 3,977,065</b>
				<b>\$13,078,638</b>

See notes to financial statements.

## WOLF CONSERVATION CENTER, INC.

Statement of Functional Expenses  
Year Ended December 31, 2023  
(with Summarized Comparative Totals for Year Ended December 31, 2022)

	<u>Supporting Activities</u>			<u>2023</u> <u>Total</u>	<u>2022</u> <u>Total</u>
	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and</u> <u>General</u>	<u>Fundraising</u>		
<b>Personnel expenses</b>					
Salaries and wages	\$ 758,134	\$ 80,887	\$ 226,317	\$1,065,338	\$ 899,279
Payroll taxes and employee benefits	<u>166,660</u>	<u>17,780</u>	<u>49,751</u>	<u>234,191</u>	<u>194,200</u>
Total personnel expenses	<u>924,794</u>	<u>98,667</u>	<u>276,068</u>	<u>1,299,529</u>	<u>1,093,479</u>
<b>Other expenses</b>					
Professional fees	20,160	172,037	-	192,197	138,247
Information technology	61,527	6,564	18,367	86,458	70,655
Program supplies	213,351	-	-	213,351	162,300
Office	70,132	17,533	-	87,665	72,091
Fundraising campaign	-	-	226	226	5,073
Repairs and maintenance	43,625	-	-	43,625	48,604
Postage	41,424	-	-	41,424	49,466
Utilities	43,017	10,754	-	53,771	54,128
Grants	1,530	-	-	1,530	37,281
Insurance	41,627	1,941	-	43,568	39,719
Advertising	2,286	-	-	2,286	-
Fundraising	-	-	67,990	67,990	26,499
Travel	12,963	3,241	-	16,204	7,261
Fees and permits	-	8,797	-	8,797	12,050
Interest	-	-	-	-	1,717
Real estate taxes	194	49	-	243	230
Bad debt	-	-	-	-	13,500
Miscellaneous	<u>125</u>	<u>-</u>	<u>-</u>	<u>125</u>	<u>714</u>
Total other expenses	<u>551,961</u>	<u>220,916</u>	<u>86,583</u>	<u>859,460</u>	<u>739,535</u>
<b>Depreciation</b>	<u>115,682</u>	<u>6,088</u>	<u>-</u>	<u>121,770</u>	<u>118,857</u>
<b>Total expenses</b>	<b><u>\$1,592,437</u></b>	<b><u>\$ 325,671</u></b>	<b><u>\$ 362,651</u></b>	<b><u>\$2,280,759</u></b>	<b><u>\$1,951,871</u></b>

See notes to financial statements.

## WOLF CONSERVATION CENTER, INC.

Statement of Functional Expenses  
Year Ended December 31, 2022

	<u>Program Services</u>	<u>Supporting Activities</u>		<u>Total</u>
		<u>Management and General</u>	<u>Fundraising</u>	
<b>Personnel expenses</b>				
Salaries and wages	\$ 597,830	\$ 106,101	\$ 195,348	\$ 899,279
Payroll taxes and employee benefits	<u>129,102</u>	<u>22,913</u>	<u>42,185</u>	<u>194,200</u>
Total personnel expenses	<u>726,932</u>	<u>129,014</u>	<u>237,533</u>	<u>1,093,479</u>
<b>Other expenses</b>				
Professional fees	8,000	108,147	22,100	138,247
Information technology	46,971	8,336	15,348	70,655
Program supplies	162,300	-	-	162,300
Office	57,673	14,418	-	72,091
Fundraising campaign	-	-	5,073	5,073
Repairs and maintenance	48,604	-	-	48,604
Postage	49,466	-	-	49,466
Utilities	43,303	10,825	-	54,128
Grants	37,281	-	-	37,281
Insurance	37,838	1,881	-	39,719
Fundraising	-	-	26,499	26,499
Travel	5,809	1,452	-	7,261
Fees and permits	-	12,050	-	12,050
Interest	1,374	343	-	1,717
Real estate taxes	184	46	-	230
Bad debt	-	13,500	-	13,500
Miscellaneous	<u>714</u>	<u>-</u>	<u>-</u>	<u>714</u>
Total other expenses	<u>499,517</u>	<u>170,998</u>	<u>69,020</u>	<u>739,535</u>
<b>Depreciation</b>	<u>112,915</u>	<u>5,942</u>	<u>-</u>	<u>118,857</u>
<b>Total expenses</b>	<u>\$1,339,364</u>	<u>\$ 305,954</u>	<u>\$ 306,553</u>	<u>\$1,951,871</u>

See notes to financial statements.

**WOLF CONSERVATION CENTER, INC.**

**Statement of Cash Flows**

	<b>Year Ended</b>	
	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 676,693	\$ 1,465,680
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	121,770	118,857
Fundraising campaign contributions	(100,000)	(255,250)
Unrealized (gain) on investments	(74,942)	-
(Increase) decrease in assets		
Accounts receivable	(1,150)	(7,676)
Contributions receivable	66,913	118,429
Inventory	7,581	(24,248)
Prepaid expenses	43,296	(48,240)
Increase in liabilities		
Accounts payable and accrued expenses	18,032	37,131
Deferred revenue	4,904	17,083
Net cash provided by operating activities	<u>763,097</u>	<u>1,421,766</u>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(169,237)	(99,019)
Proceeds from sale of certificates of deposit – net	50,769	51,779
Purchases of investments	<u>(8,041,912)</u>	<u>-</u>
Net cash (used in) investing activities	<u>(8,160,380)</u>	<u>(47,240)</u>
<b>Cash flows from financing activities</b>		
Repayments on mortgage loan payable	-	(67,679)
Fundraising campaign contributions	<u>100,000</u>	<u>255,250</u>
Net cash provided by financing activities	<u>100,000</u>	<u>187,571</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(7,297,283)</b>	<b>1,562,097</b>
<b>Cash and cash equivalents, beginning of year</b>	<b><u>8,568,931</u></b>	<b><u>7,006,834</u></b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 1,271,648</u></b>	<b><u>\$ 8,568,931</u></b>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	<u>\$ -</u>	<u>\$ 1,717</u>

See notes to financial statements.



**WOLF CONSERVATION CENTER, INC.****Notes to Financial Statements  
December 31, 2023 and December 31, 2022****Note 1 – Nature of organization**

Wolf Conservation Center, Inc. (the “Center”), was formed under the not-for-profit corporation laws of the State of New York in 1999 as an educational and charitable facility. The Center's exempt purpose is to promote wolf conservation through education, support reintroduction of wolves in federally designated areas and to provide a natural habitat sanctuary. The Center is located in Westchester County, New York, near New York City.

**Note 2 – Summary of significant accounting policies**Net assets

The Center maintains its net assets in two categories as follows:

Without donor restrictions

Net assets that are not subject to donor-imposed restrictions and are available for the general operations of the Center. Net assets without donor restrictions also include those funds that are designated by the Board of Directors.

During 2022, the Center established a board-designated fund totaling \$2,350,000 to finance capital improvements.

With donor restrictionsTemporary donor restrictions

Net assets subject to donor-imposed restrictions that will be met either by actions of the Center or the passage for time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt. Restrictions that have been met on net assets with donor restrictions are reported as net assets released from restrictions.

Perpetual donor restrictions

In this category are net assets subject to donor-imposed restrictions to be maintained in perpetuity by the Center, including gifts and contributions wherein donors stipulate that the corpus of the gift be held in perpetuity from which the revenue is to be used for the donor stipulated purpose. For the years ended December 31, 2023 and December 31, 2022, the Center did not have any net assets with perpetual donor restrictions.

Contributions

Contributions received, including unconditional promises to give, are recognized as support in the period received at their fair values. Contributions are recorded as support with donor restrictions if they are received with donor stipulations that limit their use.

**WOLF CONSERVATION CENTER, INC.****Notes to Financial Statements (continued)  
December 31, 2023 and December 31, 2022****Note 2 – Summary of significant accounting policies (continued)**Cash equivalents

The Center considers all highly liquid assets with an original maturity of 90 days or less to be cash equivalents.

Cash equivalents that are part of the Center's investment portfolio are reported as investments and included in Note 4.

Certificates of deposit

The Center's certificates of deposit are valued using a cost-based measure, which is the original cost plus accrued interest.

Investments

The fair value of the investments is based on publicly quoted prices. The cost of investments sold is determined on an average cost basis.

Fair value measurements

For assets measured at fair value on a recurring basis as of December 31, 2023, accounting principles generally accepted in the United States of America require quantitative disclosures about the fair value measurements separately for each major class of assets. The Center's investments have all been classified in the highest level of hierarchy (Level 1). Its quoted prices are in active markets for identical assets.

Allowance for doubtful accounts

As of December 31, 2023 and December 31, 2022, the Center has determined that the receivables are fully collectible and has not provided for an allowance for doubtful accounts for receivables that may not be collectible. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Property and equipment

Property and equipment are stated at cost at the date of acquisition or at estimated fair value at date of the donation. Expenditures for property and equipment with a useful life greater than one year are capitalized. Depreciation and amortization is calculated using the straight-line method over the estimated useful lives of the assets ranging from 5 to 39 years.

**WOLF CONSERVATION CENTER, INC.**

**Notes to Financial Statements (continued)  
December 31, 2023 and December 31, 2022**

**Note 2 – Summary of significant accounting policies (continued)**

In-kind contributions

In-kind contributions are estimated at their fair value and reported as both support and expenses in the period in which they are used. In-kind contributions are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Center. Certain individuals volunteer their time and perform a variety of tasks that assist the Center. These services do not meet the criteria to be recorded and have not been included in the financial statements.

For the years ended December 31, 2023 and December 31, 2022, the Center has recorded in-kind contributions for the following professional services received:

	2023	2022
Veterinary services	\$ 18,570	\$ 12,705
Vehicle	-	15,000
Total	\$ 18,570	\$ 27,705

Functional allocation of expenses

The costs of providing the various programs have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting activities benefited. The expenses that are allocated include personnel expenses, which are allocated on the basis of time and effort and office and occupancy, which is allocated on a square-footage basis.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of credit risk

The Center's financial instruments that are potentially exposed to concentrations of credit risk consist of cash, cash equivalents, receivables and investments. The Center places its cash and cash equivalents with what it believes to be quality financial institutions. At times, cash balances were in excess of the FDIC insurance limit. However, the Center has not experienced any losses in these accounts to date. The Center closely monitors the collectability of its receivables. The Center's investments are subject to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to the foregoing risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position at December 31, 2023. The Center routinely assesses the financial strength and diversification of its investment portfolio. As a result, management believes concentrations of credit risk are limited.

**WOLF CONSERVATION CENTER, INC.**

**Notes to Financial Statements (continued)**  
**December 31, 2023 and December 31, 2022**

**Note 2 – Summary of significant accounting policies (continued)**

Subsequent events

The Center has evaluated events and transactions for potential recognition or disclosure through September 5, 2024, which is the date the financial statements were available to be issued.

**Note 3 – Liquidity and availability of financial assets**

The Center's working capital and cash flows have seasonal variations during the year attributable to cash receipts from contributions and other revenue items. The following is a summary of the Center's financial assets as of December 31, 2023 and December 31, 2022 that are available for general use within one year of the statement of financial position date:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,271,648	\$ 8,568,931
Certificates of deposit	-	50,769
Investments	8,116,854	-
Accounts receivable	10,126	8,976
Contributions receivable – current portion	<u>270,572</u>	<u>254,485</u>
Total financial assets	9,669,200	8,883,161
Less: Board-designated fund	<u>(2,350,000)</u>	<u>(2,350,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,319,200</u>	<u>\$ 6,533,161</u>

The Board-designated fund can be used for general expenditures if approved by the Board of Directors.

**Note 4 – Investments**

The following is a summary of the investments, at fair value, held by the Center, as of December 31, 2023:

	<u>Fair Value</u>
Cash and cash equivalents	\$ 10,816
Money market funds	2,463,813
United States Treasuries	<u>5,642,225</u>
Total	<u>\$ 8,116,854</u>

Investment return for the year ended December 31, 2023 is comprised of the following:

Interest and dividends	\$ 93,853
Unrealized gain on investments	<u>74,942</u>
Total	<u>\$ 168,795</u>

**WOLF CONSERVATION CENTER, INC.**

**Notes to Financial Statements (continued)**  
**December 31, 2023 and December 31, 2022**

**Note 5 – Property and equipment, net**

Property and equipment as of December 31, 2023 and December 31, 2022 consists of the following:

	<u>2023</u>	<u>2022</u>
Land	\$ 1,618,082	\$ 1,618,082
Buildings and sheds	1,700,536	1,700,536
Improvements	750,197	712,697
Species survival plan facility	364,791	364,790
Vehicles	165,774	166,871
Machinery and equipment	214,314	203,604
Ambassador Wolves	15,112	11,113
Furniture and fixtures	22,687	22,687
Improvements in progress	<u>727,537</u>	<u>609,413</u>
Total	5,579,030	5,409,793
Less: accumulated depreciation and amortization	<u>1,490,295</u>	<u>1,368,525</u>
Total	<u>\$ 4,088,735</u>	<u>\$ 4,041,268</u>

**Note 6 – Net assets with donor restrictions**

The following is a summary of the activity of the net assets with donor restrictions for the years ended December 31, 2023 and December 31, 2022:

	Balance at December 31, <u>2022</u>	<u>Additions</u>	Net Assets Released from Restrictions	Balance at December 31, <u>2023</u>
Capital improvements	\$ 3,977,065	\$ 174,186	\$ (137,138)	\$ 4,014,113
	Balance at December 31, <u>2021</u>	<u>Additions</u>	Net Assets Released from Restrictions	Balance at December 31, <u>2022</u>
Capital improvements	\$ 3,890,083	\$ 265,753	\$ (178,771)	\$ 3,977,065
Time restricted	<u>2,120</u>	<u>-</u>	<u>(2,120)</u>	<u>-</u>
Total	\$ 3,892,203	\$ 265,753	\$ (180,891)	\$ 3,977,065

**Note 7 – 401(k) retirement plan**

The Center maintains a 401(k) retirement plan (the “Plan”) for all eligible employees. Employees may contribute a portion of their earnings in accordance with Internal Revenue Code regulations. The Center does not contribute to the Plan.

**WOLF CONSERVATION CENTER, INC.**

**Notes to Financial Statements (continued)  
December 31, 2023 and December 31, 2022**

**Note 8 – Tax status**

The Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, the Center has been determined by the Internal Revenue Service to be a publicly supported organization and not a private foundation under the meaning of Section 509(a) of the Code.