WildCare and Friends of WildCare

Combined Financial Statements

For the Year Ended September 30, 2020

(with Summarized Financial Information

For the Year Ended September 30, 2019)

WildCare and Friends of WildCare

(California Not-For-Profit Corporations)

September 30, 2020 and 2019

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PEROTTI & CARRADE
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Boards of Directors
WildCare and Friends of WildCare:

We have audited the accompanying combined financial statements of WildCare and Friends of WildCare (two California not-for-profit organizations under Section 501(c)(3) of the Internal Revenue Code), which comprise the combined statement of financial position as of September 30, 2020, and the related combined statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 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 combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entities' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entities' 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of WildCare and Friends of WildCare as of September 30, 2020, and the changes in combined net assets and combined cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The prior year summarized comparative information has been derived from WildCare and Friends of WildCare's September 30, 2019 combined financial statements. In our report dated June 1, 2020, we expressed an unmodified opinion on those combined financial statements.

January 21, 2021 Perotti & Carrade

WILDCARE and FRIENDS of WILDCARE
Combined Statement of Financial Position
September 30, 2020
(with Summarized Financial Information for September 30, 2019)

ASSETS

	2020	2019
Current assets:		
Cash and cash equivalents	$ 2,125,565	$ 651,215
Accounts, grants, and pledges receivable, net	13,505	1,010,544
Prepaid expenses and other assets	66,961	27,477
Total current assets	2,206,031	1,689,236
Grants and pledges receivable, net	877,783	877,783
Investments and endowment	127,704	131,997
Deposits	3,482	1,650
Property and equipment, net	86,343	35,774
Total assets	$ 3,301,343	$ 2,736,440

LIABILITIES AND NET ASSETS

	2020	2019
Current liabilities:		
Accounts payable and accrued liabilities	$ 39,148	$ 149,178
Payroll liabilities	109,418	82,671
Notes payable, including accrued interest	324,662	103,552
Unearned revenue	7,242	38,756
Total current liabilities	480,470	374,157
Long-term portion of debt	155,580	-
Net assets:		
Without donor restrictions	1,229,561	905,540
With donor restrictions	1,435,732	1,456,743
Total net assets	2,665,293	2,362,283
Total liabilities and net assets	$ 3,301,343	$ 2,736,440

See accompanying auditors' report and notes to financial statements.

WILDCARE and FRIENDS of WILDCARE
Combined Statement of Activities and Changes in Net Assets
Year Ended September 30, 2020
(with Summarized Financial Information for the Year Ended September 30, 2019)

	Without Donor Restrictions	With Donor Restrictions	Total 2020	Total 2019
Revenues and support:				
Program fees	$ 69,811	$ -	$ 69,811	$ 124,802
Merchandise sales	10,128	-	10,128	43,762
Contributions and grants	2,346,912	10,000	2,356,912	2,218,495
Bequests	207,069	-	207,069	938,590
In-kind donations	116,838	-	116,838	137,661
Interest and dividend income	15,903	2,123	18,026	25,750
Realized and unrealized gains/(losses)	(2,633)		(2,633)	2,030
Other revenue	1,618		1,618	3,782
	2,765,646	12,123	2,777,769	3,494,872
Special events:				
Special events revenue	147,720	-	147,720	226,956
Cost of direct benefits to donors	(22,770)	-	(22,770)	(101,333)
Net fundraising revenue	124,950	-	124,950	125,623
Total revenue and support before releases	2,890,596	12,123	2,902,719	3,620,495
Net assets released from restrictions	33,134	(33,134)	-	-
Total revenue and support	2,923,730	(21,011)	2,902,719	3,620,495
Expenses:				
Animal care	1,018,531	-	1,018,531	1,030,181
Wildlife education	571,005	-	571,005	633,053
Management and general	450,595	-	450,595	475,995
Fundraising	559,578	-	559,578	598,628
Total expenses	2,599,709	-	2,599,709	2,737,857
Change in net assets	324,021	(21,011)	303,010	882,638
Net assets, beginning of the year	905,540	1,456,743	2,362,283	1,479,645
Net assets, end of the year	$ 1,229,561	$ 1,435,732	$ 2,665,293	$ 2,362,283

See accompanying auditors' report and notes to financial statements.

WILDCARE and FRIENDS OF WILDCARE
Combined Statement of Cash Flows
Year Ended September 30, 2020
(with Summarized Financial Information for the Year Ended September 30, 2019)

	2020	2019
Operating activities:		
Increase in net assets	$ 303,010	$ 882,638
Adjustments to reconcile to cash provided by operating activities:		
Depreciation	12,110	14,796
Unrealized (gains) losses on investments	4,293	(1,447)
Change in allowance for doubtful accounts	-	115,000
Changes in operating assets and liabilities:		
Accounts, grants, and pledges receivable	997,039	(908,117)
Prepaid expenses and other assets	(39,484)	14,631
Deposits	(1,832)	-
Accounts payable and accrued liabilities	(110,030)	(71,593)
Accrued interest payable	(2,310)	3,552
Payroll liabilities	26,747	(22,987)
Unearned revenue	(31,514)	(4,812)
Net cash provided by operating activities	1,158,029	21,661
Investing activities:		
Acquisition of property and equipment	(62,679)	(8,221)
Net cash used by investing activities	(62,679)	(8,221)
Financing activities:		
Proceeds from notes payable	479,000	250,000
Payoff of note	(100,000)	(150,000)
Net cash provided by investing activities	379,000	100,000
Net increase in cash and cash equivalents	1,474,350	113,440
Cash and cash equivalents, at beginning of year	651,215	537,775
Cash and cash equivalents, at end of year	$ 2,125,565	$ 651,215

See accompanying auditors' report and notes to financial statements.

WILDCARE and FRIENDS of WILDCARE

Combined Statement of Functional Expenses

Year Ended September 30, 2020

(with Summarized Financial Information for the Year Ended September 30, 2019)

	Program Activities			Supporting Activities		2020	2019
	Animal Care	Wildlife Education	Total	Management & General	Fundraising	Total Expenses	Total Expenses
Salaries and wages	$ 610,286	$ 352,859	$ 963,145	$ 233,968	$ 268,580	$ 1,465,693	$ 1,464,668
Payroll taxes	45,775	30,475	76,250	15,987	21,493	113,730	115,369
Employee benefits	82,782	55,112	137,894	28,912	38,868	205,674	185,777
Total salaries, taxes, and benefits	738,843	438,446	1,177,289	278,867	328,941	1,785,097	1,765,814
Advertising and promotion	262	174	436	92	123	651	6,240
Animal care and food	41,174	-	41,174	-	-	41,174	45,304
Bad debt expense	-	-	-	-	5,707	5,707	115,000
Depreciation	4,874	3,245	8,119	1,702	2,289	12,110	14,796
Direct marketing	88,906	44,453	133,359	-	88,906	222,265	122,615
Dues, fees, and other charges	12,421	8,269	20,690	8,435	5,832	34,957	23,543
Equipment leases and purchase	6,048	4,026	10,074	2,112	2,839	15,025	13,202
Meals and entertainment	-	-	-	-	22,770	22,770	101,333
Hospital supplies and services	29,416	-	29,416		-	29,416	58,070
In-kind legal services	-	-	-	86,189	-	86,189	137,661
Insurance	10,545	7,021	17,566	3,683	4,951	26,200	24,430
Interest expense	-	-	-	1,753	-	1,753	6,069
Maintenance and repair	6,804	4,530	11,334	2,376	3,195	16,905	14,495
Meetings and conferences	-	-	-	5,876	-	5,876	381
Miscellaneous	286	190	476	99	134	709	40,125
Occupancy	5,849	3,894	9,743	2,043	2,746	14,532	14,288
Outside services	29,837	21,383	51,220	42,583	89,118	182,921	196,343
Postage and delivery	2,476	1,649	4,125	865	1,163	6,153	7,896
Printing and publications	2,296	2,551	4,847	1,275	6,632	12,754	19,544
Program materials	536	3,236	3,772	187	252	4,211	17,621
Property taxes	1,683	1,120	2,803	588	790	4,181	5,018
Scholarships, grants, and awards	560	240	800	-	-	800	1,048
Supplies	1,119	745	1,864	391	525	2,780	10,673
Telephone and internet	17,703	11,786	29,489	6,182	8,312	43,983	27,069
Transportation and travel costs	2,764	5,049	7,813	965	1,298	10,076	14,976
Utilities	12,405	8,259	20,664	4,332	5,825	30,821	32,142
Volunteer expenses	1,724	739	2,463	-	-	2,463	3,494
Total expenses	1,018,531	571,005	1,589,536	450,595	582,348	2,622,479	2,839,190
Less expenses included with revenues on the statements of activities							
Cost of direct benefits to donors	-	-	-	-	(22,770)	(22,770)	(101,333)
Total expenses included in expense section of the statement of activities	$1,018,531	$ 571,005	$ 1,589,536	$ 450,595	$ 559,578	$ 2,599,709	$ 2,737,857

See accompanying auditors' report and notes to financial statements.

WildCare and Friends of WildCare
Notes to Combined Financial Statements
For the Year Ended September 30, 2020

1. Organization

WildCare is a California-based 501(c)(3) nonprofit public benefit corporation which was created in 1994 as the result of a merger between the California Center for Wildlife and the Terwilliger Nature Education Center. Friends of WildCare is a 501(c)(3) nonprofit organization incorporated in California on December 18, 2017, for the purpose of holding assets and raising funds in support of acquiring and developing expanded facilities for WildCare. WildCare and Friends of WildCare operate on the same site as the predecessor organization, which had been operating there since 1954.

WildCare is a wildlife hospital and environmental education center based in San Rafael, California. For over 60 years, WildCare has been a first responder to wildlife that share the same habitat as humans. Annually, its hospital provides emergency and ongoing medical care to about 3,500 animals from more than 200 distinct species. Nearly 99% of the wild animals assisted by the organization have been injured in some way as a result of human interaction. In addition to giving sick and injured wild animals and birds a second chance at life, WildCare works to encourage humans to live well with wildlife. To that end, its environmental education programs reach over 35,000 school children and adults annually. WildCare maintains a hotline responding to callers seeking information about local wildlife and advising home-owners on solutions to handle wildlife issues.

2. Summary of Significant Accounting Policies

Basis of Accounting
The combined financial statements of WildCare and Friends of WildCare (jointly the "Entities") have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation
The Entities present combined financial statements because they have common control through the same Board of Directors and management. All significant intercompany accounts and transactions have been eliminated in the combined financial statements.

2. Summary of Significant Accounting Policies *(continued)*

The Entities report information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Entities and changes therein are classified as follows:

> Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Entities. The Entities' board may designate assets without restrictions for specific operational purposes from time to time.
>
> Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Entities or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions
Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted or conditioned contributions whose restrictions or conditions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets.

More than 17% of the Entities total revenue and support came from one donor.

Grants and Accounts Receivable Realization
An allowance for doubtful accounts reflects management's best estimate of probable losses inherent in grants and accounts receivable balances. Management primarily determines the allowance based on the aging of accounts receivable balances. Receivables are generally considered past due once a receivable is not paid within thirty days of contract terms. It is the Entities' policy to not charge interest on its receivables. Receivables are written off once management has determined the ability to collect is not possible. An allowance of $115,000 to pledges with donor restrictions was deemed necessary as of September 30, 2020.

2. Summary of Significant Accounting Policies *(continued)*

Cash and Cash Equivalents
The Entities consider all highly liquid investments (checking, savings, money markets, and certificates of deposits) with a maturity of three months or less when purchased to be cash equivalents.

The Entities maintain a majority of their cash in bank deposit accounts which, at times, may exceed federally insured limits of $250,000. The Entities attempt to limit credit risks associated with cash equivalents by utilizing highly rated financial institutions. Management believes the Entities are not exposed to any significant credit risk relating to its cash deposits.

Investments
Investments include cash, stocks, and mutual funds. Purchased investments are initially stated at cost. Investments received by gift are recorded at market value at the date of contribution. The policy of the Entities is not to hold any other investments and to immediately liquidate stock donations, transferring proceeds temporarily held in money market funds of the brokerage account to the operating bank account.

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Other investments are valued at the lower of cost or fair value. Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments, is presented in the statement of activities in accordance with donor restrictions as investment return. Investment return is presented net of investment fees. The average cost method is primarily used to determine the basis for computing realized gains or losses.

The Entities adopted a framework for measuring fair value. Fair value is defined as the price that would be received to sell the asset or would be paid to transfer the liability in an orderly transaction between market participants. The Entities' financial assets shown at fair value include investments and grants and pledges receivable.

New Accounting Pronouncements
During the year ended September 30, 2020, the Entities implemented the following Financial Accounting Standard Board ("FASB") Accounting Standards Updates ("ASU") retrospectively with no practical expedient. The updates did not require a restatement of net assets.

2014-09 – Revenue from Contracts with Customers and the related subsequent updates.
2016-18 – Statement of Cash Flows.
2018-08 - Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.

2. Summary of Significant Accounting Policies *(continued)*

Unearned Revenue
Unearned revenue represents amounts billed or received in advance for educational programs scheduled to be given during the following year. Such amounts have been reflected as a current liability on the combined statement of financial position and will be recognized as earned revenue in the subsequent year when the programs are provided.

Functional Expenses
The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification of expenses by function. Accordingly, certain costs, including personnel costs, insurance, depreciation, and rent, have been allocated among animal services programs, educational programs, and supporting services benefited. Such allocations are determined by management based upon an analysis of time and effort spent on the programs and supportive services.

Use of Estimates
The preparation of combined 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 combined financial statements and the reported amounts of support, revenues, and expenses during the reporting period. Actual results could differ from those estimates.

Property, Equipment, and Improvements
Property and equipment are valued at cost or, if donated, at fair market value on the date of donation. Depreciation is provided by use of the straight-line method over the estimated useful lives of the assets with lives that range from building and improvements (5-10 years); furniture and equipment (3-15 years). The cost of property and equipment which benefit future periods is capitalized and depreciated over the estimated useful life of each class of depreciable asset.

Contributed Services and Costs
Contributed services and costs are reflected at the fair value of the contribution received. The contributions of services and costs are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Income Taxes
Both of the Entities have received notification from the Internal Revenue Service and the State of California that they qualify for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. The exemptions are subject to periodic review by the federal and state taxing authorities and management is confident that the Entities continue to satisfy all federal and state statutes in order to qualify for continued tax exemption status. Accordingly, the Entities are generally exempt from federal and state income taxes. The Entities' informational returns are subject to examination by the Internal Revenue Service and the California Franchise Tax Board, generally for three years and four years, respectively, after they are filed.

3. Accounts, Grants, and Pledges Receivable

Accounts, grants, and pledges receivable are expected to be collected as follows:

Accounts, grants, and pledges receivable due within one year	$ 13,505
Accounts, grants, and pledges receivable due after one year, net	917,583
Subtotal	931,088
Less: unamortized discount	(39,800)
Subtotal	891,288
Total amounts due within one year	(13,505)
Total Accounts, grants, and pledges receivable long-term, net	$ 877,783

Accounts, grants, and pledges receivable represent amounts due from various sources, including foundations, individuals, and others. Accounts, grants, and pledges receivable due in more than one year, net of allowance for doubtful accounts of $115,000 to pledges with donor restrictions, are reflected at the present value of estimated future cash flows using a discount rate of 4% per annum (based on certain relevant data regarding the type of receivable).

The Entities are in the process of a campaign to locate an additional facility or upgrade the existing wholly-owned facility. The accounts, grants, and pledges receivable due in more than one year are pledges received to help finance the project. The pledges are not required to be collected until a facilities expansion project is solidified.

4. Available Resources and Liquidity

The Finance Committee and senior management of the Entities regularly monitor liquidity required to meet operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Entities have various sources of liquidity at their disposal, including cash and cash equivalents, receivables, and pledges. In December 2019, the Entities obtained a $250,000 line of credit from a local bank secured by a wholly-owned property consisting of land and building. The Entities have not drawn down on the line to date.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, management of the Entities consider all expenditures related to ongoing activities of the conduct of animal healthcare services, research, and teaching youth, family, and the general public about living well with wildlife and related environmental health concerns.

In addition to financial assets available to meet general expenditures over the next 12 months, the Entities operate with a balanced budget and anticipate collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

(continued)

4. Available Resources and Liquidity *(continued)*

As of September 30, 2020, the following table shows the total financial assets held by the Entities which the Entities believe could readily be made available within one year of the balance sheet date to meet general expenditures.

Financial assets at year-end		
Without donor restrictions:		
Cash and cash equivalents	$	1,665,478
Accounts, grants, and pledges receivable		13,505
Financial assets available to meet general expenditures over the next twelve months	$	1,678,983

Cash and receivables with donor restrictions are assets of the Friends of WildCare Facilities Expansion fund dedicated to a new facility expansion project for WildCare and have not been taken into consideration as the resources will be used for property acquisition and renovations.

5. Property and Equipment

Property and equipment consist of the following at September 30, 2020:

Land	$	15,000
Building and improvements		178,749
Furniture and equipment		511,550
Less accumulated depreciation		(618,956)
Total property and equipment, net	$	86,343

6. Investments and Endowment

The Entities have two donor restricted investment assets: a stock investment and an investment in Marin Community Foundation (MCF.) In 2009, a foundation which had been holding a block of 498 shares of stock for WildCare's benefit closed down and transferred the shares to WildCare with the provision that the shares be held in perpetuity with any dividends to be used as unrestricted funds.

WildCare has an investment in a perpetual trust as well as being a designated beneficiary of another perpetual trust, both administered by MCF which has variance power. The terms of the trusts mandate perpetual control of the corpus by the named trustee. WildCare is entitled to receive annually a portion of the funds' investment earnings in accordance with the MCF's spending policy. Excess earnings are applied toward the principal balance for future distribution. During the year ended September 30, 2020, WildCare received a distribution of $2,047 from the investment in perpetual trust and $12,950 from the designated beneficiary trust.

(continued)

6. Investments and Endowment *(continued)*

WildCare has reflected its investment in the perpetual trust given it was the donor which originated the investment. WildCare has not reflected in the financial statements the funds held in the account in which WildCare is solely the designated beneficiary as WildCare was not the original investor.

Investments consist of the following at September 30, 2020:

	Fair Value
Equities	$ 81,975
Investment in perpetual trust	45,729
Total investments	$ 127,704

Endowment net asset composition by type of fund is summarized as follows as of September 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Total investments	$ 32,842	$ 94,862	$ 127,704

Changes in endowment net assets for the fiscal year ended September 30, 2020 is summarized as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	$ 37,135	$ 94,862	$ 131,997
Investment return:			
Investment income	483	-	483
Unrealized gains	(4,366)	-	(4,366)
Total investment return	(3,883)	-	(3,883)
Investment fees	(410)	-	(410)
Endowment net assets at end of year	$ 32,842	$ 94,862	$ 127,704

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or the Uniform Prudent Management of Institutional Funds Act (UPMIFA) requires the Entities to retain as a fund of perpetual duration. There were no deficiencies of this nature that are required to be reported in net assets without donor restrictions as of September 30, 2020. Although there were no such deficiencies at September 30, 2020, future deficiencies could result from unfavorable market fluctuations that occur after the investment of new restricted contributions and continued appropriation for certain programs that are deemed prudent by the Board of Directors. Investments of the Entities may decline below their original basis due to market fluctuations and unrealized losses which are beyond the control of management. Deficiencies of this nature, if any, would be reported in net assets without donor restrictions.

WildCare and Friends of WildCare
Notes to Combined Financial Statements
For the Year Ended September 30, 2020

6. Investments and Endowment *(continued)*

Spending Policy and How the Investment Objectives Relate to Spending Policy
The Entities follow MCF's policy of appropriating for distribution each year a flexible amount that ensures spending will continue without deterioration of endowment principal. For the year ended September 30, 2020, MCF approved a spending level of 4.5% of the fair market value of the invested endowment fund.

7. Fair Value Measurements

Fair value measurements establish a fair value hierarchy that prioritizes the input used to measure fair value. This hierarchy consists of three broad levels: (a) Level 1 measurement reflects the value of the investments at quoted prices in active markets for identical assets, generally without any adjustments, (b) Level 2 assets and liabilities are valued based on "observable inputs" other than quoted active market prices, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, and interest rates and yield curves, and (c) Level 3 assets and liabilities are valued based on "unobservable inputs," such as a company's own estimates and pricing models.

Composition of assets utilizing fair value measurements on a recurring basis at September 30, 2020, is as follows:

	Total	Level 1	Level 2	Level 3
Equities	$ 81,975	$ 81,975	-	$ -
Investment in perpetual trust	45,729	-	-	45,729
Accounts, grants, and pledges receivable	891,288	-	13,505	877,783
Totals	$ 1,018,992	$ 81,975	$ 13,505	$923,512

The fair value of the equities is measured at quoted prices in active markets on the last trade day of the fiscal year. The Entities consider the measurement of its perpetual trust to be a Level 3 measurement within the fair value measurement hierarchy because even though that measurement is based on the unadjusted fair value of trust assets reported by the trustee, the Entities do not have the ability to direct the trustee on its investments.

A reconciliation of the activity during the year ended September 30, 2020 for the beneficial interest in the perpetual trust which are assets measured at fair value based on significant unobservable (nonmarket) information is as follows:

Balance at September 30, 2019	$ 47,735
Investment return	41
Distributions	(2,047)
Balance at September 30, 2020	$ 45,729

(continued)

7. Fair Value Measurements *(continued)*

The significant unobservable inputs used in the fair value measurement of the entity's receivables are the estimated present values of the future estimated cash flows. The income approach uses valuation techniques to convert future amounts (cash flows) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. Those valuation techniques principally include present value formulas which incorporate certain rate of return assumptions. There was no change in the Entities' receivables measured at fair value based on significant unobservable information during the year ended September 30, 2020.

8. Lease Commitments

WildCare rented office space under a lease agreement which terminated effective September 30, 2020. The total amount incurred in rent during the year ended September 30, 2020 was $14,016.

9. Net Assets with Donor Restrictions

Changes in net assets with donor restrictions for the year ended September 30, 2020 consisted of the following:

	9/30/2019	Contributions	Releases	9/30/2020
Facility expansion fund	$1,474,023	$12,123	$(30,276)	$1,455,870
Change in allowance for doubtful accounts	(115,000)	-		(115,000)
Net facility expansion fund	1,359,023	12,123	(30,276)	1,340,870
Restricted in perpetuity	94,862			94,862
Grants for various animal care and wildlife education purposes	2,858		(2,858)	-
Totals	$1,456,743	$12,123	$(33,134)	$1,435,732

11. Notes Payable and Accrued Interest

During the year ended September 30, 2020, WildCare obtained funding pursuant to the CARES Act that Congress passed to provide emergency support to entities effected by the economic effects of the Covid-19 pandemic that struck the world in early 2020. WildCare was granted a PPP (Paychex Protection Program) loan of $329,000, an EIDL (Economic Injury Disaster Loan) of $150,000, and an EIDL Advance of $10,000. The EIDL Advance is essentially a grant that does not require any repayment and has been recognized as grant revenue. The EIDL loan accrues interest at 2.75% with payment to be deferred until June 15, 2021, at which time monthly payments of $641 begin. The PPP loan has a forgiveness factor which is subject to an application with the SBA (U.S. Small Business Administration). WildCare's management was notified of forgiveness in the amount of $319,000 in December 2020 by the SBA leaving a loan balance of $10,000 accruing interest at 1% with the first payment of $634 commencing January 16, 2021. During the year ended September 30, 2020, based on loan balances of $10,000 of the PPP and $150,000 EIDL interest accrued was $1,242. No interest was paid during the year ended September 30, 2020.

During the year ending September 30, 2019, a related party loaned the Entities $250,000 in notes of $100,000 and $150,000, both accruing interest at 4% per year, compounded monthly. The $150,000 note and accrued interest was paid off in March 2019 and the $100,000 note and accrued interest was paid off in November 2019. As of September 30, 2019, accrued interest totaled $3,552 which was paid during the year ended September 30, 2020. No interest was accrued on the note during the year ended September 30, 2020.

Debt from CARES Act loans consist of the following at September 30, 2020:

Current portion of long-term debt and accrued interest	$	324,662
Long-term portion of debt		155,580
Total long-term debt	$	480,242

The future minimum principal payments as of September 30, 2020 is as follows:

2021	(Prior to forgiveness of debt granted in December 2020)	$324,662
2022		3,538
2023		3,637
2024		3,738
2025		3,842
Thereafter		140,825
Total		$480,242

12. Donated Services and Materials

The Entities' have received, valued, and recorded professional in-kind services and materials. Donated services are received from attorneys who donate their time to provide legal services to the Entities. Donated services and material are included in the financial statements as donated services revenue. The donated in-kind legal and professional services of $86,189 is included in the statement of functional expenses under in-kind legal expenses. WildCare also received capitalized in-kind donations of construction costs for a courtyard bird sanctuary pond of $28,150 and a donated vehicle used in operations valued at $2,500. The total value of all in-kind items recognized was $116,839.

13. Retirement Plans

WildCare maintains a 401(k) safe harbor profit sharing pension plan covering all eligible employees who have attained twenty-one years of age and have completed twelve months of service. Employees are eligible to make elective contributions up to the maximum amount allowed by the Internal Revenue Code. WildCare makes matching contributions up to 6% of the employees' eligible compensation. WildCare contributed $61,087 for the year ended September 30, 2020.

14. Allocation of Joint Costs

The Entities incurred allocable joint costs during the year ended September 30, 2020 of $222,265 for the informational materials and activities that included fundraising appeals. Of those costs, $88,906 was allocated to fundraising expense and $133,359 was allocated to public education. These allocations were based on analyses of the costs pertaining to the underlying direct mail program and the educational and fundraising activities associated with various mailings.

15. Subsequent Events

Subsequent events have been evaluated through January 21, 2021, the date the financial statements were available to be issued. In March 2020, a pandemic emerged around the world. As a result, the economic environment of the Entities has been impacted. The extent the pandemic will impact operations will depend on future developments, which are highly uncertain. The pandemic could result in a loss of revenue and other material adverse effects to the Entities. The Entities' management is currently unable to determine if the pandemic will have a material financial impact.