Defenders of Wildlife and Affiliated Defenders of Wildlife Action Fund

Consolidated Financial Statements
and Independent Auditors' Report

September 30, 2021 and 2020

Defenders of Wildlife and Affiliated Defenders of Wildlife Action Fund

Consolidated Financial Statements
September 30, 2021 and 2020

Contents

ROGERS & COMPANY

Rogers & Company PLLC
Certified Public Accountants

8300 Boone Boulevard
Suite 600
Vienna, Virginia 22182

703.893.0300 voice
703.893.4070 facsimile
www.rogerspllc.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Defenders of Wildlife and Affiliated Defenders of Wildlife Action Fund

We have audited the accompanying consolidated financial statements of Defenders of Wildlife and Affiliated Defenders of Wildlife Action Fund (collectively, "Defenders"), which comprise the consolidated statement of financial position as of September 30, 2021; the consolidated statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

Auditor's Responsibility (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Defenders as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included on pages 32-35 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Defenders' September 30, 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated February 18, 2021. In our opinion, the summarized comparative information presented herein, as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Rogers + Company PLLC

Vienna, Virginia
February 17, 2022

Defenders of Wildlife and Affiliated Defenders of Wildlife Action Fund

Consolidated Statements of Financial Position
September 30, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	$ 1,951,445	$ 10,079,917
Short-term investments	139	6,325,590
Investments – annuity reserve fund	3,969,877	3,828,955
Bequests and trusts receivable	867,716	497,513
Grants and contributions receivable, current portion	1,206,968	393,774
Accounts receivable	314,461	266,067
Prepaid expenses	1,125,278	1,168,825
Inventory	777,206	699,400
Total current assets	10,213,090	23,260,041
Long-term investments	29,494,368	13,890,884
Grants and contributions receivable, long-term, net	19,888	189,474
Beneficial interests in trusts	2,292,572	2,015,147
Property and equipment, net	8,493,532	9,140,388
Deferred compensation	167,548	122,181
Total assets	$ 50,680,998	$ 48,618,115
Liabilities and Net Assets		
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	$ 2,789,328	$ 2,314,107
Annuity and other split-interest obligations, current portion	327,699	316,711
Capital lease obligation, current portion	27,880	26,519
Deferred revenue	-	1,310
Loan payable – Paycheck Protection Program	-	2,397,455
Total current liabilities	3,144,907	5,056,102
Annuity and other split-interest obligations, long-term	1,942,485	1,986,662
Deferred compensation	167,548	122,181
Capital lease obligation, net of current portion	-	27,880
Total liabilities	5,254,940	7,192,825
Net Assets		
Without donor restrictions	32,725,170	28,686,427
With donor restrictions	12,700,888	12,738,863
Total net assets	45,426,058	41,425,290
Total liabilities and net assets	$ 50,680,998	$ 48,618,115

See accompanying notes.

Defenders of Wildlife and Affiliated Defenders of Wildlife Action Fund

Consolidated Statement of Activities
For the Year Ended September 30, 2021
(With Comparative Totals for the Year Ended September 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Revenue and Support				
Grants and contributions	$ 22,407,688	$ 6,654,177	$ 29,061,865	$ 26,920,636
Contributed goods and services	6,139,697	-	6,139,697	5,299,220
Bequests	7,470,114	109,896	7,580,010	6,140,114
Royalties	737,891	-	737,891	660,722
Investment return	2,893,917	832	2,894,749	1,362,010
Split-interest contributions	-	111,922	111,922	131,622
Change in value of split interests	120,606	339,615	460,221	166,555
Mailing list royalties	205,442	-	205,442	186,607
Rental income	5,240	-	5,240	15,568
Other income	2,627,428	-	2,627,428	636
Released from restrictions – program	7,254,417	(7,254,417)	-	-
Total revenue and support	49,862,440	(37,975)	49,824,465	40,883,690
Expenses				
Program services:				
Biodiversity conservation	22,419,645	-	22,419,645	16,974,614
Constituency mobilization	16,323,556	-	16,323,556	16,151,176
Total program services	38,743,201	-	38,743,201	33,125,790
Supporting services:				
Management and general	5,869,262	-	5,869,262	5,252,168
Fundraising	1,211,234	-	1,211,234	1,202,064
Total supporting services	7,080,496	-	7,080,496	6,454,232
Total expenses	45,823,697	-	45,823,697	39,580,022
Change in Net Assets	4,038,743	(37,975)	4,000,768	1,303,668
Net Assets, beginning of year	28,686,427	12,738,863	41,425,290	40,121,622
Net Assets, end of year	$ 32,725,170	$ 12,700,888	$ 45,426,058	$ 41,425,290

Defenders of Wildlife and Affiliated Defenders of Wildlife Action Fund

Consolidated Statement of Functional Expenses
For the Year Ended September 30, 2021
(With Comparative Totals for the Year Ended September 30, 2020)

	Program Services			Supporting Services				
	Biodiversity Conservation	Constituency Mobilization	Total Program Services	Management and General	Fundraising	Total Supporting Services	2021 Total	2020 Total
Salaries and wages	$ 7,699,478	$ 3,447,085	$ 11,146,563	$ 2,129,411	$ 385,498	$ 2,514,909	$ 13,661,472	$ 12,374,888
Payroll taxes and benefits	2,139,157	957,259	3,096,416	591,303	107,329	698,632	3,795,048	3,562,307
Professional fundraising fees	-	923,790	923,790	150,820	95,120	245,940	1,169,730	925,166
Other professional fees	3,270,714	1,402,080	4,672,794	135,917	26,041	161,958	4,834,752	1,462,052
Grants and contributions	1,719,996	46,655	1,766,651	550	1,100	1,650	1,768,301	1,287,967
Computer services	43,820	669,794	713,614	412,654	46,031	458,685	1,172,299	1,303,208
Conference fees	4,836	2,484	7,320	2,991	151	3,142	10,462	23,411
Advertising	43,617	791,429	835,046	186,682	124,555	311,237	1,146,283	921,968
Membership incentives and fulfillment	-	1,232,913	1,232,913	23	4	27	1,232,940	1,322,444
Supplies	175,960	23,107	199,067	3,430	310	3,740	202,807	201,119
Telephone	44,335	18,741	63,076	113,966	1,600	115,566	178,642	166,540
Postage and shipping	102,328	3,227,831	3,330,159	447,753	175,722	623,475	3,953,634	3,904,373
Occupancy and other	504,731	144,434	649,165	221,726	9,591	231,317	880,482	828,949
Equipment rental and maintenance	27,839	13,213	41,052	8,224	1,018	9,242	50,294	41,797
Printing and publications	65,266	2,817,458	2,882,724	347,804	136,745	484,549	3,367,273	3,206,028
Travel	19,712	3,187	22,899	3,538	182	3,720	26,619	225,620
Meetings	2,559	523	3,082	199	41,488	41,687	44,769	50,221
Training	4,330	7,769	12,099	7,514	184	7,698	19,797	148,770
Interest	3,395	1,611	5,006	20,971	124	21,095	26,101	18,529
Depreciation	409,173	194,198	603,371	120,870	14,967	135,837	739,208	732,614
Loss on asset disposal	-	-	-	-	-	-	-	7,752
Honoraria	1,279	232	1,511	-	-	-	1,511	250
Staffing and temporary help	6,444	3,866	10,310	2,524	1,445	3,969	14,279	22,932
List rentals	-	121,972	121,972	15,598	16,727	32,325	154,297	213,843
Insurance	57,727	27,398	85,125	17,053	2,112	19,165	104,290	93,778
Royalties	4,468	22,506	26,974	-	-	-	26,974	27,850
Taxes, fees, and licenses	158,308	75,135	233,443	58,023	5,791	63,814	297,257	281,268
Dues and subscriptions	52,951	64,818	117,769	11,517	4,035	15,552	133,321	175,281
Proactive projects	6,159	684	6,843	-	-	-	6,843	30,431
DR transaction fees/bank fees	-	-	-	664,315	-	664,315	664,315	719,447
Contributed services	5,851,063	81,384	5,932,447	193,886	13,364	207,250	6,139,697	5,299,219
Total Expenses	$ 22,419,645	$ 16,323,556	$ 38,743,201	$ 5,869,262	$ 1,211,234	$ 7,080,496	$ 45,823,697	$ 39,580,022

See accompanying notes.

Defenders of Wildlife and Affiliated Defenders of Wildlife Action Fund

Consolidated Statements of Cash Flows
For the Years Ended September 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	$ 4,000,768	$ 1,303,668
Adjustments to reconcile change in net assets to		
net cash (used in) provided by operating activities:		
Depreciation	739,208	732,614
Net realized and unrealized gains on investments	(2,436,392)	(1,013,731)
Donated securities	(567,686)	(515,826)
Change in value of charitable remainder and other trusts	(277,425)	594,907
Change in value of annuity reserve fund	(140,922)	(152,038)
Change in discount on grants and contributions receivable	(414)	(139)
Net loss on disposal of property and equipment	-	7,753
Forgiveness of loan payable – Paycheck Protection Program	(2,397,455)	-
Change in operating assets and liabilities:		
(Increase) decrease in:		
Bequests and trusts receivable	(370,203)	921,407
Grants and contributions receivable	(643,194)	1,274,977
Accounts receivable	(48,394)	30,030
Prepaid expenses	43,547	(95,519)
Inventory	(77,806)	7,029
Deferred compensation	(45,367)	(31,796)
Increase (decrease) in:		
Accounts payable and accrued expenses	475,221	312,200
Annuity and other split-interest obligations	(33,189)	55,264
Deferred revenue	(1,310)	38
Deferred compensation	45,367	31,796
Net cash (used in) provided by operating activities	(1,735,646)	3,462,634
Cash Flows from Investing Activities		
Proceeds from sale of investments	20,897,486	583,533
Purchase of investments	(27,171,441)	(906,803)
Purchase of property and equipment	(92,352)	(372,576)
Net cash used in investing activities	(6,366,307)	(695,846)
Cash Flows from Financing Activities		
Proceeds from issuance of loan – Paycheck Protection Program	-	2,397,455
Principal payments under capital lease	(26,519)	(22,980)
Net cash (used in) provided by financing activities	(26,519)	2,374,475
Net (Decrease) Increase in Cash and Cash Equivalents	(8,128,472)	5,141,263
Cash and Cash Equivalents, beginning of year	10,079,917	4,938,654
Cash and Cash Equivalents, end of year	$ 1,951,445	$ 10,079,917

See accompanying notes.

1. Nature of Operations

Defenders of Wildlife (DOW) is a District of Columbia nonprofit corporation founded in 1947. DOW is a national, nonprofit membership organization dedicated to the protection of all native animals and plants in their natural communities. Programs are primarily funded through grants and contributions.

Defenders of Wildlife Action Fund ("the Action Fund") was incorporated on June 22, 2017 in the District of Columbia. The Action Fund is a national nonprofit social welfare organization, whose only member is DOW. The Action Fund was organized for the purpose of protecting wildlife, natural habitats, and the environment by educating people about wildlife, and advocating for laws, regulations, and policies that will positively affect wildlife, habitats, and the environment.

2. Summary of Significant Accounting Policies

Principles of Consolidation

Consolidated financial statements are presented due to varying degrees of control and financial interests between DOW and the Action Fund. DOW and the Action Fund share certain personnel and overhead costs, with the shared costs allocated between the two entities based on a resource-sharing and expense reimbursement agreement. All significant intercompany balances and transactions are eliminated in consolidation. Except when referred to separately, both entities are collectively referred to as "Defenders" throughout the accompanying consolidated financial statements and related notes.

Comparative Information

The consolidated statement of activities includes certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Defenders' consolidated financial statements for the year ended September 30, 2020, from which the summarized information was derived.

2. Summary of Significant Accounting Policies (continued)

Basis of Accounting and Presentation

Defenders' consolidated financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions in the following classes:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash Equivalents

Cash equivalents consist of interest-earning checking accounts, as well as highly liquid investments with original maturities of three months or less. Temporary cash investments are placed with creditworthy, high-quality financial institutions. These banking arrangements preclude any significant concentration of uninsured cash. The carrying amounts in the consolidated statements of financial position approximate fair value because of the short-term maturities of the instruments.

Investments

Investments are recorded at fair value based on quoted market prices. Certain investments are recorded as long-term, as Defenders has the intent and ability to hold them for more than one year. Short-term investments are included with current assets, since the intent is for them to be available for working capital purposes, if needed.

2. Summary of Significant Accounting Policies (continued)

Grants and Contributions Receivable

All grants and contributions receivable are reflected at either net realizable value or at net present value based on projected cash flows. Amounts receivable in more than one year initially recorded in the years ended September 30, 2021 and 2020 were discounted at an average annual rate of 0.28% and 0.14%, respectively, using a rate that considers market and credit risk. Defenders' policy is to write off uncollectible grants and contributions receivable when management determines the receivable will not be collected. All grants and contributions receivable were deemed fully collectible at September 30, 2021 and 2020.

Accounts Receivable

Accounts receivable consist of royalties, list rentals, pension forfeitures, and other receivables. All accounts receivable are recorded at net realizable value. Defenders' policy is to charge off uncollectible accounts receivable when management determines the receivable will not be collected. No allowance for uncollectible accounts has been established at September 30, 2021 and 2020, as all amounts are deemed fully collectible.

Inventory

Inventory includes membership items, such as bags and jackets, which are branded with Defenders' logo, as well as items related to Defenders' adoption program. Inventory is recorded at cost (using specific identification), and is expensed when used.

Property and Equipment

Property and equipment purchased at a cost of $1,000 or more are capitalized and recorded at acquisition cost. The building is depreciated over an estimated useful life of 25 years. Furniture, equipment, and improvements are depreciated over estimated useful lives of 5 to 25 years, with no salvage value. All depreciation is computed using the straight-line method. Donated items are recorded at fair market value.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended September 30, 2021 and 2020.

2. Summary of Significant Accounting Policies (continued)

Assets Held and Liabilities Under Split-Interest Agreements

Defenders receives certain planned gift donations that benefit not only Defenders, but also another beneficiary designated by the donor. These contributions are term split-interest agreements, which include charitable remainder trusts, charitable gift annuities, a pooled income fund, and perpetual trusts.

Charitable Remainder Trusts

Defenders acts as trustee for various irrevocable charitable remainder trusts. These trusts are governed by the respective trust agreements, which generally provide for either an income stream or a future distribution of cash, in whole or in part, for a specified period or upon the occurrence of a specific event, respectively. The trust assets are recorded at fair value, and a related liability for future payments to be made to specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect assumptions market participants would use in pricing the liability. The excess of contributed assets over the trust liability is recorded as a contribution with donor restrictions until such amount is received via trust distribution or is expended in satisfaction of the donor-restricted purpose stipulated by the trust agreement, or both, if any. In subsequent years, the liability for future trust payments to the donor is reduced by payments made to the donor and is adjusted to reflect amortization of the discount and changes in actuarial assumptions at the end of the fiscal year. Upon termination of the trust, the remaining liability is removed and recognized as income.

Charitable Gift Annuities

Under charitable gift annuity contracts, Defenders receives immediate and unrestricted title to contributed assets and agrees to make fixed recurring payments over the stipulated period. Contributed assets are recorded at fair value on the date of receipt. The related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability.

The excess of contributed assets over the annuity liability is recorded as a contribution with donor restrictions. In subsequent years, the liability for future annuity payments is reduced by payments made to the specified beneficiaries and is adjusted to reflect amortization of the discount and changes in actuarial assumptions at the end of the fiscal year. Upon termination of the annuity contract, the remaining liability is removed and recognized as income.

2. Summary of Significant Accounting Policies (continued)

Assets Held and Liabilities Under Split-Interest Agreements (continued)

Charitable Gift Annuities (continued)

According to certain state laws, the charitable gift annuity reserve fund is invested primarily in money market funds, bonds, mutual funds, and fixed income investments. As of September 30, 2021 and 2020, Defenders had sufficient funds in its reserve fund to meet the California Insurance Code (“the Code”) requirements, and those funds were invested in accordance with the Code.

Pooled Income Fund

In 1980, Defenders established a pooled income fund. The fund is divided into units, and contributions of many donors’ life-income gifts are pooled and invested as a group. Each donor is assigned a specific number of units based on the proportion of the fair value of their contributions to the total fair value of the pooled income fund on the date of the donor’s entry to the pooled fund. Until a donor’s death, the donor (or a designated beneficiary) is paid the actual income earned on the donor’s assigned units. Upon the donor’s death, the value of these assigned units reverts to Defenders.

Beneficial Interests in Trusts Held by Others

Charitable Remainder Trusts Held by Others

Defenders has been named as an irrevocable beneficiary of several charitable trusts held and administered by independent trustees. These trusts were created independently by donors and are administered by outside agents designated by the donors.

Therefore, Defenders has neither possession nor control over the assets of the trusts. At the date Defenders receives notice of a beneficial interest, a contribution with donor restrictions is recorded in the consolidated statement of activities, and a beneficial interest in charitable trusts held by others is recorded in the consolidated statements of financial position at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. Thereafter, beneficial interests in the trusts are reported at fair value in the consolidated statements of financial position, with changes in fair value recognized in the consolidated statement of activities.

2. Summary of Significant Accounting Policies (continued)

Beneficial Interests in Trusts Held by Others (continued)

Charitable Remainder Trusts Held by Others (continued)

Upon receipt of trust distributions or expenditures, or both, in satisfaction of the donor-restricted purpose, if any, net assets with donor-imposed time or purpose restrictions are released to net assets without donor restrictions.

Perpetual Trusts Held by Others

Defenders was named as an irrevocable beneficiary of several perpetual trusts held and administered by a third-party trustee. Under the terms of the trust, Defenders has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in trust. The beneficial interests are recorded at fair value, which is measured using the fair value of the assets contributed to the trust. Distributions of the trusts' annual earnings are recorded as unrestricted income and any changes in the market value of the original gifts are reported as restricted gains and losses in the accompanying consolidated statement of activities.

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

Grants and contributions that are nonreciprocal are recognized as revenue when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Defenders reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of Defenders' programs or to a future year. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Contributions with donor restrictions to the endowment corpus are invested in perpetuity by or on Defenders' behalf. The principal of the gift is never expended, while the investment return is spent on current restricted or unrestricted programs as specified by the donor.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for in Accordance with Contribution Accounting (continued)

Defenders receives certain promises to give, collected over multiple accounting periods, and classifies the portion receivable in future accounting periods as restricted revenue. Defenders discounts the promises to give using an appropriate discount rate over the contribution period.

Bequests are recognized as revenue at the time the probate court declares the will valid and the proceeds are reasonably measurable. It is Defenders' practice to reduce these amounts by approximately 10% before recording the receivable, for estimated administration costs associated with the estates.

Donated services that meet the criteria for recognition are recognized at fair value at the time of donation. Donated services consist of pro-bono legal services and advertising, and are reported as in-kind contributions in the accompanying consolidated statement of activities. The value of these donated services is included in the consolidated financial statements as both revenue and expense in the amounts of $6,139,697 and $5,299,220 for the years ended September 30, 2021 and 2020, respectively.

Revenue Accounted for as Contracts

Revenue is recognized when Defenders satisfies a performance obligation by transferring a promised good or performing a service. The amount of revenue recognized reflects the consideration Defenders expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, Defenders combines it with other performance obligations until a distinct bundle of goods or services exists. Fees or amounts received in advance of satisfying contractual performance obligations are reflected as deferred revenue in the consolidated statements of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met.

Defenders recognizes rental revenue in the accounting period for which the performance obligation is satisfied. Any rental revenue payments received in advance are deferred until earned.

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising Costs

Defenders expenses advertising costs as incurred. Advertising expenses were $1,146,283 and $921,968 for the years ended September 30, 2021 and 2020, respectively.

Use of Estimates

The preparation of consolidated 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 amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the split-interest agreements; carrying value of land, buildings, and equipment; and bequests and trusts receivable.

Recently Issued Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases.* The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its consolidated statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in Defenders' fiscal year 2023.

In July 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets,* which is intended to increase transparency of contributed nonfinancial assets for nonprofit entities through enhancements in presentation and disclosure requirements.

2. Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncements (continued)

Nonprofit entities will be required to present contributed nonfinancial assets as a separate line item in the consolidated statement of activities, apart from contributions of cash and other financial contributions. Nonprofit entities will also be required to disclose various information related to contributed nonfinancial assets. ASU 2020-07 is effective beginning in Defenders' fiscal year 2022, and management is currently in the process of evaluating the impact of the new accounting guidance on its consolidated financial statements.

Subsequent Events

In preparing these consolidated financial statements, Defenders has evaluated events and transactions for potential recognition or disclosure through February 17, 2022, the date the consolidated financial statements were available to be issued.

3. Liquidity and Availability

Financial assets that are available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date, comprise the following at September 30:

	2021	2020
Cash and cash equivalents	$ 1,951,445	$ 10,079,917
Short-term investments	139	6,325,590
Bequests and trusts receivable	867,716	497,513
Grants and contributions receivable – due within one year	1,206,968	393,774
Accounts receivable	314,461	266,067
Total available for general expenditures	$ 4,340,729	$ 17,562,861

3. Liquidity and Availability (continued)

Defenders considers net assets with donor restrictions for use in current programs that are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. Defenders' endowment funds consist of beneficial interests in perpetual trusts and other donor-restricted endowments to be held in perpetuity. Donor-restricted endowment funds are not available for general expenditures.

4. Concentration of Credit Risk

Financial instruments that potentially subject Defenders to significant concentrations of credit risk consist of cash and cash equivalents, and investments. Defenders maintains cash deposits and investments with various financial institutions that may, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). Defenders has not experienced any losses on its cash and cash equivalents, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

5. Investments and Fair Value Measurements

Investment Return

Investment return consists of the following for the years ended September 30:

	2021	2020
Interest and dividends	$ 556,720	$ 425,200
Unrealized gains	489,300	1,052,339
Realized gains (losses)	1,947,092	(38,608)
Investment management fees	(98,363)	(76,921)
Total investment return	$ 2,894,749	$ 1,362,010

5. Investments and Fair Value Measurements (continued)

Fair Value Measurements

Defenders follows FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures,* for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. Transfers between levels in the fair value hierarchy are recognized at the end of the reporting period. In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability.

The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to Defenders' assessment of the quality, risk, or liquidity profile of the asset or liability. In general, and where applicable, Defenders uses quoted prices in active markets for identical assets and quoted market prices for similar assets in markets that are not active to determine fair value. This pricing methodology applies to Level 1 and Level 2 investments.

5. Investments and Fair Value Measurements (continued)

Fair Value Measurements (continued)

The following table presents Defenders' fair value hierarchy for those assets measured on a recurring basis as of September 30, 2021:

	Level 1	Level 2	Level 3	Total fair value
Investments:				
Money market funds	$ 660,405	$ -	$ -	$ 660,405
Short-term bonds	109,900	-	-	109,900
Mutual funds:				
Equity	17,238,312	-	-	17,238,312
Fixed income	9,847,118	-	-	9,847,118
Hedge funds	-	1,638,772	-	1,638,772
Total investments	27,855,735	1,638,772	-	29,494,507
Annuity reserve fund:				
Money market funds	218,882	-	-	218,882
Fixed income	2,211,705	-	-	2,211,705
Equity	1,539,290	-	-	1,539,290
Total annuity reserve fund	3,969,877	-	-	3,969,877
Beneficial interests in trusts:				
Charitable remainder trusts	335,189	-	314,909	650,098
Pooled income fund	-	98,286	-	98,286
Perpetual trusts	-	-	1,544,188	1,544,188
Total beneficial interests in trusts	335,189	98,286	1,859,097	2,292,572
Deferred compensation:				
Mutual funds	167,548	-	-	167,548
Total assets at fair value	$ 32,328,349	$ 1,737,058	$ 1,859,097	$ 35,924,504

5. Investments and Fair Value Measurements (continued)

Fair Value Measurements (continued)

The following table presents Defenders' fair value hierarchy for those assets measured on a recurring basis as of September 30, 2020:

	Level 1	Level 2	Level 3	Total fair value
Investments:				
Money market funds	$ 1,292,051	$ -	$ -	$ 1,292,051
Short-term bonds	109,928	-	-	109,928
Mutual funds:				
Equity	8,865,048	-	-	8,865,048
Fixed income	8,289,874	-	-	8,289,874
Hedge funds	-	1,509,021	-	1,509,021
Tangible assets	150,552	-	-	150,552
Total investments	18,707,453	1,509,021	-	20,216,474
Annuity reserve fund:				
Money market funds	255,439	-	-	255,439
Fixed income	2,196,378	-	-	2,196,378
Equity	1,377,138	-	-	1,377,138
Total annuity reserve fund	3,828,955	-	-	3,828,955
Beneficial interests in trusts:				
Charitable remainder trusts	296,891	-	283,944	580,835
Pooled income fund	-	90,642	-	90,642
Perpetual trusts	-	-	1,343,670	1,343,670
Total beneficial interests in trusts	296,891	90,642	1,627,614	2,015,147
Deferred compensation:				
Mutual funds	122,181	-	-	122,181
Total assets at fair value	$ 22,955,480	$ 1,599,663	$ 1,627,614	$ 26,182,757

5. Investments and Fair Value Measurements (continued)

Defenders used the following methods and significant assumptions to estimate fair value of assets recorded at fair value:

Investments

Level 1

Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 includes money market funds, mutual funds, corporate bonds, stocks, and fixed income securities held as investments.

Level 2

When quoted market prices for similar assets are available in markets that are not active, securities are classified within Level 2 of the valuation hierarchy. Level 2 includes hedge funds. The hedge funds are comprised of tracker funds, debt funds, global credit securities, and research funds. These hedge funds are measured in quantifiable units at quoted market prices on a monthly basis by the broker, and the broker's pricing methodology is assessed when determining the fair value hierarchy. Due to the frequency of the availability of market quotations, the hedge funds held by Defenders at September 30, 2021 and 2020 are categorized as Level 2 in the valuation hierarchy.

Annuity Reserve Fund

Level 1

Annuity reserve fund is primarily invested in money market funds, bonds, mutual funds, and fixed income investments, which are valued at fair value based on quoted market prices of the underlying investments, and therefore classified as Level 1.

Beneficial Interests in Trusts

Level 1

Charitable remainder trust assets for which Defenders is a trustee are invested in a diversified portfolio of mutual funds and marketable securities, which are valued at fair value based on quoted market prices of the underlying investments, and are therefore classified within Level 1.

5. Investments and Fair Value Measurements (continued)

Beneficial Interests in Trusts (continued)

Level 2

Pooled income fund consists primarily of fixed income equity mutual funds that are valued at price per unit of shares held by Defenders at year end and are based on quoted market prices in active markets.

Level 3

The fair values of beneficial interests in charitable and perpetual trusts are determined by using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets and are based on the fair values of trust investments as reported by the trustees. These are considered to be Level 3 measurements. The following table is a rollforward of the fair value measurements using unobservable inputs (Level 3):

	Charitable Remainder Trusts	Interest in Perpetual Trusts	Total Assets
Value at September 30, 2019	$ 907,460	$ 1,330,626	$ 2,238,086
Remainder payout	(662,518)	-	(662,518)
Change in value	39,002	13,044	52,046
Value at September 30, 2020	283,944	1,343,670	1,627,614
Change in value	30,965	200,518	231,483
Value at September 30, 2021	$ 314,909	$ 1,544,188	$ 1,859,097

6. Grants and Contributions Receivable

Grants and contributions receivable are promised as follows at September 30:

	2021	2020
Due in less than one year	$ 1,206,968	$ 393,774
Due in one to five years	20,000	190,000
Total grants and contributions receivable	1,226,968	583,774
Less: discount	(112)	(526)
Grants and contributions receivable, net	$ 1,226,856	$ 583,248

7. Split-Interest Agreements

Assets held under split-interest agreements in the accompanying consolidated statements of financial position were comprised of the following at September 30:

	2021	2020
Investments – annuity reserve fund	$ 3,969,877	$ 3,828,955
Beneficial interests in trusts:		
Assets held by Defenders:		
Charitable remainder trusts	335,189	296,891
Pooled income fund	98,286	90,642
Assets held by a third party:		
Charitable remainder trusts	314,909	283,944
Perpetual trusts	1,544,188	1,343,670
Total beneficial interests in trusts	2,292,572	2,015,147
Total split-interest agreements	$ 6,262,449	$ 5,844,102

7. Split-Interest Agreements (continued)

During the year ended September 30, 2020, one of the charitable remainder trusts held by a third party was terminated, and Defenders received a final distribution of $662,518 in cash. Liabilities under split-interest agreements included in the accompanying consolidated statements of financial position were $2,270,184 and $2,303,373 at September 30, 2021 and 2020, respectively. Net contributions under split-interest agreements were approximately $111,922 and $131,622 for the years ended September 30, 2021 and 2020, respectively.

8. Property and Equipment

Defenders held the following property and equipment at September 30:

	2021	2020
Land	$ 4,585,586	$ 4,585,586
Buildings and improvements	9,514,331	9,468,311
Computer equipment	2,746,127	2,723,319
Furniture and equipment	1,135,526	1,112,003
Website	346,931	346,931
Total property and equipment	18,328,501	18,236,150
Less: accumulated depreciation	(9,834,969)	(9,095,762)
Property and equipment, net	$ 8,493,532	$ 9,140,388

9. Loan Payable – Paycheck Protection Program

Defenders applied for a loan under the Paycheck Protection Program (PPP) pursuant to Division A, Title 1 of the CARES Act, which was enacted on March 27, 2020. The PPP is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll through the COVID-19 coronavirus, for which Defenders qualified. After the loans are granted, the Small Business Administration (SBA) will forgive loans if all employee retention criteria are met, and the funds are used for eligible expenses (which primarily consist of payroll costs, costs used to continue group healthcare benefits, rent, and utilities).

9. Loan Payable – Paycheck Protection Program (continued)

The initial loan was granted to Defenders on May 5, 2020 in the amount of $2,397,455, with terms including a 1.00% fixed interest rate and maturity date of May 5, 2022. At September 30, 2020, Defenders recorded $2,397,455 as a loan payable and $9,787 as interest expense. During fiscal year 2021, the SBA approved full forgiveness of the loan, and remitted the forgiveness amount to the financial institution, including applicable interest accruals. Defenders recorded the amount of forgiven loan and accrued interest as other income in the accompanying consolidated statement of activities.

10. Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of the following at September 30:

	2021	2020
Undesignated	$ 24,231,638	$ 19,546,039
Land and building	7,845,835	8,178,183
Property and equipment	647,697	962,205
Total net assets without donor restrictions	$ 32,725,170	$ 28,686,427

Net assets without donor restrictions include undesignated funds that have not been specifically set aside by the Board for an internally-designated purpose and are available for general operations, as well as funds designated for purposes of future property and equipment needs.

Net Assets With Donor Restrictions

Subject to Expenditure for Specific Purpose

Defenders receives a number of program-specific grants that are often expended over more than one fiscal year. The unused grant funds that are not expended at the end of the fiscal year are carried over to the next fiscal year, and are classified as net assets with donor restrictions until appropriate expenses are incurred in accordance with the program restrictions.

10. Net Assets (continued)

Net Assets With Donor Restrictions (continued)

Subject to the Passage of Time

As discussed in Note 2, Defenders is party to various split-interest agreements with donors, including irrevocable charitable remainder trusts, charitable gift annuities, pooled income funds, perpetual trusts, and similar arrangements. Certain revenues from these arrangements are restricted for the purposes or time periods specified in the arrangements.

Net assets with donor restrictions are restricted for the following purposes or periods at September 30:

	2021	2020
Subject to expenditure for specific purpose:		
Program grants	$ 8,343,018	$ 8,832,516
Subject to the passage of time:		
Charitable remainder and other trusts	451,194	400,496
Charitable gift annuities	1,898,596	1,705,920
Pooled income fund	98,286	90,642
Lloyd Symington Memorial Fund for Wildlife Education	162,512	162,512
Total subject to the passage of time	2,610,588	2,359,570
Endowments:		
Beneficial interest in perpetual trusts	1,544,189	1,343,670
Harding Educational and Charitable Foundation	162,069	162,080
Lloyd Symington Memorial Fund for Wildlife Education	41,024	41,027
Total endowments	1,747,282	1,546,777
Total net assets with donor restrictions	$ 12,700,888	$ 12,738,863

11. Endowment

Defenders' endowment includes beneficial interests in perpetual trusts and other donor-restricted contributions to be held in perpetuity, the earnings of which can be used to fund either specific programs or general operations. Under accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of Defenders has interpreted the District of Columbia's 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 explicit donor stipulations to the contrary. As a result of this interpretation, Defenders classifies as net assets with donor restrictions (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.

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

Return Objectives, Risk Parameters, and Strategies

Defenders follows a conservative investment policy for endowment assets that attempts to preserve fully the original corpus and optimize returns. Should significant, new donations be made to the endowment assets, Defenders' investment policy would permit a strategy of long-term growth of the endowment assets. Under such a policy, the endowment assets would be invested in a manner that is intended to produce results exceeding major investment benchmarks while assuming a moderate level of risk.

11. Endowment (continued)

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 UPMIFA requires Defenders to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature would be reported by Defenders in net assets with donor restrictions. There were no fund deficiencies for the years ended September 30, 2021 and 2020.

Composition of Endowment Net Assets

Endowment net asset composition was as follows at September 30:

	2021	2020
Donor-restricted endowment funds	$ 1,747,282	$ 1,546,777

Changes in Endowment Net Assets

Changes in endowment net assets were as follows for the years ended September 30:

	2021	2020
Endowment net assets, beginning of year	$ 1,546,777	$ 1,527,914
Investment return	200,505	18,863
Endowment net assets, end of year	$ 1,747,282	$ 1,546,777

12. Deferred Compensation Plan

Defenders maintains a non-qualified deferred compensation 457(b) plan for the President as a means of providing a supplemental benefit. Defenders contributes 7% in the aggregate of the President's compensation to the money purchase pension plan and the 457(b) plan. The Board also authorized additional contributions to the 457(b) plan as additional deferred compensation to the President up to the statutory limit of allowable contributions.

12. Deferred Compensation Plan (continued)

The applicable statutory maximum is contributed initially to the money purchase pension plan, and the remaining amount is contributed to the 457(b) plan. Deferred compensation and investments designated for the deferrals are only available and taxable upon termination of employment, retirement, death, or an unforeseeable emergency. Until paid or made available to the participant or beneficiary, all deferred amounts, and investment earnings related thereto, are solely the property and rights of Defenders. At September 30, 2021 and 2020, the deferred compensation assets and a corresponding liability were $167,548 and $122,181, respectively.

13. Retirement Plan

A money purchase pension plan was established by Defenders under Section 401(a) of the Internal Revenue Code (IRC), covering substantially all employees. Employees are eligible for participation after one year of service and are vested ratably over five years of service. Defenders' required contribution to the plan is 7% of each participant's aggregate compensation. Employee contributions are not permissible under the plan. Current pension costs are funded as they accrue. Total pension expense was $712,492 and $669,111 for the years ended September 30, 2021 and 2020, respectively.

14. Commitments

Operating Leases

Defenders is obligated under the terms of noncancellable operating leases for the rental of office space for several of its field locations. Rental expense for all leases for the years ended September 30, 2021 and 2020, using the straight-line method, amounted to $405,814 and $403,915, respectively.

Future minimum lease payments are as follows for the years ending September 30:

2022	$ 338,883
2023	216,137
2024	197,719
2025	122,312
Total future minimum lease payments	$ 875,051

14. Commitments (continued)

Capital Leases

Defenders leases office equipment under capital leases, which extend through 2022. The assets and liabilities under capital leases were recorded at the lower of their present value of the minimum lease payments or the fair value of the asset. The assets are being depreciated over the related lease terms. This leased equipment is included in property and equipment in the accompanying consolidated statements of financial position at a capitalized cost of $115,878 at both September 30, 2021 and 2020, net of accumulated depreciation of $94,633 and $71,458 as of September 30, 2021 and 2020, respectively.

The interest expense associated with these leases for the years ended September 30, 2021 and 2020 was $6,133 and $8,743, respectively.

Payments under the capital leases are due as follows for the year ending September 30:

2022	$ 29,931
Total	29,931
Less: amounts representing interest	(2,051)
Capital lease obligations, net	$ 27,880

Employment Agreement

Defenders has a signed employment agreement with the President and Chief Executive Officer, which contains terms that require severance payments upon the occurrence of certain contractual events.

15. Allocation of Joint Costs

Defenders achieves some of its programmatic, management, and general goals through direct response and similar campaigns that include requests for contributions. During the years ended September 30, 2021 and 2020, the costs of direct response programs included joint costs not directly attributable to any single function.

15. Allocation of Joint Costs (continued)

The costs were allocated among the following functional expense categories as follows for the years ended September 30:

	2021	2020
Constituency mobilization	$ 4,884,980	$ 4,323,169
Management and general	1,066,371	944,306
Fundraising	808,517	870,074
Total allocated joint costs	$ 6,759,868	$ 6,137,549

16. Functionalized Expenses

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Defenders allocates the majority of its expenses utilizing an indirect cost allocation methodology. Expenses that are allocated include salaries and wages, employee benefits, and payroll taxes, which are allocated on the basis of estimates of time and effort. Additionally, the remaining expenses are allocated using a methodology that is calculated based on the estimates of personnel time spent on each function per type of natural expense category, and also a consideration of square footage of space and resources dedicated to a particular function.

17. Supplementary Disclosure of Cash Flow Information

Total interest expenses were $26,101 and $18,529 for the years ended September 30, 2021 and 2020, respectively.

Noncash investing transactions for the years ended September 30, 2021 and 2020 included donated securities in the amounts of $567,686 and $515,626, respectively.

Noncash financing transactions for the year ended September 30, 2021 included forgiveness of the PPP loan described in Note 9 in the amount of $2,397,455. There were no noncash financing transactions for the year ended September 30, 2020.

18. Income Taxes

Under IRC §501(c)(3), DOW is exempt from the payment of taxes on income other than net unrelated business income. DOW was granted nonprivate foundation status under IRC §509(a)(1) and IRC §170(b)(1)(A)(vi). No provision for taxes has been made as there were no significant taxes resulting from unrelated business activities during fiscal years 2021 and 2020. DOW has elected to be subject to the lobbying limitations under IRC §501(h).

Under IRC §501(c)(4), the Action Fund is exempt from the payment of taxes on income other than net unrelated business income. For the years ended September 30, 2021 and 2020, there was no unrelated business income and, accordingly, no federal or state income taxes have been recorded.

Management has evaluated Defenders' tax positions and concluded that Defenders had no significant uncertain tax positions at September 30, 2021 and 2020.

19. COVID-19 Pandemic

The COVID-19 outbreak in the United States and around the world has caused business disruption due to mandatory lockdowns implemented in most states in order to slow down the spread of the virus. Defenders' management has been monitoring the situation and implementing certain changes in its operations and upcoming events in order to mitigate the impact of this pandemic. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration, and the full financial impact cannot be reasonably estimated at this time.

SUPPLEMENTARY INFORMATION

Defenders of Wildlife and Affiliated Defenders of Wildlife Action Fund

Consolidating Schedule of Financial Position
September 30, 2021

	DOW	Action Fund	Elimination	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 1,669,623	$ 281,822	$ -	$ 1,951,445
Short-term investments	139	-	-	139
Investments – annuity reserve fund	3,969,877	-	-	3,969,877
Bequests and trusts receivable	867,716	-	-	867,716
Grants and contributions receivable, current portion	1,206,968	-	-	1,206,968
Accounts receivable	314,417	44	-	314,461
Prepaid expenses	1,125,278	-	-	1,125,278
Inventory	777,206	-	-	777,206
Total current assets	9,931,224	281,866	-	10,213,090
Long-term investments	29,494,368	-	-	29,494,368
Grants and contributions receivable, long-term, net	19,888	-	-	19,888
Beneficial interests in trusts	2,292,572	-	-	2,292,572
Property and equipment, net	8,493,532	-	-	8,493,532
Deferred compensation	167,548	-	-	167,548
Total assets	$ 50,399,132	$ 281,866	$ -	$ 50,680,998
Liabilities and Net Assets				
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	$ 2,789,074	$ 254	$ -	$ 2,789,328
Annuity and other split-interest obligations, current portion	327,699	-	-	327,699
Capital lease obligation, current portion	27,880	-	-	27,880
Total current liabilities	3,144,653	254	-	3,144,907
Annuity and other split-interest obligations, long-term	1,942,485	-	-	1,942,485
Deferred compensation	167,548	-	-	167,548
Total liabilities	5,254,686	254	-	5,254,940
Net Assets				
Without donor restrictions	32,443,558	281,612	-	32,725,170
With donor restrictions	12,700,888	-	-	12,700,888
Total net assets	45,144,446	281,612	-	45,426,058
Total liabilities and net assets	$ 50,399,132	$ 281,866	$ -	$ 50,680,998

Defenders of Wildlife and Affiliated Defenders of Wildlife Action Fund

Consolidating Schedule of Financial Position
September 30, 2020

	DOW	Action Fund	Elimination	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 9,799,417	$ 280,500	$ -	$ 10,079,917
Short-term investments	6,325,590	-	-	6,325,590
Investments – annuity reserve fund	3,828,955	-	-	3,828,955
Bequests and trusts receivable	497,513	-	-	497,513
Grants and contributions receivable, current portion	393,774	-	-	393,774
Accounts receivable	266,024	43	-	266,067
Prepaid expenses	1,168,825	-	-	1,168,825
Inventory	699,400	-	-	699,400
Total current assets	22,979,498	280,543	-	23,260,041
Long-term investments	13,890,884	-	-	13,890,884
Grants and contributions receivable, long-term, net	189,474	-	-	189,474
Beneficial interests in trusts	2,015,147	-	-	2,015,147
Property and equipment, net	9,140,388	-	-	9,140,388
Deferred compensation	122,181	-	-	122,181
Total assets	$ 48,337,572	$ 280,543	$ -	$ 48,618,115
Liabilities and Net Assets				
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	$ 2,313,865	$ 242	$ -	$ 2,314,107
Annuity and other split-interest obligations, current portion	316,711	-	-	316,711
Capital lease obligation, current portion	26,519	-	-	26,519
Deferred revenue	1,310	-	-	1,310
Loan payable – Paycheck Protection Program	2,397,455	-	-	2,397,455
Total current liabilities	5,055,860	242	-	5,056,102
Annuity and other split-interest obligations, long-term	1,986,662	-	-	1,986,662
Deferred compensation	122,181	-	-	122,181
Capital lease obligation, net of current portion	27,880	-	-	27,880
Total liabilities	7,192,583	242	-	7,192,825
Net Assets				
Without donor restrictions	28,406,126	280,301	-	28,686,427
With donor restrictions	12,738,863	-	-	12,738,863
Total net assets	41,144,989	280,301	-	41,425,290
Total liabilities and net assets	$ 48,337,572	$ 280,543	$ -	$ 48,618,115

Defenders of Wildlife and Affiliated Defenders of Wildlife Action Fund

Consolidating Schedule of Activities
For the Year Ended September 30, 2021

	DOW		Action Fund		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Elimination	Total
Revenue and Support					
Grants and contributions	$ 22,402,688	$ 6,654,177	$ 5,000	$ -	$ 29,061,865
Contributed goods and services	6,139,697	-	-	-	6,139,697
Bequests	7,470,114	109,896	-	-	7,580,010
Royalties	737,891	-	-	-	737,891
Investment return	2,893,387	832	530	-	2,894,749
Split-interest contributions	-	111,922	-	-	111,922
Change in value of split interests	120,606	339,615	-	-	460,221
Mailing list royalties	205,442	-	-	-	205,442
Rental income	5,240	-	-	-	5,240
Other income	2,627,428	-	-	-	2,627,428
Released from restrictions – programs	7,254,417	(7,254,417)	-	-	-
Total revenue and support	49,856,910	(37,975)	5,530	-	49,824,465
Expenses					
Program services:					
Biodiversity conservation	22,419,645	-	-	-	22,419,645
Constituency mobilization	16,323,556	-	-	-	16,323,556
Total program services	38,743,201	-	-	-	38,743,201
Supporting services:					
Management and general	5,865,043	-	4,219	-	5,869,262
Fundraising	1,211,234	-	-	-	1,211,234
Total supporting services	7,076,277	-	4,219	-	7,080,496
Total expenses	45,819,478	-	4,219	-	45,823,697
Change in Net Assets	4,037,432	(37,975)	1,311	-	4,000,768
Net Assets, beginning of year	28,406,126	12,738,863	280,301	-	41,425,290
Net Assets, end of year	$ 32,443,558	$ 12,700,888	$ 281,612	$ -	$ 45,426,058

Defenders of Wildlife and Affiliated Defenders of Wildlife Action Fund

Consolidating Schedule of Activities
For the Year Ended September 30, 2020

	DOW		Action Fund		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Elimination	Total
Revenue and Support					
Grants and contributions	$ 21,543,929	$ 5,266,568	$ 110,139	$ -	$ 26,920,636
Contributed goods and services	5,299,220	-	-	-	5,299,220
Bequests	6,071,424	68,690	-	-	6,140,114
Royalties	660,722	-	-	-	660,722
Investment return	1,354,694	6,458	858	-	1,362,010
Split-interest contributions	-	131,622	-	-	131,622
Change in value of split interests	155,014	11,541	-	-	166,555
Mailing list royalties	186,607	-	-	-	186,607
Rental income	15,568	-	-	-	15,568
Other income	1,096	-	-	(460)	636
Released from restrictions – programs	6,110,553	(6,110,553)	-	-	-
Total revenue and support	41,398,827	(625,674)	110,997	(460)	40,883,690
Expenses					
Program services:					
Biodiversity conservation	16,974,614	-	-	-	16,974,614
Constituency mobilization	16,151,176	-	-	-	16,151,176
Total program services	33,125,790	-	-	-	33,125,790
Supporting services:					
Management and general	5,247,952	-	4,676	(460)	5,252,168
Fundraising	1,202,064	-	-	-	1,202,064
Total supporting services	6,450,016	-	4,676	(460)	6,454,232
Total expenses	39,575,806	-	4,676	(460)	39,580,022
Change in Net Assets	1,823,021	(625,674)	106,321	-	1,303,668
Net Assets, beginning of year	26,583,105	13,364,537	173,980	-	40,121,622
Net Assets, end of year	$ 28,406,126	$ 12,738,863	$ 280,301	$ -	$ 41,425,290