



**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Consolidated Financial Statements and Supplementary  
Information on Expenditures of Federal Awards

Year Ended June 30, 2021

(With Independent Auditors' Report and  
Reports on Internal Control and Compliance Thereon)

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

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## Independent Auditors' Report

The Board of Trustees  
Wildlife Conservation Society:

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Wildlife Conservation Society and subsidiaries, which comprise the consolidated balance sheet as of June 30, 2021, and the related 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 U.S. generally accepted accounting principles; 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.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 organization'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 organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

#### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Wildlife Conservation Society and subsidiaries as of June 30, 2021, and the changes in their net assets and their cash flows for the year then ended, in accordance with U.S. generally accepted accounting principles.



### *Report on Summarized Comparative Information*

We have previously audited Wildlife Conservation Society and subsidiaries' 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 21, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

### *Other Matter*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying indirect cost rate calculation 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 indirect cost rate calculation is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2021 on our consideration of Wildlife Conservation Society and subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Wildlife Conservation Society and subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wildlife Conservation Society and subsidiaries' internal control over financial reporting and compliance.

**KPMG LLP**

October 25, 2021 except for our report on the supplementary indirect cost rate calculation, for which the date is March 29, 2022.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Consolidated Balance Sheet

June 30, 2021

(with summarized financial information as of June 30, 2020)

<b>Assets</b>	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 52,787,213	52,596,884
Cash in escrow (note 2m)	22,537,134	102,716
Miscellaneous receivables	1,895,734	3,596,444
Receivables from the City of New York (note 14)	100,743,333	88,310,696
Receivables from the State of New York	4,759,332	2,233,064
Receivables from U.S. Federal sources	8,349,789	10,380,558
Contributions receivable, net (note 7)	7,572,948	9,136,674
Non-U.S. government and bilateral grants and contracts receivables (note 7)	11,205,054	11,783,645
Private organization grants and contracts receivables (note 7)	20,079,707	20,015,603
Inventories	1,960,907	2,898,497
Prepaid expenses	5,214,374	4,465,504
Advances to sub awardees	5,781,152	2,967,707
Right of use lease assets (note 13)	3,212,853	—
Investments (notes 3 and 4)	560,872,637	451,589,982
Amounts held in trust by others (note 3)	2,111,963	1,779,583
Funds held by bond trustee (notes 3 and 10)	14,206,613	282,940
Property and equipment (note 8)	449,314,235	453,305,308
Collections (note 2q)	—	—
Total assets	<u>\$ 1,272,604,978</u>	<u>1,115,445,805</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses (notes 11 and 12)	\$ 52,068,872	45,883,228
Grants and contracts liabilities	56,720,122	35,601,293
Escrow liability	21,485,480	92,140
Right of use lease liability (note 13)	2,932,322	—
Annuity liabilities	3,124,493	3,133,108
Line of credit (note 9)	30,000,000	30,000,000
Loans payable (note 10)	—	6,650,000
Bonds payable (note 10)	164,884,780	133,338,471
Postretirement benefit obligation (note 12)	54,341,846	56,967,555
Total liabilities	<u>385,557,915</u>	<u>311,665,795</u>
Commitments and contingencies (notes 2t, 3, 9, 12, 13 and 14)		
Net assets:		
Without donor restrictions:		
General operating	(4,568,541)	(7,157,783)
Board designated (note 5)	130,880,568	71,723,143
Net investment in property and equipment	297,535,849	311,951,794
Total without donor restrictions	<u>423,847,876</u>	<u>376,517,154</u>
With donor restrictions (note 5):		
Purpose restricted (note 6)	190,212,943	154,565,460
Endowment corpus (note 6)	272,986,244	272,697,396
Total with donor restrictions	<u>463,199,187</u>	<u>427,262,856</u>
Total net assets	<u>887,047,063</u>	<u>803,780,010</u>
Total liabilities and net assets	<u>\$ 1,272,604,978</u>	<u>1,115,445,805</u>

See accompanying notes to consolidated financial statements.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Consolidated Statement of Activities

Year ended June 30, 2021

(with comparative summarized financial information for the year ended June 30, 2020)

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
<b>Revenues:</b>				
Contributions	\$ 16,206,712	20,077,619	36,284,331	40,634,929
Bequests	2,693,070	677,761	3,370,831	6,585,413
Membership dues	16,897,904	—	16,897,904	9,720,389
Appropriation from the City of New York (note 14)	58,708,172	279,706	58,987,878	70,821,129
U.S. State agencies grants and contracts	5,173,215	—	5,173,215	5,383,993
U.S. Federal grants and contracts	30,934,275	—	30,934,275	30,997,363
Non-U.S. government and bilateral grants and contracts	34,502,948	—	34,502,948	20,216,379
Private organizations grants	28,351,109	15,339,430	43,690,539	40,096,281
Gate and exhibit admissions	27,098,146	—	27,098,146	25,949,923
Restaurant and merchandise sales and parking fees	22,176,803	—	22,176,803	19,191,980
Investment return (note 4)	77,909,715	53,936,744	131,846,459	9,796,486
Educational program and activities	1,331,404	—	1,331,404	2,531,944
Sponsorship, licensing, and royalties	449,711	—	449,711	740,034
Miscellaneous	3,122,512	—	3,122,512	2,513,653
	<u>325,555,696</u>	<u>90,311,260</u>	<u>415,866,956</u>	<u>285,179,896</u>
Net assets released from restrictions	54,374,929	(54,374,929)	—	—
Total revenues	<u>379,930,625</u>	<u>35,936,331</u>	<u>415,866,956</u>	<u>285,179,896</u>
<b>Expenses:</b>				
Program services:				
Bronx Zoo	81,144,759	—	81,144,759	80,145,828
New York Aquarium	32,344,995	—	32,344,995	31,212,237
City Zoos	26,464,491	—	26,464,491	26,191,151
Restaurant, merchandise, and parking expenses	15,167,115	—	15,167,115	15,805,549
Global Conservation Programs	128,553,839	—	128,553,839	123,013,082
Total program services	<u>283,675,199</u>	<u>—</u>	<u>283,675,199</u>	<u>276,367,847</u>
Supporting services:				
Management and general	33,683,652	—	33,683,652	30,987,384
Membership solicitation and fulfillment	1,440,948	—	1,440,948	1,936,481
Fund-raising	11,057,895	—	11,057,895	8,801,557
Total supporting services	<u>46,182,495</u>	<u>—</u>	<u>46,182,495</u>	<u>41,725,422</u>
Total expenses	<u>329,857,694</u>	<u>—</u>	<u>329,857,694</u>	<u>318,093,269</u>
Excess (deficiency) of revenues over expenses	50,072,931	35,936,331	86,009,262	(32,913,373)
<b>Other changes:</b>				
Other (note 10)	(8,335,924)	—	(8,335,924)	—
Postretirement-related changes other than net periodic postretirement benefit costs (note 12)	5,593,715	—	5,593,715	(6,085,486)
Changes in net assets	47,330,722	35,936,331	83,267,053	(38,998,859)
Net assets at beginning of year	376,517,154	427,262,856	803,780,010	842,778,869
Net assets at end of year	<u>\$ 423,847,876</u>	<u>463,199,187</u>	<u>887,047,063</u>	<u>803,780,010</u>

See accompanying notes to consolidated financial statements.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Consolidated Statement of Functional Expenses

Year ended June 30, 2021

(with comparative summarized financial information for the year ended June 30, 2020)

	Bronx Zoo	New York Aquarium	City Zoos	Restaurant, merchandise, and parking expenses	Global conservation programs	Total program services	Management and general	Membership solicitation and fulfillment	Fund-raising	Total supporting services	Total 2021	Total 2020
Salaries and wages	\$ 29,638,331	6,489,739	12,570,334	5,087,555	49,438,665	103,224,624	17,825,417	408,443	5,330,472	23,564,332	126,788,956	121,424,111
Employee benefits and payroll taxes	15,502,561	3,632,350	7,578,866	2,094,920	13,018,506	41,827,203	5,831,493	148,070	1,887,319	7,866,882	49,694,085	48,444,641
Employment costs	10,863	11,237	3,136	—	3,191,733	3,216,969	275,473	—	145	275,618	3,492,587	3,001,502
Total salaries and related expenses	45,151,755	10,133,326	20,152,336	7,182,475	65,648,904	148,268,796	23,932,383	556,513	7,217,936	31,706,832	179,975,628	172,870,254
Consultancy fees	10,751	62,493	8,871	—	13,504,822	13,586,937	1,207,640	—	—	1,207,640	14,794,577	13,951,908
Purchased services	1,439,881	235,811	254,795	69,870	4,657,245	6,657,602	2,201,655	379,526	1,366,528	3,947,709	10,605,311	8,736,214
Grants	41,842	—	1,000	—	11,536,126	11,578,968	—	—	—	—	11,578,968	12,291,276
Professional fees	109,110	75,395	131,698	225	2,256,587	2,573,015	1,674,581	—	575,822	2,250,403	4,823,418	5,262,700
Property and casualty insurance	2,131,749	442,783	225,987	—	1,715,846	4,516,365	220,316	—	—	220,316	4,736,681	3,755,706
Advertising	2,703,183	506,658	23,592	33,157	70,546	3,337,136	53,000	80,005	704,308	837,313	4,174,449	2,585,305
Repairs and maintenance	3,700,832	1,818,461	973,386	338,726	1,905,380	8,736,785	1,421,817	37,345	28,504	1,487,666	10,224,451	10,002,367
Supplies and materials	3,532,796	1,291,140	1,200,717	363,827	11,027,714	17,416,194	774,431	151,325	856,571	1,782,327	19,198,521	16,530,874
Animal food and forage	2,680,674	401,561	551,411	—	—	3,633,646	13,961	—	—	13,961	3,647,607	2,937,337
Telephone	101,997	71,716	131,605	40,574	1,044,038	1,389,930	321,216	14,902	19,846	355,964	1,745,894	1,628,665
Heat, light, and power	3,676,721	1,611,012	106,108	17,093	318,441	5,729,375	968	—	—	968	5,730,343	5,809,693
Travel	29,466	11,199	18,999	6,350	9,101,143	9,167,157	43,012	—	7,632	50,644	9,217,801	14,122,213
Dues and fees	82,161	90,160	128,063	158	88,757	389,299	312,687	—	68,239	380,926	770,225	745,050
Postage and shipping	30,285	90,390	8,916	2,240	409,661	541,492	26,748	118,072	81,893	226,713	768,205	623,988
Cost of product sold	—	—	—	5,507,777	—	5,507,777	—	—	—	—	5,507,777	4,489,098
Collection accessions	189,225	34,302	23,213	—	—	246,740	—	—	—	—	246,740	225,367
Currency translation loss	—	—	—	—	409,207	409,207	136,633	—	—	136,633	545,840	296,010
Bond interest expense	2,828,048	2,682,925	—	—	—	5,510,973	—	—	—	—	5,510,973	6,108,225
Occupancy	—	980,900	863,772	100,407	1,865,122	3,810,201	316,626	—	—	316,626	4,126,827	4,453,527
Depreciation	11,789,362	11,724,686	1,512,688	1,041,538	1,265,677	27,333,951	749,743	22,151	—	771,894	28,105,845	28,048,953
Other	914,921	80,077	147,334	462,698	1,728,623	3,333,653	276,235	81,109	130,616	487,960	3,821,613	2,618,539
Total 2021 expenses	\$ 81,144,759	32,344,995	26,464,491	15,167,115	128,553,839	283,675,199	33,683,652	1,440,948	11,057,895	46,182,495	329,857,694	318,093,269
Total 2020 expenses	\$ 80,145,828	31,212,237	26,191,151	15,805,549	123,013,082	276,367,847	30,987,384	1,936,481	8,801,557	41,725,422	318,093,269	

See accompanying notes to consolidated financial statements.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Consolidated Statement of Cash Flows

Year ended June 30, 2021

(with comparative summarized financial information for the year ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Changes in net assets	\$ 83,267,053	(38,998,859)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	28,105,845	28,048,953
Amortization of bond issuance costs	37,937	110,540
Amortization of bond premium	—	(783,049)
Loss on bond defeasance	8,335,924	—
Net appreciation in fair value of investments	(122,009,958)	(11,207,828)
Postretirement-related change other than net periodic postretirement benefit cost	(5,593,715)	6,085,486
Increase in value of amounts held in trust by others	(431,800)	99,120
Endowment contributions	(288,848)	(1,185,000)
Contributions and grants restricted for building improvements	(426,920)	(60,000)
Changes in assets and liabilities:		
Miscellaneous receivables	1,700,710	1,448,006
Receivable from the City of New York	(397,659)	(10,100,007)
Receivable from the State of New York	(2,526,268)	65,803
Receivable from Federal sources	2,030,769	1,995,949
Grants and contributions receivable	1,563,726	(1,647,092)
Other government and bilateral grants	578,591	6,148,807
Private grants and contracts	(89,149)	5,278,189
Inventories	937,590	(240,058)
Advances to subawardees	(2,813,445)	(2,967,707)
Prepaid expenses and deferred charges	(748,870)	(430,940)
Operating leases	(3,212,853)	—
Accounts payable and accrued expenses	8,485,120	(5,790,322)
Grant and contract liability	21,118,829	12,717,494
Escrow liability	21,393,340	92,140
Lease liability	2,932,322	—
Postretirement benefit obligation	2,968,006	2,103,177
Total adjustments	<u>(38,350,776)</u>	<u>29,781,661</u>
Net cash provided by (used in) operating activities	<u>44,916,277</u>	<u>(9,217,198)</u>
Cash flows from investing activities:		
Proceeds from sales of investments	64,041,364	101,058,991
Purchases of investments	(51,314,061)	(74,647,519)
Acquisition of property and equipment	(24,114,772)	(38,309,410)
Decrease in accounts payable and accrued expenses for construction projects	(2,299,476)	—
Net cash provided by (used in) investing activities	<u>(13,686,945)</u>	<u>(11,897,938)</u>
Cash flows from financing activities:		
Endowment contributions	288,848	1,185,000
Contributions and grants restricted for building improvements	426,920	60,000
Increase in receivable from government sources for capital expenditure	(12,034,978)	(876,603)
Decrease in contributions and grants receivable for capital	25,045	280
Decrease in annuity liability, net	(8,615)	273,704
Withdrawal from line of credit	—	30,000,000
Repayment of loans payable	(6,650,000)	(303,333)
Proceeds from issuance of bonds payable and loans payable	165,985,000	—
Defeasance of bonds payable	(141,674,395)	—
Bond issuance costs	(1,138,158)	—
Net cash provided by financing activities	<u>5,219,667</u>	<u>30,339,048</u>
Net increase in cash, cash equivalents and restricted cash	<u>36,448,999</u>	<u>9,223,912</u>
Cash, cash equivalents and restricted cash at beginning of year	<u>53,092,141</u>	<u>43,868,229</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$ 89,541,140</u>	<u>53,092,141</u>
Reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheet that sum to the total of the same such amounts shown above:		
Cash and cash equivalents	\$ 52,537,719	52,368,341
Restricted cash for agency account included in cash and cash equivalents	249,494	228,543
Restricted cash for escrow account included cash in escrow	22,537,134	102,716
Restricted cash included in amounts held in trust by others	10,180	109,601
Restricted cash included in funds held by bond trustee	14,206,613	282,940
Total cash, cash equivalents, and restricted cash shown above	<u>\$ 89,541,140</u>	<u>53,092,141</u>
Supplemental disclosure:		
Interest paid	\$ 5,510,973	6,108,225
Increase in accounts payable and accrued expenses for construction projects	—	2,299,476

See accompanying notes to consolidated financial statements.



**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2021

(with comparative summarized financial information as of and for the  
year ended June 30, 2020)

**(1) The Organization**

The accompanying consolidated financial statements present the financial position, changes in net assets, functional expenses and cash flows of the Wildlife Conservation Society (WCS) and its affiliates and wholly owned subsidiaries.

WCS is a New York not-for-profit corporation founded and incorporated in 1895 as the New York Zoological Society. The Internal Revenue Service has determined that WCS is an organization described in Sections 501(c)(3), 170(b)(1)(A)(vi), and 509(a)(1) of the Internal Revenue Code (the Code) and is exempt from Federal income tax under Section 501(a) of the Code. WCS saves wildlife and wild places worldwide through science, conservation action, education, and inspiring people to value nature. That mission is achieved through our global conservation programs and through the management of the world's largest system of urban wildlife parks—the Bronx Zoo; the New York Aquarium; and the Central Park, Queens, and Prospect Park Zoos (the City Zoos).

WCS has formed various corporate entities from time to time to enable it to carry out its mission more effectively and efficiently. The following are descriptions of the affiliates and wholly owned subsidiaries of WCS reflected in the accompanying consolidated financial statements. These entities each have charitable, educational, and scientific and conservation nonprofit objectives and purposes.

182 Flight Corp. (182 FC) is a Delaware nonprofit, nonstock corporation, whose sole member is WCS. 182 FC is not tax-exempt.

Autonomous Noncommercial Organization Wildlife Conservation Society (WCS ANO) is a nonmembership, unitary, autonomous, noncommercial organization organized and tax-exempt under the laws of the Russian Federation.

Batagur Co., Ltd. (Batagur) is a private limited liability company organized under Cambodian law to hold land for conservation purposes. Batagur is not tax exempt.

Conservation Flight LLC (CF) is a Delaware limited liability company whose sole member is WCS. CF is a disregarded entity for tax purposes.

Conservation Livelihoods International LLC (CLI) is a nonprofit Delaware limited liability company whose sole member is WCS. CLI is a disregarded entity for tax purposes.

Ibis Rice Conservation Co., Ltd. (Ibis Rice Co.) is a private limited company organized under Cambodian law. Ibis Rice Co. is not tax exempt.

Makira Carbon Company LLC (MCC) is a Delaware limited liability company whose sole member is WCS. MCC is a disregarded entity for tax purposes.

Professional Housing Corporation (PHC) is a nonprofit, nonstock corporation incorporated in the State of Delaware whose sole member is WCS. PHC is exempt from Federal income tax as a title holding company under Section 501(c)(2) of the Code.

(Continued)

**WILDLIFE CONSERVATION SOCIETY  
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Notes to Consolidated Financial Statements

June 30, 2021

(with comparative summarized financial information as of and for the  
year ended June 30, 2020)

Sansom Mlup Prey (SMP) is a nonprofit organization organized under Cambodian law. SMP is exempt from income tax.

Seima Carbon Company LLC (SCC) is a Delaware limited liability company whose sole member is WCS. SCC is a disregarded entity for tax purposes.

Tierras LLC is a Delaware single-member limited liability company whose sole member is WCS. Tierras LLC is a disregarded entity for tax purposes and carries on wildlife and land conservation on certain lands in Chile held indirectly through wholly owned subsidiaries, including Tierra De Guanacos LLC, Tierra De Truchas LLC, Tierra de Guanacos LLC Uno Limitada, and Tierra de Guanacos LLC Dos Limitada.

WCS-Associação Conservação da Vida Silvestre (WCS Brasil) is a not-for-profit civil association organized and tax-exempt under the law of the State of Rio de Janeiro, Brazil.

WCS Conservation Enterprises LLC (Conservation Enterprises) is a Delaware single member limited liability company whose sole member is WCS. Conservation Enterprises is a disregarded entity for tax purposes and is the sole shareholder of SVC Sam Veasna Conservation Tours Co., Ltd., a single member private limited company organized under Cambodian law.

WCS EU is an international nonprofit organization organized under the laws of Belgium, and is exempt from corporate income tax.

WCS Global Conservation UK (f/k/a WCS Europe) is a private company limited by guarantee and a registered, tax-exempt charity formed under the law of England and Wales, whose sole member is WCS.

WCS Wildlife Conservation Society Canada (WCSC) is a nonprofit corporation under the Canada Not for profit Corporations Act whose sole member is WCS. WCSC is a tax exempt, Canadian registered charity.

Wildlife Conservation and Science (Malaysia) Bhd (WCS Malaysia) is a company limited by guarantee incorporated under Malaysian law. WCS Malaysia is not tax-exempt.

Wild Lands Conservation Society (WLCS) is a nonprofit, nonstock corporation incorporated in the State of Delaware whose sole member is WCS. WLCS is exempt from Federal income tax as an organization described in Section 501(c)(3) of the Code. WLCS is not operational.

Yayasan Celebica (Celebica) is a nonprofit foundation organized under the laws of Indonesia principally to hold land for conservation purposes. Celebica is exempt from income tax on donation and grant revenues.

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

**(a) Basis of Accounting**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP). All intercompany transactions have been eliminated in consolidation.

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**(b) Use of Estimates**

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the fair value of alternative investments and postretirement benefit obligations and related costs. Actual results could differ from those estimates.

**(c) Basis of Presentation**

WCS's net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of WCS and changes therein are classified and reported as follows:

*Without donor restrictions* – Net assets that are not subject to donor-imposed stipulations. WCS delineates net assets without donor restrictions into the following categories:

General operating – Represents operating activity exclusive of depreciation expense, inclusive of the investment return allocated for spending based on WCS's spending rate, and transfers between general operating and board-designated;

Board-designated – Represents amounts designated by the board of trustees, principally for long-term investment, and transfers to and from general operating and net investment in property and equipment; and

Net investment in property and equipment (Plant) – Represents property (land, buildings, and exhibits) and equipment and associated activities, including debt.

*With donor restrictions* – Net assets subject to donor-imposed stipulations that will be met either by actions of WCS and/or the passage of time or that will be maintained permanently by WCS. Generally, the donors of assets to be maintained permanently permit WCS to use all or part of the return on related investments for general or specific purposes.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

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**(d) Fair Value**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted or published prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels in the fair value hierarchy are as follows:

- Level 1 inputs are quoted or published prices (unadjusted) in active markets for identical assets or liabilities that WCS has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted or published prices included in Level 1 that are either directly or indirectly observable for the assets or liabilities.
- Level 3 inputs are unobservable inputs for the assets or liabilities.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement.

**(e) Contributions**

Contributions, including unconditional promises to give, are recognized initially at fair value as revenues in the period received. Contributions subject to donor-imposed restrictions that are met in the same reporting period are reported as revenues without donor restrictions. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions). Contributions to be received after one year are discounted using a risk-adjusted rate.

Contributions received with donor-imposed conditions are not recognized until they become unconditional, that is, when the conditions on which they depend are met. Amounts received in advance of satisfying the donor-imposed conditions are reported as grants and contracts liabilities.

**(f) Grants and Contracts**

WCS receives funding under grants and contracts from the government of the United States of America, United Nation agencies Kreditanstalt fur Wierderanfbau (KfW), the European Union (EU), and other public and private grantors, for direct and indirect program costs and to provide certain whole or partial sub-grants to other agencies. This funding is subject to contractual conditions, which must be met through incurring qualifying expenses for particular programs.

Revenue from grants and contracts is recognized only when funds are utilized by the Organization to carry out the activity stipulated in the grant or contract agreement and when milestones are met. Grants and contracts receivable represents amounts due from funding organizations for reimbursable expenses incurred. Cash received under grants and contracts in advance of incurring the related expenses is reported as grants and contracts liabilities.

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**(g) Other Significant Forms of Income**

A WCS membership allows the member access to WCS park(s) for one year. The price of the membership is dependent on which parks the member will have access to, the level of access in the park(s) and if parking is included. In 2021, 7.5% of memberships were sold at park admission gates and the remainder either by mail or via the WCS web site. All membership sales are final. Memberships are not refundable or exchangeable, and are not for resale. The full year of access to benefits is conferred at the time of purchase, whether or not a member elects to use them. WCS recognizes the revenue from membership sales at the time of purchase.

WCS receives revenue from the sale of gate and exhibit admission tickets at the five parks. WCS also engages in retail sales related to food, merchandise and parking at the five parks. In both cases revenue related to such transactions is recognized at the time of purchase.

**(h) Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value based upon quoted or published market values. As a practical expedient, investments without a readily determinable fair value, such as the limited partnerships and alternative investments, are reflected at net asset value as reported by the fund managers or general partners, and may differ significantly from the values that would have been reported had a ready market for these investments existed. WCS reviewed and evaluated the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the fair value of the limited partnerships and alternative investments.

**(i) Property and Equipment**

Expenditures for property and equipment, including buildings and improvements constructed on land owned by the City of New York, are capitalized and depreciated on a straight-line basis over estimated useful lives, which range from 5 to 20 years. Major projects and exhibits initiated but not yet completed are classified as construction in progress and are reclassified to the respective asset category and depreciated when completed and placed in service.

**(j) Advances to Sub Awardees**

ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* outlined the methodology to determine when award revenue is recognized by a recipient. That same methodology applies to the funder of a sub award to determine when to recognize the expense for a sub award issued to another organization. This portion of the guidance went into effect July 1, 2019. As a result of this guidance a sub awardee advance is recorded when a contribution containing conditions along with a right of return are made to a sub awardee. Once the sub awardee has reported that it has met the conditions of the sub award, the advance is then liquidated and it is recorded as an expense.

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**(k) Leases**

WCS determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. WCS determines these assets are leased because WCS has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease because WCS determines it does not have the right to control and direct the use of the identified asset. WCS's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating its contracts, WCS separately identifies lease and nonlease components, such as common area and other maintenance costs, in calculating the ROU assets and lease liabilities for its office buildings, apartments and vehicles. WCS has elected the practical expedient to not separate lease and nonlease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the nonlease component.

Leases result in the recognition of ROU assets and lease liabilities on the consolidated balance sheet. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. WCS determines lease classification as operating or finance at the lease commencement date. WCS currently has determined it does not have any significant finance lease arrangements.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. WCS uses its risk-free rate based on the information available at the commencement date of each lease to determine the present value of lease payments. The risk-free rate was derived by using the U.S. Treasury Bill for periods corresponding to the lease term.

The lease term may include options to extend or to terminate the lease that WCS is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

WCS has elected not to record leases with an initial term of 12 months or less on the consolidated balance sheet. Lease expense on such leases is recognized on a straight-line basis over the lease term.

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*Nature of Leases*

WCS has entered into the following lease arrangements:

*Operating Leases*

WCS has various real estate leases for offices and land that expire in years through 2037. These leases generally contain renewal options for periods ranging from 1 to 5 years and require WCS to pay all executory costs (property taxes, maintenance and insurance). Lease payments have an escalating fee schedule, which range from a stated percentage or dollar increase each year in accordance with the contracted annual rental amounts for the respective lease agreement. Termination of the leases is generally prohibited unless there is a violation under the lease agreement. Total operating lease expense for the years ended June 30, 2021 and 2020 was \$1,819,373 and \$1,273,391, respectively.

*Short-Term Leases*

WCS has certain leases that are for a period of 12 months or less or contain renewals for periods of 12 months or less. WCS does not include short-term leases within the consolidated balance sheet since it has elected the practical expedient to exclude these leases within the operating right of use assets and lease liabilities.

**(l) Cash Equivalents**

Cash equivalents include highly liquid debt instruments with original maturities of three months or less at time of purchase, except those included as part of WCS investments.

**(m) Escrow Transactions**

Seima Carbon Company (SCC), a Delaware LLC whose sole member is WCS, was created to facilitate sales and to act as an escrow agent on carbon transactions in Cambodia. SCC is party to an agreement with the Royal Government of Cambodia to act as an escrow agent to manage and distribute proceeds from carbon sales. Escrow funds are maintained by SCC in a separate bank account. SCC's financial activity is consolidated into WCS's financial statements. Within WCS's balance sheet, the escrow funds are displayed in cash in escrow and escrow liability.

**(n) Split-Interest Agreements**

WCS's split-interest agreements consist primarily of charitable gift annuities and life income funds. Contribution revenue is recognized at the date the assets are received after recording liabilities for either (i) the present value of estimated future payments to be made to the donors and/or other beneficiaries, or (ii) the discount to present value for a term equal to the life expectancy of the donor for pooled life income funds gifts. These liabilities are adjusted annually for changes in the value of the assets, accretion of the discount, and other changes in the estimates of future benefits. Assets related to such agreements amounted to approximately \$4,514,952 and \$3,888,039 at June 30, 2021 and 2020, respectively. The carrying amount of split-interest agreement obligations approximates fair value because these instruments are recorded at the estimated net present value of future cash flows.

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**(o) Foreign Currency Translation**

The U.S. dollar (dollars) is the functional currency for WCS's operations worldwide. Transactions in currencies other than dollars are translated into dollars at the rate of exchange in effect during the month of the transaction. Assets and liabilities denominated in foreign currencies are translated into dollars using the exchange rates in effect at the consolidated balance sheet date. Revenue and expenses are translated into dollars using the exchange rate in effect on the transaction date. The resulting translation gain or loss is reflected in the consolidated statement of activities. Translation losses were approximately \$546,000 and \$289,000 for the years ended June 30, 2021 and June 30, 2020, respectively.

**(p) Accounting for Uncertainty in Income Taxes**

WCS recognizes the benefit of tax positions when it is more-likely than-not that the position will be sustainable based on the merits of the position. There are certain transactions which could be deemed "Unrelated Business Income" and would result in a tax liability. Management reviews transactions to estimate the potential tax liabilities using a threshold of more likely than not of being sustained. It is management's estimation that there are no material tax liabilities that need to be recorded.

**(q) Collections**

WCS-operated facilities care for and exhibit an extensive collection of animals, including rare and endangered species. Expenditures for collections are not capitalized.

**(r) Functional Expense Allocation**

The consolidated statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of WCS are reported as expenses of those functional areas. Expenses attributable to more than one program or supporting function are principally allocated based on activity.

**(s) Presentation of Certain Prior Year Information**

The consolidated financial statements include certain prior year summarized information for comparative purposes only. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with WCS's consolidated financial statements as of and for the year ended June 30, 2020 from which the summarized information was derived.

**(t) Contingencies**

In the usual course of carrying out its mission, WCS may be a party to litigation and other claims. WCS carries insurance that, generally, covers costs of defending and settling such litigation and claims. While it is not feasible to predict the ultimate outcomes of such matters, WCS's management is not aware of any pending litigation or claims that would have a material adverse effect on WCS's financial position.

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**(u) New Authoritative Accounting Pronouncements**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This ASU requires lessees to recognize a lease liability and a right-of-use (ROU) asset on a discounted basis, for substantially all leases, as well as additional disclosures regarding leasing arrangements. Disclosures are required to enable users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, which provides an optional transition method of applying the new lease standard. Topic 842 can be applied using either a modified retrospective approach at the beginning of the earliest period presented or, as permitted by ASU 2018-11, at the beginning of the period in which it is adopted, i.e., the comparatives under Accounting Standards Codification (ASC) 840 option.

WCS adopted Topic 842 on July 1, 2020 (the effective date), using the comparatives under ASC 840 transition method, which applies Topic 842 at the beginning of the period in which it is adopted. Prior period amounts have not been adjusted in connection with the adoption of this standard. WCS elected the package of practical expedients under the new standard, which permits entities to not reassess lease classification, lease identification or initial direct costs for existing or expired leases prior to the effective date. WCS has lease agreements with nonlease components that relate to the lease components. WCS elected the practical expedient to account for nonlease components and the lease components to which they relate as a single lease component for all leases. Also, WCS elected to keep short-term leases with an initial term of 12 months or less off the balance sheet. As well as the practical expedient to not assess whether existing or expired land easements that were not previously accounted for as leases under Topic 840 are or contain a lease under Topic 842. WCS elected the hindsight practical expedient in determining the lease term for existing leases as of July 1, 2020.

The most significant impact of adoption was the recognition of operating lease ROU assets and operating lease liabilities of \$3,212,853 and \$2,932,322, respectively, and de-recognition of deferred rental obligations of \$275,810. As part of adopting the standard, previously recognized liabilities for deferred rental obligations and lease incentives were reclassified as a component of the ROU assets. The standard did not significantly affect the consolidated statements of activities or cash flows.

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**(3) Fair Value**

WCS assets at June 30, 2021 are summarized in the following table:

	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Directly managed investments:				
Short-term investments	\$ 17,326,639	17,326,639	—	—
Common stocks – domestic	12,609,635	12,609,635	—	—
Mutual funds – equity domestic	2,744,028	2,744,028	—	—
Mutual funds – fixed income:				
U.S. government	5,412,966	5,412,966	—	—
U.S. corporate	15,180,570	15,180,570	—	—
Mutual funds – natural resources	2,708,127	2,708,127	—	—
	<u>55,981,965</u>	<u>55,981,965</u>	<u>—</u>	<u>—</u>
Investments reported at net asset value (or its equivalent):				
Limited partnerships:				
Multi-asset class	360,395,003	—	—	—
Equity – domestic	31,209,750	—	—	—
Equity – global	14,662,244	—	—	—
Equity – international/ emerging markets	41,772,659	—	—	—
Other	97,420	—	—	—
Alternative investments:				
Private credit	406,959	—	—	—
Distressed securities	7,963,141	—	—	—
Equity – long/short	14,352,686	—	—	—
Multi-strategy	13,260,510	—	—	—
Private equity	8,571,341	—	—	—
Venture capital	12,198,959	—	—	—
	<u>504,890,672</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total investments reported at net asset value (or its equivalent)	<u>\$ 504,890,672</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total investments	<u>\$ 560,872,637</u>	<u>55,981,965</u>	<u>—</u>	<u>—</u>
Other assets:				
Funds held by bond trustee	\$ 282,940	282,940	—	—
Amounts held in trust by others	2,111,963	—	—	2,111,963
Total other assets	<u>\$ 2,394,903</u>	<u>282,940</u>	<u>—</u>	<u>2,111,963</u>

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Information with respect to the redemption provisions of investments reported at net asset value (or its equivalent) is as follows as of June 30, 2021:

<u>Liquidity</u>	<u>Day's notice</u>	<u>Amount</u>
Monthly	15	\$ 66,727,390
	30	14,503,852
	60	5,985,992
Quarterly	30	3,221,728
	60	18,995,964
Annual	90, pays 25% annually	5,822,923
	1 Year, at 12/31	360,395,003
Illiquid	Not applicable	29,237,820
		<u>\$ 504,890,672</u>

WCS assets at June 30, 2020 are summarized in the following table:

	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Directly managed investments:				
Short-term investments	\$ 15,087,415	15,087,415	—	—
Common stocks – domestic	9,052,424	9,052,424	—	—
Mutual funds – equity domestic	1,869,235	1,869,235	—	—
Mutual funds – fixed income:				
U.S. government	5,082,084	5,082,084	—	—
U.S. corporate	12,581,394	12,581,394	—	—
Mutual funds – natural resources	2,283,654	2,283,654	—	—
	<u>45,956,206</u>	<u>45,956,206</u>	<u>—</u>	<u>—</u>
Investments reported at net asset value (or its equivalent):				
Limited partnerships:				
Multi-asset class	289,040,006	—	—	—
Equity – domestic	24,282,413	—	—	—
Equity – global	7,953,747	—	—	—
Equity – international/ emerging markets	37,805,743	—	—	—
Fixed income – domestic	11,517	—	—	—
Other	156,738	—	—	—

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	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Alternative investments:				
Private credit	\$ 844,048	—	—	—
Distressed securities	6,020,898	—	—	—
Equity – long/short	13,935,360	—	—	—
Multi-strategy	14,056,285	—	—	—
Private equity	5,349,939	—	—	—
Venture capital	6,177,082	—	—	—
	<u>405,633,776</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total investments reported at net asset value (or its equivalent)				
	\$ 451,589,982	45,956,206	—	—
	<u>\$ 451,589,982</u>	<u>45,956,206</u>	<u>—</u>	<u>—</u>
Other assets:				
Funds held by bond trustee	\$ 282,940	282,940	—	—
Amounts held in trust by others	1,779,583	—	—	1,779,583
	<u>2,062,523</u>	<u>282,940</u>	<u>—</u>	<u>1,779,583</u>
Total other assets	\$ 2,062,523	282,940	—	1,779,583
	<u>\$ 2,062,523</u>	<u>282,940</u>	<u>—</u>	<u>1,779,583</u>

The following tables present WCS's activity for the fiscal years ended June 30, 2021 and 2020 for Level 3 assets:

	<u>Amounts held in trust by others</u>
Fair value at June 30, 2020	\$ 1,779,583
Sales/distributions	(69,269)
Net appreciation in fair value of investments	<u>401,649</u>
Fair value at June 30, 2021	<u>\$ 2,111,963</u>

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		<b>Amounts held in trust by others</b>
Fair value at June 30, 2019	\$	1,857,717
Sales/distributions		(69,269)
Net appreciation in fair value of investments		<u>(8,865)</u>
Fair value at June 30, 2020	\$	<u><u>1,779,583</u></u>

WCS had unfunded investment commitments totaling \$19.7 million as of June 30, 2021.

**(4) Investments**

The fair value of investments at June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Multi-asset class, including other alternative assets	\$ 360,395,003	289,040,006
Equity/equity funds	102,998,316	80,963,562
Alternative investments	56,851,016	46,540,350
Fixed income funds	20,593,536	17,674,995
Natural resources	2,708,127	2,283,654
Cash and short-term investments	<u>17,326,639</u>	<u>15,087,415</u>
	<u>\$ 560,872,637</u>	<u>451,589,982</u>

WCS invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur and that such changes could materially affect the amounts reported in the consolidated balance sheet.

Investments reported at net asset value (or its equivalent) held by the WCS fall into the following basic strategies:

Private credit strategies – investments that provide debt financing to other lenders (or originating servicers) that originate and service consumer and other forms of debt.

Distressed securities hedge funds and private investments – investments through individual managers that invest in financial instruments that have suffered a substantial reduction in value. Distressed securities can include common and preferred shares, bank debt, trade claims (goods owed) and corporate bonds. WCS has one fund held in this strategy that does not provide redemption at this time.

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Long/short equity hedge funds – investments through individual managers that take long positions in stocks that are expected to appreciate and short positions in stocks that are expected to decline.

Private equity – investments in fund managers that invest in the equity securities and debt in operating companies that are not publicly traded on a stock exchange. The investments have a long-term horizon and are illiquid in nature.

Venture capital – investments in fund managers that provide early stage financing to startup companies and small businesses that are believed to have long-term growth potential. The investments have a long-term horizon and are illiquid in nature.

WCS invests a significant portion of the investment portfolio in one manager, Makena Capital Management, LLC (Makena). Makena offers a pooled investment vehicle, the Makena Endowment Portfolio, utilizing a multi-asset manager structure. The net asset value of WCS investments in Makena as of June 30, 2021 and 2020 is as follows:

	<b>2021</b>	<b>2020</b>
Multi-asset class, including other alternative assets	\$ 360,395,003	289,040,006

The Makena Endowment Portfolio is a highly diversified multi-asset class investment portfolio. The asset allocations for the Makena Endowment Portfolio as of June 30, 2021 are as follows:

<b>Asset class</b>	<b>Percentage of portfolio</b>
U.S. market equity	18 %
Developed markets equity	12
Emerging markets equity	13
Private equity	22
Real estate	9
Natural resources	6
Absolute return	8
Fixed income	12
	100 %

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The components of investment return for the years ended June 30, 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Interest and dividend income, net of investment expenses of \$3,935,227 and \$3,508,234 in 2021 and 2020, respectively	\$ 9,836,501	(1,411,342)
Net appreciation in fair value of investments	122,009,958	11,207,828
Total investment return	131,846,459	9,796,486
Less investment return available under spending policy, including amounts restricted for time or purpose of \$9,474,216 in 2021 and \$10,318,333 in 2020	(22,921,201)	(26,903,758)
Investment return (less than) in excess of amount available under spending policy, including amounts restricted for time or purpose of \$44,462,528 in 2021 and (\$6,262,372) in 2020	\$ 108,925,258	(17,107,272)

**(5) Endowment Funds**

The WCS long-term investment portfolio includes donor-restricted endowment funds as well as funds without donor restrictions designated for long-term investment by the board of trustees, which are funds functioning as endowment. The primary management objective of the long-term investment portfolio is to preserve the real (inflation-adjusted) purchasing power of invested funds while providing a relatively predictable, stable, and constant (in real terms) payout for current use. The primary investment objective is to earn an average annual real (inflation-adjusted) return of at least 5% per year, net of management fees, over the long term (rolling five-year periods). The risk objective of the long-term investment portfolio is to achieve this return goal with minimal levels of risk and volatility through diversification. The primary objective of WCS's asset allocation policy is to provide a strategic mix of asset classes that produce the highest expected investment return while controlling risk.

The board of trustees has authorized a spending policy for endowments and funds functioning as endowment at a rate (spending rate) of up to 5% of the average fair value of its donor-restricted endowment funds and funds designated for long-term investment for the most recent 12-calendar-year quarters prior to the beginning of the current fiscal year. The average market value used for calculating endowment payout may be reduced to account for liquidity restrictions due to side pockets or other special restrictions to liquidity imposed by fund managers. The board of trustees may authorize additional spending, as needed, to finance special purposes, including capital expenditures, and operating deficits, if any, subject to donor restrictions.

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WCS's endowment consists of 104 individual funds at June 30, 2021 and 2020, established for a variety of purposes, including both donor-restricted endowment funds and funds functioning as endowment. At June 30, 2021 there were no endowment accounts that were less than their original fair value (i.e., were underwater).

WCS follows the provisions of the New York Uniform Prudent Management of Institutional Funds Act (NYPMIFA), a version of the Uniform Prudent Management of Institutional Funds Act. WCS has interpreted NYPMIFA as allowing WCS to appropriate for expenditure or accumulate so much of an endowment fund as WCS determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument.

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment net assets at June 30, 2021 and 2020 consisted of the following:

	<b>2021</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Board-designated	\$ 130,880,568	—	130,880,568
Donor-restricted:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	—	272,986,244	272,986,244
Accumulated investment gains	—	95,793,957	95,793,957
Total	<u>\$ 130,880,568</u>	<u>368,780,201</u>	<u>499,660,769</u>
	<b>2020</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Board-designated	\$ 71,723,143	—	71,723,143
Donor-restricted:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	—	272,697,396	272,697,396
Accumulated investment gains	—	51,579,568	51,579,568
Total	<u>\$ 71,723,143</u>	<u>324,276,964</u>	<u>396,000,107</u>

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Changes in endowment net assets for the fiscal years ended June 30, 2021 and 2020 were as follows:

	<b>2021</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Endowment net assets, June 30, 2020 as reported	\$ 71,723,143	324,276,964	396,000,107
Net appreciation (realized and unrealized)	77,855,252	53,688,686	131,543,938
Contributions	—	288,848	288,848
Appropriation of endowment assets for expenditure	(13,439,735)	(9,474,297)	(22,914,032)
Withdrawal from board-designated endowment	(5,258,092)	—	(5,258,092)
Endowment net assets, June 30, 2021	<u>\$ 130,880,568</u>	<u>368,780,201</u>	<u>499,660,769</u>

	<b>2020</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Endowment net assets, June 30, 2019 as reported	\$ 101,082,650	329,177,886	430,260,536
Net appreciation (realized and unrealized)	5,692,083	4,232,411	9,924,494
Contributions	—	1,185,000	1,185,000
Appropriation of endowment assets for expenditure	(16,585,425)	(10,318,333)	(26,903,758)
Withdrawal from board-designated endowment	(18,466,165)	—	(18,466,165)
Endowment net assets, June 30, 2020	<u>\$ 71,723,143</u>	<u>324,276,964</u>	<u>396,000,107</u>

Board designated net assets represent funds, subject to the spending policy and appropriation which support domestic and global programs as well as general operations. Board-designated endowment net assets at June 30, 2021 and 2020 consist of the following:

	<b>2021</b>	<b>2020</b>
Zoos and Aquarium programs	\$ 77,541,657	34,635,582
General purposes	20,981,292	4,239,404
Global conservation programs	32,357,619	32,848,157
	<u>\$ 130,880,568</u>	<u>71,723,143</u>

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**(6) Net Assets with Donor Restrictions**

Net assets with purpose or time restrictions at June 30, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Amounts restricted for the following purposes:		
Zoos and Aquarium programs	\$ 125,752,122	102,934,363
Building and exhibit improvements	2,305,540	2,595,134
Global conservation programs	<u>62,155,281</u>	<u>49,035,963</u>
	<u>\$ 190,212,943</u>	<u>154,565,460</u>

Net assets that are restricted in perpetuity at June 30, 2021 and 2020 represent endowment gifts and consist of the following:

	<u>2021</u>	<u>2020</u>
Zoos and Aquarium programs	\$ 180,186,733	180,086,733
General purposes	6,437,570	6,374,514
Global conservation programs	<u>86,361,941</u>	<u>86,236,149</u>
	<u>\$ 272,986,244</u>	<u>272,697,396</u>

**(7) Grants and Contributions Receivable**

Grants and contributions receivable comprised of contributions receivable, Non-U.S. government and bilateral grants and contracts and private organization grant and contracts as of June 30, 2021 and 2020 are due to be collected as follows:

	<u>2021</u>	<u>2020</u>
Within one year	\$ 32,649,703	30,734,178
One to five years	<u>6,522,701</u>	<u>10,408,077</u>
	39,172,404	41,142,255
Less present value discount (1.45% in 2021 and 0.66% in 2020)	<u>(314,695)</u>	<u>(206,333)</u>
	<u>\$ 38,857,709</u>	<u>40,935,922</u>

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**(8) Property and Equipment**

At June 30, 2021 and 2020, the cost and accumulated depreciation of property and equipment are as follows:

	<u>2021</u>	<u>2020</u>
Land	\$ 651,268	651,268
Buildings and exhibits	595,476,258	592,865,165
Furniture, fixtures, and equipment	54,628,538	53,299,316
Construction in progress	<u>194,252,425</u>	<u>174,077,968</u>
	845,008,489	820,893,717
Less accumulated depreciation	<u>395,694,254</u>	<u>367,588,409</u>
	<u>\$ 449,314,235</u>	<u>453,305,308</u>

**(9) Line of Credit Agreements**

On March 17, 2020, WCS renewed a \$30,000,000, 3 year, unsecured line of credit facility with Bank of America to support working capital needs. The line of credit bears interest at the 1-month London Interbank Offered Rate (LIBOR) plus 0.30% (0.40425% at June 30, 2021). Interest is paid monthly and an unused credit facility is paid quarterly. WCS drew down on this line of credit in its entirety in March 2020. At June 30, 2021, \$30,000,000 was outstanding. On August 4, 2021 WCS used operating cash to repay this line of credit.

On August 20, 2020, WCS entered into a \$50,000,000, 3 year, unsecured line of credit facility with Bank of America to support working capital needs. The line of credit bears interest at the 1-month London Interbank Offered Rate (LIBOR) plus 1.45% (1.55425% at June 30, 2021). Interest is paid monthly and an unused credit facility is paid quarterly. WCS has not drawn down on this line of credit.

**(10) Bonds Payable**

On August 13, 2020, WCS entered into a Bond Indenture with U.S. Bank National Association (the Bond Trustee). In connection with this Bond Indenture the Bond Trustee issued \$165,985,000 of Wildlife Conservation Society Taxable Bonds, Series 2020, with a 3.414% interest rate per annum. The proceeds of the Series 2020 Bonds were used to (i) refund the outstanding \$79.2 million aggregate principal amount of the Trust for Cultural Resources of The City of New York Revenue Bonds, Series 2013A (Wildlife Conservation Society); \$44.4 million aggregate principal amount of the Trust for Cultural Resources of The City of New York Revenue Bonds, Series 2014A (Wildlife Conservation Society) (collectively, the Refunded Bonds) and \$17.9 million of interest amounts calculated through the call date of August 1, 2023, (ii) refinance the outstanding portion of \$6.6 million taxable loan with T.D. Bank, N.A., (iii) fund capitalized interest of \$16.8 million on the Series 2020 Bonds and (iv) pay costs of \$1.1 million related to the issuance of the Bonds. Such moneys were deposited in an escrow fund established to provide for the defeasance of

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the Refunded Bonds. As a result of the transaction, WCS recorded a net loss on the defeasance (the difference between the reacquisition price and the net carrying amount of the extinguished debt) of \$8,335,924 during the fiscal year ended June 30, 2021. Bonds payable are recorded on the consolidated balance sheet net of unamortized costs of issuance of \$1,100,220 as of June 30, 2021.

Projected interest and principal payments are as follows:

	<u>Interest</u>	<u>Principal</u>
Year ending June 30:		
2022	\$ 5,666,728	—
2023	5,666,728	—
2024	5,666,728	—
2025	5,666,728	—
2026	5,666,728	—
Thereafter	<u>138,834,833</u>	<u>165,985,000</u>
Total	<u>\$ 167,168,473</u>	<u>165,985,000</u>

WCS is required to establish and deposit with bond trustees certain funds for the benefit of bondholders, and to fulfill capital commitments. The funds are invested, principally in money market funds, by the trustees until withdrawn to effect the purposes for which they were generated.

**(11) Deferred Compensation**

WCS has established two deferred compensation plans which provide for certain benefits currently payable through June 30, 2024. WCS accrues the present value of the estimated future benefit payments over the period from the date of the plans' inception through the dates payable. WCS recognized expense of \$503,747 in 2021 and \$782,637 in 2020 related to the plans. A liability of \$1,343,689 and \$2,183,683 is reported in accounts payable and accrued expenses in the accompanying consolidated balance sheets as of June 30, 2021 and 2020, respectively.

**(12) Retirement Benefits**

All eligible WCS employees are members of the Cultural Institutions Retirement System's (CIRS) Pension, 401(k) Savings, and Group Life and Welfare Benefits Plans (the Plans). The CIRS Pension Plan (the Plan) is a cost sharing multiemployer plan that offers benefits related to years of service and final average salary. All participants become 100% vested after five years of service. There are no partial vesting provisions. WCS's pension expense related to this Plan was approximately \$9,391,000 and \$8,824,000 for the years ended June 30, 2021 and 2020, respectively. There have been no significant changes that affect the comparability of fiscal years 2021 and 2020 contributions. WCS's contributions to the Plan represent more than 5% of the total contributions to this plan for the years ended June 30, 2021 and 2020. The Employer Identification Number of the plan is 11-2001170. The three digit plan number is 001. On September 27, 2016, a new five-year contract was ratified governing CIRS benefits for the period July 1, 2015 through

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June 30, 2021. The most recent Pension Protection Act (PPA) zone status is green at June 30, 2021 and 2020 and, as required by the PPA, is certified by the Plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. As of the date the financial statements were issued, Form 5500 was not available for the plan year ended June 30, 2021.

The expenses for the Group Life and Welfare Benefit Plans and the administrative costs for the Plans for the years ended June 30, 2021 and 2020 was as follows:

	<u>2021</u>	<u>2020</u>
Group Life and Welfare Benefits	\$ 165,000	199,000
Administration (all three plans)	<u>1,184,000</u>	<u>1,184,000</u>
	<u>\$ 1,349,000</u>	<u>1,383,000</u>

In addition, WCS has the practice of converting a portion of accrued sick leave into a lump-sum terminal leave payout upon the retirement of certain nonunion employees retiring from active service meeting certain age and service criteria. Terminal leave payout is a contractual obligation for WCS's unionized staff. WCS accrues for this accumulated terminal leave payment obligation. During 2021 and 2020, WCS recognized expense of \$230,425 and \$81,964 related to the terminal leave, respectively. The present value of the terminal leave obligation amounted to \$1,523,001 and \$1,753,426 at June 30, 2021 and 2020, respectively, which is included in accounts payable and accrued expenses in the accompanying consolidated balance sheets.

Furthermore, WCS also provides certain health care benefits for retired employees. Substantially all of WCS's employees may become eligible for those benefits if they reach normal retirement age while working for WCS. Effective January 1, 2013, WCS's contribution towards Medicare eligible nonunion post-retirement benefits was reduced to new fixed amounts that coincide with a change in plan design.

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The following table provides a summary of this unfunded plan as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 56,967,555	48,778,892
Service cost	2,768,723	2,328,503
Interest cost	1,510,353	1,756,220
Plan participants' contribution	153,749	196,985
Amendment – plan change	—	—
Actuarial (gain) loss	(4,738,679)	6,043,405
Benefits paid	<u>(2,319,855)</u>	<u>(2,136,450)</u>
Benefit obligation at end of year	<u>54,341,846</u>	<u>56,967,555</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	—	—
Employer contribution	2,319,855	2,136,450
Benefits paid	<u>(2,319,855)</u>	<u>(2,136,450)</u>
Fair value of plan assets at end of year	<u>—</u>	<u>—</u>
Accumulated postretirement health and life insurance benefit obligation recognized in the consolidated balance sheet	<u>\$ (54,341,846)</u>	<u>(56,967,555)</u>
	<u>2021</u>	<u>2020</u>
Components of net periodic benefit expense:		
Service cost	\$ 2,768,723	2,328,503
Interest cost	1,510,353	1,756,220
Amortization of prior service credit	(71,944)	(709,359)
Amortization of net loss	<u>926,980</u>	<u>667,278</u>
Net periodic benefit expense	<u>\$ 5,134,112</u>	<u>4,042,642</u>

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Information with respect to plan assumptions and estimated future benefit payments is as follows:

	<u>2021</u>	<u>2020</u>
Benefit obligation weighted average assumptions as of June 30, 2021 and 2020:		
Discount rate	2.92 %	2.70 %
Benefit cost weighted average assumptions for the years ended June 30, 2021 and 2020:		
Discount rate	2.70 %	3.57 %

For measurement purposes, an annual rate of increase in the per capita cost of covered health care benefits of 6.50% in 2021 grading down to an ultimate rate of 4.75% in 2025.

As of June 30, 2021, a total loss of \$11,600,593 consisting of \$11,445,663 net actuarial loss and \$154,930 prior service cost, has not yet been recognized as a component of net periodic benefit cost.

During the years ended June 30, 2021 and 2020, (\$5,593,715) and \$6,085,486 were reported, respectively, as postretirement-related change other than net periodic postretirement benefit costs. The components of the amounts are as follows:

	<u>2021</u>	<u>2020</u>
Net actuarial (gain) loss	\$ (5,665,659)	5,376,127
Prior service cost	71,944	709,359
	<u>\$ (5,593,715)</u>	<u>6,085,486</u>

It is estimated that \$71,944 of the prior service credit and \$926,980 of amortization of the net actuarial loss will be recognized as components of net periodic benefit cost in fiscal year 2022.

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Assumed health care cost trend rates have a significant effect on the amounts reported for health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects on the amounts reported for fiscal year 2021:

	<u>One- percentage- point increase</u>	<u>One- percentage- point decrease</u>
Impact of one-percentage-point change in health care cost trend rates:		
Effect on total service and interest cost components	\$ 793,560	(603,754)
Effect on the postretirement benefit obligation	7,873,633	(6,196,997)

Projected contributions and benefit payments for each of the next five fiscal years and the five fiscal years thereafter are as follows:

Year ending June 30:	
2022	\$ 1,971,000
2023	2,127,000
2024	2,237,000
2025	2,321,000
2026	2,505,000
2027 through 2031	<u>13,652,000</u>
	<u>\$ 24,813,000</u>

**(13) Leases**

WCS has entered into operating and short-term leases primarily for office space which expire through 2037. Operating leases with lease terms greater than one year are reported as operating lease right-of-use assets and operating lease liabilities in the consolidated balance sheet.

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The table below presents a maturity analysis of operating lease liabilities and a reconciliation of the total amount of such liabilities in the consolidated balance sheet as of June 30, 2021:

Year ending June 30:	
2022	\$ 1,646,334
2023	850,396
2024	282,545
2025	101,705
2026	55,605
Thereafter	<u>45,596</u>
	2,982,181
Less discount for present value	<u>(49,859)</u>
	<u>\$ 2,932,322</u>

Lease costs and other related information for the year ended June 30, 2021 were as follows:

Lease cost:	
Operating lease cost	\$ 1,819,373
Short-term lease cost	<u>594,464</u>
Total lease cost	<u>\$ 2,413,837</u>

Other information:

Cash paid for amounts included in measurement of lease liabilities:

Operating cash flows for operating leases	\$ 1,866,514
Weighted-average remaining lease term	2.45 years
Weighted-average discount rate	1.45 %

**(14) The City of New York Support (the City)**

Funds from the City support the Bronx Zoo, the New York Aquarium, and the City Zoos, in part, for operations and capital improvement purposes.

WCS operates the Bronx Zoo pursuant to a city grant made in 1897 and the New York Aquarium pursuant to an agreement with the City made in 1950. The Bronx Zoo and the New York Aquarium are under WCS's management and control. The City, through the Department of Cultural Affairs (DCA), appropriates funds to support certain operating costs. WCS received \$16,421,030 and \$17,273,665 in operating support during 2021 and 2020, respectively.

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WCS and the City have entered into renewable agreements with respect to the City Zoos in Central Park, Prospect Park, and Queens providing for WCS's operation and management of these facilities. The City, through the Department of Parks and Recreation, reimburses for the excess of eligible expenses over revenues at these facilities and pays WCS a management fee. WCS received \$21,169,290 and \$17,667,397 in support during 2021 and 2020, respectively, under these agreements.

The City, through its capital improvement budget, makes expenditures benefiting the Bronx Zoo, the New York Aquarium, and the City Zoos. In addition, the City provides capital appropriations directly to WCS for capital improvements. In fiscal years 2021 and 2020, this funding amounted to \$21,117,852 and \$35,489,067, respectively.

In fiscal year 2021 and 2020, WCS also received, through the DCA, grants with restrictions totaling \$279,706 and \$391,000, respectively.

The amounts above are included in appropriation from the City in the accompanying consolidated statement of activities.

During 2017, WCS executed an agreement with the City for reimbursement of costs related to the restoration of storm damage at the New York Aquarium associated with Hurricane Sandy. The total receivable as of June 30, 2021 and 2020 was \$81,047,676 and \$60,861,698 of which includes expenditures of \$20,185,978 and \$35,437,638, respectively, is included in receivable from the City in the accompanying consolidated balance sheets. On August 2, 2021, WCS received \$23 million from the City of New York towards the reimbursement of costs related to restoration expenses incurred from Sandy for the New York Aquarium.

**(15) Liquidity and Availability**

WCS financial assets and resources available to meet cash needs for general expenditure within one year of the consolidated balance sheets were as follows at June 30, 2021 and June 30, 2020:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 52,537,719	52,471,057
Miscellaneous receivables	1,895,734	2,954,336
Contributions and grants receivable	32,649,703	30,734,178
Receivables from the City and State of New York	105,502,665	90,543,760
Receivables from U.S. Federal sources	8,349,789	10,380,558
Investments appropriated to spend in following year	<u>22,859,234</u>	<u>22,914,032</u>
Total financial assets and other resources available within one year	<u>\$ 223,794,844</u>	<u>209,997,921</u>

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As a part of WCS liquidity management strategy, WCS structures its financial assets to be available as its general expenditures, liabilities and other obligations become due. Cash withdrawals from the managed investment pool normally coincide with the endowment spending distribution. To help manage unexpected liquidity WCS has committed bank lines of credit in the amount of \$80 million. Additionally, WCS has board-designated endowment funds of \$130.9 million as of June 30, 2021. Although WCS does not intend to spend from board designated endowment funds other than amounts appropriated for expenditure as part of the annual budget approval process, amounts from its board-designated endowment could be made available if necessary.

**(16) COVID-19 Pandemic**

In January 2020, the World Health Organization recognized the novel strain of coronavirus, COVID-19, as a pandemic. Throughout the year ended June 30, 2021, WCS's zoos and aquarium were subject to operational restrictions and other safety protocols in accordance with New York State executive orders and guidance related to the pandemic. All WCS's zoos and aquarium were closed to the public beginning March 16, 2020, and remained closed through most of July 2020. Outdoor exhibits at the Bronx Zoo, Central Park Zoo, Prospect Park Zoo and Queens Zoo reopened to the public on July 24, 2020. Indoor exhibits at those facilities and outdoor and indoor exhibits at the New York Aquarium reopened to the public on August 24, 2020. The reopened facilities have since been operating in accordance with New York State safety guidance and directives, including attendance capacity limitations. The operations of WCS's Global Conservation programs were also affected by local governmental and other guidance and requirements, which in some cases disrupted planned programmatic activity. The incidence of COVID-19 has therefore negatively affected WCS's operating results, with the greatest impacts on attendance driven revenues including gate admissions, membership fees and restaurant and merchandise sales. While it is anticipated that the effects of COVID-19 may continue to negatively affect WCS's financial position, results of operations and cash flows, the trend in attendance driven revenues since reopening has been positive and is expected to continue.

**(17) Subsequent Events**

In conjunction with the preparation of the consolidated financial statements, WCS evaluated subsequent events from June 30, 2021 and through October 25, 2021, the date on which the consolidated financial statements were issued, and has concluded that there are no additional disclosures.

**WILDLIFE CONSERVATION SOCIETY  
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Schedule of Expenditures of Federal Awards  
Year ended June 30, 2021

Federal agency/pass-through grantor/program title	Federal assistance listing number	Pass through entity identifying number	Amount provided to subrecipients	Expenditures
Research and development cluster:				
Direct awards:				
United States Agency for International Development	98.001		\$ 965,266	8,765,473
			<u>965,266</u>	<u>8,765,473</u>
United States Department of the Interior:				
Fish and Wildlife Service	15.RD		249,309	3,816,394
National Park Service	15.945		—	165,096
Bureau of Land Management	15.247		—	15,214
US Geological Survey	15.808		—	51,932
			<u>249,309</u>	<u>4,048,636</u>
National Science Foundation	47.RD		30,643	141,744
			<u>30,643</u>	<u>141,744</u>
United States Department of Defense	12.630		25,275	82,276
			<u>25,275</u>	<u>82,276</u>
United States Department of Agriculture:				
Forest Service	10.684		85,640	172,639
			<u>85,640</u>	<u>172,639</u>
United States Department of State:				
Bureau of International Narcotics and Law Enforcement Affairs	19.703		—	653,095
Bureau of International Narcotics and Law Enforcement Affairs	19.705		1,020,091	8,856,402
Participation in the Enforcement of Wildlife Laws: Central America and the DR	19.017		—	70,476
Strengthened Counter-Poaching in the Rungwa/Kizigo/Muhesi Game Reserve Complex i	19.700		—	131,035
			<u>1,020,091</u>	<u>9,711,008</u>
National Aeronautics and Space Administration	43.001		52,906	218,449
			<u>52,906</u>	<u>218,449</u>
United States National Oceanic and Atmospheric Administration	11.482		—	85,763
			<u>—</u>	<u>85,763</u>
Total direct awards			<u>2,429,130</u>	<u>23,225,988</u>
Pass-through awards:				
United States Agency for International Development:				
University of California Davis – PREDICT 2	98.001	AID-OAA-A-14-00102/ 201403200-06/A15-0146-S008	—	167,175
Fondo Para La Conservacion De Los LAC GUATE debt swap governance	98.001	FCA 002-2019	—	102,521
Chemonics International – Guatemala Biodiversity Project	98.001	sub-56972052018C000002	—	392,943
Chemonics International – Bijak Indonesia Project	98.001	AID-OAA-I-14-00013/SUB253	—	210,059
DAI Global LLC – LAC PERU PREVENT wildlife trafficking	98.001	PUR-LIM-20-0067	—	6,596
DAI Global LLC – AFR MOZAM Red List DAI	98.001	1002923-S20-34658-00	—	77,408
DAI Global LLC – Red List Threatened Species & Mapping Key Biodiversity Areas (KBAs) in Moz.	98.001	AID-656-TO-16-00005 / 1002923-19S-31708-00	—	53,772
Environmental Incentives LLC – ASI CWT Design Assessment	98.001	N/A	—	20,954
Tetra Tech – AFR MADAG Mikajj Tetra Tech / Improvement management capacity-enhancement of hum	98.001	720-687-1-C-00002/001-S-HO-1093-WCS	—	609,358
Tetra Tech – Improving Reef Fisheries Governance in Indonesia	98.001	001-S-HO-1087	—	136,111
Tetra Tech – USAID Saving Species Project	98.001	AID-440-C-16-00002/1089-WCS-001	—	20,283
Tetra Tech – LAC BOLIV Covid-19 Tetra Tech Indigenous Org	98.010	BOL046	—	26,928
Tetra Tech – ASI CAMBO Prey Lang Tetra Tech	98.001	720-442-18-C-00001/1094-WCS-001	—	989,355
Tetra Tech – LAC BOLIV Covid-19 Tetra Tech	98.010	BOL033	—	95,925
Tetra Tech – LAC BOLIV Indigenous reconciliation	98.001	AID-OAA-TO-15-00031 / BOL004	23,372	70,037
Uganda Biodiversity Fund (UBF) – AFR UGAND UBF Sustainable Entity	98.001	AID-720-617-20-CA-00009 / 01	—	21,349
Mississippi State University – ASI CAMBO PTF communities	98.010	193900.312455.20A	—	93,903
Mississippi State University – MAP KENYA Coral Reef	98.010	193900.312455.20B	—	82,598
Cardo Emerging Markets USA Ltd – ASI PNG Biodiversity Program	98.001	720-492-19-CA-00008 / 4752-001-CRA-001	—	385,326
World Wildlife Fund – Paraguay Forest Conservation Agriculture Alliance	98.001	OT08	3,726	66,043
World Wildlife Fund – LAC PARAG Forest Conservation	98.011	PY10745	—	8,721
			<u>27,098</u>	<u>3,637,365</u>
United States Department of the Interior:				
Fish and Wildlife Service:				
Defenders of Nature – LAC GUATE Golden-Winged Warbler	15.635	F19AP00602	—	22,227
			<u>—</u>	<u>22,227</u>
United States Department of State:				
Bureau of International Narcotics and Law Enforcement Affairs:				
Zoological Society of London – GCP INL ZSL Smart Refractions	19.705	SINLEC18GR2081	—	40,000
Elephant Protection Initiative Foundation – AFR NGR1A Ivory gold standards	19.705	SINLEC19GR0347 / SFOP0005597	—	69,281
			<u>—</u>	<u>109,281</u>
United States National Science Foundation:				
University of Alaska Fairbanks – MAP Beringia Branding	47.076	P0547676	—	7,893
			<u>—</u>	<u>7,893</u>
United States Geological Survey:				
University of Colorado Boulder – NAP NCCASC climate data	15.820	1559602	—	61,037
University of Colorado Boulder – NAP NCCASC N. Great Plains climate impacts	15.820	1558945	—	9,711
University of Colorado Boulder – NAP NCCASC Weaving Sciences	15.820	1580057	—	14,631
			<u>—</u>	<u>85,379</u>
National Aeronautics and Space Administration:				
Montana State University – Informing UN-assisted National Biodiversity Strategy Action Plans with Earth Observations	43.001	NNX17AG51G / G238-17-W6575	—	2,569
Montana State University – CS LAP Life on Land	43.001	80NSSC19K0186 /G205-19-W7598	—	93,619
University of Alabama – Climate-Influenced Nutrient Flows and Threats to the Biodiversity of the Belize Barrier Reef Reserve System	43.001	80NSSC19K0200 / 2019-042	—	67,505
University of Alabama – LAC BELIZ COVID-19 reef impact	43.001	2020-1288	—	8,592
			<u>—</u>	<u>172,285</u>
United States Bureau of Oceans and International Environmental and Scientific Affairs:				
Winrock International Institute – CS Winrock Project Design	19.017	6966-20-A-03	—	22,327
			<u>—</u>	<u>22,327</u>
Total pass-through awards			<u>27,098</u>	<u>4,056,757</u>
Total Research and development cluster			<u>2,456,228</u>	<u>27,282,745</u>

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

Federal agency/pass-through grantor/program title	Federal assistance listing number	Pass through entity identifying number	Amount provided to subrecipients	Expenditures
Other programs:				
United States Department of the Interior:				
Fish and Wildlife Service:				
American Bird Conservancy – Conservation of Habitat for Two Priority Migrants in Nicaragua and Honduras	15.635	1817A	\$ 12,294	34,440
Zoological Society of London – AFR CONGO Bushmeat Mentorship	15.651	N/A	—	6,044
United States Department of Health and Human Services:				
Health Resources and Services Administration :				
NYS Department of Health – Comprehensive Adolescent Pregnancy Prevention	93.778	05-1605NY5ADM / C32145GGCAPP	—	422,776
Federal Emergency Management Agency:				
City of New York, Department of Cultural Affairs:				
New York State Department of Homeland Security and Emergency Services – Disaster Grants – Public Assistance	97.036	N/A	—	20,185,978
			<u>12,294</u>	<u>20,649,238</u>
Total expenditures of federal awards			<u>\$ 2,468,522</u>	<u>47,931,983</u>

See accompanying notes to schedule of expenditures of federal awards.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

**(1) Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Wildlife Conservation Society and subsidiaries (WCS) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Society, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of WCS.

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

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in the Uniform Guidance or the cost principles in Office of Management and Budget Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Schedule includes all eligible expenditures incurred by WCS that were approved by the Federal Emergency Management Agency (FEMA) in fiscal year 2021.

**(3) Indirect Cost Rate**

In connection with its ongoing relationship with United States Agency for International Development and the regulatory provision for its negotiated indirect cost rate agreement, WCS has been involved in finalizing provisional rates. As of June 30, 2021, WCS has finalized rates through fiscal year 2015, and has been given provisional rates for fiscal year 2016 and onward until amended. Provisional rates provided by the government are charged to the grants and adjusted in the period after the final rate is determined. WCS has not elected to use the 10-percent de minimis cost rate allowed under the Uniform Guidance.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Indirect Cost Rate Calculation

Year ended June 30, 2021

	Direct costs			Indirect costs			Total expenditures
	All other excluding management and general	Reclass of indirect costs	Adjusted total direct costs	Management and general	Reclass of indirect costs	Adjusted management and general	
Elements of cost:							
Salaries and wages	\$ 108,963,539	(6,604,874)	102,358,665	17,825,417	6,604,874	24,430,291	126,788,956
Employee benefits and payroll taxes	43,862,592	(2,749,167)	41,113,425	5,831,493	2,749,167	8,580,660	49,694,085
Employment costs	3,217,114	(197,263)	3,019,851	275,473	197,263	472,736	3,492,587
Consultant	13,586,937	(84,783)	13,502,154	1,207,640	84,783	1,292,423	14,794,577
Purchased services	8,403,656	306,866	8,710,522	2,201,655	(306,866)	1,894,789	10,605,311
Awards & Grants	11,578,968	—	11,578,968	—	—	—	11,578,968
Professional fees	3,148,837	(14,873)	3,133,964	1,674,581	14,873	1,689,454	4,823,418
Property and casualty insurance	4,516,365	(729,405)	3,786,960	220,316	729,405	949,721	4,736,681
Advertising	4,121,449	—	4,121,449	53,000	—	53,000	4,174,449
Repair and maintenance	8,802,634	(533,454)	8,269,180	1,421,817	533,454	1,955,271	10,224,451
Supplies and materials	18,424,090	(308,216)	18,115,874	774,431	308,216	1,082,647	19,198,521
Animal food and forage	3,633,646	—	3,633,646	13,961	—	13,961	3,647,607
Telephone	1,424,678	(160,787)	1,263,891	321,216	160,787	482,003	1,745,894
Utilities	5,729,375	(15,718)	5,713,657	968	15,718	16,686	5,730,343
Rent	3,810,201	—	3,810,201	316,626	—	316,626	4,126,827
Travel	9,174,789	(30,615)	9,144,174	43,012	30,615	73,627	9,217,801
Dues and fees	457,538	(150,758)	306,780	312,687	150,758	463,445	770,225
Postage and shipping	741,457	(15,011)	726,446	26,748	15,011	41,759	768,205
Cost of product sold	5,507,777	—	5,507,777	—	—	—	5,507,777
Collection accessions	246,740	—	246,740	—	—	—	246,740
Currency translation loss	409,207	—	409,207	136,633	—	136,633	545,840
Bond interest expense	5,510,973	—	5,510,973	—	—	—	5,510,973
Other	3,545,378	(52,629)	3,492,749	276,235	52,629	328,864	3,821,613
Total expenses exclusive of depreciation	<u>268,817,940</u>	<u>(11,340,687)</u>	<u>257,477,253</u>	<u>32,933,909</u>	<u>11,340,687</u>	<u>44,274,596</u>	<u>301,751,849</u>
Less direct cost adjustments – distorting items:							
Salaries and wages	—	—	—	—	—	—	—
Employee benefits and payroll taxes	—	—	—	—	—	—	—
Purchased services	(224,916)	—	(224,916)	—	—	—	(224,916)
Awards & Grants	(11,578,968)	—	(11,578,968)	—	—	—	(11,578,968)
Professional fees	—	—	—	—	—	—	—
Advertising	(4,121,449)	—	(4,121,449)	—	—	—	(4,121,449)
Repair and maintenance	(3,332,810)	—	(3,332,810)	—	—	—	(3,332,810)
Supplies and materials	—	—	—	—	—	—	—
Animal food and forage	(3,633,646)	—	(3,633,646)	—	—	—	(3,633,646)
Utilities	(5,393,841)	—	(5,393,841)	—	—	—	(5,393,841)
Rent	(1,844,672)	—	(1,844,672)	—	—	—	(1,844,672)
Dues and fees	(72,223)	—	(72,223)	—	—	—	(72,223)
Postage and shipping	(19,529)	—	(19,529)	—	—	—	(19,529)
Cost of product sold	(5,491,217)	—	(5,491,217)	—	—	—	(5,491,217)
Collection accessions	—	—	—	—	—	—	—
Currency translation loss	(409,207)	—	(409,207)	—	—	—	(409,207)
Bond interest expense	(5,510,973)	—	(5,510,973)	—	—	—	(5,510,973)
Other	—	—	—	—	—	—	—
Subtotal direct cost adjustments	<u>(41,633,451)</u>	<u>—</u>	<u>(41,633,451)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(41,633,451)</u>
Balance forward	<u>227,184,489</u>	<u>(11,340,687)</u>	<u>215,843,802</u>	<u>32,933,909</u>	<u>11,340,687</u>	<u>44,274,596</u>	<u>260,118,398</u>

(Continued)

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Indirect Cost Rate Calculation

Year ended June 30, 2021

	Direct costs			Indirect costs			Total expenditures
	All other excluding management and general	Reclass of indirect costs	Adjusted total direct costs	Management and general	Reclass of indirect costs	Adjusted management and general	
Less indirect cost adjustments:							
Salaries and wages	\$ —	—	—	—	(187,461)	(187,461)	(187,461)
Employee benefits and payroll taxes	—	—	—	—	(228,840)	(228,840)	(228,840)
Purchased services	—	—	—	—	—	—	—
Subgrants and subawards	—	—	—	—	—	—	—
Professional fees	—	—	—	—	(22,085)	(22,085)	(22,085)
Property and casualty insurance	—	—	—	—	—	—	—
Advertising	—	—	—	—	—	—	—
Repair and maintenance	—	—	—	—	—	—	—
Supplies and materials	—	—	—	—	(55,693)	(55,693)	(55,693)
Animal food and forage	—	—	—	—	(13,961)	(13,961)	(13,961)
Telephone	—	—	—	—	—	—	—
Utilities	—	—	—	—	—	—	—
Rent	—	—	—	—	—	—	—
Travel	—	—	—	—	—	—	—
Dues and fees	—	—	—	—	—	—	—
Postage and shipping	—	—	—	—	—	—	—
Currency translation loss	—	—	—	—	(136,633)	(136,633)	(136,633)
Bond interest expense	—	—	—	—	—	—	—
Other	—	—	—	—	(20,000)	(20,000)	(20,000)
Subtotal indirect cost adjustments	—	—	—	—	(664,673)	(664,673)	(664,673)
Adjusted costs	<u>\$ 227,184,489</u>	<u>(11,340,687)</u>	<u>215,843,802</u>	<u>32,933,909</u>	<u>10,676,014</u>	<u>43,609,923</u>	<u>259,453,725</u>
Indirect cost rate:							
Adjusted management and general			\$ 43,609,923	20.20 %			
Adjusted total direct costs			<u>215,843,802</u>				

See accompanying notes to schedule of expenditures of federal awards.





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II-1

**Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

The Board of Trustees  
Wildlife Conservation Society:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Wildlife Conservation Society and subsidiaries (WCS), which comprise the consolidated balance sheet as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 25, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered WCS's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of WCS's internal control. Accordingly, we do not express an opinion on the effectiveness of WCS's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether WCS's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of WCS's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WCS's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

October 25, 2021



KPMG LLP  
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II-3

**Independent Auditors' Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal  
Awards Required by the Uniform Guidance**

The Board of Trustees  
Wildlife Conservation Society:

**Report on Compliance for the Major Federal Program**

We have audited Wildlife Conservation Society and subsidiaries' (WCS) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on WCS's major federal program for the year ended June 30, 2021. WCS's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

*Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for WCS's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about WCS's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of WCS's compliance.

*Opinion on the Major Federal Program*

In our opinion, Wildlife Conservation Society and subsidiaries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2021.

**Report on Internal Control Over Compliance**

Management of WCS is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered WCS's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal



program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of WCS's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the consolidated financial statements of Wildlife Conservation Society and subsidiaries as of and for the year ended June 30, 2021, and have issued our report thereon dated October 25, 2021, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*KPMG LLP*

March 29, 2022

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

**(1) Summary of Auditors' Results**

- a. Type of auditors' report issued on whether the consolidated financial statements were prepared in accordance with generally accepted accounting principles: **Unmodified**
- b. Internal control deficiencies over financial reporting disclosed by the audit of the consolidated financial statements:
  - Material weaknesses: **No**
  - Significant deficiencies: **None Reported**
- c. Noncompliance material to the consolidated financial statements: **No**
- d. Internal control deficiencies over its major program disclosed by the audit:
  - Material weaknesses: **No**
  - Significant deficiencies: **None Reported**
- e. Type of report issued on compliance for its major program: **Unmodified**
- f. Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **No**
- g. Major program: **Research and Development Cluster – Various federal assistance listing numbers**
- h. Dollar threshold used to distinguish between Type A and Type B programs: **\$1,437,959**
- i. Auditee qualified as low-risk auditee: **Yes**

**(2) Findings Relating to the Consolidated Financial Statements Reported in Accordance With Government Auditing Standards**

None

**(3) Findings and Questioned Costs Relating to Federal Awards**

None