

International Wolf Center

Financial Statements

December 31, 2022 and 2021

International Wolf Center

Table of Contents
December 31, 2022 and 2021

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7

Independent Auditors' Report

To the Board of Directors of
International Wolf Center

Opinion

We have audited the financial statements of International Wolf Center (the Organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Baker Tilly US, LLP

Minneapolis, Minnesota
July 25, 2023

International Wolf Center

Statements of Financial Position

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash	\$ 2,811,483	\$ 3,004,182
Accounts receivable	1,595	2,042
Inventory	114,564	97,060
Prepaid expenses	41,218	28,858
	<u>2,968,860</u>	<u>3,132,142</u>
Total current assets	2,968,860	3,132,142
Investments	1,004,311	756,704
Property and Equipment, Net	1,693,334	1,617,643
Other Assets		
Right-of-use asset	76,250	-
Deferred rent asset	-	13,378
Security deposits	3,617	3,617
	<u>83,867</u>	<u>17,000</u>
Total assets	<u>\$ 5,746,372</u>	<u>\$ 5,523,484</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 78,050	\$ 24,484
Accrued payroll and payroll taxes	103,864	74,638
Accrued retirement contribution	2,736	3,795
Credit card payable	-	25,285
Deferred revenue	16,481	25,951
Lease liability, current portion	25,952	-
	<u>227,083</u>	<u>154,153</u>
Total current liabilities	227,083	154,153
Long-Term Liabilities		
Lease liability, long-term portion	51,396	-
	<u>51,396</u>	<u>-</u>
Total long-term liabilities	51,396	-
Net Assets		
Without donor restrictions:		
Undesignated	1,081,281	1,049,499
Investment in property and equipment	1,693,334	1,617,643
Designated	2,670,355	2,613,806
	<u>5,444,970</u>	<u>5,280,948</u>
Total net assets without donor restrictions	5,444,970	5,280,948
With donor restrictions	22,923	88,383
	<u>22,923</u>	<u>88,383</u>
Total net assets	5,467,893	5,369,331
Total liabilities and net assets	<u>\$ 5,746,372</u>	<u>\$ 5,523,484</u>

See notes to financial statements

International Wolf Center

Statements of Activities

Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Other Revenue						
Public support contributions	\$ 1,279,470	\$ 18,698	\$ 1,298,168	\$ 1,914,585	\$ 2,500	\$ 1,917,085
Dues and memberships	184,471	-	184,471	258,171	-	258,171
Program income	100,337	-	100,337	102,795	-	102,795
Exhibit fees	371,723	-	371,723	398,705	-	398,705
Book and souvenir sales, net of direct costs of \$191,634 in 2022 and \$226,620 in 2021	166,939	-	166,939	216,111	-	216,111
Investment income	11,758	-	11,758	6,619	-	6,619
Contributions of nonfinancial assets	70,928	-	70,928	116,813	-	116,813
Forgiveness of paycheck protection program loans	-	-	-	368,632	-	368,632
Loss on disposal of assets	-	-	-	(13,367)	-	(13,367)
Symposium revenue	224,319	-	224,319	-	-	-
Net assets released from restrictions	84,158	(84,158)	-	120,420	(120,420)	-
Total public support and other revenue	2,494,103	(65,460)	2,428,643	3,489,484	(117,920)	3,371,564
Expenses						
Program	1,702,652	-	1,702,652	1,352,995	-	1,352,995
Management and general	293,081	-	293,081	314,659	-	314,659
Fundraising	320,970	-	320,970	277,190	-	277,190
Total expenses	2,316,703	-	2,316,703	1,944,844	-	1,944,844
Change in net assets	177,400	(65,460)	111,940	1,544,640	(117,920)	1,426,720
Net Assets, Beginning	5,280,948	88,383	5,369,331	3,736,308	206,303	3,942,611
Cumulative effect of adoption of new standard	(13,378)	-	(13,378)	-	-	-
Net Assets, Ending	\$ 5,444,970	\$ 22,923	\$ 5,467,893	\$ 5,280,948	\$ 88,383	\$ 5,369,331

See notes to financial statements

International Wolf Center

Statements of Functional Expenses
Years Ended December 31, 2022 and 2021

	2022				2021			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Salaries	635,031	176,851	169,709	\$ 981,591	\$ 554,400	\$ 194,757	\$ 143,651	\$ 892,808
Payroll taxes and benefits	147,786	33,499	27,961	209,246	123,137	36,249	20,537	179,923
Professional services	9,574	19,180	21,336	50,090	4,849	19,246	11,009	35,104
Program costs	240,236	-	-	240,236	189,249	-	-	189,249
Symposium expenses	208,808	-	-	208,808	-	-	-	-
Membership and development	45,794	-	70,578	116,372	76,844	-	75,101	151,945
Occupancy and operating costs	238,724	56,427	31,386	326,537	235,417	53,297	25,182	313,896
Depreciation	161,490	3,242	-	164,732	158,691	3,429	-	162,120
Technology	15,209	3,882	-	19,091	10,408	7,681	1,710	19,799
Total expenses	<u>\$ 1,702,652</u>	<u>\$ 293,081</u>	<u>\$ 320,970</u>	<u>\$ 2,316,703</u>	<u>\$ 1,352,995</u>	<u>\$ 314,659</u>	<u>\$ 277,190</u>	<u>\$ 1,944,844</u>
Percentage of total expenses	73%	13%	14%	100%	70%	16%	14%	100%

See notes to financial statements

International Wolf Center

Statements of Cash Flows

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 111,940	\$ 1,426,720
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	164,732	162,120
Gain on forgiveness of paycheck protection program loans	-	(368,632)
Loss on disposal of property and equipment	-	13,367
Noncash lease expense	1,098	-
Change in assets and liabilities:		
Accounts receivable	447	191
Inventory	(17,504)	1,698
Prepaid expenses	(12,360)	(1,464)
Deferred rent asset	-	1,569
Accounts payable	53,566	10,317
Accrued liabilities	2,882	7,463
Deferred revenue	(9,470)	7,732
Net cash flows from operating activities	<u>295,331</u>	<u>1,261,081</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	<u>(240,423)</u>	<u>(30,731)</u>
Net cash flows used in investing activities	<u>(240,423)</u>	<u>(30,731)</u>
Cash Flows From Financing Activities		
Proceeds from receipt of PPP loan	<u>-</u>	<u>176,332</u>
Net cash flows from financing activities	<u>-</u>	<u>176,332</u>
Net change in cash and cash equivalents	54,908	1,406,682
Cash, Cash Equivalents and Investments, Beginning	<u>3,760,886</u>	<u>2,354,204</u>
Cash, Cash Equivalents and Investments, Ending	<u>\$ 3,815,794</u>	<u>\$ 3,760,886</u>
Noncash Operating and Investing Activities		
Operating lease right-of-use assets obtained in exchange for lease liabilities	<u>\$ 101,760</u>	<u>\$ -</u>

See notes to financial statements

International Wolf Center

Notes to Financial Statements
December 31, 2022 and 2021

1. Summary of Significant Accounting Policies

Nature of Activities

The International Wolf Center (the Organization), formerly called the Committee for an International Wolf Center, was organized in 1985. The Organization has developed an ambitious mission and programmatic goal in response to international needs to promote interest and to educate the public about the importance of the wolf.

Principles of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Net Assets

For the purpose of financial reporting, the Organization classifies resources into two net asset categories pursuant to any donor-imposed restrictions. Accordingly, the net assets of the Organization are classified in the accompanying financial statements in the categories that follow:

Without Donor Restrictions - Net assets not subject to donor-imposed stipulations, which may be designated for a specific purpose by the Board of Directors.

With Donor Restrictions - Net assets subject to donor-imposed stipulations that will be met by action of the Organization and/or the passage of time. Some net assets with donor restrictions may include stipulations that assets provided be maintained permanently by the Organization. Presently, there are no net assets held in perpetuity.

The Organization's Board of Directors has the ability to designate identified amounts of net assets without restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the Board of Directors at any time.

Estimates

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

Cash and Cash Equivalents

The Organization considers all highly liquid, short-term investments with a maturity of three months or less when purchased to be cash equivalents.

The Organization maintains its cash in a bank deposit which, at times, may exceed FDIC insured limits. The Organization has not experienced any losses on these accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

International Wolf Center

Notes to Financial Statements
December 31, 2022 and 2021

The following table provides a reconciliation of cash and cash equivalents on the cash flow statements to amounts reported within the balance sheets:

	<u>2022</u>	<u>2021</u>
Cash	\$ 2,811,483	\$ 3,004,182
CD's presented in investments	1,004,311	756,704
Total cash and cash equivalents	<u>3,815,794</u>	<u>3,760,886</u>

Investments

Investments are composed of certificates of deposit as of December 31, 2022 and 2021, that have original maturity dates in excess of three months from the date of purchase. These certificates of deposit are carried at cost, which approximates fair value.

Accounts and Grants Receivable

The Organization considers all accounts and grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, based on the best determination by management, they will be charged to operations when that determination is made. No interest is charged on past due receivables.

Inventory

Inventory consists of books and souvenirs stated at the average cost, determined by the first-in, first-out method or market.

Property and Equipment

Property and equipment are stated at cost and depreciation is provided on the straight-line method. Property and equipment balances are as follows:

	<u>Depreciable Lives</u>	<u>2022</u>	<u>2021</u>
Leasehold improvements	5-40 yrs.	\$ 749,940	\$ 578,273
Equipment	5-10 yrs.	142,552	125,405
Computer equipment	3-10 yrs.	168,381	168,381
Exhibit materials	5-40 yrs.	2,088,443	2,047,183
Vehicles	5 yrs.	64,446	54,097
Total property and equipment		3,213,762	2,973,339
Less accumulated depreciation		<u>(1,520,428)</u>	<u>(1,355,696)</u>
Property and equipment, net		<u>\$ 1,693,334</u>	<u>\$ 1,617,643</u>

Maintenance and repairs of property and equipment are charged to operations and major renewals are capitalized.

International Wolf Center

Notes to Financial Statements
December 31, 2022 and 2021

Donations of property and equipment are recorded as contributions at their estimated fair values. Donations are reported as contributions without donor restrictions unless the donor has restricted the asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor restrictions regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed into service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Revenue Recognition

Revenues from sources other than contributions include dues and memberships, program income, exhibit fees and book and souvenir sales. Such revenues are generally reported as increases in net assets without donor restrictions when the relevant performance obligations under the contract are satisfied. The performance obligations relating to dues occur over time, thus the revenue is recognized throughout the membership period. The performance obligations for exhibit fees, book and souvenir sales and the symposium occur at a point in time. Expenses are reported as decreases in that category. Income earned on donor restricted funds is initially classified as net assets with donor restrictions and is reclassified to net assets without donor restrictions when expenses are incurred for their intended purpose.

Contributions

Unconditional contributions, those that do not include a measurable performance-related or other barrier or are those in which the Organization has limited discretion over how the contribution should be spent, are recognized as revenues in the period received and are reported as increases in the appropriate categories of net assets in accordance with donor restrictions. Expirations of donor-imposed 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 restrictions. Contributions that include a measurable barrier or those for which the Organization has limited discretion over how the contribution should be spent and a right of return or release from future obligations are recorded as conditional contributions. Conditional contributions are not recognized until they become unconditional, that is, when the conditions surrounding the indications of the barrier have been met. No conditional contributions were received for the years ended December 31, 2022 and 2021.

Donated Materials and Services

Donated materials are reflected as contributions of nonfinancial assets in the financial statements at their estimated fair values at the date of receipt. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Donated materials consisted of Google Adwords advertisements, goods for the Wolf Care Auction and medicines for the wolves. For the years ended December 31, 2022 and 2021, the value of contributed services and materials meeting the requirements for recognition in the financial statements was \$70,928 and \$116,813, respectively. These contributions of non-financial assets are valued by the Wolf Care and Development Departments based on average cost-per-click for similar advertising, and based on comparison of market prices to the Amazon online marketplace. Contributions of nonfinancial assets for the year ended December 31, 2022 and 2021 were not subject to any donor-imposed restrictions.

International Wolf Center

Notes to Financial Statements

December 31, 2022 and 2021

Leases

The Organization is obligated under an operating lease for office space, expiring on October 31, 2025. The operating lease is included in right-of-use assets and lease liabilities on the statement of financial position.

Right-of-use assets represent the Organization's right to use an underlying asset for the lease term, while lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term. Upon adoption of the new lease standard, unamortized lease incentives and deferred rent were reclassified against the right of use asset. Right-of-use assets are assessed for impairment in accordance with the Organization's long-lived asset policy. The Organization reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

Tax-Exempt Status

The Organization has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of State law and, accordingly, is not subject to federal or state income taxes. However, unrelated business income may be subject to taxation.

The Organization follows the accounting standards for contingencies in evaluating uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. No liability has been recognized by the Organization for uncertain tax positions as of December 31, 2022 and 2021. The Organization's tax returns are subject to review and examination by federal and state authorities.

Functional Expense Allocation

The majority of expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses by function are allocated to components of these services based on time and effort spent, as well as activities and costs that are directly related to either program or supporting services.

Advertising

Advertising costs are expensed as incurred. Advertising expense totaled \$111,851 and \$95,487 for the years ended December 31, 2022 and 2021, respectively, and includes \$2,421 and \$34,156 of contributions of nonfinancial assets, respectively.

Subsequent Events

The Organization has evaluated subsequent events occurring through July 25, 2023, the date that the financial statements were approved and available to be issued.

International Wolf Center

Notes to Financial Statements
December 31, 2022 and 2021

Recent Accounting Pronouncements

Effective January 1, 2022, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, and all related amendments using the modified retrospective approach. Under ASU No. 2016-02, the Organization's lease is classified as an operating lease, and a right of use asset and corresponding lease liability was recorded on January 1, 2022, the adoption date. The Organization and has incorporated the required disclosures into Note 5. The application of Topic 842 also resulted in a decrease in net assets of \$13,378 reported as a cumulative effect of the adoption of the new standard on the statement of activities for the year ended December 31, 2022.

In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU No. 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The Organization adopted ASU No. 2020-07 for the year ended December 31, 2022. The adoption did not have a material effect on the Organization's financial statement disclosures and has incorporated the required disclosures into Note 1.

Reclassifications

Certain amounts in the 2021 financial statements have been reclassified to conform to the current year presentation. These classifications had no effect on the change in net assets or net assets as previously reported.

2. Liquidity and Availability of Financial Resources

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash	\$ 2,811,483	\$ 3,004,182
Investments	1,004,311	756,704
Accounts receivable	1,595	2,042
	<u>3,817,389</u>	<u>3,762,928</u>
Less those unavailable for general expenditures within one year:		
Restricted by donor with time or purpose restriction	(22,923)	(88,383)
Board designated assets	<u>(2,670,355)</u>	<u>(2,613,806)</u>
	<u>\$ 1,124,111</u>	<u>\$ 1,060,739</u>

The Organization's practice is to structure its financial assets to be available as its general expenses, liabilities and obligations come due and targets a minimum of 90 days of operating expense coverage at any point in time.

The Organization has plans to solicit additional contributions or apply for a line of credit in the event of unanticipated liquidity needs. Additionally, board designated assets may be released if necessary upon action from the Board of Directors.

International Wolf Center

Notes to Financial Statements

December 31, 2022 and 2021

3. Employee Benefit Plan

The Organization provides a defined contribution 403(b) plan for the benefit of all full-time employees who are at least 21 years old. The plan allows participants to defer up to \$20,500, or \$27,000 if over age 50, and \$19,500, or \$26,000 of over age 50, for the years ended December 31, 2022 and 2021, respectively.

The Organization matches 100% of employee contributions to the plan up to a maximum of 5% of the employee's salary for the years ended December 31, 2022 and 2021. Employer contributions totaled \$32,035 and \$31,371 for the years ended December 31, 2022 and 2021, respectively.

4. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following:

	<u>2022</u>	<u>2021</u>
Wolf Care	\$ -	\$ 84,158
Dave Mech Fellowship	18,605	-
Scholarship Fund	<u>4,318</u>	<u>4,225</u>
Total	<u>\$ 22,923</u>	<u>\$ 88,383</u>

5. Operating Leases

The International Wolf Center in Ely, Minnesota is a state owned structure made possible by a \$1.2 million grant from the State Legislature. Those funds were dedicated exclusively for the construction of the Wolf Center with the understanding the Organization would occupy the structure in perpetuity. While for administrative purposes the Organization's tenancy in the structure is defined by a lease, the fundamental relationship is determined by the legislative intent to provide an enduring home for the Organization into the future for research and educational purposes. The lease calls for maintenance costs payment to be adjusted every 2 years and the lease can be terminated by the State of Minnesota with a 3 month written notice. The lease with the State of Minnesota expired on March 31, 2022, and was renewed for an additional 9 months to December 31, 2022. Long-term renewal discussions are currently in process. Quarterly payments under this lease were \$13,808.

At December 31, 2022 and 2021, the Organization was obligated under a noncancelable operating lease for office space, expiring on October 31, 2025. In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Organization elected to use a risk-free rate of 3% based on U.S. Treasury notes or bond rates for a similar term. As of December 31, 2022, the weighted average remaining lease term was 2.8 years. Total lease cost for the year ended December 31, 2022 was \$115,769 and is comprised of operating lease cost of \$60,537 and short-term lease cost of \$55,232. Total lease cost for the year ended December 31, 2021 was \$110,817, which includes rent and the Organization's portion of maintenance and operating costs.

International Wolf Center

Notes to Financial Statements

December 31, 2022 and 2021

The table below summarizes the Organization's scheduled future minimum lease payments for years ending after December 31, 2022:

Years ending December 31:	
2023	\$ 27,850
2024	28,634
2025	24,407
	<hr/>
Total lease payments	80,891
	<hr/>
Less present value discount	(3,543)
	<hr/>
Total lease liabilities	77,348
	<hr/>
Less current portion	(25,952)
	<hr/>
Long-term lease liabilities	<u>\$ 51,396</u>

6. Commitments and Contingencies

The Organization has been in discussions with the Minnesota Department of National Resources (DNR) regarding the upkeep and repair needs for the Organization's building in Ely, Minnesota. As part of this discussion, the DNR agreed to allow the Organization to repair the building's HVAC system using funds previously restricted for the Wolf Care Fund. As such, during 2022, the remaining amount of \$84,158 in the Wolf Care Fund was released from with donor restriction and is reflected in the statement of activities as without restriction during the year ended December 31, 2022.

7. Related-Party Transactions

Contributions from board members totaled \$93,997 and \$63,314 for the years ended December 31, 2022 and 2021, respectively.

8. Paycheck Protection Program

In April 2020, the Organization received loan proceeds in the amount of \$192,300 under the Paycheck Protection Program (PPP) which was established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act and is administered through the Small Business Administration (SBA).

The Organization met the PPP's loan forgiveness requirements, and therefore, applied for forgiveness during January 2021. In March 2021, the Organization received legal release from the SBA, and recognized debt forgiveness income in the amount of \$192,300 in its 2021 statement of activities.

International Wolf Center

Notes to Financial Statements
December 31, 2022 and 2021

In February 2021, the Organization received loan proceeds in the amount of \$176,332 under the Second Draw Paycheck Protection Program (PPP) which is administered through the SBA and allows borrowers having previously received a PPP Loan to apply for a Second Draw PPP loan with the same loan terms as the First Draw PPP loan. The Organization met the PPP's loan forgiveness requirements, and therefore, applied for forgiveness. In December 2021, the Organization received legal release from the SBA, and recognized debt forgiveness income in the amount of \$176,332 in its 2021 statement of activities for a total of \$368,632 for the year ended December 31, 2021.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.