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**THE ENDANGERED  
SPECIES COALITION**

**Financial Statements and  
Independent Auditor's Report**

**For the Years Ended  
December 31, 2022 and 2021**

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**LSWG**

**CERTIFIED PUBLIC ACCOUNTANTS  
& BUSINESS ADVISORS**



## **Independent Auditor's Report**

To the Board of Directors  
of The Endangered Species Coalition

### **Opinion**

We have audited the accompanying financial statements of The Endangered Species Coalition (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Endangered Species Coalition 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Endangered Species Coalition 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 Endangered Species Coalition's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Endangered Species Coalition'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 Endangered Species Coalition'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.

*LSWG, P.A.*

Rockville, Maryland  
September 26, 2023

**The Endangered Species Coalition**  
**Statements of Financial Position**  
**December 31,**

<b>Assets</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 565,142	\$ 792,300
Accounts receivable	33,286	27,805
Prepaid expenses	1,050	4,125
Total Current Assets	599,478	824,230
<b>Property and Equipment - Cost</b>		
Furniture and equipment	12,428	12,428
Less: accumulated depreciation	(12,428)	(12,350)
Property and Equipment - Net	-	78
<b>Other Assets</b>		
Intangible asset, net of amortization	8,920	11,630
Total Other Assets	8,920	11,630
<b>Total Assets</b>	<b>\$ 608,398</b>	<b>\$ 835,938</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 7,984	\$ 3,249
Total Current Liabilities	7,984	3,249
<b>Total Liabilities</b>	7,984	3,249
<b>Net Assets</b>		
Without donor restrictions	420,741	652,016
With donor restrictions	179,673	180,673
Total Net Assets	600,414	832,689
<b>Total Liabilities and Net Assets</b>	<b>\$ 608,398</b>	<b>\$ 835,938</b>

The accompanying notes are an integral part of these statements.

**The Endangered Species Coalition**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2022**

	<b><u>Without Donor</u></b>	<b><u>With Donor</u></b>	<b><u>Total</u></b>
	<b><u>Restrictions</u></b>	<b><u>Restrictions</u></b>	
<b>Income</b>			
Contributions	\$ 219,689	\$ 18,390	\$ 238,079
Grants	56,000	426,000	482,000
Other income	10,000	-	10,000
Net assets released from restrictions	<u>445,390</u>	<u>(445,390)</u>	<u>-</u>
 Total Income	 731,079	 (1,000)	 730,079
 <b>Expenses</b>			
Program services	763,319	-	763,319
Management and general	97,827	-	97,827
Fundraising	<u>101,208</u>	<u>-</u>	<u>101,208</u>
 Total Expenses	 <u>962,354</u>	 <u>-</u>	 <u>962,354</u>
 <b>Change in Net Assets</b>	 (231,275)	 (1,000)	 (232,275)
 Net Assets - Beginning of Year	 <u>652,016</u>	 <u>180,673</u>	 <u>832,689</u>
 <b>Net Assets - End of Year</b>	 <u>\$ 420,741</u>	 <u>\$ 179,673</u>	 <u>\$ 600,414</u>

The accompanying notes are an integral part of this statement.

**The Endangered Species Coalition**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2021**

	<b><u>Without Donor</u></b>	<b><u>With Donor</u></b>	<b><u>Total</u></b>
	<b><u>Restrictions</u></b>	<b><u>Restrictions</u></b>	
<b>Income</b>			
Contributions	\$ 314,984	\$ 18,500	\$ 333,484
Grants	332,583	424,348	756,931
Other income	1,234	-	1,234
Net assets released from restrictions	<u>547,109</u>	<u>(547,109)</u>	<u>-</u>
 Total Income	 1,195,910	 (104,261)	 1,091,649
<b>Expenses</b>			
Program services	793,145	-	793,145
Management and general	87,955	-	87,955
Fundraising	<u>119,165</u>	<u>-</u>	<u>119,165</u>
 Total Expenses	 <u>1,000,265</u>	 <u>-</u>	 <u>1,000,265</u>
 <b>Change in Net Assets</b>	 195,645	 (104,261)	 91,384
 Net Assets - Beginning of Year	 <u>456,371</u>	 <u>284,934</u>	 <u>741,305</u>
 <b>Net Assets - End of Year</b>	 <u><u>\$ 652,016</u></u>	 <u><u>\$ 180,673</u></u>	 <u><u>\$ 832,689</u></u>

The accompanying notes are an integral part of this statement.

**The Endangered Species Coalition  
Statement of Functional Expenses  
For the Year Ended December 31, 2022**

	<b>ESA Policy</b>	<b>Wildlife Vision 2030</b>	<b>Inclusive Democracy</b>	<b>Total Programs</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries	\$ 390,778	\$ 44,117	\$ 68,630	\$ 503,525	\$ 51,392	\$ 68,171	\$ 623,088
Employee benefits	75,851	8,717	13,639	98,207	5,468	14,859	118,534
Consulting	16,081	10,000	5,793	31,874	500	1,690	34,064
Professional services	5,252	748	970	6,970	27,507	1,000	35,477
Office Expense	12,293	1,359	2,621	16,273	2,247	2,691	21,211
Rent	1,156	132	210	1,498	209	205	1,912
Telephone/internet	20,753	2,286	3,689	26,728	3,822	4,412	34,962
Insurance	5,395	654	1,009	7,058	951	966	8,975
Dues and subscriptions	5,018	483	853	6,354	850	1,678	8,882
Meeting expenses	17,224	29,940	2,954	50,118	1,144	852	52,114
Media and communications	4,340	1,682	7	6,029	7	9	6,045
Travel	5,136	1,936	119	7,191	757	133	8,081
Other expenses	1,063	233	198	1,494	185	4,542	6,221
Depreciation and amortization	-	-	-	-	2,788	-	2,788
<b>Total</b>	<b>\$ 560,340</b>	<b>\$ 102,287</b>	<b>\$ 100,692</b>	<b>\$ 763,319</b>	<b>\$ 97,827</b>	<b>\$ 101,208</b>	<b>\$ 962,354</b>

The accompanying notes are an integral part of this statement.

**The Endangered Species Coalition  
Statement of Functional Expenses  
For the Year Ended December 31, 2021**

	<b><u>ESA</u></b>	<b><u>Wildlife</u></b>	<b><u>Inclusive</u></b>	<b><u>Total</u></b>	<b><u>Management</u></b>	<b><u>Fundraising</u></b>	<b><u>Total</u></b>
	<b><u>Policy</u></b>	<b><u>Vision 2030</u></b>	<b><u>Democracy</u></b>	<b><u>Programs</u></b>	<b><u>and General</u></b>		
Salaries	\$ 365,466	\$ 91,926	\$ 69,309	\$ 526,701	\$ 40,117	\$ 73,204	\$ 640,022
Employee benefits	73,386	19,379	15,594	108,359	11,681	16,401	136,441
Consulting	16,892	8,768	-	25,660	435	8,111	34,206
Professional services	333	94	19,676	20,103	25,540	77	45,720
Office Expense	4,332	836	2,329	7,497	2,562	1,772	11,831
Rent	3,810	1,204	631	5,645	416	798	6,859
Telephone/internet	21,105	6,166	4,622	31,893	3,340	4,730	39,963
Insurance	2,485	655	887	4,027	496	530	5,053
Dues and subscriptions	4,684	1,149	1,377	7,210	766	2,449	10,425
Meeting expenses	3,721	23,760	4,279	31,760	120	524	32,404
Media and communications	18,656	-	220	18,876	10	28	18,914
Travel	1,470	663	468	2,601	166	265	3,032
Program expense	-	2,500	-	2,500	-	-	2,500
Other expenses	151	134	28	313	4	10,276	10,593
Depreciation and amortization	-	-	-	-	2,302	-	2,302
<b>Total</b>	<b><u>\$ 516,491</u></b>	<b><u>\$ 157,234</u></b>	<b><u>\$ 119,420</u></b>	<b><u>\$ 793,145</u></b>	<b><u>\$ 87,955</u></b>	<b><u>\$ 119,165</u></b>	<b><u>\$ 1,000,265</u></b>

The accompanying notes are an integral part of this statement.



**The Endangered Species Coalition**  
**Statements of Cash Flows**  
**For the Years Ended December 31,**

	<u>2022</u>	<u>2021</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (232,275)	\$ 91,384
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization expense	2,788	2,302
Paycheck Protection Program Loan Forgiveness	-	(235,762)
Changes in assets and liabilities:		
Accounts receivable	(5,481)	23,688
Prepaid expenses	3,075	(4,125)
Security deposit	-	5,670
Accounts payable	4,735	(26,520)
Net Cash Used in Operating Activities	<u>(227,158)</u>	<u>(143,363)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of intangible asset - website	<u>-</u>	<u>(4,590)</u>
Net Cash Used in Investing Activities	<u>-</u>	<u>(4,590)</u>
<b>Cash Flows from Financing Activities</b>		
Paycheck Protection Program Loan	<u>-</u>	<u>117,881</u>
Net Cash Provided By Financing Activities	<u>-</u>	<u>117,881</u>
<b>Net (Decrease) in Cash and Cash Equivalents</b>	(227,158)	(30,072)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>792,300</u>	<u>822,372</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 565,142</u>	<u>\$ 792,300</u>
<b>Supplemental Information</b>		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

**THE ENDANGERED SPECIES COALITION**  
**Notes to the Financial Statements**  
**December 31, 2022 and 2021**

**1. Nature of Activities**

The Endangered Species Coalition (the Coalition) was formed to educate the public on threats to endangered species in America and around the world; to mobilize support for the Endangered Species Act and other legislation that protects endangered species and oppose private and public sector projects that threaten endangered plants, animals and their habitats. The Coalition is supported primarily through contributions from the general public and private grants. The Coalition does this through its major programs:

**ESA Policy:** Safeguarding the federal Endangered Species Act - The focus of the Coalition's work is to build a broad coalition of supporters and champions of endangered species and advocate for increased funding, stronger protections and greater implementation of the Endangered Species Act with decision makers including the administration. This includes our on-the-ground work to protect keystone species, including gray wolves, grizzly bears, and orca.

**Wildlife Vision 2030:** Given the increased risk to species from climate change, it is imperative that we chart a course for increasing protections, preparing for a favorable national political landscape. Two areas are particularly key to species survival and possible to implement in states now. First, we advocate for local and state policies, city and county resolutions, and state bills to build a grassroots movement in support of connectivity for plants and wildlife. Second, we work to provide protections for pollinators through policies and hands on restoration of habitat.

**Inclusive Democracy:** The focus of the Coalition's work is to address the root causes of wildlife declines by ensuring inclusive participation in Democracy. The Coalition will provide training to individuals and youth, partner with communities to advocate for equitable access to biodiversity, leverage art's potential to engage audiences and shift cultural values regarding conservation and increase voter turnout from the conservation community.

**2. Summary of Significant Accounting Policies**

- (a) **Basis of Presentation** - The financial statements are prepared on the accrual basis of accounting, whereby revenue and related assets are recognized when earned and expenses and related liabilities are recognized when the obligations are incurred.
- (b) **Accounts Receivable** – Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Coalition considers accounts and grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

**THE ENDANGERED SPECIES COALITION**  
**Notes to the Financial Statements**  
**December 31, 2022 and 2021**

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

- (c) **Property and Equipment** - Property and equipment are carried at cost less accumulated depreciation. All acquisitions of property and equipment are capitalized. The Coalition depreciates its property and equipment using accelerated and straight line methods over estimated useful lives of five years for both financial and tax reporting purposes. Depreciation expense for the years ended December 31, 2022 and 2021 was \$2,788 and \$2,302, respectively.
- (d) **Use of Estimates** - In preparing financial statements in conformity with U.S. generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.
- (e) **Cash and Cash Equivalents** - For purposes of the Statements of Cash Flows, the Coalition considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.
- (f) **Revenue Recognition** – the Coalition earns revenue primarily through grants and contributions. The Coalition recognizes contribution income when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditionals on which they depend have been met. Amounts received in advance are recorded as deferred revenue until the condition is met. In-kind donations have been recorded based on estimated fair value at the point in time received. Grant revenue is recognized when awarded. Grant revenue is reported as an increase in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions.
- (g) **Tax Status** – The Coalition is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Coalition has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Coalition believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Coalition’s financial condition, results of operations or cash flows. Accordingly, the Coalition has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at December 31, 2022 and 2021. The Coalition is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Coalition’s policy is to classify income tax related interest and penalties in interest expense and other expenses. For tax purposes the Coalition’s open audit years are 2019-2021.

**THE ENDANGERED SPECIES COALITION**  
**Notes to the Financial Statements**  
**December 31, 2022 and 2021**

**3. Net Assets**

The Coalition reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets with Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor 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. Expirations of donor restrictions on the net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Net assets with donor restrictions are available for the following purposes as of December 31:

	<u>2022</u>	<u>2021</u>
General support for future periods	\$ 159,673	\$ 160,673
Rocky Mountain Wolf Protection and Recovery	<u>20,000</u>	<u>20,000</u>
Net Assets with Donor Restrictions	<u>\$ 179,673</u>	<u>\$ 180,673</u>

**4. Lease**

Effective May 16, 2019 the Coalition entered into a lease agreement for office space in Washington, D.C. Monthly rent payments were \$1,890 starting June 1, 2019 for 24 months ended May 31, 2021. In February 2021 the landlord forgave two months of the rent due in 2021. This lease was not renewed. The Coalition rents a storage unit on a month to month bases with payments of \$188 per month. Rent expense for the years ended December 31, 2022 and 2021 was \$1,913 and \$6,859, respectively.

**THE ENDANGERED SPECIES COALITION**  
**Notes to the Financial Statements**  
**December 31, 2022 and 2021**

**5. Functional Allocation of Expenses**

The Coalition’s salaries and payroll taxes are charged to programs, management and general and fundraising based on actual time worked. The Coalition’s operating costs have been allocated between program, management and general, and fundraising expenses based on direct identification when possible, and allocation if a single expenditure benefits more than one program or function. The expenses that are allocated include dues and subscriptions, insurance, telephone and internet costs, meeting and travel expenses, office supplies, payroll processing fees, postage, printing, which are allocated based on the percentage of salaries charged.

**6. Concentration of Credit Risk**

Cash held by the Coalition in bank accounts may at times exceed the Federal Deposit Insurance Corporation (FDIC) coverage limit. Management believes the Coalition is not exposed to any significant credit risk related to cash. As of December 31, 2022 and 2021 the Coalition had excess deposits of \$150,151 and \$0, respectively.

**7. Liquidity and Availability of Financial Assets**

The following table reflects the Coalition’s financial assets as of December 31, 2022 and 2021 reduced by amounts not available for general expenditures within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, trust assets, assets held for others, perpetual endowments and accumulated earnings net of appropriations within one year, or because the governing board has set aside the funds for a specific contingency reserve or a long term investment as board designated endowments.

These board designations could be drawn upon if the board approves that action.

	<u><b>2022</b></u>	<u><b>2021</b></u>
Financial assets:		
Cash and cash equivalents	\$ 565,142	\$ 792,300
Accounts receivable	33,286	27,805
Financial assets, at year end	<u>598,428</u>	<u>820,105</u>
Less those unavailable for general expenditure within one year due to:		
Restricted by donors for specific uses	<u>(179,673)</u>	<u>(180,673)</u>
Financial assets available to meet cash needs for general expenses within one year	<u>\$ 418,755</u>	<u>\$ 639,432</u>

**THE ENDANGERED SPECIES COALITION**  
**Notes to the Financial Statements**  
**December 31, 2022 and 2021**

**8. Liquidity and Availability of Financial Assets (continued)**

The Coalition's primary source of support is derived from grants and contributions. Some of the support is required to be used in accordance with the purpose restrictions imposed by the donors. The Coalition's Board does not intend to incur or commit to any expenses or liabilities that cannot be paid out of then-existing liquid financial assets of the Coalition, without reliance on future income or contributions.

**9. Subsequent Events**

Management has evaluated subsequent events through September 26, 2023, the date that the financial statements were available to be issued. There were no subsequent events to report.

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FREDERICK • ROCKVILLE

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