

WILDAID, INC.

FINANCIAL STATEMENTS

**For the Years Ended
December 31, 2012 and 2011**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1 - 2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statements of Functional Expenses	6 - 7
Notes to Financial Statements	8 - 18

Independent Auditors' Report

Board of Directors
WildAid, Inc.

We have audited the accompanying financial statements of WildAid, Inc. (a California nonprofit organization), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Independent Auditors' Report (continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WildAid, Inc. as of December 31, 2012 and 2011, 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.

Bregante + Company LLP

San Francisco, California

May 15, 2013

WILDAID, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and cash equivalents	\$ 1,820,021	\$ 1,218,670
Contributions and grants receivable	722,537	593,950
Advances to field programs	36,430	60,843
Prepaid expenses	42,622	55,015
Property and equipment, net of accumulated depreciation of \$37,528 and \$32,930	12,860	10,640
Security deposits	<u>16,030</u>	<u>45,025</u>
Total assets	<u>\$ 2,650,500</u>	<u>\$ 1,984,143</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	\$ 286,044	\$ 261,060
Special events deposits	37,500	25,120
Accrued expenses	<u>14,335</u>	<u>21,186</u>
Total liabilities	337,879	307,366
Net assets:		
Unrestricted	887,352	846,861
Temporarily restricted	<u>1,425,269</u>	<u>829,916</u>
Total net assets	<u>2,312,621</u>	<u>1,676,777</u>
Total liabilities and net assets	<u>\$ 2,650,500</u>	<u>\$ 1,984,143</u>

See accompanying notes and auditors' report.

WILDAID, INC.

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2012 and 2011

	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and support:						
Contributions	\$ 826,577	\$ 535,388	\$ 1,361,965	\$ 508,152	\$ 227,323	\$ 735,475
Grants and awards	563,176	2,457,473	3,020,649	374,130	2,186,324	2,560,454
Federated campaigns	10,538	-	10,538	-	15,830	15,830
Special events revenue	380,372	123,647	504,019	347,669	-	347,669
Contributed goods and services	-	132,577,260	132,577,260	-	200,631,944	200,631,944
Investment income	360	-	360	417	-	417
Other	727	-	727	1,736	1,843	3,579
Net assets released from restrictions:						
Satisfaction of restrictions	<u>135,098,415</u>	<u>(135,098,415)</u>	<u>-</u>	<u>203,601,391</u>	<u>(203,601,391)</u>	<u>-</u>
Total revenue and support	136,880,165	595,353	137,475,518	204,833,495	(538,127)	204,295,368
Expenses:						
Program services	136,053,044	-	136,053,044	204,056,617	22,122	204,078,739
Support services:						
Management and general	168,479	-	168,479	158,476	-	158,476
Fundraising	<u>618,151</u>	<u>-</u>	<u>618,151</u>	<u>454,860</u>	<u>-</u>	<u>454,860</u>
Total support services	<u>786,630</u>	<u>-</u>	<u>786,630</u>	<u>613,336</u>	<u>-</u>	<u>613,336</u>
Total expenses	<u>136,839,674</u>	<u>-</u>	<u>136,839,674</u>	<u>204,669,953</u>	<u>22,122</u>	<u>204,692,075</u>
Changes in net assets	40,491	595,353	635,844	163,542	(560,249)	(396,707)
Net assets, beginning of year	<u>846,861</u>	<u>829,916</u>	<u>1,676,777</u>	<u>683,319</u>	<u>1,390,165</u>	<u>2,073,484</u>
Net assets, end of year	<u>\$ 887,352</u>	<u>\$ 1,425,269</u>	<u>\$ 2,312,621</u>	<u>\$ 846,861</u>	<u>\$ 829,916</u>	<u>\$ 1,676,777</u>

See accompanying notes and auditors' report.

WILDAID, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Changes in net assets	\$ 635,844	\$ (396,707)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	6,525	6,044
Uncollectible pledges	-	22,122
Loss (gain) on disposal of equipment	1,927	(500)
(Increase) decrease in assets:		
Contributions and grants receivable	(128,587)	(184,664)
Advances to field programs	24,413	(415)
Prepaid expenses	12,393	(26,478)
Security deposits	28,995	(33,690)
Increase (decrease) in liabilities:		
Accounts payable	24,984	226,469
Special events deposits	12,380	25,120
Accrued expenses	<u>(6,851)</u>	<u>15,222</u>
Total adjustments	<u>(23,821)</u>	<u>49,230</u>
Net cash provided (used) by operating activities	<u>612,023</u>	<u>(347,477)</u>
Cash flows from investing activities:		
Proceeds from sale of property and equipment	-	500
Purchases of property and equipment	<u>(10,672)</u>	<u>(12,906)</u>
Net cash used by investing activities	<u>(10,672)</u>	<u>(12,406)</u>
Net increase (decrease) in cash	601,351	(359,883)
Cash and cash equivalents, beginning of year	<u>1,218,670</u>	<u>1,578,553</u>
Cash and cash equivalents, end of year	<u>\$ 1,820,021</u>	<u>\$ 1,218,670</u>

Noncash investing activities:

Equipment with an original cost of \$3,854 and a net book value of \$1,409 was disposed of during the year ended December 31, 2012.

Fully depreciated property and equipment with an original cost of \$800 was disposed of during the year ended December 31, 2011.

See accompanying notes and auditors' report.

WILDAID, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended December 31, 2012 and 2011

2012

	Program Services					Support Services				Total Expenses
	China	Galápagos	Climate Change	Elephant	Other Programs	Total Program Services	Management and General	Fundraising	Total Support Services	
Operating expenses:										
Salaries and benefits	\$ 326,872	\$ 105,344	\$ 79,388	\$ 25,281	\$ 215,885	\$ 752,770	\$ 80,862	\$ 102,484	\$ 183,346	\$ 936,116
Professional services	217,008	128,388	46,916	2,403	93,048	487,763	43,515	5,718	49,233	536,996
Occupancy	70,494	23,329	16,249	515	13,720	124,307	9,866	4,642	14,508	138,815
PSA/video production	294,040	-	14,990	183,471	111,070	603,571	-	64	64	603,635
Media, website, phone, survey	125,902	24,717	12,420	6,669	82,063	251,771	2,888	5,637	8,525	260,296
Marine protection	-	266,849	-	-	102,374	369,223	-	-	-	369,223
Equipment/computer/software expensed	4,488	101,819	-	2,861	60,846	170,014	5,016	339	5,355	175,369
Travel	88,432	70,650	1,587	91,901	54,284	306,854	4,662	748	5,410	312,264
Printing and postage	5,803	4,466	150	583	10,548	21,550	2,076	5,780	7,856	29,406
Supplies and miscellaneous	620	1,054	-	154	1,929	3,757	2,992	2,562	5,554	9,311
Conferences and events	5,707	145	-	-	274,656	280,508	-	478,361	478,361	758,869
Program expense, other	18,011	27,324	-	2,317	27,981	75,633	110	-	110	75,743
Insurance, fees and bank charges	6,144	8,191	480	1,256	6,582	22,653	13,968	11,816	25,784	48,437
Total operating expenses	1,163,521	762,276	172,180	317,411	1,054,986	3,470,374	165,955	618,151	784,106	4,254,480
	27.3%	17.9%	4.0%	7.5%	24.8%	81.6%	3.9%	14.5%	18.4%	100%
Non-operating expenses:										
Loss on disposal of assets, net	-	-	-	-	-	-	1,409	-	1,409	1,409
Depreciation	749	2,347	-	-	2,314	5,410	1,115	-	1,115	6,525
In-kind donations	126,516,404	-	700,908	5,359,948	-	132,577,260	-	-	-	132,577,260
Total non-operating expenses	126,517,153	2,347	700,908	5,359,948	2,314	132,582,670	2,524	-	2,524	132,585,194
Total expenses	\$ 127,680,674	\$ 764,623	\$ 873,088	\$ 5,677,359	\$ 1,057,300	\$ 136,053,044	\$ 168,479	\$ 618,151	\$ 786,630	\$ 136,839,674
	93.3%	0.6%	0.6%	4.1%	0.8%	99.4%	0.1%	0.5%	0.6%	100.0%

See accompanying notes and auditors' report.

WILDAID, INC.

STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

For the Years Ended December 31, 2012 and 2011

	2011								
	Program Services				Support Services				
	China	Galápagos	Climate Change	Other Programs	Total Program Services	Management and General	Fundraising	Total Support Services	Total Expenses
Operating expenses:									
Salaries and benefits	\$ 213,604	\$ 87,810	\$ 142,081	\$ 172,049	\$ 615,544	\$ 78,957	\$ 85,238	\$ 164,195	\$ 779,739
Professional services	295,085	116,245	72,832	156,824	640,986	11,190	12,467	23,657	664,643
Occupancy	64,345	22,714	8,853	22,864	118,776	16,293	4,531	20,824	139,600
PSA/video production	310,260	2,514	57,082	29,370	399,226	-	474	474	399,700
Media, website, phone, survey	105,726	6,382	7,482	164,798	284,388	3,834	17,464	21,298	305,686
Marine protection	-	535,381	710	127,979	664,070	-	-	-	664,070
Equipment/computer/software expensed	2,801	53,671	17,443	57,492	131,407	5,869	4,133	10,002	141,409
Travel	117,972	49,108	43	145,830	312,953	6,357	28,320	34,677	347,630
Printing and postage	20,930	755	656	19,175	41,516	7,491	41,838	49,329	90,845
Supplies and miscellaneous	4,948	2,583	50	10,717	18,298	4,872	4,822	9,694	27,992
Conferences and events	37,972	9,039	297	69,170	116,478	6,461	247,458	253,919	370,397
Program expense, other	9,439	8,582	-	46,004	64,025	3,125	826	3,951	67,976
Insurance, fees and bank charges	2,421	5,150	-	3,945	11,516	13,473	7,289	20,762	32,278
Total operating expenses	1,185,503	899,934	307,529	1,026,217	3,419,183	157,922	454,860	612,782	4,031,965
	29.4%	22.3%	7.6%	25.5%	84.8%	3.9%	11.3%	15.2%	100%
Non-operating expenses:									
Uncollected prior year pledges	-	12,122	-	10,000	22,122	-	-	-	22,122
Depreciation	1,178	576	-	3,736	5,490	554	-	554	6,044
In-kind donations	<u>196,571,565</u>	-	<u>4,060,379</u>	-	<u>200,631,944</u>	-	-	-	<u>200,631,944</u>
Total non-operating expenses	196,572,743	12,698	4,060,379	13,736	200,659,556	554	-	554	200,660,110
Total expenses	\$ 197,758,246	\$ 912,632	\$ 4,367,908	\$ 1,039,953	\$ 204,078,739	\$ 158,476	\$ 454,860	\$ 613,336	\$ 204,692,075
	96.5%	0.4%	2.0%	0.4%	99.4%	0.1%	0.2%	0.3%	100.0%

See accompanying notes and auditors' report.

WILDAID, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE A -- Description of organization

WildAid, Inc.'s (WildAid) mission is to end the illegal wildlife trade in our lifetimes by reducing demand through public awareness campaigns and providing comprehensive marine protection.

Founded in 2000, WildAid is headquartered in San Francisco, with programs in the United States, China, India, Ecuador and Indonesia. The WildAid conservation approach is unique and effective. WildAid focuses on addressing the underlying demand for endangered species products and on strengthening the protection of these animals in the field. WildAid is well-known for their work on sharks, tigers, elephants, rhinos, mantas and other threatened species.

WildAid is the only organization that focuses on reducing the demand for endangered species products by specifically targeting consumers with engaging public service announcements and education initiatives. In the same way corporations employ celebrities and athletes to promote their products, WildAid enlists popular Chinese and Western celebrities to dissuade consumers from purchasing products with our "When the Buying Stops, the Killing Can Too" message. WildAid produces innovative multimedia campaigns, and secures over \$100 million of donated media support.

The "Conservation through Communication" program is focused on Asia, where demand for these products is highest. WildAid creates culturally-sensitive multimedia public awareness campaigns. WildAid's distribution network includes television, cable, internet, mobile devices, magazines, outdoor billboards, LCD screens and monitors in government buildings, shopping centers, banks, university cafeterias, trains, subways, taxis, metro rails, airplanes, hospitals and airports.

The communications by the numbers:

- ❖ 1 billion people reached per week in China
- ❖ 500 million people reached per week in India
- ❖ 150+ public service announcements in multiple languages, versions and formats
- ❖ 80+ international celebrities and sporting ambassadors
- ❖ 60+ media partners in TV, transportation, outdoor, video, internet and print

In the field, WildAid is currently focused on protecting the Galápagos Marine Reserve in Ecuador, the Daram Marine Reserve in West Papua, Indonesia, and Corbett National Park in India. WildAid works with local community members, government agencies and ministries, and other non-governmental organizations to collaboratively determine the most urgent issues and develop the most appropriate actions for effective protection of these key habitats. The

See auditors' report.

WILDAID, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2012 and 2011

NOTE A -- Description of organization (continued)

marine program elements include establishment of no-take/fishing zones, native species protection, patrol boat acquisition and maintenance, creating informant networks, sniffer dog policing, installation and training for satellite monitoring, arrest and prosecution of poachers, community outreach and public awareness campaigns. In Corbett National Park, WildAid's current priorities are to purchase and equip rapid response units, to ensure safe migration routes for wildlife, and to work with surrounding communities to raise awareness and encourage stewardship.

NOTE B -- Summary of significant accounting policies

Basis of accounting

The financial statements are presented using the accrual basis of accounting.

Cash and cash equivalents

WildAid considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Advances to field programs

WildAid advances funds to field offices in various countries to support field operations. Such funds are recorded as advances to field programs when wired, and are expensed quarterly, based upon receipted expenses incurred, as reported by the field offices (see Note D).

Concentration of credit risk

Financial instruments that potentially subject WildAid to concentrations of credit risk consist principally of cash and contributions and grants receivable. The majority of WildAid's cash is maintained with one financial institution. The aggregate balances at times may exceed federally insured limits. Management believes WildAid is not exposed to any significant credit risk with respect to contributions and grants receivables and temporary cash balances over insured limits.

WildAid maintains cash balances (advances to field programs) at financial institutions in foreign countries. The majority of funds invested in foreign countries are uninsured and represent funding for the quarterly activities.

See auditors' report.

WILDAID, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2012 and 2011

NOTE B -- Summary of significant accounting policies (continued)

Property and equipment

Property and equipment, if purchased, are recorded at cost or, if donated, at fair market value at the time of receipt. Property and equipment are depreciated on a straight-line basis over their estimated useful lives ranging from three to five years. WildAid generally capitalizes assets with an original cost over \$1,500. Depreciation expense for the years ended December 31, 2012 and 2011 was \$6,525 and \$6,044, respectively. The cost of maintenance and repairs which do not improve or extend the lives of the respective assets are expensed currently.

Equipment purchased for use in foreign field offices is expensed as acquired. In the Galápagos and Indonesia programs, equipment acquired is placed in immediate service with the Galápagos National Park Service or the Daram Marine Reserve, under contractual agreement, with annual review by WildAid. The total cost of equipment expensed during the years ended December 31, 2012 and 2011 was \$165,805 and \$106,200, respectively, and includes \$158,609 and \$68,792 for the Galápagos and Indonesia programs, respectively.

Net assets

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations. The financial activities are classified into three classes of net assets: unrestricted, temporarily restricted and permanently restricted net assets.

Unrestricted: Those net assets and activities which represent the portion of expendable funds available to support operations. A portion of these net assets may be designated by the Board of Directors for specific purposes.

Temporarily restricted: Those net assets and activities which are donor-restricted for: (a) support of specific operating activities; (b) investment for a specified term; (c) use in a specified future period; or (d) acquisition of long-lived assets.

Permanently restricted: Those net assets and activities which are permanently donor-restricted for holdings of: (a) assets donated with stipulations that they be preserved and not to be sold; or (b) assets donated with stipulations that they be invested to provide a permanent source of income. WildAid had no permanently restricted net assets at December 31, 2012 and 2011.

See auditors' report.

WILDAID, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2012 and 2011

NOTE B -- Summary of significant accounting policies (continued)

Revenue recognition

WildAid recognizes all grants and donor contributions in the year they are committed. This practice may have the effect of creating large year-to-year variances in total revenue because multi-year grants are recognized only in the year committed. Contributions without donor-imposed restrictions are reported as unrestricted support. Contributions with donor-imposed restrictions are reported as either temporarily restricted or permanently restricted support, depending upon the type of restriction.

The expiration of a donor-imposed restriction on a contribution is recognized in the period in which the restriction expires. This occurs by increasing unrestricted net assets and decreasing temporarily restricted net assets in the Statements of Activities and the release from restrictions is reported separately from other transactions.

A picture of realized revenue and expenses for a fiscal year – the actual annual operating activity of WildAid – is provided in the first column of the Statements of Activities: unrestricted revenue and support, expenses, and changes in net assets.

Promises to pay over more than one accounting cycle are recorded at the present value of the contribution if the present value discount is material.

Donated goods and specialized services are recorded as contributions at their estimated value on the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted support.

Contributed goods and services

Contributions in-kind are recognized in accordance with generally accepted accounting principles. Donated goods are recorded at their estimated fair value as of the date of the donation. Contributed services, which require a specialized skill and which WildAid would have paid for if not donated, are recorded at the estimated fair value at the time services are rendered. In-kind donations received in foreign countries consist primarily of public service announcements (see Note F). In addition to time recorded in the financial statements, WildAid's work was made possible by substantial volunteer time that does not require recognition in the financial statements.

See auditors' report.

WILDAID, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2012 and 2011

NOTE B -- Summary of significant accounting policies (continued)

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income taxes

WildAid is tax-exempt under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the Revenue and Taxation Code of the State of California. Accordingly, no provision for income taxes has been reflected in these financial statements.

As required by the Income Taxes Topic of the FASB Accounting Standards Codification, WildAid recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. WildAid does not believe its financial statements include any uncertain tax positions.

WildAid's federal income tax returns for tax years 2008 and beyond remain subject to examination by the Internal Revenue Service. WildAid's California income tax returns for tax years 2007 and beyond remain subject to examination by state tax authorities.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE C -- Contributions and grants receivable

WildAid typically ends the year with grants receivable from several sources including individuals, foundations and institutions.

See auditors' report.

WILDAID, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2012 and 2011

NOTE C -- Contributions and grants receivable (continued)

The amounts receivable from these sources at December 31 are as follows:

	<u>2012</u>	<u>2011</u>
Individuals and other	\$ 85,059	\$ 95,485
Foundations	234,000	20,916
Institutions	<u>403,478</u>	<u>477,549</u>
Total contributions and grants receivable	<u>\$ 722,537</u>	<u>\$ 593,950</u>

NOTE D -- Advances to field programs

Advances to field programs as of December 31 consist of the following:

	<u>2012</u>	<u>2011</u>
China	\$ 1,055	\$ 60,124
Indonesia and Manta	4,718	-
Galápagos Islands	<u>30,657</u>	<u>719</u>
Total field advances	<u>\$ 36,430</u>	<u>\$ 60,843</u>

NOTE E -- Property and equipment

Property and equipment consist of the following at December 31:

	<u>2012</u>	<u>2011</u>
Furniture and fixtures	\$ 9,239	\$ 9,240
Equipment	<u>41,149</u>	<u>34,330</u>
	50,388	43,570
Less accumulated depreciation	<u>(37,528)</u>	<u>(32,930)</u>
Property and equipment, net	<u>\$ 12,860</u>	<u>\$ 10,640</u>

See auditors' report.

WILDAID, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2012 and 2011

NOTE E -- Property and equipment (continued)

Depreciation expense for the years ended December 31, 2012 and 2011 was \$6,525 and \$6,044, respectively.

NOTE F -- In-kind donations

The estimated fair value of donated supplies and expert services received are recorded as contributions. Significant donations of advertisement space on print and electronic billboards, airtime on television, the internet and radio, and advertising in magazines occurred during 2012 and 2011 in the countries of China and India. The participation of these media vendors is an irreplaceable part of WildAid's program to educate the public, reduce the demand for endangered animal products and is a significant part of WildAid's world-wide mission.

WildAid has obtained an independent, third-party valuation from CTR Market Research Company, LTD for donations of advertisement space in certain China TV markets since 2010, and continuing through 2011 and 2012, the value of which is included in the financial statements. Starting in 2012, WildAid also obtained detailed, certified valuations from other sources, for video outlets in various public spaces (such as government buildings, airports, railway stations, universities, hospitals and taxis). The valuations for these are also included in the 2012 financial statements.

Given the cost of third-party monitoring and evaluation of media, such values were not obtained for the balance of the China markets or for the India markets, so the value of those services are not included in the financial statements. WildAid's international media partners do not receive any tax relief due to the pro-bono nature of the services provided. The media outlet, media type and value of in-kind media services included as in-kind revenue and expense for the years ended December 31, 2012 and 2011 is as follows:

See auditors' report.

WILDAID, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2012 and 2011

NOTE F -- In-kind donations (continued)

Media Outlet	2012 Rank	2012	2011	2010
Universe Media (75K+ video boards in trains)	1	\$ 42,740,426	\$ *	\$ *
Chongqing TV	2	18,618,925 +	*	*
CCTV	3	16,532,927 +	91,711,098	24,415,728
Shanghai TV	4	8,713,872 +	4,490,261	3,804,751
Red Wall (Railway Stn Video Billboards)	5	6,819,133	*	*
DAC Campus Video Screens (350 Univ)	6	6,095,046	*	*
Touch Media (Taxis)	7	3,704,851	*	*
VVIP Media (Airport VIP rooms video screens)	8	3,638,412	*	*
Beijing City TV (10K+ video screens in public spaces)	9	3,200,621	*	*
Today Sunshine/ChaoYang MenNei	10	3,621,518 +	*	*
AirMedia, inflight		2,789,791	*	*
Guangdong TV News		2,717,670 +	1,488,590	*
China Health Media (3300 hospitals, video screens)		2,553,631	*	*
Yunnan TV (more outlets in 2011)		2,336,487 +	4,092,602	625,760
Shandong Education TV		2,242,301 +	9,256,387	*
AirMedia, airports		1,254,957	*	*
Industry Assn/Legal Channel TV		1,036,703	*	*
Sina/Weibo/163 website		486,576	*	*
Shaanxi TV		276,722 +	1,298,035	*
Liaoning TV		* +	85,301,321	29,442,400
Other TV		2,881,292 +	2,731,114	9,562,865
Other non-TV		9,629	*	*
		<u>132,271,490</u>	<u>200,369,408</u>	<u>67,851,504</u>
Magazines		<u>305,770</u>	<u>262,536</u>	<u>135,598</u>
Total		<u>\$132,577,260</u>	<u>\$200,631,944</u>	<u>\$ 67,987,102</u>

* No estimate or valuation certification made in year specified

+ Valuation performed by CTR Market Research Company

If blank, estimate of media value obtained from another source.

Furthermore, WildAid has over 80 celebrities worldwide who have donated their time to be featured in WildAid's public service announcements. Along with filming, they often participate in campaign launches and other media events as well. No value is booked to reflect their donated time, although the value of their participation is invaluable to the delivery of WildAid's message.

See auditors' report.

WILDAID, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2012 and 2011

NOTE G -- Temporarily restricted net assets and net assets released from restrictions

Temporarily restricted net assets at December 31 are available for the following programs:

	<u>2012</u>	<u>2011</u>
Galápagos Islands	\$ 272,508	\$ 379,270
Climate change	248,833	209,469
Indonesia	13,090	150,377
Rhino	364,375	-
Elephant	526,463	-
Canada	-	33,263
Marine protected areas	-	<u>57,537</u>
Total temporarily restricted net assets	<u>\$ 1,425,269</u>	<u>\$ 829,916</u>

Net assets were released from donor restrictions during the years ended December 31, 2012 and 2011 by incurring expenses satisfying the purpose of the restriction, by the passage of time, or by the occurrence of other specific events as follows:

	<u>2012</u>	<u>2011</u>
China	\$ 127,110,518	\$ 197,525,592
Rhino	56,560	-
Elephant	5,677,358	-
Galápagos Islands	764,623	912,630
Climate change	873,088	4,367,908
India	8,108	303,640
Indonesia	279,599	223,621
Canada	34,423	6,229
SF/Pacific Shark Campaign	-	73,934
Marine protected areas	<u>294,138</u>	<u>187,837</u>
Net assets released from restrictions	<u>\$ 135,098,415</u>	<u>\$ 203,601,391</u>

NOTE H -- Lease commitments

WildAid leases office space in San Francisco, California under an agreement which expires September 30, 2013.

See auditors' report.

WILDAID, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2012 and 2011

NOTE H -- Lease commitments (continued)

WildAid leases various office facilities and equipment in the Beijing, China, and the Galápagos Islands under noncancelable lease agreements expiring at various dates through 2013. The facility leases provide for various rate adjustments and renewal options. WildAid also leases office space in India on a month-to-month basis.

Future minimum lease payments under the operating leases total \$61,296 and are all due during the year ending December 31, 2013.

Total rent expense under all leases was \$133,698 and \$133,037 for the years ended December 31, 2012 and 2011.

NOTE I -- Retirement plan

WildAid maintains a qualified 401(k) retirement plan for all eligible employees. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. WildAid made contributions to the plan of \$20,934 and \$11,341 for the years ended December 31, 2012 and 2011, respectively. WildAid adopted a Safe Harbor Amendment effective January 1, 2012, matching employee contributions up to a maximum of 4%.

NOTE J -- Cooperative agreement with World Wildlife Fund

On January 10, 2011, WildAid entered into a cooperative agreement with the World Wildlife Fund (WWF) to fund and install a radar-based surveillance and monitoring system at three specific sites within the Galápagos Marine Reserve in order to reduce the incidence of illegal activities and to improve the safety conditions for regular maritime traffic. The total original value of the cooperative agreement was \$649,024. WildAid's initial plan to subgrant \$324,512 to WWF over nine months has been extended. Under the agreement, WWF will match WildAid's investment at a 1:1 ratio and WWF is responsible for administering the contract with the third-party radar vendor. As of the end of 2011, 50% of WildAid's portion was paid to WWF for project implementation. The project was expected to be completed by December 31, 2012 but has been extended. WildAid and WWF have cooperated on several projects in the Galápagos Islands since 2004.

See auditors' report.

WILDAID, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2012 and 2011

NOTE K -- Concentration of revenue and support

During the year ended December 31, 2012, grants from two Foundations accounted for approximately 28% of total grants and awards revenue and support. During the year ended December 31 2011, a grant from one Foundation accounted for approximately 13% of total grants and awards revenue and support.

NOTE L -- Subsequent events

The date to which events occurring after December 31, 2012 have been evaluated for possible adjustments to the financial statements or disclosure is May 15, 2013, which is the date on which the financial statements were available to be issued.

See auditors' report.