



# HINKLE + LANDERS

Certified Public Accountants + Business Consultants

**NEW MEXICO WILDERNESS ALLIANCE  
AND NEW MEXICO WILD ACTION FUND**

**INDEPENDENT AUDITOR'S REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2020  
With Comparative Totals for 2019**



**NEW MEXICO WILDERNESS ALLIANCE  
AND NEW MEXICO WILD ACTION FUND  
For the Year Ended September 30, 2020, With Comparative Totals for 2019**

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**NEW MEXICO WILDERNESS ALLIANCE  
AND NEW MEXICO WILD ACTION FUND  
As of September 30, 2020**

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OFFICIAL ROSTER

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*Boards of Directors*

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New Mexico Wilderness

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Nancy Morton	Chair
Todd Schulke	Vice-Chair
Ken Cole	Interim Treasurer
Joey Alcock	Secretary
Ernie Atencio	Member
Wendy Brown	Member
Sam DeGeorges	Member
Carol Johnson	Member
Ken Jones	Member
Keegan King	Member
Brian O'Donnell	Member
Sally Paez	Member
David Soules	Member
Ann Watson	Member

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New Mexico Wild Action Fund

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Sally Paez	Chair
Ben Shelton	Treasurer
Jeremy Vesbach	Secretary

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*Administrative Personnel*

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Mark Allison	Executive Director
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## **INDEPENDENT AUDITOR'S REPORT**

The Boards of Directors of  
New Mexico Wilderness Alliance and New Mexico Wild Action Fund  
Albuquerque, New Mexico

### **Report on Financial Statements**

We have audited the accompanying consolidated financial statements of the New Mexico Wilderness Alliance and New Mexico Wild Action Fund (the Organizations), which comprise the consolidated statement of financial position as of September 30, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related consolidated notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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 consolidated financial position of the Organizations as of September 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

Supplementary Schedules

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

The prior year summarized comparative information has been derived from New Mexico Wilderness Alliance's September 30, 2019 financial statements. We have previously audited New Mexico Wilderness Alliance's 2019 financial statements, and we issued an unmodified opinion on those audited financial statements in our report dated March 10, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Hinkle + Landers, P.C.  
Albuquerque, NM  
May 3, 2021

**NEW MEXICO WILDERNESS ALLIANCE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As of September 30, 2020, With Comparative Totals For 2019**

	Notes	2020	2019
<b>ASSETS</b>			
Current assets			
Cash, cash equivalents, and restricted cash	C	\$ 1,022,904	544,530
Accounts, grants, and other receivables	I	320,636	365,863
Interest receivable		3,539	5,215
Prepaid expenses	J	23,303	75,428
Total current assets		1,370,382	991,036
Non-current assets			
Accounts, grants, and other receivables	I	100,000	-
Investments, at fair value	G	631,951	617,168
Assets held by community foundation	E, F	23,042	21,529
Security deposit	K	6,092	5,698
Property and equipment	L	107,864	21,552
Total non-current assets		868,949	665,947
<b>TOTAL ASSETS</b>		<b>\$ 2,239,331</b>	<b>1,656,983</b>
<b>LIABILITIES AND NET ASSETS</b>			
Current liabilities			
Accounts payable		\$ 21,638	36,583
Accrued payroll		27,631	20,994
Accrued liabilities		2,911	3,824
Accrued leave		36,860	26,130
Deferred revenue	M	4,500	14,926
Loans payable (current portion)	N	112,224	-
Total current liabilities		205,764	102,457
Long-term liabilities:			
Loans payable	N	70,878	-
Total non-current liabilities		70,878	-
Total liabilities		276,642	102,457
Net Assets			
Net assets without donor restrictions			
Undesignated		1,354,713	921,647
Board designated - quasi-endowment	E	23,042	21,529
Net investment in property and equipment		107,864	21,552
Total unrestricted net assets		1,485,619	964,728
Net assets with donor restrictions	O	477,070	589,798
Total net assets		1,962,689	1,554,526
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$ 2,239,331</b>	<b>1,656,983</b>

SEE INDEPENDENT AUDITOR'S REPORT

The accompanying notes are an integral part of these consolidated financial statements.

**NEW MEXICO WILDERNESS ALLIANCE**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**For The Year Ended September 30, 2020, With Comparative Totals For 2019**

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>2020</u> <u>Totals</u>	<u>2019</u> <u>Totals</u>
<b>SUPPORT</b>				
Contributions	\$ 687,516	-	687,516	554,568
Grants	383,003	882,756	1,265,759	1,342,733
In-kind contributions	4,730	-	4,730	15,183
Total support	<u>1,075,249</u>	<u>882,756</u>	<u>1,958,005</u>	<u>1,912,484</u>
<b>REVENUES</b>				
Contracts	118,631	-	118,631	15,643
Publication and retail sales	9,690	-	9,690	9,018
Investment income, net fees	17,549	-	17,549	20,799
Program trips and events	11,522	-	11,522	6,140
Other income	3,154	-	3,154	450
Net assets released from restrictions	995,484	(995,484)	-	-
Total revenues	<u>1,156,030</u>	<u>(995,484)</u>	<u>160,546</u>	<u>52,050</u>
Total support, revenue, & reclassifications	<u>2,231,279</u>	<u>(112,728)</u>	<u>2,118,551</u>	<u>1,964,534</u>
<b>OPERATING EXPENSES</b>				
Programs				
Wilderness protection	434,724	-	434,724	330,878
Wilderness defense	166,876	-	166,876	194,537
Wilderness ranger	244,983	-	244,983	211,384
Outreach and education	485,741	-	485,741	321,197
Policy	6,963	-	6,963	-
Total Programs	<u>1,339,287</u>	<u>-</u>	<u>1,339,287</u>	<u>1,057,996</u>
Supporting Services				
General & administrative	228,178	-	228,178	194,208
Fundraising expense	132,009	-	132,009	131,696
Action Fund PAC expenses	10,914	-	10,914	-
Total operating expenses	<u>1,710,388</u>	<u>-</u>	<u>1,710,388</u>	<u>1,383,900</u>
Change in net assets	520,891	(112,728)	408,163	580,634
Net assets, beginning	<u>964,728</u>	<u>589,798</u>	<u>1,554,526</u>	<u>973,892</u>
Net assets, ending	<u>\$ 1,485,619</u>	<u>477,070</u>	<u>1,962,689</u>	<u>1,554,526</u>

SEE INDEPENDENT AUDITOR'S REPORT

The accompanying notes are an integral part of these consolidated financial statements.



**NEW MEXICO WILDERNESS ALLIANCE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**For The Year Ended September 30, 2020, With Comparative Totals For 2019**

	Program Services					NM Wild		Total
	Wilderness Protection	Wilderness Defense	Wilderness Ranger	Outreach & Education	Total Program	General & Administrative	Fundraising	
Personnel expenses:								
Salaries	\$ 250,811	117,813	187,677	187,434	743,735	93,349	55,993	893,077
Payroll taxes	19,094	8,979	14,134	13,292	55,499	6,827	4,375	66,701
Payroll benefits	16,273	6,726	1,546	15,469	40,014	15,262	1,880	57,156
Retirement expense	5,882	3,555	1,030	6,225	16,692	3,531	2,724	22,947
Workers compensation	924	442	609	639	2,614	497	204	3,315
Total personnel	<u>292,984</u>	<u>137,515</u>	<u>204,996</u>	<u>223,059</u>	<u>858,554</u>	<u>119,466</u>	<u>65,176</u>	<u>1,043,196</u>
General expenses:								
Contractual services	34,983	7,336	1,238	52,094	95,651	49,413	16,384	161,448
Advertising and website	40,896	4,681	74	52,262	97,913	141	21,472	119,526
Office rent, security and occupancy	10,032	9,259	10,490	29,671	59,452	18,741	4,175	82,368
Outings, events, and projects	1,853	422	6,865	71,551	80,691	-	214	80,905
Travel, meals, and transportation	30,202	1,215	12,430	2,487	46,334	534	1,374	48,242
Printing and copying	1,499	1,348	664	12,409	15,920	1,824	8,847	26,591
Newsletter expenses	-	-	-	16,127	16,127	-	360	16,487
Equipment and supplies	3,270	280	197	3,784	7,531	4,547	4,389	16,467
Postage and delivery	2	80	-	5,350	5,432	-	5,544	10,976
Telephone and internet	5,734	-	-	2,044	7,778	1,938	969	10,685
Dues, subscriptions, licenses, and fees	-	562	-	826	1,388	4,235	2,673	8,296
Insurance	-	-	-	-	-	6,723	-	6,723
Other expenses	104	89	450	2,872	3,515	3,129	-	6,644
Training	25	-	2,130	-	2,155	-	-	2,155
Auto expenses	-	-	1,360	-	1,360	-	-	1,360
Interest and financing fees	-	-	-	-	-	293	-	293
Overhead allocation	-	-	-	-	-	-	-	-
Total general expenses before depreciation and in-kind	<u>128,600</u>	<u>25,272</u>	<u>35,898</u>	<u>251,477</u>	<u>441,247</u>	<u>91,518</u>	<u>66,401</u>	<u>599,166</u>
Depreciation and amortization	4,089	4,089	4,089	4,089	16,356	-	-	16,356
Goods, flights, & gift cards in-kind	-	-	-	1,592	1,592	-	-	1,592
Total expenses	<u>\$ 425,673</u>	<u>166,876</u>	<u>244,983</u>	<u>480,217</u>	<u>1,317,749</u>	<u>210,984</u>	<u>131,577</u>	<u>1,660,310</u>

SEE INDEPENDENT AUDITOR'S REPORT  
The accompanying notes are an integral part of these consolidated financial statements.

**NEW MEXICO WILDERNESS ALLIANCE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES, CONTINUED**  
**For The Year Ended September 30, 2020, With Comparative Totals For 2019**

	Action Fund										2020 Total	2019 Total
	Program Services				Total Program	General & Administrative	Fundraising	PAC	Total	Eliminations		
Wilderness Protection	Wilderness Defense	Outreach & Education	Policy									
Personnel expenses:												
Salaries	\$ 50,263	23,852	35,359	-	109,474	55,481	19,618	-	184,573	(169,200)	908,450	754,163
Payroll taxes	3,936	1,868	2,769	-	8,573	3,535	1,536	-	13,644	(13,250)	67,095	56,961
Payroll benefits	-	-	-	-	-	-	-	-	-	-	57,156	39,514
Retirement expense	4,479	1,783	5,506	-	11,768	5,286	679	-	17,733	(17,550)	23,130	24,157
Workers compensation	-	-	-	-	-	-	-	-	-	-	3,315	1,463
Total personnel	58,678	27,503	43,634	-	129,815	64,302	21,833	-	215,950	(200,000)	1,059,146	876,258
General expenses:												
Contractual services	-	-	-	-	-	1,175	432	2,263	3,870	-	165,318	88,709
Advertising and website	8,514	-	5,524	6,963	21,001	-	-	4,500	25,501	-	145,027	95,376
Office rent, security and occupancy	-	-	-	-	-	-	-	-	-	-	82,368	59,564
Outings, events, and projects	-	-	-	-	-	-	-	-	-	-	80,905	75,122
Travel, meals, and transportation	537	-	-	-	537	-	-	-	537	-	48,779	36,779
Printing and copying	-	-	-	-	-	16	-	-	16	-	26,607	29,572
Newsletter expenses	-	-	-	-	-	-	-	-	-	-	16,487	31,246
Equipment and supplies	-	-	-	-	-	-	-	-	-	-	16,467	21,439
Postage and delivery	-	-	-	-	-	-	-	4,099	4,099	-	15,075	8,546
Telephone and internet	-	-	-	-	-	-	-	-	-	-	10,685	8,182
Dues, subscriptions, licenses, and fees	-	-	-	-	-	53	-	52	105	-	8,401	8,537
Insurance	-	-	-	-	-	-	-	-	-	-	6,723	5,782
Other expenses	-	-	-	-	-	-	-	-	-	-	6,644	8,241
Training	-	-	-	-	-	-	-	-	-	-	2,155	4,551
Auto expenses	-	-	-	-	-	-	-	-	-	-	1,360	2,901
Interest and financing fees	-	-	-	-	-	-	-	-	-	-	293	64
Overhead allocation	8,750	3,750	4,750	-	17,250	5,750	2,000	-	25,000	(25,000)	-	-
Total general expenses before depreciation and in-kind	17,801	3,750	10,274	6,963	38,788	6,994	2,432	10,914	59,128	(25,000)	633,294	484,611
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	16,356	7,848
Goods, flights, & gift cards in-kind	-	-	-	-	-	-	-	-	-	-	1,592	15,183
Total expenses	\$ 76,479	31,253	53,908	6,963	168,603	71,296	24,265	10,914	275,078	(225,000)	1,710,388	1,383,900

SEE INDEPENDENT AUDITOR'S REPORT  
The accompanying notes are an integral part of these consolidated financial statements.

**NEW MEXICO WILDERNESS ALLIANCE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For The Year Ended September 30, 2020, With Comparative Totals For 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from grants & contracts	\$ 1,320,867	1,130,136
Cash received from contributors & others	766,379	516,470
Cash payments to vendors & contractors	(648,859)	(471,979)
Cash payments for wages & benefits	(1,041,779)	(868,819)
Interest expense and financing fees	(293)	(64)
Net cash provided/(used) by operating activities	<u>396,315</u>	<u>305,744</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash paid for investment in property & equipment	(99,530)	-
Purchases of investments	-	(200,000)
Changes in endowment	(1,513)	804
Net cash provided/(used) by investing activities	<u>(101,043)</u>	<u>(199,196)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loans payable	<u>183,102</u>	-
Net cash provided/(used) by financing activities	<u>183,102</u>	-
Net increase (decrease) in cash	478,374	106,548
Cash, cash equivalents, and restricted cash, beginning of year	<u>544,530</u>	<u>437,982</u>
Cash, cash equivalents, and restricted cash, end of year	\$ <u><u>1,022,904</u></u>	<u><u>544,530</u></u>
Reconciliation of change in net assets to cash provided/(used) by operating activities		
Change in net assets	\$ 408,163	580,634
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	16,356	7,848
Noncash adjustments - in-kind donation capitalized	(3,138)	-
Unrealized and realized (gains)/losses on investments	(58)	(4,113)
Reinvested interest	(14,725)	(14,837)
Changes in assets and liabilities:		
Accounts, grants, and other receivables	(53,097)	(243,166)
Inventory	-	-
Prepaid expenses	52,125	(51,849)
Security deposit	(394)	(3,706)
Accounts payable	(14,945)	10,412
Accrued payroll	6,637	8,333
Accrued liabilities	(913)	2,156
Accrued leave	10,730	(894)
Deferred revenue	<u>(10,426)</u>	<u>14,926</u>
Net cash provided/(used) by operating activities	\$ <u><u>396,315</u></u>	<u><u>305,744</u></u>
Supplementary Disclosure:		
In-kind contributions	\$ 4,730	15,183

**NEW MEXICO WILDERNESS ALLIANCE  
AND NEW MEXICO WILD ACTION FUND  
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2020, With Comparative Totals for 2019**

**NOTE A – NATURE OF OPERATIONS**

The New Mexico Wilderness Alliance (NM Wild) is a nonprofit corporation founded in 1997. NM Wild's purpose is to enjoy, protect, and restore wilderness in New Mexico, and to conduct research and educate the public about wilderness in New Mexico. NM Wild's main sources of support and revenue are grants, contributions, contracts, and memberships. The programs of NM Wild were redefined during the year ended September 30, 2020, to better reflect NM Wild's actual efforts in pursuit of its organizational priorities. The programs for the year ended September 30, 2020, are as follows:

1. *Wilderness Protection*: Upgrading the status of public lands. Activities directly related to increasing legislative or administrative protection designations; place-based campaign activities, including grassroots organizing, mobilization, advocacy, and communications with elected officials.
2. *Wilderness Defense*: Efforts to improve the management of public lands. Activities include a range of oversight and "watchdog" activities designed to hold agencies accountable for managing lands consistent with relevant statutes, regulations, rules, and management plans and proposals.
3. *Wilderness Ranger*: The New Mexico Wild Wilderness Ranger Program is a partnership with the US Forest Service and Bureau of Land Management designed to increase stewardship in wilderness areas across New Mexico. Rangers provide important services including wilderness character monitoring, trails assessment, trail clearing, campsite rehabilitation, public outreach and wilderness education. Their work provides valuable information on current wilderness conditions while enhancing public safety and contributing to positive wilderness experiences for wilderness visitors. Since 2017, we have hosted seasonal rangers in the Carson, Santa Fe, Cibola, Lincoln, and Gila National Forests.
4. *Outreach and Education*: Public outreach, education, and engagement. Activities conducted to foster better understanding and appreciation for the value of federal public lands in general, not associated with a specific place-based campaign.

In July 2019, the New Mexico Wilderness Alliance formed New Mexico Wild Action Fund (Action Fund), a non-profit corporation organized exclusively for social welfare purposes within the meaning of Section 501(c)(4) of the Internal Revenue Code. The primary purpose of this organization is to advocate for the protection of New Mexico's public lands, water, and wildlife. Formal bylaws were introduced and approved on September 10, 2019. This is a non-membership organization and all affairs are managed by a Board of Directors. There was no activity in fiscal year 2019, therefore fiscal year 2020 is the first year of presentation.

**NEW MEXICO WILDERNESS ALLIANCE  
AND NEW MEXICO WILD ACTION FUND  
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2020, With Comparative Totals for 2019**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting. Under this method, all revenues earned and determinable in amount and receivable by the organization are recognized. Expenses incurred but not paid as of the close of business at September 30 are accrued. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

**Consolidated Financial Statement Presentation**

Management has elected to consolidate the accounts of NM Wilderness Alliance and NM Wild Action Fund due to the following conditions being present:

1. NM Wild has the ability to direct or manage the relevant activities through major contractual arrangements and
2. NM Action Fund provides significant services to NM Wild.

Interorganizational accounts and transactions for these entities have been eliminated in the preparation of the consolidated financial statements. Collectively, the consolidated entity is referred to as the “Organizations”.

**Consolidated Financial Statement Presentation**

The Organizations present their consolidated financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Financial Statements for Not-For-Profit Organizations. Under FASB ASC 958, the Organizations are required to report 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. In addition, the Organizations present a statement of cash flows and a statement of functional expenses.

**Net Assets Without Donor Restrictions**

*Undesignated:* Unrestricted amounts are those net assets currently available at the discretion of the Board for use in the Organizations’ programs, and those resources invested in land, buildings and equipment.

*Board Designated:* Board-designated net assets without donor restrictions represent quasi-endowment funds held at the NMCF. The board intends to retain and invest these funds. However, the funds can be used if needed subject to the distribution policy of funds held at the NMCF.

**Net Assets With Donor Restrictions**

Net assets with donor restrictions are the result of contributions and other inflows of assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are

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CONSOLIDATED NOTES TO FINANCIAL STATEMENTS  
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temporary in nature; those restrictions can be fulfilled and removed by actions of the organization pursuant to those stipulations or by the passage of time. Other donor restrictions are perpetual in nature. Net assets perpetual in nature result from contributions and other inflows of assets, the use of which is limited by donor-imposed stipulations that cannot be removed by actions of the Organizations. At September 30, 2020, the Organizations reported no net assets perpetual in nature. See Net Assets with Donor Restrictions Note O.

**Liquidity and Availability of Financial Resources**

The Organizations regularly monitor liquidity to meet its cash flow requirements and operating needs. The availability of financial assets is primarily affected by management designations, the nature of the underlying assets, external limitations imposed by donors or contracts with others. The Organizations are partially supported by restricted grants. Because a donor's restriction required resources to be used in a particular manner or in a future period, the Organizations must maintain sufficient resources to meet those responsibilities to its donors. These financial assets may not be available for general expenditure within one year. As part of the Organizations' liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organizations can invest cash in excess of daily requirements in short-term investments.

Liquidity is as follows:

	<u>2020</u>	<u>2019</u>
Financial assets, at year end		
Total cash, cash equivalents, and restricted cash	\$ 1,022,904	544,530
Receivables expected to be received within a year	324,175	371,078
Less those unavailable for general expenditures within year, due to:		
Restricted by donor with time and purpose restrictions	<u>(377,070)</u>	<u>(589,798)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 970,009</u>	<u>325,810</u>

Donor restricted funds are available for expenditure upon satisfaction of the restriction, the expected timing of which is not generally determinable in advance.

**Cash, Restricted Cash, and Cash Equivalents**

The Organizations consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash, restricted cash and cash equivalents includes money market funds and interest-bearing instruments with maturities at the date of purchase of three months or less. The Organizations maintain deposits in financial institutions that may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). Management believes that there is not a significant risk with respect to these deposits.

**NEW MEXICO WILDERNESS ALLIANCE  
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**Investments**

Investments are comprised of certificates of deposits, cash and money market funds and are carried at fair value. Assets held by a community foundation are measured at the fair value of the underlying assets as reported by the foundation holding the funds. Realized gains and losses are recorded on a specific identification method upon the sale of investment assets. Realized and unrealized gains and losses on investments, as well as investment expenses, are included in the accompanying statements of activities. Investment income and gains (losses) restricted by donors are reported as increases (decreases) in unrestricted net assets unless donor-imposed restrictions have not been met in the reporting period in which the income and gains are recognized.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

**Accounts, Grants and Contracts Receivables**

Contracts, grants, and other receivables are stated at unpaid balances, less an allowance for doubtful accounts. Management estimates the adequacy of the allowance for uncollectible receivables based on historical collections, specific impaired receivables, and other situations that may affect the collection of the receivables. Receivables are charged off in the period in which the management determines the receivable is uncollectible. As of September 30, 2020 and 2019, management estimates all receivables to be fully collectible; therefore, no provision for an allowance for uncollectible receivables has been recorded.

**Pledged Receivables**

Unconditional pledges to give are recognized as contribution revenues and receivables in the period the pledge is made. Conditional pledges to give are recognized when the conditions on which they depend are substantially met. As of September 30, 2020 and 2019, the Organizations had no pledges outstanding.

**Fair Value Measurement**

Fair value is 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.

The fair value of investments is subject to ongoing fluctuation. The amount ultimately realized upon disposition may differ than the amounts reported in these consolidated financial statements. Fair value estimates for securities are currently volatile, difficult to predict, and subject to material changes that could affect the Organizations' financial condition and results of operations in the future.

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**Revenue Recognition**

In accordance with accounting principles generally accepted in the United States of America, revenue is recorded when earned rather than received. The following summarizes the revenue recognition policies for major classifications of revenue:

- **Grants** - Grants contributions are typically recorded as restricted revenue based on either a purpose (program) restriction and/or a time restriction. Some grant contributions may be recorded on a reimbursement basis. Specifically, when qualifying expenses are incurred, a receivable and grant revenue are recorded. The Organizations have no exchange type grants.
- **Contributions** – All contributions are considered available for general programs unless specifically restricted by the donor. Contributions are reported when an unconditional promise to give or other asset is received (in accordance with ASC 958-605). Amounts received that are designated for future periods or restricted by the donor are reported as with donor restriction support and increase the respective class of net assets. Donor-imposed restrictions spent in the same year as contributed are included as with donor restriction revenue.
- **Contract revenue** – Contract revenue is recorded at the time the services are provided and the performance obligation is satisfied.

**Support**

The Organizations report contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, restricted net assets are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

**Contributed (Donated) Services**

Contributions of services are recognized in the accompanying consolidated financial statements in accordance with FASB ASC 958-605-25-16; if the services received:

- enhance or create non-financial assets,
- require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

See Note P for additional detail regarding donated services.

**Contributed (Donated) Assets**

The Organizations may receive contributions of non-cash assets. Donated marketable securities and other non-cash donations are recorded as in-kind contributions at their estimated fair values at the date of donation. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Absent donor stipulations regarding how long those donated assets must be maintained, the Organizations report the expiration of donor restrictions when the donated



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or acquired assets are placed in service as instructed by the donor. The Organizations reclassify net assets with donor restrictions to net assets without donor restrictions at that time unless the donor has restricted the donated asset to a specific purpose. See Note P for additional detail regarding donated assets.

**Property, Equipment, and Depreciation**

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. 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 and contributions of cash that must be used to acquire property are reported as restricted support. Depreciation is computed using the straight-line method. The Organizations capitalize all expenditures for property and equipment with a cost of \$2,000 or more with an estimated life of more than one year. Items with a cost of less than \$2,000 are expensed in the year of acquisition. Repairs and maintenance expenses are charged to operations when incurred and major betterments and replacements are capitalized.

The major classifications of property and equipment and the related depreciable lives are as follows:

<u>Type</u>	<u>Useful Lives</u>
Furniture & equipment	5 years
Website	5 years
Vehicles	5 years

**Impairment of Long-Lived Assets**

The Organizations account for long-lived assets in accordance with the provisions of FASB ASC 360-10 and subsections. ASC 360-10 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell. Management does not believe impairment indicators are present as of September 30, 2020.

**Accrued Leave**

Annual PTO is accrued in equal installments by pay period based on the number of years of employment. Employees are allowed to carry forward up to one year's worth of PTO based on their year of service accrual category. Any additional time not used cannot be cashed out or carried forward. Employees will be compensated for accrued PTO upon voluntary termination of employment, not to exceed a total of one year's worth of accrual, consistent with the employee's length of service, as long

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as two weeks' notice is given. Employees involuntarily terminated from the Organizations will not be paid out any remaining balance of PTO. Annual leave balances for the years ended September 30, are as follows:

<u>Accrued leave</u>	<u>2020</u>	<u>2019</u>
NM Wild	\$ 26,560	26,130
Action Fund	<u>10,300</u>	<u>-</u>
Total	<u>\$ 36,860</u>	<u>26,130</u>

**Advertising**

The Organizations expense advertising costs as incurred. Advertising costs are incurred primarily for the dissemination of program information.

**Retirement Benefits**

The Organizations provide a retirement plan under Section 403(b) of the Internal Revenue Code. Eligible employees may contribute the maximum allowable by the IRS. The Organizations match employee's contributions up to 5% of the participating employee's compensation. Employer contributions to the retirement plan were applied to the Organizations for the years ended September 30, as follows:

<u>Employer contributions</u>	<u>2020</u>	<u>2019</u>
NM Wild	\$ 5,397	24,157
Action Fund	<u>17,733</u>	<u>-</u>
Total	<u>\$ 23,130</u>	<u>24,157</u>

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities of the Organization has been summarized on a functional basis in the statement of functional expenses. Direct costs are allocated first to the appropriate programs. Salary and other personnel costs that are not directly coded to a programmatic activity are allocated based on time certifications and the best estimate of employees. Contractual services are allocated based on time certifications with a certain program. Depreciation expenses are allocated equally among the programs. Occupancy costs, supplies, utilities, etc. are allocated based on head count and programmatic activity. Travel, meals, communication, postage, and printing are allocated based on the type of expense incurred and the staff person incurring the expense. Other operating costs are allocated using various allocation methodologies including allocations based on personnel or actual expense.

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**Use of Estimates in Preparing Financial Statements**

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Operating Leases**

The Organizations entered into a lease for their main office in Albuquerque, on April 1, 2019, which ends March 31, 2024. Payments range from \$4,996 to \$7,122 during the term. In addition, the Organizations have multi-year copier and postage machine leases. Furthermore, the Organizations have other month-to-month leases for office space in Santa Fe and Las Cruces.

Future lease obligations are as follows:

<u>Year ending</u>	<u>Amount</u>
2021	\$ 64,812
2022	77,629
2023	85,032
2024	85,564
2025	14,244
Thereafter	-

Office rent, equipment leases, and other occupancy costs for the years ended September 30, are as follows:

<u>2020</u>	<u>2019</u>
\$ <u>82,366</u>	<u>59,564</u>

**Income Taxes**

The Organizations are non-profit organizations and are exempt from federal income taxes under Section 501(c)(3), for NM Wild, and Section 501(c)(4), for the Action Fund, of the Internal Revenue Code and has been classified by the Internal Revenue Service as an organization that is not a private foundation.

The Organizations file Federal Form 990 tax returns and, when required, Form 990-T tax returns in the U.S. federal jurisdiction. New Mexico Wilderness Alliance's 990 is also filed online with charitable registration in the Office of the Attorney General for the State of New Mexico.

Management of the Organizations has determined its advertising activities are unrelated business activity.

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**Comparative Financial Statements**

The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the financial statements for the year ended September 30, 2019, which present only the accounts of New Mexico Wilderness Alliance, from which the summarized information was derived.

**Reclassifications**

Certain reclassifications may have been made to 2019 amounts to conform to 2020 presentation.

**Litigation**

The Organizations, in the normal course of business, are subject to claims and litigation. Management believes that there are no outstanding claims or assessments which would be subject to a material unfavorable outcome that would not be covered by insurance.

**NOTE C – CASH, CASH EQUIVALENTS, AND RESTRICTED CASH**

Cash, cash equivalents, and restricted cash at year end, consist of the following at September 30:

	<u>2020</u>	<u>2019</u>
<u>NM Wild</u>		
Checking and savings - unrestricted \$	272,136	186,712
Restricted cash - with donor purpose	151,990	325,798
Vanguard money market	4,000	3,965
Raymond James cash sweep	257,750	27,555
Petty cash	500	500
Total NM Wild	<u>686,376</u>	<u>544,530</u>
<u>Action Fund</u>		
Checking and savings - unrestricted	266,528	-
Restricted cash - with donor purpose	70,000	-
Total Action Fund	<u>336,528</u>	<u>-</u>
Total cash and cash equivalents \$	<u><u>1,022,904</u></u>	<u><u>544,530</u></u>

**NOTE D – CONCENTRATIONS OF CREDIT RISK**

Periodically throughout the year ended September 30, 2020, the Organizations' cash balances in its local bank accounts may have exceeded the insured limits allowed under the Federal Deposit Insurance Corporation. Currently those limits insure up to \$250,000 per financial institution. However, management felt the risks related to these balances were within an acceptable range. As of September 30, 2020, NM Wild's cash balances held at Bank of Albuquerque were underinsured by \$702 and the Action Fund's cash balances held at Nusenda were underinsured by \$85,297.

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The amounts in money market accounts are protected by the Securities Investors Protection Corporation (SIPC), a non-government entity, up to \$500,000 for each customer. The SIPC replaces missing cash and securities – such as stocks and bonds – held by a customer where it is possible to do so in the event of theft or a brokerage failure.

**NOTE E – ASSETS HELD BY COMMUNITY FOUNDATION**

NM Wild transferred \$10,000 in 2009 and \$3,000 in July 2014, to the New Mexico Community Foundation (NMCF) to establish the New Mexico Wilderness Alliance Fund. The NMCF holds, manages, and invests these funds on behalf of NM Wild. The assets remain property of NM Wild. NM Wild elects whether to take distributions of income from these funds or reinvest the income. The funds can be withdrawn by NM Wild with a 75% vote of the board of directors of NM Wild. As of September 30, 2020 and 2019, these funds represented the investment of board-designated quasi-endowment funds. The fair value of these assets are as follows as of September 30:

Assets held by the NMCF	\$	<u>2020</u> <u>23,042</u>	<u>2019</u> <u>21,529</u>
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**NOTE F – QUASI-ENDOWMENT**

For the years ended September 30, 2020 and 2019, the assets of the quasi-endowment consist of funds held and invested by the NMCF. The quasi-endowment originated during the year ended September 30, 2009, with \$10,000 of contributions and additional contributions have been made since the inception.

Net assets associated with the quasi-endowment fund are classified as board designated. Income earned on the quasi-endowment is available for operations. Management of NM Wild has not yet adopted spending policies for the quasi-endowment.

The quasi-endowment's changes in activity and cost basis is as follows as of September 30:

		<u>2020</u>	<u>2019</u>
Fair value at October 1,	\$	21,529	22,333
Investment income/(loss)			
Net realized gain/(loss)		98	2,290
Net unrealized gain/(loss)		1,267	(1,635)
Investment management fees		(250)	(250)
Other payments and non-cash asset changes		<u>398</u>	<u>(1,209)</u>
Total investment income/(loss)		<u>1,513</u>	<u>(804)</u>
Fair value at September 30,	\$	<u>23,042</u>	<u>21,529</u>
 Cost Basis	 \$	 <u>22,668</u>	 <u>21,591</u>

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**NOTE G – INVESTMENTS**

Investments are presented in the consolidated financial statements at fair value. Market risk could occur and is dependent on future changes in market prices of the various investments held. A summary of investments held at September 30, 2020 and 2019 is as follows:

Type	2020		2019	
	FMV	Cost	FMV	Cost
Cash and money market	\$ 227,603	227,603	12,878	12,878
CDs	404,348	400,000	604,290	600,000
Total investments	\$ <u>631,951</u>	<u>627,603</u>	<u>617,168</u>	<u>612,878</u>

A summary of return on investments consists of the following for the year ended September 30:

	2020	2019
Fair value at October 1,	\$ 617,168	398,218
Contributions	-	200,000
Investment income/(loss)		
Interest income	14,725	14,837
Net unrealized gain/(loss)	<u>58</u>	<u>4,113</u>
Net change	<u>14,783</u>	<u>18,950</u>
Fair value at September 30,	\$ <u>631,951</u>	<u>617,168</u>
Cost Basis	\$ <u>627,603</u>	<u>612,878</u>

**NOTE H – FAIR VALUES MEASURED ON RECURRING BASIS**

Under FASB ASC 820-10-05, the Financial Accounting Standards Board establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement reaffirms that fair value is the relevant measurement attribute. The adoption of this standard did not have a material effect on the Organization's consolidated financial statements as reflected herein. The Organization measures certain financial assets and liabilities at fair value on a recurring basis, including its derivative liabilities. The Organization's financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy.

The three levels are as follows:

**Level 1**

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.

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**Level 2**

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3**

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value of investments securities is the market value based on the quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs to the limited market activity of the instrument.

**Fair Value of Financial Instruments**

The carrying amounts of cash and cash equivalents, receivables, payables, accrued expenses, and other liabilities approximate fair value due to the short maturity periods of these instruments. The fair value of long-term debt, if any, is the carrying value due to the adjustable market rate if interest.

The following methods and assumptions were used by the Organization in estimating the fair value of its financial instruments:

NMCF assets – valued at quoted prices for similar assets in active markets.

The following table summarizes the valuation of the Organization’s financial instruments by the above FASB ASC 820-10 categories as of September 30:

Type	2020		2019	
	Level 1	Level 2	Level 1	Level 2
Assets held by NMCF	-	23,042	-	21,529
CDs	404,348	-	604,290	-
Total	\$ 404,348	23,042	604,290	21,529

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**NOTE I – ACCOUNTS, GRANTS, & OTHER RECEIVABLES**

Accounts receivable summary and other receivable at year end are as follows:

	2020	2019
<u>NM Wild</u>		
Wilburforce Foundation	\$ 200,000	-
USDA Forest Service	83,034	83,641
Conservation Alliance	45,000	-
Bureau of Reclamation	31,326	-
Other receivables	15,581	4,621
National Wilderness Stewardship Alliance	14,949	3,601
National Forest Foundation	12,376	-
Environmental Defense Fund, Inc.	5,000	-
Fiesta Subaru	5,000	-
The Travel Bug	120	-
Carroll Petrie Foundation	-	250,000
Silver City - Outdoor Economic Conference	-	10,000
Continental Divide Trail Coalition	-	5,000
American Rivers - Outdoor Economic Conference	-	4,000
WellsFargo	-	2,500
River Network	-	2,500
Total NM Wild	412,386	365,863
 <u>Action Fund</u>		
The Wilderness Society	8,250	-
Total Action Fund	8,250	-
Total accounts, grants, and other receivables	\$ 420,636	365,863

As of September 30, 2020 and 2019, management estimates all receivables to be fully collectible; therefore, no provision for an allowance for uncollectible receivables has been recorded.

In fiscal year 2020 the Organizations were awarded a multi-year grant from Wilburforce Foundation for Southwest New Mexico Wildlands Protection. The award is paid out over a total of 3 years, with the first payment collected in fiscal year 2020. Management elected not to discount the grant to present value, as it was determined to be immaterial.

The following table details the future year collections of the multi-year grant:

	<u>Amount</u>
2021	\$ 100,000
2022	<u>100,000</u>
	<u>\$ 200,000</u>



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**NOTE J – PREPAID EXPENSES**

Prepaid expenses consist of insurance that is paid ahead of time and reduced throughout the fiscal year. The remaining balance of prepaid expenses at September 30, are as follows:

		<u>2020</u>	<u>2019</u>
Prepaid insurance	\$	4,795	4,975
Prepaid expenses		<u>18,508</u>	<u>70,453</u>
Total prepaid expenses	\$	<u><u>23,303</u></u>	<u><u>75,428</u></u>

**NOTE K – SECURITY DEPOSIT**

The Organizations have security deposits related to their office spaces. The security deposits are as follows at September 30:

		<u>2020</u>	<u>2019</u>
Security deposit	\$	<u>6,092</u>	<u>5,698</u>

**NOTE L – PROPERTY, EQUIPMENT, DEPRECIATION, AND AMORTIZATION**

Property, equipment, depreciation, and amortization consisted of the following at September 30:

<u>Type</u>	<u>2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>2020</u>
Depreciable property and equipment				
Furniture & equipment	\$ 24,622	-	-	24,622
Website	-	102,668	-	102,668
Vehicles	39,200	-	-	39,200
Subtotal	<u>63,822</u>	<u>102,668</u>	<u>-</u>	<u>166,490</u>
Less: Accumulated depreciation and amortization	<u>(42,270)</u>	<u>(16,356)</u>	<u>-</u>	<u>(58,626)</u>
Total property and equipment, net	<u>\$ 21,552</u>	<u>86,312</u>	<u>-</u>	<u>107,864</u>

Depreciation and amortization expense for the years ended September 30, 2020 and 2019 was \$16,356 and \$7,848, respectively.

**NOTE M – DEFERRED REVENUE**

The Organizations' deferred revenue consist of amounts collected from certain contracts in which the performance obligation has not yet been met. Deferred revenue for the fiscal years ended September 30, are as follows:

		<u>2020</u>	<u>2019</u>
Contracts	\$	<u>4,500</u>	<u>14,926</u>
Total deferred revenue	\$	<u><u>4,500</u></u>	<u><u>14,926</u></u>

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**NOTE N – LOANS PAYABLE**

The Organizations have the following loans payable during the year:

		<u>2019</u>	<u>Additions</u>	<u>Payments</u>	<u>2020</u>	<u>Current Portion</u>
Paycheck Protection Program Loan (CARES Act.)	\$	-	183,102	-	183,102	112,224
Total loans payable	\$	<u>-</u>	<u>183,102</u>	<u>-</u>	<u>183,102</u>	<u>112,224</u>

Loans payable consists of the following as of September 30:

	<u>2020</u>	<u>2019</u>
<p>On April 10, 2020, NM Wild received a Paycheck Protection Program loan for \$183,102 from Nusenda Federal Credit Union. The loan will mature in 2 years from the date of the note, April 10, 2022. The interest rate is 1.00%. 6 months of the principal and interest is deferred. Principal and interest payments of \$10,304.23 begin on November 10, 2020. All remaining principal and interest is due and payable 2 years from the date of the Note. <i>Under Section 1106 of the CARES Act, portions of Paycheck Protection Program loans can be forgiven. This includes payments for the following items incurred in or paid during the eight weeks following loan origination: “payroll costs” as defined above, plus mortgage interest, rent, and utilities. §1106(a)(2)-(5), and (7)(A)-(D).</i></p>	\$ <u>183,102</u>	<u>-</u>
Interest expense	\$ <u>-</u>	<u>-</u>

2021	112,224
2022	70,878
2023	-
2024	-
2025	-
Thereafter	<u>-</u>
Total	<u>\$ 183,102</u>

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**NOTE O – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes for periods after September 30:

<u>Subject to passage of time and/or expenditure for a specific purpose</u>	<u>2019</u>	<u>Additions</u>	<u>Released</u>	<u>2020</u>
<u>NM Wild</u>				
Albuquerque Community Foundation	\$ -	7,000	(7,000)	-
Carroll Petrie Foundation	318,686	-	(249,413)	69,273
Conservation Alliance	45,000	65,000	(96,967)	13,033
Environmental Defense Fund	-	10,000	(10,000)	-
Fidelity	120,000	-	(120,000)	-
Fidelity Donor Advised Fund	33,340	-	(33,340)	-
Hancock Foundation	-	5,000	-	5,000
National Forest Foundation	-	12,376	(5,546)	6,830
Outdoor Economic Conference	60,224	-	(60,224)	-
Patagonia	-	46,000	(46,000)	-
Resource Legacy Fund	-	15,000	(5,432)	9,568
Santa Fe Community Foundation	-	40,000	-	40,000
Water Foundation	-	70,000	(70,000)	-
Western Conservation Foundation	-	191,630	(151,624)	40,006
Wilburforce	12,548	310,000	(107,438)	215,110
Total NM Wild	<u>589,798</u>	<u>772,006</u>	<u>(962,984)</u>	<u>398,820</u>
<u>Action Fund</u>				
Green Advocacy Project	-	60,000	-	60,000
Grove Foundation	-	20,000	(10,000)	10,000
The Wilderness Society	-	8,250	-	8,250
Western Conservation Alliance	-	22,500	(22,500)	-
Total Action Fund	<u>-</u>	<u>110,750</u>	<u>(32,500)</u>	<u>78,250</u>
Total with donor restrictions	<u>\$ 589,798</u>	<u>882,756</u>	<u>(995,484)</u>	<u>477,070</u>

**NOTE P – IN-KIND CONTRIBUTIONS**

The Organizations utilizes volunteer services to meet project requirements. The Organizations' number of volunteers and amounts of hours contributed are as follows, as of September 30:

	<u>2020</u>	<u>2019</u>
Number of volunteers	<u>887</u>	<u>1,701</u>
Total volunteer hours	<u>2,418</u>	<u>6,203</u>

At year end the Organizations recognize in-kind contributions as follows:

<u>Type</u>	<u>2020</u>	<u>2019</u>
Website project - expense capitalized	\$ 3,138	-
Goods and gift cards	834	12,183
Services	758	-
Flight services	-	3,000
Total in-kind contributions	<u>\$ 4,730</u>	<u>15,183</u>

All in-kind contributions were used for the Organizations' operations and programs.

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AND NEW MEXICO WILD ACTION FUND  
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2020, With Comparative Totals for 2019**

**NOTE Q – PUBLICATION AND RETAIL SALES**

The Organizations sell items to further awareness regarding their mission. The items include shirts, sweatshirts, mugs, and calendars. The following shows the gross profit from the sales for fiscal years ended September 30:

	<u>2020</u>	<u>2019</u>
Sales	\$ 9,690	9,018
Gross profit	\$ <u>9,690</u>	<u>9,018</u>

As only a small number of copies of newsletters and books are printed, they are not counted as inventory. Therefore, the associated costs are run through printing expenses instead of cost of goods sold.

**NOTE R – RESOURCE SHARING AGREEMENT**

NM Wild and the Action Fund entered into a resource sharing agreement on related to shared staff, office space, equipment, and other overhead. The Action Fund reimburses NM Wild for these shared costs (per a written agreement) based on the time NM Wild staff spend on programs of the Action Fund. The Action Fund reimburses NM Wild for the shared expenses. The shared expenses and revenues have been eliminated on the consolidating financial statements, as noted in the table of contents. At September 30 the entities had the following due from and to each other:

		<u>2020</u>	<u>2019</u>
NM Wild	Due from the Action Fund	\$ 230,478	-
Action Fund	Due to NM Wild	<u>(230,478)</u>	<u>-</u>
		\$ <u>-</u>	<u>-</u>

**NOTE S – JOINT COST ALLOCATIONS**

The Organizations did not participate in joint activities during the 2020 year or the 2019 year that required allocations.

**NOTE T – CONCENTRATION OF BUSINESS RISK**

The Organizations receive a significant portion of its revenue in the form of grants, contracts, and other contributions. The Organizations expect these funding sources to continue into the foreseeable future. If, however, a significant portion of these funds are not continued, the Organizations' ability to continue all programs would be diminished. Included in the grants are several large donors, as identified in Note O.

**NEW MEXICO WILDERNESS ALLIANCE  
AND NEW MEXICO WILD ACTION FUND  
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2020, With Comparative Totals for 2019**

The following is a summary of concentrations from contributions and grants as of September 30:

<u>Concentrations</u>	<u>2020</u>	<u>2019</u>
Grants	\$ 1,265,759	1,342,733
Contributions	687,516	554,568
Contracts	118,631	15,643
	<u>\$ 2,071,906</u>	<u>1,912,944</u>
 Total support and revenue	 <u>\$ 2,118,551</u>	 <u>1,964,534</u>
Concentration percentage	<u>98%</u>	<u>97%</u>

Geographical Concentration

The Organizations' operations are concentrated in New Mexico.

**NOTE U — EVALUATION OF SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the consolidated statement of financial position date but before the consolidated financial statements are issued. The Organizations recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of financial position, including the estimates inherent in the process of preparing the consolidated financial statements. The Organization's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statement of financial position but arose after the statement of financial position date and before consolidated financial statements are available to be issued. The Organizations has evaluated subsequent events through May 3, 2021, which is the date the consolidated financial statements were available to be issued.

NM Wild has applied for forgiveness of the Paycheck Protection Program Loan.

Additionally, the New Mexico Wild Action Fund paid the outstanding receivable of \$230,478 due to New Mexico Wilderness Alliance on January 5, 2021.

**NEW MEXICO WILDERNESS ALLIANCE**  
**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**  
**As of September 30, 2020, With Comparative Totals For 2019**

	Notes	2020			Total	2019
		NM Wild	Action Fund	Eliminations		
<b>ASSETS</b>						
<b>Current assets</b>						
Cash, cash equivalents, and restricted cash	C	\$ 686,376	336,528	-	1,022,904	544,530
Accounts, grants, and other receivables	I	312,386	8,250	-	320,636	365,863
Interest receivable		3,539	-	-	3,539	5,215
Prepaid expenses	J	23,303	-	-	23,303	75,428
Due from NM Wild Action Fund	R	230,478	-	(230,478)	-	-
Total current assets		<u>1,256,082</u>	<u>344,778</u>	<u>(230,478)</u>	<u>1,370,382</u>	<u>991,036</u>
<b>Non-current assets</b>						
Accounts, grants, and other receivables	I	100,000	-	-	100,000	-
Investments, at fair value	G	631,951	-	-	631,951	617,168
Assets held by community foundation	E, F	23,042	-	-	23,042	21,529
Security deposit	K	6,092	-	-	6,092	5,698
Property and equipment	L	107,864	-	-	107,864	21,552
Total non-current assets		<u>868,949</u>	<u>-</u>	<u>-</u>	<u>868,949</u>	<u>665,947</u>
<b>TOTAL ASSETS</b>		<u>\$ 2,125,031</u>	<u>344,778</u>	<u>(230,478)</u>	<u>2,239,331</u>	<u>1,656,983</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Current liabilities</b>						
Accounts payable		\$ 10,777	10,861	-	21,638	36,583
Accrued payroll		22,560	5,071	-	27,631	20,994
Accrued liabilities		2,334	577	-	2,911	3,824
Accrued leave		26,560	10,300	-	36,860	26,130
Deferred revenue	M	4,500	-	-	4,500	14,926
Due to NM Wild	R	-	230,478	(230,478)	-	-
Loans payable (current portion)	N	112,224	-	-	112,224	-
Total current liabilities		<u>178,955</u>	<u>257,287</u>	<u>(230,478)</u>	<u>205,764</u>	<u>102,457</u>
<b>Long-term liabilities:</b>						
Loans payable	N	70,878	-	-	70,878	-
Total non-current liabilities		<u>70,878</u>	<u>-</u>	<u>-</u>	<u>70,878</u>	<u>-</u>
Total liabilities		<u>249,833</u>	<u>257,287</u>	<u>(230,478)</u>	<u>276,642</u>	<u>102,457</u>
<b>Net Assets</b>						
<b>Net assets without donor restrictions</b>						
Undesignated		1,345,472	9,241	-	1,354,713	921,647
Board designated - quasi-endowment	E	23,042	-	-	23,042	21,529
Net investment in property and equipment		107,864	-	-	107,864	21,552
Total unrestricted net assets		<u>1,476,378</u>	<u>9,241</u>	<u>-</u>	<u>1,485,619</u>	<u>964,728</u>
Net assets with donor restrictions	O	398,820	78,250	-	477,070	589,798
Total net assets		<u>1,875,198</u>	<u>87,491</u>	<u>-</u>	<u>1,962,689</u>	<u>1,554,526</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<u>\$ 2,125,031</u>	<u>344,778</u>	<u>(230,478)</u>	<u>2,239,331</u>	<u>1,656,983</u>

SEE INDEPENDENT AUDITOR'S REPORT

The accompanying notes are an integral part of these consolidated financial statements.

**NEW MEXICO WILDERNESS ALLIANCE**  
**CONSOLIDATING SCHEDULE OF ACTIVITIES**  
**For The Year Ended September 30, 2020, With Comparative Totals For 2019**

	2020								2019 Total
	NM Wild			Action Fund			Eliminations	Total	
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total			
<b>SUPPORT</b>									
Contributions	\$ 685,752	-	685,752	1,764	-	1,764	-	687,516	554,568
Grants	358,003	772,006	1,130,009	250,000	110,750	360,750	(225,000)	1,265,759	1,342,733
In-kind contributions	4,730	-	4,730	-	-	-	-	4,730	15,183
Total support	1,048,485	772,006	1,820,491	251,764	110,750	362,514	(225,000)	1,958,005	1,912,484
<b>REVENUES</b>									
Contracts	118,631	-	118,631	-	-	-	-	118,631	15,643
Publication and retail sales	9,690	-	9,690	-	-	-	-	9,690	9,018
Investment income, net fees	17,494	-	17,494	55	-	55	-	17,549	20,799
Program trips and events	11,522	-	11,522	-	-	-	-	11,522	6,140
Other income	3,154	-	3,154	-	-	-	-	3,154	450
Net assets released from restrictions	962,984	(962,984)	-	32,500	(32,500)	-	-	-	-
Total revenues	1,123,475	(962,984)	160,491	32,555	(32,500)	55	-	160,546	52,050
Total support, revenue, & reclassifications	2,171,960	(190,978)	1,980,982	284,319	78,250	362,569	(225,000)	2,118,551	1,964,534
<b>OPERATING EXPENSES</b>									
Programs									
Wilderness protection	425,673	-	425,673	76,479	-	76,479	(67,428)	434,724	330,878
Wilderness defense	166,876	-	166,876	31,253	-	31,253	(31,253)	166,876	194,537
Wilderness ranger	244,983	-	244,983	-	-	-	-	244,983	211,384
Outreach and education	480,217	-	480,217	53,908	-	53,908	(48,384)	485,741	321,197
Policy	-	-	-	6,963	-	6,963	-	6,963	-
Total Programs	1,317,749	-	1,317,749	168,603	-	168,603	(147,065)	1,339,287	1,057,996
Supporting Services									
General & administrative	210,984	-	210,984	71,296	-	71,296	(54,102)	228,178	194,208
Fundraising expense	131,577	-	131,577	24,265	-	24,265	(23,833)	132,009	131,696
Action Fund PAC expenses	-	-	-	10,914	-	10,914	-	10,914	-
Total expenses	1,660,310	-	1,660,310	275,078	-	275,078	(225,000)	1,710,388	1,383,900
Change in net assets	511,650	(190,978)	320,672	9,241	78,250	87,491	-	408,163	580,634
Net assets, beginning	964,728	589,798	1,554,526	-	-	-	-	1,554,526	973,892
Net assets, ending	\$ 1,476,378	398,820	1,875,198	9,241	78,250	87,491	-	1,962,689	1,554,526

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