



**NEW ENGLAND WILDLIFE CENTER, INC.**

**AUDITED FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**LMHS, P.C.**

*Certified Public Accountants and Advisors*

NEW ENGLAND WILDLIFE CENTER, INC.  
AUDITED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

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LMHS, P.C.

*Certified Public Accountants and Advisors*

## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
New England Wildlife Center, Inc.  
Weymouth, Massachusetts

We have audited the accompanying financial statements of New England Wildlife Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses and cash flows 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 audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New England Wildlife Center, Inc. as of December 31, 2018 and 2017, 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.

*LMHS, P.C.*

LMHS, P.C.  
Norwell, Massachusetts

September 6, 2019

NEW ENGLAND WILDLIFE CENTER, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 839,172	\$ 578,998
Accounts Receivable	4,826	8,099
Pledges Receivable	399,320	600,000
Prepaid Expenses and Other	12,253	4,325
	<u>1,255,571</u>	<u>1,191,422</u>
PROPERTY AND EQUIPMENT, NET	6,389,163	5,248,785
GOODWILL	26,000	26,000
	<u>\$ 7,670,734</u>	<u>\$ 6,466,207</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Expenses	\$ 8,825	\$ 21,678
Accrued Payroll and Related	25,646	4,732
	<u>34,471</u>	<u>26,410</u>
NET ASSETS:		
Without Donor Restrictions	7,522,023	5,636,763
With Donor Restrictions	114,240	803,034
	<u>7,636,263</u>	<u>6,439,797</u>
	<u>\$ 7,670,734</u>	<u>\$ 6,466,207</u>

See Notes to Financial Statements



NEW ENGLAND WILDLIFE CENTER, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018			2017
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND OTHER SUPPORT:				
Contributions and Gifts	\$ 465,361	\$ -	\$ 465,361	\$ 446,692
Donations in Kind:				
Land and Building	1,294,900	-	1,294,900	-
Skilled Labor	277,079	-	277,079	236,941
Supplies and Equipment	19,808	-	19,808	23,281
Education and Project Fees	59,599	-	59,599	362,642
Fundraising Special Events	26,916	-	26,916	29,199
Grants Received	489,070	210,680	699,750	876,500
Investment Income	2	-	2	340
The Odd Pet Vet	365,849	-	365,849	338,043
Net Assets Released from Restrictions	899,474	(899,474)	-	-
Other Income	61,608	-	61,608	53,907
Total Revenue and Other Support	3,959,666	(688,794)	3,270,872	2,367,545
EXPENSES:				
Program Services:				
Animal Care and Teaching Hospital	1,022,733	-	1,022,733	851,078
Public Education and Information	370,359	-	370,359	353,184
The Odd Pet Vet	291,869	-	291,869	271,321
	1,684,961	-	1,684,961	1,475,583
Supporting Services:				
Fundraising and Development	255,654	-	255,654	139,992
Management and General	133,791	-	133,791	210,747
	389,445	-	389,445	350,739
Total Expenses	2,074,406	-	2,074,406	1,826,322
CHANGES IN NET ASSETS	1,885,260	(688,794)	1,196,466	541,223
NET ASSETS AT BEGINNING OF YEAR	5,636,763	803,034	6,439,797	5,898,574
NET ASSETS AT END OF YEAR	\$ 7,522,023	\$ 114,240	\$ 7,636,263	\$ 6,439,797

See Notes to Financial Statements

NEW ENGLAND WILDLIFE CENTER, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018							2017	
	Program Services				Supporting Services			Total	Total
	Animal Care and Teaching Hospital	Public Education and Information	The Odd Pet Vet	Total	Fundraising and Development	Management and General	Total		
Salaries	\$ 362,948	\$ 234,367	\$ 151,322	\$ 748,637	\$ 174,455	\$ 91,273	\$ 265,728	\$ 1,014,365	\$ 879,264
Employee Benefits	23,490	7,136	24,947	55,573	24	24	48	55,621	56,907
Payroll Taxes	29,605	19,056	12,294	60,955	14,195	7,433	21,628	82,583	73,160
	416,043	260,559	188,563	865,165	188,674	98,730	287,404	1,152,569	1,009,331
Volunteer Skilled Services	277,079	-	-	277,079	-	-	-	277,079	236,941
Animal Food	82,869	-	-	82,869	-	-	-	82,869	74,893
Bank and Interest Charges	6,179	2,246	1,449	9,874	1,673	876	2,549	12,423	11,447
Education and Educational Supplies	-	19,859	-	19,859	-	-	-	19,859	18,818
Insurance	18,215	6,670	4,307	29,192	4,965	2,598	7,563	36,755	35,058
Medical Supplies	-	-	42,190	42,190	-	-	-	42,190	53,477
Office Expenses	19,781	7,191	4,640	31,612	5,357	2,805	8,162	39,774	13,981
Postage and Printing	3,695	1,343	867	5,905	1,000	524	1,524	7,429	7,371
Professional Fees and Contract Labor	25,416	9,238	5,960	40,614	6,881	3,603	10,484	51,098	28,915
Publicity	11,842	4,304	2,777	18,923	3,206	1,679	4,885	23,808	29,369
Repairs and Maintenance	35,078	12,750	8,226	56,054	9,498	4,973	14,471	70,525	55,301
Telephone	4,509	1,639	1,057	7,205	1,221	639	1,860	9,065	9,100
Travel and Auto	3,828	1,391	898	6,117	1,036	543	1,579	7,696	4,391
Utilities	41,619	15,127	9,760	66,506	11,269	5,901	17,170	83,676	72,270
Bad Debt	-	-	3,069	3,069	-	-	-	3,069	1,606
	530,110	81,758	85,200	697,068	46,106	24,141	70,247	767,315	652,938
Total Expenses Before Depreciation	946,153	342,317	273,763	1,562,233	234,780	122,871	357,651	1,919,884	1,662,269
Depreciation	76,580	28,042	18,106	122,728	20,874	10,920	31,794	154,522	164,053
Total Expenses	\$ 1,022,733	\$ 370,359	\$ 291,869	\$ 1,684,961	\$ 255,654	\$ 133,791	\$ 389,445	\$ 2,074,406	\$ 1,826,322

See Notes to Financial Statements

NEW ENGLAND WILDLIFE CENTER, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in Net Assets	\$ 1,196,466	\$ 541,223
Adjustments to Reconcile Changes in Net Assets to Net		
Cash Provided by Operating Activities:		
Depreciation	154,522	164,053
Non-Cash Contributions	(1,591,787)	(260,222)
Non-Cash Expenditures	296,887	260,222
Changes in Operating Assets and Liabilities:		
(Increase) Decrease		
Accounts Receivable	3,273	(6,229)
Pledges Receivable	200,680	(600,000)
Prepaid Expenses and Other	(7,928)	(742)
Increase (Decrease)		
Accounts Payable and Accrued Expenses	(12,853)	11,818
Accrued Payroll and Related	20,914	(7,107)
	<u>260,174</u>	<u>103,016</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to Property and Equipment	<u>-</u>	<u>(48,199)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	260,174	54,817
CASH AND CASH EQUIVALENTS - BEGINNING	578,998	524,181
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 839,172</u>	<u>\$ 578,998</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Non-Cash Investing and Financing Activities:		
Gifts of Building and Land	<u>\$ 1,294,900</u>	<u>\$ -</u>

See Notes to Financial Statements

**NEW ENGLAND WILDLIFE CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

1. Organization - New England Wildlife Center, Inc. (the Organization), a not-for-profit organization, was incorporated under the Laws of the Commonwealth of Massachusetts and commenced operations on July 17, 1983.
2. Operations - The Organization operates a teaching hospital dedicated to the medical treatment and rehabilitation of injured wildlife, primarily in the New England region. In addition, the Organization provides educational programs, and conducts humane medical and environmental research related to the care, protection, habitat of local wildlife, and veterinary services through The Odd Pet Vet. Program funding is received principally from the general public, with no support derived from state or local government entities.

During 2018, the Organization took over operations of a second location in Barnstable, Massachusetts, see Note J. The Barnstable, MA location operates as a wildlife hospital and education center that provides veterinary care and rehabilitation to sick, injured, and orphaned wild animals, as well as, educating members of the public and spreading the message of environmental conservation.

3. Method of Accounting - The financial statements are prepared using the accrual method of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. This method of accounting conforms to generally accepted accounting principles.
4. Financial Statement Presentation - The Organization's financial statements are presented in accordance with FASB ASC Update 2016-14. As such, net assets are classified based upon the existence or absence of donor imposed restrictions, as follows: without donor restrictions, with donor restrictions. A description of the two net asset categories follows:

Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions. Assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

With Donor Restrictions - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time, or that must remain intact, in perpetuity.

Under FASB ASC 958-210-45, expenses are generally reported as decreases in net assets without donor restrictions.

5. Concentration of Credit Risk - Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.
6. Cash and Cash Equivalents - For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.



**NEW ENGLAND WILDLIFE CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

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**A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

7. **Marketable Securities** - The Organization accounts for marketable securities in accordance with generally accepted accounting principles for not-for-profit organizations, which establish accounting standards for investments in certain equity securities and for all debt securities. The guidance prescribes that covered investments be reported in the statement of financial position at fair value with any realized or unrealized gains or losses reported in the statement of activities.
8. **Property and Equipment** - Property and equipment are stated at cost, or if donated, at the fair value at the date of donation. Maintenance and repairs are charged to expense as incurred whereas major betterments are capitalized. Depreciation is provided using straight-line and accelerated methods over five to forty years.
9. **Fair Value of Financial Instruments** - The Organization's financial instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued expenses. The recorded values of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate their fair values based on their short-term nature.
10. **Revenue Recognition** - Revenue and other support are recognized at point of receipt or completion of service.
11. **Income Taxes** - The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been classified as an organization that is not a private foundation under Section 509(a)(1).
12. **Uncertainty In Income and Other Taxes** - The Company adopted the new standards for *Accounting for Uncertainty in Income Taxes*, which required the Company to report any uncertain tax positions and to adjust its financial statements for the impact thereof. As of December 31, 2018 and 2017, the Company determined that it had no tax positions that did not meet the "more likely than not" threshold of being sustained by the applicable tax authority. The Company files tax and information returns in the United States Federal and Massachusetts state jurisdictions. These returns are generally subject to examination by tax authorities for the last three years.
13. **Contributions** - The Organization accounts for contributions received as without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without restriction and are reported in the statement of activities as net assets released from restrictions.  
  
Contributions of marketable securities are recorded in the financial statements at their quoted market price at the date of donation.
14. **Donated Goods and Services** - Donations of property, supplies and equipment are recorded as support at their estimated fair value on the date of donation where such an estimate can be made. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Volunteer labor is reported at its fair value where the service provided is skilled in nature, and the Organization would otherwise have purchased the service at fair value.
15. **Functional Allocation of Expenses** - The costs of providing various programs and activities of the Organization are summarized on a functional basis in the Statements of Activities and Functional Expenses.

**NEW ENGLAND WILDLIFE CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

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**A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

16. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**B. ACCOUNTS RECEIVABLE:**

The Organization believes all accounts receivable to be collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible in future periods, they are charged to operations when that determination is made. At December 31, 2018 and 2017, bad debt expense amounted to \$3,069 and \$1,606, respectively.

**C. PLEDGES RECEIVABLE:**

Unconditional promises to give in future periods are recorded in the financial statements as Pledges Receivable, net of an allowance for uncollectible gifts. Principally representing gifts with donor restrictions for the capital campaign, aggregate promises to give in future periods are \$399,320 and \$600,000 as of December 31, 2018 and 2017, respectively.

The Center allows for estimated losses on pledges receivable based on prior bad debt experience and a review of existing pledges. Based on these factors, there was no allowance for uncollectible gifts for the years ended December 31, 2018 and 2017. Uncollectible gift recoveries are charged against the allowance account as realized.

**D. PROPERTY AND EQUIPMENT:**

Property and equipment consist of the following at December 31,:

	2018	2017
Building	\$ 6,115,459	\$ 5,173,159
Building Improvements	118,462	118,462
Educational and Other Equipment	131,238	131,238
Land	1,792,600	1,440,000
Medical Equipment	256,690	256,690
Office Equipment	148,647	148,647
	8,563,096	7,268,196
Accumulated Depreciation	(2,173,933)	(2,019,411)
	<u>\$ 6,389,163</u>	<u>\$ 5,248,785</u>

**E. GOODWILL:**

The accounting for the acquisition of The Odd Pet Vet practice in 2008 resulted in recognizing goodwill of \$26,000. Under generally accepted accounting principles, the carrying amount of goodwill is not amortized but is reduced if management determines that its implied fair value has been impaired. In management's opinion, there has been no impairment of goodwill as of December 31, 2018 and 2017.

**NEW ENGLAND WILDLIFE CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**F. LIQUIDITY AND AVAILABILITY:**

The following reflects the Organization's financial assets at December 31, 2018 and 2017, reduced by amounts that are not available for general use because of donor-imposed restrictions, within one year of the statement of financial position date. As part of its liquidity management plan, the Organization operates its programs within a balanced budget and relies on grants and contributions to fund its operations and program activities:

	2018	2017
Cash and Cash Equivalents	\$ 839,172	\$ 578,998
Accounts Receivable	4,826	8,099
Pledges Receivable	399,320	600,000
Total Financial Assets	1,243,318	1,187,097
Contributions Restricted For Purpose	( 114,240)	( 803,034)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 1,129,078	\$ 384,063

The Organization has certain donor-restricted assets limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above.

**G. NET ASSETS WITH DONOR RESTRICTIONS:**

Net assets with donor restrictions for the following purposes and amounts at December 31,:

	2018	2017
Capital and Hospital Equipment	\$ 114,240	\$ 803,034

During the years ended December 31, 2018 and 2017, net assets with donor restrictions of \$899,474 and \$182,957, respectively, were released by satisfaction of programmatic restriction.

**H. CONTRIBUTIONS AND GIFTS:**

Contributions and gifts are comprised of the following at December 31,:

	2018	2017
Annual Giving	\$ 43,672	\$ 71,143
Corporate and Business Gifts	8,850	17,850
Donations received at Patient Admission	45,298	42,620
Major Gifts	165,700	138,000
Memorial Gifts and Bequests	14,496	23,269
Special Appeal	98,246	83,881
Other	89,099	69,929
	\$ 465,361	\$ 446,692

**I. DONATIONS IN KIND:**

To provide additional further support for its charitable activities, the Organization solicits and receives donations of supplies, equipment and considerable volunteer support. During the years ended December 31, 2018 and 2017, the Organization received donations of medicines, animal feed and other supplies totaling \$19,808 and \$23,281, respectively. Skilled volunteer labor, valued at \$277,079 and \$236,941, represents the services provided by the Organization's veterinarian and student interns during the years ended December 31, 2018 and 2017, respectively. During 2018, the Organization received a donation in kind of land and building, see Note J.



**NEW ENGLAND WILDLIFE CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

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**J. DONATION OF LAND AND BUILDING:**

On November 21, 2018, the Organization was gifted all assets of the Cape Wildlife Center located in Barnstable, Massachusetts. The Organization will continue operations of the Cape Wildlife Center and operate both locations as one entity. The assets fair market value at the date of the gift consist of land valued at \$352,600 and a building and outbuildings valued at \$942,300. The amounts are reported as a donation in kind of land and building on the statement of activities.

**K. EMPLOYEE BENEFIT PLAN PROGRAM:**

The Organization sponsors the "New England Wildlife Center Retirement Plan" to benefit all full-time employees satisfying certain age and service requirements. The plan permits discretionary contributions on behalf of the Organization, in addition to employee salary deferrals. Administrative costs of the plan are borne by the Organization. For the years ended December 31, 2018 and 2017, the Board of Directors did not authorize any contributions.

**L. CONTINGENT LIABILITIES:**

The Company has certain contingent liabilities and is a party to various claims and actions arising in the ordinary course of business. Management is of the opinion that all such matters are without merit or are of such kind, or involve such amounts, that unfavorable disposition would not have a material effect on the financial position of the Company.

**M. SUBSEQUENT EVENTS:**

Management has evaluated events occurring after the statement of financial position date through September 6, 2019, the date on which the financial statements were available to be issued. No material events have been identified which would require disclosure under FASB ASC 855-10-50-1.