



NEW ENGLAND WILDLIFE CENTER, INC.

AUDITED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

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LMHS, P.C.
Certified Public Accountants and Advisors

INDEPENDENT AUDITORS' REPORT

To 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 non-profit corporation), which comprise the statements of financial position as of December 31, 2020 and 2019, 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, 2020 and 2019, 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

October 18, 2021

NEW ENGLAND WILDLIFE CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 2,277,058	\$ 1,347,488
Accounts Receivable	9,796	28,300
Pledges Receivable	-	198,359
Prepaid Expenses and Other	2,835	2,835
	<u>2,289,689</u>	<u>1,576,982</u>
PROPERTY AND EQUIPMENT, NET	6,077,987	6,242,651
GOODWILL	26,000	26,000
	<u>\$ 8,393,676</u>	<u>\$ 7,845,633</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Expenses	\$ 14,083	\$ 14,491
Accrued Payroll and Related	27,552	18,649
	<u>41,635</u>	<u>33,140</u>
NET ASSETS:		
Without Donor Restrictions	8,247,041	7,791,807
With Donor Restrictions	105,000	20,686
	<u>8,352,041</u>	<u>7,812,493</u>
	<u>\$ 8,393,676</u>	<u>\$ 7,845,633</u>

See Notes to Financial Statements

NEW ENGLAND WILDLIFE CENTER, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		2019	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND OTHER SUPPORT:				
Contributions and Gifts	\$ 1,322,101	\$ -	\$ 1,322,101	\$ 844,417
Donations in Kind:				
Skilled Labor	130,188	-	130,188	501,111
Supplies and Equipment	5,896	-	5,896	31,659
Education and Project Fees	53,852	7,500	61,352	130,025
Fundraising Special Events	20,532	-	20,532	56,608
Grants Received	670,241	100,000	770,241	648,300
Investment Income	809	-	809	5
The Odd Pet Vet	259,469	-	259,469	415,761
Net Assets Released from Restrictions	23,186	(23,186)	-	-
Total Revenue and Other Support	2,486,274	84,314	2,570,588	2,627,886
EXPENSES:				
Program Services:				
Animal Care and Teaching Hospital	1,153,664	-	1,153,664	1,654,743
Public Education and Information	250,112	-	250,112	210,884
The Odd Pet Vet	264,461	-	264,461	255,972
	<u>1,668,237</u>	<u>-</u>	<u>1,668,237</u>	<u>2,121,599</u>
Supporting Services:				
Fundraising and Development	126,680	-	126,680	101,790
Management and General	236,123	-	236,123	228,267
	<u>362,803</u>	<u>-</u>	<u>362,803</u>	<u>330,057</u>
Total Expenses	2,031,040	-	2,031,040	2,451,656
CHANGES IN NET ASSETS	455,234	84,314	539,548	176,230
NET ASSETS AT BEGINNING OF YEAR	<u>7,791,807</u>	<u>20,686</u>	<u>7,812,493</u>	<u>7,636,263</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 8,247,041</u></u>	<u><u>\$ 105,000</u></u>	<u><u>\$ 8,352,041</u></u>	<u><u>\$ 7,812,493</u></u>

See Notes to Financial Statements

NEW ENGLAND WILDLIFE CENTER, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020						2019	
	Program Services			Supporting Services			Total	Total
	Animal Care and Teaching Hospital	Public Education and Information	The Odd Pet Vet	Fundraising and Development	Management and General	Total	Total	Total
Salaries	\$ 572,315	\$ 167,874	\$ 156,566	\$ 88,977	\$ 162,432	\$ 251,409	\$ 1,148,164	\$ 1,067,310
Employee Benefits	39,205	5,525	8,710	159	2,404	2,563	56,003	48,878
Payroll Taxes	49,953	14,658	13,671	7,769	14,183	21,952	100,234	91,215
	661,473	188,057	178,947	96,905	179,019	275,924	1,304,401	1,207,403
Volunteer Skilled Services	130,188	-	-	-	-	-	130,188	501,111
Animal Food	52,762	-	-	-	-	-	52,762	109,780
Bank and Interest Charges	7,020	1,678	1,565	889	1,624	2,513	12,776	14,132
Education and Educational Supplies	-	6,435	-	-	-	-	6,435	21,494
Insurance	31,356	7,495	6,990	3,973	7,252	11,225	57,066	61,602
Medical Supplies	-	-	27,400	-	-	-	27,400	45,474
Office Expenses	15,323	3,664	3,417	1,942	3,545	5,487	27,891	40,249
Postage and Printing	9,074	2,169	2,023	1,150	2,099	3,249	16,515	18,977
Professional Fees and Contract Labor	18,570	4,439	4,140	2,353	4,295	6,648	33,797	55,860
Publicity	1,792	428	400	227	415	642	3,262	11,419
Repairs and Maintenance	30,137	7,204	6,719	3,818	6,970	10,788	54,848	76,376
Telephone	9,784	2,339	2,181	1,240	2,263	3,503	17,807	14,709
Travel and Auto	1,642	392	366	208	380	588	2,988	3,053
Utilities	56,664	13,545	12,632	7,179	13,106	20,285	103,126	114,970
Bad Debt	-	-	4,394	-	-	-	4,394	3,785
	364,312	49,788	72,227	22,979	41,949	64,928	551,255	1,092,991
Total Expenses Before Depreciation	1,025,785	237,845	251,174	119,884	220,968	340,852	1,855,656	2,300,394
Depreciation	127,879	12,267	13,287	6,796	15,155	21,951	175,384	151,262
Total Expenses	\$ 1,153,664	\$ 250,112	\$ 264,461	\$ 126,680	\$ 236,123	\$ 362,803	\$ 2,031,040	\$ 2,451,656

See Notes to Financial Statements

NEW ENGLAND WILDLIFE CENTER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in Net Assets	\$ 539,548	\$ 176,230
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	175,384	151,262
Non-Cash Contributions	(136,084)	(532,770)
Non-Cash Expenditures	136,084	532,770
Changes in Operating Assets and Liabilities:		
(Increase) Decrease In:		
Accounts Receivable	18,504	(23,474)
Pledges Receivable	198,359	200,961
Prepaid Expenses and Other	-	9,418
Increase (Decrease) In:		
Accounts Payable and Accrued Expenses	(408)	5,666
Accrued Payroll and Related	8,903	(6,997)
	940,290	513,066
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to Property and Equipment	(10,720)	(4,750)
NET INCREASE IN CASH AND CASH EQUIVALENTS	929,570	508,316
CASH AND CASH EQUIVALENTS - BEGINNING	1,347,488	839,172
CASH AND CASH EQUIVALENTS - ENDING	\$ 2,277,058	\$ 1,347,488

See Notes to Financial Statements

NEW ENGLAND WILDLIFE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

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. 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 - The Organization occasionally maintains deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions. The Organization has not experienced any losses in such accounts and management believes the Organization is not exposed to any significant credit risk related accounts.
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.
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.

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

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

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, pledges receivable, accounts payable and accrued expenses. The recorded values of cash and cash equivalents, accounts receivable, pledges receivable, accounts payable and accrued expenses approximate their fair values based on their short-term nature.
10. Revenue Recognition - Contributions are recognized in full when received or unconditionally promised, in accordance with professional standards. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Donated materials and services are recorded as in-kind donations and recognized at their estimated fair value as of the date of donation or service.

Contributions of marketable securities are recorded in the financial statements at their quoted market price at the date of donation.

11. Contributions - Contributions are recorded in net assets without donor restrictions or net assets with donor restrictions class of net assets depending on the existence and/or nature of any donor-imposed restriction. 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 donor restrictions and are reported as net assets released from restriction in the statement of activities.
12. 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).
13. Uncertainty In Income and Other Taxes - The Organization adopted the standards for *Accounting for Uncertainty in Income Taxes*, which required the Organization to report any uncertain tax positions and to adjust its financial statements for the impact thereof. As of December 31, 2020 and 2019, the Organization 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 Organization 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.
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.
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.

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

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

17. Recent Accounting Pronouncements - In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities ("Topic 958"), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new accounting standard clarifies and improves the guidance for (1) evaluating whether transactions should be accounted for as contributions within the scope of Topic 958 or as exchange transactions subject to other guidance and (2) determining whether a contribution is conditional. The Organization has implemented this accounting standard in the accompanying financial statements effective January 1, 2019 under the modified prospective basis. Accordingly, there is no effect on beginning net assets in connection with the implementation of ASU 2018-08.

On January 1, 2020, the Organization adopted ASC Topic 606, *Revenue from Contracts with Customers*, with respect to its revenue recognition policy. The new accounting standard develops a common standard that will remove inconsistencies in revenue requirements, improve comparability of revenue recognition practices, provide more useful information to users of financial statements and simplify the preparation of financial statements. The adoption of this standard did not have a significant impact on the Organizations financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842) ("ASC 842")*. The new standard establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the statement of financial position for all leases with terms longer than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For the Organization, the new standard is effective for fiscal years beginning after December 15, 2021, and interim periods beginning the following year. The Organization has not yet determined the impact ASC 842 will have on its financial statements.

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, 2020 and 2019, bad debt expense amounted to \$4,394 and \$3,785, 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 zero and \$198,359 as of December 31, 2020 and 2019, respectively.

The Organization 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, 2020 and 2019. Uncollectible gift recoveries are charged against the allowance account as realized.

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

D. PROPERTY AND EQUIPMENT:

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

	2020	2019
Building	\$ 6,115,459	\$ 6,115,459
Building Improvements	118,462	118,462
Educational and Other Equipment	131,238	131,238
Land	1,792,600	1,792,600
Medical Equipment	265,440	261,440
Office Equipment	155,367	148,647
	8,578,566	8,567,846
Accumulated Depreciation	(2,500,579)	(2,325,195)
	\$ 6,077,987	\$ 6,242,651

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, 2020 and 2019.

F. LIQUIDITY AND AVAILABILITY:

The following reflects the Organization's financial assets at December 31, 2020 and 2019, 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:

	2020	2019
Cash and Cash Equivalents	\$ 2,277,058	\$ 1,347,488
Accounts Receivable	9,796	28,300
Pledges Receivable	-	198,359
Total Financial Assets	2,286,854	1,574,147
Contributions Restricted For Purpose	(105,000)	(20,686)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 2,181,854	\$ 1,553,461

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 are comprised of the following purposes and amounts at December 31,:

	2020	2019
Capital and Hospital Equipment	\$ -	\$ 20,686
Veterinary Costs	100,000	-
Educational Programs	5,000	-
	\$ 105,000	\$ 20,686

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

G. NET ASSETS WITH DONOR RESTRICTIONS: (Continued)

During the years ended December 31, 2020 and 2019, net assets with donor restrictions of \$23,186 and \$167,679, respectively, were released by satisfaction of programmatic restriction.

H. PPP FUNDS FORGIVENESS:

On April 10, 2020, the Organization received proceeds from Eastern Bank in the amount of \$214,820 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for advances to qualifying Organizations for amounts up to 2.5 times the average qualifying monthly payroll expenses of the qualifying Organization. The advances and accrued interest are forgivable as long as the borrower uses the proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of forgiveness will be reduced if the borrower is unable to re-hire to the same employment level on or before December 31, 2020, reduces salaries during the covered period, or uses more than forty percent of the money spent on non-employment expenses.

On December 30, 2020, the Organization was granted forgiveness from the Small Business Administration (SBA) for the full amount of the advance. Given these circumstances and under the guidance of ASC 958-605, *Not-for-Profit Entities-Revenue Recognition*, \$214,820 of PPP funds were recognized as a contribution on the statements of activities.

I. CONTRIBUTIONS AND GIFTS:

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

	2020	2019
Annual Giving	\$ 63,936	\$ 67,398
Bequest	324,001	89,973
Corporate and Business Gifts	6,000	17,751
Donations received at Patient Admission	45,310	86,655
Major Gifts	219,035	353,462
Memorial Gifts and Bequests	25,958	20,994
Special Appeal	165,152	111,086
PPP Funds	214,820	-
Other	257,889	97,098
	\$ 1,322,101	\$ 844,417

J. 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, 2020 and 2019, the Organization received donations of medicines, animal feed and other supplies totaling \$5,896 and \$31,659, respectively. Skilled volunteer labor, valued at \$130,188 and \$501,111, represents the services provided by the Organization's veterinarian and student interns during the years ended December 31, 2020 and 2019, respectively.

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, 2020 and 2019, the Board of Directors did not authorize any contributions.

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

L. SUBSEQUENT EVENTS:

Management has evaluated events occurring after the statement of financial position date through October 18, 2021, the date in which the financial statements were available to be issued.

On January 30, 2020, the World Health Organization declared COVID-19 a public health emergency. The declaration has a potential impact on the Organization and its program participants and donors. Significant work stoppages and an economic slowdown has impacted not only the United States, but the worldwide economy. Management is unable to estimate the impact that this public health emergency will have on the Organization's financial position or its operating results and accordingly, no adjustments have been made to the accompanying financial statements.

In January 2021, the Organization received a loan in the amount of \$217,976 from the SBA as part of the CARES Act, as amended by the Consolidated Appropriations Act, 2021. Under the terms of the loan, a portion or all of the loan is forgivable to the extent that loan proceeds are used to fund eligible expenses and the Organization satisfies other conditions.