



**NEW ENGLAND WILDLIFE CENTER, INC.**  
AUDITED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

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LMHS, P.C.  
*Certified Public Accountants and Advisors*

## INDEPENDENT AUDITORS' REPORT

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

We have audited the financial statements of New England Wildlife Center, Inc., which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of New England Wildlife Center, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New England Wildlife Center, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about New England Wildlife Center, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of New England Wildlife Center, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New England Wildlife Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*LMHS, P.C.*

LMHS, P.C.  
Norwell, Massachusetts

November 7, 2023

NEW ENGLAND WILDLIFE CENTER, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2022 AND 2021

	2022	2021
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 4,386,188	\$ 3,208,348
Investments	142,973	-
Accounts Receivable	22,267	10,711
Pledges Receivable	300,963	600,000
Prepaid Expenses and Other	2,835	2,206
	4,855,226	3,821,265
PROPERTY AND EQUIPMENT, NET	5,837,542	5,932,236
GOODWILL	26,000	26,000
	\$ 10,718,768	\$ 9,779,501
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Expenses	\$ 9,328	\$ 35,711
Accrued Payroll and Related	269	40,541
	9,597	76,252
NET ASSETS:		
Without Donor Restrictions	8,898,191	8,837,471
With Donor Restrictions	1,810,980	865,778
	10,709,171	9,703,249
	\$ 10,718,768	\$ 9,779,501

See Notes to Financial Statements

NEW ENGLAND WILDLIFE CENTER, INC.  
STATEMENTS OF ACTIVITIES  
DECEMBER 31, 2022 AND 2021

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUE AND OTHER SUPPORT:</b>				
Contributions and Gifts	\$ 1,180,613	\$ -	\$ 1,180,613	\$ 1,537,752
Donations in Kind:				
Skilled Labor	230,409	-	230,409	186,813
Supplies and Equipment	23,142	-	23,142	11,811
Education and Project Fees	62,470	-	62,470	55,300
Endowment	-	1,250,000	1,250,000	500,000
Fundraising Special Events	34,844	-	34,844	24,805
Grants Received	880,490	43,000	923,490	1,143,891
Investment Income (Loss), Net	-	(169,020)	(169,020)	188
The Odd Pet Vet	360,876	-	360,876	289,966
Net Assets Released from Restrictions	178,778	(178,778)	-	-
<b>Total Revenue and Other Support</b>	<b>2,951,622</b>	<b>945,202</b>	<b>3,896,824</b>	<b>3,750,526</b>
<b>EXPENSES:</b>				
Program Services:				
Animal Care and Teaching Hospital	1,726,955	-	1,726,955	1,430,544
Public Education and Information	302,112	-	302,112	228,212
The Odd Pet Vet	221,367	-	221,367	209,474
	<b>2,250,434</b>	<b>-</b>	<b>2,250,434</b>	<b>1,868,230</b>
Supporting Services:				
Fundraising and Development	367,228	-	367,228	229,418
Management and General	273,240	-	273,240	301,670
	<b>640,468</b>	<b>-</b>	<b>640,468</b>	<b>531,088</b>
<b>Total Expenses</b>	<b>2,890,902</b>	<b>-</b>	<b>2,890,902</b>	<b>2,399,318</b>
<b>CHANGES IN NET ASSETS</b>	<b>60,720</b>	<b>945,202</b>	<b>1,005,922</b>	<b>1,351,208</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>8,837,471</b>	<b>865,778</b>	<b>9,703,249</b>	<b>8,352,041</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 8,898,191</b>	<b>\$ 1,810,980</b>	<b>\$ 10,709,171</b>	<b>\$ 9,703,249</b>

See Notes to Financial Statements

NEW ENGLAND WILDLIFE CENTER, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
DECEMBER 31, 2022 AND 2021

	2022							2021	
	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	\$ 828,851	\$ 195,914	\$ 141,444	\$ 1,166,209	\$ 257,691	\$ 183,048	\$ 440,739	\$ 1,606,948	\$ 1,312,632
Employee Benefits	48,166	12,639	2,504	63,309	45	45	90	63,399	46,142
Payroll Taxes	69,059	16,323	11,785	97,167	21,471	15,251	36,722	133,889	112,519
	<u>946,076</u>	<u>224,876</u>	<u>155,733</u>	<u>1,326,685</u>	<u>279,207</u>	<u>198,344</u>	<u>477,551</u>	<u>1,804,236</u>	<u>1,471,293</u>
Volunteer Skilled Services	230,409	-	-	230,409	-	-	-	230,409	186,813
Animal Food	88,787	-	-	88,787	-	-	-	88,787	83,751
Bank and Interest Charges	12,116	2,864	2,068	17,048	-	1,721	1,721	18,769	13,244
Education and Educational Supplies	24,057	-	-	24,057	-	-	-	24,057	24,528
Insurance	35,141	8,306	5,997	49,444	10,925	7,761	18,686	68,130	55,730
Medical Supplies	29,856	-	-	29,856	-	-	-	29,856	25,047
Office Expenses	36,934	8,884	6,414	52,232	11,686	8,301	19,987	72,219	40,503
Postage and Printing	10,467	2,474	1,786	14,727	3,254	2,312	5,566	20,293	30,329
Professional Fees and Contract Labor	35,732	8,446	6,098	50,276	11,109	7,891	19,000	69,276	66,745
Publicity	6,263	1,480	1,069	8,812	1,947	1,383	3,330	12,142	23,406
Repairs and Maintenance	34,433	8,139	5,876	48,448	10,705	7,604	18,309	66,757	63,248
Telephone	12,470	2,948	2,128	17,546	3,877	2,754	6,631	24,177	22,567
Travel and Auto	6,199	1,465	1,058	8,722	1,927	1,369	3,296	12,018	2,718
Utilities	80,611	19,054	13,756	113,421	25,062	17,802	42,864	156,285	104,036
Bad Debt	-	-	5,267	5,267	-	-	-	5,267	8,869
	<u>643,475</u>	<u>64,060</u>	<u>51,517</u>	<u>759,052</u>	<u>80,492</u>	<u>58,898</u>	<u>139,390</u>	<u>898,442</u>	<u>751,534</u>
Total Expenses Before Depreciation	1,589,551	288,936	207,250	2,085,737	359,699	257,242	616,941	2,702,678	2,222,827
Depreciation	137,404	13,176	14,117	164,697	7,529	15,998	23,527	188,224	176,491
Total Expenses	<u>\$ 1,726,955</u>	<u>\$ 302,112</u>	<u>\$ 221,367</u>	<u>\$ 2,250,434</u>	<u>\$ 367,228</u>	<u>\$ 273,240</u>	<u>\$ 640,468</u>	<u>\$ 2,890,902</u>	<u>\$ 2,399,318</u>

See Notes to Financial Statements

NEW ENGLAND WILDLIFE CENTER, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in Net Assets	\$ 1,005,922	\$ 1,351,208
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	188,224	176,491
Non-Cash Contributions	(253,551)	(198,624)
Non-Cash Expenditures	253,551	198,624
Investment Loss, Net	169,020	-
Changes in Operating Assets and Liabilities:		
(Increase) Decrease In:		
Accounts Receivable	(11,556)	(915)
Pledges Receivable	299,037	(600,000)
Prepaid Expenses and Other	(629)	629
Increase (Decrease) In:		
Accounts Payable and Accrued Expenses	(26,383)	21,628
Accrued Payroll and Related	(40,272)	12,989
	1,583,363	962,030
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Investments	(1,099,017)	-
Sale of Investments	787,024	-
Additions to Property and Equipment	(93,530)	(30,740)
	(405,523)	(30,740)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,177,840	931,290
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b>	3,208,348	2,277,058
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	\$ 4,386,188	\$ 3,208,348

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. 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)**

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**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 - The Organization follows the guidance of ASC Topic 958, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The accounting standard clarifies and improves the guidance for (1) evaluating whether transactions should be accounted for as contributions within the scope of ASC Topic 958-605 or as exchange transactions subject to ASC Topic 606 and (2) determining whether a contribution is conditional.

Additionally, the Organization follows ASC Topic 606, Revenue from Contracts with Customers, with respect to its revenue recognition policy. The core principle of the accounting guidance is that an entity should recognize revenue when it satisfies a performance obligation by transferring promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

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. 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)**

14. 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, 2022 and 2021, 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.
15. 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.
16. 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.
17. Effective January 1, 2022, the Organization adopted Accounting Standards Update (ASU) 2016-02, Leases (ASC Topic 842) and subsequent amendments. ASC 842 affects all companies that enter into lease arrangements, with certain exclusions under limited scope limitations. Under ASU 2016-02, an entity recognizes right-of-use assets and lease obligations on its statement of financial position for all leases with a lease term of more than 12 months. Short-term rentals under year-to-year leases or remaining lease terms of 12 months or less are exempt from being capitalized. As of December 31, 2022, the Organization did not hold any leases with a term greater than 12 months.

**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, 2022 and 2021, bad debt expense amounted to \$5,267 and \$8,869, respectively.

**C. INVESTMENTS:**

Investments consist of the following at December 31,:

	2022	2021
Individual Taxable Bonds	\$ 14,849	\$ -
Equities	128,124	-
Total Investments	\$ 142,973	\$ -

Investment income consisted of the following for the years ended December 31,:

	2022	2021
Interest and Dividends	\$ 7,659	\$ -
Net Realized and Unrealized Loss	(169,813)	-
Fee Expense	(6,866)	-
Total Investment Gain (Loss)	\$ (169,020)	\$ -

The Organization holds investments, all of which represent level 1 inputs. Level 1 inputs are defined by unadjusted quoted prices for identical assets and liabilities in active markets to which the reporting entity would have access.

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

**D. 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 endowment fund and capital campaign, aggregate promises to give in future periods are \$300,963 and \$600,000 as of December 31, 2022 and 2021, 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, 2022 and 2021. Uncollectible gift recoveries are charged against the allowance account as realized.

**E. PROPERTY AND EQUIPMENT:**

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

	2022	2021
Building	\$ 6,115,459	\$ 6,115,459
Building Improvements	170,522	149,202
Educational and Other Equipment	201,238	131,238
Land	1,792,600	1,792,600
Medical Equipment	265,440	265,440
Office Equipment	157,577	155,367
	8,702,836	8,609,306
Accumulated Depreciation	(2,865,294)	(2,677,070)
	\$ 5,837,542	\$ 5,932,236

**F. 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, 2022 and 2021.

**G. ENDOWMENT NET ASSETS:**

The endowment investment (Endowment) consists of a single donor-restricted fund established to provide funding of the Organization's mission. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2022 and 2021, there were no such donor stipulations. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts to the Endowment, (b) the original value of subsequent gifts to the Endowment, and (c) accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time accumulation is added.

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

**G. ENDOWMENT NET ASSETS: (Continued)**

Changes in the Endowment's net assets are as follows for the years ended December 31, 2022 and 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, December 31, 2020	\$ -	\$ -	\$ -
Donations	-	500,000	500,000
Endowment Net Assets, December 31, 2021	\$ -	\$ 500,000	\$ 500,000
Donations	-	1,250,000	1,250,000
Change in Value	-	(169,020)	(169,020)
Endowment Net Assets, December 31, 2022	<u>\$ -</u>	<u>\$ 1,580,980</u>	<u>\$ 1,580,980</u>

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. Deficiencies of this nature exist in one donor-restricted endowment fund, which together have an original gift value of \$1,000,000, a current fair value of \$830,980, and a deficiency of \$169,020 as of December 31, 2022. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the Board of Trustees.

**Return Objectives and Risk Parameters**

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity of for a donor-specified period(s) as well as board-designated funds. Actual returns in any given year may vary from this amount.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Organization has a policy of appropriating for distribution approximately 6% of its endowment fund's average fair value over the prior twelve quarters through the calendar year end. In establishing its policy, the Organization considered the long-term return on its endowment. During 2022 and 2021, the Organization did not expend funds from the endowment.

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

Net assets with donor restrictions are comprised of the following purposes and amounts at December 31,:

	2022	2021
Endowment Funds	\$ 1,580,980	\$ 500,000
Veterinary Costs	217,500	340,778
Capital and Hospital Equipment	12,500	25,000
	<u>\$ 1,810,980</u>	<u>\$ 865,778</u>

During the years ended December 31, 2022 and 2021, net assets with donor restrictions of \$178,778 and \$121,722, respectively, were released by satisfaction of programmatic restriction.

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

**I. LIQUIDITY AND AVAILABILITY:**

The following reflects the Organization’s financial assets at December 31, 2022 and 2021, 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:

	2022	2021
Cash and Cash Equivalents	\$ 4,386,188	\$ 3,208,348
Investments	142,973	-
Accounts Receivable	22,267	10,711
Pledges Receivable	300,963	600,000
Total Financial Assets	4,852,391	3,819,059
Contributions Restricted For Purpose	(1,610,980)	(665,778)
Contributions Restricted For Time	(200,000)	(200,000)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 3,041,411	\$ 2,953,281

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.

The endowment funds consist of donor-restricted endowment. Income from donor-restricted endowments is restricted for specific purposes.

**J. PPP FUNDS FORGIVENESS:**

On January 25, 2021, the Organization received proceeds from Eastern Bank in the amount of \$217,976, 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, reduces salaries during the covered period, or uses more than forty percent of the money spent on non-employment expenses.

On October 5, 2021, 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*, \$217,976 of PPP funds were recognized as a contribution on the statements of activities for the year ended December 31, 2021.

**K. EMPLOYEE RETENTION CREDIT:**

The CARES Act provides an employee retention credit (ERC), which is a refundable tax credit against certain employment taxes. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee. Additional relief provisions were passed by the United States government, which extend the qualified wage caps on these credits through September 30, 2021. Based on these additional provisions, the tax credit is now equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee has been increased to \$10,000 of qualified wages per quarter. The Organization qualifies for the tax credit under the CARES Act. Under the guidance of ASC 958-605, *Not-for-Profit Entities-Revenue Recognition*, the Organization recorded \$357,810 and zero related to the ERC in contributions on the statements of activities for the years ended December 31, 2022 and 2021, respectively.

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

**L. CONTRIBUTIONS AND GIFTS:**

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

	2022	2021
Annual Giving	\$ 42,802	\$ 87,519
Bequest	69,726	413,654
Corporate and Business Gifts	8,000	7,800
Donations received at Patient Admission	54,148	62,300
Major Gifts	230,600	293,500
Memorial Gifts and Bequests	23,228	30,100
Special Appeal	155,566	153,030
PPP Funds	-	217,976
Other	596,543	271,873
	\$ 1,180,613	\$ 1,537,752

**M. CONTRIBUTED NONFINANCIAL ASSETS:**

To provide additional further support for its charitable activities, the Organization solicits and receives donations of supplies, equipment and considerable volunteer support. The Organization recognized contributed nonfinancial assets within revenue. Contributed nonfinancial assets did not have donor-imposed restrictions. All contributed nonfinancial assets were valued using estimated fair values provided by the donors. During the years ended December 31, 2022 and 2021, the Organization received donations of medicines, animal feed and other supplies totaling \$23,142 and \$11,811, respectively. Skilled volunteer labor, valued at \$230,409 and \$186,813, represents the services provided by the Organization's veterinarian and student interns during the years ended December 31, 2022 and 2021, respectively.

**N. 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, 2022 and 2021, the Board of Directors did not authorize any contributions.

**O. SUBSEQUENT EVENTS:**

Management has evaluated events occurring after the statement of financial position date through November 7, 2023, the date in which the financial statements were available to be issued. No material events have been identified which would require disclosure.