



NATIONAL
Wildlife Refuge
ASSOCIATION

NATIONAL WILDLIFE REFUGE ASSOCIATION

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

Years Ended June 30, 2021 and 2020

NATIONAL WILDLIFE REFUGE ASSOCIATION
June 30, 2021 and 2020

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See Accompanying Notes to the Financial Statements.

INDEPENDENT AUDITORS' REPORT

Board of Directors National Wildlife Refuge Association Washington, District of Columbia

We have audited the accompanying financial statements of the **National Wildlife Refuge Association** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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.

NATIONAL WILDLIFE REFUGE ASSOCIATION

Independent Auditors' Report

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **National Wildlife Refuge Association** as of June 30, 2021 and 2020, and the changes in its net assets (deficit) and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

DeLeon & Stang

DeLeon & Stang, CPAs and Advisors
Frederick, Maryland
December 1, 2021

NATIONAL WILDLIFE REFUGE ASSOCIATION
Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
<u>Current assets:</u>		
Cash and cash equivalents	\$ 486,103	\$ 308,229
Prepaid expenses	4,576	17,355
Contributions and grants receivable	80,841	63,386
Investments	51,763	26,135
Security deposit	8,123	8,123
Total current assets	631,406	423,228
Property and equipment, net	4,373	5,076
Total assets	<u>\$ 635,779</u>	<u>\$ 428,304</u>
Liabilities and Net (Deficit) Assets		
<u>Current liabilities:</u>		
Accounts payable and accrued expenses	\$ 104,636	\$ 66,035
Line of credit	-	4,130
Accrued vacation payable	32,658	30,451
Deferred revenue	7,856	79,491
Deferred rent	21,062	21,208
Total current liabilities	166,212	201,315
Paycheck Protection Program loan payable	457,000	265,000
Total liabilities	<u>623,212</u>	<u>466,315</u>
<u>Net (deficit) assets:</u>		
Without donor restrictions	(366,315)	(208,086)
With donor restrictions	378,882	170,075
Total net (deficit) assets	<u>12,567</u>	<u>(38,011)</u>
Total Liabilities and Net (Deficit) Assets	<u>\$ 635,779</u>	<u>\$ 428,304</u>

See Accompanying Notes to the Financial Statements.

NATIONAL WILDLIFE REFUGE ASSOCIATION
Statements of Activities
For the Years Ended June 30, 2021 and 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>
Revenue and support:						
Contributions	\$ 620,347	\$ 150,375	\$ 770,722	\$ 515,054	\$ 103,033	\$ 618,087
Combined Federal Campaign	13,213	-	13,213	12,151	-	12,151
Federal grants	363,791	-	363,791	363,069	-	363,069
Foundation and other grants	240,562	460,095	700,657	188,477	229,000	417,477
Investment income (loss)	(20,730)	-	(20,730)	27,337	3	27,340
Legacies and bequests	20,114	-	20,114	-	-	-
Special event:						
Gross revenue	121,407	-	121,407	33,497	-	33,497
Direct donor benefit	(13,500)	-	(13,500)	-	-	-
Net assets released from restriction	401,663	(401,663)	-	306,350	(306,350)	-
Total revenue and support	<u>1,746,867</u>	<u>208,807</u>	<u>1,955,674</u>	<u>1,445,935</u>	<u>25,686</u>	<u>1,471,621</u>
Expenses:						
<u>Program services:</u>						
Conservation programs	1,089,035	-	1,089,035	756,094	-	756,094
Conservation constituency - building	347,181	-	347,181	321,828	-	321,828
Conservation policy and education	94,904	-	94,904	163,528	-	163,528
Communications	31,932	-	31,932	35,919	-	35,919
Total program services	<u>1,563,052</u>	<u>-</u>	<u>1,563,052</u>	<u>1,277,369</u>	<u>-</u>	<u>1,277,369</u>
<u>Supporting services:</u>						
Management	144,350	-	144,350	188,620	-	188,620
Fundraising	197,694	-	197,694	252,994	-	252,994
Total supporting services	<u>342,044</u>	<u>-</u>	<u>342,044</u>	<u>441,614</u>	<u>-</u>	<u>441,614</u>
Total expenses	<u>1,905,096</u>	<u>-</u>	<u>1,905,096</u>	<u>1,718,983</u>	<u>-</u>	<u>1,718,983</u>
Change in net assets	(158,229)	208,807	50,578	(273,048)	25,686	(247,362)
Net (deficit) assets, beginning of year	<u>(208,086)</u>	<u>170,075</u>	<u>(38,011)</u>	<u>64,962</u>	<u>144,389</u>	<u>209,351</u>
Net (deficit) assets, end of year	<u>\$ (366,315)</u>	<u>\$ 378,882</u>	<u>\$ 12,567</u>	<u>\$ (208,086)</u>	<u>\$ 170,075</u>	<u>\$ (38,011)</u>

See Accompanying Notes to the Financial Statements.

NATIONAL WILDLIFE REFUGE ASSOCIATION
Statement of Functional Expenses
For the Year Ended June 30, 2021

	Conservation Programs	Conservation Constituency - Building	Conservation Policy and Education	Communications	Total Program Services	Management	Fundraising	Total
Personnel costs:								
Salaries	\$ 419,673	\$ 254,432	\$ 62,551	\$ 15,540	\$ 752,196	\$ 40,947	\$ 113,905	\$ 907,048
Payroll taxes	33,568	23,393	4,341	1,482	62,784	5,116	6,983	74,883
Pension	7,956	6,452	1,201	254	15,863	668	2,030	18,561
Employee benefits	25,710	24,085	4,861	297	54,953	782	3,326	59,061
Payroll fees	<u>1,837</u>	<u>1,263</u>	<u>225</u>	<u>77</u>	<u>3,402</u>	<u>202</u>	<u>463</u>	<u>4,067</u>
Total personnel costs	488,744	309,625	73,179	17,650	889,198	47,715	126,707	1,063,620
Accounting	9,686	-	-	-	9,686	52,540	-	62,226
Advertising	1,575	5,000	-	-	6,575	190	1,750	8,515
Awards and gifts	4,500	-	-	5,583	10,083	-	-	10,083
Banking and credit card fees	3,070	1,945	460	562	6,037	1,481	798	8,316
Conferences, conventions, and meetings	-	-	1,250	-	1,250	-	-	1,250
Consultants	383,704	1,500	9,050	-	394,254	4,375	38,825	437,454
Depreciation	822	521	123	150	1,616	396	213	2,225
Grants to other organizations	19,000	-	-	-	19,000	-	-	19,000
Interest	459	291	69	84	903	221	119	1,243
Insurance	2,071	1,312	310	379	4,072	999	537	5,608
Other	-	-	-	-	-	3	228	231
Supplies	102,381	947	94	115	103,537	302	4,645	108,484
Photocopying and other printing	7,895	819	1,270	124	10,108	326	4,559	14,993
Postage and delivery	1,662	540	126	153	2,481	405	6,955	9,841
Registration fees	-	-	-	-	-	16,604	-	16,604
Rent - facility and equipment	29,359	18,599	4,396	5,375	57,729	14,162	7,611	79,502
Subscriptions, due, and references	8,081	3,060	3,863	884	15,888	2,330	2,806	21,024
Telephone and internet costs	4,580	2,679	633	774	8,666	2,039	1,173	11,878
Travel	<u>21,446</u>	<u>343</u>	<u>81</u>	<u>99</u>	<u>21,969</u>	<u>262</u>	<u>768</u>	<u>22,999</u>
Total	<u>\$ 1,089,035</u>	<u>\$ 347,181</u>	<u>\$ 94,904</u>	<u>\$ 31,932</u>	<u>\$ 1,563,052</u>	<u>\$ 144,350</u>	<u>\$ 197,694</u>	<u>\$ 1,905,096</u>

See Accompanying Notes to the Financial Statements.

NATIONAL WILDLIFE REFUGE ASSOCIATION
Statement of Functional Expenses
For the Year Ended June 30, 2020

	Conservation Programs	Conservation Constituency - Building	Conservation Policy and Education	Communications	Total Program Services	Management	Fundraising	Total
Personnel costs:								
Salaries	\$ 375,393	\$ 234,240	\$ 108,768	\$ 17,212	\$ 735,613	\$ 43,167	\$ 172,860	\$ 951,640
Payroll taxes	30,753	22,386	7,324	1,522	61,985	3,817	11,554	77,356
Pension	6,726	5,758	1,969	229	14,682	574	1,924	17,180
Employee benefits	20,244	20,191	7,313	225	47,973	565	3,401	51,939
Payroll fees	<u>1,584</u>	<u>1,129</u>	<u>371</u>	<u>74</u>	<u>3,158</u>	<u>187</u>	<u>654</u>	<u>3,999</u>
Total personnel costs	434,700	283,704	125,745	19,262	863,411	48,310	190,393	1,102,114
Accounting	250	-	145	-	395	71,544	-	71,939
Advertising	5,600	-	-	-	5,600	-	-	5,600
Awards and gifts	-	-	-	5,000	5,000	-	108	5,108
Banking and credit card fees	2,353	1,519	673	520	5,065	1,304	1,307	7,676
Board meetings	3,872	2,527	1,120	864	8,383	2,168	2,252	12,803
Conferences, conventions, and meetings	4,883	721	2,773	247	8,624	619	520	9,763
Consultants	220,557	2,476	15,527	847	239,407	7,124	16,762	263,293
Depreciation	884	577	256	197	1,914	495	387	2,796
Interest	2,706	1,766	783	604	5,859	1,515	1,185	8,559
Liability insurance	1,303	850	377	291	2,821	730	571	4,122
Office supplies	7,879	547	243	187	8,856	478	3,801	13,135
Photocopying and other printing	4,796	514	961	176	6,447	441	3,151	10,039
Postage and delivery	645	415	184	142	1,386	356	4,498	6,240
Registration fees	-	-	-	-	-	13,240	-	13,240
Rent - facility and equipment	22,757	14,852	6,583	5,081	49,273	33,951	9,967	93,191
Staff development and training	-	-	-	-	-	69	-	69
Subscriptions, due, and references	6,886	7,233	2,716	1,247	18,082	3,128	3,315	24,525
Telephone and internet costs	3,760	2,251	998	770	7,779	1,932	1,661	11,372
Travel	<u>32,263</u>	<u>1,876</u>	<u>4,444</u>	<u>484</u>	<u>39,067</u>	<u>1,216</u>	<u>13,116</u>	<u>53,399</u>
Total	<u>\$ 756,094</u>	<u>\$ 321,828</u>	<u>\$ 163,528</u>	<u>\$ 35,919</u>	<u>\$ 1,277,369</u>	<u>\$ 188,620</u>	<u>\$ 252,994</u>	<u>\$ 1,718,983</u>

See Accompanying Notes to the Financial Statements.

NATIONAL WILDLIFE REFUGE ASSOCIATION
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ 50,578	\$ (247,362)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation expense	2,225	2,796
Net unrealized and realized gains on investments	(20,730)	(27,337)
Change in operating assets and liabilities:		
Prepaid expenses	12,779	(12,696)
Contributions and grants receivable	(17,455)	74,440
Accounts payable and accrued expenses	38,601	14,118
Accrued vacation payable	2,207	4,285
Deferred revenue	(71,635)	79,491
Deferred rent	(146)	21,208
Net cash used in operating activities	(3,576)	(91,057)
<u>Cash Flows From Investing Activities:</u>		
Proceeds (Purchases) of investments	(4,898)	82,467
Purchases of property and equipment	(1,522)	2
Net cash provided by (used in) investing activities	(6,420)	82,469
<u>Cash Flows From Financing Activities:</u>		
Proceeds from Paycheck Protection Program loan	192,000	265,000
Proceeds from line-of-credit	-	182,207
Repayment of line-of-credit	(4,130)	(263,024)
Net cash provided by financing activities	187,870	184,183
Net increase in cash and cash equivalents	177,874	175,595
Cash and cash equivalents at beginning of year	308,229	132,634
Cash and cash equivalents at end of year	\$ 486,103	\$ 308,229
<u>Supplemental Cash Flow Disclosure:</u>		
Cash paid for interest	\$ 1,243	\$ 8,559

See Accompanying Notes to the Financial Statements.

NATIONAL WILDLIFE REFUGE ASSOCIATION
Notes to the Financial Statements
June 30, 2021 and 2020

NOTE 1 **ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

National Wildlife Refuge Association (the Refuge Association) was organized as a nonprofit corporation in Minnesota in 1975 and is the only national non-governmental organization devoted to supporting the health and welfare of the National Wildlife Refuge System and promoting wildlife refuges and vital conservation lands beyond their boundaries. Through advocacy, public outreach, and landscape conservation partnerships, the Refuge Association works to strengthen the ecological integrity of our national wildlife refuges and thus ensure a diverse spectrum of plants and wildlife for future generations. Headquartered in Washington, DC, the Refuge Association is supported primarily through grants and contributions.

A summary of the Refuge Association's significant programs follows:

Conservation Programs – The Refuge Association supports landscape-scale conservation initiatives that secure the ecological well-being of national wildlife refuges and their surrounding natural systems. The Refuge Association convenes public and private partner agencies, nonprofits and community members, identifies key challenges and opportunities in ecosystem conservation and helps set common goals, and then works with partners to build community support and secure funding from a variety of sources to accomplish wildlife conservation goals on the ground.

Conservation Constituency – Building – The Refuge Association plays a leadership role in bringing a spectrum of interests together to support conservation action, and specifically the success of the National Wildlife Refuge System (Refuge System). The Refuge Association trains, educates, mentors, and organizes Refuge Friends groups across the country, engages private landowners, ranchers, and sportsmen, and works with community groups surrounding urban wildlife refuges. Together, these constituent groups form a diverse chorus of voices, which the Refuge Association brings together to take action in support of wildlife conservation needs.

Conservation Policy and Education – The Refuge Association mobilizes hundreds of local and national partners to address urgent conservation needs, including funding for the Refuge System, loss of vital habitat and natural systems that sustain wildlife refuges, invasive species, and damaging changes in land use. The Refuge Association chairs a coalition of national environmental, scientific, and sporting groups with a combined membership of more than 15 million people, with the objective of raising awareness of the needs and accomplishments of our national wildlife refuges.

NATIONAL WILDLIFE REFUGE ASSOCIATION
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Communications – The National Wildlife Refuge Association’s Communications program is focused on developing and executing branding and marketing strategies to a) communicate programs of the Refuge Association effectively, b) grow and cultivate the constituency of the National Wildlife Refuge System of the United States Fish and Wildlife Service, and c) enhance the Refuge Association’s offline and online presence.

A summary of the Refuge Association’s significant accounting policies follows:

Basis of Accounting

The financial statements of the Refuge Association have been prepared on the accrual basis of accounting whereby, revenue is recognized when earned, and expenses are recognized when incurred.

Basis of Presentation

Net assets, revenue, gains, and losses are classified based on the existence or absence of contributions with donor-imposed restrictions. Accordingly, net assets are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Refuge Association, management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Refuge Association, or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Refuge Association considers savings accounts and all highly liquid securities purchased with an original maturity of three months or less to be cash equivalents.

NATIONAL WILDLIFE REFUGE ASSOCIATION
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Grants Receivable

Contributions receivable represent unconditional promises to give that have not yet been collected. Grants receivable are for reimbursement of costs incurred under grant agreements. Billed amounts represent invoices that have been prepared and sent to the responsible organization. Grants receivable are carried at original invoice amounts. Contributions and grants receivable are recorded less an estimate made for doubtful receivables based on a review of all outstanding amounts on an annual basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Contributions and grants receivable are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. At June 30, 2021 and 2020, management expects the amount in contributions and grants receivable to be fully collectible. As such, a provision for doubtful accounts has not been recorded.

Investments

Investments are recorded at fair market value based on quoted prices provided by the investment custodian. Investment income or loss is reflected in the accompanying statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by the donor or the law. Interest and dividends are recorded as revenue when earned.

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NATIONAL WILDLIFE REFUGE ASSOCIATION
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Measurements

The Refuge Association complies with Statement of Financial Accounting Standards Codification topic *Fair Value Measurements*. This defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of fair value hierarchy under this topic are described below:

Basis of Fair Value Measurement

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

- Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.

- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurements and unobservable.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, generally three to seven years. The cost of property and equipment retired or disposed of is removed from the accounts along with the related accumulated depreciation, and any gain or loss is reflected in change in net assets. The Association's policy is to capitalize major additions and improvements over \$500.

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NATIONAL WILDLIFE REFUGE ASSOCIATION
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Unconditional promises to give, grants, legacies and bequests, and Combined Federal Campaign contributions received are recorded as with or without donor restrictions, depending on the existence and nature of any donor restrictions. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Support that is without donor restrictions is reported as an increase in net assets without donor restrictions. All other support with donor restrictions is reported as an increase in net assets with donor restrictions.

Revenue from federal grants is recognized as services are performed and costs are incurred. Federal grant funds received prior to costs incurred are included in deferred revenue.

Special event revenues are recorded as revenue when the event is held and the revenue is earned.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted 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.

Tax Exempt Status

The Refuge Association is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Accounting for Uncertain Tax Positions

The Refuge Association complies with the provisions of Financial Accounting Standards Board Codification topic Accounting for Uncertainty in Income Taxes. For the years ended June 30, 2021 and 2020, no unrecognized tax provision or benefit exists.

Tax returns are subject to examination by federal and state taxing authorities, generally for three years after filing. The Association's returns for the fiscal years ended 2018 through 2020 are open to such examination.

NATIONAL WILDLIFE REFUGE ASSOCIATION
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. General and administrative expenses include those expenses that are not directly identifiable with any other specific function, but that provide for the overall support and direction of the Refuge Association.

NOTE 2 RISKS AND UNCERTAINTIES

Concentration of Credit Risk

Financial instruments that potentially subject the Refuge Association to credit risk include cash deposits in excess of the insurance limitations of the Federal Deposit Insurance Corporation (FDIC). At times throughout the year, the Refuge Association may maintain accounts in excess of the FDIC insurance limit. However, management does not consider this to be a significant concentration of credit risk.

Global Pandemic

U.S. and global business and financial markets continue to be severely impacted by the COVID-19 pandemic. The potential long-term impact on the Refuge Association's investments, revenue, expenses, and cash flows cannot be determined at this time.

NOTE 3 INVESTMENTS

The fair value of investments are based on quoted market prices, when available, or market prices provided by broker dealers; thus they are considered Level 1 items.

At June 30, 2021, investments consisted of the following:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 51,763	\$ -	\$ -	\$ 51,763
Total investments	<u>\$ 51,763</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,763</u>

At June 30, 2020, investments consisted of the following:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate stocks	\$ 26,135	\$ -	\$ -	\$ 26,135
Total investments	<u>\$ 26,135</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,135</u>

NATIONAL WILDLIFE REFUGE ASSOCIATION
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

NOTE 3 **INVESTMENTS** (Continued)

Investment income (loss) for the years ended June 30, 2021 and 2020 was comprised of the following:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ -	\$ 3
Unrealized gain on investments	<u>(20,730)</u>	<u>27,337</u>
Total investment income	<u>\$ (20,730)</u>	<u>\$ 27,340</u>

NOTE 4 **PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Equipment and furniture	\$ 41,730	\$ 40,209
Accumulated depreciation	<u>(37,357)</u>	<u>(35,133)</u>
Property and equipment, net	<u>\$ 4,373</u>	<u>\$ 5,076</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$2,225 and \$2,796, respectively.

NOTE 5 **LINE OF CREDIT**

The Refuge Association signed a line of credit agreement with the United States Senate Federal Credit Union. The maximum amount of the line of credit is \$200,000 and the interest rate on all outstanding balances is 9.5%. At June 30, 2021 and 2020, the outstanding balance on the line of credit was \$0 and \$4,130, respectively.

NOTE 6 **PAYCHECK PROTECTION PROGRAM LOAN PAYABLE**

On May 4, 2020, the Refuge Association entered into a loan agreement with PNC Bank in the amount of \$265,000 under the Paycheck Protection Program (PPP), which was established as a part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Under the terms of the PPP, all or a portion of the loan, including accrued interest, may be forgiven if they are used for qualifying expenses, as described in the CARES Act, such as payroll, benefits, rent, and utilities, and if the Association maintains its payroll levels.

The loan bears a 1% interest rate. The original note agreement calls for a six month deferral period, resulting in any unforgiven portion of the loan being payable in 18 equal monthly installments beginning on December 1, 2020.

NATIONAL WILDLIFE REFUGE ASSOCIATION
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

NOTE 6 **PAYCHECK PROTECTION PROGRAM LOAN PAYABLE** (Continued)

On June 5, 2020, the Paycheck Protection Program Flexibility Act of 2020 (Flexibility Act) was signed into law, amending the CARES Act and extending the loan’s deferral period to ten months after the loan forgiveness covered period, provided a loan forgiveness application is submitted to the lender within that 10-month timeframe. The loan forgiveness covered period is the 24-week period beginning on the date the PPP loan was disbursed. Therefore, no repayment on any unforgiven portion of the loan is expected to be due until August 16, 2021.

On March 12, 2021, the Refuge Association received a second Paycheck Protection Program (PPP) loan through the Small Business Administration (SBA) in the amount of \$192,000. The loan agreement is with State Savings Bank and is subject to the same terms of the first PPP loan.

Subsequent to June 30, 2021, both of these loans were forgiven, except for \$55,440 of the total \$457,000, by the Small Business Administration.

NOTE 7 **NET ASSETS WITH DONOR RESTRICTIONS**

At June 30, 2021 and 2020, net assets with donor restrictions consisted of endowment funds to be invested in perpetuity, earnings on these investments to be spent for specified purposes, and other funds to be spent for specified purposes:

	<u>2021</u>	<u>2020</u>
Policy	\$ 13,540	\$ -
Conservation programs	147,844	120,155
Development	34,043	19,805
Young ambassador	8,746	-
O'Brien Dinner - Alaska	58,573	-
O'Brien Prize Endowment	<u>116,136</u>	<u>30,115</u>
Total	<u>\$ 378,882</u>	<u>\$ 170,075</u>

NOTE 8 **ENDOWMENT FUNDS**

The Refuge Association has interpreted the District of Columbia and Minnesota enacted versions of Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of original endowments as of the gift date, absent explicit donor stipulations to the contrary.

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NATIONAL WILDLIFE REFUGE ASSOCIATION
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

NOTE 8 **ENDOWMENT FUNDS** (Continued)

As a result of this interpretation, the Refuge Association classifies as net assets with donor restrictions the original value of the donated endowments and the accumulation on such accounts until those amounts are appropriated for expenditures consistent with the specific purpose of the endowment. In accordance with UPMIFA, the Refuge Association considers the following factors in making a determination to appropriate or accumulate funds:

- The preservation of the fund
- The purposes of the Association
- General economic conditions
- Other resources of the Association

Return objective and risk parameters – The Refuge Association’s objective is to earn a reasonable rate of return with minimum risk to principal to support the designated programs. The Refuge Association recognizes and accepts that minimizing risk will limit potential capital appreciation. The Refuge Association has a preference for simple investment structures, which have a lower costs, easier oversight, and less complexity for internal financial management and auditing.

Spending policy – Proceeds from earnings on original endowment amounts are restricted by the donors to be used for annual award programs as deemed consistent to the specific endowment purpose. The earnings, losses and expenditures of these funds are reported as net assets with donor restrictions.

During fiscal year 2019, the Board of Directors of the Refuge Association determined that changed circumstances threatened the survival of the Refuge Association and approved to render the maintenance of the Fund inappropriate. The Fund is shown as an appropriation of the endowment during 2019, which includes the advancements previously taken from the Fund. During fiscal year 2020, an additional \$9,236 was released to fully liquidate this fund, except for the corpus of the O’Brien Prize Fund.

The remaining funds within the endowment relate to the O’Brien Prize Fund. This fund was established to support a grant program to be awarded to one Friends group annually for a project that enhances the Refuge Association’s efforts to support the National Wildlife Refuge System.

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NATIONAL WILDLIFE REFUGE ASSOCIATION
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

NOTE 8 **ENDOWMENT FUNDS** (Continued)

Changes in endowment net assets for the years ended June 30, 2021 and 2020 are as follows:

	<u>Without Donor Restrictions</u>	<u>Restricted in Perpetuity</u>
Endowment net assets, June 30, 2019	\$ -	\$ 39,348
Investment income, net	-	3
Appropriation of endowment assets for expenditure	-	(9,236)
Endowment net assets, June 30, 2020	\$ -	\$ 30,115
Contributions	-	88,021
Investment income, net	-	-
Appropriation of endowment assets for expenditure	-	(2,000)
Endowment net assets, June 30, 2021	<u>\$ -</u>	<u>\$ 116,136</u>

NOTE 9 **RETIREMENT PLAN**

The Refuge Association adopted a defined contribution pension plan under Internal Revenue Code 403(b) in November 1994 that covers substantially all employees. The plan allows voluntary deductions from employees' wages to be deposited into individual tax sheltered accounts. The Refuge Association currently matches employee contributions up to 5% of salary per pay period of contribution.

NOTE 10 **COMMITMENTS**

The Refuge Association has a lease for office space at 1001 Connecticut Avenue NW, Washington, DC, which expired on December 31, 2019. The lease required monthly payments of \$7,898 through November 2018 and monthly payments of \$8,115 thereafter through December 31, 2019. Effective on January 1, 2020, the lease term was extended through March 31, 2023. The amended lease provides abatement for the first 3 months. The lease was amended again in March 2021, abating \$1,000 of the base monthly lease for a period of April 2020 through December 2021. Future minimum lease payments under the operating lease are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2022	\$ 91,055
2023	74,455
Total	<u>\$ 165,510</u>

NATIONAL WILDLIFE REFUGE ASSOCIATION
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

NOTE 11 LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Refuge Association’s financial assets as of June 30, 2021 and 2020, reduced by amounts not available for general expenditure within one year, if any. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, trust assets, assets held for others, funds that are purpose or time restricted beyond one year, endowments and accumulated earnings net of appropriations within one year, and board designated endowments. These board designations could be drawn upon if the board approves that action.

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 486,103	\$ 308,229
Accounts receivable, net	80,841	63,386
Investments	<u>51,763</u>	<u>26,135</u>
Financial assets, at year-end	618,707	397,750
Less those unavailable for general expenditure within one year, due to:		
Net assets with donor restrictions	<u>(378,882)</u>	<u>(170,075)</u>
Financial assets available to meet cash needs for general expenditures within on year:	<u>\$ 239,825</u>	<u>\$ 227,675</u>

The Refuge Association has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, as described in Note 5, the Refuge Association has access to a line of credit up to \$200,000.

NOTE 12 SUBSEQUENT EVENTS

The Refuge Association evaluated subsequent events for potential required disclosure through December 1, 2021, which is the date financial statements were available to be issued. This review and evaluation revealed no other subsequent events that require recognition or disclosure in the accompanying financial statements.