



NATIONAL  
Wildlife Refuge  
ASSOCIATION

**NATIONAL WILDLIFE REFUGE ASSOCIATION**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT**

**Years Ended June 30, 2023 and 2022**

**NATIONAL WILDLIFE REFUGE ASSOCIATION**  
**June 30, 2023 and 2022**

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## **INDEPENDENT AUDITORS' REPORT**

**Board of Directors**  
***National Wildlife Refuge Association***  
**Washington, DC**

### **Opinion**

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, 2023 and 2022, 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 financial statements referred to above present fairly, in all material respects, the financial position of the ***National Wildlife Refuge Association*** as of June 30, 2023 and 2022, 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 audits in accordance with auditing standards generally accepted in the United States of America. 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 the ***National Wildlife Refuge Association*** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **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.

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 the ***National Wildlife Refuge Association's*** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**NATIONAL WILDLIFE REFUGE ASSOCIATION  
INDEPENDENT AUDITORS' REPORT (Continued)**

**Page 2**

**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 generally accepted auditing standards 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 generally accepted auditing standards, 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 the **National Wildlife Refuge Association'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 the **National Wildlife Refuge Association'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 audits.

*DeLeon & Stang*

**DeLeon & Stang, CPAs and Advisors  
Frederick, Maryland  
March 21, 2024**

**NATIONAL WILDLIFE REFUGE ASSOCIATION**  
**Statements of Financial Position**  
**June 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 260,997	\$ 207,397
Investments	162,270	109,516
Contributions and grants receivable	141,077	101,201
Prepaid expenses	18,214	4,258
Security deposit	6,589	8,123
Right of use asset - operating lease	145,391	-
Property and equipment, net	5,561	8,179
<b>Total Assets</b>	<b>\$ 740,099</b>	<b>\$ 438,674</b>
<b>Liabilities and Net Assets</b>		
<b><u>Liabilities</u></b>		
Accounts payable and accrued expenses	\$ 255,305	\$ 94,682
Line of credit	54,087	-
Deferred revenue	66,291	39,287
Operating lease liability	167,110	-
Deferred rent	-	14,012
Paycheck Protection Program loans payable	28,526	43,409
<b>Total liabilities</b>	571,319	191,390
<b><u>Net (deficit) assets:</u></b>		
Without donor restrictions	(355,817)	(193,832)
With donor restrictions	524,597	441,116
<b>Total net assets</b>	168,780	247,284
<b>Total Liabilities and Net Assets</b>	<b>\$ 740,099</b>	<b>\$ 438,674</b>

See Accompanying Notes to the Financial Statements.

**NATIONAL WILDLIFE REFUGE ASSOCIATION**  
**Statements of Activities**  
**For the Years Ended June 30, 2023 and 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>
<b><u>Revenue and support:</u></b>						
Contributions	\$ 611,366	\$ 41,949	\$ 653,315	\$ 671,125	\$ 44,267	\$ 715,392
Federal grants	683,553	-	683,553	255,121	-	255,121
Paycheck Protection Program loan forgiveness	-	-	-	401,189	-	401,189
Combined Federal Campaign	10,080	-	10,080	12,935	-	12,935
Foundation and other grants	5,152	577,004	582,156	389,509	514,248	903,757
Investment gain/(loss)	23,641	-	23,641	(21,761)	-	(21,761)
Legacies and bequests	2,250	-	2,250	1,650	-	1,650
Special events, net of expenses	170,005	-	170,005	73,400	-	73,400
Rental income	10,000	-	10,000	-	-	-
Net assets released from restriction	<u>535,472</u>	<u>(535,472)</u>	<u>-</u>	<u>496,281</u>	<u>(496,281)</u>	<u>-</u>
Total revenue and support	2,051,519	83,481	2,135,000	2,279,449	62,234	2,341,683
<b><u>Expenses:</u></b>						
<u>Program services:</u>						
Conservation programs	939,285	-	939,285	1,119,130	-	1,119,130
Conservation constituency - building	784,283	-	784,283	431,202	-	431,202
Conservation policy and education	88,512	-	88,512	125,868	-	125,868
Communications	<u>50,026</u>	<u>-</u>	<u>50,026</u>	<u>33,566</u>	<u>-</u>	<u>33,566</u>
Total program services	1,862,106	-	1,862,106	1,709,766	-	1,709,766
<u>Supporting services:</u>						
Management	179,508	-	179,508	159,420	-	159,420
Fundraising	<u>171,890</u>	<u>-</u>	<u>171,890</u>	<u>237,780</u>	<u>-</u>	<u>237,780</u>
Total supporting services	<u>351,398</u>	<u>-</u>	<u>351,398</u>	<u>397,200</u>	<u>-</u>	<u>397,200</u>
Total expenses	<u>2,213,504</u>	<u>-</u>	<u>2,213,504</u>	<u>2,106,966</u>	<u>-</u>	<u>2,106,966</u>
<b>Change in net assets</b>	(161,985)	83,481	(78,504)	172,483	62,234	234,717
<b>Net (deficit) assets, beginning of year</b>	<u>(193,832)</u>	<u>441,116</u>	<u>247,284</u>	<u>(366,315)</u>	<u>378,882</u>	<u>12,567</u>
<b>Net (deficit) assets, end of year</b>	<u>\$ (355,817)</u>	<u>\$ 524,597</u>	<u>\$ 168,780</u>	<u>\$ (193,832)</u>	<u>\$ 441,116</u>	<u>\$ 247,284</u>

See Accompanying Notes to the Financial Statements.

**NATIONAL WILDLIFE REFUGE ASSOCIATION**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2023**

	<b>Conservation Programs</b>	<b>Conservation Constituency - Building</b>	<b>Conservation Policy and Education</b>	<b>Communications</b>	<b>Total Program Services Management</b>			<b>Fundraising</b>	<b>Total Supporting Services</b>	<b>Total</b>
Personnel costs:										
Salaries	\$ 363,111	\$ 375,468	\$ 41,950	\$ 25,207	\$ 805,736	\$ 73,173	\$ 85,358	\$ 158,531	\$ 964,267	
Payroll taxes	27,391	33,380	2,752	1,811	65,334	5,257	5,036	10,293	75,627	
Pension	5,274	2,529	590	217	8,610	631	1,384	2,015	10,625	
Employee benefits	20,719	26,373	1,362	1,422	49,876	4,129	1,152	5,281	55,157	
Payroll fees	<u>2,328</u>	<u>2,873</u>	<u>225</u>	<u>167</u>	<u>5,593</u>	<u>484</u>	<u>489</u>	<u>973</u>	<u>6,566</u>	
Total personnel costs	418,823	440,623	46,879	28,824	935,149	83,674	93,419	177,093	1,112,242	
Accounting	19,200	15,000	-	-	34,200	39,074	-	39,074	73,274	
Advertising	7,000	-	-	-	7,000	-	-	-	7,000	
Awards and gifts	-	-	-	5,000	5,000	218	-	218	5,218	
Banking and credit card fees	3,680	3,871	412	1,049	9,012	3,046	821	3,867	12,879	
Conferences, conventions, and meetings	8,292	185,604	1,003	2,365	197,264	7,091	2,931	10,022	207,286	
Consultants	363,769	72,228	24,525	2,500	463,022	4,248	22,835	27,083	490,105	
Depreciation	748	787	84	213	1,832	619	167	786	2,618	
Interest	487	512	55	139	1,193	403	109	512	1,705	
Insurance	1,826	1,921	204	521	4,472	1,512	407	1,919	6,391	
Other	-	-	-	-	-	-	138	138	138	
Supplies	54,344	17,363	202	438	72,347	1,271	16,312	17,583	89,930	
Photocopying and other printing	1,337	607	55	141	2,140	410	5,054	5,464	7,604	
Postage and delivery	273	136	12	31	452	91	10,569	10,660	11,112	
Registration fees	-	-	-	-	-	12,180	-	12,180	12,180	
Rent - facility and equipment	16,967	17,140	1,841	4,084	40,032	11,967	3,657	15,624	55,656	
Subscriptions, due, and references	6,466	4,015	9,259	1,088	20,828	3,160	1,327	4,487	25,315	
Telephone and internet costs	3,116	3,278	349	889	7,632	2,579	695	3,274	10,906	
Travel	<u>32,957</u>	<u>21,198</u>	<u>3,632</u>	<u>2,744</u>	<u>60,531</u>	<u>7,965</u>	<u>13,449</u>	<u>21,414</u>	<u>81,945</u>	
<b>Total</b>	<u>\$ 939,285</u>	<u>\$ 784,283</u>	<u>\$ 88,512</u>	<u>\$ 50,026</u>	<u>\$ 1,862,106</u>	<u>\$ 179,508</u>	<u>\$ 171,890</u>	<u>\$ 351,398</u>	<u>\$ 2,213,504</u>	

See Accompanying Notes to the Financial Statements.

**NATIONAL WILDLIFE REFUGE ASSOCIATION**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2022**

	<b>Conservation Programs</b>	<b>Conservation Constituency - Building</b>	<b>Conservation Policy and Education</b>	<b>Communications</b>	<b>Total Program Services</b>			<b>Management</b>	<b>Fundraising</b>	<b>Total Supporting Services</b>	<b>Total</b>
Personnel costs:											
Salaries	\$ 386,404	\$ 322,827	\$ 92,247	\$ 20,530	\$ 822,008	\$ 56,677	\$ 138,525	\$ 195,202	\$ 1,017,210		
Payroll taxes	30,581	25,531	5,085	1,548	62,745	5,107	7,449	12,556	75,301		
Pension	5,443	6,428	1,323	183	13,377	604	1,689	2,293	15,670		
Employee benefits	23,155	31,153	4,619	1,215	60,142	4,010	4,519	8,529	68,671		
Payroll fees	<u>2,224</u>	<u>1,927</u>	<u>381</u>	<u>114</u>	<u>4,646</u>	<u>376</u>	<u>661</u>	<u>1,037</u>	<u>5,683</u>		
Total personnel costs	447,807	387,866	103,655	23,590	962,918	66,774	152,843	219,617	1,182,535		
Accounting	18,563	-	-	-	18,563	41,519	-	41,519	60,082		
Advertising	1,755	-	-	-	1,755	1,827	-	1,827	3,582		
Awards and gifts	2,000	-	-	-	2,000	-	-	-	2,000		
Banking and credit card fees	2,956	2,560	684	679	6,879	2,241	1,717	3,958	10,837		
Board meetings	1,203	1,042	278	276	2,799	912	410	1,322	4,121		
Conferences, conventions, and meetings	21	25	-	-	46	-	7,898	7,898	7,944		
Consultants	404,821	150	4,000	-	408,971	6,729	24,230	30,959	439,930		
Depreciation	576	499	133	132	1,340	436	196	632	1,972		
Grants to other organizations	7,500	-	-	-	7,500	-	-	-	7,500		
Interest	335	290	78	77	780	254	114	368	1,148		
Insurance	1,818	1,575	421	418	4,232	1,378	621	1,999	6,231		
Other	-	-	-	-	-	-	69	69	69		
Supplies	160,378	2,106	442	405	163,331	1,338	13,634	14,972	178,303		
Photocopying and other printing	772	605	122	121	1,620	510	6,613	7,123	8,743		
Postage and delivery	1,087	309	154	82	1,632	322	8,366	8,688	10,320		
Registration fees	-	-	-	-	-	9,409	-	9,409	9,409		
Rent - facility and equipment	22,799	19,755	5,257	5,213	53,024	17,279	7,774	25,053	78,077		
Subscriptions, due, and references	5,423	3,458	7,155	917	16,953	3,026	2,776	5,802	22,755		
Telephone and internet costs	3,269	2,740	732	726	7,467	2,399	1,248	3,647	11,114		
Travel	<u>36,047</u>	<u>8,222</u>	<u>2,757</u>	<u>930</u>	<u>47,956</u>	<u>3,067</u>	<u>9,271</u>	<u>12,338</u>	<u>60,294</u>		
<b>Total</b>	<u>\$ 1,119,130</u>	<u>\$ 431,202</u>	<u>\$ 125,868</u>	<u>\$ 33,566</u>	<u>\$ 1,709,766</u>	<u>\$ 159,420</u>	<u>\$ 237,780</u>	<u>\$ 397,200</u>	<u>\$ 2,106,966</u>		

See Accompanying Notes to the Financial Statements.

**NATIONAL WILDLIFE REFUGE ASSOCIATION**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b><u>Cash Flows From Operating Activities:</u></b>		
Change in net assets	\$ (78,504)	\$ 234,717
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Forgiveness of Paycheck Protection Program loan	-	(401,189)
Depreciation expense	2,618	1,972
Amortization of right of use assets	33,592	-
Net unrealized and realized (gains) losses on investments	(21,972)	21,771
Change in operating assets and liabilities:		
Prepaid expenses	(13,956)	318
Contributions and grants receivable	(39,876)	(20,360)
Security deposit	1,534	-
Accounts payable and accrued expenses	160,623	(42,612)
Deferred revenue	27,004	31,431
Deferred rent	(14,013)	(7,050)
Operating lease liability	(11,872)	-
Net cash provided by (used in) operating activities	45,178	(181,002)
<b><u>Cash Flows From Investing Activities:</u></b>		
Proceeds (Purchases) of investments	(30,782)	(79,524)
Purchases of property and equipment	-	(5,778)
Net cash used in investing activities	(30,782)	(85,302)
<b><u>Cash Flows From Financing Activities:</u></b>		
Repayment of Paycheck Protection Program loan	(14,883)	(12,402)
Line of credit, net	54,087	-
Net cash provided by (used in) financing activities	39,204	(12,402)
<b>Net increase (decrease) in cash and cash equivalents</b>	53,600	(278,706)
<b>Cash and cash equivalents at beginning of year</b>	207,397	486,103
<b>Cash and cash equivalents at end of year</b>	\$ 260,997	\$ 207,397
<b><u>Supplemental Cash Flow Disclosure:</u></b>		
Cash paid for interest	\$ 1,704	\$ 1,148

See Accompanying Notes to the Financial Statements.

**NATIONAL WILDLIFE REFUGE ASSOCIATION**  
**Notes to the Financial Statements**  
**June 30, 2023 and 2022**

**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, 2023 and 2022**

**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, whereby 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, 2023 and 2022**

**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, 2023 and 2022, 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, 2023 and 2022**

**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.

Leases

The Refuge Association assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Operating and finance leases, if any, are included in right-of-use (ROU) assets and lease liabilities in the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, using the risk-free rate, and ROU assets also include prepaid or accrued rents.

**NATIONAL WILDLIFE REFUGE ASSOCIATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2023 and 2022**

**NOTE 1      ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Leases (continued)

Operating lease expense is recognized on a straight-line basis over the lease term. The Association does not report ROU assets and lease liabilities for short-term leases (leases with a term of 12 months or less).

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, 2023 and 2022, 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 2020 through 2022 are open to such examination.

**NATIONAL WILDLIFE REFUGE ASSOCIATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2023 and 2022**

**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.

Recent Accounting Pronouncements

In February 2016, the FASB issues ASU 201602, Leases (Topic 842). The guidance in this ASU supersedes the lease guidance in Topic 840. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial positions for all leases with terms longer than 12 months. Leases will be classified as either finance or operating with classification affecting the pattern of expense recognition in the statement of activities. The Association adopted this new standard using the effective method as of November 1, 2022 and has elected all available practical expedients. The Refuge Association recorded a ROU asset and a corresponding operating lease liability in the amount of \$178,983 in connection with the adoption of this standard.

**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. At June 30, 2023 and 2022, cash deposits exceeded FDIC insured limits by \$68,027 and \$0, respectively. However, management does not consider this to be a significant concentration of credit risk.

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**NATIONAL WILDLIFE REFUGE ASSOCIATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2023 and 2022**

**NOTE 3      INVESTMENTS**

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

At June 30, 2023, investments consisted of the following:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities	\$ 1,362	\$ -	\$ -	\$ 1,362
Exchange traded funds	146,190	-	-	146,190
Mutual funds	14,718	-	-	14,718
Total investments	<u>\$ 162,270</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,270</u>

At June 30, 2022, investments consisted of the following:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 109,516	\$ -	\$ -	\$ 109,516
Total investments	<u>\$ 109,516</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,516</u>

Investment income (loss) for the years ended June 30, 2023 and 2022 was comprised of the following:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 1,669	\$ 10
Unrealized gain/(loss) on investments	<u>21,972</u>	<u>(21,771)</u>
Total investment income/(loss)	<u>\$ 23,641</u>	<u>\$ (21,761)</u>

**NATIONAL WILDLIFE REFUGE ASSOCIATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2023 and 2022**

**NOTE 4**      **PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Equipment and furniture	\$ 47,509	\$ 47,509
Accumulated depreciation	<u>(41,948)</u>	<u>(39,330)</u>
Property and equipment, net	<u>\$ 5,561</u>	<u>\$ 8,179</u>

Depreciation expense for the years ended June 30, 2023 and 2022 was \$2,618 and \$1,972, 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 7.5%. The balance on the line of credit was \$54,087 and \$0 as of June 30, 2023 and 2022, 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.

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.

During the year ended June 30, 2022, \$401,189 of these two loans was forgiven by the Small Business Administration, leaving a balance of \$55,811 to be paid in monthly principal installments of \$1,240 plus interest. The balance of the loan as of June 30, 2023 and 2022 was \$28,526 and \$43,409, respectively.

Future minimum principal payments required under the PPP loan are as follows:

<u>Years Ending</u> <u>June 30,</u>	<u>Amount</u>
2024	\$ 14,883
2025	<u>13,643</u>
Total	<u>\$ 28,526</u>

**NATIONAL WILDLIFE REFUGE ASSOCIATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2023 and 2022**

**NOTE 7      NET ASSETS WITH DONOR RESTRICTIONS**

At June 30, 2023 and 2022, 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>2023</u>	<u>2022</u>
Conservation programs	\$ 261,646	\$ 236,608
Advocacy	102,500	-
Development	5,381	45,133
Young ambassador	13,090	9,662
O'Brien Dinner - Alaska	-	17,733
O'Brien Prize Endowment	131,980	131,980
Erich-Morgan Endowment	10,000	-
Total	<u>\$ 524,597</u>	<u>\$ 441,116</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 inflation-adjusted purchasing power of donations as of their gift dates, absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Refuge Association classifies as net assets with donor restrictions the original value of the donated endowment 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 lower costs, easier oversight, and less complexity for internal financial management and auditing.

*Spending policy* – – The O’Brien Prize endowment funds are restricted by the donors to be used, to the extent available under the endowment’s draw formula, for an annual award program as deemed consistent to the specific endowment purpose. The earnings, losses and expenditures of these funds are reported as net assets with donor restrictions.

**NATIONAL WILDLIFE REFUGE ASSOCIATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2023 and 2022**

**NOTE 8**      **ENDOWMENT FUNDS** (Continued)

The 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 or more Friends groups annually for a project that enhances the Refuge Association's efforts to support the National Wildlife Refuge System. Amounts from the Erich-Morgan Fund may be used, to the extent available under the endowment's draw formula, to support the Association's general operations.

The Refuge Association's objective for the O'Brien Prize Fund 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 Association is willing to accept a higher level of risk in the Erich-Morgan Fund by investing mainly in large-cap U.S. equities.

Changes in endowment net assets for the years ended June 30, 2023 and 2022 are as follows:

	<b><u>Without Donor Restrictions</u></b>	<b><u>Restricted in Perpetuity</u></b>
Endowment net assets, June 30, 2021	\$ -	\$ 116,136
Investment income, net	-	15,844
Appropriation of endowment assets for expenditure	-	-
Endowment net assets, June 30, 2022	\$ -	\$ 131,980
Contributions	-	10,000
Investment income, net	-	-
Appropriation of endowment assets for expenditure	-	-
Endowment net assets, June 30, 2023	<u>\$ -</u>	<u>\$ 141,980</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. For the years ended June 30, 2023 and 2022, employer contributions were \$10,625 and \$15,669, respectively.

**NATIONAL WILDLIFE REFUGE ASSOCIATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2023 and 2022**

**NOTE 10**      **COMMITMENTS**

The Refuge Association had 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. The lease was then amended again in January 2022, reducing the monthly base rent by \$1,219 and abating \$14,633 of total rent.

Subsequent to June 30, 2022, the Refuge Association entered into a lease agreement for new space located at 1701 K Street, NW, Washington, DC. The lease agreement is for three years and five months commencing on November 1, 2022. The lease calls for base monthly rental payments of \$5,049 with annual escalations and the landlord has agreed to abate the first five months of rental payments.

Rent expense was \$50,262 and \$78,076 for the years ended June 30, 2023 and 2022, respectively.

The remaining lease term is 33 months and the discount rate is 2.75%.

Future maturities of the lease liability as of June 30, 2023 are as follows:

Year Ending June 30,	Amount
2024	\$ 61,692
2025	63,388
2026	48,555
Total	\$ 173,635
Less: present value discount	(6,525)
	<u>\$ 167,110</u>

**NATIONAL WILDLIFE REFUGE ASSOCIATION**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2023 and 2022**

**NOTE 11      LIQUIDITY AND FUNDS AVAILABLE**

The following table reflects the Refuge Association's financial assets as of June 30, 2023 and 2022, 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>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	\$ 260,997	\$ 207,397
Accounts receivable, net	141,077	101,201
Investments	<u>162,270</u>	<u>109,516</u>
Financial assets, at year-end	564,344	418,114
Less those unavailable for general expenditure within one year, due to:		
Net assets with donor restrictions	<u>(524,597)</u>	<u>(441,116)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 39,747</u>	<u>\$ (23,002)</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 March 21, 2024, which is the date financial statements were available to be issued. This review and evaluation revealed no subsequent events that require recognition or disclosure in the accompanying financial statements.