

**WILDLIFE REHABILITATION CENTER  
OF MINNESOTA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2019**

# WILDLIFE REHABILITATION CENTER OF MINNESOTA

## FINANCIAL STATEMENTS

For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

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# Mahoney Ulbrich Christiansen Russ P.A.

CERTIFIED PUBLIC ACCOUNTANTS

10 River Park Plaza, Suite 800 | Saint Paul, MN 55107

Phone: 651.227.6695 Fax: 651.227.9796 | [www.mucr.com](http://www.mucr.com)

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Wildlife Rehabilitation Center of Minnesota  
Roseville, Minnesota

We have audited the accompanying financial statements of Wildlife Rehabilitation Center of Minnesota (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wildlife Rehabilitation Center of Minnesota as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Adoption of New Accounting Standards**

As discussed in Note 2 to the financial statements, Wildlife Rehabilitation Center of Minnesota has adopted Accounting Standards Updates (ASUs) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, the related ASU No. 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, and ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. Our opinion is not modified with respect to these matters.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statement of Activity by Class shown on page 17 is presented for purposes of additional analysis and is also not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2019 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

## **Report on Summarized Comparative Information**

We have previously audited Wildlife Rehabilitation Center of Minnesota's 2018 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated October 24, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Mahoney Ulbrich  
Christiansen Russ P.A.*

September 17, 2020

**WILDLIFE REHABILITATION CENTER OF MINNESOTA**

STATEMENT OF FINANCIAL POSITION

December 31, 2019  
(With Comparative Totals for 2018)

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash	\$ 4,261	\$ 170,931
Contributions receivable	857,200	132,100
Prepaid expenses	21,212	11,280
Merchandise inventory	6,170	4,112
Cash - capital campaign	76,541	-
Cash restricted for purchase of property and equipment	31,415	24,376
Property and equipment, net	<u>1,876,773</u>	<u>1,200,356</u>
 Total assets	 <u>\$ 2,873,572</u>	 <u>\$ 1,543,155</u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 38,314	\$ 29,037
Accrued payroll and related expenses	21,299	9,505
Accrued interest	1,950	-
Note payable, net	447,703	-
Lines of credit	<u>96,923</u>	<u>250,000</u>
 Total liabilities	 <u>606,189</u>	 <u>288,542</u>
Net assets:		
Without donor restrictions		
Undesignated	1,253,409	1,052,819
Board designated Nest Egg Fund	45,318	45,318
Board designated for capital campaign	42,905	-
Total Board designated	<u>88,223</u>	<u>45,318</u>
Total net assets without donor restrictions	<u>1,341,632</u>	<u>1,098,137</u>
With donor restrictions	<u>925,751</u>	<u>156,476</u>
 Total net assets	 <u>2,267,383</u>	 <u>1,254,613</u>
 Total liabilities and net assets	 <u>\$ 2,873,572</u>	 <u>\$ 1,543,155</u>

See Accompanying Notes to Financial Statements.

**WILDLIFE REHABILITATION CENTER OF MINNESOTA**

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

	2019			2018
	Without donor restrictions	With donor restrictions	Total	
Revenue and support:				
Contributions	\$ 1,621,193	\$ 875,751	\$ 2,496,944	\$ 1,258,573
Special events income net of direct donor benefits of \$76,128 in 2019 and \$72,028 in 2018	73,485	-	73,485	104,218
Contract revenue	81,725	-	81,725	-
Other revenues	28,299	-	28,299	28,498
Net assets released from restrictions	106,476	(106,476)	-	-
<b>Total revenue and support</b>	<b>1,911,178</b>	<b>769,275</b>	<b>2,680,453</b>	<b>1,391,289</b>
Expenses:				
Program services	1,389,645	-	1,389,645	1,131,754
Management and general	113,472	-	113,472	119,288
Fundraising	164,566	-	164,566	126,860
<b>Total expenses</b>	<b>1,667,683</b>	<b>-</b>	<b>1,667,683</b>	<b>1,377,902</b>
 Change in net assets	 243,495	 769,275	 1,012,770	 13,387
Net assets:				
Beginning of year	1,098,137	156,476	1,254,613	1,241,226
End of year	<u>\$ 1,341,632</u>	<u>\$ 925,751</u>	<u>\$ 2,267,383</u>	<u>\$ 1,254,613</u>

See Accompanying Notes to Financial Statements.

## WILDLIFE REHABILITATION CENTER OF MINNESOTA

### STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

	2019				Total	2018
	Program services	Management and general	Fundraising	Direct donor benefits		
Salaries	\$ 699,810	\$ 30,310	\$ 30,130	\$ -	\$ 760,250	\$ 609,607
Employee benefits	68,014	4,494	2,480	-	74,988	54,546
Payroll taxes	50,768	2,316	2,303	-	55,387	44,565
Total salaries and related expenses	818,592	37,120	34,913	-	890,625	708,718
Professional fees	14,469	8,008	14,383	-	36,860	65,282
Food	110,926	-	-	23,961	134,887	120,963
Bank charges and credit card fees	-	3,146	21,201	-	24,347	22,209
Telephone and internet	6,438	1,099	744	-	8,281	7,841
Printing and postage	3,916	641	31,406	-	35,963	35,663
Utilities	62,656	6,296	5,995	-	74,947	71,093
Insurance	11,719	1,177	1,121	-	14,017	10,685
Equipment rental and maintenance	65,737	26,111	5,539	-	97,387	81,532
Interest	-	18,610	-	-	18,610	11,870
Interest - amortization of finance fees	-	903	-	-	903	-
Depreciation	62,878	6,318	6,017	-	75,213	70,017
Travel	3,570	609	413	-	4,592	3,345
Dues and subscriptions	2,342	-	-	-	2,342	1,755
Staff training	6,819	-	500	-	7,319	11,127
Supplies:						
Medical	124,967	-	-	-	124,967	101,334
Lab	16,788	-	-	-	16,788	16,896
General	46,581	2,477	1,195	-	50,253	47,007
Volunteer recognition	2,455	-	15	-	2,470	7,956
Special event:					-	45,246
Services	-	-	40,300	14,963	55,263	-
Entertainment	-	-	-	10,257	10,257	-
Rental	-	-	-	26,947	26,947	-
Miscellaneous expenses	28,792	957	824	-	30,573	9,393
	<u>\$ 1,389,645</u>	<u>\$ 113,472</u>	<u>\$ 164,566</u>	<u>\$ 76,128</u>	<u>\$1,743,811</u>	<u>\$ 1,449,932</u>
Less special events direct donor benefits	-	-	-	(76,128)	(76,128)	(72,028)
	<u>\$ 1,389,645</u>	<u>\$ 113,472</u>	<u>\$ 164,566</u>	<u>\$ -</u>	<u>\$1,667,683</u>	<u>\$ 1,377,904</u>

See Accompanying Notes to Financial Statements.

**WILDLIFE REHABILITATION CENTER OF MINNESOTA**

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

Increase (Decrease) in Cash

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,012,770	\$ 13,387
Adjustments to reconcile the change in net assets to net cash from operating activities:		
Depreciation and amortization	76,116	70,017
Changes in operating assets and liabilities:		
Contributions receivable	(725,100)	(113,793)
Prepaid expenses	(9,932)	(5,199)
Merchandise inventory	(2,058)	1,084
Accounts payable	9,277	7,395
Accrued expenses	<u>13,744</u>	<u>(2,838)</u>
Net cash from operating activities	<u>374,817</u>	<u>(29,947)</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(751,630)</u>	<u>(15,974)</u>
Net cash from investing activities	<u>(751,630)</u>	<u>(15,974)</u>
Cash flows from financing activities:		
Proceeds from (payments on) lines of credit, net	(150,000)	225,000
Proceeds from note payable	455,000	-
Payment of finance fees	<u>(11,277)</u>	<u>-</u>
Net cash from financing activities	<u>293,723</u>	<u>225,000</u>
Net increase (decrease) in cash and restricted cash	(83,090)	179,079
Cash and restricted cash - beginning of year	<u>195,307</u>	<u>16,228</u>
Cash and restricted cash - end of year	<u>\$ 112,217</u>	<u>\$ 195,307</u>
Reconciliation to the statement of financial position		
Cash	\$ 4,261	\$ 170,931
Cash - capital campaign	76,541	-
Cash restricted for purchase of property and equipment	31,415	24,376
Total cash and restricted cash	<u>\$ 112,217</u>	<u>\$ 195,307</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest expense	<u>\$ 16,660</u>	<u>\$ 11,870</u>

See Accompanying Notes to Financial Statements.



# WILDLIFE REHABILITATION CENTER OF MINNESOTA

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

### 1. ORGANIZATION

The Wildlife Rehabilitation Center of Minnesota (the Center) is a Minnesota nonprofit charitable corporation formed in 1997. The purpose of the Center is to provide quality medical care and rehabilitation for all injured, sick and orphaned wildlife and share its knowledge with the people who care about them. The Center is one of the largest wildlife rehabilitation clinics of its kind in the country, treating more than 13,000 animals each year (unaudited).

The Center also provides professional training and community education for individuals locally and around the world.

In 2019, the Center began a capital campaign aimed at raising money to bring their facilities up to the same world-class standards as their medical care. The campaign focusses on three areas: 1) bringing the facilities and caging up to world class standards with an off-site campus, 2) enhancing the existing facility to repurpose it as primarily an emergency veterinary hospital, and 3) strengthening the institutional capacity to manage additional growth. To achieve these goals, the Center plans to acquire and modify a new location to act as an auxiliary campus for patients, perform maintenance and repairs at the existing location, and hire additional employees to expand the support staff and enhance to operating infrastructure of the Center.

The Center's activities are supported primarily by individual and foundation contributions.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Accounting Standards Adopted** In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance outlines a single, comprehensive model for accounting for revenue from contracts with customers. In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies and improves guidance for contributions received and contributions made and provides guidance to organizations on how to account for certain exchange transactions. The Corporation adopted these related standards on January 1, 2019, using the modified retrospective method. The cumulative effect of adopting the new revenue standard was not material and no adjustment was recorded to net assets. There were no material changes in the timing of its recognition of revenue or net assets as a result of the adoption.

(Continued)

# WILDLIFE REHABILITATION CENTER OF MINNESOTA

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In 2019, the Corporation adopted Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* using the full retrospective approach. This ASU was issued to address diversity in reporting restricted cash on the statement of cash flows, largely due to the lack of guidance. After the adoption of ASU 2016-18, restricted deposits and cash equivalents must be included with the beginning and ending cash shown on the statements of cash flows. Before the change, restricted deposits and cash equivalents were excluded. There was no change in 2018 beginning of year cash, cash equivalents, and restricted cash reported on the statement of cash flows.

**Financial Statement Presentation** - The Center is required to report information regarding its financial position and activities in the following net asset categories:

- Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve called the Nest Egg Fund and for the capital campaign.
- Net assets with donor restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Contributions Receivable** - Contributions receivable are recorded at the promised amount because the difference between the promised amount and the net present value of the promise is immaterial. Receivables are written off when, in management's estimation, it is probable that the receivable is worthless.

**Merchandise Inventory** - Merchandise inventory is valued at the lower of cost or net realizable value. Cost is determined on the first-in, first-out method.

(Continued)

# WILDLIFE REHABILITATION CENTER OF MINNESOTA

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Property and Equipment** - Property and equipment are carried at cost, with the exception of donated equipment which is recorded at fair market value at date of gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. Maintenance and repairs are expensed as incurred. Major renewals or betterments that extend the lives of property and equipment are capitalized. Management evaluates these assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Absent explicit donor restrictions regarding how long donated assets must be maintained, the Center reports expiration of donor restrictions when the donated or acquired assets are placed in service.

**Finance Fees** - Finance fees are deferred and amortized over the term of the related debt using the straight-line method and are reported as deductions from the face amount of the debt. Amortization is reported as interest expense on the statement of functional expense.

**Contributions** - Contributions are recognized when the donor makes an unconditional promise to give to the Center. Conditional contributions, such as bequests, are recorded when the conditions have been met and the conditional promise becomes unconditional. Contributions are considered to be net assets without donor restrictions unless specifically restricted by the donor.

Donor-restricted contributions are reported as increases net assets with donor restrictions. When a specific time restriction ends, or a purpose is accomplished, restricted net assets are reclassified to net assets without donor restrictions. If a restriction is fulfilled during the same period in which the contribution is received, the contribution is reported as net assets without donor restrictions.

**Donated Materials and Services** - Donated materials are recorded as contributions at their estimated fair market value. Donated services are recorded as contributions at their estimated fair value only if the services create or enhance a nonfinancial asset or if the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Center recorded \$22,582 and \$23,687 in 2019 and 2018 for contributed IT troubleshooting services, and \$26,500 for a donated water heater in 2019.

(Continued)

# WILDLIFE REHABILITATION CENTER OF MINNESOTA

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Center regularly receives donated services from many volunteers (see note 11). However, no amounts have been recognized for these services because they do not meet the criteria described above.

**Special Events** - Revenue from special events is reported net of the costs of direct donor benefits.

**Contract Revenue** – Fees are measured based on consideration specified in a contract with a customer. The Center recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. The contract is a service contract where the customer receives and consumes the benefits of the services as the Center performs the service so the fees are recognized over time.

**Functional Expenses** - Expenses have been allocated between program and supporting services classifications based upon direct expenditures and estimates made by management. Expenses which are common to program and to supportive services are allocated based on square footage occupied by the activities (insurance, depreciation, amortization, building maintenance, and utilities) or time allocations determined by management (all others).

**Comparative Total Column** - The financial statements include certain prior year summarized comparative information in total but not by net asset class or expense by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2018, from which the summarized information was derived.

**Income Taxes** - The Center is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and applicable Minnesota Statutes, except to the extent it has taxable income from activities that are not related to its exempt purpose. Management believes the Center did not have any unrelated business income or uncertain tax positions in 2019 or 2018.

(Continued)

# WILDLIFE REHABILITATION CENTER OF MINNESOTA

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

### 3. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure within one year of the statement of financial position date are as follows:

	2019	2018
Cash	\$ 4,261	\$ 170,931
Cash - capital campaign	76,541	-
Cash restricted for purchase of property and equipment	31,415	24,376
Contributions receivable	857,200	132,100
Total financial assets available within one year	<u>969,417</u>	<u>327,407</u>
Less:		
Long-term time restricted contributions	<u>(510,000)</u>	<u>(50,000)</u>
Total financial assets available within one year	<u>\$ 459,417</u>	<u>\$ 277,407</u>

The Center has contributions restricted to certain programs as described in Note 9. The Center must maintain sufficient resources to meet those responsibilities to its donors, however, they anticipate meeting most of these restrictions in the next year, so these resources are included in the financial assets listed above. The Center considers cost for the capital campaign to be general expenditures.

The Center's program activities and related expenses primarily occur from April to September while the majority of their support is received in December. The Center adopts an annual balanced budget and maintains a rolling 12 to 18-month cash flow projection to manage liquidity and ensure that operating needs will be met. The Center utilizes the Nest Egg Fund, the lines of credit, and flexible vendor repayment terms to bridge temporary support shortfalls.

The Nest Egg Fund is an unrestricted board discretionary fund established to help the Center regulate cash flow and can be used temporarily for general expenditures at management's discretion. In addition, the Center has a line of credit for \$150,000 available to meet cash flow needs, and another line of credit for \$300,000 available to meet capital campaign needs.

The Center also has several large understanding vendors who work with them throughout the year to help the Center manage their cash flow. These vendors are aware of the Center's cash flow needs and are generally flexible about payment terms.

(Continued)

# WILDLIFE REHABILITATION CENTER OF MINNESOTA

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

### 4. CONTRIBUTIONS RECEIVABLE

Contributions receivable as of December 31, 2019 consist of:

	Capital campaign	Operations	Total
2020	\$ 255,000	\$ 92,200	\$ 347,200
2021	505,000	-	505,000
2022	5,000	-	5,000
	\$ 765,000	\$ 92,200	\$ 857,200

### 5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	2019	2018	Estimated useful life - years
Land	\$ 482,503	\$ -	-
Land improvements	54,360	5,000	15
Building and building improvements	2,095,789	1,919,321	10 - 39
Equipment	154,096	113,797	3 - 10
Software	4,078	4,078	3
Construction in process	3,000	-	
	2,793,826	2,042,196	
Accumulated depreciation	(917,053)	(841,840)	
	\$ 1,876,773	\$ 1,200,356	

### 6. LONG TERM DEBT

The Center acquired a \$455,000 loan with Sunrise Banks in November 2019 for the purchase the new property as part of the capital campaign. The interest rate is 5.75% per annum. Interest payments are due monthly. All unpaid interest and principal will be due on November 8, 2022.

The mortgage balance is reported net of unamortized fees of \$7,297 at December 31, 2019.

(Continued)

# WILDLIFE REHABILITATION CENTER OF MINNESOTA

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

### 7. **LINES OF CREDIT**

The Center had a \$150,000 line of credit with Propel for Non-Profits. The line of credit matures on April 31, 2021 and was renewed. The interest rate on advances is 6%. The line of credit is secured by all assets of the Center. The balance outstanding on the line of credit was \$150,000 at December 31, 2018 and was paid off at December 31, 2019.

The Center acquired an additional \$100,000 line of credit in June 2018 from Sunrise Banks. The line was increased to \$300,000 and the maturity date extended to February 8, 2021. The interest rate on advances is 5.75%. The line of credit is secured by all assets of the Center. The balance outstanding on the line of credit at December 31, 2019 and 2018 was \$100,000.

The line of credit balance is reported net of unamortized fees of \$3,077 at December 31, 2019.

### 8. **BOARD DESIGNATED NET ASSETS**

During 2012, the Board of Directors created a board designated fund to be known as the Nest Egg Fund. The purpose of the fund is to build sufficient cash reserves to help the Center through low periods in its cash flow cycle. Management may borrow from this fund at their discretion as needed to fund operations, however, an action of the Board of Directors is required to permanently decrease the balance of the fund. The first \$20,000 of any bequest is allocated to operations and any remainder is allocated to the Nest Egg Fund (Note 13).

The Nest Egg Fund was established with \$50,000 during 2012. These funds are held in the operating checking account. In 2018, the board released \$60,813 from the Nest Egg Fund to cover capital expenditures in previous years. No additions or releases were made from the Nest Egg Fund in 2019.

During 2019, as part of the capital campaign, the Board of Directors designated contributions for use toward the capital campaign in addition to the donor restricted donations. At December 31, 2019, \$42,905 was designated for the capital campaign.

(Continued)

# WILDLIFE REHABILITATION CENTER OF MINNESOTA

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

### 9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	2019	2018
<b>Subject to expenditure for specified purpose:</b>		
Purchase and repair of equipment	\$ 31,415	\$ 24,376
Capital campaign	802,136	-
<b>Subject to the passage of time:</b>		
For periods after December 31, 2019	92,200	132,100
Total net assets with donor restrictions	<u>\$ 925,751</u>	<u>\$ 156,476</u>

The capital campaign funds are to be used to acquire and modify a new location to act as an auxiliary campus for patients, perform maintenance and repairs at the existing location, and hire additional employees to expand the support staff and enhance to operating infrastructure of the Center.

### 10. PENSION PLAN

The Organization sponsors a salary reduction contribution plan pursuant to Section 403(b) of the Internal Revenue Code, covering substantially all employees. Under the plan, employees contribute a specified percentage of their salary, or a fixed dollar amount, to the plan.

### 11. VOLUNTEER HOURS (Unaudited)

The Center relies extensively on volunteers for daily animal care services (feeding, cage cleaning, etc.), technical, and administrative services. In 2019, nearly 600 volunteers contributed more than 67,500 hours, the equivalent of about 32 full-time employees, to the Center. The volunteer hours have not been recorded in the financial statements because they do not meet the requirements established by generally accepted accounting principles for contributed services.

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# WILDLIFE REHABILITATION CENTER OF MINNESOTA

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

### 12. LEASES

**Lease Receivable:** In 2019, the Center acquired a land lease from use by a cell tower lease as part of the new property acquisition in the capital campaign. The lease is for a 5-year period ending in 2022, with the option of 4 five-year extensions. Rent is \$800 per month (\$9,600 annually) increasing by 7.5% in each extension period. Future minimum rents, assuming extensions are executed, consist of the following:

2020	\$	9,600
2021		9,600
2022		10,200
2023		10,320
2024		10,320
Thereafter		201,563

**Leases Payable:** During 2000, the Center entered into a long-term lease with the City of Roseville, Minnesota for the land the building resides on. The lease requires annual rent of \$1. The lease term ends September 30, 2050. Upon termination, the building will automatically become the property of the City. The lease agreement allows the City to appoint one member to the Center's board of directors. See Note 13 for an additional commitment.

The Center has an informal lease for free use of outdoor space. The Center uses this space as a transitional step between the nurseries or medical care and final release. The Center does not record contributions for the use of this outdoor space or the bargain lease with the City as management has a difficult time estimating the fair values.

### 13. COMMITMENTS, CONTINGENCIES, AND CONCENTRATIONS

The Center depends on contributions for a significant portion of its revenue. The ability of the Center's contributors to continue giving amounts comparable to prior years may be dependent upon future economic conditions and the continued deductibility for income tax purposes of contributions to the Center. While the Center's board of directors and management believe the Center will have sufficient resources to continue its programs, its ability to do so and the extent to which it continues may be dependent on the factors noted.

The land lease agreement with the City of Roseville requires the Center to pay such funds as necessary for parking lot, driveway and related improvements including expansion and relocation to be constructed at the discretion of the City if needed. This commitment expires December 31, 2023.

(Continued)

# WILDLIFE REHABILITATION CENTER OF MINNESOTA

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

### 13. **COMMITMENTS, CONTINGENCIES, AND CONCENTRATIONS (Continued)**

The Center has been bequeathed money in the wills of several living donors. The Center is unable to value these contributions because they are not aware of all the individuals who have named the Center in their wills, and the bequests are not always a specific dollar value but rather an allocated portion of the estate, or a remainder. These conditional contributions are recorded when there is only a remote possibility that the conditions will not be met, and the amount is determinable. The first \$20,000 of each bequest will be allocated to operations and any remainder will be allocated to the Nest Egg Fund (Note 8).

Contributions from one contributor represented approximately 41% of total contributions for 2019.

### 14. **RELATED PARTY TRANSACTIONS**

Members on the Board of Directors made contributions to the Center totaling approximately \$170,000 in 2019 and \$44,000 in 2018.

### 15. **SUBSEQUENT EVENTS**

A nationwide public health emergency continues to develop in 2020. Many states have enacted measures to combat the global pandemic resulting from a novel strain of coronavirus known as COVID-19. Measures have included regulatory restrictions on citizen and business activities as well as recommendations for further voluntary curtailment of activities. There has been no immediate direct impact on the Organization's operations, but 2020 is the Center's busiest year to date. The future potential impact of these issues is unknown and therefore no estimate can be made at this time. The Center applied for and received \$186,100 in Paycheck Protection Program funding from a program developed by the Federal government in response to COVID-19.

Management has evaluated subsequent events through September 17, 2020, the date on which the financial statements were available for issue, and identified no further significant events or transactions to disclose.

## **SUPPLEMENTARY INFORMATION**

**WILDLIFE REHABILITATION CENTER OF MINNESOTA**

STATEMENT OF ACTIVITIES BY CLASS

For the Year Ended December 31, 2019

	<u>General Operations</u>	<u>Capital Campaign</u>	<u>Total</u>
Revenue and support:			
Contributions	\$ 1,285,126	\$ 1,211,818	\$ 2,496,944
Special events income, net	73,485	-	73,485
Contract revenue	81,725	-	81,725
Other revenues	<u>28,299</u>	<u>-</u>	<u>28,299</u>
Total revenue and support	<u>1,468,635</u>	<u>1,211,818</u>	<u>2,680,453</u>
Expenses:			
Salaries	825,452	65,173	890,625
Office expenses	194,415	-	194,415
Supplies	302,934	-	302,934
Equipment	49,178	48,209	97,387
Interest	14,831	3,779	18,610
Depreciation and amortization	74,933	1,183	76,116
Other	<u>87,596</u>	<u>-</u>	<u>87,596</u>
Total expenses	<u>1,549,339</u>	<u>118,344</u>	<u>1,667,683</u>
Change in net assets	(80,704)	1,093,474	1,012,770
Net assets:			
Beginning of year	<u>1,254,613</u>	<u>-</u>	<u>1,254,613</u>
End of year	<u>\$ 1,173,909</u>	<u>\$ 1,093,474</u>	<u>\$ 2,267,383</u>

See Accompanying Notes to Financial Statements