

*NORTH CAROLINA  
WILDLIFE FEDERATION, INC.*

*FINANCIAL STATEMENTS  
DECEMBER 31, 2021*

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# ***NORTH CAROLINA WILDLIFE FEDERATION, INC.***

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**December 31, 2021**

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# ***C. DEWITT FOARD & COMPANY, P.A.***

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
North Carolina Wildlife Federation, Inc.  
Charlotte, North Carolina

### **Opinion**

We have audited the accompanying financial statements of North Carolina Wildlife Federation, Inc. (the "Federation" - a nonprofit organization), which comprises the statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year 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 North Carolina Wildlife Federation, Inc. as of December 31, 2021, 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.

### **Basis of Opinion**

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 North Carolina Wildlife Federation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's 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.

North Carolina Wildlife Federation, Inc.  
Charlotte, North Carolina

Misstatements, including omissions, 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 purposes of expressing an opinion on the effectiveness of North Carolina Wildlife Federation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about North Carolina Wildlife Federation, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the Federation's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 4, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

C. DeWitt Ford & Company, P.A.  
February 3, 2022

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**NORTH CAROLINA WILDLIFE FEDERATION, INC.****Statement of Financial Position****December 31, 2021, with prior year comparative totals**

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	December, 31	
	2021	2020
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and cash equivalents	\$ 3,072,191	\$ 2,709,979
Grants receivable	50,000	-
Prepaid expenses	3,891	7,967
Investments	3,779,110	3,586,883
<b><i>Total Current Assets</i></b>	<b><i>6,905,192</i></b>	<b><i>6,304,829</i></b>
Long-Term Assets:		
Grants receivable	30,000	-
Investments	42,000	42,000
Property and equipment (net)	188,002	186,493
Other assets	7,400	7,400
<b><i>Total Long-Term Assets</i></b>	<b><i>267,402</i></b>	<b><i>235,893</i></b>
<b><i>TOTAL ASSETS</i></b>	<b><i>\$ 7,172,594</i></b>	<b><i>\$ 6,540,722</i></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Liabilities:		
Accounts payable	\$ 19,050	\$ 17,357
Funds held for the benefit of others	79,849	135,055
<b><i>Total Liabilities</i></b>	<b><i>98,899</i></b>	<b><i>152,412</i></b>
Net Assets:		
Without donor restrictions	6,751,549	6,063,906
With donor restrictions	322,146	324,404
<b><i>Total Net Assets</i></b>	<b><i>7,073,695</i></b>	<b><i>6,388,310</i></b>
<b><i>TOTAL LIABILITIES AND NET ASSETS</i></b>	<b><i>\$ 7,172,594</i></b>	<b><i>\$ 6,540,722</i></b>

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**NORTH CAROLINA WILDLIFE FEDERATION, INC.****Statement of Activities****Year Ended December 31, 2021, with prior year comparative totals**

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	Year Ended December 31, 2021			Prior Year Comparative Totals
	Without Donor Restrictions	With Donor Restrictions	Totals	
<b><u>SUPPORT AND REVENUE</u></b>				
Contributions	\$ 1,338,980	\$ 380,418	\$ 1,719,398	\$ 1,243,450
Grants	349,715	-	349,715	494,455
In-kind fixed asset donation	14,300	-	14,300	-
Investment income	357,748	-	357,748	415,034
Other income	1,345	-	1,345	12,181
Net assets released from restrictions by payments	382,676	(382,676)	-	-
<b><i>Total</i></b>	<b><i>2,444,764</i></b>	<b><i>(2,258)</i></b>	<b><i>2,442,506</i></b>	<b><i>2,165,120</i></b>
<b><u>EXPENSES</u></b>				
Program services	1,483,470	-	1,483,470	1,136,448
Management and general	163,088	-	163,088	190,135
Fundraising	110,563	-	110,563	144,743
<b><i>Total</i></b>	<b><i>1,757,121</i></b>	<b><i>-</i></b>	<b><i>1,757,121</i></b>	<b><i>1,471,326</i></b>
<b><i>CHANGE IN NET ASSETS</i></b>	<b><i>687,643</i></b>	<b><i>(2,258)</i></b>	<b><i>685,385</i></b>	<b><i>693,794</i></b>
<b><i>NET ASSETS, BEGINNING</i></b>	<b><i>6,063,906</i></b>	<b><i>324,404</i></b>	<b><i>6,388,310</i></b>	<b><i>5,694,516</i></b>
<b><i>NET ASSETS, ENDING</i></b>	<b><i>\$ 6,751,549</i></b>	<b><i>\$ 322,146</i></b>	<b><i>\$ 7,073,695</i></b>	<b><i>\$ 6,388,310</i></b>

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***NORTH CAROLINA WILDLIFE FEDERATION, INC.*****Statement of Functional Expenses****Year Ended December 31, 2021, with prior year comparative totals**

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	Year Ended December 31, 2021				Prior Year Comparative Totals
	Program Services	Management and General	Fundraising	Totals	
<b><i>PERSONNEL</i></b>					
Salaries	\$ 561,643	\$ 65,149	\$ 72,732	\$ 699,524	\$ 623,892
Payroll taxes	44,607	5,174	5,777	55,558	49,045
Benefits	100,379	11,644	12,999	125,022	114,482
<b><i>Total</i></b>	<b><i>706,629</i></b>	<b><i>81,967</i></b>	<b><i>91,508</i></b>	<b><i>880,104</i></b>	<b><i>787,419</i></b>
<b><i>OTHER EXPENSES</i></b>					
Printing and reproduction	71,013	8,237	9,196	88,446	82,410
Conferences and meetings	36,245	-	-	36,245	7,093
Contract labor	402,983	30,189	-	433,172	323,251
Special project materials	180,706	-	-	180,706	109,008
Postage and delivery	-	10,850	-	10,850	7,811
Occupancy	22,140	4,312	2,867	29,319	27,158
Insurance	14,143	5,008	1,832	20,983	32,125
Communications	4,986	578	646	6,210	6,350
Professional services	-	13,558	383	13,941	30,636
Travel	18,437	4,647	2,388	25,472	17,656
Scholarships	7,500	-	-	7,500	7,400
Other expenses	-	1,229	-	1,229	1,769
Bank charges	-	952	-	952	4,412
Supplies	3,192	370	413	3,975	4,427
Dues and subscriptions	5,226	-	-	5,226	10,461
<b><i>Total</i></b>	<b><i>766,571</i></b>	<b><i>79,930</i></b>	<b><i>17,725</i></b>	<b><i>864,226</i></b>	<b><i>671,967</i></b>
<b><i>Total Expenses Before</i></b>					
<b><i>Depreciation</i></b>	<b><i>1,473,200</i></b>	<b><i>161,897</i></b>	<b><i>109,233</i></b>	<b><i>1,744,330</i></b>	<b><i>1,459,386</i></b>
Depreciation expense	10,270	1,191	1,330	12,791	11,940
<b><i>TOTAL EXPENSES</i></b>	<b><i>\$ 1,483,470</i></b>	<b><i>\$ 163,088</i></b>	<b><i>\$ 110,563</i></b>	<b><i>\$ 1,757,121</i></b>	<b><i>\$ 1,471,326</i></b>

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***NORTH CAROLINA WILDLIFE FEDERATION, INC.*****Statement of Cash Flows****Year Ended December 31, 2021, with prior year comparative totals**

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	December 31,	
	2021	2020
<b><u>OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 685,385	\$ 693,794
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	12,791	11,941
In-kind vehicle donation	(14,300)	-
Realized and unrealized losses (gains)	(259,847)	(353,407)
(Increase) decrease in operating assets:		
Grants receivable	(80,000)	-
Prepaid expenses	4,076	6,076
Increase (decrease) in operating liabilities:		
Accounts payable	1,693	9,070
Funds held for the benefit of others	(55,206)	(36,667)
<b><i>Cash Flows from Operating Activities</i></b>	<b><i>294,592</i></b>	<b><i>330,807</i></b>
<b><u>INVESTING ACTIVITIES</u></b>		
Purchase of investments	(328,457)	(187,045)
Proceeds from sale of investments	396,077	279,265
<b><i>Cash Flows from Investing Activities</i></b>	<b><i>67,620</i></b>	<b><i>92,220</i></b>
<b><i>NET CHANGE IN CASH AND CASH EQUIVALENTS</i></b>	<b><i>362,212</i></b>	<b><i>423,027</i></b>
<b><i>CASH AND CASH EQUIVALENTS, BEGINNING</i></b>	<b><i>2,709,979</i></b>	<b><i>2,286,952</i></b>
<b><i>CASH AND CASH EQUIVALENTS, ENDING</i></b>	<b><i>\$ 3,072,191</i></b>	<b><i>\$ 2,709,979</i></b>



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# ***North Carolina Wildlife Federation, Inc.***

## **Notes to Financial Statements**

**December 31, 2021**

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### **NOTE 1 - NATURE OF ACTIVITIES**

#### ***Organization***

North Carolina Wildlife Federation, Inc. (the “Federation”) was incorporated in April, 1945, under the laws of the State of North Carolina as a nonprofit organization. Its primary purpose is to protect, conserve and restore North Carolina wildlife and habitat. Programs and special events held by the Federation serve as an outreach to the public to educate them on the value and importance of wildlife in North Carolina.

#### ***Funding sources***

The Federation is supported primarily by grants and contributions from other organizations and individuals.

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Financial statement presentation***

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, contributions and revenue are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Gifts of land, buildings and equipment are recorded as increases in net assets without donor restrictions unless explicit donor restrictions specify how the donated assets must be used. Contributions with donor-imposed restrictions, such as time or purpose restrictions, are recorded as net assets with restrictions. When donor-imposed time restrictions expire or a donor-imposed purpose restriction is fulfilled, the net assets with restrictions are released to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Restricted contributions whose restrictions are accomplished in the year received are shown as contributions without donor restrictions. Net assets subject to donor-imposed stipulations that they be maintained in perpetuity by the Federation are also included as a component of net assets with restrictions.

#### ***Cash and equivalents***

Cash and equivalents consist of cash on hand, cash in banks, and certificates of deposit with original maturities of three months or less.

#### ***Grants receivable***

Grants receivable are presented at net realizable value with no allowance for bad debt or present value discount. Management’s assessment of the collectability of the grants are based on a review of individual accounts, historical experience, and current economic conditions. Grants receivable had a balance of \$80,000 at December 31, 2021. The Federation expects to collect \$50,000 in the year ending December 31, 2022 and \$30,000 is expected to be collected during the year ending December 31, 2023.

#### ***Property and equipment***

Property and equipment, which consists of equipment, vehicles, and leasehold improvements, valued at \$1,000 or more is carried on the books at its original cost if purchased or fair value if donated and depreciation expense is recorded using the straight-line method of depreciation over an estimated life of the assets, which vary from 10-40 years for buildings, 3-5 years for vehicles, and 5-20 years for equipment and software.

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## ***North Carolina Wildlife Federation, Inc.***

### **Notes to Financial Statements**

**December 31, 2021**

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#### *Other assets*

Other assets consist of artwork that is not for sale that was recorded at fair value of \$5,800 when donated and \$1,600 of security deposits.

#### *Donated services and goods*

Donated services are reported as contributions when the services (a) create or enhance non-financial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated goods, if significant, are included in support at fair value. During the year ended December 31, 2021, the Federation recorded no contributed services and a donated fixed asset of \$14,300.

In addition, the Federation receives a substantial amount of donated services from unpaid volunteers in carrying out its program activities. No amounts have been reflected in the financial statements for these services since they do not meet the criteria for recognition.

#### *Federal income tax status*

The Federation is exempt from Federal income tax on its exempt function income under Internal Revenue Code Section 501(c)(3). The Federation is classified as other than a private foundation as defined by Section 509(a) of the Internal Revenue Code.

#### *Use of estimates*

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

#### *Funds held for the benefit of others*

The accompanying statement of activities does not include funds transferred to the Federation for the benefit of other unrelated organizations for which the Federation acts only as an agent and has no variance power over the use of these funds. During the year, the Federation disbursed \$55,206 of these funds during the year and retained the balance in a separate cash account.

#### *Functional expenses*

The Federation's activities are focused in three functional areas. Program services represent the primary focus of the Federation's activities. Supporting services are fundraising activities and general and administrative activities. The expenses that are allocated include personnel expenses, which are allocated on the basis of estimates of time and effort. Depreciation and amortization and occupancy are also allocated on a similar percentage as personnel. All other expenses are allocated based on an analysis by management of the various expenses that comprise those costs.

#### *Prior-year comparative totals*

The financial statements include certain prior-year summarized information, which is presented for comparative purposes only. Accordingly, such information should be read in conjunction with the Federation's 2020 financial statements, from which the summarized information was derived. Certain prior year amounts have been reclassified to conform to the current year presentation.

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# ***North Carolina Wildlife Federation, Inc.***

## **Notes to Financial Statements**

**December 31, 2021**

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### *Future pronouncements*

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either financing or operating, with classifications affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Early adoption is permitted. It is expected that the implementation of this standard will result in an increase in assets and liabilities but that it will not result in a material change in net assets.

### **NOTE 3 - INVESTMENTS**

Investments of the Federation are recorded at fair value based on market quotations. Changes in the fair value of securities are reflected as unrealized investment gains or losses in the accompanying statement of activities.

Purchases and sales of securities are reflected on a trade-date basis. Interest and dividend income are recorded as earned or declared on an accrual basis.

Investments consist of the following as of December 31, 2021:

Fixed income	\$ 1,452,392
Equities	2,246,723
U.S. Treasury bonds	51,175
Corporate bonds	50,403
Other	<u>20,418</u>
TOTAL	<u>\$ 3,821,110</u>

### *Fair value of financial instruments*

GAAP requires fair value of financial instruments to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. It establishes a three-level valuation hierarchy based upon observable and unobservable inputs. Level 1 assets are those whose fair value is based on quoted prices in active markets for identical assets or liabilities. Level 2 assets are those whose fair value is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 3 assets are those whose fair value is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The Federation's investments all are classified as Level 1 investments.

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## ***North Carolina Wildlife Federation, Inc.***

**Notes to Financial Statements**

**December 31, 2021**

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### **NOTE 4 - ENDOWMENTS**

The Federation's endowments consist of four funds established for conservation education and scholarships. The Federation's endowments include donor-restricted funds to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Federation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Federation classifies as perpetuity restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions to be maintained in perpetuity are classified as purpose restricted net assets until those amounts are appropriated for expenditure by the Federation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Federation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Federation, and (7) the Federation's investment policies.

*Investment Return Objectives, Risk Parameters and Strategies.* The Federation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Under this policy, as approved by the Board of Directors, endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities that is intended to produce results that attempt to match the price and yield results of the S&P 500 index. Actual returns in any given year may vary.

*Spending Policy.* The distributable amount determined for the funds shall include all earnings, realized capital gains, and support received during the year.

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**North Carolina Wildlife Federation, Inc.****Notes to Financial Statements****December 31, 2021**

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**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of December 31, 2021:

Building	\$	318,905
Furniture, equipment, and vehicles		35,564
Computers and software		35,528
Total Property and Equipment		389,997
Less – accumulated depreciation		201,995
PROPERTY AND EQUIPMENT, NET	\$	<u>188,002</u>

**NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions represent amounts with donor stipulations that limit the use of the funds. Net assets with donor restrictions at year-end are as follows:

Subject to Expenditure for Specified Purposes:

Red Wolf/Elk Reward	\$	173,368
Butterfly Highway		16,231
Great Outdoors		16,000
HEP Projects		21,000
Building Coastal Resilience		20,000
All other, no fund greater than \$10,000		33,547
Total Not Available for Expenditure		280,146
Donor Restricted Endowment – Permanently Restricted		42,000
TOTAL	\$	<u>322,146</u>

**NOTE 7 - LEASES**

The Federation has leased office space for its Charlotte administrative office under an operating lease agreement through April 30, 2025. Lease expense was \$21,120 for the year ended December 31, 2021, and future minimum rental payments under the lease are as follows:

Year ended December 31,

2022	\$	21,402
2023		21,830
2024		22,266
2025		7,620
Total lease payments	\$	<u>73,118</u>

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## ***North Carolina Wildlife Federation, Inc.***

### **Notes to Financial Statements**

**December 31, 2021**

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#### **NOTE 8 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Federation has \$6,901,301 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$3,072,191, grants receivable of \$50,000, and investments of \$3,779,110. Included in the financial assets available within one year, \$359,995 are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Federation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management the Federation invests cash in excess of daily requirements in various investments, including certificates of deposit, short-term treasury instruments, equities and fixed income securities.

#### **NOTE 9 - CONCENTRATIONS OF CREDIT RISK**

##### *Cash*

The Federation regularly maintains cash balances at financial institutions in excess of FDIC and SIPC insured limits. At December 31, 2021, the uninsured balance of cash was \$2,599,174; however, management believes that the risk related to the accounts is minimal because of the strong credit rating of the financial institutions.

##### *Credit risk*

Investments held in financial institutions are insured up to \$500,000 by the Securities Investor Protection Corporation (SIPC); however, this insurance does not cover the loss of value of the underlying assets. As disclosed in Note 3 above, the Federation maintains a variety of investments which are subject to fluctuations in market values and expose the Federation to a certain degree of investment risk.

##### *Revenue concentration*

A limited number of funding sources provide a significant portion of the Federation's revenue. This represents a significant concentration of risk that operations could be affected if any of these donors discontinued giving to the Federation.

#### **NOTE 10 - RETIREMENT PLAN**

The Federation maintains a Simplified Employee Pension Plan, which covers all full-time employees of the Federation. The Federation's Board of Directors approved a 6% contribution of all full-time employees' salaries during the year. The amount contributed was \$42,913.

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***North Carolina Wildlife Federation, Inc.*****Notes to Financial Statements****December 31, 2021**

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**NOTE 11 - UNCERTAINTY**

The COVID-19 pandemic has resulted in major changes in the local economy and has resulted in the Federation suspending certain events. At this point, the full impact of this pandemic on the Federation is unknown, but management believes that it could negatively impact its support and revenue for the foreseeable future. To mitigate this uncertainty, the Federation received a second PPP loan for \$135,750. The amount was forgiven in full and recorded as grant revenue in the accompanying statement of activities.

**NOTE 12 - SUBSEQUENT EVENTS**

The Federation has evaluated subsequent events from the date of the statement of financial position through the date of the audit report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.