



**ACTION  
FUND**

**NATIONAL WILDLIFE FEDERATION  
ACTION FUND AND AFFILIATE**

**Consolidated Financial Statements and  
Supplementary Information**

*For the Years Ended August 31, 2021 and 2020*



**and  
Report Thereon**



**NATIONAL WILDLIFE FEDERATION ACTION FUND AND AFFILIATE**

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**For the Years Ended August 31, 2021 and 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the  
National Wildlife Federation Action Fund and Affiliate

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of the National Wildlife Federation Action Fund (NWF Action Fund) and its affiliate, National Wildlife Federation Action Fund Political Action Committee (NWF PAC) (collectively referred to as the Organization), which comprise the consolidated statements of financial position as of August 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

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## ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of National Wildlife Federation Action Fund and Affiliate as of August 31, 2021 and 2020, 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.

## **Report on Supplementary Information**

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

*Marcum LLP*

Washington, DC  
December 20, 2021

**NATIONAL WILDLIFE FEDERATION ACTION FUND AND AFFILIATE**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**August 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash	\$ 864,370	\$ 541,508
Short-term investments	17,341	14,881
Grants and other receivable	<u>154,859</u>	<u>-</u>
 <b>TOTAL ASSETS</b>	 <b><u>\$ 1,036,570</u></b>	 <b><u>\$ 556,389</u></b>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 169,113</u>	<u>\$ 59,846</u>
 <b>TOTAL LIABILITIES</b>	 <u>169,113</u>	 <u>59,846</u>
 Net Assets		
Without donor restrictions	245,090	355,923
With donor restrictions	<u>622,367</u>	<u>140,620</u>
 <b>TOTAL NET ASSETS</b>	 <u>867,457</u>	 <u>496,543</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b><u>\$ 1,036,570</u></b>	 <b><u>\$ 556,389</u></b>

The accompanying notes are an integral part of these consolidated financial statements.

**NATIONAL WILDLIFE FEDERATION ACTION FUND AND AFFILIATE**

**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**For the Years Ended August 31, 2021 and 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING REVENUE AND SUPPORT</b>						
Contributions	\$ 333,255	\$ -	\$ 333,255	\$ 432,162	\$ -	\$ 432,162
Grant revenue	-	1,005,000	1,005,000	12,000	420,000	432,000
Net assets released from restrictions:						
Satisfaction of program restrictions	523,253	(523,253)	-	307,418	(307,418)	-
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<b>856,508</b>	<b>481,747</b>	<b>1,338,255</b>	<b>751,580</b>	<b>112,582</b>	<b>864,162</b>
<b>OPERATING EXPENSES</b>						
Program Services:						
Advocacy and Public Education	683,964	-	683,964	389,717	-	389,717
Electoral	54,516	-	54,516	31,552	-	31,552
Political Action Committee	14,802	-	14,802	12,523	-	12,523
Total Program Services	<u>753,282</u>	<u>-</u>	<u>753,282</u>	<u>433,792</u>	<u>-</u>	<u>433,792</u>
Supporting Services:						
General and administrative	157,226	-	157,226	143,566	-	143,566
Fundraising	59,618	-	59,618	50,529	-	50,529
Total Supporting Services	<u>216,844</u>	<u>-</u>	<u>216,844</u>	<u>194,095</u>	<u>-</u>	<u>194,095</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>970,126</b>	<b>-</b>	<b>970,126</b>	<b>627,887</b>	<b>-</b>	<b>627,887</b>
Change in net assets from operations	(113,618)	481,747	368,129	123,693	112,582	236,275
<b>NONOPERATING ACTIVITIES</b>						
Investment income, net	2,785	-	2,785	(368)	-	(368)
Loan forgiveness – related party	-	-	-	90,000	-	90,000
Other income	-	-	-	28,120	-	28,120
<b>CHANGE IN NET ASSETS</b>	<b>(110,833)</b>	<b>481,747</b>	<b>370,914</b>	<b>241,445</b>	<b>112,582</b>	<b>354,027</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>355,923</b>	<b>140,620</b>	<b>496,543</b>	<b>114,478</b>	<b>28,038</b>	<b>142,516</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 245,090</b>	<b>\$ 622,367</b>	<b>\$ 867,457</b>	<b>\$ 355,923</b>	<b>\$ 140,620</b>	<b>\$ 496,543</b>

The accompanying notes are an integral part of these consolidated financial statements.

**NATIONAL WILDLIFE FEDERATION ACTION FUND AND AFFILIATE**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended August 31, 2021**

	Program Services				Supporting Services			Total
	Advocacy and Public Education	Electoral	Political Action Committee	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Salaries and wages	\$ 273,323	\$ 33,516	\$ 659	\$ 307,498	\$ 54,357	\$ 36,100	\$ 90,457	\$ 397,955
Marketing and advertising	208,435	4,000	-	212,435	-	-	-	212,435
Contributions	73,377	17,000	13,000	103,377	-	-	-	103,377
Administrative fee	20,447	-	-	20,447	79,266	-	79,266	99,713
Consultants and contractors	87,151	-	-	87,151	2,688	1,313	4,001	91,152
IT expenses	18,844	-	-	18,844	-	6,384	6,384	25,228
Miscellaneous	1,509	-	1,143	2,652	811	-	811	3,463
Professional fees	-	-	-	-	18,009	-	18,009	18,009
Bank and credit card fees	-	-	-	-	-	15,821	15,821	15,821
Insurance	-	-	-	-	1,586	-	1,586	1,586
Travel	878	-	-	878	444	-	444	1,322
Meetings and conferences	-	-	-	-	65	-	65	65
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 683,964</b>	<b>\$ 54,516</b>	<b>\$ 14,802</b>	<b>\$ 753,282</b>	<b>\$ 157,226</b>	<b>\$ 59,618</b>	<b>\$ 216,844</b>	<b>\$ 970,126</b>

The accompanying notes are an integral part of these consolidated financial statements.

**NATIONAL WILDLIFE FEDERATION ACTION FUND AND AFFILIATE**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended August 31, 2020**

	Program Services				Supporting Services			Total
	Advocacy and Public Education	Electoral	Political Action Committee	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Salaries and wages	\$ 256,527	\$ 30,228	\$ -	\$ 286,755	\$ 41,402	\$ 21,916	\$ 63,318	\$ 350,073
Marketing and advertising	53,964	-	-	53,964	-	-	-	53,964
Contributions	15,500	-	11,081	26,581	-	-	-	26,581
Administrative fee	-	-	-	-	64,548	-	64,548	64,548
Consultants and contractors	4,003	-	-	4,003	3,521	-	3,521	7,524
IT expenses	32,727	-	-	32,727	-	10,909	10,909	43,636
Miscellaneous	18,208	1,324	1,442	20,974	960	3,519	4,479	25,453
Professional fees	-	-	-	-	25,998	-	25,998	25,998
Bank and credit card fees	-	-	-	-	-	13,054	13,054	13,054
Insurance	-	-	-	-	4,428	-	4,428	4,428
Travel	8,734	-	-	8,734	153	1,131	1,284	10,018
Interest	-	-	-	-	2,014	-	2,014	2,014
Meetings and conferences	54	-	-	54	67	-	67	121
Telecommunications	-	-	-	-	475	-	475	475
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 389,717</b>	<b>\$ 31,552</b>	<b>\$ 12,523</b>	<b>\$ 433,792</b>	<b>\$ 143,566</b>	<b>\$ 50,529</b>	<b>\$ 194,095</b>	<b>\$ 627,887</b>

The accompanying notes are an integral part of these consolidated financial statements.



**NATIONAL WILDLIFE FEDERATION ACTION FUND AND AFFILIATE**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**For the Years Ended August 31, 2021 and 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 370,914	\$ 354,027
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrecognized gain on investments	(2,460)	1,186
Forgiveness of debt	-	(90,000)
Changes in assets and liabilities:		
Grants and other receivable	(154,859)	-
Accounts payable and accrued expenses	109,267	(22,099)
	<b>322,862</b>	<b>243,114</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on related party notes payable	-	(14,233)
	<b>-</b>	<b>(14,233)</b>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		
	<b>-</b>	<b>(14,233)</b>
<b>NET INCREASE IN CASH</b>	<b>322,862</b>	<b>228,881</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>541,508</b>	<b>312,627</b>
<b>CASH, END OF YEAR</b>	<b>\$ 864,370</b>	<b>\$ 541,508</b>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH FLOW INFORMATION</b>		
Cash paid for interest	<b>\$ -</b>	<b>\$ 2,014</b>

The accompanying notes are an integral part of these consolidated financial statements.

# NATIONAL WILDLIFE FEDERATION ACTION FUND AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended August 31, 2021 and 2020

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### 1. Organization and Summary of Significant Accounting Policies

#### **Organization**

National Wildlife Federation Action Fund (NWF Action Fund) is a non-for-profit organization that was formed in Colorado in 1989 as National Wildlife Action for the purpose of conducting conservation advocacy programs. In August 2008, National Wildlife Action was renamed National Wildlife Federation Action Fund. NWF Action Fund advocates for the conservation interests of hunters, anglers and outdoor enthusiasts from all walks of life and political stripes. Through grassroots action and focused legislative campaigns, NWF Action Fund works to give wildlife and wildlife enthusiasts a voice in the democratic process. NWF Action Fund raises the visibility of key conservation issues such as global warming with voters and elected officials. NWF Action Fund serves as a source of information for citizens who are interested in conservation issues concerning wildlife. These activities are funded principally through grants and contributions.

National Wildlife Federation Action Fund Political Action Committee (NWF PAC) is a separate legal entity. NWF PAC's purpose is to support candidates who share the policy goals of NWF Action Fund. NWF PAC is registered with the Federal Election Commission (the FEC) and is governed by the Federal Election Campaign Act of 1971, as amended, as it relates to federal elections.

#### **Principles of Consolidation**

The accompanying consolidated financial statements as of and for the years ended August 31, 2021 and 2020, include the activities of NWF Action Fund, as well as the activities of NWF PAC. Collectively, these entities are referred to as the Organization. All intercompany balances and transactions have been eliminated in consolidation.

#### **Cash and Cash Equivalents**

The Organization considers all money market funds to be cash equivalents. The Organization closed the money market funds account on August 28, 2020 and transferred the balance to operating cash account.

#### **Grants and other Receivables**

Grants and other receivables are recorded at their net realizable value. The Organization utilizes the allowance method to account for potentially uncollectible accounts receivable. The allowance for doubtful accounts is based on management's evaluation of the outstanding accounts receivable balance.

#### **Furniture and Equipment**

Furniture and equipment with an acquisition value of \$1,000 or greater are stated at cost. Depreciation is provided for on a straight-line basis over the estimated useful lives of the assets, which range from three to seven years. Major additions are capitalized, while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred.

# NATIONAL WILDLIFE FEDERATION ACTION FUND AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended August 31, 2021 and 2020

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### 1. Organization and Summary of Significant Accounting Policies (continued)

#### **Investments**

Investments consist of common stock and are reported at fair value based on quoted market prices. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments in common stock are stated at quoted market values. Investment returns reported in the accompanying consolidated statements of activities include unrealized gains resulting from changes in fair values of the investments.

#### **Fair Value Measurement**

In accordance with the accounting standards for fair value measurement for those assets and liabilities that are measured at fair value on a recurring basis, the Organization has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest-level input that is significant to the fair value measurement of the instrument.

Applicable financial assets and liabilities are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Organization has the ability to access.

*Level 2* – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

*Level 3* – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

As of and for the years ended August 31, 2021 and 2020, only the Organization's investments, as described in Note 3 of these consolidated financial statements, were measured at fair value on a recurring basis.

#### **Classification of Net Assets**

The Organization's net assets are reported as follows:

- Net assets without donor restrictions represent the portion of expendable funds that are available for support of the Organization's operations.
- Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or for a specific period of time. These donor restrictions can be temporary in nature in that they will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature,

# NATIONAL WILDLIFE FEDERATION ACTION FUND AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended August 31, 2021 and 2020

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### 1. Organization and Summary of Significant Accounting Policies (continued)

#### **Classification of Net Assets (continued)**

whereby the donor has stipulated that the funds be maintained in perpetuity. As of August 31, 2021 and 2020, the Organization had no net assets with donor restrictions that are required to be maintained in perpetuity.

#### **Revenue Recognition**

The Organization recognizes all unconditional promises to give in the period in which the commitment is made and the value is measurable. Unconditional grants and contributions received are recorded without donor restrictions or with donor restrictions depending on the existence and/or nature of donor restrictions. Amounts received that are designated for future periods or restricted for specific purposes are recorded as with donor restrictions. When a donor-stipulated time restriction expires or purpose restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Revenue recognized on unconditional promises to give for which payment has not been received at year-end are reported as grants and other receivable in the accompanying consolidated statements of financial position. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows if material. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. As of August 31, 2021 and 2020, the Organization had no conditional contributions yet to be recognized as contributions.

#### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of functional expenses. Expenses directly attributed to specific functional areas of the Organization are reported as expenses of those functional areas, while shared costs that benefit multiple functional areas have been allocated among the various functional areas based on estimates determined by management to be equitable. Salaries and wages are allocated based on an analysis of personnel time and effort.

#### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Measure of Operations**

Operating revenue and expenses generally reflect those revenues and expenses that management can influence. The Organization considers other income and investment income or loss, including interest and realized and unrealized gains and losses, to be nonoperating activities.

**NATIONAL WILDLIFE FEDERATION ACTION FUND AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended August 31, 2021 and 2020**

2. Grants and Other Receivable

At August 31, 2021, grants and other receivable consisted of \$150,000 grants receivable and \$4,859 other receivable, which will be collected within one year. There were no outstanding grant and other receivable for the year ended August 31, 2020.

3. Fair Value Disclosure of Financial Instruments

The following tables set forth the fair values of financial assets that are measured at fair value on a recurring basis by their fair value hierarchy classification as of August 31:

<u>2021</u>	<u>Total Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Equity – common stock	\$ 17,341	\$ 17,341	\$ -	\$ -
Total Investments	<u>\$ 17,341</u>	<u>\$ 17,341</u>	<u>\$ -</u>	<u>\$ -</u>
<u>2020</u>	<u>Total Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Equity – common stock	\$ 14,881	\$ 14,881	\$ -	\$ -
Total Investments	<u>\$ 14,881</u>	<u>\$ 14,881</u>	<u>\$ -</u>	<u>\$ -</u>

The Organization used the following method to estimate fair value for assets recorded at fair value:

*Equity – common stock* – Valued at quoted market price for identical assets in active markets and classified within Level 1 of the valuation hierarchy.

## NATIONAL WILDLIFE FEDERATION ACTION FUND AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended August 31, 2021 and 2020

#### 4. Related Party Transactions

The National Wildlife Federation (NWF) is a not-for-profit organization that was formed in the District of Columbia for the purpose of promoting the wise use and proper management of our natural resources. Founded in 1936, NWF works with its member supporters and a national network of affiliated organizations to unite all Americans to ensure wildlife thrive in a rapidly changing world.

#### **Note Payable**

NWF Action Fund received and deposited into its account a total of \$320,345 which had been donated to NWF, but was mistakenly directed to NWF Action Fund's bank accounts due to a technical error. NWF Action Fund was able to be forgiven \$160,345 and entered a repayment plan agreement in November 2015 with NWF to pay off the remaining \$160,000 in five years plus accrued interest at the rate of 2%. The first installment was paid in December 2015 in the amount of \$8,124. The remaining installments were to be paid every March and September until 2020. On August 19, 2020, NWF and NWF Action Fund entered into an Agreement to forgive the remaining balance of this note payable in the amount of \$90,000 and any interest due under the agreement. There was no outstanding balance of this note for the year ended August 31, 2020. The interest expenses were \$2,014 for the year ended August 31, 2020.

#### **Other Related Party Transactions**

NWF provided \$220,000 in grants and contributions to NWF Action Fund in the years ended August 31, 2021 and 2020, respectively. In addition, NWF Action Fund reimburses NWF for certain costs such as leased staff, benefits, miscellaneous expenses and overhead costs. As of August 31, 2021 and 2020, NWF Action Fund incurred \$618,860 and \$531,227, respectively, in such costs. In addition, NWF Action Fund owed NWF \$93,976 and \$58,924, as of August 31, 2021 and 2020, respectively, for such costs; these amounts are included in accounts payable and accrued expenses in the accompanying consolidated statements of financial position.

#### 5. Net Assets With Donor Restrictions

Net assets with donor restrictions of the Organization were available with the following purpose as of August 31:

	<u>2021</u>	<u>2020</u>
Advocacy and public education activities	\$ 622,367	\$ 140,620
Total Net Assets With Donor Restrictions	<u>\$ 622,367</u>	<u>\$ 140,620</u>

## NATIONAL WILDLIFE FEDERATION ACTION FUND AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended August 31, 2021 and 2020

#### 6. Availability and Liquidity

The Organization's financial assets available within one year of the consolidated statements of financial position date for general expenditures at August 31, 2021 and 2020, were as follows:

	<u>2021</u>	<u>2020</u>
Cash	\$ 864,370	\$ 541,508
Grants and other receivable	154,859	-
Short-term Investments	<u>17,341</u>	<u>14,881</u>
Total Financial Assets Available Within One Year	1,036,570	556,389
Less:		
Amounts unavailable for general expenditures due to donors' restriction with purpose restriction	<u>(622,367)</u>	<u>(140,620)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 414,203</u>	<u>\$ 415,769</u>

The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and short-term investments, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Organization throughout the year. This is done through monitoring and reviewing the Organization's cash flow needs on a weekly basis. As a result, management is aware of the cyclical nature of the Organization's cash flow related to the Organization's various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. The Organization can liquidate its investments anytime, and therefore the investments are available to meet current cash flow needs.

#### 7. Risks and Uncertainty

##### **Concentration of Risk**

Financial instruments which potentially subject the Organization to a concentration of credit risk consist principally of cash balances maintained at various creditworthy financial institutions. While the amount at a given bank, at times, may exceed the amount guaranteed by federal agencies and, therefore, bears some risk, the Organization has not experienced, nor does it anticipate, any losses on its funds. At August 31, 2021 and 2020, the amount in excess of the Federal Deposit Insurance Corporation insured limit of \$250,000 was approximately \$605,000 and \$135,000, respectively.

##### **COVID-19**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses across the country for non-essential services. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of closings. The Organization has been able to continue its operations in a remote environment; however, at this point, the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain.

## NATIONAL WILDLIFE FEDERATION ACTION FUND AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended August 31, 2021 and 2020

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#### 8. Reclassification

Certain prior year amounts have been reclassified for consistency with the current year presentation.

#### 9. Income Taxes

NWF Action Fund is exempt from the payment of income taxes under Section 501(c)(4) of the Internal Revenue Code (the IRC), except for tax on any income that may be a result of unrelated business transactions and taxes on their interest income, which is taxed at 21% tax rate. The income tax expense related to NWF Action Fund for the years ended August 31, 2021 and 2020 was \$46 and \$148, respectively. NWF PAC is a separate segregated fund as defined under Section 527(f) of the IRC that was created pursuant to the Federal Election Campaign Act and is regulated by the FEC. No provision for income taxes is required for the years ended August 31, 2021 and 2020 for NWF PAC. Neither organizations had any significant net unrelated business income for the years ended August 31, 2021 and 2020.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB Accounting Standards Codification Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return.

The Organization performed an evaluation of uncertainty in income taxes for the years ended August 31, 2021 and 2020, and determined that there were no matters that would require recognition in the consolidated financial statements or that may have any effect on its tax-exempt status. U.S. Federal jurisdiction and/or the various states and local jurisdictions in which the Organization files tax returns are open for examination; however, there are currently no examinations pending or in progress. It is the Organization's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax expense. As of August 31, 2021 and 2020, the Organization had no accruals for interest and or/penalties.

#### 10. Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 20, 2021, the date the consolidated financial statements were available to be issued. There were no other subsequent events that require recognition or disclosure in these consolidated financial statements.



**SUPPLEMENTARY INFORMATION**

**NATIONAL WILDLIFE FEDERATION ACTION FUND AND AFFILIATE**

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**

**August 31, 2021**

	<u>NWF Action Fund</u>	<u>NWF PAC</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>				
Cash	\$ 855,331	\$ 9,039	\$ -	\$ 864,370
Short-term investments	17,341	-	-	17,341
Grants and other receivable	154,859	-	-	154,859
Due from affiliate	<u>-</u>	<u>509</u>	<u>(509)</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,027,531</u></u>	<u><u>\$ 9,548</u></u>	<u><u>\$ (509)</u></u>	<u><u>\$ 1,036,570</u></u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 169,113	\$ -	\$ -	\$ 169,113
Due to affiliate	<u>509</u>	<u>-</u>	<u>(509)</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>169,622</u>	<u>-</u>	<u>(509)</u>	<u>169,113</u>
<b>Net Assets</b>				
Without donor restrictions	235,542	9,548	-	245,090
With donor restrictions	<u>622,367</u>	<u>-</u>	<u>-</u>	<u>622,367</u>
<b>TOTAL NET ASSETS</b>	<u>857,909</u>	<u>9,548</u>	<u>-</u>	<u>867,457</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,027,531</u></u>	<u><u>\$ 9,548</u></u>	<u><u>\$ (509)</u></u>	<u><u>\$ 1,036,570</u></u>

See independent auditors' report on supplementary information.

**NATIONAL WILDLIFE FEDERATION ACTION FUND AND AFFILIATE**

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**

**August 31, 2020**

	<u>NWF Action Fund</u>	<u>NWF PAC</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>				
Cash	\$ 534,712	\$ 6,796	\$ -	\$ 541,508
Short-term investments	14,881	-	-	14,881
	<u>\$ 549,593</u>	<u>\$ 6,796</u>	<u>\$ -</u>	<u>\$ 556,389</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 59,846	\$ -	\$ -	\$ 59,846
	<u>59,846</u>	<u>-</u>	<u>-</u>	<u>59,846</u>
<b>Net Assets</b>				
Without donor restrictions	349,127	6,796	-	355,923
With donor restrictions	140,620	-	-	140,620
	<u>489,747</u>	<u>6,796</u>	<u>-</u>	<u>496,543</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 549,593</u>	<u>\$ 6,796</u>	<u>\$ -</u>	<u>\$ 556,389</u>

See independent auditors' report on supplementary information.

**NATIONAL WILDLIFE FEDERATION ACTION FUND AND AFFILIATE**

**CONSOLIDATING SCHEDULE OF ACTIVITIES**

**For the Year Ended August 31, 2021**

	<u>NWF Action Fund</u>	<u>NWF PAC</u>	<u>Eliminations</u>	<u>Total</u>
<b>OPERATING REVENUE AND SUPPORT</b>				
Contributions	\$ 315,706	\$ 17,549	\$ -	\$ 333,255
Grant revenue	<u>1,005,000</u>	<u>-</u>	<u>-</u>	<u>1,005,000</u>
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<u>1,320,706</u>	<u>17,549</u>	<u>-</u>	<u>1,338,255</u>
<b>OPERATING EXPENSES</b>				
Program Services:				
Advocacy and Public Education	683,964	-	-	683,964
Electoral	54,516	-	-	54,516
Political Action Committee	<u>-</u>	<u>14,802</u>	<u>-</u>	<u>14,802</u>
<b>Total Program Services</b>	<u>738,480</u>	<u>14,802</u>	<u>-</u>	<u>753,282</u>
Supporting Services:				
General and administrative	157,226	-	-	157,226
Fundraising	<u>59,618</u>	<u>-</u>	<u>-</u>	<u>59,618</u>
<b>Total Supporting Services</b>	<u>216,844</u>	<u>-</u>	<u>-</u>	<u>216,844</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>955,324</u>	<u>14,802</u>	<u>-</u>	<u>970,126</u>
Change in net assets from operations	365,382	2,747	-	368,129
<b>NONOPERATING ACTIVITIES</b>				
Investment income	<u>2,780</u>	<u>5</u>	<u>-</u>	<u>2,785</u>
<b>CHANGE IN NET ASSETS</b>	368,162	2,752	-	370,914
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>489,747</u>	<u>6,796</u>	<u>-</u>	<u>496,543</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 857,909</u>	<u>\$ 9,548</u>	<u>\$ -</u>	<u>\$ 867,457</u>

See independent auditors' report on supplementary information.

**NATIONAL WILDLIFE FEDERATION ACTION FUND AND AFFILIATE**

**CONSOLIDATING SCHEDULE OF ACTIVITIES**

**For the Year Ended August 31, 2020**

	<u>NWF Action Fund</u>	<u>NWF PAC</u>	<u>Eliminations</u>	<u>Total</u>
<b>OPERATING REVENUE AND SUPPORT</b>				
Contributions	\$ 417,162	\$ 15,000	\$ -	\$ 432,162
Grant revenue	<u>432,000</u>	<u>-</u>	<u>-</u>	<u>432,000</u>
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<u>849,162</u>	<u>15,000</u>	<u>-</u>	<u>864,162</u>
<b>OPERATING EXPENSES</b>				
Program Services:				
Advocacy and Public Education	389,717	-	-	389,717
Electoral	31,552	-	-	31,552
Political Action Committee	<u>-</u>	<u>12,523</u>	<u>-</u>	<u>12,523</u>
<b>Total Program Services</b>	<u>421,269</u>	<u>12,523</u>	<u>-</u>	<u>433,792</u>
Supporting Services:				
General and administrative	143,566	-	-	143,566
Fundraising	<u>50,529</u>	<u>-</u>	<u>-</u>	<u>50,529</u>
<b>Total Supporting Services</b>	<u>194,095</u>	<u>-</u>	<u>-</u>	<u>194,095</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>615,364</u>	<u>12,523</u>	<u>-</u>	<u>627,887</u>
Change in net assets from operations	233,798	2,477	-	236,275
<b>NONOPERATING ACTIVITIES</b>				
Investment income (loss)	(378)	10	-	(368)
Loan forgiveness – related party	90,000	-	-	90,000
Other income	<u>26,070</u>	<u>2,050</u>	<u>-</u>	<u>28,120</u>
<b>CHANGE IN NET ASSETS</b>	349,490	4,537	-	354,027
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>140,257</u>	<u>2,259</u>	<u>-</u>	<u>142,516</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 489,747</u>	<u>\$ 6,796</u>	<u>\$ -</u>	<u>\$ 496,543</u>

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