

FLORIDA WILDLIFE FEDERATION, INC.

FINANCIAL STATEMENTS



For the Years Ended September 30, 2019 and 2018

CARROLL and COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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CARROLL and COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

ABBY F. DUPREE, CPA, CGMA
FREDERICK CARROLL III, CPA, CGMA
KATHLEEN E. BROTHERS, CPA, CGMA
STEPHANIE G. ZOTTOLI, CPA, CGMA
RICH A. HEITMEYER, CPA

2640-A Mitcham Drive
Tallahassee, FL 32308-5400

KRISTIE E. DEBOER, CPA
LAUREE M. ELLIOTT, CPA
LAUREN I. MAULTSBY, CPA
KACIE K. MCCLOUD, CPA
STEPHEN C. ROEDER, CPA

(850) 877-1099
Fax (850) 878-7000
E-Mail: cpas@ccrcpa.com
Website address: www.ccrpa.com

MEMBERS

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Florida Wildlife Federation, Inc.
Tallahassee, Florida

We have audited the accompanying financial statements of Florida Wildlife Federation, Inc. (a nonprofit corporation) which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

To the Board of Directors
Florida Wildlife Federation, Inc.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Wildlife Federation, Inc. as of September 30, 2019 and 2018, 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.

Carroll and Company

February 25, 2020

FLORIDA WILDLIFE FEDERATION, INC.
STATEMENTS OF FINANCIAL POSITION
September 30, 2019 and 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 248,830	\$ 128,376
Investments	-0-	23,817
Cash and cash equivalents restricted under grants	224,444	34,035
Contributions receivable	-0-	27,969
Pledges receivable	-0-	9,348
Inventory	5,572	6,979
Prepaid expenses – sweepstakes	33,936	72,710
Prepaid expenses – other	9,882	31,094
Unconditional promises to give	36,494	36,474
Beneficial interest in assets held by others	7,189	7,180
Beneficial interest in gift annuities	10,055	24,047
Investments restricted under grants	340,873	365,018
Cash, cash equivalents, and investments designated for endowment purposes	165,276	176,519
Note receivable, net	-0-	36,500
Property and equipment, net	<u>551,744</u>	<u>442,968</u>
TOTAL ASSETS	<u>\$ 1,634,295</u>	<u>\$ 1,423,034</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$ 37,594	\$ 69,269
Deferred revenue – sweepstakes	75,344	117,373
Line of credit	-0-	85,151
Capital lease obligation	<u>10,419</u>	<u>12,810</u>
TOTAL LIABILITIES	<u>123,357</u>	<u>284,603</u>

NET ASSETS

Net assets without donor restrictions		
Board designated	165,276	176,519
Undesignated	<u>736,662</u>	<u>501,705</u>
	901,938	678,224
Net assets with donor restrictions		
Time or purpose restriction	<u>609,000</u>	<u>460,207</u>
TOTAL NET ASSETS	<u>1,510,938</u>	<u>1,138,431</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,634,295</u>	<u>\$ 1,423,034</u>

See accompanying notes.

FLORIDA WILDLIFE FEDERATION, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended September 30, 2019 and 2018

2019

	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	
SUPPORT AND REVENUE			
Donations	\$ 908,022	\$ 346,070	\$ 1,254,092
Sweepstakes revenue	162,019	-0-	162,019
Membership dues	112,059	-0-	112,059
In-kind contributions	73,451	-0-	73,451
Donations – card program	60,021	-0-	60,021
Rent and other income	57,582	-0-	57,582
Annual meeting	18,311	-0-	18,311
Investment return	11,968	(23,990)	(12,022)
Net assets released from restrictions	<u>173,287</u>	<u>(173,287)</u>	<u>-0-</u>
TOTAL SUPPORT AND REVENUE	<u>1,576,720</u>	<u>148,793</u>	<u>1,725,513</u>
EXPENSES			
Program services			
Advocacy and education	569,606	-0-	569,606
Southwest Florida Project	103,609	-0-	103,609
Northeast Florida Project	8,231	-0-	8,231
Supporting services			
Cost of sales			
Merchandise	1,649	-0-	1,649
Sweepstakes	112,621	-0-	112,621
Membership development	161,263	-0-	161,263
Fundraising	240,704	-0-	240,704
Management and general	<u>155,323</u>	<u>-0-</u>	<u>155,323</u>
TOTAL EXPENSES	<u>1,353,006</u>	<u>-0-</u>	<u>1,353,006</u>
CHANGE IN NET ASSETS	223,714	148,793	372,507
NET ASSETS, BEGINNING OF YEAR	<u>678,224</u>	<u>460,207</u>	<u>1,138,431</u>
NET ASSETS, END OF YEAR	<u>\$ 901,938</u>	<u>\$ 609,000</u>	<u>\$ 1,510,938</u>

See accompanying notes.

FLORIDA WILDLIFE FEDERATION, INC.
STATEMENTS OF ACTIVITIES (CONTINUED)
For the Years Ended September 30, 2019 and 2018

2018

	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	
SUPPORT AND REVENUE			
Donations	\$ 793,483	\$ 108,430	\$ 901,913
In-kind contributions	205,403	-0-	205,403
Membership dues	190,577	-0-	190,577
Sweepstakes revenue	127,274	-0-	127,274
Donations – card program	59,707	-0-	59,707
Rent and other income	47,709	-0-	47,709
Investment return	33,607	8,969	42,576
Annual meeting	11,827	-0-	11,827
Net assets released from restrictions	<u>334,050</u>	<u>(334,050)</u>	<u>-0-</u>
TOTAL SUPPORT AND REVENUE	<u>1,803,637</u>	<u>(216,651)</u>	<u>1,586,986</u>
EXPENSES			
Program services			
Advocacy and education	837,573	-0-	837,573
Southwest Florida Project	122,641	-0-	122,641
Northeast Florida Project	4,224	-0-	4,224
Supporting services			
Cost of sales			
Merchandise	2,581	-0-	2,581
Sweepstakes	90,000	-0-	90,000
Membership development	206,031	-0-	206,031
Fundraising	209,755	-0-	209,755
Management and general	<u>165,453</u>	<u>-0-</u>	<u>165,453</u>
TOTAL EXPENSES	<u>1,638,258</u>	<u>-0-</u>	<u>1,638,258</u>
CHANGE IN NET ASSETS	165,379	(216,651)	(51,272)
NET ASSETS, BEGINNING OF YEAR	<u>512,845</u>	<u>676,858</u>	<u>1,189,703</u>
NET ASSETS, END OF YEAR	<u>\$ 678,224</u>	<u>\$ 460,207</u>	<u>\$ 1,138,431</u>

See accompanying notes.

FLORIDA WILDLIFE FEDERATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended September 30, 2019 and 2018

2019

	<u>Program Services</u>			<u>Supporting Services</u>				<u>Total</u>
	<u>Advocacy and Education</u>	<u>Southwest Florida Project</u>	<u>Northeast Florida Project</u>	<u>Cost of Sales</u>	<u>Membership Development</u>	<u>Fundraising</u>	<u>Management and General</u>	
Accounting and auditing	\$ 3,777	\$ -0-	\$ -0-	\$ -0-	\$ 2,384	\$ 3,565	\$ 4,074	\$ 13,800
Awards	2,600	-0-	-0-	-0-	-0-	-0-	-0-	2,600
Bank charges	-0-	-0-	-0-	-0-	-0-	-0-	6,436	6,436
Card program expense	-0-	-0-	-0-	-0-	-0-	35,874	-0-	35,874
Contract services	35,020	3,732	7,465	-0-	14,057	63,958	21,376	145,608
Depreciation	3,069	-0-	-0-	-0-	1,937	2,896	3,312	11,214
Donated services	71,651	-0-	-0-	-0-	-0-	-0-	-0-	71,651
Dues and subscriptions	2,031	1,935	17	-0-	1,282	1,917	2,190	9,372
Employee health insurance	1,902	1,811	16	-0-	1,200	1,795	2,051	8,775
General insurance	1,304	1,242	11	-0-	823	1,231	1,406	6,017
Grant expense	273,689	-0-	-0-	-0-	-0-	-0-	-0-	273,689
Interest	-0-	-0-	-0-	-0-	-0-	-0-	4,418	4,418
Legal expense	28,158	-0-	-0-	-0-	-0-	-0-	-0-	28,158
Meetings	21,313	-0-	-0-	-0-	-0-	3,045	6,089	30,447
Member expense	-0-	-0-	-0-	-0-	79,021	-0-	-0-	79,021
Merchandise purchases	-0-	-0-	-0-	1,649	-0-	-0-	-0-	1,649
Miscellaneous program expenses	16,082	-0-	-0-	-0-	-0-	-0-	-0-	16,082
Newsletter	13,059	-0-	-0-	-0-	-0-	13,059	-0-	26,118
Other fundraising costs	-0-	-0-	-0-	-0-	-0-	22,822	-0-	22,822
Payroll taxes	5,719	5,447	47	-0-	3,610	5,397	6,167	26,387
Postage	1,659	-0-	-0-	-0-	1,047	1,566	1,790	6,062
Rent	557	11,445	4	-0-	353	526	602	13,487
Repairs and maintenance	3,883	-0-	-0-	-0-	2,450	3,664	4,187	14,184
Retirement	2,109	2,009	17	-0-	1,331	1,990	2,275	9,731
Salaries	73,634	70,134	603	-0-	46,474	69,484	79,413	339,742
Supplies	2,243	-0-	-0-	-0-	1,415	2,116	2,417	8,191
Sweepstakes expense	-0-	-0-	-0-	112,621	-0-	-0-	-0-	112,621
Taxes and licenses	-0-	-0-	-0-	-0-	-0-	-0-	490	490
Telephone	2,756	2,625	23	-0-	1,739	2,600	2,972	12,715
Travel	2,266	2,158	19	-0-	1,430	2,138	2,445	10,456
Utilities	1,125	1,071	9	-0-	710	1,061	1,213	5,189
TOTAL	<u>\$ 569,606</u>	<u>\$ 103,609</u>	<u>\$ 8,231</u>	<u>\$ 114,270</u>	<u>\$ 161,263</u>	<u>\$ 240,704</u>	<u>\$ 155,323</u>	<u>\$1,353,006</u>

See accompanying notes.

FLORIDA WILDLIFE FEDERATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
For the Years Ended September 30, 2019 and 2018

2018

	<u>Program Services</u>			<u>Supporting Services</u>				<u>Total</u>
	<u>Advocacy and Education</u>	<u>Southwest Florida Project</u>	<u>Northeast Florida Project</u>	<u>Cost of Sales</u>	<u>Membership Development</u>	<u>Fundraising</u>	<u>Management and General</u>	
Accounting and auditing	\$ 4,447	\$ -0-	\$ -0-	\$ -0-	\$ 2,200	\$ 2,393	\$ 3,210	\$ 12,250
Awards	7,000	-0-	-0-	-0-	-0-	-0-	-0-	7,000
Bank charges	-0-	-0-	-0-	-0-	-0-	-0-	5,613	5,613
Card program expense	-0-	-0-	-0-	-0-	-0-	35,209	-0-	35,209
Contract services	81,210	-0-	-0-	-0-	10,285	11,189	15,011	117,695
Depreciation	3,952	-0-	-0-	-0-	1,955	2,127	2,853	10,887
Donated services	205,403	-0-	-0-	-0-	-0-	-0-	-0-	205,403
Dues and subscriptions	2,491	1,763	46	-0-	1,232	1,341	1,799	8,672
Employee health insurance	4,643	3,286	86	-0-	2,297	2,498	3,351	16,161
General insurance	2,613	1,849	48	-0-	1,292	1,406	1,886	9,094
Grant expense	270,919	-0-	-0-	-0-	-0-	-0-	-0-	270,919
Interest	-0-	-0-	-0-	-0-	-0-	-0-	6,282	6,282
Legal expense	40,017	-0-	-0-	-0-	-0-	-0-	-0-	40,017
Meetings	22,340	-0-	-0-	-0-	-0-	3,191	6,383	31,914
Member expense	-0-	-0-	-0-	-0-	105,295	-0-	-0-	105,295
Merchandise purchases	-0-	-0-	-0-	2,581	-0-	-0-	-0-	2,581
Miscellaneous program expenses	17,730	-0-	-0-	-0-	-0-	-0-	-0-	17,730
Newsletter	10,101	-0-	-0-	-0-	-0-	10,101	-0-	20,202
Other fundraising costs	-0-	-0-	-0-	-0-	-0-	51,666	-0-	51,666
Payroll taxes	9,778	6,920	181	-0-	4,836	5,262	7,058	34,035
Postage	2,179	-0-	-0-	-0-	1,078	1,172	1,573	6,002
Rent	-0-	8,650	1,250	-0-	-0-	-0-	-0-	9,900
Repairs and maintenance	5,142	-0-	-0-	-0-	2,544	2,767	3,712	14,165
Retirement	3,590	2,541	66	-0-	1,776	1,932	2,592	12,497
Salaries	128,790	91,153	2,378	-0-	63,707	69,306	92,977	448,311
Supplies	6,075	-0-	-0-	-0-	3,005	3,269	4,386	16,735
Sweepstakes expense	-0-	-0-	-0-	90,000	-0-	-0-	-0-	90,000
Taxes and licenses	-0-	-0-	-0-	-0-	-0-	-0-	160	160
Telephone	4,432	3,137	82	-0-	2,193	2,385	3,200	15,429
Travel	3,365	2,382	62	-0-	1,665	1,811	2,429	11,714
Utilities	1,356	960	25	-0-	671	730	978	4,720
TOTAL	<u>\$ 837,573</u>	<u>\$ 122,641</u>	<u>\$ 4,224</u>	<u>\$ 92,581</u>	<u>\$ 206,031</u>	<u>\$ 209,755</u>	<u>\$ 165,453</u>	<u>\$1,638,258</u>

See accompanying notes.

FLORIDA WILDLIFE FEDERATION, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 372,507	\$ (51,272)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	11,214	10,887
Noncash contributions	(131,572)	(2,806)
Loss on disposal of property and equipment	-0-	349
Dividends and interest reinvested	(24,080)	(26,885)
Net realized and unrealized losses (gains) on investments	53,760	(12,324)
Bad debt	9,348	2,250
(Increase) decrease in:		
Cash and cash equivalents restricted under grants	(190,409)	197,196
Contributions receivable	27,969	19,581
Pledges receivable	-0-	(5,080)
Inventory	1,407	2,332
Prepaid expenses	59,986	(31,848)
Unconditional promises to give	(20)	(47)
Note receivable, net	36,500	(36,500)
Increase (decrease) in:		
Accounts payable and accrued expenses	(31,675)	27,561
Deferred revenue – sweepstakes	<u>(42,029)</u>	<u>58,140</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>152,906</u>	<u>151,534</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,253,855	409,905
Purchase of investments	(1,205,507)	(397,205)
Decrease (increase) in assets designated for endowment purposes	11,243	(3,801)
Purchase of property and equipment	<u>-0-</u>	<u>(1,707)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>59,591</u>	<u>7,192</u>

See accompanying notes.

FLORIDA WILDLIFE FEDERATION, INC.
STATEMENTS OF CASH FLOWS (CONTINUED)
For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Beneficial interest in gift annuity	(4,501)	-0-
Principal payments on line of credit	(85,151)	(61,485)
Principal payments on capital lease obligation	<u>(2,391)</u>	<u>(1,585)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(92,043)</u>	<u>(63,070)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	120,454	95,656
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>128,376</u>	<u>32,720</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 248,830</u>	<u>\$ 128,376</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid	<u>\$ 4,418</u>	<u>\$ 6,282</u>
Non-cash investing activities:		
Dividends and interest reinvested	<u>\$ 24,080</u>	<u>\$ 26,885</u>
Non-cash financing activities:		
Asset acquired through capital lease	<u>\$ -0-</u>	<u>\$ 14,395</u>

See accompanying notes.

FLORIDA WILDLIFE FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Nature of the Organization

Florida Wildlife Federation, Inc. (the Organization) is a nonprofit corporation. The Organization strives to protect the State of Florida's wildlife environment and to educate the public on the importance of protecting this environment. The Organization's basic programs include educating the public on wildlife issues through distribution of books, videos, and similar materials, and publishing a quarterly newsletter. The Organization also educates the public by supporting wildlife research and environmental preservation. In addition, the Organization supports soundly managed, resource-based outdoor recreation.

Basis of Accounting

The Organization's books are maintained on the accrual basis of accounting.

Basis of Presentation

In accordance with accounting principles generally accepted in the United States of America, the Organization is required to report information regarding its financial position and activities according to the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

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 endowment.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) 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.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been recorded.

FLORIDA WILDLIFE FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

The Organization carries its real estate investments at the fair market values as of the dates the interests were donated.

Pledges Receivable

Pledges receivable are stated at net realizable value. The allowance for collection losses is established through charges to the provision for uncollectible pledges. The allowance is based on management's best estimate of the amounts that will not be collected.

Property and Equipment

Property and equipment purchases are recorded at cost. Contributed assets are reported at fair market value as of the date received. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Inventories

Inventories are stated at the lower of cost (first-in, first-out) or market value and consist of items available for resale.

Donated Assets

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair market values at the date of donation.

FLORIDA WILDLIFE FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Restricted and Unrestricted Support and Revenue

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's assessment of staff time.

Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

Reclassifications

Certain amounts in the 2018 financial statements have been reclassified to conform to the 2019 presentation.

FLORIDA WILDLIFE FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2019

NOTE B – INVESTMENTS

Investments are stated at fair market value and consist primarily of stocks, debt securities, and mutual funds. Fair market values and unrealized appreciation as of September 30 are summarized as follows:

Description	2019		
	Cost	Fair Market Value	Unrealized Appreciation (Depreciation)
Exchange-traded funds	\$ 261,179	\$ 261,862	\$ 683
Certificates of deposit	127,597	130,067	2,470
Equities	95,048	97,102	2,054
Mutual funds	9,808	14,210	4,402
TOTAL	\$ 493,632	\$ 503,241	\$ 9,609

Description	2018		
	Cost	Fair Market Value	Unrealized Appreciation (Depreciation)
Equities	\$ 335,869	\$ 337,550	\$ 1,681
Exchange-traded funds	60,727	60,491	(236)
Mutual funds	162,940	161,429	(1,511)
TOTAL	\$ 559,536	\$ 559,470	\$ (66)

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended September 30:

	2019	2018
Investment income	\$ 41,738	\$ 30,252
Net realized and unrealized (losses) gains	(53,760)	12,324
TOTAL INVESTMENT RETURN	\$ (12,022)	\$ 42,576

For the years ended September 30, 2019 and 2018, investment expenses in the amount of \$3,561 and \$4,395, respectively, are netted against investment income.

FLORIDA WILDLIFE FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2019

NOTE C – FAIR VALUE MEASUREMENTS

The Organization follows the provisions of the Financial Accounting Standards Board’s Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 establishes a common definition for fair value to be applied to U.S. generally accepted accounting principles requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard establishes a fair value hierarchy about the assumptions used to measure fair value and clarifies assumptions about risk and the effect of a restriction on the sale or use of an asset. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (or exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly. These include quoted prices of similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.

Level 3: 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 following table presents the financial instruments carried at fair value as of September 30, 2019:

	Level 1	Level 2	Level 3	Total
Exchange-traded funds	\$ 261,862	–	–	\$ 261,862
Certificates of deposit	130,067	–	–	130,067
Equities	97,102	–	–	97,102
Mutual funds	14,210	–	–	14,210
Beneficial interest in assets held by others	–	7,189	–	7,189
Beneficial interest in gift annuities	–	–	10,055	10,055
				\$ 520,485

FLORIDA WILDLIFE FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2019

NOTE C – FAIR VALUE MEASUREMENTS (Continued)

The following table presents the financial instruments carried at fair value as of September 30, 2018:

	Level 1	Level 2	Level 3	Total
Equities	\$ 337,550	–	–	\$ 337,550
Exchange-traded funds	60,491	–	–	60,491
Mutual funds	161,429	–	–	161,429
Beneficial interest in assets held by others	–	7,180	–	7,180
Beneficial interest in gift annuities	–	–	24,047	24,047
				\$ 590,697

The fair value of financial instruments including cash and cash equivalents, contributions receivable, pledges receivable, unconditional promises to give, prepaid expenses, note receivable, accounts payable and accrued expenses, and deferred revenue approximates carrying value, principally because of the short maturity of those items. See Note J and Note O for the fair value of the capital lease obligation and line of credit, respectively.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value as of the reporting date.

NOTE D – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Organization maintains an endowment fund with The Community Foundation of North Florida, Inc. Deposits and contributions to the fund are recorded at fair market value, and administrative fees charged are expensed as incurred. The fund had a balance of \$7,189 and \$7,180 as of September 30, 2019 and 2018, respectively.

NOTE E – BENEFICIAL INTEREST IN GIFT ANNUITIES

The Organization has been named the beneficiary in two charitable gift annuities, the assets of which are held by a third-party trustee. Under the agreements, the donors contribute assets in exchange for distributions based on the value of the assets transferred for a specified period of time. At the end of the specified time, the remaining assets will be distributed to the Organization.

FLORIDA WILDLIFE FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2019

NOTE E – BENEFICIAL INTEREST IN GIFT ANNUITIES (Continued)

Contribution revenue and the related assets are recognized using the present value of the assets expected to be received. Subsequent changes to the fair value of the assets are recognized as changes in the value of the split-interest agreements as a component of investment return in the accompanying statements of activities.

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of September 30:

	Estimated Useful Lives	2019	2018
Land, office building, and improvements	5 – 31.5 yrs	\$ 292,216	\$ 292,216
Land held for conservation or resale purposes	–	462,163	342,173
Furniture and equipment	5 – 10 yrs	63,603	65,548
		817,982	699,937
Less: Accumulated depreciation		(266,238)	(256,969)
TOTAL		\$ 551,744	\$ 442,968

NOTE G – DEFERRED REVENUE – SWEEPSTAKES

The Organization runs sweepstakes drawings, which are held in December. Deferred revenue and prepaid expenses related to the sweepstakes consisted of the following:

Description	Year Ended September 30, 2019		
	Revenues Collected	Prepaid Expenses	Total
Boat sweepstakes	\$ 75,344	\$ (33,936)	\$ 41,408

Description	Year Ended September 30, 2018		
	Revenues Collected	Prepaid Expenses	Total
Boat sweepstakes	\$ 117,373	\$ (72,710)	\$ 44,663

FLORIDA WILDLIFE FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2019

NOTE H – DONATED SERVICES

Donated services in the amount of \$73,451 and \$205,403 for the years ended September 30, 2019 and 2018, respectively, are reflected in the accompanying financial statements. These services consist of legal services donated by attorneys in the course of litigation or advocacy of several ongoing lawsuits involving environmental issues.

NOTE I – CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash balances at financial institutions located in Tallahassee, Florida. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution as of September 30, 2019 and 2018. As of September 30, 2019 and 2018, the Organization had uninsured cash balances totaling \$242,134 and \$0, respectively.

NOTE J – LEASES

The Organization has entered into various operating lease agreements for office space in Naples, Florida and office equipment in Tallahassee, Florida expiring at various times through fiscal year 2023. As of September 30, 2019, future minimum lease payments required under these leases are as follows:

Year Ending September 30	
2020	\$ 6,035
2021	1,766
2022	1,766
2023	1,766
Total	\$ 11,333

Rent and lease expense totaled \$13,411 and \$15,324 for the years ended September 30, 2019 and 2018, respectively.

During the year ended September 30, 2018, the Organization entered into a capital lease of a copier. As of September 30, 2019 and 2018, the copier had a capitalized cost of \$14,395 and accumulated depreciation of \$4,798 and \$1,919. Amortization of assets held under capital lease is included in depreciation expense in the accompanying statements of activities.

FLORIDA WILDLIFE FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2019

NOTE J – LEASES (Continued)

Future minimum capital lease payments are as follows as of September 30, 2019:

Year Ending September 30	
2020	\$ 2,698
2021	3,045
2022	3,435
2023	1,241
	\$ 10,419

The carrying amount of capital lease obligation approximates fair value because it bears interest at a rate that approximates current market rates for capital leases with similar maturities and credit quality.

NOTE K – RETIREMENT PLAN

The Organization maintains a Simple IRA retirement plan, which covers all employees that meet the eligibility requirements. The Organization provides matching contributions of up to 3% of eligible employees' salaries each year. Contributions totaled \$9,731 and \$12,497 for the years ended September 30, 2019 and 2018, respectively.

NOTE L – LITIGATION

The Organization is party to routine legal proceedings and litigation involving various environmental advocacy issues arising in the ordinary course of performing its basic programs. In the opinion of management, the outcome of any current actions will have no material impact on the Organization's financial condition.

NOTE M – ENDOWMENT FUND

In 2003, the Organization's Board of Directors designated funds to be placed into an investment endowment fund to be called the Life Member Endowment Fund.

Interpretation of Relevant Law

The Organization's Board of Directors understands that the Uniform Prudent Management of Institutional Funds Act (UPMIFA) applies to all not-for-profit organizations incorporated in the State of Florida as of July 1, 2012.

FLORIDA WILDLIFE FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2019

NOTE M – ENDOWMENT FUND (Continued)

Endowment Net Asset Composition

Endowment net assets consist of the following as of September 30:

	<u>2019</u>	<u>2018</u>
Without donor restrictions:		
Board designated endowment funds	\$ <u>165,276</u>	\$ <u>176,519</u>

Changes in Endowment Net Assets

Changes in endowment net assets without donor restrictions were as follows during the years ended September 30:

	<u>2019</u>	<u>2018</u>
Balance at beginning of year	\$ <u>176,519</u>	\$ <u>172,718</u>
Investment return:		
Investment income	8,101	7,134
Net appreciation (depreciation), net of fees (realized and unrealized)	<u>(11,922)</u>	<u>3,665</u>
Total investment return	(3,821)	10,799
Contributions	<u>-0-</u>	<u>-0-</u>
Appropriation of endowment assets for expenditure	<u>(7,422)</u>	<u>(6,998)</u>
Balance at end of year	\$ <u>165,276</u>	\$ <u>176,519</u>

Endowment Spending Policy

The funds invested and the interest earned in the Life Member Endowment Fund may be used for general operations only when approved by a two-thirds vote of the Organization's Board of Directors.

Endowment Investment Policy

Funds are invested in accounts with the goal of appreciation of capital. Once invested, the funds are normally managed by a third party investment manager, as assigned by the Organization's Board of Directors or President.

FLORIDA WILDLIFE FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2019

NOTE N – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of September 30:

	2019	2018
Land acquisition	\$ 218,746	\$ 308,123
Fish conservation	149,082	10,883
Long leaf pine restoration	88,488	-0-
Habitat Connectivity and wildlife underpass campaigns	64,500	34,355
Other	51,690	7,872
Education and litigation	36,494	36,474
Director of Development position	-0-	45,000
Everglades science and policy	-0-	17,500
TOTAL	\$ 609,000	\$ 460,207

The Organization is the beneficiary of a charitable remainder trust to be used for education and litigation expenses. The present value of the estimated future benefits of the Organization's remainder interest in the trust totaled \$36,494 and \$36,474 as of September 30, 2019 and 2018, respectively.

During 2005, the Organization became the beneficiary of the Estate of Frank F. Sprinkle (the Sprinkle Estate) valued at \$1,120,415 that is restricted for acquisition or permanent protection of land(s) within the State of Florida for wildlife habitat. In September 2008, the Organization purchased approximately sixty-five (65) acres of conservation land in Leon County for a purchase price of \$292,000. Net assets with donor restrictions associated with this bequest totaled \$218,746 and \$308,123 as of September 30, 2019 and 2018, respectively.

In 2009, the Organization received an independent legal determination that the Organization's work on behalf of permanent land protection fulfilled the donor restrictions imposed on the bequest. In June 2010, the Organization's Board of Directors adopted a policy for authorized use of Sprinkle Estate funds based on the legal determination. During the years ended September 30, 2019 and 2018, the Board authorized the release of Sprinkle Estate funds totaling \$65,357 and \$15,997, respectively, in accordance with the policy adopted.

Net assets with donor restrictions are available for the purposes listed above for periods after September 30, 2019 and 2018, respectively.

FLORIDA WILDLIFE FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2019

NOTE O – LINE OF CREDIT

The Organization had a \$165,000 line of credit with a local bank that was payable on demand and bore interest at a variable rate (5.25% as of September 30, 2019 and 2018). The line was collateralized by a blanket lien on the Organization's assets. The outstanding balance on the line was \$0 and \$85,151, as of September 30, 2019 and 2018, respectively. The line expired in December 2019 and was not renewed.

The carrying amount of the line of credit approximates fair value because that financial instrument bears interest at a rate that approximates current market rates for notes with similar maturities and credit quality.

NOTE P – RELATED PARTY TRANSACTIONS

During the years ended September 30, 2019 and 2018, the Organization paid \$0 and \$16,000, respectively, to board members for professional services rendered to the Organization. The Organization's Board of Directors has approved these relationships.

Donations totaling \$19,680 and \$13,988, were received from the Organization's former President during the years ended September 30, 2019 and 2018, respectively.

During the years ended September 30, 2019 and 2018, the Organization received \$32,336 and \$22,903, respectively, in donations from staff and members of the Board of Directors.

In October 2011, the Organization's former President purchased a \$100,000 life insurance policy and designated the Organization as the owner and beneficiary. The policy was cancelled during the year ended September 30, 2019.

NOTE Q – NOTE RECEIVABLE

As of September 30, 2018, the Organization held a note receivable in the amount \$72,500. In October 2018, the Organization entered into a settlement agreement and received a payment in the amount of \$36,250. Because collectability of the remaining balance was uncertain, an allowance for uncollectible accounts was recorded as of September 30, 2018. The remaining balance was received in January 2019.

NOTE R – PLEDGES RECEIVABLE

Pledges receivable consist of unconditional promises to give under the FWF Partners Annual Giving Program. Pledges receivable are due within one year. The Organization terminated the program during the year ended September 30, 2019.

FLORIDA WILDLIFE FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2019

NOTE S – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenses, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position, comprise the following:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 248,830	\$ 128,376
Investments	-0-	23,817
Cash and cash equivalents restricted under grants	224,444	34,035
Contributions receivable	-0-	27,969
Pledges receivable	-0-	9,348
Unconditional promises to give	36,494	36,474
Investments restricted under grants	340,873	365,018
Cash, cash equivalents and investments designated for endowment purposes	165,276	176,519
Note receivable, net	<u>-0-</u>	<u>36,500</u>
 Total financial assets	 1,015,917	 838,056
 Less: Financial assets subject to board designations and donor-imposed restrictions:		
Endowment fund	(165,276)	(176,519)
Donor-imposed restrictions	<u>(601,811)</u>	<u>(453,027)</u>
 Total financial assets available to meet cash needs for general expenses within one year	 <u>\$ 248,830</u>	 <u>\$ 208,510</u>

The Organization maintains an endowment fund that consists of funds designated by the Board for long-term investment. Income from the endowment fund is available for general use.

Management monitors cash availability on a regular basis prior to preparing its accounts payable disbursements.

NOTE T – UNCERTAIN TAX POSITIONS

Management is not aware of any activities that would jeopardize the Organization's tax-exempt status, and believes it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements as of and for the years ended September 30, 2019 and 2018.

FLORIDA WILDLIFE FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2019

NOTE T – UNCERTAIN TAX POSITIONS (Continued)

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to September 30, 2016.

NOTE U – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through February 25, 2020, the date which the financial statements were available to be issued.

NOTE V – CHANGE IN ACCOUNTING PRINCIPLE

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

NOTE W – RECENT ACCOUNTING PRONOUNCEMENTS

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which updates certain aspects of recognition, measurement, presentation and disclosure of financial instruments. ASU 2016-01 will be effective for the Organization for fiscal years beginning after December 15, 2018. The Organization is currently evaluating the impact of the adoption of ASU 2016-01 on its financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on principle of whether or not the lease is effectively a financed purchase by the lessee. ASU 2016-02 will be effective for the Organization for fiscal years beginning after December 15, 2019. The Organization is currently evaluating the impact of the adoption of ASU 2016-02 on its financial statements.

FLORIDA WILDLIFE FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2019

NOTE W – RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

In August 2016, the FASB, issued ASU 2016-15, *Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments*, which is intended to reduce the diversity in practice in how certain transactions are classified in the statement of cash flows. In addition, in November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash*, which provides additional guidance related to transfers between cash and restricted cash and how entities present the cash receipts and cash payments that directly affect the restricted cash accounts in the statement of cash flows. ASU 2016-15 and ASU 2016-18 will be effective for the Organization for fiscal years beginning after December 15, 2018. Early adoption is permitted. The Organization is currently evaluating the impact of the adoption of ASU 2016-15 and ASU 2016-18 on its financial statements.

In November 2017, the FASB issued ASU 2017-14, *Income Statement – Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue from Contracts with Customers (Topic 606)*, which sets out to clarify the principles of recognizing revenue and to develop a common revenue standard. This ASU amends ASU 2014-09 and ASU 2015-14, which are not yet effective. The new standard will apply to entities that enter into contracts with customers to transfer goods or services, except for contracts that are within the scope of other standards. ASU 2017-14 will be effective for the Organization for fiscal years beginning after December 15, 2018. The Organization is currently evaluating the impact of the adoption of ASU 2017-14 on its financial statements.

In August 2018, the FASB issued ASU 2018-13, *Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The update modifies the disclosure requirements for fair value measurements. ASU 2018-13 will be effective for the Organization for fiscal years beginning after December 15, 2019. Early adoption is permitted for any removed or modified disclosures. The Organization is currently evaluating the impact of the adoption of ASU 2018-13 on its financial statements.