

GEORGIA WILDLIFE FEDERATION, INC.
Financial Statements
For the Year Ended
September 30, 2015

Georgia Wildlife Federation, Inc.
Financial Statements
For the Year Ended September 30, 2015

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Hawkins & McNair, CPAs

224 East Broad Street
Winder, Georgia 30680
770-867-9426

fax 770-867-1240
hawkins100@windstream.net

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Georgia Wildlife Federation, Inc.
Covington, Georgia 30014

We have audited the accompanying statement of financial position of Georgia Wildlife Federation, Inc. (a nonprofit organization), as of September 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Georgia Wildlife Federation, Inc. as of September 30, 2015, 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.

A handwritten signature in dark ink, appearing to read "Hawkins & McNair CPAs", with a long horizontal line extending to the left.

Hawkins & McNair, CPAs
Winder, Georgia
February 29, 2016

Georgia Wildlife Federation, Inc.
Statement of Financial Position
September 30, 2015

Assets

Current Assets

Cash and Cash Equivalents	\$ 270,442
Accounts Receivable	7,898
Inventory	490
Prepaid Expenses	7,835
Total Current Assets	<u>286,665</u>

Capital Assets, Net (Note E)

Buildings and Equipment	1,062,218
Land	1,970,678
Total Capital Assets, Net	<u>3,032,896</u>

Other Assets

Land Not Used in Operations (Note D)	30,390
Total Other Assets	<u>30,390</u>

Total Assets **\$ 3,349,951**

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$ 15,060
Accrued Expenses	16,990
Sportsmen's Show Deposits (Note F)	10,200
Total Current Liabilities	<u>42,250</u>

Total Liabilities **42,250**

Net Assets

Unrestricted

Undesignated	146,869
Capital Assets	3,032,896
Total Unrestricted Net Assets	<u>3,179,765</u>

Temporarily Restricted (Note G) 127,936

Total Net Assets **3,307,701**

Total Liabilities and Net Assets **\$ 3,349,951**

See accountants' report and notes to financial statements.

GEORGIA WILDLIFE FEDERATION, INC.
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Contributions and Grants	\$ 157,425	\$ 123,575	\$ 281,000
In-kind Contributions (Note H)	421,087	-	421,087
Sportsmen's Shows	231,890	-	231,890
Conservation Memberships (Note I)	134,172	-	134,172
Membership Dues	45,035	-	45,035
Special Events	131,755	-	131,755
Less: Costs of Direct Benefits and Special Event Donor	(84,536)	-	(84,536)
Other Income	15,717	-	15,717
Restrictions Satisfied by Payments	61,457	(61,457)	-
TOTAL REVENUES	<u>1,114,002</u>	<u>62,118</u>	<u>1,176,120</u>
EXPENSES			
Program Services	718,299	-	718,299
General and Administrative	42,562	-	42,562
Fundraising	22,239	-	22,239
TOTAL EXPENSES	<u>783,100</u>	<u>-</u>	<u>783,100</u>
INCREASE IN NET ASSETS FROM OPERATIONS	330,902	62,118	393,020
Investment Income	660	-	660
INCREASE IN NET ASSETS BEFORE DISPOSITION OF ASSETS	331,562	62,118	393,680
(Loss) on Disposition of Assets (Note K)	(646,500)	-	(646,500)
CHANGE IN NET ASSETS	(314,938)	62,118	(252,820)
NET ASSETS - BEGINNING OF YEAR	<u>3,494,703</u>	<u>65,818</u>	<u>3,560,521</u>
NET ASSETS - END OF YEAR	<u>\$ 3,179,765</u>	<u>\$ 127,936</u>	<u>\$ 3,307,701</u>

See accountants' report and notes to financial statements.

GEORGIA WILDLIFE FEDERATION, INC.
Statement of Functional Expenses
For the Year Ended September 30, 2015

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel Costs	\$ 251,368	\$ 14,401	\$ 18,068	\$ 283,837
Outside Services	55,259	22,900	-	78,159
Sportsmen's Show	133,933	-	-	133,933
Meat Processing - GHFH	23,027	-	-	23,027
Contributions and Re-granted Funds	6,500	-	-	6,500
Depreciation	64,978	-	-	64,978
Dues, Fees and Subscriptions	23,563	2,480	-	26,043
Insurance	38,307	-	-	38,307
Property Taxes	17,078	-	-	17,078
Repairs and Maintenance	13,251	1,501	1,500	16,252
Supplies and Equipment	11,976	-	-	11,976
Printing and Publications	18,890	-	-	18,890
Postage	11,090	-	-	11,090
Utilities	18,203	1,009	1,938	21,150
Telephone	5,579	271	675	6,525
Travel	17,713	-	58	17,772
Conferences and Meetings	4,084	-	-	4,084
Other	3,500	-	-	3,500
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	\$ 718,299	\$ 42,562	\$ 22,239	\$ 783,100

See accountants' report and notes to financial statements.

GEORGIA WILDLIFE FEDERATION, INC.
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2015

Cash Flows From Operating Activities:

Change in Net Assets from Operations	\$ 393,020
Adjustments to Reconcile change in net assets from operations to Cash Provided/(Used) by Operating Activities:	
Depreciation	64,978
Donated Land Included in Contributions	(414,452)
(Increase) / Decrease - Accounts Receivables	(575)
(Increase) / Decrease - Inventory	7,976
(Increase) / Decrease - Prepaid Assets	(7,835)
Increase / (Decrease) - Accounts Payable	(1,058)
Increase / (Decrease) - Accrued Expenses	(8,577)
Increase / (Decrease) - Sportsmen's Show Deposits	555
Net Cash Provided/(Used) by Operating Activities	<u>34,032</u>

Cash Flows From Capital Activities:

Proceeds from Sale of Capital Assets	58,500
Net Cash Provided/(Used) By Capital Activities	<u>58,500</u>

Cash Flows From Investing Activities:

Investment Income	660
Net Cash Provided/(Used) By Investing Activities	<u>660</u>

Net Increase / (Decrease) in Cash **93,192**

Cash and Cash Equivalents - Beginning of Year **177,250**

Cash and Cash Equivalents - End of Year **\$ 270,442**

See accountants' report and notes to financial statements.

**GEORGIA WILDLIFE FEDERATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Federation and Nature of Activities

The Georgia Wildlife Federation, Inc. (the Federation) is a not-for-profit corporation, incorporated under the laws of the State of Georgia in 1936, dedicated to educating the public in recognizing resource conservation as a way of life and encouraging the intelligent management of the life sustaining resources of the Earth. The Federation is an affiliate of the National Wildlife Federation. The Federation operated the Alcovy Conservation Center and the Mill Creek Nature Center as educational outreaches to the public. These two properties, along with other properties and conservation easements, are held for permanent land and wildlife habitat conservation. The Federation generates substantial resources by organizing and hosting several sportsmen's shows for fishermen, hunters, and outdoor enthusiasts. Other areas of funding are provided by membership fees and contributions from individuals, corporations and foundation grants.

The Federation is governed by a Board of Trustees. Trustees are selected by delegates at the Federation's annual meeting and by other board members. The Federation's Executive Committee consists of the Chair, Vice-Chair, Secretary, Treasurer, and the Delegate to the National Federation. Daily operations of the Federation are managed by the chief executive officer.

Basis of Accounting and Presentation

The Federation's financial statements have been prepared based on the accrual basis of accounting. Revenue from exchange transactions is principally derived from the various sportsmen's shows that the Federation sponsors throughout the year. These revenues are recorded as an increase to unrestricted net assets when the show occurs and the revenue is earned. Expenses are recorded as decreases in unrestricted net assets when incurred. The Federation considers membership dues to have the characteristics of an unrestricted contribution and recognizes them as an increase to unrestricted net assets when the cash is received.

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Federations*. Under SFAS No. 117, the Federation is required to report information regarding its financial position and activities according to the three classes of net assets: unrestricted, temporarily restricted, and permanently restricted depending on the presence or absence of donor-imposed limitation on their use. Permanently restricted net assets consist of contributions that include donor-imposed restrictions that the assets be held in perpetuity. The Federation currently has no permanently restricted net assets. Temporarily restricted net assets consist of contributions that include donor-imposed restrictions that the assets be used for a particular purpose or over a particular period. Unrestricted net assets are not subject to any donor-imposed restrictions. In addition, The Federation is required to present a statement of cash flow.

GEORGIA WILDLIFE FEDERATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the statement of financial position and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates.

Significant Concentrations

The Federation reports the revenue that it receives from the sportsmen's shows separately on the Statement of Activities. The revenue from these shows is reported as "Sportsmen's Shows" and "Conservation Memberships". The combined total revenue obtained from the sportsmen's shows was \$ 366,062.

The Federation received several large contributions during the year ended September 30, 2015. The Federation's five largest donors contributed a total of \$ 534,049 during the year. These contributions ranged in size from \$ 25,000 to \$ 412,151.

Contributions and Donated Services

Contributions, including unconditional promises to give, are recorded in the period received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Non-cash contributions are recorded at their estimated fair value as of the date of grant. Contributions of long-lived assets are considered to be met and the net assets reclassified as unrestricted, when the asset is purchased and placed in service. Contributions with donor-imposed restrictions, whose restrictions are met in the year of grant, are recorded as an increase to unrestricted net assets.

Unconditional promises to give, receivable more than one year from the date of grant, are discounted to their net present value using a discount rate commensurate with the related risks involved. Amortization of any discount on long-term promises to give are recorded based on management's evaluation of the current portfolio of promises to give and the likelihood that the Federation might not collect all of the unconditional promises. Currently, management does not consider any allowance to be necessary.

The Federation has adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Under SFAS No. 116, donated services are required to be recorded at their fair value in the financial statements if they create or enhance a non-financial asset or they require specialized skills, are provided by entities or persons possessing those skills, and would be purchased if they were not donated. The Federation had received many hours of contributed services from unpaid volunteers throughout the community. The services did not require specialized skills nor would the services typically be purchased if they were not donated. Consequently, these contributed services have not been reflected in the Federation's financial statements.

GEORGIA WILDLIFE FEDERATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Federation considers all highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents. Assets that would normally meet the criteria for being classified as cash and cash equivalents, which are subject to donor restrictions requiring that the assets be used for long-term purposes, are not classified as cash and cash equivalents.

Investments

The Federation values its investments in nonfinancial assets at historical cost, or estimated fair value on the date of grant for donated investments. The Federation's accounting policy is to report investments which constitute financial assets at their fair value on the balance sheet date. The Federation held no investments in financial assets at year end.

Inventory

The Federation values its inventory at the lower of cost or market using a first in-first out assumption. All of the Federation's inventory costs represent the purchase cost or donated value of the items.

Property and Equipment

Property and equipment are stated at their historical cost, or estimated fair value on the date of grant for donated assets. The Federation capitalizes new property, plant and equipment purchases or donations of over \$ 5,000. Major renovations that significantly extend the life of plant and equipment are also capitalized. All ordinary repairs and maintenance are expensed as incurred. The Federation does not imply a time restriction on otherwise unrestricted contributions of property and equipment. Depreciation of plant and equipment is calculated on the straight-line basis over the estimated useful life of the assets.

Estimated useful lives of property, plant and equipment are as follows:

Buildings	30-40 years
Building Improvements	20 years
Equipment	5-10 years
Vehicles	5 years
Furniture	10 years

Income Taxes

The Federation is exempt from all federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is made in the financial statements. Furthermore, The Federation has been determined by the Internal Revenue Service to not be a private foundation under Section 509(a) of the Internal Revenue Code.

**GEORGIA WILDLIFE FEDERATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Subsequent Events

Management has evaluated subsequent events through February 29, 2016, the date the financial statements were available to be issued.

Operating Activities

The Federation separates its activities into operating and non-operating activities. Operating activities include all of the Federation's operations that are related to the ongoing operations of the Federation.

Advertising Costs

The Federation does not engage in direct-response advertising, other than mailing notices of events, and expenses all advertising costs as incurred. The Federation's advertising costs for the year totaled \$ 27,278. All of the advertising costs were incurred in support of the Federation's sportsmen's shows.

NOTE B – CASH CONCENTRATION

The Federation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$ 250,000. At September 30, 2015, the Federation did not exceed the FDIC-insured limits.

The Federation brokerage account firm contains only cash. Balances are insured up to \$250,000, by the Securities Investor Protection Corporation (SIPC). At September 30, 2015, the Federation did not exceed SIPC insured limits.

NOTE C – UNCONDITIONAL PROMISES TO GIVE

The Federation records contribution revenue at the time that a donor provides written evidence of an unconditional promise. The Federation records revenue at the net present value of the unconditional promises to give using the yield of the 10-year Treasury Note rate as the discount rate. There were no outstanding promises to give at September 30, 2015.

NOTE D – LAND NOT USED IN OPERATIONS

The land not used in operations as of September 30, 2015 consists of two land lots that were donated to the Federation. The Federation's management does not consider the lots to be part of the Federation's operations or in its mission of conserving wildlife habitat. Accordingly, the lots are presented in the financial statements separately from land, buildings and equipment.

**GEORGIA WILDLIFE FEDERATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment as of September 30, 2015 consisted of the following:

Land	\$ 1,970,678
Buildings and Improvements	1,983,225
Furniture and Fixtures	6,682
Vehicles	<u>42,661</u>
	\$ 4,003,246
Less: Accumulated Depreciation	<u>(970,350)</u>
	<u>\$ 3,032,896</u>

The land presented represents the carrying value of the land at the Alcovy Conservation Center, the Mill Creek Nature Center, and other conservation parcels. During the year \$414,452 in land was acquired through a \$412,151 gift (Note I) plus donated settlement costs. The Federation manages this land as protected wildlife habitats. The Federation has granted conservation easements to other conservation Federations to help ensure that the land continues to be managed as valuable wildlife habitat.

NOTE F – SPORTSMEN'S SHOW DEPOSITS

The Federation records revenue from booth rentals at its sportsmen's shows on the day that the sportsmen's shows take place. The Federation has received \$ 10,200 in deposits toward booth rentals at sportsmen's shows that will occur after September 30, 2015. Accordingly, this amount is reflected in the financial statements as a liability on the Statement of Financial Position.

NOTE G – TEMPORARILY RESTRICTED NET ASSETS

Assets held by the Federation are subject to donor-imposed restrictions as follows at September 30, 2015:

Georgia Legacy	\$ 89,361
Georgia Hunters for the Hungry	<u>38,575</u>
	<u>\$ 127,936</u>

NOTE H – NONCASH CONTRIBUTIONS AND TRANSACTIONS

During the year ended September 30, 2015, the Federation received contributions of several noncash items.

The Federation received a donation of three land parcels, for which the contribution portion was valued at \$412,151, based upon the county appraisals at the time of the donation.

(Continued on next page)

**GEORGIA WILDLIFE FEDERATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

The Federation used many of the items as auction items at its annual Sportsmen's Dinner. The other items were used as gifts acknowledging the hard work of the many volunteers that help in the Federation's programs. The Federation recorded these noncash contributions at the fair value on the date of donation. The total fair value of all the noncash contributions received during the year was \$ 3,545.

Additionally, the Federation received noncash items in return for booth space at the sportsmen's shows. The Federation valued the items received at the retail price of the booth space, except in cases where the item received was subsequently sold soon after it was received. In these cases, the Federation recorded the value of the items at the price that was received for them in a subsequent cash sale of the item. The total noncash payment received by the Federation in exchange for booth space during the year was \$ 5,391.

NOTE I – CONSERVATION MEMBERSHIPS

The Federation organizes and produces three sportsmen's shows throughout the year. Individuals that purchase admission to the sportsmen's shows are asked to provide their name and address to the Federation so that the Federation can provide the individual with a Conservation Membership. The Conservation Members are contacted at various times throughout the year with information that the Federation feels would be of interest to the individuals. The Federation counts all persons with whom it regularly corresponds as members. Accordingly, the Federation records the revenues generated from the admissions at sportsmen's show as Conservation Membership revenue.

NOTE J – RELATED PARTY TRANSACTIONS

During the year, the Federation held an auction at its annual Sportsmen's Dinner. The auction was open to anyone in attendance. At this auction, there were items of limited value that of which various employees and board members of the Federation placed the winning bid. The total winning bid on all of these items was not significant. Payment for all winning bids was received by the Federation prior to the individuals taking possession of the items.

NOTE K – LOSS ON DISPOSITION OF ASSETS

During the year, the Board accepted the recommendation of the then CEO to pursue the sale of 42.736 undeveloped acres back to the individual who had donated the land to the Federation in 2006. The Board directed that the sales price be consistent with fair market values presented and that of the county tax assessor. On May 7, 2015, the donor re-purchased the land for \$55,000. While there was no cost to originally obtain the land, the carrying value of the acreage was \$705,000, based upon an independent appraisal obtained and provided by the donor at the time of donation. The difference between the carrying value and the sales price resulted in a reported \$650,000 loss on disposition of assets.