

**TENNESSEE WILDLIFE FEDERATION  
INCORPORATED AND AFFILIATES**

**CONSOLIDATED FINANCIAL STATEMENTS**

*As of and for the Years Ended June 30, 2018  
and 2017*

*And Report of Independent Auditor*

# TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES

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## **Report Independent Auditor**

To the Board of Directors  
Tennessee Wildlife Federation Incorporated and affiliates  
Nashville, Tennessee

We have audited the accompanying consolidated financial statements of Tennessee Wildlife Federation Incorporated and affiliates (a nonprofit organization) (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated 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.

### **Auditor's Responsibility**

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

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 21 and 22 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and activities and changes in net assets of the individual organizations, 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.

**Emphasis of Matter**

As described in Note 17 to the financial statements, the Organization restated the classification of contributions of net assets from organizations which ceased operations during fiscal year ended June 30, 2017 to properly reflect the change in the net assets from operations. Our opinion is not modified with respect to that matter.

**Prior Period Financial Statements**

The financial statements for the year ended June 30, 2017, was audited by other auditors whose report dated October 27, 2017 expressed an unmodified opinion on that statement.

A handwritten signature in blue ink that reads "Cheryl BeKaant LLP". The signature is written in a cursive, flowing style.

Nashville, Tennessee  
November 30, 2018

**TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

*JUNE 30, 2018 AND 2017*

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 875,177	\$ 1,242,365
Restricted cash and cash equivalents (Note 3)	2,171,687	2,046,460
Investments	1,647,647	1,594,850
Accounts receivable	199,409	39,629
Pledges receivable	78,575	55,000
Inventory	8,997	5,742
Prepaid expenses	44,337	48,583
Land held for others	56,000	-
Property and equipment, net accumulated depreciation of \$761,277 and \$705,243, respectively (Note 7)	507,332	506,782
Agency endowment fund (Note 12)	5,920	5,920
<b>Total Assets</b>	<u>\$ 5,595,081</u>	<u>\$ 5,545,331</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable	\$ 93,743	\$ 218,868
Accrued payroll	114,213	86,490
Accrued paid time off	75,069	61,301
Land held for others	56,000	-
<b>Total Liabilities</b>	<u>339,025</u>	<u>366,659</u>
Net Assets:		
Unrestricted:		
Designated - Wetland mitigation restrictions (Note 10)	2,136,695	2,123,492
Designated - endowment	46,920	42,381
Undesignated	2,454,066	2,356,920
Total Unrestricted	4,637,681	4,522,793
Temporarily restricted (Note 8)	331,038	368,542
Permanently restricted (Note 9)	287,337	287,337
<b>Total Net Assets</b>	<u>5,256,056</u>	<u>5,178,672</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 5,595,081</u>	<u>\$ 5,545,331</u>

**TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

YEAR ENDED JUNE 30, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue:				
Contributions	\$ 342,519	\$ 507,314	\$ -	\$ 849,833
Foundation and state grant revenue	614,874	126,250	-	741,124
Wetland mitigation credits	277,600	-	-	277,600
Special events and activities	404,664	-	-	404,664
Specialty license plates	144,053	19,023	-	163,076
Investment income	58,345	4,539	-	62,884
Miscellaneous income	18,244	-	-	18,244
Gifts in kind - goods	45,092	-	-	45,092
Net assets released from restriction	694,630	(694,630)	-	-
Total Support and Revenue	<u>2,600,021</u>	<u>(37,504)</u>	<u>-</u>	<u>2,562,517</u>
Expenses:				
Program Services:				
Education and outreach	1,561,869	-	-	1,561,869
Wetland mitigation	277,379	-	-	277,379
Total Program Services	<u>1,839,248</u>	<u>-</u>	<u>-</u>	<u>1,839,248</u>
Supporting Services:				
Management and general	204,011	-	-	204,011
Fundraising	441,874	-	-	441,874
Total Supporting Services	<u>645,885</u>	<u>-</u>	<u>-</u>	<u>645,885</u>
Total Expenses	<u>2,485,133</u>	<u>-</u>	<u>-</u>	<u>2,485,133</u>
Change in net assets	114,888	(37,504)	-	77,384
Net assets, beginning of year	<u>4,522,793</u>	<u>368,542</u>	<u>287,337</u>	<u>5,178,672</u>
Net assets, end of year	<u>\$ 4,637,681</u>	<u>\$ 331,038</u>	<u>\$ 287,337</u>	<u>\$ 5,256,056</u>

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

**TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**(AS RESTATED) (CONTINUED)**

YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue:				
Contributions	\$ 610,020	\$ 433,402	\$ -	\$ 1,043,422
Foundation and state grant revenue	359,000	143,000	-	502,000
Wetland mitigation credits	369,549	-	-	369,549
Special events and activities	333,913	-	-	333,913
Specialty license plates	129,553	18,525	-	148,078
Investment income	43,138	13,530	-	56,668
Miscellaneous income	16,637	-	-	16,637
Gifts in kind - goods	6,856	-	-	6,856
Net assets released from restriction	530,179	(530,179)	-	-
Total Support and Revenue	<u>2,398,845</u>	<u>78,278</u>	<u>-</u>	<u>2,477,123</u>
Expenses:				
Program Services:				
Education and outreach	1,278,988	-	-	1,278,988
Wetland mitigation	208,166	-	-	208,166
Total Program Services	<u>1,487,154</u>	<u>-</u>	<u>-</u>	<u>1,487,154</u>
Supporting Services:				
Management and general	191,241	-	-	191,241
Fundraising	420,165	-	-	420,165
Total Supporting Services	<u>611,406</u>	<u>-</u>	<u>-</u>	<u>611,406</u>
Total Expenses	<u>2,098,560</u>	<u>-</u>	<u>-</u>	<u>2,098,560</u>
Change in net assets from operations	300,285	78,278	-	378,563
Contribution of net assets from National Ecological Foundation, Inc.	1,674,771	-	-	1,674,771
Contribution of net assets from Brooks Foundation	100,995	-	-	100,995
Change in net assets	2,076,051	78,278	-	2,154,329
Net assets, beginning of year	2,446,742	290,264	287,337	3,024,343
Net assets, end of year	<u>\$ 4,522,793</u>	<u>\$ 368,542</u>	<u>\$ 287,337</u>	<u>\$ 5,178,672</u>

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

**TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES**  
**CONSOLIDATED STATEMENTS CASH FLOWS**

*JUNE 30, 2018 AND 2017*

	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 77,384	\$ 2,154,329
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	60,793	53,804
Donated investments	-	(1,405,871)
Donated property	-	(268,900)
Purchase of land held for others	(56,000)	-
Increase in restricted cash and cash equivalents	(125,227)	(52,855)
Net realized and unrealized (gain) loss on investments	(22,660)	(38,613)
Gain on disposal of property and equipment	560	-
(Gain) loss on agency endowment fund	-	(173)
Changes in operating assets and liabilities:		
Accounts receivable	(159,780)	(7,823)
Pledges receivable	(23,575)	40,500
Prepaid expenses	4,246	(2,186)
Inventory	(3,255)	410
Accounts payable	(125,125)	(8,792)
Accrued payroll	27,723	41,427
Accrued paid time off	13,768	4,362
Land held for others	56,000	-
Net cash (used in) provided by operating activities	<u>(275,148)</u>	<u>509,619</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(61,903)	(53,174)
Purchases of investments	(130,137)	(39,284)
Proceeds from sale of investments	100,000	3,766
Net cash used in investing activities	<u>(92,040)</u>	<u>(88,692)</u>
(Decrease) Increase in cash	(367,188)	420,927
Cash and cash equivalents, beginning of year	1,242,365	821,438
Cash and cash equivalents, end of year	<u>\$ 875,177</u>	<u>\$ 1,242,365</u>
<b>Supplemental disclosure of cash flow information:</b>		
Donated investments	<u>\$ -</u>	<u>\$ 1,405,871</u>
Donated property	<u>\$ -</u>	<u>\$ 268,900</u>



**TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**

YEAR ENDED JUNE 30, 2018

	Program Services			Supporting Services		Total Expenses
	Education and Outreach	Wetland Mitigation	Total Program Expenses	Management and General	Fundraising	
Salaries, taxes, and benefits	\$ 805,065	\$ 90,144	\$ 895,209	\$ 68,306	\$ 376,563	\$ 1,340,078
Youth engagement events	271,672	-	271,672	-	6,361	278,033
Project design, management, and easements	-	155,197	155,197	-	-	155,197
Contract labor and services	125,882	-	125,882	12,000	175	138,057
Travel and meetings	58,888	1,971	60,859	4,850	24,975	90,684
HFTH processing fees	72,144	-	72,144	-	-	72,144
Insurance	33,946	1,504	35,450	33,218	822	69,490
Depreciation	22,661	-	22,661	38,132	-	60,793
Professional fees	11,666	15,063	26,729	17,089	-	43,818
Supplies and technology	25,164	1,408	26,572	3,329	11,753	41,654
Gifts in kind - goods	40,348	-	40,348	-	-	40,348
Scholarships and grants	28,900	-	28,900	-	-	28,900
Advertising and communications	20,916	-	20,916	-	4,324	25,240
Telephone and internet	14,766	992	15,758	3,028	5,675	24,461
Occupancy	1,887	11,100	12,987	5,704	4,321	23,012
Fees and bank charges	3,680	-	3,680	7,464	-	11,144
Postage and freight	5,525	-	5,525	1,276	3,265	10,066
Marketing	7,657	-	7,657	-	1,798	9,455
Dues and fees	3,451	-	3,451	3,766	426	7,643
Repairs and maintenance	2,396	-	2,396	4,863	-	7,259
Equipment leases	2,986	-	2,986	986	1,416	5,388
Merchandise and materials	2,269	-	2,269	-	-	2,269
<b>Total expenses</b>	<b>\$ 1,561,869</b>	<b>\$ 277,379</b>	<b>\$ 1,839,248</b>	<b>\$ 204,011</b>	<b>\$ 441,874</b>	<b>\$ 2,485,133</b>

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

**TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)**

YEAR ENDED JUNE 30, 2017

	Program Services			Supporting Services		Total Expenses
	Education and Outreach	Wetland Mitigation	Total Program Expenses	Management and General	Fundraising	
Salaries, taxes, and benefits	\$ 637,273	\$ 97,441	\$ 734,714	\$ 71,716	\$ 355,152	\$ 1,161,582
Youth engagement events	264,857	-	264,857	753	417	266,027
Contract labor and services	45,639	48,890	94,529	6,700	2,097	103,326
Professional fees	5,453	44,388	49,841	48,215	446	98,502
Travel and meetings	52,232	1,243	53,475	2,048	21,254	76,777
Insurance	49,453	2,363	51,816	14,260	579	66,655
HFTH processing fees	66,265	-	66,265	-	-	66,265
Depreciation	37,925	-	37,925	6,005	9,874	53,804
Supplies and technology	26,141	96	26,237	1,757	13,327	41,321
Telephone and internet	8,368	923	9,291	11,382	3,519	24,192
Advertising and communications	20,290	-	20,290	-	1,625	21,915
Merchandise and materials	19,855	-	19,855	-	-	19,855
Occupancy	1,529	11,100	12,629	3,033	3,353	19,015
Scholarships and grants	17,531	-	17,531	100	-	17,631
Marketing	10,016	-	10,016	-	3,924	13,940
Postage and freight	2,546	-	2,546	3,835	3,036	9,417
Dues and fees	4,992	1,517	6,509	2,043	350	8,902
Fees and bank charges	966	-	966	7,559	285	8,810
Gifts in kind - goods	4,011	-	4,011	2,845	-	6,856
Equipment lease	3,559	-	3,559	563	927	5,049
Property tax	-	-	-	4,857	-	4,857
Repairs and maintenance	87	205	292	3,570	-	3,862
<b>Total expenses</b>	<b>\$ 1,278,988</b>	<b>\$ 208,166</b>	<b>\$ 1,487,154</b>	<b>\$ 191,241</b>	<b>\$ 420,165</b>	<b>\$ 2,098,560</b>

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

# TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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### Note 1—Organization and purpose

Tennessee Wildlife Federation Incorporated and affiliates (the “Organization”) is a Tennessee not-for-profit corporation that exists to connect people with the great outdoors to ensure the conservation of Tennessee’s natural treasures, especially fish and wildlife habitat, for future generations to enjoy. Tennessee Wildlife Federation Incorporated (“TWF”) was founded as the Tennessee Conservation League in 1946 and is one of the oldest and the largest Tennessee statewide nonprofit organizations dedicated to the conservation of wildlife and natural resources through stewardship, advocacy and education. The Tennessee Wildlife Federation Foundation (the “Foundation”) was founded in 1977 solely for the use and benefit of the TWF. TWF also owns a membership interest in the Tennessee Mitigation Fund, LLC (the “Mitigation Fund”). The Mitigation Fund, which was formed in 2014, operates as a single member limited liability company for the preservation and restoration of Tennessee wetlands. The mission of TWF is “to lead the conservation, sound management, and wise use of Tennessee’s wildlife and great outdoors” and is accomplished through education and outreach and wetland mitigation programs:

*Youth Engagement* – TWF introduces over 2,200 youth annually to the outdoors through the Tennessee Scholastic Clay Target (TNSCTP) and Youth Hunting and Fishing programs. A recent national study cited TWF’s work among the top of its kind nationwide for hunter recruitment, illustrating the link between the shooting sports, and getting kids afield while increasing positive attitudes towards stewardship of the outdoors.

*Land Management & Restoration* – Since 1998, TWF’s Hunters for the Hungry (HFTH) Program has collected over 1.5 million pounds off venison, providing more than six million meals through partnerships with food banks and soup kitchens. Through the Habitat Conservation and the Tennessee Mitigation Fund programs, TWF holds three conservation easements which protects nearly 11,000 acres of wildlife habitat statewide.

*Conservation Public Policy* – On local and federal levels, TWF engages daily on wildlife and natural resource conservation policy and looks for common sense solutions to complex problems affecting wildlife and its management, in order to ensure its abundance for the next generation.

The Organization receives contributions from individuals, foundations, and corporations and grants from state agencies related to its primary purpose. The Organization also receives revenues by selling wetland mitigation credits.

### Note 2—Summary of significant accounting policies

The consolidated financial statements include the accounts of the TWF, the Foundation, and the Mitigation Fund and have been prepared on the accrual basis of accounting, which means that revenues are recognized when earned and expenses are recorded when incurred. The financial statements are consolidated since TWF has both an economic interest in the Foundation and control through the Foundation’s Board and TWF is the sole member of the Mitigation Fund. All significant transactions and balances between the three organizations have been eliminated in consolidation. The significant accounting policies of the Organization are described below to enhance the usefulness of the consolidated financial statements to the reader.

# TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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### Note 2—Summary of significant accounting policies (continued)

*Use of Estimates* – The preparation of consolidated 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Financial Statement Presentation* – For financial statement presentation, the Organization reports its financial information according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based on the existence or absence of donor-imposed restrictions.

*Unrestricted Net Assets* – Unrestricted net assets are donations that are not subject to donor-imposed stipulations. Monies received without restriction or released from restriction are generally used to finance the normal day-to-day operations of the Organization.

*Temporarily Restricted Net Assets* – Temporarily restricted net assets are donations that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. At June 30, 2018 and 2017, there were \$331,038 and \$368,542, respectively, of funds subject to various donor-imposed restrictions (See Note 8).

*Permanently Restricted Net Assets* – Permanently restricted net assets are donations subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific use (See Note 9).

*Investments* – Investments are carried at fair value based on the quoted market price on the last business day of the reporting period. Changes in unrealized gains and losses on investments are recognized in the consolidated statement of activities for the year.

*Fair Value Measurements* – The Organization has adopted ASC 820, *Fair Value Measurements*. This standard defines fair value, provides guidance for measuring fair value, and requires certain disclosures. The standard utilizes a fair value hierarchy which is categorized into three levels based on the inputs to the valuation techniques used to measure fair value. The standard does not require any new fair value measurements, but discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The Organization’s investments are measured on a recurring basis at fair value at the reporting date using quoted prices in active markets for identical assets (Level 1).

*Accounts Receivable* – Accounts receivable are recorded when related revenue is earned. The Organization expenses bad debts in the period in which the receivable is deemed uncollectible. No allowance for doubtful accounts has been recorded at June 30, 2018 and 2017 as management believes all amounts are fully collectible.

# TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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### Note 2—Summary of significant accounting policies (continued)

*Pledges Receivable* – Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable 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 estimated future cash flows (unless immaterial). Conditional promises to give are not included as support until such time as the conditions are substantially met. No allowance for doubtful pledges has been recorded at June 30, 2018 and 2017 as management believes all amounts are fully collectible.

*Property and Equipment* – Property and equipment are recorded at cost, when purchased, or at estimated fair value, when gifted to the Organization. Significant additions and betterments are capitalized. Expenditures for maintenance, repairs, and minor renewals are charged to expense as incurred. Depreciation is calculated by the straight-line method to allocate the cost of depreciable assets, as so determined, to operations over the estimated useful lives as follows:

Building	20 years
Building improvements	5 - 20 years
Furniture and equipment	3 - 7 years
Program services equipment	5 years
Website	5 years
Vehicle	3 years

*Conservation Easement* – Conservation easements held by the Organization are not recognized as capitalized assets in the accompanying consolidated financial statements. Assets are defined as items that will provide future economic benefits obtained or controlled by an entity. The Organization does not believe that the easements meet the definition of criteria. The cost of obtaining conservation easements is expensed when the easement is acquired.

*Agency Endowment Fund* – The Organization's beneficial interest in an agency endowment fund held by the Community Foundation of Middle Tennessee is recognized as an asset. Investment income and changes in the value of the fund are recognized in the consolidated statement of activities, and distributions received from the fund are recorded as decreases in the beneficial interest.

*Advertising Costs* – The cost of advertising, communications, and marketing expenditures is expensed when incurred. Advertising and communications expense and marketing expense amounted to \$25,240 and \$9,455, respectively, for the year ended June 30, 2018, and \$21,915 and \$13,940, respectively, for the year ended June 30, 2017.

*Donated Services and Facilities* – The Organization reports any gifts of equipment or materials as unrestricted support, absent any explicit donor restrictions as to how the assets must be used. Gifts of long-lived assets and/or support that are restricted to the acquisition of long-lived assets are reported as restricted support. Expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service.

Donated facilities and materials are recorded as gifts in the period received at their estimated fair value, if there is an objective and measurable basis for determining such value.

Donated services are recognized if they create or enhance non-financial assets or if the donated service requires specialized skills, was performed by a donor who possesses such skills, and would have been purchased by the Organization if not donated. Such services are recognized at estimated fair value as support and expense in the period the services are performed.

# TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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### Note 2—Summary of significant accounting policies (continued)

Members of the Board have provided substantial assistance to the Organization by the donation of time and services. The value of this contribution is not reflected in the consolidated financial statements since it is not susceptible to objective measurement and valuation.

*Allocation of Functional Expenses* – Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity based on objectively evaluated financial and non-financial data or reasonable subjective methods determined by management.

*Program and Supporting Services* – The following program and supporting services are included in the accompanying consolidated financial statements:

#### **Program Services:**

*Education and Outreach* – advocates sound natural resource policies, provides various educational programs that promote understanding of Tennessee’s environment, and encourages natural resource conservation and community planning that balances conservation needs with sound economic growth.

*Tennessee Mitigation Fund* – the fund collects fees on behalf of the public to pool together and fund the repair and maintenance of restored wetland mitigation sites (See Notes 3 and 10)

#### **Supporting Services:**

*Management and General* – relates to the overall direction of the Organization. These expenses are not identifiable with a particular program or with fundraising, but are indispensable to the conduct of those activities and essential to the Organization. Specific activities include organizational oversight, business management, record-keeping, budgeting, financing, and other administrative activities.

*Fundraising* – includes costs of activities directed toward appeals for financial support, including special events. Other activities include the cost of solicitation and creation and distribution of fundraising materials.

*Income Taxes* – The TWF and the Foundation are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

The Organization follows Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) guidance on accounting for uncertainty in income taxes. For all tax positions taken by the Organization, management believes it is clear that the likelihood is greater than 50% that the full amount of the tax positions taken will be ultimately realized.

*Subsequent Events* – The Organization evaluated subsequent events through November 30, 2018, when these consolidated financial statements were available to be issued.

# TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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### Note 2—Summary of significant accounting policies (continued)

*Future Pronouncements* – In August 2016, FASB issued accounting standard, ASU 2016-14, *Not-for-Profit Entities: Presentation of Financial Statements for Not-for-Profit Entities (Topic 958)*, intended to improve financial reporting for not-for-profit entities. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the statements of activities. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU will be effective for the Organization on July 1, 2018. Early adoption is permitted. The Organization is currently evaluating the effect that the standard will have on its financial statements and related disclosures.

### Note 3—Cash and cash equivalents and restricted cash and cash equivalents

For purposes of the consolidated statement of cash flows, the Organization considers cash funds and cash bank accounts to be cash and cash equivalents other than funds held for the Mitigation Fund.

The Mitigation Fund is subject to oversight by the United States Army Corps of Engineers and is required to maintain cash funds for use on approved projects to restore, establish, enhance, and/or preserve aquatic resources and associated upland buffers. In accordance with the agreement with the United States Army Corps of Engineers, the Organization must separately track funds received in the program. These funds cannot be used for any other purposes. Restricted cash and cash equivalents for this purpose are \$2,183,136 and \$2,046,460 at June 30, 2018 and 2017, respectively.

### Note 4—Investments

The Organization has adopted the provisions of the Fair Value Measurement Topic of the FASB ASC, which establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that TWF has the ability to access.
- Level 2 – Inputs to the valuation methodology include the following:
- quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets or liabilities in inactive markets;
  - inputs other than quoted prices that are observable for the asset or liability; and
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

JUNE 30, 2018 AND 2017

**Note 4—Investments (continued)**

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodology used at June 30, 2018 and 2017. A description of the valuation methodology used for assets measured at fair value is as follows:

*Common Stocks, U.S. Government Securities, Corporate Bonds, Commercial Paper, Equity Securities, and Short-Term Investments* – valued at the closing price reported on the active market on which the individual securities are traded.

The following table sets forth by level, within the fair value hierarchy, TWF's investments at fair value as of June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Equity	\$ 1,215,098	\$ -	\$ -	\$ 1,215,098
Fixed income	354,381	-	-	354,381
Total mutual funds	<u>1,569,479</u>	<u>-</u>	<u>-</u>	<u>1,569,479</u>
Short-term investments -				
Money market funds	78,167	-	-	78,167
Total assets at fair value	<u>\$ 1,647,646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,647,646</u>

The following table sets forth by level, within the fair value hierarchy, TWF's investments at fair value as of June 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Equity	\$ 1,104,209	\$ -	\$ -	\$ 1,104,209
Fixed income	351,671	-	-	351,671
Total mutual funds	<u>1,455,880</u>	<u>-</u>	<u>-</u>	<u>1,455,880</u>
Short-term investments -				
Money market funds	138,970	-	-	138,970
Total assets at fair value	<u>\$ 1,594,850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,594,850</u>



**TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*JUNE 30, 2018 AND 2017*

**Note 4—Investments (continued)**

The following schedule summarizes the total investment return for all investments in the consolidated statements of activities for the years ended June 30:

	<u>2018</u>	<u>2017</u>
Interest and dividend income	\$ 40,224	\$ 18,055
Net realized and unrealized gain (loss) on investments	<u>22,660</u>	<u>38,613</u>
	<u>\$ 62,884</u>	<u>\$ 56,668</u>

**Note 5—Inventory**

The Organization has recorded inventory consisting of ammunition. The inventory is recorded at cost which approximates fair market value and amounted to \$8,997 and \$5,742 at June 30, 2018 and 2017, respectively.

**Note 6—Land held for others**

The Organization purchased a piece of land for another organization (the “client”) as part of the Organization’s wetland and ecological services program. At the conclusion of the stream and wetland restoration project, the land will be transferred to the client. The land purchase was funded by the client, but is legally owned by the Organization. Accordingly, the Organization has recorded an asset and a liability for \$56,000 to reflect this transaction.

**Note 7—Property and equipment**

Property and equipment consists of the following at June 30:

	<u>2018</u>	<u>2017</u>
Land	\$ 263,593	\$ 263,593
Building	334,309	334,309
Vehicles	12,780	12,780
Furniture and equipment	152,768	158,365
Program services equipment	311,653	264,973
Website	41,383	41,383
Building improvements	<u>152,123</u>	<u>136,622</u>
	1,268,609	1,212,025
Less accumulates depreciation	<u>(761,277)</u>	<u>(705,243)</u>
Property and equipment	<u>\$ 507,332</u>	<u>\$ 506,782</u>

**TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*JUNE 30, 2018 AND 2017*

**Note 8—Temporarily restricted net assets**

The Organization has received contributions from donors with the stipulation that such contributions are to be used for specific purposes. Temporarily restricted net assets consist of the following at June 30:

	<u>2018</u>	<u>2017</u>
Hunters for the Hungry	\$ 105,880	\$ 152,104
Strategic plan	114,806	112,408
Time restricted	72,500	55,000
Other	37,211	48,389
Endowment earnings	641	641
Total temporarily restricted net assets	<u>\$ 331,038</u>	<u>\$ 368,542</u>

**Note 9—Permanently restricted net assets**

Permanently restricted net assets consist of \$200,000 of the net assets held in the Foundation, \$82,058 related to a conservation easement, and \$5,279 related to the Agency Endowment fund discussed in Note 12.

As of June 30, 2018 and 2017, the sole assets of the Foundation include the land, building, and improvements which were acquired for the benefit of the TWF. Permanently restricted funds of the Foundation were invested in this property. The acquisition cost was approximately \$323,000; however, at June 30, 2018 and 2017, the net book value of the property was less than the \$200,000. Management estimates that the fair value of this property exceeds \$200,000. In the event the property is ever sold, \$200,000 of the proceeds are required to be retained by the Foundation for future investment.

Permanently restricted net assets consist of the following at June 30:

	<u>2018</u>	<u>2017</u>
Foundation (land, building, and improvements)	\$ 200,000	\$ 200,000
Conservation easement	82,058	82,058
Agency fund	5,279	5,279
Total	<u>\$ 287,337</u>	<u>\$ 287,337</u>

**Note 10—Wetland mitigation**

The Organization collects fees to fund the restoration of wetland habitat. Revenue for the fund is recorded when the funds are received and the certificate is issued. The Organization will identify mitigation sites and work with landowners to restore those sites to permanent functioning wetlands. After construction, the site must be monitored annually for five years and again at seven and ten years to ensure the successful restoration. By rule, a percentage of project revenues will be held in a “Long-Term Monitoring & Maintenance Fund”. Funds collected through sales of credits are board designated for the wetland mitigation program in accordance with requirements discussed in Note 3.

# TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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### Note 11—Endowment

The Organization's endowment consists of a permanently restricted contribution for the monitoring of a conservation easement and an Agency Endowment Fund which is discussed in Note 9. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

*Interpretation of Relevant Law* – The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, TWF considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds: (1) The duration and preservation of the fund, (2) The purposes of the organization and the donor-restricted endowment fund, (3) General economic conditions, (4) The possible effect of inflation and deflation, (5) The expected total return from income and the appreciation of investments, (6) Other resources of the organization, and (7) The investment policies of the Organization.

*Funds with Deficiencies* – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2018 and 2017.

*Return Objectives and Risk Parameters* – The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide an average rate of return of approximately 6% annually. Actual returns in any given year may vary from this amount.

*Strategies Employed for Achieving Objectives* – To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

*Spending Policy and How the Investment Objectives Relate to Spending Policy* – The Organization has a policy of appropriating for distribution each year the earnings of the investment for the continued monitoring of the easement.

**TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*JUNE 30, 2018 AND 2017*

**Note 11—Endowment (continued)**

Endowment fund activity for the year ended June 30, 2018 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Donor restricted:</b>				
Endowment net assets, June 30, 2017	\$ -	\$ 641	\$ 87,337	\$ 87,978
Investment income	-	-	-	-
Endowment net assets, June 30, 2018	<u>-</u>	<u>641</u>	<u>87,337</u>	<u>87,978</u>
<b>Board designated:</b>				
Endowment net assets, June 30, 2017	42,381	-	-	42,381
Investment income	<u>4,539</u>	<u>-</u>	<u>-</u>	<u>4,539</u>
Endowment net assets, June 30, 2018	<u>46,920</u>	<u>-</u>	<u>-</u>	<u>46,920</u>
Total endowment net assets, June 30, 2018	<u>\$ 46,920</u>	<u>\$ 641</u>	<u>\$ 87,337</u>	<u>\$ 134,898</u>

Endowment fund activity for the year ended June 30, 2017 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Donor restricted:</b>				
Endowment net assets, June 30, 2016	\$ -	\$ 468	\$ 87,337	\$ 87,805
Investment income	-	173	-	173
Endowment net assets, June 30, 2017	<u>-</u>	<u>641</u>	<u>87,337</u>	<u>87,978</u>
<b>Board designated:</b>				
Endowment net assets, June 30, 2016	29,024	-	-	29,024
Investment income	<u>13,357</u>	<u>-</u>	<u>-</u>	<u>13,357</u>
Endowment net assets, June 30, 2017	<u>42,381</u>	<u>-</u>	<u>-</u>	<u>42,381</u>
Total endowment net assets, June 30, 2017	<u>\$ 42,381</u>	<u>\$ 641</u>	<u>\$ 87,337</u>	<u>\$ 130,359</u>

# TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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### Note 12—Agency endowment fund

The Organization has a beneficial interest in the Tennessee Wildlife Federation Fund (the “Fund”), an agency endowment fund held by the Community Foundation of Middle Tennessee (the “Community Foundation”). Earnings on this fund are used to benefit various programs for TWF. The Fund is charged a 0.4% administrative fee annually. Upon request by the Organization, income from the Fund representing a 5% annual return may be distributed to the Organization or to another suggested beneficiary. Earnings in excess of 5% are added to principal.

### Note 13—Credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and investments, pledges receivable, and accounts receivable. Cash balances are maintained with financial institutions and are insured up to \$250,000 by the Federal Deposit Insurance Corporation. The Organization maintains accounts with balances in excess of insured limits; however, management believes risk relating to such deposits is minimal based on the credit rating of its depositories. Pledges and accounts receivable represent concentrations of credit risk to the extent they are receivable from concentrated sources.

The Organization utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of financial position.

The Organization’s operations are concentrated in Tennessee.

### Note 14—Pension plan

The Organization has a simple IRA for its employees. The plan calls for the Organization to match 100% of elective deferrals by employees up to 3% of the employee’s salary. The total cost for matching deferrals for the years ended June 30, 2018 and 2017 were \$29,988 and \$23,421, respectively.

### Note 15—Donated assets

During fiscal year 2017, the Organization recorded contributions for donated cash, investments, and property from the following organizations which dissolved, but shared common goals and purposes with TWF:

National Ecological Foundation, Inc. - investments	\$ 1,405,871
National Ecological Foundation, Inc. - property	268,900
Brooks Foundation - cash	100,995
Total donated assets	<u>\$ 1,775,766</u>

These donations are considered to be one-time events for the Organization.

**TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*JUNE 30, 2018 AND 2017*

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**Note 16—Concentration**

In addition to the information in Note 13, one donor, or the respective donor's foundation, made contributions to TWF representing 12% and 8% of total support and revenue for the years ended June 30, 2018 and 2017, respectively.

**Note 17—Restatement**

A correction was made to the 2017 financial statements. This correction was necessary to properly record assets received from organizations that ceased operations during fiscal year 2017 (see Note 15). The financial statement presentation of the receipt of these assets, initially recorded as unrestricted contributions in the change in net assets from operations, have been reflected in the accompanying restated financial statements as contributions of net assets from the noted organizations below change in net assets from operations.

**SUPPLEMENTARY INFORMATION**

**TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES**  
**CONSOLIDATING STATEMENTS OF FINANCIAL POSITION**

JUNE 30, 2018

	Tennessee Wildlife Federation Inc.	Tennessee Mitigation Fund, LLC	Tennessee Wildlife Federation Foundation, Inc.	Consolidating Entries	Consolidated Total
<b>Assets</b>					
Cash and cash equivalents	\$ 875,177	\$ -	\$ -	\$ -	\$ 875,177
Restricted cash and cash equivalents	-	2,171,687	-	-	2,171,687
Investments	129,020	-	1,518,627	-	1,647,647
Accounts receivable	199,409	-	-	-	199,409
Pledges receivable	78,575	-	-	-	78,575
Intercompany receivables	40,723	-	22,273	(62,996)	-
Inventory	8,997	-	-	-	8,997
Prepaid expenses	44,337	-	-	-	44,337
Land held for others	56,000	-	-	-	56,000
Property and equipment, net	144,259	-	363,073	-	507,332
Agency endowment fund	5,920	-	-	-	5,920
<b>Total Assets</b>	<b>\$ 1,582,417</b>	<b>\$ 2,171,687</b>	<b>\$ 1,903,973</b>	<b>\$ (62,996)</b>	<b>\$ 5,595,081</b>
<b>Liabilities and Net Assets</b>					
Liabilities:					
Accounts payable	\$ 90,965	\$ 2,778	\$ -	\$ -	\$ 93,743
Intercompany payables	22,273	32,214	8,509	(62,996)	-
Accrued payroll	114,213	-	-	-	114,213
Accrued paid time off	75,069	-	-	-	75,069
Land held for others	56,000	-	-	-	56,000
<b>Total Liabilities</b>	<b>358,520</b>	<b>34,992</b>	<b>8,509</b>	<b>(62,996)</b>	<b>339,025</b>
Net Assets:					
Unrestricted					
Designated - Tennessee Mitigation Fund	-	2,136,695	-	-	2,136,695
Designated - endowment	46,920	-	-	-	46,920
Undesignated	758,602	-	1,695,464	-	2,454,066
<b>Total Unrestricted</b>	<b>805,522</b>	<b>2,136,695</b>	<b>1,695,464</b>	<b>-</b>	<b>4,637,681</b>
Temporarily restricted	331,038	-	-	-	331,038
Permanently restricted	87,337	-	200,000	-	287,337
<b>Total Net Assets</b>	<b>1,223,897</b>	<b>2,136,695</b>	<b>1,895,464</b>	<b>-</b>	<b>5,256,056</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,582,417</b>	<b>\$ 2,171,687</b>	<b>\$ 1,903,973</b>	<b>\$ (62,996)</b>	<b>\$ 5,595,081</b>



**TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES**  
**CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

JUNE 30, 2018

	Tennessee Wildlife Federation Inc.	Tennessee Mitigation Fund, LLC	Tennessee Wildlife Federation Foundation, Inc.	Consolidating Entries	Consolidated Total
Support and Revenue:					
Contributions	\$ 949,833	\$ -	\$ 122,273	\$ (222,273)	\$ 849,833
Foundation and state grant revenue	741,124	-	-	-	741,124
Wetland mitigation credits	-	277,600	-	-	277,600
Special events and activities	521,419	-	-	(116,755)	404,664
Specialty license plates	163,076	-	-	-	163,076
Investment income	4,538	-	58,346	-	62,884
Miscellaneous income	5,262	12,982	-	-	18,244
Gifts in kind - goods	45,092	-	-	-	45,092
Total Support and Revenue	<u>2,430,344</u>	<u>290,582</u>	<u>180,619</u>	<u>(339,028)</u>	<u>2,562,517</u>
Expenses:					
Salaries, taxes, and benefits	1,340,078	90,144	-	(90,144)	1,340,078
Youth engagement events	278,033	-	-	-	278,033
Project design, management, and easements	-	155,197	-	-	155,197
Contract labor and services	138,057	-	-	-	138,057
Travel and meetings	90,676	1,971	-	(1,963)	90,684
HFTH processing fees	72,144	-	-	-	72,144
Insurance	69,490	1,504	-	(1,504)	69,490
Depreciation	42,596	-	18,197	-	60,793
Professional fees	31,134	15,063	-	(2,379)	43,818
Supplies and technology	41,652	1,408	-	(1,406)	41,654
In-kind donations	40,348	-	-	-	40,348
Scholarships and grants	151,173	-	100,000	(222,273)	28,900
Advertising and communications	25,240	-	-	-	25,240
Telephone and internet	24,461	992	-	(992)	24,461
Occupancy	23,012	11,100	-	(11,100)	23,012
Other	9,012	-	2,492	(360)	11,144
Postage and freight	10,066	-	-	-	10,066
Marketing	9,455	-	-	-	9,455
Dues and fees	14,550	-	-	(6,907)	7,643
Repairs and maintenance	6,613	-	646	-	7,259
Equipment leases	5,388	-	-	-	5,388
Merchandise and materials	2,269	-	-	-	2,269
Total Expenses	<u>2,425,447</u>	<u>277,379</u>	<u>121,335</u>	<u>(339,028)</u>	<u>2,485,133</u>
Change in net assets	4,897	13,203	59,284	-	77,384
Net assets, beginning of year	1,219,000	2,123,492	1,836,180	-	5,178,672
Net assets, end of year	<u>\$ 1,223,897</u>	<u>\$ 2,136,695</u>	<u>\$ 1,895,464</u>	<u>\$ -</u>	<u>\$ 5,256,056</u>