

**TENNESSEE WILDLIFE FEDERATION
INCORPORATED AND AFFILIATES**

CONSOLIDATED FINANCIAL STATEMENTS

As of and for the Years Ended June 30, 2019 and 2018

And Report of Independent Auditor

TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES
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Report of 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 statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the 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 Tennessee Wildlife Federation Incorporated and affiliates as of June 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.

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.

Changes in Financial Statement Presentation

As discussed in Note 2 of the consolidated financial statements, Tennessee Wildlife Federation Incorporated and affiliates adopted Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements for Not-for-Profit Entities*. The ASU has been applied retrospectively to all periods presented with the exception of the disclosure of liquidity and availability of resources, which has been implemented prospectively as allowed under the provisions of ASU 2016-14. Our opinion is not modified with respect to this matter.



Nashville, Tennessee
January 2, 2020

TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Cash and cash equivalents (Note 3)	\$ 612,424	\$ 875,177
Restricted cash and cash equivalents (Note 3)	2,559,519	2,171,687
Investments	1,636,902	1,647,647
Accounts receivable	215,523	199,409
Pledges receivable	205,815	78,575
Inventory	4,543	8,997
Prepaid expenses	30,954	44,337
Land held for others	56,000	56,000
Property and equipment, net accumulated depreciation of \$811,262 and \$761,277, respectively (Note 7)	495,221	507,332
Agency endowment fund (Note 12)	5,920	5,920
Total Assets	\$ 5,822,821	\$ 5,595,081
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 73,549	\$ 93,743
Accrued payroll	118,814	114,213
Accrued paid time off	57,118	75,069
Land held for others	56,000	56,000
Total Liabilities	305,481	339,025
Net Assets:		
Without Donor Restrictions:		
Designated - Wetland mitigation (Note 9)	2,434,285	2,136,695
Designated - endowment	54,025	46,920
Designated - operating reserves	265,000	-
Designated - discretionary reserves	50,000	-
Designated - working capital reserves	100,000	-
Undesignated	2,053,563	2,454,066
Total Without Donor Restrictions	4,956,873	4,637,681
With Donor Restrictions	560,467	618,375
Total Net Assets	5,517,340	5,256,056
Total Liabilities and Net Assets	\$ 5,822,821	\$ 5,595,081

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

YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions	\$ 632,879	\$ 417,164	\$ 1,050,043
Foundation and state grant revenue	529,813	74,917	604,730
Wetland mitigation credits	784,200	-	784,200
Special events and activities	386,258	-	386,258
Specialty license plates	170,643	21,365	192,008
Investment income	81,660	7,105	88,765
Miscellaneous income	32,519	-	32,519
Interest income	25,742	-	25,742
Gifts in kind - goods	16,947	-	16,947
Net assets released from restrictions	578,459	(578,459)	-
Total Support and Revenue	<u>3,239,120</u>	<u>(57,908)</u>	<u>3,181,212</u>
Expenses:			
Program Services:			
Education and outreach	1,464,054	-	1,464,054
Tennessee mitigation fund	441,634	-	441,634
Total Program Services	<u>1,905,688</u>	<u>-</u>	<u>1,905,688</u>
Supporting Services:			
Management and general	635,461	-	635,461
Fundraising	378,779	-	378,779
Total Supporting Services	<u>1,014,240</u>	<u>-</u>	<u>1,014,240</u>
Total Expenses	<u>2,919,928</u>	<u>-</u>	<u>2,919,928</u>
Change in net assets	319,192	(57,908)	261,284
Net assets, beginning of year	4,637,681	618,375	5,256,056
Net assets, end of year	<u>\$ 4,956,873</u>	<u>\$ 560,467</u>	<u>\$ 5,517,340</u>

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

YEAR ENDED JUNE 30, 2018

	Without Donor Restrictions	With Donor Restrictions	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 restrictions	694,630	(694,630)	-
Total Support and Revenue	<u>2,600,021</u>	<u>(37,504)</u>	<u>2,562,517</u>
Expenses:			
Program Services:			
Education and outreach	1,561,869	-	1,561,869
Tennessee mitigation fund	277,379	-	277,379
Total Program Services	<u>1,839,248</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>645,885</u>
Total Expenses	<u>2,485,133</u>	<u>-</u>	<u>2,485,133</u>
Change in net assets	114,888	(37,504)	77,384
Net assets, beginning of year	4,522,793	655,879	5,178,672
Net assets, end of year	<u>\$ 4,637,681</u>	<u>\$ 618,375</u>	<u>\$ 5,256,056</u>

TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 261,284	\$ 77,384
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	62,488	60,793
Purchase of land held for others	-	(56,000)
Increase in restricted cash and cash equivalents	(387,832)	(125,227)
Net realized and unrealized gain on investments	(38,327)	(22,660)
Gain on disposal of property and equipment	-	560
Changes in operating assets and liabilities:		
Accounts receivable	(16,114)	(159,780)
Pledges receivable	(127,240)	(23,575)
Prepaid expenses	13,383	4,246
Inventory	4,454	(3,255)
Accounts payable	(20,194)	(125,125)
Accrued payroll	4,601	27,723
Accrued paid time off	(17,951)	13,768
Land held for others	-	56,000
Net cash used in operating activities	<u>(261,448)</u>	<u>(275,148)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(50,377)	(61,903)
Purchases of investments	(248,087)	(130,137)
Proceeds from sale of investments	297,159	100,000
Net cash used in investing activities	<u>(1,305)</u>	<u>(92,040)</u>
Decrease in cash	(262,753)	(367,188)
Cash and cash equivalents, beginning of year	875,177	1,242,365
Cash and cash equivalents, end of year	<u>\$ 612,424</u>	<u>\$ 875,177</u>

TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019

	Program Services			Supporting Services		Total Expenses
	Education and Outreach	Tennessee Mitigation Fund	Total Program Expenses	Management and General	Fundraising	
Salaries, taxes, and benefits	\$ 650,108	\$ -	\$ 650,108	\$ 414,962	\$ 318,138	\$ 1,383,208
Project design, management, and easements	-	434,309	434,309	-	-	434,309
Youth engagement events	288,947	-	288,947	1,595	-	290,542
Contract labor and services	210,222	-	210,222	13,667	1,731	225,620
Gifts in kind	16,947	-	16,947	-	-	16,947
HFTH processing fees	74,650	-	74,650	19,692	-	94,342
Travel and meetings	50,514	-	50,514	8,739	24,311	83,564
Insurance	28,848	2,882	31,730	37,306	579	69,615
Depreciation	23,295	-	23,295	39,193	-	62,488
Supplies and technology	12,779	-	12,779	20,014	6,958	39,751
Professional fees	28,909	3,819	32,728	1,879	238	34,845
Advertising and communications	14,992	624	15,616	12,179	1,913	29,708
Dues and fees	13,462	-	13,462	12,189	1,675	27,326
Occupancy	-	-	-	23,927	-	23,927
Telephone and internet	4,897	-	4,897	15,249	3,112	23,258
Scholarships and grants	8,280	-	8,280	-	12,500	20,780
Merchandise and materials	16,621	-	16,621	26	-	16,647
Repairs and maintenance	14,951	-	14,951	199	-	15,150
Postage and freight	960	-	960	6,848	3,976	11,784
Equipment leases	-	-	-	6,638	1,595	8,233
Marketing	4,672	-	4,672	1,159	2,053	7,884
Total Expenses	\$ 1,464,054	\$ 441,634	\$ 1,905,688	\$ 635,461	\$ 378,779	\$ 2,919,928

The accompanying notes to the consolidated 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, 2018

	Program Services			Supporting Services		Total Expenses
	Education and Outreach	Tennessee Mitigation Fund	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
Total expenses	\$ 1,561,869	\$ 277,379	\$ 1,839,248	\$ 204,011	\$ 441,874	\$ 2,485,133

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

TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

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 and Restoration – Since 1998, TWF’s Hunters for the Hungry (HFTH) program has collected over 1.5 million pounds of 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 protect nearly 10,000 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 effecting 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.

Use of Estimates – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. 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.

TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 2—Summary of significant accounting policies (continued)

Basis of Presentation – The accompanying consolidated financial statements present the financial position and changes in net assets of the Organization on the accrual basis of accounting in conformity with U.S. GAAP.

Resources are classified into two net asset categories based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions, and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors. The Organization has chosen to provide further classification information about net assets without donor restrictions on the statements of financial position. The sub-classifications are as follows:

Undesignated – Represents the cumulative net assets without donor restrictions excluding those net assets designated by the Board of Directors for specific purposes.

Board-Designated – The governing board and management have designated, from net assets without donor restrictions, net assets for wetland mitigation restrictions, earnings on the corpus of the conservation easement invested in perpetuity, and various operating reserves, discretionary reserves, and working capital reserves.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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, 2019 and 2018 as management believes all amounts are fully collectible.

TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

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. 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, 2019 and 2018 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 statements 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 amounted to \$29,708 and \$25,240 for the years ended June 30, 2019 and 2018, respectively. Marketing expense amounted to \$7,884 and \$9,455 for the years ended June 30, 2019 and 2018, respectively.

Contributions and Support – Contributions are recognized when received as contributions without restriction if specified for the current period and there are no donor-imposed restrictions. Contributions specified for future periods or with donor-imposed restrictions are recognized in the period received as contributions with restrictions. Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions are satisfied in the year in which the contributions are recognized.

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.

TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 2—Summary of significant accounting policies (continued)

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.

Members of the Board of Directors and volunteers 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 does not meet the criteria for recognition.

Expense Allocation – The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Salaries and related expenses are allocated to the various program and supporting services based on actual or estimated time employees spend on each function. The remaining expenses are specifically allocated based on the area served. The following program and supporting services and included in the accompanying consolidated financial statements:

Program Services:

Education and Outreach – Advocates sound natural resource policies, provides various educational programs that promote an 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 9).

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 (“FASB”) Accounting Standards Codification (“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 January 2, 2020, when these consolidated financial statements were available to be issued.

TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 2—Summary of significant accounting policies (continued)

Adopted Accounting Pronouncement – On August 18, 2016, the 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 adopted these new accounting requirements retrospectively to all periods presented in its consolidated financial statements, with the exception of the disclosure of liquidity and availability of resources, which has been implemented prospectively as allowed under the provisions of ASU 2016-14.

Forthcoming Accounting Pronouncements – In May 2014, the FASB issued ASU 2014-09. The amendments in this update create Topic 606, *Revenue from Contracts with Customers*, and supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*, including most industry-specific revenue recognition guidance throughout the Industry Topics of the Codification. This guidance is effective for the year ending June 30, 2020. Management is currently evaluating the impact of this standard on the Organization’s consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*. This guidance introduces a lessee model that requires substantially all leases to be capitalized on the statement of financial position. This guidance is effective for the year ending June 30, 2022. Management is currently evaluating the impact of this standard on the Organization’s consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*. This guidance revises accounting related to (1) the classification and measurement of investments in equity securities and (2) the presentation of certain fair value changes for financial liabilities measured at fair value. It also amends certain disclosure requirements associated with the fair value of financial instruments. This guidance is effective for the year ending June 30, 2021. Management is currently evaluating the impact of this standard on the Organization’s consolidated financial statements.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The guidance in this ASU clarifies the accounting guidance for contributions received and contributions made. The amendments in this ASU will assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This guidance is effective for the year ending June 30, 2020. Management is currently evaluating the impact of this standard on the Organization’s consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows: Restricted Cash (Topic 230)*, which requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. As a result, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statements of cash flows. The new standard will be effective for the Organization for the year ending June 30, 2020. Early adoption is permitted. The Organization is currently evaluating the effect that the standard will have on its consolidated financial statements and related disclosures.

TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

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 \$2,559,519 and \$2,171,687 at June 30, 2019 and 2018, 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 the Organization 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.

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, 2019 and 2018. A description of the valuation methodology used for assets measured at fair value is as follows:

Mutual Funds – Valued at the closing price reported on the active market on which the funds are traded.

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

JUNE 30, 2019 AND 2018

Note 4—Investments (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization’s investments at fair value as of June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Equity	\$ 1,240,165	\$ -	\$ -	\$ 1,240,165
Fixed income	334,616	-	-	334,616
Total mutual funds	<u>1,574,781</u>	<u>-</u>	<u>-</u>	<u>1,574,781</u>
Short-term investments -				
Money market funds	62,121	-	-	62,121
Total assets at fair value	<u>\$ 1,636,902</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,636,902</u>

The following table sets forth by level, within the fair value hierarchy, the Organization’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	78,168	-	-	78,168
Total assets at fair value	<u>\$ 1,647,647</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,647,647</u>

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

	<u>2019</u>	<u>2018</u>
Interest and dividend income	\$ 50,438	\$ 40,224
Net realized and unrealized gain on investments	38,327	22,660
	<u>\$ 88,765</u>	<u>\$ 62,884</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 \$4,543 and \$8,997 at June 30, 2019 and 2018, respectively.

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

JUNE 30, 2019 AND 2018

Note 6—Land held for others

The Organization purchased a parcel 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>2019</u>	<u>2018</u>
Land	\$ 263,593	\$ 263,593
Building	334,309	334,309
Vehicles	43,312	12,780
Furniture and equipment	152,768	152,768
Program services equipment	311,653	311,653
Website	41,383	41,383
Building improvements	159,465	152,123
	<u>1,306,483</u>	<u>1,268,609</u>
Less accumulated depreciation	<u>(811,262)</u>	<u>(761,277)</u>
Property and equipment	<u>\$ 495,221</u>	<u>\$ 507,332</u>

Note 8—Net assets with donor restrictions

Net assets with donor restrictions consist of the following at June 30:

	<u>2019</u>	<u>2018</u>
Hunters for the Hungry	\$ 52,026	\$ 105,880
Strategic plan	59,565	114,806
Time-restricted pledges	105,815	72,500
Other	55,083	37,211
Endowment earnings	641	641
Foundation (land, building, and improvements)	200,000	200,000
Conservation easement	82,058	82,058
Agency fund	5,279	5,279
Total net assets with donor restrictions	<u>\$ 560,467</u>	<u>\$ 618,375</u>

Net assets with donor restrictions that are perpetual in nature, whereby the donor has stipulated the fund be maintained in perpetuity, consist of the \$200,000 in land, building, and improvements held by the Foundation, \$82,058 related to a conservation easement, and \$5,279 related to the Agency Endowment fund.

The remaining categories of net assets presented in the table above are subject to donor restrictions which are temporary in nature, and will be met by actions of the Organization or by the passage of time.

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

JUNE 30, 2019 AND 2018

Note 8—Net assets with donor restrictions (continued)

As of June 30, 2019 and 2018, the sole assets of the Foundation include the land, building, and improvements which were acquired for the benefit of the TWF. Funds of a perpetual nature of the Foundation were invested in this property. The acquisition cost was approximately \$323,000; however, at June 30, 2019 and 2018, 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.

Note 9—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 and Maintenance Fund”. Funds collected through sales of credits are board designated for the wetland mitigation program in accordance with requirements discussed in Note 3.

Note 10—Liquidity and availability

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of leading the conservation, sound management, and wise use of Tennessee’s wildlife and great outdoors to be general expenditures.

As part of the Organization’s liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, comprise the following at June 30, 2019:

Financial assets at year-end:

Cash and cash equivalents	\$ 612,424
Restricted cash and cash equivalents (Note 3)	2,559,519
Pledges receivable	205,815
Accounts receivable	215,523
Investments	1,636,902
Agency endowment fund (Note 12)	<u>5,920</u>
Total financial assets	5,236,103

Less amounts not available to be used for general expenditures within one year at June 30, 2019:

Net assets with donor restrictions (Note 8)	560,467
Designated for Tennessee Mitigation Fund	2,434,285
Designated earnings on corpus of endowment	54,025
Designated for discretionary reserves	50,000
Designated for operating reserves	265,000
Designated for working capital reserves	<u>100,000</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,772,326</u>

TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

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 8. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors 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 net assets with donor restrictions (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 is classified as net assets with donor restrictions 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, 2019 and 2018.

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 as well as board-designated funds. Under this policy, as approved by the Board of Directors, 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, 2019 AND 2018

Note 11—Endowment (continued)

Endowment fund activity for the year ended June 30, 2019 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted:			
Endowment net assets, June 30, 2018	\$ -	\$ 287,978	\$ 287,978
Investment income	-	-	-
Endowment net assets, June 30, 2019	-	287,978	287,978
Board designated:			
Endowment net assets, June 30, 2018	46,920	-	46,920
Investment income	7,105	-	7,105
Endowment net assets, June 30, 2019	54,025	-	54,025
Total endowment net assets, June 30, 2019	<u>\$ 54,025</u>	<u>\$ 287,978</u>	<u>\$ 342,003</u>

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

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted:			
Endowment net assets, June 30, 2017	\$ -	\$ 287,978	\$ 287,978
Investment income	-	-	-
Endowment net assets, June 30, 2018	-	287,978	287,978
Board designated:			
Endowment net assets, June 30, 2017	42,381	-	42,381
Investment income	4,539	-	4,539
Endowment net assets, June 30, 2018	46,920	-	46,920
Total endowment net assets, June 30, 2018	<u>\$ 46,920</u>	<u>\$ 287,978</u>	<u>\$ 334,898</u>

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

JUNE 30, 2019 AND 2018

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 consolidated 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, 2019 and 2018 were \$29,942 and \$29,988, respectively.

Note 15—Concentration

In addition to the information in Note 13, one donor, or the respective donor’s foundation, made contributions to TWF representing 7% and 12% of total support and revenue for the years ended June 30, 2019 and 2018, respectively.

Note 16—Volunteer hours (unaudited)

The below table summarizes, by program, management’s estimate of total volunteer hours donated to the Organization during the years ended June 30, 2019 and 2018. These hours did not meet the criteria for recognition in the consolidated financial statements under generally accepted accounting principles.

Program	Estimated Volunteer Hours Donated	
	2019	2018
Scholastic Clay Target Program	8,258	7,592
Hunting and Fishing Academy	3,353	5,310
Hunters for the Hungry	1,628	1,874
Total	13,239	14,776

SUPPLEMENTARY INFORMATION

TENNESSEE WILDLIFE FEDERATION INCORPORATED AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019

	Tennessee Wildlife Federation Inc.	Tennessee Mitigation Fund, LLC	Tennessee Wildlife Federation Foundation, Inc.	Consolidating Entries	Consolidated Total
ASSETS					
Cash and cash equivalents	\$ 612,424	\$ -	\$ -	\$ -	\$ 612,424
Restricted cash and cash equivalents	-	2,559,519	-	-	2,559,519
Investments	136,083	-	1,500,819	-	1,636,902
Accounts receivable	215,523	-	-	-	215,523
Pledges receivable	205,815	-	-	-	205,815
Intercompany receivables	121,034	-	-	(121,034)	-
Inventory	4,543	-	-	-	4,543
Prepaid expenses	30,954	-	-	-	30,954
Land held for others	56,000	-	-	-	56,000
Property and equipment, net	144,873	-	350,348	-	495,221
Agency endowment fund	5,920	-	-	-	5,920
Total Assets	\$ 1,533,169	\$ 2,559,519	\$ 1,851,167	\$ (121,034)	\$ 5,822,821
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable	\$ 69,349	\$ 4,200	\$ -	\$ -	\$ 73,549
Intercompany payables	-	121,034	-	(121,034)	-
Accrued payroll	118,814	-	-	-	118,814
Accrued paid time off	57,118	-	-	-	57,118
Land held for others	56,000	-	-	-	56,000
Total Liabilities	301,281	125,234	-	(121,034)	305,481
Net Assets:					
Without Donor Restrictions:					
Designated - Wetland mitigation	-	2,434,285	-	-	2,434,285
Designated - endowment	54,025	-	-	-	54,025
Designated - operating reserves	265,000	-	-	-	265,000
Designated - discretionary reserves	50,000	-	-	-	50,000
Designated - working capital reserves	100,000	-	-	-	100,000
Undesignated	402,396	-	1,651,167	-	2,053,563
Total Without Donor Restrictions	871,421	2,434,285	1,651,167	-	4,956,873
With Donor Restrictions	360,467	-	200,000	-	560,467
Total Net Assets	1,231,888	2,434,285	1,851,167	-	5,517,340
Total Liabilities and Net Assets	\$ 1,533,169	\$ 2,559,519	\$ 1,851,167	\$ (121,034)	\$ 5,822,821

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

YEAR ENDED JUNE 30, 2019

	Tennessee Wildlife Federation Inc.	Tennessee Mitigation Fund, LLC	Tennessee Wildlife Federation Foundation, Inc.	Consolidating Entries	Consolidated Total
Support and Revenue:					
Contributions	\$ 1,150,043	\$ -	\$ -	\$ (100,000)	\$ 1,050,043
Foundation and state grant revenue	604,730	-	-	-	604,730
Wetland mitigation credits	-	784,200	-	-	784,200
Special events and activities	489,016	-	-	(102,758)	386,258
Specialty license plates	192,008	-	-	-	192,008
Investment income	7,105	3,826	77,834	-	88,765
Interest income	851	24,891	-	-	25,742
Miscellaneous income	6,336	26,183	-	-	32,519
Gifts in kind - goods	16,947	-	-	-	16,947
Total Support and Revenue	<u>2,467,036</u>	<u>839,100</u>	<u>77,834</u>	<u>(202,758)</u>	<u>3,181,212</u>
Expenses:					
Salaries, taxes, and benefits	1,383,208	84,085	-	(84,085)	1,383,208
Youth engagement events	290,542	-	-	-	290,542
Project design, management, and easements	-	434,309	-	-	434,309
Contract labor and services	225,620	-	-	-	225,620
Travel and meetings	83,564	3,354	-	(3,354)	83,564
HFTH processing fees	94,342	-	-	-	94,342
Insurance	69,615	-	-	-	69,615
Depreciation	42,572	-	19,916	-	62,488
Professional fees	31,026	4,116	-	(297)	34,845
Supplies and technology	39,751	543	-	(543)	39,751
In-kind donations	16,947	-	-	-	16,947
Scholarships and grants	20,780	-	100,000	(100,000)	20,780
Advertising and communications	29,084	624	-	-	29,708
Telephone and internet	23,258	1,039	-	(1,039)	23,258
Occupancy	23,927	11,090	-	(11,090)	23,927
Postage and freight	11,784	-	-	-	11,784
Marketing	7,884	-	-	-	7,884
Dues and fees	25,111	2,350	2,215	(2,350)	27,326
Repairs and maintenance	15,150	-	-	-	15,150
Equipment leases	8,233	-	-	-	8,233
Merchandise and materials	16,647	-	-	-	16,647
Total Expenses	<u>2,459,045</u>	<u>541,510</u>	<u>122,131</u>	<u>(202,758)</u>	<u>2,919,928</u>
Change in net assets	7,991	297,590	(44,297)	-	261,284
Net assets, beginning of year	1,223,897	2,136,695	1,895,464	-	5,256,056
Net assets, end of year	<u>\$ 1,231,888</u>	<u>\$ 2,434,285</u>	<u>\$ 1,851,167</u>	<u>\$ -</u>	<u>\$ 5,517,340</u>