Tennessee Wildlife Federation, Inc. &
Tennessee Wildlife Federation Foundation, Inc.

Consolidated Financial Statements
June 30, 2015

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Independent Auditor's Report

To the Board of Directors of
Tennessee Wildlife Federation, Inc. and Tennessee Wildlife Federation Foundation, Inc.
Nashville, TN

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Tennessee Wildlife Federation, Inc. and Tennessee Wildlife Federation Foundation, Inc. (nonprofit organizations, collectively the "Organization") which comprise the consolidated statements of financial position as of June 30, 2015, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

(Auditor's report continued on next page)

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Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2015, 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.

Other-Matter
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of consolidated financial position on page 19, and the supplemental schedule of consolidated activities and changes in net assets on page 20 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McKerley & Noonan

McKerley & Noonan, P.C.
Nashville, TN
December 8, 2015

Tennessee Wildlife Federation, Inc.
and
Tennessee Wildlife Federation Foundation, Inc.
Consolidated Statement of Financial Position
June 30, 2015

Assets

Assets		
Cash in Bank	$	596,907
Restricted Cash (Note 3)		1,649,080
Investments (Note 4)		115,715
Accounts Receivable		243,000
Pledges Receivable		137,500
Inventory (Note 5)		16,509
Prepaid Expenses		37,835
Property & Equipment at Cost, Less Accumulated Depreciation (Note 6)		255,246
Agency Endowment Fund (Note 12)		5,857
Total Assets	$	3,057,649

Liabilities and Net Assets

Liabilities		
Accounts Payable	$	191,566
Accrued Payroll Liabilities		42,525
Accrued Paid Time Off		40,739
Promissory Note (Note 7)		15,000
Total Liabilities		289,830
Net Assets:		
Unrestricted		575,454
Temporarily Restricted (Note 8)		1,905,028
Permanently Restricted (Note 9)		287,337
Total Net Assets		2,767,819
Total Liabilities and Net Assets	$	3,057,649

Tennessee Wildlife Federation, Inc.
and
Tennessee Wildlife Federation Foundation, Inc.
Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support & Revenue				
Wetland Mitigation	$ -	$ 1,444,788	$ -	$ 1,444,788
Contributions	642,735	276,450	-	919,185
Special Events & Activities	331,959		-	331,959
Foundation & State Grant Revenue	22,517	303,373	-	325,890
Specialty License Plates	142,580	-	-	142,580
Rental Income	15,323			15,323
Gifts in Kind - Goods	9,557	-	-	9,557
Investment Income	335	-	-	335
Miscellaneous Income	4,102		-	4,102
Net Assets Released from Restrictin	555,812	(555,812)	-	-
Total Support & Revenue	1,724,920	1,468,799	-	3,193,719
Program Services				
Education, Outreach & Mitigation	1,460,898	-	-	1,460,898
Total Program Services	1,460,898	-	-	1,460,898
Supporting Services				
Management & General	78,507	-	-	78,507
Fundraising	394,611	-	-	394,611
Total Supporting Services	473,118	-	-	473,118
Total Expenses	1,934,016	-	-	1,934,016
Change in Net Assets	(209,096)	1,468,799	-	1,259,703
Net Assets, Beginning of Year	784,550	436,229	287,337	1,508,116
Net Assets, End of Year	$ 575,454	$ 1,905,028	$ 287,337	$ 2,767,819

Tennessee Wildlife Federation, Inc.
and
Tennessee Wildlife Federation Foundation, Inc.
Consolidated Statement of Cash Flows
For the Year Ended June 30, 2015

Cash Flows from Operating Activities	
Change in Net Assets	$ 1,259,703
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	46,597
Sale of Donated Assets	18,061
In Kind Donations - Goods	(6,547)
Contributions of Stock	(3,538)
Unrealized Loss on Investments	5,581
Unrealized Gain on Endowment	(52)
Increase in Accounts Receivable	(208,910)
Increase in Pledges Receivable	(137,500)
Increase in Prepaid Expenses	(12,584)
Increase in Inventory	(11,830)
Increase in Accounts Payable & Accrued Payroll Liabilities	86,689
Decrease in Other Accrued Liabilities	(274)
Total Adjustments	(224,307)
Net Cash Provided by Operating Activities	1,035,396
Cash Flows from Investing Activities	
Purchase of Fixed Assets	(112,639)
Net Cash Used by Investing Activities	(112,639)
Cash Flows from Financing Activities	
Borrowings on Promissory Note	432
Principal Payments	(37,037)
Net Cash Provided by Financing Activities	(36,605)
Net Increase in Cash	886,152
Cash in Bank Beginning of Year	1,359,835
Cash in Bank End of Year	$ 2,245,987
Supplemental Cash Flow Information	
Interest Paid During 2015	$ 947

Tennessee Wildlife Federation, Inc.
and
Tennessee Wildlife Federation Foundation, Inc.
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2015

	Program Services	**Supporting Services**		
	Education & Outreach	Management & General	Fundraising	**Total**
Salaries, Taxes & Benefits	$ 674,937	$ 30,211	$ 302,107	$ 1,007,255
Youth Engagement Events	173,542	-	3,033	151,651
Contracted Services	101,513	994	7,950	110,457
Merchandise & Supplies	108,990	-	-	108,990
Travel & Meetings	42,065	1,747	20,087	88,823
Advertising & Communication	63,554	416	9,821	73,791
Professional Fees	42,175	15,847	5,069	63,091
HFTH Processing Services	58,121	-	-	58,121
Depreciation Expense	35,879	4,194	6,524	46,597
Insurance	36,220	3,402	5,528	45,150
Supplies & Equipment	27,899	3,004	12,018	42,921
Occupancy Expense	15,118	3,839	5,039	23,996
Repairs & Maintenance	19,367	-	-	19,367
Telephone	10,100	1,082	6,854	18,036
Dues & Subscriptions	13,406	298	1,192	14,896
Storage	10,800	352	587	11,739
Scholarships & Grants	11,262	-	-	11,262
Credit Card & Bank Fees	5,033	596	993	6,622
Loss on Sale of Asset	-	5,561	-	5,561
Postage & Freight	2,658	221	2,658	5,537
Unrealized Loss on Investment	-	5,507	-	5,507
Equipment Lease	2,805	614	964	4,383
Donor Relations	-	-	3,469	3,469
In-Kind Donation Expense	3,010	-	-	3,010
Other Expenses	1,649	470	718	2,837
Interest Expense	795	152	-	947
Total Functional Expenses	$ 1,460,898	$ 78,507	$ 394,611	$ 1,934,016

Tennessee Wildlife Federation, Inc. and
Tennessee Wildlife Federation Foundation, Inc.

Notes to Consolidated Financial Statements
June 30, 2015

NOTE 1 - DESCRIPTION AND PURPOSE OF THE ORGANIZATION

Tennessee Wildlife Federation, Inc. (“TWF”) and the Tennessee Wildlife Federation Foundation, Inc. (the “Foundation”) are Tennessee non-profit corporations (collectively “the Organization”). The Foundation was founded in 1977 solely for the use and benefit of the TWF. The Tennessee Wildlife Federation (TWF) was founded as the Tennessee Conservation League in 1946 and is the oldest and one of the largest Tennessee statewide non-profit organizations dedicated to the conservation of wildlife and natural resources through stewardship, advocacy, and education. TWF 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. 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 their programs:

Youth Engagement
TWF introduced over 2,100 youth annually to the outdoors through their 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 1.4 million pounds of venison, providing more than four million meals to the food insecure through partnerships with food banks and soup kitchens. Through the Ecological Services Program, including the Tennessee Mitigation Fund, TWF has protected nearly 11,000 acres of wildlife habitat statewide.

Public Policy
TWF’s advocacy work promotes sound public policy for all those who value the outdoors on a continuous basis, ensuring wildlife is not politicized and common sense regulations rule the day. .

The Organization receives contributions from individuals, foundations and corporations and 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 and the Foundation 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 the TWF has both an economic interest in the Foundation and control through the Foundation's Board. All significant transactions and balances between the two 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 accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue 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, 2015, there were $1,905,028 of funds subject to various donor-imposed restrictions. (See Note 7)

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 purposes. (See Note 8)

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 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 primarily represents pledges and grants receivable. The Organization expenses bad debt in the period in which the receivable is deemed uncollectible. No allowance for doubtful accounts has been recorded in the current year as management believes all amounts are fully collectible.

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. At June 30, 2015 the Organization had $137,500 of pledged receivables included in accounts receivable.

Property & 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:

Furniture & Equipment	3 - 7 years
Program Services Equipment	5 years
Building Improvements	10 Years
Building	20 Years

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 statements of activities, and distributions received from the fund are recorded as decreases in the beneficial interest.

Donated Goods & Services

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.

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 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 classifications are included in the accompanying consolidated financial statements:

Program Service

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 note 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 adopted the guidance in ASC 740 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 percent that the full amount of the tax positions taken will be ultimately realized. The Organization incurred no interest or penalties during the year ended June 30, 2015.

NOTE 3 – RESTRICTED CASH

Restricted cash consists of cash held in bank accounts which is restricted for the purposes of wetland mitigation. Total restricted cash amounted to $1,649,079 at June 30, 2015.

NOTE 4 – INVESTMENTS

As of June 30, 2015, investments consisted of a mutual fund and money market account (all Level 1) which at June 30, 2015 amounted to $102,787 and $9,390 respectively. The mutual fund is an income fund with a three star rating from Morningstar. This fund had a net loss from realized and unrealized gains and losses of $5,581 for the year ended June 30, 2015. The Organization also has a stock account valued at $3,751 as of June 30, 2015.

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 $16,509 at June 30, 2015.

NOTE 6 – PROPERTY AND EQUIPMENT

Property and Equipment consisted of the following as of June 30, 2015:

Land	$ 66,193
Building	257,309
Vehicles	12,780
Furniture & Equipment	156,589
Program Services Equipment	320,549
Website	41,383
Building Improvements	81,942
	936,745
Less: Accumulated Depreciation	(681,499)
Property & Equipment, Net	$ 255,246

NOTE 7 – NOTES PAYABLE AND CREDIT LINES

The Organization has signed a promissory note payable to a board member with an interest rate of 0% which matures in December of 2015. The outstanding balance of the note is $15,000 at June 30, 2015.

The Organization had a $45,000 line of credit with First Tennessee Bank bearing interest at Prime + 1%. The credit line matured in January of 2015. The Organization also had a $17,000 line of credit with Pinnacle Bank that carries interest at 3.25% and matures July, 2016. The balance of that line was $0 at June 30, 2015.

Future principal payments on the promissory notes and lines of credit for are as follows:

For the Year ending June 30, 2016:	$ 15,000
Total Future principal payments:	$ 15,000

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following as of June 30, 2015:

Wetland Mitigation	$ 1,676,614
Hunters for the Hungry	93,204
Strategic Plan	86,924
Other	48,286
Total Temporarily Restricted Net Assets	$ 1,905,028

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 11.

As of June 30, 2015, the sole assets of the Foundation are the land and building, which was acquired for the benefit of the TWF. The acquisition cost of this property was approximately $323,000. At June 30, 2015, the net book value of the property was less than the $200,000 permanently restricted endowment established. Management estimates that the fair value of this property exceeds $200,000. In the event the property is ever sold for less than $200,000, the TWF will be obligated to reimburse the Foundation for any deficit.

Changes in Permanently Restricted Net Assets

For the year ended 06/30/2015

	Balance at 06/30/2014	Contributions	Investment Income	Expenditures	Balance at 06/30/2015
Foundation (Building)	$200,000	-	-	-	$200,000
Conservation Easement	82,058	-	-	-	82,058
Agency Fund	5,279	-	-	-	5,279
Total	$287,337	-	-	-	$287,337

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".

NOTE 11 – ENDOWMENTS

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 12. As required by generally accepted accounting principles in the United States, 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 Tennessee Prudent Management of Institutional Funds Act (TPMIFA) 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 TPMIFA. In accordance with TPMIFA, the Organization 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.

<u>Funds with Deficiencies</u> - 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 TPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2015.

<u>Return Objectives and Risk Parameters</u> – 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 percent annually. Actual returns in any given year may vary from this amount.

<u>Strategies Employed for Achieving Objectives</u> - 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.

<u>Spending Policy and How the Investment Objectives Relate to Spending Policy</u> - The Organization has a policy of appropriating for distribution each year the earnings of the investment for the continued monitoring of the easement.

Endowment fund activity for the year is summarized in the following schedule:

Changes in Endowment Net Assets
For the year ended June 30, 2015

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, June 30, 2014	$ -	$ 87,337	$ 87,337
Investment income (realized & unrealized)	52	-	52
Contributions	-	-	-
Appropriation of endowment assets for expenditure	(52)	-	(52)
Endowment net assets, June 30, 2015	$ -	$ 87,337	$ 87,337

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 – OPERATING LEASES

During the year ended June 30, 2015 the Organization rented out the ground floor of its building (approximately 50% of its space) to a medical organization; the base rent is $2,624 per month. Total rental income received in 2015 was $13,764.

NOTE 14 – 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. Pledges and accounts receivable represent concentrations of credit risk to the extent they are receivable from concentrated sources.

The Organization's operations are concentrated in Tennessee.

NOTE 15 – 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 year ended June 30, 2015 was $443.

NOTE 16 – SUBSEQUENT EVENTS

Subsequent to June 30, 2015, the Organization settled a potential lawsuit related to an accident that occurred during 2014. The settlement was covered completely by insurance.

Management has evaluated subsequent events through December 8, 2015, the date that the financial statements were available to be issued.

Tennessee Wildlife Federation, Inc.
and
Tennessee Wildlife Federation Foundation, Inc.
Consolidated Schedule of Financial Position
June 30, 2015

	General Fund	Wetland Mitigation Program	Foundation	Eliminations	Total
		Assets			
Assets					
Cash in Bank	$ 596,907	$ -	$ -	$ -	$ 596,907
Restricted Cash	-	1,649,080	-	-	1,649,080
Investments	115,715	-	-	-	115,715
Accounts Receivable	204,000	39,000	-	-	243,000
Pledges Receivable	137,500				137,500
Intercompany Receivable	11,466	-	-	(11,466)	-
Due from TWF	-	-	200,000	(200,000)	-
Inventory	16,509	-	-	-	16,509
Prepaid Expenses	37,835	-	-	-	37,835
Property & Equipment at Cost, Less Accumulated Depreciation	255,246	-	-	-	255,246
Agency Endowment Fund	5,857	-	-	-	5,857
Total Assets	$ 1,381,035	$ 1,688,080	$ 200,000	$ (211,466)	$ 3,057,649
		Liabilities and Net Assets			
Liabilities					
Accounts Payable	$ 191,566	$ -	$ -	$ -	$ 191,566
Intercompany Payable	-	11,466	-	(11,466)	-
Accrued Payroll Liabilities	42,525	-	-	-	42,525
Accrued Paid Time Off	40,739	-	-	-	40,739
Due to Foundation	200,000	-	-	(200,000)	-
Promissory Note	15,000	-	-	-	15,000
Total Liabilities	489,830	11,466	-	(211,466)	289,830
Net Assets:					
Unrestricted	(1,101,160)	1,676,614	-	-	575,454
Temporarily Restricted	1,905,028	-	-	-	1,905,028
Permanently Restricted	87,337	-	200,000	-	287,337
Total Net Assets	891,205	1,676,614	200,000	-	2,767,819
Total Liabilities and Net Assets	$ 1,381,035	$ 1,688,080	$ 200,000	$ (211,466)	$ 3,057,649

Tennessee Wildlife Federation, Inc.
and
Tennessee Wildlife Federation Foundation, Inc.
Consolidated Schedule of Activities and Changes in Net Assets
For the Year Ended June 30, 2015

	General Fund	Wetland Mitigation Program	Foundation	Eliminations	Total
Support & Revenue					
Wetland Mitigation	$ -	$ 1,444,788	$ -	$ -	$ 1,444,788
Contributions	919,185	-	-	-	919,185
Special Events & Activities	331,959	-	-	-	331,959
Foundation & State Grant Revenue	325,890	-	-	-	325,890
Specialty License Plates	142,580	-	-	-	142,580
ProgramService Fees	67,073	-	-	(67,073)	-
Rental Income	15,323	-	-	-	15,323
Gifts in Kind - Goods	9,557	-	-	-	9,557
Investment Income	335	-	-	-	335
Miscellaneous Income	4,102	-	-	-	4,102
Total Support & Revenue	1,816,004	1,444,788	-	(67,073)	3,193,719
Expenses					
Salaries, Taxes & Benefits	$ 1,007,022	$ 54,656	$ -	$ (54,423)	$ 1,007,255
Youth Engagement Events	176,575	-	-	-	176,575
Merchandise & Supplies	108,990	-	-	-	108,990
Travel & Meetings	87,335	5,581	-	(4,093)	88,823
Contracted Services	74,446	14,871	-	(3,785)	85,532
Advertising & Communication	73,791	-	-	-	73,791
Professional Fees	39,590	15,776	-	7,725	63,091
HFTH Processing Services	58,121	-	-	-	58,121
Depreciation Expense	46,597	-	-	-	46,597
Insurance	42,525	2,625	-	-	45,150
Supplies & Equipment	42,921	668	-	(668)	42,921
Occupancy Expense	23,996	11,100	-	(11,100)	23,996
Repairs & Maintenance	19,367	-	-	-	19,367
Telephone	18,036	310	-	(310)	18,036
Dues & Subscriptions	14,896	419	-	(419)	14,896
Storage	11,739	-	-	-	11,739
Scholarships & Grants	11,262	-	-	-	11,262
Credit Card & Bank Fees	6,622	-	-	-	6,622
Loss on Sale of Asset	5,561	-	-	-	5,561
Postage & Freight	5,537	-	-	-	5,537
Unrealized Loss on Investment	5,507	-	-	-	5,507
Equipment Lease	4,383	-	-	-	4,383
Donor Relations	3,469	-	-	-	3,469
In-Kind Donation Expense	3,010	-	-	-	3,010
Other Expenses	2,763	74	-	-	2,837
Interest Expense	947	-	-	-	947
Total Expenses	1,895,008	106,080	-	(67,073)	1,934,015
Change in Net Assets	(79,004)	1,338,708	-	-	1,259,704
Net Assets, Beginning of Year	970,210	337,906	200,000	-	1,508,116
Net Assets, End of Year	$ 891,206	$ 1,676,614	$ 200,000	$ -	$ 2,767,820