

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
(A Component Unit of the State of Florida)
TALLAHASSEE, FLORIDA

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**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**
JUNE 30, 2018 AND 2017

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LANIGAN & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Fish & Wildlife Foundation of Florida, Inc.
Tallahassee, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Fish & Wildlife Foundation of Florida, Inc. (a not-for-profit corporation and component unit of the State of Florida) and its blended component unit, Wildlife Foundation of Florida Mitigation Trust Funds, Inc., as of and for the years ended June 30, 2018 and 2017, as listed in the table of contents.

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 opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Fish & Wildlife Foundation of Florida, Inc. as of June 30, 2018 and 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 4 and 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Fish & Wildlife Foundation of Florida, Inc.'s basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.650, *Rules of the Auditor General*, and is not a required part of the basic financial statements.

The schedule of expenditures of state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2018, on our consideration of Fish & Wildlife Foundation of Florida, Inc.'s, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fish & Wildlife Foundation of Florida, Inc.'s internal control over financial reporting and compliance.

Lanigan & Associates, P.C.

Tallahassee, Florida
September 18, 2018

Management's Discussion and Analysis

Our discussion and analysis of the Fish & Wildlife Foundation of Florida's (the Foundation) and its blended component unit, Wildlife Foundation of Florida Mitigation Trust Funds (Trust Funds) financial performance provides an overview of the Foundation's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the Foundation's basic financial statements, which begin on page 6. The Foundation was formed on September 29, 1994, as a not-for-profit organization to provide assistance, funding and promotional support to contribute to the health and well-being of Florida's fish and wildlife resources and their habitats. The Foundation is the citizen-support organization of the Florida Fish and Wildlife Conservation Commission (the Commission) as authorized by Section 379.223, *Florida Statutes*.

The Foundation issues financial statements comprising two components: 1) basic financial statements and 2) notes to the financial statements. The Foundation is considered a component unit of the Commission.

The following table presents the Foundation's condensed consolidated Statement of Net Position as of June 30, 2018 and 2017 as derived from the Statements of Net Position.

Table 1 – Net Position

| | <u>2018</u> | <u>2017</u> |
|--------------|----------------------|----------------------|
| Total Assets | \$ 24,118,263 | \$ 19,387,380 |
| Liabilities | 512,551 | 400,558 |
| Net Position | <u>\$ 23,605,712</u> | <u>\$ 18,986,822</u> |

The following table presents the Foundation's condensed Statement of Activities for the fiscal years ended June 30, 2018 and 2017 as derived from the Statements of Revenues, Expenses, and Changes in Net Position.

Table 2 – Changes in Net Position

| | <u>2018</u> | <u>2017</u> |
|------------------------|---------------------|---------------------|
| Total Revenues | \$ 11,027,133 | \$ 8,773,805 |
| Total Expenditures | 6,408,243 | 5,219,009 |
| Change in Net Position | <u>\$ 4,618,890</u> | <u>\$ 3,554,796</u> |

Additional Information

The Foundation's 24% increase in Net Position was largely due to three factors:

- 1) Strong performance in the Foundation's investment portfolio contributed \$1,109,348 in investment income spread across the Foundation's broad array of Funds.
- 2) The Florida Fish and Wildlife Conservation Commission (FWC) did not request a major disbursement from Imperiled Species funds in support of its Gopher Tortoise Management program. This allowed the fund to accumulate an additional \$1,735,230 in assets before investment income.
- 3) Mitigation Trust Funds revenue for the fiscal year consisted of deposits made in accordance with fifteen distinct Fund Agreements. The Fund agreements are entered into with various grantors and provide funding for the maintenance and land stewardship of projects for the protection of natural resources. Several of the agreements experienced accelerated funding during the year. This additional revenue was \$1,054,107 before investment income.

Unrestricted Funds increased by 40% for the year while Restricted Funds increased by 24% for the year.

Requests for Information

Questions concerning any of the information provided in this report or requests for additional information should be addressed to Will Bradford, Chief Financial Officer, (850) 404-6129 or wbradford@wildlife-florida.org.

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2018 AND 2017

| | 2018 | 2017 |
|---|----------------------|----------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents | \$ 5,610,214 | \$ 5,286,713 |
| Grants Receivable | 194,418 | 151,808 |
| Accounts Receivable | 166,169 | 101,407 |
| Prepaid Expenses | 25,110 | 15,043 |
| Total Current Assets | 5,995,911 | 5,554,971 |
| Investments | | |
| Securities and Other Negotiable Instruments | 18,047,324 | 13,774,666 |
| Capital Assets | | |
| Capital Assets, Net of Accumulated Depreciation | 10,028 | 7,116 |
| Other Assets | | |
| Land | - | 50,627 |
| Donated Assets for Auction | 65,000 | - |
| Total Other Assets | 65,000 | 50,627 |
| TOTAL ASSETS | \$ 24,118,263 | \$ 19,387,380 |
| LIABILITIES AND NET POSITION | | |
| Current Liabilities | | |
| Accounts Payable and Accrued Expenses | \$ 508,008 | \$ 310,855 |
| Deferred Revenue | 4,543 | 89,703 |
| TOTAL LIABILITIES | 512,551 | 400,558 |
| Net Position | | |
| Net Investments in Capital Assets | 10,028 | 7,116 |
| Restricted | 22,403,165 | 18,127,530 |
| Unrestricted | 1,192,519 | 852,176 |
| Total Net Position | 23,605,712 | 18,986,822 |
| TOTAL LIABILITIES AND NET POSITION | \$ 24,118,263 | \$ 19,387,380 |

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

| | 2018 | 2017 |
|--|----------------------|----------------------|
| Operating Revenues | | |
| Imperiled Species | \$ 3,297,636 | \$ 2,985,498 |
| Contributions and Donations | 1,984,843 | 1,058,625 |
| Program Service Revenue | 3,090,014 | 2,017,619 |
| License Plate Revenue | 995,068 | 929,775 |
| Other Program Related Revenue | 550,224 | 474,741 |
| Total Operating Revenues | 9,917,785 | 7,466,258 |
| Operating Expenses | | |
| Program Expenses | 5,871,239 | 4,686,730 |
| Administrative and Office Expenses | 351,080 | 520,390 |
| Fundraising Expenses | 185,924 | 11,889 |
| Total Operating Expenses | 6,408,243 | 5,219,009 |
| Total Operating Income | 3,509,542 | 2,247,249 |
| Non-Operating Income | | |
| Gain (Loss) on Investments | 732,558 | 1,072,608 |
| Dividend and Interest Income | 427,417 | 234,939 |
| Assets and Related Costs Transferred to State of Florida | (50,627) | - |
| Total Non-Operating Income | 1,109,348 | 1,307,547 |
| Change in Net Position | 4,618,890 | 3,554,796 |
| Net Position, Beginning of Year | 18,986,822 | 15,432,026 |
| Net Position, End of Year | \$ 23,605,712 | \$ 18,986,822 |

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
STATEMENTS OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

| | Program | Administrative and Office | Fundraising | 2018 Total | 2017 Total |
|---|---------------------|------------------------------|-------------------|---------------------|---------------------|
| Expenses | | | | | |
| Accounting and Legal Expense | \$ 41,916 | \$ 32,616 | \$ - | \$ 74,532 | \$ 36,453 |
| Advertising Expenses | 29,869 | 7,419 | - | 37,288 | 49,667 |
| Business Registration Fees | 123 | 1,321 | - | 1,444 | 549 |
| Cash Awards and Grants | 4,758,640 | - | - | 4,758,640 | 4,034,086 |
| Employee Benefits | 60,322 | 47,396 | - | 107,718 | 77,983 |
| Fundraising | - | - | 119,471 | 119,471 | (4,396) |
| Fundraising - Donated | - | - | 66,453 | 66,453 | 16,285 |
| Insurance | 5,007 | 3,934 | - | 8,941 | 6,217 |
| Investment Account Charges | 122,981 | 1,329 | - | 124,310 | 99,203 |
| Meeting Expense | 11,885 | 6,935 | - | 18,820 | 23,270 |
| Merchant Account Fees | 36,562 | 4,902 | - | 41,464 | 30,426 |
| Miscellaneous Expenses | 11,349 | 8,352 | - | 19,701 | 50,384 |
| Occupancy | 1,475 | 1,493 | - | 2,968 | 1,378 |
| Occupancy - Donated | 15,262 | 11,991 | - | 27,253 | 23,518 |
| Outside Contract Services | 373,210 | - | - | 373,210 | 75,634 |
| Outside Contract Services- Donated | - | 24,370 | - | 24,370 | 82,483 |
| Payments in Accordance with Trust & Fund Agreements | 135,504 | - | - | 135,504 | 105,089 |
| Payroll Taxes | 15,103 | 11,867 | - | 26,970 | 32,557 |
| Payroll Taxes - Donated | - | - | - | - | - |
| Postage | - | 1,137 | - | 1,137 | 1,540 |
| Printing and Copying | - | 1,037 | - | 1,037 | 2,201 |
| Salaries and Wages | 217,573 | 173,069 | - | 390,642 | 429,918 |
| Salaries and Wages - Donated | - | - | - | - | 3,300 |
| Supplies | - | 2,541 | - | 2,541 | 3,813 |
| Telephone and Telecommunications | 1,370 | 90 | - | 1,460 | 2,166 |
| Transfer of Assets Held for Others | 9,427 | - | - | 9,427 | (6,042) |
| Travel | 9,751 | 7,415 | - | 17,166 | 25,288 |
| Web Site Fees | 12,716 | 1,866 | - | 14,582 | 15,056 |
| Total Expenses Before Depreciation | 5,870,045 | 351,080 | 185,924 | 6,407,049 | 5,218,026 |
| Depreciation Expense | 1,194 | - | - | 1,194 | 983 |
| TOTAL EXPENSES | \$ 5,871,239 | \$ 351,080 | \$ 185,924 | \$ 6,408,243 | \$ 5,219,009 |

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

| | 2018 | 2017 |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| License Plate Program Receipts | \$ 995,068 | \$ 929,775 |
| Project Revenue | 8,720,118 | 6,384,772 |
| Payments for Operating Expenses | (6,209,896) | (5,209,110) |
| Net Cash Provided by Operating Activities | 3,505,290 | 2,105,437 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of Other Asset | - | (50,627) |
| Transfer of Other Asset | 50,627 | |
| Purchase of Fixed Assets | (4,106) | (2,060) |
| Purchase of Investments | (10,748,292) | (8,466,887) |
| Proceeds from Sale of Investments | 7,092,565 | 3,749,553 |
| Interest and Dividend Income | 427,417 | 234,939 |
| Net Cash (Used In) Investing Activities | (3,181,789) | (4,535,082) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 323,501 | (2,429,645) |
| Cash and Cash Equivalents and Beginning of Year | 5,286,713 | 7,716,358 |
| Cash and Cash Equivalents at End of Year | \$ 5,610,214 | \$ 5,286,713 |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | |
| Operating Income | \$ 3,509,542 | \$ 2,247,249 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | |
| Depreciation | 1,194 | 983 |
| (Increase) in Accounts Receivable | (107,372) | (61,393) |
| (Increase) in Prepaid Expenses | (10,067) | (9,735) |
| Increase in Accounts Payable and Accrued Expenses | 197,153 | 8,916 |
| (Decrease) in Deferred Revenue | (85,160) | (80,583) |
| Net Cash Provided by Operating Activities | \$ 3,505,290 | \$ 2,105,437 |

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

| |
|--|
| NOTE 1: <i>Summary of Significant Accounting Policies</i> |
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Organization

The Fish & Wildlife Foundation of Florida, Inc. (the Foundation) was formed on September 29, 1994, as a not-for-profit organization to provide assistance, funding and promotional support to contribute to the health and well-being for Florida's fish and wildlife resources and their habitats. The Foundation is a citizen-support organization of the Florida Fish and Wildlife Conservation Commission created pursuant to Section 379.223, *Florida Statutes*.

As noted below, included in the financial statements of the Foundation are the statements of its blended component unit, the Wildlife Foundation of Florida Mitigation Trust Funds, Inc.

The Wildlife Foundation of Florida Mitigation Trust Funds, Inc. (the Mitigation Trust Funds) was formed on January 25, 2010, as a nonprofit organization to provide funding for the maintenance and land stewardship of projects established by trust agreements entered into by various grantors with the Fish & Wildlife Foundation of Florida, Inc. for protection of natural resources. The Mitigation Trust Funds operates in a fiduciary capacity. Fiduciaries receive funds from outside sources, to be held and managed until such time as the outside source requests the funds to perform its specified function. The Mitigation Trust Funds receives fees for maintaining and managing the funds it holds for others.

Reporting Entity

In evaluating how to define the Foundation for financial reporting purposes, management has considered the criteria set forth in Governmental Accounting Standards Board (GASB) No. 39 *Determining Whether Certain Organizations Are Component Units*. This Statement amends GASB Statement No. 14, *The Financial Reporting Entity*, and provides additional guidance to determine whether an affiliated organization is considered a component unit of a financial reporting entity.

The Financial Reporting Entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Foundation is included in the financial statements of the State of Florida, as the State is the primary government of the Foundation.

In evaluating the Foundation as a reporting entity, management has addressed GASB Statement No. 39 in considering all potential component units (traditionally separate reporting entities) for which the Foundation may or may not be financially accountable, and if accountable, including those entities in the Foundation's financial statements.

NOTE 1: Summary of Significant Accounting Policies (continued)

Based upon the criteria in GASB Statement No. 39, the accompanying financial statements include the accounts of the Foundation’s blended component unit, the Wildlife Foundation of Florida Mitigation Trust Funds, Inc. The Foundation is a legally separate organization from the Mitigation Trust Funds. In accordance with governmental accounting standards, the Foundation (the primary government) is financially accountable if it appoints a majority of the organization’s governing board and (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefit or to impose specific burden on the Foundation. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statement to be misleading or incomplete.

| Component Unit | Justification for Inclusion in the Reporting Entity |
|---|---|
| Wildlife Foundation of Florida Mitigation Trust Funds, Inc. | The Foundation, with recommendations of the Mitigations Trust Fund’s CEO and CFO, appoint the members of the Board of the Mitigation Trust Fund, and is able to impose its will, as defined by GASB No. 39, on the Mitigation Trust Fund. |

Basis of Accounting and Financial Statement Presentation

The Foundation’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Foundation operates as a special-purpose government entity engaged in business-type activities. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods and services. Accordingly, these financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting.

The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Foundation has adopted the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents.

Capital Assets

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Capital assets are depreciated using the straight-line method over their estimated useful life.

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| NOTE 1: <i>Summary of Significant Accounting Policies (continued)</i> |
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Organization Funding

Operating revenues include grants, contributions, and other revenue sources used to fund the annual operating activities of the Foundation. Specifically, the Foundation's major revenue sources are as follows:

- Conserve Wildlife license plate annual use fee as outlined in F.S. 320.08058(24)
- Discover Florida's Oceans license plate annual use fees as outlined in F.S. 320.08058(50)
- Protect Florida Springs license plate annual use fee as outlined in F.S. 320.08058(61)
- Wildlife Foundation of Florida license plate annual use fee as outlined in F.S. 320.08058(47)
- The mitigation fees from private or public entities for projects to offset adverse impacts to imperiled species
- Program Service Revenues
- Government Grant Funding
- Private and Corporate Donations
- Conservation bank funds for projects to offset adverse impacts to the environment

Donated Assets

Contributions of donated non-cash assets are recorded at their fair market values in the period received.

Donated Services

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair market values in the period received.

NOTE 1: Summary of Significant Accounting Policies (continued)

Investments

Investments are accounted for at fair value in accordance with Governmental Accounting Standards Board Statement No. 31 *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Additional investment information and fair values are presented in Note 4.

Restricted Assets

Restricted assets are limited assets generated from revenues which have third-party limitations on their use. The Foundation would typically use restricted assets first, as appropriate opportunities arise, but reserve the right to selectively defer the use thereof to a future project.

Income Taxes

The Fish & Wildlife Foundation of Florida, Inc. is registered with the Internal Revenue Service as a non-profit organization under Internal Revenue Code section 501(c)(3) and, accordingly, is exempt from income taxes, except for any taxes which may arise from unrelated business income.

Use of Estimates

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

Subsequent Events

Subsequent events were evaluated through September 18, 2018, which is the date the financial statements were available to be issued. As of this date, no subsequent events were noted.

NOTE 2: Capital Assets

The cost and related accumulated depreciation for capital assets as of June 30, 2018 and 2017 are as follows:

| | <u>2017</u> | <u>Additions</u> | <u>Retirements</u> | <u>2018</u> |
|--------------------------------|-----------------|------------------|--------------------|------------------|
| Equipment | \$ 10,515 | \$ 4,106 | \$ - | \$ 14,621 |
| Donated Fine Art | 2,800 | - | - | 2,800 |
| Less: Accumulated Depreciation | <u>(6,199)</u> | <u>(1,194)</u> | <u>-</u> | <u>(7,393)</u> |
| Capital Assets, Net | <u>\$ 7,116</u> | <u>\$ 2,912</u> | <u>\$ -</u> | <u>\$ 10,028</u> |

NOTE 3: *Restricted Net Position*

Restricted net position consisted of the following as of June 30, 2018 and 2017:

| | 2018 | 2017 |
|---|--------------|---------------|
| Conserve Wildlife Tag | \$ 732,971 | \$ 774,565 |
| Discover Florida's Oceans Tag | 89,297 | 16,112 |
| Wildlife Foundation of FL Tag | 680,526 | 559,335 |
| Protect Florida Springs Tag | 499,990 | 385,384 |
| Mitigation Projects | 2,180,962 | 1,996,601 |
| FWC Projects | 1,118,320 | 874,969 |
| Imperiled Species | 11,591,585 | 9,136,109 |
| Florida Youth Conservation Centers Network (FYCCN) | 1,362,803 | 1,479,493 |
| Mitigation Trust Funds | 3,994,282 | 2,761,502 |
| Other | 152,429 | 143,460 |
| Total | \$22,403,165 | \$ 18,127,530 |

NOTE 4: *Deposits and Investments*

Custodial Credit Risk – Deposits and Investments

Deposits and investments are held by a brokerage house, and are insured, up to certain limits, by either: Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC), and other excess private insurance coverage offered by Lloyd's of London. This insurance does not protect against investment losses from market fluctuations or unregistered securities (as defined by SIPC rules).

Investments

As of June 30, 2018 and 2017 the Foundation had the following investments:

| Investment | 2018 | | | 2017 | | |
|-----------------------------------|---------------|---------------------------------|-------------------|---------------|---------------------------------|-------------------|
| | Fair Value | Weighted Avg. Maturity (Yrs) | Moody's Rating | Fair Value | Weighted Avg. Maturity (Yrs) | Moody's Rating |
| Mutual Funds and Closed-end Funds | \$ 13,208,714 | N/A | N/A | \$ 5,981,687 | N/A | N/A |
| Equities | 4,838,610 | N/A | N/A | 7,792,979 | N/A | N/A |
| Total Investments | \$ 18,047,324 | | | \$ 13,774,666 | | |

| |
|--|
| NOTE 4: <i>Deposits and Investments (continued)</i> |
|--|

Investment income reflected in the Statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2018 and 2017 includes unrealized appreciation of \$699,967 and \$1,092,558, respectively. This appreciation is attributable to the change in fair value of investments during the year.

Investment Policy

A formal policy is maintained that outlines the goals and objectives for the Foundation's investments. To provide for diversification in the asset allocation portfolio, investments in any individual security should not exceed approximately 5% of the total market value of the portfolio. Likewise, investments in any industry should not exceed approximately 10% of the total market value of the portfolio. The only exception to this guideline is U.S. Government securities. Diversification will be maintained between and within sectors and industries.

In general, the securities in the total portfolio should be of a quality that makes them readily liquid. Equity investments utilized should be issued by companies with a minimum market capitalization of \$100 million at the time of purchase. Fixed income securities may include debt instruments issued by the U.S. Government and U.S. Corporations. Investments in low-grade bonds, as well as foreign debt instruments, should be kept to a minimum and only allowed in the long-term pools of assets. Municipal securities may be utilized when they provide distinct yield and/or security advantage.

Domestic securities purchased should be registered with the Securities and Exchange Commission, traded on a national exchange or over-the-counter market, and conform to the liquidity constraints set forth in the investment policy.

Credit Risk

The Foundation's policy is to limit investments in corporate and government debt securities to the top ratings issued by nationally recognized statistical rating organizations (NRSROs). Investments in low-grade bonds, as well as foreign debt instruments, are kept to a minimum and only allowed in the long-term pools of assets.

Interest Rate Risk

In accordance with its investment policy, the Foundation manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Concentration of Credit Risks

The Foundation's investment policy does not allow for an investment in any one individual security that is in excess of 5% of the Foundation's total investments. Likewise, investments in any industry should not exceed approximately 10% of the total market value of the portfolio.

NOTE 5: *Other Asset*

In December 2016, the Foundation acquired a .8 acre property inholding in Volusia County. This property was to be restored ecologically, opened up for public waterfront access, and donated to the State of Florida. The property was not to be used in the operations of the Foundation and was expected to be donated to the State of Florida in the near term. The asset was, therefore, treated as an Other Asset and not capitalized and included with the Capital Assets as of June 30, 2017.

During the period ended June 30, 2018, the asset was donated to the State of Florida and removed the Foundation's books and records.

NOTE 6: *Line-of-Credit*

The Foundation has a revolving line-of-credit agreement with a financial institution in which it may borrow up to a maximum amount as determined from time to time by the financial institution based on the value of the securities pledged as collateral. There was no balance outstanding at June 30, 2018 or 2017. Each project that requires the use of this line-of-credit is approved by the Board of Directors prior to its use.

NOTE 7: *Related Party Transactions*

The Fish & Wildlife Foundation of Florida, Inc. is a citizen support group of the Florida Fish and Wildlife Conservation Commission as authorized in Section 379.223 of the Florida Statutes. As also authorized by the statute, the Foundation utilizes Commission personnel, property, and facilities to assist in its activities. The fair market value of these in-kind contributions has been reported in the accompanying financial statements.

NOTE 8: *Risk Management*

The Foundation is exposed to various risks of loss in the normal course of business. Conventional commercial insurance coverage has been purchased from various independent carriers to insure against such risks and minimize the Foundation's financial exposure to such risks.

The Foundation is not involved in any risk pools with other governmental entities.

NOTE 9: *Commitments*

The Foundation has contracts outstanding with third parties for the provision of services under the Conserve Wildlife License Plate Program, Protect Florida Springs License Plate Program, Mitigation Programs, Wildlife Foundation of Florida License Plate Program, and Florida Fish and Wildlife Conservation Commission Projects.

**REPORTS REQUIRED UNDER
*GOVERNMENTAL AUDITING STANDARDS***

LANIGAN & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Fish & Wildlife Foundation of Florida, Inc.
Tallahassee, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Fish & Wildlife Foundation of Florida, Inc. as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Fish & Wildlife Foundation of Florida, Inc.’s basic financial statements, and have issued our report thereon dated September 18, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fish & Wildlife Foundation of Florida, Inc.’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fish & Wildlife Foundation of Florida, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of Fish & Wildlife Foundation of Florida, Inc.’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses or significant deficiencies. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fish & Wildlife Foundation of Florida, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Fish & Wildlife Foundation of Florida, Inc.'s Response to Findings

The Fish & Wildlife Foundation of Florida, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Fish & Wildlife Foundation of Florida, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lanigan & Associates, P.C.

Tallahassee, Florida
September 18, 2018

LANIGAN & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY CHAPTER 10.650,
RULES OF THE AUDITOR GENERAL**

Board of Directors
Fish & Wildlife Foundation of Florida, Inc.
Tallahassee, Florida

Report on Compliance for Each Major State Project

We have audited Fish & Wildlife Foundation of Florida, Inc.'s compliance of with the types of requirements described in the *Florida Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on its major state projects for the year ended June 30, 2018. Fish & Wildlife Foundation of Florida, Inc.'s major state projects are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Fish & Wildlife Foundation of Florida, Inc.'s major State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.650, Rules of the Auditor General. Those standards and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State project occurred. An audit includes examining, on a test basis, evidence about Fish & Wildlife Foundation of Florida, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State project. However, our audit does not provide a legal determination of the Fish & Wildlife Foundation of Florida, Inc.'s compliance.

Opinion on Each Major State Project

In our opinion, Fish & Wildlife Foundation of Florida, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of Fish & Wildlife Foundation of Florida, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Fish & Wildlife Foundation of Florida, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State project and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Fish & Wildlife Foundation of Florida, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program or State project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program or State project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or as combination of deficiencies, in internal control over compliance with the type of compliance requirement of a State project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses, or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and results of that testing based on the requirements of Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Lanigan & Associates, P.C.

Tallahassee, Florida
September 18, 2018

**FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2018**

| State Awarding Agency - Projects | CSFA Number | Grantor's Number | State Expenditures |
|---|----------------|---------------------|-----------------------|
| Florida State Department of Highway Safety and Motor | | | |
| Conserve Wildlife License Plate Project | 76.073 | N/A | \$ 469,295 |
| Discover Florida's Oceans License Plate Project | 76.084 | N/A | - |
| Protect Florida Springs License Plate Project | 76.103 | N/A | 140,389 |
| Wildlife Foundation of Florida Plate Project | 76.135 | N/A | 232,805 |
| Total Expenditures of State Financial Assistance | | | \$ 842,489 |

**NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

1. The organization follows the accrual basis of accounting in preparing this schedule. This method is consistent with the preparation of the Organization's financial statements.

**FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2018**

I. SUMMARY OF AUDIT RESULTS

1. Type of audit report issued on the financial statements: Unmodified
2. Audit disclosed no material weaknesses or significant deficiencies in internal controls.
3. There were no instances of noncompliance material to the financial statements of Wildlife Foundation of Florida, Inc., disclosed during the audit.
4. Audit disclosed no significant deficiencies or material weaknesses in internal control over the state projects.
5. Type of audit report issued on compliance with requirements applicable to the major state projects: Unmodified
6. The audit disclosed no findings required to be reported under Chapter 10.656, *Rules of the State of Florida, and Office of the Auditor General*.
7. Major state projects identification:

| State Project | CFSA No. |
|---|-----------------|
| Conserve Wildlife License Plate Project | 76.073 |

8. Dollar threshold for distinguishing Type A or Type B programs was \$300,000 for state projects.

**FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

**II. FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE
REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

None Reported.

III. FINDINGS RELATED TO STATE PROJECTS

None Reported.

**FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018**

PRIOR YEAR AUDIT FINDINGS

2017-001: Shooting Ranges – Outdated and ambiguous Memorandum of Understanding (MOU) between the Fish & Wildlife Foundation of Florida, Inc. and the Fish and Wildlife Conservation Commission for the oversight and responsibility of shooting range operations.

Status – Cleared