

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, 2021 AND 2020**

CONTENTS

	Page No.
INDEPENDENT AUDITOR’S REPORT	1
BASIC FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Functional Expenses	6
Statements of Cash Flows.....	8
Notes to the Financial Statements.....	9
REPORTS REQUIRED UNDER <i>GOVERNMENT</i> <i>AUDITING STANDARDS</i>	
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 <i>Government Auditing Standards</i>	22
Independent Auditor’s Report on Compliance for Each Major State Project and on Internal Control Over Compliance Required by the Chapter 10.650, Rules of the Auditor General	24
Schedule of Expenditures of State Financial Assistance	26
Schedule of Findings and Questioned Costs.....	27
Summary Schedule of Prior Audit Findings.....	29

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 financial statements of Fish & Wildlife Foundation of Florida, Inc. (a not-for-profit corporation and component unit of the State of Florida), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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 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 opinion.

Opinion

In our opinion, the 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, 2021 and 2020, 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 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 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 schedule of expenditures of state financial assistance is fairly stated, in all material respects, in relation to the 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 9, 2021, 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 solely 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 effectiveness of the Fish & Wildlife Foundation of Florida's 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. internal control over financial reporting and compliance.

Lanigan & Associates, PC

Tallahassee, Florida
September 9, 2021

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2021 AND 2020

	2021	2020
<i>ASSETS</i>		
Current assets		
Cash and cash equivalents	\$ 8,039,411	\$ 5,955,523
Grants receivable	284,317	135,423
Accounts receivable	266,847	234,796
Pledge receivable, net	537,259	694,625
Prepaid expenses	15,725	23,003
Total current assets	9,143,559	7,043,370
Investments		
Securities and other negotiable instruments	38,638,585	27,818,375
Capital assets		
Capital assets, net of accumulated depreciation	118,543	151,787
Other assets	32,888	25,268
Total assets	\$ 47,933,575	\$ 35,038,800
<i>LIABILITIES AND NET POSITION</i>		
Current liabilities		
Accounts payable and accrued expenses	\$ 674,633	\$ 579,568
Net assets		
With donor restrictions	44,117,883	32,540,326
Without donor restrictions	3,141,059	1,918,906
Total net assets	47,258,942	34,459,232
Total liabilities and net assets	\$ 47,933,575	\$ 35,038,800

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	2021
Operating revenues			
Imperiled species	\$ -	\$ 4,935,694	\$ 4,935,694
Contributions and donations	666,987	733,541	1,400,528
Program service revenue	-	3,487,548	3,487,548
License plate revenue	-	1,161,560	1,161,560
Other program related revenue	4,248	178,364	182,612
Net assets released from restrictions	6,793,550	(6,793,550)	-
Total operating revenues	7,464,785	3,703,157	11,167,942
Operating expenses			
Program	6,052,917	-	6,052,917
Administrative and office	649,586	-	649,586
Fundraising	173,806	-	173,806
Total operating expenses	6,876,309	-	6,876,309
Change in net assets from operating activities	588,476	3,703,157	4,291,633
Non-operating income (expense)			
Investment return, net of investment fees	633,677	7,831,766	8,465,443
Discount on pledge receivable	-	42,634	42,634
Unamortized discount on pledge receivable	-	-	-
Change in net assets from non-operating activities	633,677	7,874,400	8,508,077
Change in net assets	1,222,153	11,577,557	12,799,710
Net assets, beginning of year	1,918,906	32,540,326	34,459,232
Net assets, end of year	\$ 3,141,059	\$ 44,117,883	\$ 47,258,942

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	2020
Operating revenues			
Imperiled species	\$ -	\$ 4,446,882	\$ 4,446,882
Contributions and donations	380,769	1,554,500	1,935,269
Program service revenue	-	2,933,031	2,933,031
License plate revenue	-	1,036,510	1,036,510
Other program related revenue	2,914	249,263	252,177
Net assets released from restrictions	6,758,531	(6,758,531)	-
Total operating revenues	<u>7,142,214</u>	<u>3,461,655</u>	<u>10,603,869</u>
Operating expenses			
Program	6,023,110	-	6,023,110
Administrative and office	569,719	-	569,719
Fundraising	94,839	-	94,839
Total operating expenses	<u>6,687,668</u>	<u>-</u>	<u>6,687,668</u>
Change in net assets from operating activities	<u>454,546</u>	<u>3,461,655</u>	<u>3,916,201</u>
Non-operating income (expense)			
Investment return, net of investment fees	45,380	2,227,716	2,273,096
Discount on pledge receivable	-	-	-
Unamortized discount on pledge receivable	-	(105,375)	(105,375)
Change in net assets from non-operating activities	<u>45,380</u>	<u>2,122,341</u>	<u>2,167,721</u>
Change in net assets	499,926	5,583,996	6,083,922
Net assets, beginning of year	<u>1,418,980</u>	<u>26,956,330</u>	<u>28,375,310</u>
Net assets, end of year	<u><u>\$ 1,918,906</u></u>	<u><u>\$ 32,540,326</u></u>	<u><u>\$ 34,459,232</u></u>

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program	Administrative and Office	Fundraising	2021 Total	2020 Total
Expenses					
Cash award and grants	\$ 4,963,147	\$ -	\$ -	\$ 4,963,147	\$ 4,954,345
Salaries and wages	313,167	359,469	-	672,636	556,077
Outside contract services	396,544	-	-	396,544	400,697
Fundraising	-	-	173,806	173,806	94,839
Employee benefits	52,339	72,204	-	124,543	121,929
Advertising expenses	67,293	38,950	-	106,243	50,048
Merchant account fees	65,565	1,859	-	67,424	52,310
Accounting and legal services	23,529	32,459	-	55,988	69,674
Occupancy - donated	23,374	32,246	-	55,620	37,512
Payroll taxes	19,946	27,517	-	47,463	38,238
Miscellaneous expenses	4,463	37,905	-	42,368	22,630
Occupancy	40,731	530	-	41,261	28,048
Depreciation expense	31,664	3,568	-	35,232	22,417
Supplies	16,112	2,582	-	18,694	16,248
Software licenses	6,001	8,937	-	14,938	13,581
Meeting expense	6,691	7,958	-	14,649	23,710
Insurance	5,611	7,741	-	13,352	10,690
Web site fees	8,504	2,223	-	10,727	9,231
Travel	502	8,406	-	8,908	19,897
Equipment	4,633	-	-	4,633	18,392
Telephone and telecommunications	3,040	135	-	3,175	2,600
Business registration fees	61	1,788	-	1,849	2,465
Postage	-	2,490	-	2,490	1,268
Printing and copying	-	619	-	619	1,209
Trust & fund agreement payments	-	-	-	-	119,613
Total expenses	\$ 6,052,917	\$ 649,586	\$ 173,806	\$ 6,876,309	\$ 6,687,668

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program	Administrative and Office	Fundraising	2020 Total	2019 Total
Expenses					
Cash awards and grants	\$ 4,953,066	\$ 1,279	\$ -	\$ 4,954,345	\$ 4,239,170
Salaries and wages	247,955	308,122	-	556,077	480,883
Outside contract services	398,575	2,122	-	400,697	471,467
Fundraising	-	-	94,839	94,839	152,149
Employee benefits	58,117	63,812	-	121,929	138,734
Advertising expenses	29,347	20,701	-	50,048	59,571
Merchant account fees	50,507	1,803	-	52,310	51,813
Accounting and legal expense	38,274	31,400	-	69,674	88,021
Occupancy - donated	16,130	21,382	-	37,512	37,512
Payroll taxes	883	37,355	-	38,238	33,798
Miscellaneous expenses	-	22,630	-	22,630	23,020
Occupancy	27,531	517	-	28,048	2,430
Depreciation expense	19,453	2,964	-	22,417	1,914
Supplies	11,332	4,916	-	16,248	5,390
Software Licenses	4,053	9,528	-	13,581	6,662
Meeting expense	12,002	11,708	-	23,710	23,066
Insurance	5,071	5,619	-	10,690	10,139
Web site fees	8,152	1,079	-	9,231	8,180
Travel	1,904	17,993	-	19,897	23,983
Equipment	18,392	-	-	18,392	339
Telephone and telecommunications	2,415	185	-	2,600	1,423
Business registration fees	103	2,362	-	2,465	2,623
Postage	235	1,033	-	1,268	734
Printing and copying	-	1,209	-	1,209	454
Trust & fund agreement payments	119,613	-	-	119,613	158,776
Total expenses	\$ 6,023,110	\$ 569,719	\$ 94,839	\$ 6,687,668	\$ 6,022,251

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$ 4,291,633	\$ 3,916,201
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	35,232	22,417
(Increase) decrease in accounts receivable	(180,945)	(59,899)
(Increase) decrease in pledge receivable	199,997	(800,000)
(Increase) decrease in prepaid expenses	7,278	3,887
(Increase) decrease in other assets	(7,620)	732
Increase (decrease) in accounts payable and accrued expenses	95,065	115,432
	4,440,640	3,198,770
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,988)	(166,090)
Purchase of investments	(14,078,396)	(18,121,171)
Proceeds from sale of investments	11,119,122	15,107,756
Interest and dividend income	604,510	416,537
	(2,356,752)	(2,762,968)
Net cash (used in) investing activities		
Net increase (decrease) in cash and cash equivalents	2,083,888	435,802
Cash and cash equivalents and beginning of year	5,955,523	5,519,721
Cash and cash equivalents at end of year	\$ 8,039,411	\$ 5,955,523

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

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*.

The Foundation also acts as a fiduciary for certain mitigation properties to provide funding for the maintenance and land stewardship of projects established by restricted fund agreements entered into by various grantors with the Fish & Wildlife Foundation of Florida, Inc. for protection of natural resources. These project accounts 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 Foundation 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.

NOTE 1: Summary of Significant Accounting Policies (continued)

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 financial statements of the Foundation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205 *Not-for-Profit Entities – Presentation of Financial Statements*.

Under the provisions of ASC 958-205, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified 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 Foundation. The Foundation's board may designate assets without restrictions for specific operational purposes from time to time.

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 Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Federal Deposit Insurance Corporation (FDIC) provides deposit coverage to combined accounts up to \$250,000. At times, the cash balances may exceed federally insured amounts; however, management assesses the financial condition of the institutions and risk associated for its cash deposits.

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.

NOTE 1: <i>Summary of Significant Accounting Policies (continued)</i>
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Public Support and Revenue

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

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: <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

Investments

Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments, is presented in the statement of activities in accordance with donor restrictions as investment return. Investment return is presented net of investment fees. The average cost method is primarily used to determine the basis for computing realized gains or losses.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Foundation's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

NOTE 1: Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

The FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes the reporting of fair value information about financial instruments, whether or not recognized in the statements of financial position. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined based upon a hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Due to their short-term nature, the Foundation's carrying values of assets and liabilities approximate the fair values.

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.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the supplementary information. Accordingly, certain employee costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis based on time and effort of employees involved.

NOTE 1: Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements Implemented

For the year ended June 30, 2020, the Foundation adopted the provisions of FASB, ASU No. 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This amendment provides additional guidance for contributions received and contributions made. The adoption of this standard had no effect on the Foundation's recognition of contribution revenues or expenses.

For the year ended June 30, 2021, the Foundation adopted the provisions of FASB, ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), to improve the financial reporting of revenue from contracts with customers and related costs. The core principle of the revised revenue recognition standards is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standards also require enhanced disclosures about revenues that are aimed at allowing users to understand the nature, amount, timing, and uncertainty of revenue and cash flows from contracts with customers. Management has determined the effect of ASU 2014-09 to be minimal.

Future Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02 Leases (Topic 842), which sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. In June 2020, the FASB extended the effective implementation date of the ASU to fiscal years beginning after December 15, 2021. The Foundation is currently evaluating the impact of the adoption of ASU 2016-02 on its financial statements.

Reclassification

Certain amounts in the prior year have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Subsequent Events

Subsequent events were evaluated through September 9, 2021, which is the date the financial statements were available to be issued.

NOTE 2: Capital Assets

The cost and related accumulated depreciation for capital assets as of June 30, 2021 and 2020 are as follows:

	<u>2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>2021</u>
Equipment	\$ 150,761	\$ 1,988	\$ (8,455)	\$ 144,294
Leasehold improvements	29,950			29,950
Donated fine art	2,800			2,800
Less: accumulated depreciation	<u>(31,724)</u>	<u>(35,232)</u>	<u>8,455</u>	<u>(58,501)</u>
Capital assets, net	<u>\$ 151,787</u>	<u>\$ (33,244)</u>	<u>\$ -</u>	<u>\$ 118,543</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$35,232 and \$22,417, respectively.

NOTE 3: Net Assets with Donor Restrictions

Donor restricted net assets subject to expenditure for a specified purpose consisted of the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Conserve Wildlife Tag	\$ 988,921	\$ 856,597
Discover Florida's Oceans Tag	77,071	70,490
Wildlife Foundation of FL Tag	827,323	889,563
Protect Florida Springs Tag	516,648	448,196
Mitigation Species	4,465,900	3,179,448
FWC Projects	1,138,667	1,126,102
Imperiled Species	28,236,643	19,328,509
Florida Youth Conservation Centers		
Network (FYCCN)	1,095,637	1,142,350
Mitigation Properties	5,601,554	4,465,939
Other	<u>1,169,519</u>	<u>1,033,132</u>
Total	<u>\$ 44,117,883</u>	<u>\$ 32,540,326</u>

NOTE 4: <i>Deposits and Investments</i>
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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, 2021 and 2020, the Foundation had the following investments:

	2021	2020
Investment	Level 1 Fair Value	Level 1 Fair Value
Mutual funds and closed-end funds	\$ 24,306,427	\$ 18,038,238
Equities	14,332,158	9,780,137
Total investments	\$ 38,638,585	\$ 27,818,375

Investment income reflected in the Statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2021 and 2020 includes unrealized appreciation of \$7,406,142 and \$2,181,142, respectively. This appreciation is attributable to the change in fair value of investments during the year.

NOTE 4: Deposits and Investments (Continued)

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: *Pledges Receivable*

Pledges receivable represent the total promises to give to the Foundation less any contributions received to date. For pledges in excess of one year, the Foundation provides a discount based on the net present value of the pledges receivable. The Foundation uses a discount rate of 3.75% (WSJ Prime rate). An allowance for uncollectible pledges has not been recorded based on historical experience and an analysis of the composition of the donor. The pledges are scheduled to be received in future years as follows:

Pledges receivable as of:	
2022	\$ 100,000
2023	100,000
2024	100,000
2025	100,000
2026	100,000
2027	<u>100,000</u>
Total pledges receivable	600,000
Discount on pledges receivable	<u>(62,741)</u>
Pledges receivable, net	<u>\$ 537,259</u>

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, 2021 or 2020. 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.

NOTE 10: Liquidity and Availability of Financial Assets

Financial assets available for general expenditure within one year are as follows as of June 30, 2021 and 2020:

	2021	2020
Cash, including donor-restrictions for program operations	\$ 8,039,411	\$ 5,955,523
Receivables	551,164	370,219
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 8,590,575</u>	<u>\$ 6,325,742</u>

The Foundation is substantially supported by restricted contributions. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year.

The Foundation monitors cash availability on a weekly basis. Accounts payable are released with mindfulness of cash on hand. In the case of a long-term cash flow emergency, the Foundation can draw down its’ investment balances with the approval of the board.

NOTE 11: *Uncertain Income Tax Position*

The Foundation accounts for income taxes as required by FASB ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

As of June 30, 2021, the Foundation had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Additionally, the Foundation had no interest and penalties related to income taxes.

NOTE 12: *Lease Commitments*

On November 1, 2019, the Foundation entered into a lease agreement for office space to facilitate the research, care, and propagation of Florida corals. The day-to-day operations of the facility will be operated by SeaWorld Parks & Entertainment, Inc. This lease expires on October 31, 2022. Monthly base lease payments are \$1,714.67 during the first year of the lease with a 3% increase in each of the two subsequent years. The Foundation is also obligated by the terms of the lease to pay 3% of the landlord's operating cost of the premises. As of June 30, 2021, and 2020, these additional costs were approximately \$500 per month. Total base rental expense for the years ended June 30, 2021 and 2020 was \$21,315 and \$13,717, respectively. The future minimum base lease payments required under this lease are as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 21,617
2023	<u>7,276</u>
Total minimum lease payments	<u>\$ 28,893</u>

NOTE 13: *Coronavirus (COVID-19)*

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred domestically in the United States and globally, including mandates from federal, state and local authorities, leading to an overall decline in economic activity. The ultimate impact of the epidemic on the financial performance of the Foundation cannot be reasonably estimated at this time.

**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., which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated September 9, 2021.

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*.

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, PC

Tallahassee, Florida
September 9, 2021

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, 2021. 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, 2021.

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, PC

Tallahassee, Florida
September 9, 2021

**FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021**

State Awarding Agency - Projects	CSFA Number	Grantor's Number	State Expenditures
Florida State Department of Highway Safety and Motor Vehicles			
Conserve Wildlife License Plate Project	76.073	N/A	\$ 404,505
Discover Florida's Oceans License Plate Project	76.084	N/A	53,417
Protect Florida Springs License Plate Project	76.103	N/A	274,999
Wildlife Foundation of Florida Plate Project	76.135	N/A	<u>592,616</u>
Total Expenditures of State Financial Assistance			<u><u>\$1,325,537</u></u>

**NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021**

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

See report of independent auditors.

**FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

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 over financial reporting.
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:

<u>State Project</u>	<u>CFSA No.</u>
Conserve Wildlife License Plate Project	76.073
Protect Florida's Springs Plate Project	76.103
Wildlife Foundation of Florida Plate Project	76.135

8. Dollar threshold for distinguishing Type A or Type B programs was \$397,512 for state projects.

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2021

**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, 2021

PRIOR YEAR AUDIT FINDINGS

2020-001:

Information on the State Program: CSFA 76.135 – Wildlife Foundation of Florida License Plates.

Compliance Requirements: 1. Seventy-five percent must be used to fund programs and projects within the state that preserve open space and wildlife habitat, promote conservation, improve wildlife habitat, and establish open space for the perpetual use of the public. 2. Twenty-five percent may be used for promotion, marketing, and administrative costs directly associated with operation of the foundation. (c) When the provisions of subparagraph (b)1. are met, those annual revenues shall be used for the purposes of subparagraph (b)2.

Type of Finding: Noncompliance.

Criteria: The program requires that administrative and marketing funds can only be spent after seventy-five percent of the revenue is used to fund approved projects.

Condition: For the year ending June 30, 2020, we reviewed total expenditures and noted, in accordance with a new August 2020 interpretation by the Florida Department of Highway Safety and Motor Vehicles of the 2014 license plate legislation, the Foundation did not spend a full seventy-five percent of Wildlife Foundation of Florida tag revenue prior to spending twenty-five percent on administrative and marketing costs.

Context: Wildlife Foundation of Florida specialty tag revenue for the year ended June 30, 2020 totaled \$375,577. The Foundation expended \$219,744 on approved projects (59% of total revenue).

Effect: The Foundation did not meet the requirements before expending funds on administrative and marketing costs.

Cause: The Foundation did not receive enough high-quality and high-dollar grant proposals early in the year, and thus could not disburse enough of the funds on appropriate projects.

Recommendation: We recommend management review and revise controls over disbursement of Wildlife Foundation of Florida Tag administrative and marketing expenditures.

Status of Prior Audit Finding: **Corrective actions were taken to address this finding.**