

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



**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**
JUNE 30, 2022 AND 2021

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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 Audit of the Financial Statements

Opinion

We have audited the 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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Fish & Wildlife Foundation of Florida, Inc. as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fish & Wildlife Foundation of Florida, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fish & Wildlife Foundation of Florida, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Governmental Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Fish & Wildlife Foundation of Florida, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fish & Wildlife Foundation of Florida, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

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, as required by Chapter 10.650, *Rules of the Auditor General*, is presented for purposes of additional analysis 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 12, 2022, 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 12, 2022

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2022 AND 2021

	2022	2021
<i>ASSETS</i>		
Current assets		
Cash and cash equivalents	\$ 19,130,830	\$ 8,039,411
Grants receivable	123,163	284,317
Accounts receivable	175,213	266,847
Pledge receivable, net	445,182	537,259
Prepaid expenses	51,720	15,725
Total current assets	<u>19,926,108</u>	<u>9,143,559</u>
Investments		
Securities and other negotiable instruments	<u>36,341,524</u>	<u>38,638,585</u>
Capital assets		
Capital assets, net of accumulated depreciation	<u>101,533</u>	<u>118,543</u>
Other assets	<u>29,923</u>	<u>32,888</u>
Total assets	<u><u>\$ 56,399,088</u></u>	<u><u>\$ 47,933,575</u></u>
<i>LIABILITIES AND NET POSITION</i>		
Current liabilities		
Accounts payable and accrued expenses	<u>\$ 873,944</u>	<u>\$ 674,633</u>
Net assets		
With donor restrictions	52,767,300	44,117,883
Without donor restrictions	<u>2,757,844</u>	<u>3,141,059</u>
Total net assets	<u>55,525,144</u>	<u>47,258,942</u>
Total liabilities and net assets	<u><u>\$ 56,399,088</u></u>	<u><u>\$ 47,933,575</u></u>

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	2022
Operating revenues			
Imperiled species	\$ -	\$ 6,268,752	\$ 6,268,752
Contributions and donations	329,226	10,993,948	11,323,174
Program service revenue	-	4,909,915	4,915,300
License plate revenue	-	1,282,523	1,282,523
Other program related revenue	12,979	352,169	359,763
Net assets released from restrictions	9,360,912	(9,360,912)	-
	<u>9,703,117</u>	<u>14,446,395</u>	<u>24,149,512</u>
Operating expenses			
Program	8,770,314	-	8,770,314
Administrative and office	567,300	-	567,300
Fundraising	67,270	-	67,270
	<u>9,404,884</u>	<u>-</u>	<u>9,404,884</u>
Change in net assets from operating activities	<u>298,233</u>	<u>14,446,395</u>	<u>14,744,628</u>
Non-operating income (expense)			
Investment return, net of investment fees	(681,448)	(5,803,651)	(6,485,099)
Gain (loss) on asset disposal	-	(1,250)	(1,250)
Discount on pledge receivable	-	7,923	7,923
	<u>(681,448)</u>	<u>(5,796,978)</u>	<u>(6,478,426)</u>
Change in net assets from non-operating activities	<u>(681,448)</u>	<u>(5,796,978)</u>	<u>(6,478,426)</u>
Change in net assets	(383,215)	8,649,417	8,266,202
Net assets, beginning of year	<u>3,141,059</u>	<u>44,117,883</u>	<u>47,258,942</u>
Net assets, end of year	<u><u>\$ 2,757,844</u></u>	<u><u>\$ 52,767,300</u></u>	<u><u>\$ 55,525,144</u></u>

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)	-
	<u>7,464,785</u>	<u>3,703,157</u>	<u>11,167,942</u>
Operating expenses			
Program	6,052,917	-	6,052,917
Administrative and office	649,586	-	649,586
Fundraising	173,806	-	173,806
	<u>6,876,309</u>	<u>-</u>	<u>6,876,309</u>
Change in net assets from operating activities	<u>588,476</u>	<u>3,703,157</u>	<u>4,291,633</u>
Non-operating income (expense)			
Investment return, net of investment fees	633,677	7,831,766	8,465,443
Gain (loss) on asset disposal	-	-	-
Discount on pledge receivable	-	42,634	42,634
	<u>633,677</u>	<u>7,874,400</u>	<u>8,508,077</u>
Change in net assets from non-operating activities	<u>633,677</u>	<u>7,874,400</u>	<u>8,508,077</u>
Change in net assets	1,222,153	11,577,557	12,799,710
Net assets, beginning of year	<u>1,918,906</u>	<u>32,540,326</u>	<u>34,459,232</u>
Net assets, end of year	<u><u>\$ 3,141,059</u></u>	<u><u>\$ 44,117,883</u></u>	<u><u>\$ 47,258,942</u></u>

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022 (WITH COMPARATIVE TOTALS)

	Program	Administrative and Office	Fundraising	2022 Total	2021 Total
Expenses					
Cash awards and grants	\$ 6,360,441	\$ -	\$ -	\$ 6,360,441	\$ 4,963,147
Outside contract services	1,307,972	-	-	1,307,972	396,544
Salaries and wages	521,323	278,531	-	799,854	672,636
Advertising expenses	117,261	49,459	-	166,720	106,243
Employee benefits	98,825	52,800	-	151,625	124,543
Merchant account fees	84,881	3,132	-	88,013	67,424
Accounting and legal services	57,028	28,283	-	85,311	55,988
Fundraising	-	-	67,270	67,270	173,806
Payroll taxes	36,164	19,321	-	55,485	47,463
Occupancy	39,869	2,340	-	42,209	41,261
Occupancy - donated	27,127	14,493	-	41,620	55,620
Travel	7,509	33,091	-	40,600	8,908
Meeting expense	19,589	20,469	-	40,058	14,649
Miscellaneous expenses	1,266	35,827	-	37,093	42,368
Depreciation expense	31,581	3,480	-	35,061	35,232
Software licenses	17,568	9,386	-	26,954	14,938
Supplies	20,098	4,105	-	24,203	18,694
Insurance	8,026	4,288	-	12,314	13,352
Website fees	7,816	3,875	-	11,691	10,727
Telephone and telecommunications	3,274	410	-	3,684	3,175
Equipment	2,634	537	-	3,171	4,633
Postage	-	2,249	-	2,249	2,490
Business registration fees	62	868	-	930	1,849
Printing and copying	-	356	-	356	619
Total expenses	\$ 8,770,314	\$ 567,300	\$ 67,270	\$ 9,404,884	\$ 6,876,309

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021 (WITH COMPARATIVE TOTALS)

	Program	Administrative and Office	Fundraising	2021 Total	2020 Total
Expenses					
Cash awards 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
Website 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 CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 8,266,202	\$ 12,799,710
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	35,061	35,232
Loss on asset disposal	1,250	-
(Gain) loss on investments	8,111,990	(7,860,933)
Discount on pledge receivable	(7,923)	(42,634)
(Increase) decrease in:		
Grants & accounts receivable	252,788	(180,945)
Pledges receivable	100,000	199,997
Prepaid expenses	(35,995)	7,278
Other assets	2,965	(7,620)
Increase (decrease) in:		
Accounts payable and accrued expenses	199,311	95,065
Net cash provided by operating activities	<u>16,925,649</u>	<u>5,045,150</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(19,301)	(1,988)
Purchase of investments	(25,742,579)	(14,078,396)
Proceeds from sale of investments	<u>19,927,650</u>	<u>11,119,122</u>
Net cash (used in) investing activities	<u>(5,834,230)</u>	<u>(2,961,262)</u>
Net increase in cash and cash equivalents	11,091,419	2,083,888
Cash and cash equivalents and beginning of year	<u>8,039,411</u>	<u>5,955,523</u>
Cash and cash equivalents at end of year	<u><u>\$ 19,130,830</u></u>	<u><u>\$ 8,039,411</u></u>

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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: <i>Summary of Significant Accounting Policies (continued)</i>
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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: <i>Summary of Significant Accounting Policies (continued)</i>
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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: <i>Summary of Significant Accounting Policies (continued)</i>
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New Accounting Pronouncements Implemented

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 may 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 12, 2022, 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, 2022 and 2021 are as follows:

	2021	Additions	Retirements	2022
Equipment	\$ 144,294	\$ 4,160	\$ (4,560)	\$ 143,894
Land	-	15,140	-	15,140
Leasehold improvements	29,950	-	-	29,950
Donated fine art	2,800	-	-	2,800
Less: accumulated depreciation	(58,501)	(35,061)	3,311	(90,251)
Capital assets, net	<u>\$ 118,543</u>	<u>\$ (15,761)</u>	<u>\$ (1,249)</u>	<u>\$ 101,533</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$35,061 and \$35,232, 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, 2022 and 2021:

	2022	2021
Conserve Wildlife Tag	\$ 587,027	\$ 988,921
Discover Florida's Oceans Tag	53,309	77,071
Wildlife Foundation of FL Tag	629,119	827,323
Protect Florida Springs Tag	336,883	516,648
Mitigation Species	4,805,954	4,465,900
FWC Projects	3,009,778	1,138,667
Imperiled Species	27,839,560	28,236,643
Florida Youth Conservation Centers		
Network (FYCCN)	1,257,010	1,095,637
Mitigation Properties	4,805,951	5,601,554
Other	9,442,709	1,169,519
Total	<u>\$ 52,767,300</u>	<u>\$ 44,117,883</u>

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, 2022 and 2021, the Foundation had the following investments:

Investment	2022	2021
	Level 1	Level 1
	Fair Value	Fair Value
Mutual funds and closed-end funds	\$24,059,169	\$24,306,427
Equities	12,282,355	14,332,158
Total investments	<u>\$ 36,341,524</u>	<u>\$ 38,638,585</u>

Investment income reflected in the Statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2022 and 2021 includes unrealized (depreciation) appreciation of (\$7,906,571) and \$7,406,142, respectively. This (depreciation) 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.

NOTE 4: <i>Deposits and Investments (continued)</i>
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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: <i>Pledges Receivable</i>
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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 June 30:

2023	\$ 100,000
2024	100,000
2025	100,000
2026	100,000
2027	<u>100,000</u>
Total pledges receivable	500,000
Discount on pledges receivable	<u>(54,818)</u>
Pledges receivable, net	<u><u>\$ 445,182</u></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, 2022 or 2021. 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 Relationship*

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.

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, 2022 and 2021:

	2022	2021
Cash, including donor-restrictions for program operations	\$ 19,130,830	\$ 8,039,411
Receivables	298,376	551,164
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 19,429,206</u>	<u>\$ 8,590,575</u>

NOTE 10: *Liquidity and Availability of Financial Assets (continued)*

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, 2022, 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 \$1,715 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, 2022 and 2021, these additional costs were approximately \$500 per month. Total base rental expense for the years ended June 30, 2022 and 2021 was \$21,617 and \$21,315, respectively. The future minimum base lease payments required under this lease are \$7,276 to be paid during the year ended June 30, 2023.

NOTE 13: *Advertising Costs*

Advertising costs are expensed as incurred. Advertising costs for the years ended June 30, 2022 and 2021 totaled \$166,720 and \$106,243, respectively.

**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, 2022, 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 12, 2022.

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) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. 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 financial statements. 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 12, 2022

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

Opinion on Each Major State Project

We have audited Fish & Wildlife Foundation of Florida, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of Fish & Wildlife Foundation of Florida, Inc.'s major State projects for the year ended June 30, 2022. Fish & Wildlife Foundation of Florida, Inc.'s major State projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2022.

Basis for Opinion on Each Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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. Our responsibilities under those standards and Chapter 10.650, Rules of the Auditor General are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Fish & Wildlife Foundation of Florida, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major State project. Our audit does not provide a legal determination of Fish & Wildlife Foundation of Florida, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Fish & Wildlife Foundation of Florida, Inc.'s State projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Fish & Wildlife Foundation of Florida, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650, Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Fish & Wildlife Foundation of Florida, Inc.'s compliance with the requirements of each major State project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Fish & Wildlife Foundation of Florida, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Fish & Wildlife Foundation of Florida, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Fish & Wildlife Foundation of Florida, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 State project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 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 a combination of deficiencies, in internal control over compliance with a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the results of that testing based on the requirements of the Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Lanigan & Associates, PC

Tallahassee, Florida

September 12, 2022

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022

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	\$ 725,660
Discover Florida's Oceans License Plate Project	76.084	N/A	74,952
Protect Florida Springs License Plate Project	76.103	N/A	424,850
Wildlife Foundation of Florida Plate Project	76.135	N/A	<u>560,568</u>
Total Expenditures of State Financial Assistance			<u><u>\$ 1,786,030</u></u>

NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022

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, 2022**

I. SUMMARY OF AUDITOR'S 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 Fish & Wildlife Foundation of Florida, Inc., disclosed during the audit.
4. Audit disclosed no significant deficiencies or material weaknesses in internal control over major state projects.
5. Type of audit report issued on compliance with requirements applicable to 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 \$535,809 for state projects.

FISH & WILDLIFE FOUNDATION OF FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2022

**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, 2022**

PRIOR YEAR AUDIT FINDINGS

None Reported.