

WILDLIFE INFORMATION CENTER, INC.
(A NON PROFIT ORGANIZATION)
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2018

Draft

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Wildlife Information Center, Inc.
Slatington, Pennsylvania

We have audited the accompanying financial statements of Wildlife Information Center, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets - modified cash basis as of December 31, 2018, the related statements of support, revenue, expenses, and changes in net assets - modified cash basis and functional expenses - modified cash basis, for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1. This includes determining that the modified cash basis of accounting is an acceptable basis for the presentation of the financial statements in the circumstances. Management is also responsible 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' 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 assets, liabilities, and net assets of Wildlife Information Center, Inc. as of December 31, 2018, and support, revenue, expenses, and changes in net assets and functional expenses for the related year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Frey & Co. CPAs, LLC

Frey & Co. CPAs, LLC
Walnutport, Pennsylvania
March 11, 2019

Draft

WILDLIFE INFORMATION CENTER, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
AS OF DECEMBER 31, 2018

	<u>Without</u> Donor <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 260,378	\$ 229,245	\$ 489,623
Investments, at Fair Market Value	1,411,665	-	1,411,665
Property and Equipment - Net	<u>1,784,760</u>	<u>-</u>	<u>1,784,760</u>
TOTAL ASSETS	<u>\$ 3,456,803</u>	<u>\$ 229,245</u>	<u>\$ 3,686,048</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Payroll Liabilities	\$ 777	\$ -	\$ 777
Security Deposit Payable	<u>1,000</u>	<u>-</u>	<u>1,000</u>
TOTAL LIABILITIES	<u>1,777</u>	<u>-</u>	<u>1,777</u>
NET ASSETS			
Without Donor Restrictions			
Board Designated	1,411,665	-	1,411,665
Undesignated	2,043,361	-	2,043,361
With Donor Restrictions	<u>-</u>	<u>229,245</u>	<u>229,245</u>
TOTAL NET ASSETS	<u>3,455,026</u>	<u>229,245</u>	<u>3,684,271</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,456,803</u>	<u>\$ 229,245</u>	<u>\$ 3,686,048</u>

The accompanying notes are an integral part of these financial statements

WILDLIFE INFORMATION CENTER, INC.
 STATEMENT OF SUPPORT, REVENUE, EXPENSES,
 AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT			
Grants from Private Sector	\$ 47,725	\$ 242,750	\$ 290,475
Investment Income	52,581	-	52,581
Donations	19,592	18,876	38,468
Membership Dues	32,417	-	32,417
Program Fees	29,931	-	29,931
Rebate Income	5,189	-	5,189
Product Income	3,434	-	3,434
Rental Fee Income	200	-	200
Unrealized Loss on Investments	(129,550)	-	(129,550)
Net Assets Released from Restriction	492,910	(492,910)	-
	<hr/>	<hr/>	<hr/>
Total Revenues, Gains, and Other Support	554,429	(231,284)	323,145
EXPENSES			
Program Services	525,740	-	525,740
Supporting Services:			
Management & General	44,295	-	44,295
Fundraising	2,254	-	2,254
	<hr/>	<hr/>	<hr/>
Total Expenses (See Page 5)	572,289	-	572,289
	<hr/>	<hr/>	<hr/>
Changes in Net Assets	(17,860)	(231,284)	(249,144)
	<hr/>	<hr/>	<hr/>
Net Assets - Beginning of Year, as previously reported	1,884,584	2,038,629	3,923,213
Prior Period Adjustment	1,588,302	(1,578,100)	10,202
	<hr/>	<hr/>	<hr/>
Net Assets - Beginning of Year, as restated	3,472,886	460,529	3,933,415
	<hr/>	<hr/>	<hr/>
Net Assets - End of Year	<u>\$ 3,455,026</u>	<u>\$ 229,245</u>	<u>\$ 3,684,271</u>

The accompanying notes are an integral part of these financial statements

WILDLIFE INFORMATION CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising Expenses</u>	<u>Total Expenses</u>
Salaries	\$ 146,968	\$ 10,000	\$ -	\$ 156,968
Employee Benefits	27,335	1,860	-	29,195
Payroll Taxes	13,221	900	-	14,121
Total Salaries and Related Expense	187,524	12,760	-	200,284
Education	198,663	-	-	198,663
Depreciation Expense	49,232	1,341	-	50,573
Conservation	43,282	-	-	43,282
Investment Fees	-	16,558	-	16,558
Insurance	14,272	-	-	14,272
Printing and Copying	12,919	-	-	12,919
Professional Fees	-	11,590	-	11,590
Repairs/Maintenance	7,683	-	-	7,683
Training, Travel and Conferences	3,482	-	-	3,482
Utilities	3,098	163	-	3,261
Supplies	865	-	1,090	1,955
Postage and Delivery	1,850	-	-	1,850
Software and IT	-	1,508	-	1,508
Communications	1,125	59	-	1,184
Advertising/Marketing	-	-	1,164	1,164
Equipment Rental	1,040	-	-	1,040
Other	383	-	-	383
Bank Charges	-	316	-	316
Library	174	-	-	174
Research	148	-	-	148
Total Expenses	<u>\$ 525,740</u>	<u>\$ 44,295</u>	<u>\$ 2,254</u>	<u>\$ 572,289</u>

The accompanying notes are an integral part of these financial statements

WILDLIFE INFORMATION CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1. NATURE OF BUSINESS

Wildlife Information Center, Inc. (the Center) is a not-for-profit organization that was organized to protect wildlife and the habitats of the Center's Refuge, the neighboring Kittatinny Ridge, and the Lehigh River Watershed through conservation, education, research and outdoor recreation to improve the quality of life of present and future generations.

The Center's revenues are derived primarily from private sector grants, however it does receive public and private support. It is always considered reasonably possible that contributions, grants and other sources of revenue may be lost in the near future.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Revenue Recognition

The accompanying financial statements of Wildlife Information Center, Inc. are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, revenues and the related assets are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred.

The modified cash basis of accounting differs from generally accepted accounting principles primarily because the Center has not recognized support and contribution pledge receivables and their related effects on the change in net assets. In addition, the Center has recognized unrealized gains (losses) on investments in its modified cash basis financial statements.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, checking accounts, savings accounts, demand deposits, and money market accounts with original maturity dates of three months or less.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair market values in the statement of assets, liabilities and net assets. Unrealized gains and losses are included in the change in net assets. Investment income and gains (losses) restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains (losses) are recognized. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months.

WILDLIFE INFORMATION CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Restricted for Educational Programs

Cash and cash equivalents restricted for educational purposes has been restricted by donors and is not available for operating purposes.

Property and Equipment

The Center capitalizes property and equipment over \$2,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at its estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Center reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation of buildings, furniture and equipment is provided over the useful lives of the respective assets on a straight-line basis.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Center generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Center but these services do not meet the criteria for recognition as contributed services. The Center receives more than 8,000 volunteer hours per year.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

WILDLIFE INFORMATION CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

The Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Center did not conduct any unrelated business activities that would be subject to unrelated business income taxes and accordingly is not required to pay any income tax on income earned in conjunction with their not for profit mission. An informational tax return is filed year (Form 990) to report the income and expenses of the exempt functions to ensure compliance with their intended mission.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could materially differ from those estimates.

NOTE 3. RESTRICTIONS ON NET ASSETS

Net Assets Without Donor Restrictions - Not subject to donor-imposed stipulations. Unrestricted assets may be designated for specific purposes by the Center.

Net Assets With Board Designated Restrictions - The board has established a policy to invest large unrestricted contributions into investment accounts to reserve for future capital improvements.

Net Assets with Donor Restrictions - Subject to donor-imposed stipulations that may be fulfilled by the actions of the Center to meet the stipulations or become unrestricted at the date specified by the donor.

NOTE 4. SIGNIFICANT GRANT FROM PRIVATE SECTOR

During 2017 the Center received a grant from the William Penn Foundation for \$622,500. This amount was recorded as grant revenue during 2017 with an amount of \$428,467 for restricted educational purposes. During 2018 the Center expended \$216,079 for educational purposes funded with this grant, which accordingly decreased the net assets for the 2018 reporting period. As of December 31, 2018; the William Penn Foundation Grant has a remaining balance of \$212,388 to be used to fund future educational expenses.

WILDLIFE INFORMATION CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 5. CUSTODIAL CREDIT RISK

The Center has the following bank deposits which are carried at cost as of December 31, 2018.

FDIC Classification:

Insured	\$300,980
Uninsured	<u>191,180</u>
 Total Bank Balances	 <u>\$492,160</u>

Custodial credit risk is the risk that in the event of a bank failure, the Center's deposits may not be returned to it. As of December 31, 2018, the Center's bank balances of \$191,180 were exposed to custodial credit risk.

NOTE 6. FAIR VALUE MEASUREMENTS OF INVESTMENTS

ASC 820-10 clarifies the definition of fair value for financial reporting and establishes a three-tier hierarchy as a framework for measuring fair value. Fair value is the price to sell an asset or transfer a liability between market participants as of the measurement date. The three levels of the fair value hierarchy under this standard are as follows:

- Level 1 - Inputs are quoted prices in active markets for identical instruments.
- Level 2 - Inputs are observable inputs other than Level 1 inputs. Level 2 inputs include quoted prices in active markets for similar instruments, quoted prices in less active or inactive markets for identical or similar instruments and model-derived valuations in which all significant inputs are observable in active markets or can be derived from or corroborated with observable market data.
- Level 3 - Inputs are unobservable inputs for which little or no market data exists. Level 3 inputs require an entity to develop its own assumptions, such as valuations derived from techniques in which one or more significant value drivers are unobservable. Examples include broker/dealer quotes utilizing matrix pricing and discounted cash flows incorporating credit spread and yield.

ASC 820-10 requires the Center to give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3) when measuring fair value. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy levels.

WILDLIFE INFORMATION CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 6. FAIR VALUE MEASUREMENTS OF INVESTMENTS (CONTINUED)

The following is a listing of assets required to be measured at fair value and where they are classified within the hierarchy as of December 31, 2018:

	Level 1	Level 2	Level 3	Total
Equity Securities	\$864,720	\$ -	\$ -	\$864,720
U.S Government Securities	223,127	-	-	\$223,127
Corporate Bonds	218,518	-	-	\$218,518
Municipal Bonds	74,891	-	-	\$74,891
Mutual Funds	30,409	-	-	\$30,409
Total	\$1,411,665	\$ -	\$ -	\$1,411,665

NOTE 7. PROPERTY AND EQUIPMENT

Components of property and equipment are summarized below at December 31, 2018:

Asset Type	Depreciable Lives	Cost	Accumulated Depreciation	Net
Buildings	39	\$ 1,357,184	\$ 379,288	\$ 977,896
Building Improvements	15-25	422,486	203,225	219,261
Equipment / Vehicles	5	132,025	126,038	5,987
Furniture	7	29,453	25,600	3,853
Land Improvements	10-20	101,113	91,444	9,669
Land		568,094	-	568,094
		\$ 2,610,355	\$ 825,595	\$ 1,784,760

Depreciation expense for the year ended December 31, 2018 was \$50,373.

WILDLIFE INFORMATION CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 8. COMPENSATED ABSENCES

The Center's policy does not carry over unused compensated absences to a future period. Upon an employee's discontinuation, the unused compensated absences in the year of termination will be paid.

NOTE 9. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been disclosed on a functional basis. Accordingly, certain costs have been allocated among program services and support services.

NOTE 10. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Center's financial assets as of the date of statement of assets, liabilities, and net assets. This value has been reduced by the amounts not available for general use due to contractual or donor-imposed restrictions totaling \$229,245 to be used for educational purposes. This amount also does not include the investments totaling \$1,411,665 since these funds have been designated by the board as an endowment with annual withdrawals of related income. The board has a policy that outlines the terms of an emergency under which these endowment funds can be accessed with board approval. Otherwise, these funds remain invested. The financial assets available to meet cash needs for general expenditure in the year ending December 31, 2019 is \$258,602.

As part of the Organization's liquidity management, it invests in certificate of deposits when cash is in excess of certain time frame requirements as seen fit by management to transfer the funds from operating accounts to these certificate of deposits.

NOTE 11. RECLASSIFICATION & RESTATEMENT OF NET ASSETS

The organization's beginning net assets have been corrected for the following reasons:

Net Assets Without Donor Restrictions, increased by:

Unrestricted Investments	\$1,450,265
Unrestricted Cash and Cash Equivalents	127,835
Adjustment to Cash and Cash Equivalents	<u>10,202</u>
Total	<u>\$1,588,302</u>

WILDLIFE INFORMATION CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 11. RECLASSIFICATION & RESTATEMENT OF NET ASSETS (CONTINUED)

Net Assets With Donor Restrictions, decreased by:

Unrestricted Investments	(\$1,450,265)
Unrestricted Cash and Cash Equivalents	<u>(127,835)</u>
Total	<u>\$(1,578,100)</u>

Overall net assets increased by \$10,202, related to an understatement of cash balances related to 2017 outstanding checks that were never issued.

NOTE 12. SUBSEQUENT EVENTS

As of March 11, 2019, the date the financials are available, no event has taken place by the Center that will affect any aspect of the financial statements or notes to the financial statements as of and for the year ended December 31, 2018.

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