

**WILDLIFE FOUNDATION
OF FLORIDA, INC.
TALLAHASSEE, FLORIDA**



**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
June 30, 2011 and 2010**

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of net assets of Wildlife Foundation of Florida, Inc. (a nonprofit organization) as of June 30, 2011 and 2010, and the related statements of revenues, expenses and changes in net assets, operating expenses and cash flows for the years then ended. We have also audited the discretely presented component unit of the Wildlife Foundation of Florida, Inc. as of and for the years ended June 30, 2011 and 2010, as displayed in the basic financial statements. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the net assets, changes in net assets and cash flows of the Wildlife Foundation of Florida, Inc. and the fiduciary net assets and changes in net assets of its discretely presented component unit. They do not purport to, and do not, present fairly the operations of the State of Florida as of June 30, 2011 and 2010 and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

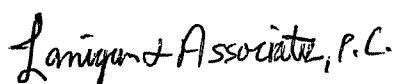
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wildlife Foundation of Florida, Inc. as of June 30, 2011 and 2010, and the changes in its net assets, its cash flows for the years then ended, and the discretely presented component unit, in conformity with accounting principles generally accepted in the United States of America.

To the Board of Directors
Wildlife Foundation of Florida, Inc.
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In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2011, on our consideration of Wildlife Foundation of Florida, Inc.'s, internal control over financial reporting and on our tests of its compliance with certain provisions of law, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wildlife Foundation of Florida, Inc.'s 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 relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Tallahassee, Florida
September 2, 2011

Management's Discussion and Analysis

Our discussion and analysis of the Wildlife Foundation of Florida's (the Foundation) financial performance provides an overview of the Foundation's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the Foundation's basic financial statements, which begin on page 5. The Foundation was formed on September 29, 1994, as a nonprofit organization to provide assistance, funding and promotional support to contribute to the health and well-being of Florida's fish and wildlife resources and their habitats. The Foundation is the citizen-support organization of the Florida Fish and Wildlife Conservation Commission (the Commission) as authorized by Section 379.223, *Florida Statutes*.

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

The following table presents the Foundation's condensed Statement of Net Assets as of June 30, 2011 and 2010 as derived from the Statements of Net Assets.

Table 1 – Net Assets

	<u>2011</u>	<u>2010</u>
Total Assets	\$7,215,613	\$5,692,232
Liabilities	<u>352,718</u>	<u>58,450</u>
Net Assets	<u>\$6,862,895</u>	<u>\$5,633,782</u>

The following table presents the Foundation's condensed Statement of Activities for the fiscal years ended June 30, 2011 and 2010 as derived from the Statements of Revenues, Expenses, and Changes in Net Assets.

Table 2 – Changes in Net Assets

	<u>2011</u>	<u>2010</u>
Total Revenues	\$4,276,823	\$3,628,595
Total Expenditures	<u>3,047,710</u>	<u>1,830,963</u>
Change in Net Assets	<u>\$1,229,113</u>	<u>\$1,797,632</u>

Additional Information

The Foundation's 21% increase in Net Assets was largely due to three factors:

- 1) Continued improvement in the U.S. economy and the resulting impact on the Foundation's investment portfolio. The Foundation's investment portfolio gained 11.72% with net revenue of \$436,137 for the year ended June 30, 2011.
- 2) Continued revenue from the Foundation's Affinity Banking Relationship. The Foundation's affinity banking relationship provided \$165,558 in revenue. The relationship is scheduled to terminate in November 2011.
- 3) The Florida Fish and Wildlife Conservation Commission (FWC) did not request a disbursement from Imperiled Species funds in support of its Gopher Tortoise Management program.

Unrestricted Funds increased by 55% for the year while Restricted Funds increased by 19% for the year.

Requests for Information

Questions concerning any of the information provided in this report or requests for additional information should be addressed to Will Bradford, Chief Financial Officer, (850) 921-1144 or foundation@myfwc.com.

WILDLIFE FOUNDATION OF FLORIDA, INC.
STATEMENTS OF NET ASSETS
AS OF JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<i>ASSETS</i>		
Current Assets		
Cash and Cash Equivalents	\$ 2,453,737	\$ 2,892,945
Grants Receivable	221,538	17,118
Accounts Receivable	78,065	98,152
Prepaid Expenses	<u>2,578</u>	<u>2,516</u>
Total Current Assets	<u>2,755,918</u>	<u>3,010,731</u>
Investments		
Securities and Other Negotiable Instruments	<u>4,451,467</u>	<u>2,670,617</u>
Capital Assets		
Capital Assets, Net of Accumulated Depreciation	<u>8,228</u>	<u>10,884</u>
TOTAL ASSETS	<u>\$ 7,215,613</u>	<u>\$ 5,692,232</u>
<i>LIABILITIES AND NET ASSETS</i>		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 220,349	\$ 58,450
Line of Credit	<u>132,369</u>	<u>-</u>
TOTAL LIABILITIES	<u>352,718</u>	<u>58,450</u>
Net Assets		
Invested in Capital Assets, Net of Accumulated Depreciation	8,228	10,884
Restricted	6,311,457	5,272,497
Unrestricted	<u>543,210</u>	<u>350,401</u>
Total Net Assets	<u>6,862,895</u>	<u>5,633,782</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,215,613</u>	<u>\$ 5,692,232</u>

WILDLIFE FOUNDATION OF FLORIDA, INC.
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Operating Revenues		
Conserve Wildlife License Plate Program	\$ 530,863	\$ 497,485
Discover Florida's Oceans License Plate Program	74,853	74,121
Protect Florida Springs License Plate Program	93,139	73,680
Imperiled Species	1,119,003	1,510,185
Program Service Fees	443,179	508,100
Government Grants	786,282	2,900
Contributions and Donations	529,616	615,826
Other Revenue	193,196	237,933
Total Operating Revenues	3,770,131	3,520,230
Operating Expenses		
Program Expenses	2,849,281	1,481,402
Administrative and Office Expenses	195,407	348,915
Fundraising Expenses	3,022	646
Total Operating Expenses	3,047,710	1,830,963
Total Operating Income	722,421	1,689,267
Non-Operating Income		
Gain on Investments	392,991	31,079
Dividend and Interest Income	113,701	77,286
Total Non-Operating Income	506,692	108,365
Change in Net Assets	1,229,113	1,797,632
Net Assets, Beginning of Year	5,633,782	3,836,150
Net Assets, End of Year	\$ 6,862,895	\$ 5,633,782

WILDLIFE FOUNDATION OF FLORIDA, INC.
STATEMENTS OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010

	Program	Administrative and Office	Fundraising	2011 Total	2010 Total
Expenses					
Accounting and Legal Expense	\$ 12,229	\$ 15,425	\$ -	\$ 27,654	\$ 18,845
Advertising Expenses	16,863	176	-	17,039	35,745
Business Registration Fees	579	122	-	701	5,015
Cash Awards and Grants	1,809,843	92	-	1,809,935	1,328,473
Employee Benefits	-	14,292	-	14,292	13,809
Fundraising Fees	9,203	-	2,672	11,875	820
Fundraising Fees (state registration)	20	-	350	370	350
Insurance	-	2,834	-	2,834	1,889
Interest Expense	369	-	-	369	57
Investment Account Charges	70,555	-	-	70,555	56,947
Meeting Expense	849	8,914	-	9,763	4,371
Merchant Account Fees	10	937	-	947	1,248
Miscellaneous Expenses	7,842	3,781	-	11,623	4,802
Occupancy - Donated	-	15,391	-	15,391	71,348
Outside Contract Services	772,825	459	-	773,284	47,174
Outside Contract Services- Donated	-	4,470	-	4,470	15,810
Payroll Taxes	6,207	8,745	-	14,952	10,815
Payroll Taxes - Donated	608	-	-	608	1,012
Salaries and Wages	84,222	109,792	-	194,014	148,378
Salaries and Wages - Donated	7,947	-	-	7,947	13,223
Telephone and Telecommunications	-	1,399	-	1,399	1,290
Transfer of Assets Held for Others	15,722	-	-	15,722	14,101
Travel	19,744	5,921	-	25,665	24,375
Web Site Fees	11,772	1,873	-	13,645	10,072
Total Expenses Before Depreciation	2,847,409	194,623	3,022	3,045,054	1,829,969
Depreciation Expense	1,872	784	-	2,656	994
TOTAL EXPENSES	\$ 2,849,281	\$ 195,407	\$ 3,022	\$ 3,047,710	\$ 1,830,963

WILDLIFE FOUNDATION OF FLORIDA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Conserve Wildlife License Plate Program Receipts	\$ 530,863	\$ 497,485
Discover Florida's Oceans License Plate Program Receipts	74,711	95,063
Protect Florida Springs License Plate Program	93,139	73,680
Project Revenue	2,887,085	2,846,515
Payments for Operating Expenses	(2,883,217)	(1,808,188)
Net Cash Provided by Operating Activities	702,581	1,704,555
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(3,201,340)	(3,507,868)
Proceeds from Sale of Investments	1,813,850	3,358,466
Interest and Dividend Income	113,701	77,286
Net Cash (Used In) Investing Activities	(1,273,789)	(72,116)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	-	(9,364)
Draws on Line of Credit	132,000	-
Net Cash Provided by (Used In) Investing Activities	132,000	(9,364)
Net Increase (Decrease) in Cash and Cash Equivalents	(439,208)	1,623,075
Cash and Cash Equivalents and Beginning of Year	2,892,945	1,269,870
Cash and Cash Equivalents at End of Year	\$ 2,453,737	\$ 2,892,945
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 722,421	\$ 1,689,267
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	2,656	994
(Increase) in Accounts Receivable	(184,333)	(7,487)
(Increase) in Prepaid Expenses	(62)	(1,062)
Increase in Accounts Payable and Accrued Expenses	161,899	22,843
Net Cash Provided by Operating Activities	\$ 702,581	\$ 1,704,555

WILDLIFE FOUNDATION OF FLORIDA MITIGATION TRUST FUNDS, INC.
STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<i>ASSETS</i>		
Assets		
Cash and Cash Equivalents	\$ 180,065	\$ 368,703
Investments	523,811	213,808
Accounts Receivable	3,646	-
TOTAL ASSETS	<u><u>\$ 707,522</u></u>	<u><u>\$ 582,511</u></u>
 <i>LIABILITIES AND NET ASSETS</i>		
Liabilities		
Accounts Payable	\$ 41,396	\$ 620
TOTAL LIABILITIES	<u>41,396</u>	<u>620</u>
Net Assets		
Unrestricted	5,694	1,585
Restricted:		
Held in Trust for Participating Organizations	<u>660,432</u>	<u>580,306</u>
Total Net Assets	<u>666,126</u>	<u>581,891</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 707,522</u></u>	<u><u>\$ 582,511</u></u>

WILDLIFE FOUNDATION OF FLORIDA MITIGATION TRUST FUNDS, INC.
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Additions		
Contributions	\$ 96,513	\$ 598,594
Investment Income (Loss):		
Unrealized Gains (Losses)	22,249	(10,694)
Realized Gains	877	5,013
Dividends and Interest Income	8,322	3,148
In-Kind Contributions	1,226	9,222
Other Income	10,080	2,206
	<u>139,267</u>	<u>607,489</u>
Deductions		
Payments in Accordance with Trust Agreements	37,750	13,550
Administration Expenses	5,976	620
In-Kind Services	1,226	9,222
Other Expenses	10,080	2,206
	<u>55,032</u>	<u>25,598</u>
Change in Net Assets	84,235	581,891
Net Assets, Beginning of Year	581,891	-
Net Assets, End of Year	<u><u>\$ 666,126</u></u>	<u><u>\$ 581,891</u></u>

WILDLIFE FOUNDATION OF FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS

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

The Wildlife Foundation of Florida, Inc. (the Foundation) was formed on September 29, 1994, as a nonprofit 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 F.S. 379.223.

As noted below, the Foundation has included the financial statements of its discretely presented component unit called the Wildlife Foundation of Florida Mitigation Trust Funds, Inc.

The Wildlife Foundation of Florida Mitigation Trust Funds, Inc. (the Mitigation Trust Funds) was formed on January 25, 2010, as a nonprofit organization to provide funding for the maintenance and land stewardship of projects established by trust agreements entered into by various grantors with the Wildlife Foundation of Florida, Inc. for protection of natural resources.

Reporting Entity

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Component Unit	Justification for Inclusion in the Reporting Entity	Separate Financial Statements
Wildlife Foundation of Florida Mitigation Trust Funds, Inc.	The Foundation, with recommendations by the Mitigation Trust Fund's Executive Director and CFO, appoint the members of the Board of Directors of the Mitigation Trust Fund, and is able to impose its will, as defined by Governmental Accounting Standards Board (GASB) Statement No. 39, on the Mitigation Trust Fund.	Available upon Request: P.O. Box 11010 Tallahassee, Florida 32302

The Foundation's analysis disclosed no other component units that should be included in the Foundation's financial statements.

Basis of Accounting and Financial Statement Presentation

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

The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local government through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Foundation has the option to apply FASB pronouncements issued after that date to its business-type activities, the Foundation has elected not to do so.

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

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Cash and Cash Equivalents

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

Capital Assets

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

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(62)
- The mitigation fees from private or public entities for projects to offset adverse impacts to imperiled species
- Banking Relationship Affinity Royalties
- Program Service Revenues
- Government Grant Funding

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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Investments

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

Restricted Assets

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

Income Taxes

The Foundation qualifies for exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been recorded. With few exceptions, the Foundation is no longer subject to Federal and State tax examination for years prior to 2008.

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.

Reclassification

Certain amounts in the prior year have been reclassified to make the statements comparable.

Subsequent Events

Subsequent events were evaluated through September 2, 2011, which is the date the financial statements were available to be issued. As of this date, no subsequent events were noted.

NOTE 2: Capital Assets

The cost and related accumulated depreciation for Capital Assets as of June 30, 2011 and 2010 are as follows:

	<u>2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>2011</u>
Equipment	\$ 14,226	\$ -	\$ -	\$ 14,226
Less: Accumulated Depreciation	<u>(3,342)</u>	<u>(2,656)</u>	<u>-</u>	<u>(5,998)</u>
Capital Assets, Net	<u>\$ 10,884</u>	<u>\$ (2,656)</u>	<u>\$ -</u>	<u>\$ 8,228</u>

NOTE 3: Restricted Net Assets

Restricted net assets consist of the following as of June 30:

	<u>2011</u>	<u>2010</u>
Conserve Wildlife Tag	\$ 1,218,516	\$ 1,116,594
Discover Florida's Oceans Tag	63,784	72,216
Protect Florida Springs Tag	150,156	78,484
Mitigation	754,127	648,284
FWC Projects	677,976	643,018
Imperiled Species	3,373,926	2,480,412
Other	<u>72,972</u>	<u>233,489</u>
Total	<u>\$ 6,311,457</u>	<u>\$ 5,272,497</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).

NOTE 4: Deposits and Investments (Continued)

Investments

As of June 30, the Foundation had the following investments:

Investment	2011			2010		
	Fair Value	Weighted Avg. Maturity (Yrs)	Rating	Fair Value	Weighted Avg. Maturity (Yrs)	Rating
Corporate Bonds:						
Corporate Bonds	\$ 71,710	3.04	A1	\$ 70,694	4.03	A1
Corporate Bonds	240,639	3.99	A2	108,416	6.27	A2
Corporate Bonds	432,819	3.89	A3	148,642	7.18	A3
Corporate Bonds	159,010	2.55	Aa2	129,043	3.79	Aa2
Corporate Bonds	15,231	0.44	AAA	15,546	1.44	AAA
Corporate Bonds	-	0.00	Ba1	25,271	1.76	Ba1
Corporate Bonds	163,018	4.70	Baa1	81,812	6.10	Baa1
Corporate Bonds	246,006	4.49	Baa2	107,238	4.62	Baa2
Corporate Bonds	<u>77,693</u>	0.96	Baa3	<u>185,029</u>	4.23	Baa3
Total Corporate Bonds	1,406,126			871,691		
Government Agency	644,788	6.01	N/A	648,059	5.18	N/A
Certificates of Deposits	18,718	1.78	N/A	23,376	1.00	N/A
Mutual Funds and Closed-end Funds	166,557	N/A	N/A	-	N/A	N/A
Corporate Stock	<u>2,215,278</u>	N/A	N/A	<u>1,127,491</u>	N/A	N/A
Total Investments	<u>\$4,451,467</u>			<u>\$2,670,617</u>		

Investment Income reflected in the Statement of Revenues, Expenses, and Changes in Net Assets for the years ended June 30, 2011 includes unrealized appreciation of \$390,288 and 2010 includes unrealized depreciation of \$11,328. This appreciation/depreciation 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.

NOTE 4: *Deposits and Investments (Continued)*

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 five percent of the Foundation's total investments.

NOTE 5: *Line-of-Credit*

During the current fiscal year, the Foundation entered into a revolving line-of-credit agreement with a financial institution in which it may borrow up to \$275,932. Borrowings under the line bear interest at one-month LIBOR plus 2.25%, or 2.46937%, at June 30, 2011. The outstanding balance on the line-of-credit was \$132,369 as of June 30, 2011. Each project that requires the use of this line-of-credit is approved by the Board of Directors prior to its use.

NOTE 6: *Related Party Transactions*

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 7: *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 8: *Commitments*

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

The Foundation is in the middle of a major capital project that began in the current fiscal year. The commitment associated with this project is as follows:

	Total Project Costs	Costs Expended To Date	Future Commitment
	<u> </u>	<u> </u>	<u> </u>
Volusia County/ECHO Reimbursement	\$ 600,000	\$ 344,218	\$ 255,782
Wildlife Foundation Match	188,522	158,568	29,954
Match from Partners	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total	<u><u>\$ 988,522</u></u>	<u><u>\$ 702,786</u></u>	<u><u>\$ 285,736</u></u>

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

LANIGAN & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS ADVISORS
www.lanigancpa.com

Please reply to:
Tallahassee

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
Wildlife Foundation of Florida, Inc.
Tallahassee, Florida

We have audited the financial statements of Wildlife Foundation of Florida, Inc. (a nonprofit organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated September 2, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Wildlife Foundation of Florida, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on effectiveness of the Wildlife Foundation of Florida, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Wildlife Foundation of Florida, Inc.'s internal control over financial reporting.

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 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wildlife Foundation of Florida, Inc.'s financial statements are free of 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*.

This report is intended solely for the information and use of management, the Board of Directors, others within the Organization, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

Lanigan & Associates, P.C.

Tallahassee, Florida
September 2, 2011

Please reply to:
Tallahassee

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR STATE PROJECT AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE FLORIDA SINGLE AUDIT ACT**

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

Compliance

We have audited Wildlife Foundation of Florida, Inc.'s compliance with the types of compliance requirements described in the Florida Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of Wildlife Foundation of Florida, Inc.'s major state projects for the year ended June 30, 2011. Wildlife Foundation of Florida, Inc.'s major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state projects is the responsibility of the Wildlife Foundation of Florida, Inc.'s management. Our responsibility is to express an opinion on the Wildlife Foundation of Florida, Inc.'s compliance based on our audit.

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 10.550, *Rules of the Auditor General*. Those standards and Chapter 10.550, *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 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. Our audit does not provide a legal determination of Wildlife Foundation of Florida, Inc.'s compliance with those requirements.

In our opinion, 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, 2011.

Internal Control over Compliance

Wildlife Foundation of Florida, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state projects. In planning and performing our audit, we considered Wildlife Foundation of Florida, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major state project to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of Wildlife Foundation of Florida, Inc.'s internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of control 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, board of directors, others within the entity, state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lanning & Associate, P.C.

Tallahassee, Florida
September 2, 2011

WILDLIFE FOUNDATION OF FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2011

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	\$ 498,877
Discover Florida's Oceans License Plate Project	76.084	N/A	87,348
Protect Florida Springs License Plates Project	76.103	N/A	21,551
Total Expenditures of State Financial Assistance			\$ 607,776

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

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

**WILDLIFE FOUNDATION OF FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
STATE FINANCIAL ASSISTANCE**

Year Ended June 30, 2011

I. SUMMARY OF AUDIT RESULTS

1. Type of audit report issued on the financial statements: Unqualified
2. Audit disclosed no significant deficiencies or material weaknesses in internal controls.
3. There were no instances of noncompliance material to the financial statements of Wildlife Foundation of Florida, Inc., disclosed during the audit.
4. Audit disclosed no significant deficiencies or material weaknesses in internal control over the state projects.
5. Type of audit report issued on compliance with requirements applicable to the major state projects: Unqualified Opinion
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 Springs License Plates Project	76.103

8. Dollar threshold for distinguishing Type A or Type B programs was \$182,332 for state projects.

**WILDLIFE FOUNDATION OF FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
STATE FINANCIAL ASSISTANCE**

Year Ended June 30, 2011

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

None Reported.

III. FINDINGS RELATED TO STATE PROJECTS

None Reported.

IV. PRIOR YEAR AUDIT FINDINGS

None Reported.