

**FRIENDS OF BRAZORIA WILDLIFE REFUGES**

**FINANCIAL STATEMENTS**

December 31, 2016

**KENNEMER, MASTERS & LUNSFORD, LLC  
CERTIFIED PUBLIC ACCOUNTANTS  
8 WEST WAY COURT  
LAKE JACKSON, TEXAS 77566**

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**FRIENDS OF BRAZORIA WILDLIFE REFUGES**

Financial Statements

Year Ended December 31, 2016

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## **FINANCIAL STATEMENTS**

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# Kennemer, Masters & Lunsford

CERTIFIED PUBLIC ACCOUNTANTS  
Limited Liability Company

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## Independent Accountant's Review Report

To the Board of Directors  
Friends of Brazoria Wildlife Refuges  
Lake Jackson, Texas 77566

We have reviewed the accompanying statement of financial position of Friends of Brazoria Wildlife Refuges (a nonprofit organization) (the "Organization") as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

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To the Board of Directors  
Friends of Brazoria Wildlife Refuges  
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**Report on Summarized Comparative Information**

We previously reviewed Friends of Brazoria Wildlife Refuges 2015 financial statements and in our conclusion dated November 28, 2016 stated that based on our review, we were not aware of any material modifications that should be made to the 2015 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2015, for it to be consistent with the reviewed financial statements from which it has been derived.

*Kennemer, Masters & Hunzford, LLC*

Lake Jackson, Texas  
January 29, 2018



# FRIENDS OF BRAZORIA WILDLIFE REFUGES

## STATEMENTS OF FINANCIAL POSITION

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 642,421	\$ 317,922
Accounts receivable	299,670	250
Other current assets	<u>310</u>	<u>          </u>
Total current assets	<u>942,401</u>	<u>318,172</u>
Total assets	<u>\$ 942,401</u>	<u>\$ 318,172</u>
LIABILITIES AND NET ASSETS		
Total liabilities	\$ <u>-0-</u>	\$ <u>-0-</u>
Net Assets:		
Temporarily restricted	381,942	27,925
Unrestricted	<u>560,459</u>	<u>290,247</u>
Total net assets	<u>942,401</u>	<u>318,172</u>
Total liabilities and net assets	<u>\$ 942,401</u>	<u>\$ 318,172</u>

See accompanying notes and independent accountant's review report.

# FRIENDS OF BRAZORIA WILDLIFE REFUGES

## STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2016  
(With Summarized Financial Information for the Year Ended December 31, 2015)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2016</u>	<u>2015</u>
Public Support and Revenue:				
Support:				
Special events	\$ 24,460	\$	\$ 24,460	\$ 52,604
Grants	4,338	434,810	439,148	60,141
Donations and sponsorships	321,357	13,065	334,422	88,148
Revenue:				
Membership dues	725		725	410
Other	7,100		7,100	429
Interest income	883		883	1,226
Net Assets Released From Restrictions:				
Restriction satisfied by payments	<u>93,858</u>	<u>( 93,858)</u>	<u>-0-</u>	<u>-0-</u>
Total support and revenue	<u>452,721</u>	<u>354,017</u>	<u>806,738</u>	<u>202,958</u>
Expenses:				
Program expenses	162,362		162,362	869,020
Management and general	5,123		5,123	6,136
Fundraising	<u>15,024</u>		<u>15,024</u>	<u>36,552</u>
Total expenses	<u>182,509</u>	<u>-0-</u>	<u>182,509</u>	<u>911,708</u>
Change in net assets	270,212	354,017	624,229	( 708,750)
Net assets - beginning of year	<u>290,247</u>	<u>27,925</u>	<u>318,172</u>	<u>1,026,922</u>
Net assets - end of year	<u>\$ 560,459</u>	<u>\$ 381,942</u>	<u>\$ 942,401</u>	<u>\$ 318,172</u>

See accompanying notes and independent accountant's review report.

## FRIENDS OF BRAZORIA WILDLIFE REFUGES

### STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2016  
(With Summarized Financial Information for the Year Ended December 31, 2015)

	Support Services			2016 Total	2015 Total
	Program Services	Management & General Services	Fund Raising		
Land acquisition donation	\$ 8,828	\$	\$	\$ 8,828	\$ 791,187
Other donations	120,973			120,973	39,308
Advertising & promotions				-0-	7,662
Activities		946		946	887
Bank charges		191		191	110
Fundraising expenses			15,024	15,024	36,552
Insurance	272	1,888		2,160	4,075
Membership		195		195	195
Meetings				-0-	80
Miscellaneous		1,142		1,142	3,076
Postage		79		79	298
Programs	29,765			29,765	23,005
Supplies	2,524	394		2,918	3,036
Transportation				-0-	1,959
Web hosting		288		288	278
Total expenses	\$ <u>162,362</u>	\$ <u>5,123</u>	\$ <u>15,024</u>	\$ <u>182,509</u>	\$ <u>911,708</u>

See accompanying notes and independent accountant's review report.

# FRIENDS OF BRAZORIA WILDLIFE REFUGES

## STATEMENTS OF CASH FLOWS

For the Year Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 624,229	\$( 708,750)
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
Increase in accounts receivable	( 299,420)	( 250)
Increase in other assets	<u>( 310)</u>	<u>          </u>
Net cash provided (used) by operating activities	<u>324,499</u>	<u>( 709,000)</u>
 Cash Flows from Investing Activities:		
Net cash provided (used) by investing activities	<u>-0-</u>	<u>-0-</u>
 Cash flows from Financing Activities:		
Net cash provided (used) by financing activities	<u>-0-</u>	<u>-0-</u>
Net increase (decrease) in cash and cash equivalents	324,499	( 709,000)
Cash and cash equivalents at beginning of year	<u>317,922</u>	<u>1,026,922</u>
Cash and cash equivalents at end of year	<u>\$ 642,421</u>	<u>\$ 317,922</u>

See accompanying notes and independent accountant's review report.

# FRIENDS OF BRAZORIA WILDLIFE REFUGES

## Notes to the Financial Statements

December 31, 2016

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Friends of Brazoria Wildlife Refuges (“the Organization”) have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below.

#### Organization and Nature of Activities

The Organization is a locally funded non-profit organization. Its’ purpose is to provide volunteers and raise funds for the development of the National Wildlife Refuges of Brazoria and surrounding counties. The Board of Directors of the Organization acknowledge that, to the best of their ability, all assets received have been used for the purpose for which they were contributed, or have been accumulated to allow management to conduct the operations of the Organization as effectively as possible.

#### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Fixed Assets

Acquisitions of property and equipment are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is completed using the straight-line method. The Organization has no fixed assets as of December 31, 2016.

#### Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization has no permanently restricted support and \$ 462,526 temporarily restricted support for the year ended December 31, 2016.

# FRIENDS OF BRAZORIA WILDLIFE REFUGES

## Notes to the Financial Statements

December 31, 2016

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Income Tax

The Organization is a not-for-profit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, and is classified as a charity that is not a private foundation.

#### Cash & Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization's cash and cash equivalents consist of bank deposits.

#### Investments

The Organization's investments are carried at fair market value. The Organization has no investments as of December 31, 2016.

#### Inventory

The Organization's inventory is stated at fair value at the date of contribution. The Organization had no inventory for the year ended December 31, 2016.

#### Restricted Net Assets

The temporarily restricted net assets are contributions for a specified use or program. Temporarily restricted assets received and the restrictions removed in the same year are reported as unrestricted assets. The Organization had \$ 462,526 in temporarily restricted net assets as of December 31, 2016.

#### Contributed Services

Contributed services are recognized as fair value except for the work of volunteers for which no monetary value has been assigned as these do not meet the criteria of recognition under Financial Accounting Standard's Board (FASB) Codification 958-605, *Revenue Recognition*. During the year ended December 31, 2016, there were no contributed services.

### NOTE 2 - CASH

At December 31, 2016, the carrying value of the Organization's cash was \$ 642,421. The financial institution balances were \$ 650,008 at December 31, 2016. Financial institution balances of \$ 250,000 were covered by federal depository insurance and \$ 400,008 was uninsured.

# FRIENDS OF BRAZORIA WILDLIFE REFUGES

## Notes to the Financial Statements

December 31, 2016

### NOTE 3 - SUPPORT REVENUE

The Organization receives grants each year which vary in source and amounts. Grants may have specific purposes or may be used for the overall purpose of the Organization. Grant revenue was \$ 439,148 for the year ended December 31, 2016 of which all was used or will be used for the purpose of the specific grant. Other revenues are derived from various donations from the public which are primarily generated through annual fundraising and donation awareness events.

### NOTE 4 - EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 29, 2018, the date which the financial statements were available to be issued.

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