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REPORT OF CERTIFIED PUBLIC ACCOUNTANTS  
and  
FINANCIAL STATEMENTS  
For the Years Ended  
MARCH 31, 2015 and 2014

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**VENTANA WILDLIFE SOCIETY**  
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**GRACE & ASSOCIATES**  
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Ventana Wildlife Society

We have audited the accompanying financial statements of Ventana Wildlife Society (a nonprofit organization), which comprise the statements of financial position as of March 31, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

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

**Auditor's Responsibility**

Our responsibility is to express 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ventana Wildlife Society as of March 31, 2015 and 2014, 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.

*Grace & Associates, CPAs*  
Monterey, California  
August 14, 2015

**VENTANA WILDLIFE SOCIETY**  
**STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2015 and 2014**

	2015	2014
<b>Assets</b>		
Cash and cash equivalents	\$ 178,653	\$ 164,137
Board designated cash reserves	115,212	115,177
Pledges receivable	-	10,598
Grants receivable	35,313	36,477
Deposits and prepaid expenses	10,657	10,898
Restricted cash	178,880	-
Property and equipment (net)	1,524,651	1,519,566
 Total assets	 \$ 2,043,366	 \$ 1,856,853
 <b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 6,161	\$ 3,041
Accrued liabilities	25,842	24,770
Deposits	2,805	5,140
 Total liabilities	 34,808	 32,951
 <b>Net Assets</b>		
Unrestricted		-
Undesignated	85,271	119,038
Board designated-cash reserves	115,212	115,177
Board designated land purchase	390,500	390,500
Total unrestricted net assets	590,983	624,715
Temporarily restricted	370,575	152,187
Permanently restricted	1,047,000	1,047,000
 Total net assets	 2,008,558	 1,823,902
 Total liabilities and net assets	 \$ 2,043,366	 \$ 1,856,853

See accompanying notes and independent auditor's report.

**VENTANA WILDLIFE SOCIETY**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED MARCH 31, 2015 and 2014**

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues and Other Support</b>								
Grants	\$ 182,732	\$ 516,920	\$ -	\$ 699,652	\$ 187,052	\$ 343,920	\$ -	\$ 530,972
Fees for services	220,834	-	-	220,834	222,142	-	-	222,142
Contributions	104,760	-	-	104,760	166,775	-	-	166,775
Special events (net of expense)	33,572	-	-	33,572	37,222	-	-	37,222
In-kind contributions	16,647	-	-	16,647	62,259	-	-	62,259
Gain on sale of assets	3,440	-	-	3,440	-	-	-	-
Rental income	1,000	-	-	1,000	-	-	-	-
Interest income	516	-	-	516	34	-	-	34
Net assets released from restrictions	298,532	(298,532)	-	-	263,753	(263,753)	-	-
<b>Total revenues and other support</b>	<b>862,033</b>	<b>218,388</b>	<b>-</b>	<b>1,080,421</b>	<b>939,237</b>	<b>80,167</b>	<b>-</b>	<b>1,019,404</b>
<b>Expenses</b>								
Program services	744,431	-	-	744,431	717,951	-	-	717,951
Support services								
Management and general	111,469	-	-	111,469	90,448	-	-	90,448
Fundraising	39,865	-	-	39,865	40,081	-	-	40,081
<b>Total expenses</b>	<b>895,765</b>	<b>-</b>	<b>-</b>	<b>895,765</b>	<b>848,480</b>	<b>-</b>	<b>-</b>	<b>848,480</b>
Change in net assets	(33,732)	218,388	-	184,656	90,757	80,167	-	170,924
Net assets, beginning of year	624,715	152,187	1,047,000	1,823,902	533,958	72,020	1,047,000	1,652,978
Net assets, end of year	<u>\$ 590,983</u>	<u>\$ 370,575</u>	<u>\$ 1,047,000</u>	<u>\$ 2,008,558</u>	<u>\$ 624,715</u>	<u>\$ 152,187</u>	<u>\$ 1,047,000</u>	<u>\$ 1,823,902</u>

See accompanying notes and independent auditor's report.

**VENTANA WILDLIFE SOCIETY**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED MARCH 31, 2015 and 2014**

	2015				2014			
	Program Services	Supporting Services		Total	Program Services	Supporting Services		Total
		General and Administrative	Fundraising			General and Administrative	Fundraising	
Personnel costs	\$ 475,737	\$ 73,585	\$ 26,019	\$ 575,341	\$ 402,671	\$ 68,924	\$ 26,019	\$ 497,614
Occupancy costs	47,871	6,835	-	54,706	54,916	4,815	-	59,731
Staff travel and vehicle maintenance	49,054	-	-	49,054	47,634	-	-	47,634
Supplies	37,370	2,448	-	39,818	32,324	1,902	-	34,226
Depreciation	36,597	-	-	36,597	34,900	-	-	34,900
Contract services	11,011	7,542	6,120	24,673	22,719	6,120	6,120	34,959
Transmitter equipment	18,317	-	-	18,317	13,745	-	-	13,745
Nonlead bullets	18,314	-	-	18,314	7,097	-	-	7,097
Insurance	17,296	-	-	17,296	25,557	-	-	25,557
Miscellaneous	11,586	3,725	-	15,311	27,782	2,928	-	30,710
Accounting and legal fees	-	14,548	-	14,548	6,500	4,407	-	10,907
Equipment rent and maintenance	8,089	2,786	-	10,875	11,607	1,352	-	12,959
Membership/donor expenses	-	-	7,726	7,726	-	-	7,942	7,942
Postage and shipping	4,967	-	-	4,967	5,464	-	-	5,464
Printing	4,720	-	-	4,720	10,061	-	-	10,061
Dues and memberships	3,474	-	-	3,474	906	-	-	906
Interest	28	-	-	28	-	-	-	-
Volunteer travel	-	-	-	-	14,069	-	-	14,069
<b>Total</b>	<b>\$ 744,431</b>	<b>\$ 111,469</b>	<b>\$ 39,865</b>	<b>\$ 895,765</b>	<b>\$ 717,951</b>	<b>\$ 90,448</b>	<b>\$ 40,081</b>	<b>\$ 848,480</b>

See accompanying notes and independent auditor's report.

**VENTANA WILDLIFE SOCIETY**  
**STATEMENTS OF CASH FLOWS**  
FOR THE YEARS ENDED MARCH 31, 2015 and 2014

	2015	2014
<b>Cash flows provided by operating activities:</b>		
Increase in net assets	\$ 184,656	\$ 170,924
Adjustments to reconcile increase in net assets to net cash used by operating activities:		
Depreciation	36,597	34,900
Gain on sales of assets	(3,440)	0
(Increase) decrease in operating assets		
Pledges receivable	10,598	(10,598)
Grants receivable	1,164	7,116
Deposits and prepaid expenses	240	1,181
Increase (decrease) in operating liabilities		
Accounts payable	3,120	(14,171)
Accrued payroll liabilities	1,072	5,295
Deposits	(2,335)	390
Net cash provided by operating activities	231,672	195,037
 <b>Cash flows used in investing activities:</b>		
Sales of fixed assets	5,800	-
Purchases of fixed assets	(44,041)	(24,631)
Net cash used in investing activities	(38,241)	(24,631)
 <b>Cash flows (used) by financing activities:</b>		
Transfer to board designated fund	(35)	(25,033)
Donor restricted cash	(178,880)	-
Net cash used by financing activities	(178,915)	(25,033)
Net increase in cash and cash equivalents	14,516	145,373
 Cash and cash equivalents, beginning of year	164,137	18,764
 Cash and cash equivalents, end of year	\$ 178,653	\$ 164,137
 Supplemental cash flow disclosure:		
In-kind revenue and expenses:		
Rent, services and goods	\$ 16,647	\$ 62,259

See accompanying notes and independent auditor's report.

**VENTANA WILDLIFE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015 and 2014**

**1. NATURE OF ACTIVITIES**

Ventana Wildlife Society (the Society) is a California non-profit corporation. The Society was formed in 1977 for the purpose of conserving native wildlife and their habitats. The programs of the Society include species recovery, ecosystem services, and education and outreach. The Society maintains a rearing and release facility as well as numerous feeding sites for endangered California Condors. In Big Sur, California the Society operates their Discovery Center in collaboration with California State Parks at Andrew Molera State Park. Revenues are primarily derived from charitable grants, individual contributions, and service fees.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

Ventana Wildlife Society uses the accrual basis of accounting under which revenues are recognized when they are earned and expenses are recognized when the related liability is incurred.

**Basis of Presentation**

The Society is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

**Cash and Cash Equivalents**

For purposes of the statement of financial position and statement of cash flows, the Society considers all unrestricted demand deposit accounts, money market accounts and cash on hand which are not managed as part of long-term investments to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

**Accounts, Pledges and Grants Receivable**

Accounts, pledges and grants receivable are stated at unpaid balances, which the Society believes is fully collectible, therefore no allowance for uncollectible receivables has been recorded. All receivables are due within one year. It is the society's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

**Property and Equipment**

Property and equipment are stated at cost or fair value at the date of donation. The Society capitalizes property and equipment with a value greater than \$3,000 and a useful life of more than one year. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets, which ranges from five to twenty years.

**Restricted and Unrestricted Revenue and Support**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributions received with temporary restrictions that are met in the same reporting period may be reported as unrestricted support and increase unrestricted net assets.



**VENTANA WILDLIFE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015 and 2014**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued***

**Fair Value Measurements**

The Society classifies its financial assets and liabilities based on a valuation method using three levels. Level 1 values are based on quoted prices in active markets for identical securities. Level 2 values are based on significant observable market inputs, such as quoted prices for similar securities and quoted prices in inactive markets. Level 3 values are based on significant unobservable inputs that reflect the Society's determination of assumptions that market participants might reasonably use in valuing the securities. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying investments.

**Fair Value of Financial Instruments**

The carrying amounts of cash, cash reserves, grants receivable, deposits and prepaid expenses and current and accrued liabilities approximate fair value because of the short maturity of these instruments.

**Contributed Materials and Services**

Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. No contributed services have been recorded in the financial statements as there were none that met the criteria for recognition.

**Income Taxes**

The Society is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision in the California tax codes. In addition, the Society qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as a Society that is not a private foundation under Section 170(a)(2).

The Society's management has considered its tax positions and believes that all of the positions taken by the Society in its federal and state tax returns are more likely than not to be sustained on examination by taxing authorities. The Society's Federal and California tax exempt returns for 2012 through 2014 are subject to examination by the federal and state taxing authorities, generally for three years after they are filed.

**Expense Allocation**

The costs of providing various programs and activities have been summarized on a functional basis in the statements of activities and the statements of functional expense. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Use of Estimates**

Financial statements prepared in accordance with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Date of Management's Review for Subsequent Events**

In preparing the financial statements, the Society's management has evaluated events and transactions for potential recognition and disclosure through August 14, 2015, which is the date the financial statements were available to be issued.

**VENTANA WILDLIFE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015 and 2014**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued***

**Reclassifications**

Certain reclassifications have been made to the 2014 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

**3. CASH AND CASH EQUIVALENTS, BOARD DESIGNATED AND RESTRICTED CASH**

**Cash and cash equivalents**

Cash and cash equivalents as of March 31 consisted of the following:

	2015	2014
Demand deposits	\$ 177,346	\$ 162,832
Certificate of deposit	1,307	1,305
	\$ 178,653	\$ 164,137

**Board designated cash reserves**

The Society's Board of Directors has a policy of maintaining board designated reserve funds. These funds are available for use at the discretion of the Board. The Society invests cash and cash equivalents at well capitalized financial institutions in demand deposits or money market accounts that are insured up to \$250,000 by either the Federal Deposit Insurance Corporation (FDIC) or the Securities Investor Protection Corporation (SIPC).

Board designated cash reserves as of March 31 consisted of the following:

	2015	2014
Demand deposits	\$ 115,212	\$ 115,177

**Restricted cash**

The Society received a \$250,000 contribution in the year ended March 31, 2015 which requires a separate bank account and is restricted in use and time of use. For the year ended March 31, 2015, \$71,200 was available for use.

Restricted cash as of March 31 consisted of the following:

	2015	2014
Certificate of deposit	\$ 178,880	\$ -

The cash may be used for various educational and operational purposes in the following years:

2016	\$ 57,880
2017	59,400
2018	61,600
	\$ 178,880

**VENTANA WILDLIFE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015 and 2014**

**4. PROPERTY AND EQUIPMENT (net of depreciation)**

The following is a summary of fixed assets as of March 31:

	2015	2014
Land	\$ 1,437,500	\$ 1,437,500
Buildings	152,572	152,572
Equipment	92,233	92,233
Vehicles	76,808	58,847
	1,759,113	1,741,152
Less: accumulated depreciation	(234,462)	(221,586)
	\$ 1,524,651	\$ 1,519,566

Included in land is a parcel of unimproved land which was recorded at fair market value of \$570,000 in 2006. This property was purchased with a restricted contribution. Under the terms of the contribution agreement, the property is to remain in a relatively natural state so as to not disturb nesting bald eagles, or other programs consistent with the Society's mission, "conserving native wildlife and their habitat." In the event of dissolution, the Society will transfer said property to another qualifying non-profit organization chartered with similar charitable purposes. Consequently, it is reported as permanently restricted. A 20% interest was initially acquired as a gift valued at \$277,500 and in 2011 the remaining 80% of the property was obtained. The society paid \$250,000 cash and received a \$340,000 in kind donation as the value of the remaining interest in this parcel was determined to be \$590,000. The society obtained title to the property on November 17, 2011. A portion of the cash purchase in the amount of \$137,000 was permanently restricted and \$113,000 was board designated from unrestricted funds.

Depreciation expense totaled \$36,597 and \$36,409, respectively for the years ended March 31, 2015 and 2014.

**5. COMMITMENTS AND CONTINGENCIES**

**Credit Cards**

The Society has established credit limits up to \$7,500 for credit cards to be used by authorized officers or representatives of the Society. The balance due on these cards at March 31, 2015 and 2014 totaled \$5,840 and \$2,311, respectively.

**Revolving Line of Credit**

The Society maintains a \$21,000 revolving line of credit for use in organizational activities. Advances on the credit line are payable upon demand and carry an interest rate of 11.5% as of March 31, 2015 and 2014. During the years ended March 31, 2015 and 2014 there were no advances taken on the line of credit.

**6. LEASE OBLIGATIONS**

The Society leases two properties - administrative offices and a residence for interns under month-to-month leases. Total rent paid on these leases for the years ending March 31, 2015 and 2014 was \$27,341 and \$30,783, respectively.

**VENTANA WILDLIFE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015 and 2014**

**7. PENSION PLAN**

The Society maintains a 403(b) tax shelter annuity plan for the benefit of its eligible employees. Under the terms of the Plan, each participant may elect to defer a portion of compensation and the Society matches the deferrals up to a maximum of \$37.50 per pay period. The Society's portion of the pension expense for the years ended March 31, 2015 and 2014 was \$4,718 and \$6,940, respectively.

**8. RESTRICTIONS/DESIGNATIONS ON NET ASSETS**

**Temporarily Restricted Net Assets**

Temporarily restricted net assets at March 31, 2014 and 2015 are available for the following purposes:

	Balance 3/31/2014	Additions	Released	Balance 3/31/2015
Purpose:				
Condor recovery/survival	\$ 27,051	\$ 20,920	\$ (47,971)	\$ -
Youth education and internships	125,136	496,000	(250,561)	370,575
	<u>\$ 152,187</u>	<u>\$ 516,920</u>	<u>\$ (298,532)</u>	<u>\$ 370,575</u>

**Permanently Restricted/Board Designated Net Assets**

Permanently restricted/board designated net assets were as follows at March 31, 2015 and 2014:

Wildlife Sanctuaries Land:

Permanently restricted:

Lake Nacimiento	\$ 570,000
Big Sur	477,000
Total permanently restricted net assets	<u>1,047,000</u>

Board designated land purchase:

Big Sur	390,500
Total Wildlife Sanctuaries land	<u>\$1,437,500</u>

**9. CONCENTRATION OF CREDIT RISK**

The Society maintains cash balances at a number of financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000. The Society manages its cash accounts in an effort to not exceed FDIC limits, however, from time to time the accounts may exceed insured limits. At March 31, 2015 and 2014, cash balances exceeded FDIC limits by approximately \$44,000 and \$29,000 respectively. The Society has not experienced any loss in such accounts, and as such the Organization believes it is not exposed to any significant credit risk on its cash balances.

**VENTANA WILDLIFE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015 and 2014**

**10. FUNDS HELD AT COMMUNITY FOUNDATION**

The Community Foundation for Monterey County (CFMC) holds endowment funds for the Society. Under the terms of the restricted endowments fund agreement, the Board of Governors of the CFMC has full authority as to the investment and reinvestment of the fund assets. The Society or other donors may add additional gifts to the fund at any time.

The earnings payout of the fund is evaluated at least annually by CFMC taking into account the total return from investments, fees, expenses and the effects of inflation. The market value of the Society's share of the pooled investments as of March 31, 2015 and 2014 was \$27,689 and \$26,860, respectively.

The balances are not reflected in the accompanying financial statements as the funds do not fall under the recognition requirements of the Not-for-Profit Entities Topic of the FASB Accounting Standards Codification relating to *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*.

**11. SPECIAL EVENTS**

Special events results for the fiscal years ended March 31 were as follows:

	2015	2014
Feathers in Flight		
Revenue	\$ 45,789	\$ 50,894
Expense	(10,634)	(14,467)
Net income	35,155	36,427
Merchandise		
Revenue	4,992	5,983
Expense	(6,574)	(5,188)
Net income	(1,582)	795
Total special event income	\$ 33,573	\$ 37,222

**12. IN-KIND CONTRIBUTIONS AND CONTRIBUTED SERVICES**

The Society received various types of in-kind contributions during the years ended March 31, 2015 and 2014. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses, or fixed assets.

The Society received in-kind contributions and recognized in-kind rent expense of \$15,500 and \$15,448, as well as in-kind goods of \$1,147 and \$46,811 for the years ended March 31, 2015 and 2014, respectively.