



REPORT OF CERTIFIED PUBLIC ACCOUNTANTS
and
FINANCIAL STATEMENTS
For the Years Ended
MARCH 31, 2016 and 2015

GRACE & ASSOCIATES, CPAs
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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, 2016 and 2015, 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, 2016 and 2015, 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 18, 2016

VENTANA WILDLIFE SOCIETY
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	\$ 103,973	\$ 178,653
Board designated cash reserves	115,246	115,212
Pledges receivable	5,000	-
Grants receivable	47,651	35,313
Deposits and prepaid expenses	13,027	10,657
Restricted cash	123,338	178,880
Property and equipment (net)	1,562,368	1,524,651
 Total assets	 \$ 1,970,603	 \$ 2,043,366
 Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 5,587	\$ 6,161
Accrued liabilities	23,085	25,842
Deposits	2,665	2,805
 Total liabilities	 31,337	 34,808
 Net Assets		
Unrestricted		-
Undesignated	124,601	85,271
Board designated-cash reserves	115,246	115,212
Board designated land purchase	390,500	390,500
Total unrestricted net assets	630,347	590,983
Temporarily restricted	261,919	370,575
Permanently restricted	1,047,000	1,047,000
		-
 Total net assets	 1,939,266	 2,008,558
 Total liabilities and net assets	 \$ 1,970,603	 \$ 2,043,366

See accompanying notes and independent auditor's report.

VENTANA WILDLIFE SOCIETY
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED MARCH 31, 2016 and 2015

	2016				2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and Other Support								
Grants	\$ 294,286	\$ 150,000	\$ -	\$ 444,286	\$ 182,732	\$ 516,920	\$ -	\$ 699,652
Fees for services	269,534	-	-	269,534	220,834	-	-	220,834
Contributions	222,064	-	-	222,064	104,760	-	-	104,760
Special events (net of expense)	58,207	-	-	58,207	33,572	-	-	33,572
In-kind contributions	34,991	-	-	34,991	16,647	-	-	16,647
Gain on sale of assets	4,500	-	-	4,500	3,440	-	-	3,440
Rental income	-	-	-	-	1,000	-	-	1,000
Interest income	1,893	-	-	1,893	516	-	-	516
Net assets released from restrictions	258,656	(258,656)	-	-	298,532	(298,532)	-	-
Total revenues and other support	1,144,131	(108,656)	-	1,035,475	862,033	218,388	-	1,080,421
Expenses								
Program services	931,365	-	-	931,365	744,431	-	-	744,431
Support services								
Management and general	116,330	-	-	116,330	111,469	-	-	111,469
Fundraising	57,072	-	-	57,072	39,865	-	-	39,865
Total expenses	1,104,767	-	-	1,104,767	895,765	-	-	895,765
Change in net assets	39,364	(108,656)	-	(69,292)	(33,732)	218,388	-	184,656
Net assets, beginning of year	590,983	370,575	1,047,000	2,008,558	624,715	152,187	1,047,000	1,823,902
Net assets, end of year	<u>\$ 630,347</u>	<u>\$ 261,919</u>	<u>\$ 1,047,000</u>	<u>\$ 1,939,266</u>	<u>\$ 590,983</u>	<u>\$ 370,575</u>	<u>\$ 1,047,000</u>	<u>\$ 2,008,558</u>

See accompanying notes and independent auditor's report.

VENTANA WILDLIFE SOCIETY
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED MARCH 31, 2016 and 2015

	2016				2015			
	Program Services	Supporting Services		Total	Program Services	Supporting Services		Total
		General and Administrative	Fundraising			General and Administrative	Fundraising	
Personnel costs	\$ 553,484	\$ 82,381	\$ 34,375	\$ 670,240	\$ 475,737	\$ 73,585	\$ 26,019	\$ 575,341
Supplies	67,651	2,155	-	69,806	37,370	2,448	-	39,818
Occupancy costs	59,537	7,627	-	67,164	47,871	6,835	-	54,706
Staff travel and vehicle maintenance	49,833	-	-	49,833	49,054	-	-	49,054
Depreciation	46,735	-	-	46,735	36,597	-	-	36,597
Nonlead bullets	32,608	-	-	32,608	18,314	-	-	18,314
Insurance	28,148	-	-	28,148	17,296	-	-	17,296
Contract services	11,753	-	15,960	27,713	11,011	7,542	6,120	24,673
Miscellaneous	18,754	4,045	-	22,799	11,586	3,725	-	15,311
Equipment rent and maintenance	17,057	3,551	-	20,608	8,089	2,786	-	10,875
Accounting and legal fees	-	16,571	-	16,571	-	14,548	-	14,548
Volunteer travel	16,233	-	-	16,233	-	-	-	-
Transmitter equipment	10,248	-	-	10,248	18,317	-	-	18,317
Dues and memberships	7,200	-	-	7,200	3,474	-	-	3,474
Printing	6,859	-	-	6,859	4,720	-	-	4,720
Membership/donor expenses	-	-	6,737	6,737	-	-	7,726	7,726
Postage and shipping	5,265	-	-	5,265	4,967	-	-	4,967
Interest	-	-	-	-	28	-	-	28
Total	\$ 931,365	\$ 116,330	\$ 57,072	\$ 1,104,767	\$ 744,431	\$ 111,469	\$ 39,865	\$ 895,765

See accompanying notes and independent auditor's report.

VENTANA WILDLIFE SOCIETY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2016 and 2015

	2016	2015
Cash flows provided by operating activities:		
(Decrease)/increase in net assets	\$ (69,292)	\$ 184,656
Adjustments to reconcile increase in net assets to net cash used by operating activities:		
Depreciation	46,735	36,597
Gain on sales of assets	(4,500)	(3,440)
(Increase) decrease in operating assets		
Pledges receivable	(5,000)	10,598
Grants receivable	(12,338)	1,164
Deposits and prepaid expenses	(2,370)	240
Increase (decrease) in operating liabilities		
Accounts payable	(573)	3,120
Accrued payroll liabilities	(2,757)	1,072
Deposits	(140)	(2,335)
Net cash provided by operating activities	(50,235)	231,672
 Cash flows used in investing activities:		
Reinvested interest income	(1,858)	-
Sales of fixed assets	4,500	5,800
Purchases/sales of fixed assets	(84,452)	(44,041)
Net cash used in investing activities	(81,810)	(38,241)
 Cash flows (used) by financing activities:		
Transfer to board designated fund	(35)	(35)
Donor restricted cash	57,400	(178,880)
Net cash used by financing activities	57,365	(178,915)
 Net increase in cash and cash equivalents	(74,680)	14,516
 Cash and cash equivalents, beginning of year	178,653	164,137
 Cash and cash equivalents, end of year	\$ 103,973	\$ 178,653
 Supplemental cash flow disclosure:		
In-kind revenue and expenses:		
Rent, services and goods	\$ 34,991	\$ 16,647

See accompanying notes and independent auditor's report.

VENTANA WILDLIFE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 and 2015

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, 2016 and 2015

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 Goods 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 2013 through 2015 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 18, 2016, which is the date the financial statements were available to be issued.

VENTANA WILDLIFE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 and 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Reclassifications

Certain reclassifications have been made to the 2015 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:

	2016	2015
Demand deposits	\$ 102,665	\$ 177,346
Certificate of deposit	1,308	1,307
	\$ 103,973	\$ 178,653

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:

	2016	2015
Demand deposits	\$ 115,246	\$ 115,212

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 years ended March 31, 2016 and 2015, \$57,880 and \$71,200 was available for use.

Restricted cash as of March 31 consisted of the following:

	2016	2015
Certificate of deposit	\$ 123,338	\$ 178,880

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

2017	\$ 61,738
2018	61,600
	\$ 123,338

VENTANA WILDLIFE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 and 2015

4. PROPERTY AND EQUIPMENT (net of depreciation)

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

	2016	2015
Land	\$ 1,437,500	\$ 1,437,500
Buildings	160,146	152,572
Equipment	131,040	92,233
Vehicles	107,079	76,808
	1,835,765	1,759,113
Less: accumulated depreciation	(273,397)	(234,462)
	\$ 1,562,368	\$ 1,524,651

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 \$46,735 and \$36,597, respectively for the years ended March 31, 2016 and 2015.

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, 2016 and 2015 totaled \$1,669 and \$5,840, respectively, and is included in accounts payable.

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, 2016 and 2015. During the years ended March 31, 2016 and 2015 there were no advances taken on the line of credit.

Contingent Trust Receivable

The Society has been named as a 1/3 beneficiary of a trust that is to be distributed in the near future. The amount to be distributed has not been disclosed to the Society by the Trustee, therefore no amounts are recorded as receivable for the years ended March 31, 2016 and 2015.

VENTANA WILDLIFE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 and 2015

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, 2016 and 2015 was \$30,509 and \$27,341, respectively.

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, 2016 and 2015 was \$12,763 and \$4,718, respectively.

8. RESTRICTIONS/DESIGNATIONS ON NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets at March 31, 2015 and 2016 are available for the following purposes:

	Balance 3/31/2015	Additions	Released	Balance 3/31/2016
Purpose:				
Youth education and internships	\$ 370,575	\$ 150,000	\$ (258,656)	\$ 261,919

Permanently Restricted/Board Designated Net Assets

Permanently restricted and board designated net assets were as follows at March 31, 2016 and 2015:

Wildlife Sanctuaries Land:

Permanently restricted:

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

Board designated land purchase:

Big Sur	390,500
Total Wildlife Sanctuaries land	\$1,437,500

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, 2016 and 2015, cash balances exceeded FDIC limits by approximately \$-0- and \$44,000 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, 2016 and 2015

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, 2016 and 2015 was \$26,545 and \$27,889, 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:

	2016	2015
Feathers in Flight		
Revenue	\$ 70,731	\$ 45,789
Expense	(14,657)	(10,634)
Net income	56,074	35,155
Merchandise		
Revenue	5,589	4,992
Expense	(6,176)	(6,574)
Net income	(587)	(1,582)
Henry Miller Library		\$ 33,573
Revenue	3,785	
Expense	(1,065)	
Net income	2,720	
Total special event income	\$ 58,207	

12. IN-KIND CONTRIBUTIONS AND CONTRIBUTED SERVICES

The Society received various types of in-kind contributions during the years ended March 31, 2016 and 2015. 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 for use of a portion of Andrew Molera State Park of \$24,000 and \$15,500, as well as in-kind goods of \$2,536 and \$1,147, and in-kind advertising of \$8,455 and \$0- for the years ended March 31, 2016 and 2015, respectively.