

**Louisiana Wildlife
and
Fisheries Foundation
Baton Rouge, Louisiana
December 31, 2011**

Table of Contents

| | | |
|--|------|----|
| Independent Auditor's Report | Page | 3 |
| Financial Statements | | |
| Statements of Financial Position | Page | 4 |
| Statements of Activities | Page | 5 |
| Statements of Cash Flows | Page | 6 |
| Notes to Financial Statements | Page | 7 |
| Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | Page | 11 |
| Schedule of Findings and Questioned Costs | Page | 13 |
| Schedule of Prior Year Findings and Questioned Costs | Page | 14 |

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

LOUIS C. McKNIGHT, III, C.P.A.
CHARLES R. PEVEY, JR., C.P.A.
DAVID J. BROUSSARD, C.P.A.
NEAL D. KING, C.P.A.
KARIN S. LEJEUNE, C.P.A.
ALYCE S. SCHMITT, C.P.A.



CERTIFIED PUBLIC ACCOUNTANTS

8555 UNITED PLAZA BLVD., SUITE 200
BATON ROUGE, LOUISIANA 70809
(225) 923-3000 • FAX (225) 923-3008

June 27, 2012

Independent Auditor's Report

Board of Directors
Louisiana Wildlife and Fisheries Foundation
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of

**Louisiana Wildlife and Fisheries Foundation
(A Nonprofit Organization)**

as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation'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 *Government 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 our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Wildlife and Fisheries Foundation as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 27, 2012 on our consideration of the Louisiana Wildlife and Fisheries Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, 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.

Yours truly,

Louisiana Wildlife and Fisheries Foundation
Statements of Financial Position
December 31, 2011 and 2010

| A S S E T S | | <u>2011</u> | <u>2010</u> |
|--|--|--------------------|--------------------|
| Current Assets | | | |
| Cash and cash equivalents | | \$9,129,470 | \$6,381,552 |
| Time deposits | | 250,000 | 750,000 |
| Unconditional promise to give, current | | 62,250 | 31,250 |
| Accounts receivable | | 79 | - |
| Accrued interest receivable | | 223 | 461 |
| Prepaid expenses | | <u>3,562</u> | <u>-</u> |
| Total current assets | | <u>9,445,584</u> | <u>7,163,263</u> |
| Fixed Assets, Net of Depreciation | | 10,500 | 303 |
| Long-Term Unconditional Promise to Give, Net of Discounts | | <u>-</u> | <u>30,392</u> |
| Total assets | | <u>9,456,084</u> | <u>7,193,958</u> |
| LIABILITIES AND NET ASSETS | | | |
| Current Liabilities | | | |
| Accounts payable | | 712,445 | 157,888 |
| Accrued expenses | | 11,698 | 1,099 |
| Deferred revenue | | <u>5,000</u> | <u>-</u> |
| Total current liabilities | | <u>729,143</u> | <u>158,987</u> |
| Net Assets | | | |
| Unrestricted | | 1,016,162 | 1,199,120 |
| Temporarily restricted | | <u>7,710,779</u> | <u>5,835,851</u> |
| Total net assets | | <u>8,726,941</u> | <u>7,034,971</u> |
| Total liabilities and net assets | | <u>\$9,456,084</u> | <u>\$7,193,958</u> |

The accompanying notes are an integral part of these financial statements.

Louisiana Wildlife and Fisheries Foundation
Statements of Activities
Years Ended December 31, 2011 and 2010

| | <u>December 31, 2011</u> | | | <u>December 31, 2010</u> | | |
|--|--------------------------|-----------------------------------|--------------------|--------------------------|-----------------------------------|--------------------|
| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
| Revenue and Other Support | | | | | | |
| Contributions | \$ 185,898 | \$6,624,249 | \$6,810,147 | \$ 202,799 | \$3,047,317 | \$3,250,116 |
| Interest | 43,103 | 17,355 | 60,458 | 89,834 | - | 89,834 |
| Net assets released from restrictions | 4,766,676 | (4,766,676) | - | 1,543,062 | (1,543,062) | - |
| Total revenue and other support | <u>4,995,677</u> | <u>1,874,928</u> | <u>6,870,605</u> | <u>1,835,695</u> | <u>1,504,255</u> | <u>3,339,950</u> |
| Expenses | | | | | | |
| Grants (Projects) | 4,794,305 | - | 4,794,305 | 1,403,751 | - | 1,403,751 |
| Programs | 198,860 | - | 198,860 | 86,167 | - | 86,167 |
| Other program expenses | 94,516 | - | 94,516 | 78,980 | - | 78,980 |
| Total program expenses | <u>5,087,681</u> | <u>-</u> | <u>5,087,681</u> | <u>1,568,898</u> | <u>-</u> | <u>1,568,898</u> |
| Management and general expenses | 57,715 | - | 57,715 | 44,744 | - | 44,744 |
| Fund raising expenses | 33,239 | - | 33,239 | 30,893 | - | 30,893 |
| Total management and funding raising expenses | <u>90,954</u> | <u>-</u> | <u>90,954</u> | <u>75,637</u> | <u>-</u> | <u>75,637</u> |
| Total expenses | <u>5,178,635</u> | <u>-</u> | <u>5,178,635</u> | <u>1,644,535</u> | <u>-</u> | <u>1,644,535</u> |
| Increase (Decrease) in Net Assets | (182,958) | 1,874,928 | 1,691,970 | 191,160 | 1,504,255 | 1,695,415 |
| Net Assets | | | | | | |
| Beginning of year | <u>1,199,120</u> | <u>5,835,851</u> | <u>7,034,971</u> | <u>1,007,960</u> | <u>4,331,596</u> | <u>5,339,556</u> |
| End of year | <u>\$1,016,162</u> | <u>\$7,710,779</u> | <u>\$8,726,941</u> | <u>\$1,199,120</u> | <u>\$5,835,851</u> | <u>\$7,034,971</u> |

The accompanying notes are an integral part of these financial statements.

Louisiana Wildlife and Fisheries Foundation
Statements of Cash Flows
Years Ended December 31, 2011 and 2010

| | <u>2011</u> | <u>2010</u> |
|--|--------------------|--------------------|
| Cash Flows from Operating Activities | | |
| Increase in net assets | \$1,691,970 | \$1,695,415 |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities | | |
| Depreciation | 303 | 607 |
| (Increase) Decrease in assets: | | |
| Accrued interest receivable | 238 | 12,258 |
| Unconditional promises to give | (608) | 30,282 |
| Accounts receivable | (79) | - |
| Prepaid expenses | (3,562) | - |
| Increase (Decrease) in liabilities: | | |
| Accounts payable | 554,557 | 137,847 |
| Accrued expenses | 10,599 | (1,038) |
| Deferred revenue | 5,000 | - |
| | <u>2,258,418</u> | <u>1,875,371</u> |
| Net cash provided by operating activities | | |
| Cash Flows from Investing Activities | | |
| Purchase of equipment | (10,500) | - |
| Time deposits redeemed | 500,000 | 3,640,806 |
| Acquisition of time deposits | - | (500,000) |
| | <u>489,500</u> | <u>3,140,806</u> |
| Net cash provided by investing activities | | |
| Net Increase in Cash and Cash Equivalents | 2,747,918 | 5,016,177 |
| Cash and Cash Equivalents | | |
| Beginning of year | <u>6,381,552</u> | <u>1,365,375</u> |
| End of year | <u>\$9,129,470</u> | <u>\$6,381,552</u> |

The accompanying notes are an integral part of these financial statements.

Louisiana Wildlife and Fisheries Foundation
Notes to Financial Statements
December 31, 2011

Note 1-Summary of Significant Accounting Policies

A. Nature of Activities

The Louisiana Wildlife and Fisheries Foundation (the Foundation) was incorporated in Louisiana on August 8, 1996. The Foundation was organized solely for the benefit of and in connection with the work of the Louisiana Department of Wildlife and Fisheries (the Department) and the Louisiana Wildlife and Fisheries Commission (the Commission) including promotion, development, expansion and improvement of the facilities of the Department and Commission. The Foundation exists to encourage public conservation and enjoyment of wildlife and fisheries resources, and to increase the usefulness of the Department and Commission to the citizens of the State of Louisiana. The Foundation provides a means for individuals and corporations to become partners with the Department and Commission in the conservation of Louisiana's fish and wildlife resources, and has spearheaded a multitude of projects including cooperative endeavors with state and federal agencies and the private sector fisheries and wildlife enhancement.

The Foundation, in cooperation with other organizations representing the seafood industry, is conducting a campaign funded by British Petroleum to promote the safety and quality of the Gulf of Mexico seafood products following the 2010 Gulf of Mexico Oil Spill.

B. Basis of Presentation

The financial statements are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Unrestricted net assets are resources that are free of donor-imposed or time restrictions and are available at the direction of the governing board. Temporarily restricted net assets are resources that are limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations. Permanently restricted net assets are those resources whose use by the organization is limited to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Foundation. The Foundation does not currently have any permanently restricted net assets.

C. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the Foundation considered all highly liquid investments with an initial maturity of three months or less, other than those classified as time deposits which may have maturities of three months or less, to be cash equivalents.

D. Contributions

The Foundation reports gifts of cash and other assets as restricted contributions when they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (such as when the stipulated time restriction ends or the purpose of the restriction is accomplished) temporarily restricted net assets are released to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Net assets are primarily released from donor restrictions after the purpose of the restriction is accomplished. Donor restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Louisiana Wildlife and Fisheries Foundation
Notes to Financial Statements
December 31, 2011

Note 1-Summary of Significant Accounting Policies (Continued)

E. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

F. Gifts of Marketable Securities and Other Items

Gifts of marketable securities and other noncash items are recorded as contributions at their fair values at the date of the donation.

G. Donated Services

No amounts have been reflected in the financial statements for donated services. The Foundation pays for most services requiring specific expertise. However, many individuals volunteer their time, especially the Board of Directors, and perform a variety of tasks that assist the Foundation with its activities.

H. Fixed Assets

Fixed assets are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of five years.

I. Grants

Government grants, which are considered exchange transactions, are recognized as revenue when allowable costs are incurred to provide the services as provided for under the terms of the grant agreements. Advances under the grants are recorded as deferred income until such time as they are recognized as revenue.

J. Functional Expenses

Functional expenses not directly attributable are allocated between program, management and general, and fund raising expenses based upon an estimate of employee time spent on each function. Management and general expenses include those expenses that are not directly identifiable with other specific functions but provide for the overall support and direction of the Foundation.

K. Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs were \$4,853 for the year ended December 31, 2010. There were no advertising costs in 2011.

Louisiana Wildlife and Fisheries Foundation
Notes to Financial Statements
December 31, 2011

Note 1-Summary of Significant Accounting Policies (Continued)

L. Income Tax

The Foundation is a nonprofit organization, not classified as a private foundation, which has qualified as non-profit under Section 501(c)(3) of the Internal Revenue Code and is not subject to federal or state income tax.

The Foundation adopted the accounting guidance related to accounting for uncertainty in income taxes, which sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. The Foundation recognizes the effect of income tax positions only if the positions are more likely than not of being sustained. Recognized income tax positions are recorded at the largest amount that is greater than 50% likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs.

The Foundation has evaluated its positions regarding the accounting for uncertain income tax positions and does not believe that it has any material uncertain tax positions. With few exceptions, the Foundation is no longer subject to federal, state, or local tax examinations by tax authorities for years before December 31, 2008.

Note 2-Proceeds of Consent Decree

On December 31, 2005, a consent decree between ExxonMobil Corporation and the U.S. Environmental Protection Agency and the Louisiana Department of Environmental Quality awarded the Foundation \$1,700,000 to be used exclusively for the acquisition of coastal lands which are (a) important as fish and wildlife habitat, or (b) important to the enhancement of the State's coastal restoration effort or both. Once acquisition of the above reference lands has been accomplished, the Foundation will execute an act (or acts) of donation(s) of said lands to the Department and the Commission.

On April 28, 2006, a consent decree between Chalmette Refining, L.L.C. and the Louisiana Department of Environmental Quality awarded the Foundation \$2,000,000 to be used for the same purposes and with the same stipulations outlined in the preceding paragraph.

In 2011, the Foundation was awarded a total of \$1,363,536 under consent decrees specifying the purposes for which the funds are to be used.

Note 3-Fixed Assets

Fixed assets are as follows:

| | <u>2011</u> | <u>2010</u> |
|-----------------------------------|-----------------|---------------|
| Website | \$10,500 | \$ - |
| Office equipment | <u>3,035</u> | <u>3,035</u> |
| | 13,535 | 3,035 |
| Less: accumulated depreciation | <u>3,035</u> | <u>2,732</u> |
| Fixed assets, net of depreciation | <u>\$10,500</u> | <u>\$ 303</u> |
| Depreciation expense | <u>\$ 303</u> | <u>\$ 607</u> |

Louisiana Wildlife and Fisheries Foundation
Notes to Financial Statements
December 31, 2011

Note 4-Unconditional Promises to Give

The Foundation has 2,575 acres under supervision that are subject to conservation easements. The donor has pledged to maintain, in perpetuity, certain properties as natural habitats. Since no property rights were conveyed to the Foundation, no contribution or assets have been recorded in the accompanying financial statements.

The Foundation is, however, obligated, in perpetuity, to monitor the status of the property to assure it is maintained in the condition specified in the terms of the easement. The cost of this perpetual obligation cannot be reasonably estimated and no provision for this obligation is included in the accompanying statements of financial position.

The owner of the property pledged a total of \$175,000 to offset the Foundation's future costs of managing the easement. The remaining balance of \$62,500 from the unconditional promise to give is reported as "Temporarily Restricted" on the Statement of Financial Position at December 31, 2011, and is due currently.

Note 5-Net Assets

Temporarily restricted net assets consist of the following:

| | <u>2011</u> | <u>2010</u> |
|--|--------------------|--------------------|
| Various wildlife and fisheries projects | \$2,178,327 | \$ 877,308 |
| Seafood promotion | 1,926,672 | 1,258,543 |
| Proceeds from ExxonMobil consent decree | 1,678,500 | 1,700,000 |
| Proceeds from Chalmette Refining, LLC consent decree | <u>1,927,280</u> | <u>2,000,000</u> |
| | <u>\$7,710,779</u> | <u>\$5,835,851</u> |

Note 6-Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risks consist of cash and time deposits. The Foundation maintains deposits in financial institutions located in the State of Louisiana and at times account balances may exceed federally insured limits.

At December 31, 2011 and 2010, account balances in excess of the federally insured limits totaled \$8,879,470 and \$6,131,552, respectively.

Note 7-Subsequent Events

The Louisiana Wildlife and Fisheries Foundation evaluated all subsequent events through June 27, 2012, the date the financial statements were available to be issued. As a result, the Foundation noted no subsequent events that required adjustments to, or disclosure in, these financial statements.

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.



LOUIS C. McKNIGHT, III, C.P.A.
CHARLES R. PEVEY, JR., C.P.A.
DAVID J. BROUSSARD, C.P.A.
NEAL D. KING, C.P.A.
KARIN S. LEJEUNE, C.P.A.
ALYCE S. SCHMITT, C.P.A.

CERTIFIED PUBLIC ACCOUNTANTS

8555 UNITED PLAZA BLVD., SUITE 200
BATON ROUGE, LOUISIANA 70809
(225) 923-3000 • FAX (225) 923-3008

June 27, 2012

**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***

Officers and Trustees
Louisiana Wildlife and Fisheries Foundation
Baton Rouge, Louisiana

We have audited the financial statements of the Louisiana Wildlife and Fisheries Foundation as of and for the year ended December 31, 2011, and have issued our report thereon dated June 27, 2012. 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 the Louisiana Wildlife and Fisheries Foundation'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 the effectiveness of the Louisiana Wildlife and Fisheries Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 a 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 the Louisiana Wildlife and Fisheries Foundation'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 the Board of Directors, management, the Louisiana Legislative Auditor, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513 this report is distributed by the Legislative Auditor as a public document.

Yours truly,

A handwritten signature in cursive script that reads "Hawthorn, Weymouth & Corwell, LLP". The signature is written in black ink and is positioned to the right of the "Yours truly," text.

**Louisiana Wildlife and Fisheries Foundation
Schedule of Findings and Questioned Costs
December 31, 2011**

Findings - Financial Statement Audit

None.

**Louisiana Wildlife and Fisheries Foundation
Schedule of Prior Year Findings and Questioned Costs
December 31, 2011**

Findings - Financial Statement Audit

None.