

LET'S GO FISHING OF MN
FINANCIAL STATEMENTS
Year Ended December 31, 2013 and 2012

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Certified Public Accountants
Willmar, Minnesota 56201

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Let's Go Fishing of MN
Willmar, Minnesota

We have audited the accompanying financial statements of Let's Go Fishing of MN (a nonprofit charitable corporation), which comprise the statements of financial position as of December 31, 2013 and 2012, 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 Let's Go Fishing of MN as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Westberg Eischens, PLLP

Westberg Eischens, PLLP
Willmar, Minnesota

December 9, 2014

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LET'S GO FISHING OF MN
STATEMENT OF FINANCIAL POSITION
December 31, 2013 and 2012

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and equivalents	\$ 392,557	\$ 368,377
Inventory	10,500	19,328
Total Current Assets	403,057	387,705
FIXED ASSETS		
Property and equipment	1,259,860	1,159,259
Less accumulated depreciation	(768,013)	(673,618)
Total Fixed Assets	491,847	485,641
TOTAL ASSETS	\$ 894,904	\$ 873,346
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 8,237	\$ 30,901
Payroll liabilities	11,883	17,859
Current portion of long-term debt	235,683	219,382
Total Current Liabilities	255,803	268,142
LONG TERM LIABILITIES		
Notes payable	89,407	69,740
Total Long Term liabilities	89,407	69,740
NET ASSETS		
Unrestricted	549,694	535,464
Total Net Assets	549,694	535,464
TOTAL LIABILITIES AND NET ASSETS	\$ 894,904	\$ 873,346

See accompanying notes to financial statements.

**LET'S GO FISHING OF MN
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2013**

	2013		
	Unrestricted	Temporarily Restricted	Total
REVENUE AND OTHER SUPPORT			
Contributions	\$ 243,329	\$ -	\$ 243,329
Grants	78,310	-	78,310
Business sponsorships	107,566	-	107,566
Special events	134,590	-	134,590
Less direct benefit costs	(26,450)	-	(26,450)
Special events - Gaming	3,895	-	3,895
Gain(loss) from sale of equipment	(2,828)	-	(2,828)
Interest	335	-	335
Corporate sponsorship	54,625	-	54,625
In-kind contributions	1,294	-	1,294
TOTAL REVENUE AND OTHER SUPPORT	594,666	-	594,666
EXPENSES			
Program	455,267	-	455,267
Fundraising	41,379	-	41,379
General and administrative	83,790	-	83,790
TOTAL EXPENSES	580,436	-	580,436
CHANGE IN NET ASSETS	14,230	-	14,230
NET ASSETS - BEGINNING OF YEAR	535,464	-	535,464
NET ASSETS - END OF YEAR	<u>\$ 549,694</u>	<u>\$ -</u>	<u>\$ 549,694</u>

See accompanying notes to financial statements.

**LET'S GO FISHING OF MN
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2012**

	2012		
	Unrestricted	Temporarily Restricted	Total
REVENUE AND OTHER SUPPORT			
Contributions	\$ 205,479	\$ -	\$ 205,479
Grants	42,626	-	42,626
Business sponsorships	112,410	-	112,410
Special events	125,823	-	125,823
Less direct benefit costs	(8,982)	-	(8,982)
Special events - Gaming	7,852	-	7,852
Gain from sale of equipment	18,441	-	18,441
Interest	723	-	723
Corporate sponsorship	41,915	-	41,915
In-kind contributions	-	-	-
TOTAL REVENUE AND OTHER SUPPORT	546,287	-	546,287
EXPENSES			
Program	491,327	-	491,327
Fundraising	70,063	-	70,063
General and administrative	77,246	-	77,246
TOTAL EXPENSES	638,636	-	638,636
CHANGE IN NET ASSETS	(92,349)	-	(92,349)
NET ASSETS - BEGINNING OF YEAR	627,813	-	627,813
NET ASSETS - END OF YEAR	\$ 535,464	\$ -	\$ 535,464

See accompanying notes to financial statements.

LET'S GO FISHING OF MN
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2013

	2013			
	Program	Fundraising	General and Administrative	Totals
Salaries and wages	\$ 77,574	\$ 7,688	\$ 12,000	\$ 97,262
Payroll taxes and benefits	20,888	2,318	3,618	26,824
Publicity and marketing	27,029	2,577	7,124	36,730
Travel and training	16,040	1,675	24,164	41,879
Professional fees	5,590	83	12,346	18,019
Postage	2,721	89	-	2,810
Repairs and maintenance	17,893	-	1,000	18,893
Telephone and internet	10,608	-	53	10,661
Office expense	7,654	2,862	8,098	18,614
Operating supplies	77,487	-	-	77,487
Insurance	28,656	-	867	29,523
Depreciation	126,629	-	-	126,629
Special events expense	50	22,920	838	23,808
Rent and storage	6,700	900	3,600	11,200
Interest expense	11,818	-	3,589	15,407
Miscellaneous	17,930	267	6,493	24,690
Donated supplies	-	-	-	-
	<u>\$ 455,267</u>	<u>\$ 41,379</u>	<u>\$ 83,790</u>	<u>\$ 580,436</u>
TOTAL EXPENSES	<u>\$ 455,267</u>	<u>\$ 41,379</u>	<u>\$ 83,790</u>	<u>\$ 580,436</u>

See accompanying notes to financial statements.

LET'S GO FISHING OF MN
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2012

	2012			
	Program	Fundraising	General and Administrative	Totals
Salaries and wages	\$ 120,108	\$ 17,005	\$ 16,293	\$ 153,406
Payroll taxes and benefits	28,051	3,941	3,985	35,977
Publicity and marketing	25,681	11,844	2,713	40,238
Travel and training	48,142	1,876	1,192	51,210
Professional fees	12,836	1,500	21,126	35,462
Postage	1,696	497	-	2,193
Repairs and maintenance	15,210	-	705	15,915
Telephone and internet	10,023	602	608	11,233
Office expense	7,116	1,341	5,278	13,735
Operating supplies	52,461	-	-	52,461
Insurance	28,478	875	2,059	31,412
Depreciation	114,170	-	14,753	128,923
Special events expense	-	29,593	-	29,593
Rent and storage	6,000	900	3,753	10,653
Interest expense	10,438	64	2,876	13,378
Miscellaneous	10,917	25	1,905	12,847
Donated supplies	-	-	-	-
	<u>\$ 491,327</u>	<u>\$ 70,063</u>	<u>\$ 77,246</u>	<u>\$ 638,636</u>
TOTAL EXPENSES	<u>\$ 491,327</u>	<u>\$ 70,063</u>	<u>\$ 77,246</u>	<u>\$ 638,636</u>

See accompanying notes to financial statements.

LET'S GO FISHING OF MN
STATEMENT OF CASH FLOWS
For Years Ended December 31, 2013 and 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 14,230	\$ (92,349)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
(Gain) loss on sale of equipment	2,828	(47,664)
Depreciation	126,629	128,923
(Increase) decrease in current assets:		
Accounts receivable	-	6,811
Inventory	8,828	(4,830)
Increase (decrease) in current liabilities:		
Accounts payable	(22,664)	18,351
Payroll taxes payable	<u>(5,976)</u>	<u>12,264</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>123,875</u>	<u>21,506</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from sale of equipment	39,614	84,200
Acquisition of equipment	<u>(175,175)</u>	<u>(132,212)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(135,561)</u>	<u>(48,012)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	301,642	249,638
Principal payments on notes payable	<u>(265,776)</u>	<u>(196,444)</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>35,866</u>	<u>53,194</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	24,180	26,688
 Cash and equivalents - Beginning of Year	<u>368,377</u>	<u>341,689</u>
 Cash and equivalents - End of Year	<u>\$ 392,557</u>	<u>\$ 368,377</u>

See accompanying notes to financial statements.

LET'S GO FISHING OF MN
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Let's Go Fishing of MN is a non-profit organization started in Willmar Minnesota in 2002. Let's Go Fishing of MN's mission is to provide free fishing and boating excursions as an activity for individuals aged 55 and greater. The Organization has thirty chapters located throughout Minnesota. Let's Go Fishing of MN's primary funding source is contributions from donors.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The financial statements also include the Organization's lawful gambling fund. The gambling fund statements are prepared in conformity with the regulatory basis, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Management does not consider the differences to be material.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Let's Go Fishing of MN and changes there in, are classified and reported as follows:

Unrestricted net assets

Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets

Net assets are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Contributions whose restrictions are met in the same year they are received are recorded as unrestricted. At years-end, the organization did not have any temporarily restricted net assets.

Permanently restricted net assets

Net assets, which are subject to donor-imposed stipulations, are maintained permanently by Let's Go Fishing of MN. Generally, the donors of these assets permit Let's Go Fishing of MN to use all or part of the income earned on any related investments for general or specific purposes. At years-end, the Organization did not have any permanently restricted net assets.

Contributions and Promises to Give

Contributions, including unconditional promises to give, are recognized when made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give due in the next year are recorded at their net realizable value. Contributions are generally collected on a calendar year basis.

LET'S GO FISHING OF MN
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment

Equipment is stated at cost. The Organization's policy is to capitalize all equipment purchases with an initial cost of \$1,000 or more and expense to operations items costing less than this amount. Donated items received are recorded at estimated fair value. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets. Depreciation expense for the year ended December 31, 2013 and 2012 was \$126,629 and \$128,923, respectively.

<u>Useful Lives</u>	<u>Years</u>
Equipment	5-10

Functional Allocation of Expenses

The costs of providing Let's Go Fishing of MN's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Contributed Materials and Services

Contributed materials and services represent the estimated fair value of materials and services provided. The contribution of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Let's Go Fishing of MN relies on a substantial number of volunteers to support its programs. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition have not been satisfied.

Income Taxes

Let's Go Fishing of MN is exempt from Federal and State income taxes under Internal Revenue Code Section 501(c)(3). The Organization is also classified as an entity that is not a private foundation within the meaning of IRC Section 509(a) and qualifies to receive tax deductible contributions. The Organization is subject to tax on unrelated business income derived from its lawful gambling operations. There was no tax due for the years ended December 31, 2013 and 2012. The organization's accounting policy provides that a tax expense/benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. The Organization has no uncertain tax positions resulting in an accrual of tax expense or benefit.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally for three years after they were filed.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Let's Go Fishing of MN considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Inventory

Inventory consists of Let's Go Fishing gear that was available-for-sale.

Use of Estimates

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

LET'S GO FISHING OF MN
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE B: NOTES PAYABLE

	2013	2012
Let's Go Fishing of MN has a \$40,047 note payable due to Merchant's Bank dated June 16, 2011, with a maturity date of January 1, 2014. The note bears interest at 4.94% with interest paid quarterly. Principal on the note is due at the demand of the lender or the maturity date, whichever is earlier. This loan is secured by boats and equipment.	\$ 14,201	\$ 28,410
Let's Go Fishing of MN has a \$30,000 note payable due to Bank Forward dated April 22, 2008, with a maturity date of February 22, 2013. The note bears interest at 6.50% and is payable in nine semiannual payments of \$3,530. This loan is secured by boats and equipment.	-	2,572
Let's Go Fishing of MN has a \$29,083 note payable due to United Prairie Bank dated May 19, 2011, with a maturity date of May 15, 2016. The note bears interest at 5.75% and is payable on demand. If no demand is made, the note is payable in 59 monthly installments of \$560. The loan is secured by a 2011 Chevrolet Silverado.	-	17,110
Let's Go Fishing of MN has a \$29,887 retail installment contract with Toyota Financial Services dated July 11, 2008, with a maturity date of July 25, 2013. The contract is payable in fifty-nine monthly installments of \$578 with imputed interest of 6%. This loan is secured by the Toyota Tundra.	-	3,514
Let's Go Fishing of MN has a \$28,525 note payable due to Wells Fargo Bank dated October 21, 2009, with a maturity date of September 21, 2014. The note bears interest at 6.75% and is payable in 60 monthly payments of \$563. This loan is secured by a general security agreement.	3,217	9,514
Let's Go Fishing of MN has a \$40,000 note payable due to the City of Chaska dated March 2, 2010, with a maturity date of December 31, 2014. The note bears no interest and is payable in installments at the discretion of Let's Go Fishing of MN. This loan is secured by a pontoon, motor, and trailer.	14,500	20,000
Let's Go Fishing of MN has a \$38,500 note payable due to Midwest Bank dated April 27, 2010, with a maturity date of May 25, 2016. The note bears interest at 6.75% and is payable in 7 annual payments of \$6,686. This loan is secured by a pontoon, motor, and trailer.	-	19,048
Let's Go Fishing of MN has a \$35,082 note payable to Citizens National Bank of Park Rapids dated September 2, 2010, with a maturity date of September 5, 2015. The note bears interest at 6.00% and is payable in 10 semiannual payments of \$4,115. This loan is secured by a pontoon and motor.	15,296	22,315
Let's Go Fishing of MN has a \$41,000 note payable due to Central Bank dated November 25, 2010, with a maturity date of June 25, 2011. The note must be renewed annually. The note matures May 25, 2013. This loan is secured by a pontoon, motor, and trailer.	5,000	15,000

LET'S GO FISHING OF MN
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE B: NOTES PAYABLE (continued)

	2013	2012
Let's Go Fishing of MN has a \$46,000 note payable to Bank Cherokee dated October 10, 2012, with a maturity date of October 10, 2017. The note bears interest at 3.00% and is payable in 10 semiannual payments of \$4,600. This loan is secured by a pontoon, motor, and trailer.	36,800	46,000
Let's Go Fishing of MN has a \$80,253 note payable to United Prairie Bank dated February 22, 2012, with a maturity date of February 22, 2013. The note bears interest at 5.75% and is payable monthly. The principal is due in full at maturity. The note is secured by a general security agreement.	-	86,539
Let's Go Fishing of MN has a \$19,100 note payable to United Prairie Bank dated December 31, 2012, with a maturity date of December 31, 2013. The note bears interest at 5.75% and is payable in full at maturity. The note is secured by a general security agreement.	-	19,100
Let's Go Fishing of MN has a \$80,253 note payable to United Prairie Bank dated March 22, 2013, with a maturity date of March 22, 2014. The note bears interest at 5.75%, with a 10.75% late rate and is payable in full at maturity. The note is secured by a general security agreement.	80,253	-
Let's Go Fishing of MN has a \$90,283 note payable to United Prairie Bank dated April 15, 2013, with a maturity date of March 22, 2014. The note bears interest at 5.70%, with a 10.70% late rate and is payable in full at maturity. The note is secured by a general security agreement.	90,284	-
Let's Go Fishing of MN has a \$25,000 note payable to Peoples Bank dated March 29, 2013, with a maturity date of March 29, 2018. The note bears interest at 2.85% and is payable in full at maturity. The note is secured by a boat and motor.	22,661	-
Let's Go Fishing of MN has a \$33,827 note payable to Flagship Bank dated March 21, 2013, with a maturity date of March 15, 2018. The note bears interest at 6.00% and is payable in two semi-annual payments ranging from \$1,020.46 to \$1,037.38 beginning September 21, 2013 and eight semi-annual payments of \$4,828.48 beginning September 21, 2014. The note is secured by a pontoon, motor, trailer, & accessories.	33,828	-
Let's Go Fishing of MN has a \$12,050 note payable to Security Bank USA dated September 20, 2013, with a maturity date of September 19, 2014. The note bears interest at 3.99% and is payable monthly. The loan is secured by a pontoon.	9,050	-
Total debt	325,090	289,122
Less current portion	(235,683)	(219,382)
Total long-term debt	\$ 89,407	\$ 69,740

LET'S GO FISHING OF MN
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE B: NOTES PAYABLE (continued)

The following schedule outlines principal amounts due on the notes:

<u>Year</u>	<u>Amount</u>
2014	\$ 235,683
2015	26,732
2016	18,857
2017	18,857
2018	24,961
	<u>\$ 325,090</u>

NOTE C: RELATED PARTY

Let's Go Fishing of MN leases office space from a company that is owned in part by the executive director. The lease is on a month to month basis. Rent expense for the years ended December 31, 2013 and 2012 were \$11,200 and \$10,653, respectively .

NOTE D: SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 9, 2014, the date the financial statements were available to be issued.