

DRAFT

**LET'S GO FISHING**  
**FINANCIAL STATEMENTS**  
**Year Ended December 31, 2015 and 2014**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Let's Go Fishing  
Spicer, Minnesota

We have audited the accompanying financial statements of Let's Go Fishing (a nonprofit charitable corporation), which comprise the statements of financial position as of December 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 Let's Go Fishing as of December 31, 2015 and 2014, 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  
Willmar, Minnesota

December 15, 2016

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**LET'S GO FISHING**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2015 and 2014

	2015	2014
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and equivalents	\$ 356,565	\$ 408,959
Accounts receivable	1,869	14,525
Prepaid	6,276	5,833
Inventory	4,977	-
Total Current Assets	369,687	429,317
<b>FIXED ASSETS</b>		
Property and equipment	1,283,021	1,226,651
Less accumulated depreciation	(863,659)	(807,793)
Total Fixed Assets	419,362	418,858
<b>TOTAL ASSETS</b>	<b>\$ 789,049</b>	<b>\$ 848,175</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 12,357	\$ 5,037
Payroll liabilities	47,652	24,325
Current portion of long-term debt	47,380	304,516
Total Current Liabilities	107,389	333,878
<b>LONG TERM LIABILITIES</b>		
Notes payable	217,968	55,334
Total Long Term liabilities	217,968	55,334
<b>NET ASSETS</b>		
Unrestricted	463,692	458,963
Total Net Assets	463,692	458,963
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 789,049</b>	<b>\$ 848,175</b>

See accompanying notes to financial statements.

**LET'S GO FISHING**  
**STATEMENT OF ACTIVITIES**  
For The Year Ended December 31, 2015

	2015		Total
	Unrestricted	Temporarily Restricted	
<b>REVENUE AND OTHER SUPPORT</b>			
Contributions	\$ 297,963	\$ -	\$ 297,963
Grants	28,844	-	28,844
Sponsorships	197,398	-	197,398
Special events	83,514	-	83,514
Less direct benefit costs	(21,580)	-	(21,580)
Gain (loss) from sale of equipment	38,439	-	38,439
Interest	222	-	222
In-kind contributions	15,936	-	15,936
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<b>640,736</b>	<b>-</b>	<b>640,736</b>
<b>EXPENSES</b>			
Program	487,761	-	487,761
Fundraising	17,870	-	17,870
General and administrative	130,376	-	130,376
<b>TOTAL EXPENSES</b>	<b>636,007</b>	<b>-</b>	<b>636,007</b>
<b>CHANGE IN NET ASSETS</b>	<b>4,729</b>	<b>-</b>	<b>4,729</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>458,963</b>	<b>-</b>	<b>458,963</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 463,692</b>	<b>\$ -</b>	<b>\$ 463,692</b>

See accompanying notes to financial statements.

**LET'S GO FISHING**  
**STATEMENT OF ACTIVITIES**  
For The Year Ended December 31, 2014

	2014		
	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND OTHER SUPPORT</b>			
Contributions	\$ 235,220	\$ -	\$ 235,220
Grants	66,699	-	66,699
Sponsorships	181,467	-	181,467
Special events	127,569	-	127,569
Less direct benefit costs	(34,966)	-	(34,966)
Gain (loss) from sale of equipment	10,996	-	10,996
Interest	422	-	422
In-kind contributions	3,535	-	3,535
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<b>590,943</b>	<b>-</b>	<b>590,943</b>
<b>EXPENSES</b>			
Program	486,659	-	486,659
Fundraising	44,865	-	44,865
General and administrative	150,150	-	150,150
<b>TOTAL EXPENSES</b>	<b>681,674</b>	<b>-</b>	<b>681,674</b>
<b>CHANGE IN NET ASSETS</b>	<b>(90,731)</b>	<b>-</b>	<b>(90,731)</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>549,694</b>	<b>-</b>	<b>549,694</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 458,963</b>	<b>\$ -</b>	<b>\$ 458,963</b>

See accompanying notes to financial statements.

**LET'S GO FISHING**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For The Year Ended December 31, 2015**

	2015			
	Program	Fundraising	General and Administrative	Totals
Salaries and wages	\$ 127,990	\$ 11,418	\$ 29,565	\$ 168,973
Payroll taxes and benefits	32,751	2,705	6,753	42,209
Publicity and marketing	16,759	-	11,217	27,976
Travel and training	14,326	1,650	5,084	21,060
Professional fees	-	-	26,860	26,860
Postage	392	-	1,336	1,728
Repairs and maintenance	34,466	-	2,540	37,006
Telephone and internet	8,039	-	-	8,039
Office expense	5,667	-	9,939	15,606
Operating supplies	45,210	-	1,680	46,890
Insurance	30,222	-	6,445	36,667
Depreciation	121,777	-	-	121,777
Special events expense	-	1,047	-	1,047
Rent and storage	12,811	1,050	12,029	25,890
Interest expense	3,197	-	12,598	15,795
Miscellaneous	18,338	-	4,330	22,668
Contributions	-	-	-	-
Donated supplies	15,816	-	-	15,816
	<u>\$ 487,761</u>	<u>\$ 17,870</u>	<u>\$ 130,376</u>	<u>\$ 636,007</u>
<b>TOTAL EXPENSES</b>	<u>\$ 487,761</u>	<u>\$ 17,870</u>	<u>\$ 130,376</u>	<u>\$ 636,007</u>

See accompanying notes to financial statements.



**LET'S GO FISHING**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For The Year Ended December 31, 2014**

	2014			
	Program	Fundraising	General and Administrative	Totals
Salaries and wages	\$ 102,307	\$ 21,470	\$ 16,196	\$ 139,973
Payroll taxes and benefits	24,130	5,853	4,210	34,193
Publicity and marketing	33,206	2,056	5,682	40,944
Travel and training	10,407	1,087	15,678	27,172
Professional fees	-	-	53,078	53,078
Postage	2,503	-	2,441	4,944
Repairs and maintenance	10,588	-	3,969	14,557
Telephone and internet	9,339	-	-	9,339
Office expense	7,422	2,775	7,852	18,049
Operating supplies	53,894	-	549	54,443
Insurance	24,066	-	-	24,066
Depreciation	127,684	-	-	127,684
Special events expense	-	9,099	-	9,099
Rent and storage	18,399	2,525	10,101	31,025
Interest expense	5,994	-	17,201	23,195
Miscellaneous	17,234	-	13,193	30,427
Contributions	36,401	-	-	36,401
Donated supplies	3,085	-	-	3,085
	<u>\$ 486,659</u>	<u>\$ 44,865</u>	<u>\$ 150,150</u>	<u>\$ 681,674</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 486,659</u></b>	<b><u>\$ 44,865</u></b>	<b><u>\$ 150,150</u></b>	<b><u>\$ 681,674</u></b>

See accompanying notes to financial statements.

**LET'S GO FISHING**  
**STATEMENTS OF CASH FLOWS**  
For The Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 4,729	\$ (90,731)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
(Gain) loss on sale of equipment	(38,439)	(10,996)
Depreciation	121,777	127,684
(Increase) decrease in current assets:		
Accounts receivable	12,656	(14,525)
Inventory	(4,977)	10,500
Prepaid expenses	(443)	-
Increase (decrease) in current liabilities:		
Accounts payable	7,320	(3,200)
Payroll taxes payable	<u>23,327</u>	<u>12,442</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>125,950</u>	<u>31,174</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash received from sale of equipment	94,231	35,542
Acquisition of equipment	<u>(178,074)</u>	<u>(78,074)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(83,843)</u>	<u>(42,532)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from notes payable	83,698	297,580
Principal payments on notes payable	<u>(178,199)</u>	<u>(269,820)</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>(94,501)</u>	<u>27,760</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(52,394)	16,402
<b>Cash and equivalents - Beginning of Year</b>	<u>408,959</u>	<u>392,557</u>
<b>Cash and equivalents - End of Year</b>	<u>\$ 356,565</u>	<u>\$ 408,959</u>

See accompanying notes to financial statements.

**LET'S GO FISHING**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 and 2014**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Let's Go Fishing (f.k.a. Let's Go Fishing of MN) is a non-profit organization started in Willmar Minnesota in 2002. Let's Go Fishing'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'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. 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 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. Generally, the donors of these assets permit Let's Go Fishing 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.

**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, 2015 and 2014 was \$121,777 and \$127,684, respectively.

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

**LET'S GO FISHING**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 and 2014**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Functional Allocation of Expenses**

The costs of providing Let's Go Fishing'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 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 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. For the years ended December 31, 2015 and 2014, the Organization did not have any unrelated business income. 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 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**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 and 2014**

**NOTE B: NOTES PAYABLE**

	2015	2014
Let's Go Fishing 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 a pontoon, motor and trailer.	\$ 14,189	\$ 14,201
Let's Go Fishing has a \$10,000 note payable due to Curry State Bank Bank dated May 12, 2015, with a maturity date of May 12, 2018. The note bears interest at 6.00% and is payable in 36 monthly payments of \$305. This loan is secured by a pontoon, motor and trailer.	7,670	-
Let's Go Fishing has a \$38,073 note payable due to the State Bank of New Prague dated June 1, 2015, with a maturity date of June 1, 2019. The note bears interest at 3.50% and is payable in quarterly installments of \$4,759 plus interest. This loan is secured by a pontoon, motor, trailer and lift.	33,314	-
Let's Go Fishing 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, motor and trailer.	-	10,990
Let's Go Fishing 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.	-	27,600
Let's Go Fishing 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 pontoon, motor and trailer.	12,951	17,877
Let's Go Fishing 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, and accessories.	-	24,852
Let's Go Fishing has a \$25,625 note payable to Beacon Bank dated February 18, 2015, with a maturity date of December 1, 2019. The note bears interest at 5.00% and is payable in ten semi-annual payments of \$2,902. The note is secured by a pontoon, motor and trailer.	6,531	-

**LET'S GO FISHING**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 and 2014**

**NOTE B: NOTES PAYABLE (continued)**

	2015	2014
Let's Go Fishing has a \$144,255 note payable to Granite Community Bank dated June 6, 2014, with a maturity date of October 6, 2015. The note was renewed with a new maturity date of May 4, 2017. The note bears interest at 4.50%. Interest is required to be paid monthly with the principal due at maturity. This loan is secured by blanket general security agreement.	130,557	144,255
Let's Go Fishing has a \$100,000 note payable to Granite Community Bank dated June 6, 2014, with a maturity date of October 6, 2015. The note was renewed with a new maturity date of May 4, 2017. The note bears interest at 4.50%. Interest is required to be paid monthly with the principal due at maturity. This loan is secured by blanket general security agreement.	50,136	100,000
Let's Go Fishing has a \$42,075 note payable to Granite Community Bank dated May 1, 2014, with a maturity date of May 1, 2015. The note bears interest at 4.25% and is payable in on payment. This loan is secured by boats, motors and trailers.	-	20,075
Let's Go Fishing has a unsecured note payable to the executive director. The note bears no interest and is payable in on demand.	10,000	-
Total debt	265,348	359,850
Less current portion	(47,380)	(304,516)
Total long-term debt	\$ 217,968	\$ 55,334

The following schedule outlines principal amounts due on the notes:

Year	Amount
2016	\$ 47,380
2017	199,754
2018	13,454
2019	4,760
	\$ 265,348

**LET'S GO FISHING**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 and 2014**

**NOTE C: RELATED PARTY**

Let's Go Fishing leases office space from a company that is owned in part by the executive director. The lease was terminated in 2014. Rent expense for the year ended December 31, 2014 was \$5,250.

**NOTE D: SUBSEQUENT EVENTS**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 15, 2016, the date the financial statements were available to be issued.

DRAFT