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LET'S GO FISHING

FINANCIAL STATEMENTS

Year Ended December 31, 2014 and 2013

WESTBERG EISCHENS, PLLP
Certified Public Accountants
Willmar, Minnesota 56201

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INDEPENDENT AUDITOR'S REPORT

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, 2014 and 2013, 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, 2014 and 2013, 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

November 12, 2015

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LET'S GO FISHING
STATEMENTS OF FINANCIAL POSITION
December 31, 2014 and 2013

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and equivalents	\$ 408,959	\$ 392,557
Accounts receivable	14,525	-
Prepaid	5,833	-
Inventory	-	10,500
Total Current Assets	429,317	403,057
FIXED ASSETS		
Property and equipment	1,226,651	1,259,860
Less accumulated depreciation	(807,793)	(768,013)
Total Fixed Assets	418,858	491,847
TOTAL ASSETS	\$ 848,175	\$ 894,904
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 5,037	\$ 8,237
Payroll liabilities	24,325	11,883
Current portion of long-term debt	304,516	235,683
Total Current Liabilities	333,878	255,803
LONG TERM LIABILITIES		
Notes payable	55,334	89,407
Total Long Term liabilities	55,334	89,407
NET ASSETS		
Unrestricted	458,963	549,694
Total Net Assets	458,963	549,694
TOTAL LIABILITIES AND NET ASSETS	\$ 848,175	\$ 894,904

See accompanying notes to financial statements.

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

	2014		Total
	Unrestricted	Temporarily Restricted	
REVENUE AND OTHER SUPPORT			
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
TOTAL REVENUE AND OTHER SUPPORT	590,943	-	590,943
EXPENSES			
Program	486,659	-	486,659
Fundraising	44,865	-	44,865
General and administrative	150,150	-	150,150
TOTAL EXPENSES	681,674	-	681,674
CHANGE IN NET ASSETS	(90,731)	-	(90,731)
NET ASSETS - BEGINNING OF YEAR	549,694	-	549,694
NET ASSETS - END OF YEAR	\$ 458,963	\$ -	\$ 458,963

See accompanying notes to financial statements.

LET'S GO FISHING
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
Sponsorships	162,191	-	162,191
Special events	138,484	-	138,484
Less direct benefit costs	(26,450)	-	(26,450)
Gain (loss) from sale of equipment	(2,828)	-	(2,828)
Interest	335	-	335
In-kind contributions	1,294	-	1,294
TOTAL REVENUE AND OTHER SUPPORT	594,665	-	594,665
EXPENSES			
Program	455,266	-	455,266
Fundraising	41,379	-	41,379
General and administrative	83,790	-	83,790
TOTAL EXPENSES	580,435	-	580,435
CHANGE IN NET ASSETS	14,230	-	14,230
NET ASSETS - BEGINNING OF YEAR	535,464	-	535,464
NET ASSETS - END OF YEAR	\$ 549,694	\$ -	\$ 549,694

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>
TOTAL EXPENSES	<u>\$ 486,659</u>	<u>\$ 44,865</u>	<u>\$ 150,150</u>	<u>\$ 681,674</u>

See accompanying notes to financial statements.

LET'S GO FISHING
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	77,486	-	-	77,486
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
Contributions	-	-	-	-
Donated supplies	-	-	-	-
	<u>\$ 455,266</u>	<u>\$ 41,379</u>	<u>\$ 83,790</u>	<u>\$ 580,435</u>
TOTAL EXPENSES	<u>\$ 455,266</u>	<u>\$ 41,379</u>	<u>\$ 83,790</u>	<u>\$ 580,435</u>

See accompanying notes to financial statements.

LET'S GO FISHING
STATEMENTS OF CASH FLOWS
For Years Ended December 31, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (90,731)	\$ 14,230
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
(Gain) loss on sale of equipment	(10,996)	2,828
Depreciation	127,684	126,629
(Increase) decrease in current assets:		
Accounts receivable	(14,525)	-
Inventory	10,500	8,828
Increase (decrease) in current liabilities:		
Accounts payable	(3,200)	(22,664)
Payroll taxes payable	12,442	(5,976)
NET CASH PROVIDED BY OPERATING ACTIVITIES	31,174	123,875
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from sale of equipment	35,542	39,614
Acquisition of equipment	(78,074)	(175,175)
NET CASH USED IN INVESTING ACTIVITIES	(42,532)	(135,561)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	297,580	301,642
Principal payments on notes payable	(269,820)	(265,776)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	27,760	35,866
NET INCREASE IN CASH AND CASH EQUIVALENTS	16,402	24,180
Cash and equivalents - Beginning of Year	392,557	368,377
Cash and equivalents - End of Year	\$ 408,959	\$ 392,557

See accompanying notes to financial statements.

LET'S GO FISHING
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

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, 2014 and 2013 was \$127,684 and \$126,629, respectively.

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

LET'S GO FISHING
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

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, 2014 and 2013, 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, 2014 and 2013

NOTE B: NOTES PAYABLE

	2014	2013
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 boats and equipment.	\$ 14,201	\$ 14,201
Let's Go Fishing 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
Let's Go Fishing 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. This loan is secured by a pontoon, motor, and trailer.	-	14,500
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 and motor.	10,990	15,296
Let's Go Fishing 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
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	36,800
Let's Go Fishing 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 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
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE B: NOTES PAYABLE (continued)

	2014	2013
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 boat and motor.	17,877	22,661
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, & accessories.	24,852	33,828
Let's Go Fishing 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
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 bears interest at 4.50%. Interest is required to be paid monthly with the principal due at maturity. This loan is secured by boats.	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 bears interest at 4.50%. Interest is required to be paid monthly with the principal due at maturity. This loan is secured by boats.	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.	20,075	-
Total debt	361,864	327,103
Less current portion	(304,516)	(235,683)
Total long-term debt	\$ 57,348	\$ 91,420

The following schedule outlines principal amounts due on the notes:

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

LET'S GO FISHING
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

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 years ended December 31, 2014 and 2013 were \$5,250 and \$11,200, respectively.

NOTE D: SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 12, 2015, the date the financial statements were available to be issued.

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