

**NATIONAL DEER ASSOCIATION
FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1 - 2
Financial Statements:	
Statements of Financial Position	3-4
Statements of Activities and Changes in Net Assets	5-6
Statements of Functional Expenses	7-8
Statements of Cash Flows	9
Notes to Financial Statements	10 - 18



INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management of
National Deer Association

We have audited the accompanying financial statements of National Deer Association, formerly known as Quality Deer Management Association, (a nonprofit organization), which comprise the statements of financial positions as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, 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.

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Opinion

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of National Deer Association as of December 31, 2020 and 2019, 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.

Rhodes, Young, Blotz + Duncan

December 2, 2021

**NATIONAL DEER ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Current Assets		
Cash	\$ 490,812	\$ 241,027
Accounts receivable, net of allowance for doubtful accounts of \$12,000 and \$145,000 respectively	409,525	461,090
Inventory, net of allowance for obsolescence of \$18,000 and \$13,000, respectively	62,963	226,525
Prepaid expenses and other assets	18,323	325
Total Current Assets	981,623	928,967
Property and Equipment		
Land	-	4,212,401
Building	-	1,198,603
Equipment	201,294	196,025
Furniture and fixtures	59,248	59,248
Vehicles	35,127	35,127
Less: accumulated depreciation	(288,667)	(831,277)
Total Property and Equipment	7,002	4,870,127
Assets held for sale	2,537,152	-
Other Assets		
Accounts receivable, non-current	115,000	-
Investments	98,572	67,675
Total Other Assets	213,572	67,675
Total Assets	\$ 3,739,349	\$ 5,866,769

See independent auditors' report and accompanying notes

**NATIONAL DEER ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 55,760	\$ 491,893
Accrued expenses	101,996	170,732
Lines of credit	78,254	324,617
Current portion of mortgage payable	740,259	59,572
Total Current Liabilities	976,269	1,046,814
Long-Term Liabilities		
Mortgage payable, net of current portion	-	739,550
Total Long-Term Liabilities	-	739,550
Total Liabilities	976,269	1,786,364
Net Assets		
Without Donor Restrictions	2,419,571	3,989,910
With Donor Restrictions	343,509	90,495
Total Net Assets	2,763,080	4,080,405
Total Liabilities and Net Assets	\$ 3,739,349	\$ 5,866,769

See independent auditors' report and accompanying notes

**NATIONAL DEER ASSOCIATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net Assets Without Donor Restrictions			
Revenue and support			
Program services	\$ 1,269,603	\$ -	\$ 1,269,603
Membership and sponsor contributions	990,389	-	990,389
Contribution and grant income	596,659	307,500	904,159
Other revenue	519,055	-	519,055
Payroll Protection Plan loan forgiveness	445,611	-	445,611
Unrealized and realized gain on investments	11,645	-	11,645
Total revenue and support	<u>3,832,962</u>	<u>307,500</u>	<u>4,140,462</u>
Net assets released from restrictions	54,486	(54,486)	-
Total revenue and support	<u>3,887,448</u>	<u>253,014</u>	<u>4,140,462</u>
 Expenses			
Conservation and heritage hunting operations	984,279	-	984,279
Volunteer operations and chapter support	1,123,423	-	1,123,423
Communications	171,145	-	171,145
Total program services	<u>2,278,847</u>	<u>-</u>	<u>2,278,847</u>
 Supporting services			
Fundraising	285,184	-	285,184
Membership development	369,940	-	369,940
Management and general	240,049	-	240,049
Total supporting services	<u>895,173</u>	<u>-</u>	<u>895,173</u>
 Other expenses			
Impairment of land held for sale	2,283,767	-	2,283,767
Total expenses	<u>5,457,787</u>	<u>-</u>	<u>5,457,787</u>
 Change in net assets	(1,570,339)	253,014	(1,317,325)
 Net assets at beginning of year	<u>3,989,910</u>	<u>90,495</u>	<u>4,080,405</u>
 Net assets at end of year	<u>\$ 2,419,571</u>	<u>\$ 343,509</u>	<u>\$ 2,763,080</u>

See independent auditors' report and accompanying notes

**NATIONAL DEER ASSOCIATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net Assets Without Donor Restrictions			
Revenue and support			
Program services	\$ 2,223,692	\$ -	\$2,223,692
Membership and sponsor contributions	1,683,153	-	1,683,153
Contribution and grant income	454,321	-	454,321
Other revenue	107,088	-	107,088
Unrealized and realized gain on investments	<u>16,295</u>	<u>-</u>	<u>16,295</u>
Total revenue and support	4,484,549	-	4,484,549
Net assets released from restrictions	<u>39,505</u>	<u>(39,505)</u>	<u>-</u>
Total revenue and support	<u>4,524,054</u>	<u>(39,505)</u>	<u>4,484,549</u>
Expenses			
Conservation and heritage hunting operations	1,343,717	-	1,343,717
Volunteer operations and chapter support	1,653,592	-	1,653,592
Communications	<u>250,012</u>	<u>-</u>	<u>250,012</u>
Total program services	3,247,321	-	3,247,321
Supporting services			
Fundraising	478,013	-	478,013
Membership development	515,938	-	515,938
Management and general	<u>223,646</u>	<u>-</u>	<u>223,646</u>
Total supporting services	<u>1,217,597</u>	<u>-</u>	<u>1,217,597</u>
Total expenses	<u>4,464,918</u>	<u>-</u>	<u>4,464,918</u>
Change in net assets	59,136	(39,505)	19,631
Net assets at beginning of year	<u>3,930,774</u>	<u>130,000</u>	<u>4,060,774</u>
Net assets at end of year	<u>\$ 3,989,910</u>	<u>\$ 90,495</u>	<u>\$4,080,405</u>

See independent auditors' report and accompanying notes

**NATIONAL DEER ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Services				Supporting Services				
	Conservation & Heritage Hunting Operations	Volunteer Operations and Chapter Support	Communications	Total Program Services	Fundraising	Membership Development	Management and General	Total Supporting Services	Total
Accounting and legal fees	\$ 654	\$ -	\$ -	\$ 654	\$ -	\$ -	\$ 59,058	\$ 59,058	\$ 59,712
Advertising and promotion	22,618	26,996	5,837	55,451	3,648	11,674	2,188	17,510	72,961
Bad debt	11,766	-	-	11,766	-	-	-	-	11,766
Bank charges	-	-	-	-	3,546	-	9,586	13,132	13,132
Cost of materials	-	243,101	-	243,101	91,016	-	-	91,016	334,117
Depreciation	14,717	17,565	3,798	36,080	2,374	7,596	1,424	11,394	47,474
Dues, subscriptions and contributions	22,357	413	665	23,435	601	620	5,975	7,196	30,631
Hunting trips	-	-	-	-	33,216	-	-	33,216	33,216
Insurance	11,870	5,306	1,933	19,109	1,365	1,933	1,868	5,166	24,275
Interest expense	-	-	-	-	-	-	60,017	60,017	60,017
Leased equipment and software	106,994	23,134	1,446	131,574	5,783	5,783	1,447	13,013	144,587
Magazine publication expense	67,800	80,923	17,497	166,220	10,936	34,994	6,560	52,490	218,710
Mail processing	31,767	22,001	-	53,768	7,935	16,705	710	25,350	79,118
Merchant account charges	67,609	37,931	-	105,540	-	-	450	450	105,990
National convention expense	45,520	16,553	-	62,073	20,691	-	-	20,691	82,764
Office and shipping supplies	8,225	9,817	2,123	20,165	1,327	4,245	792	6,364	26,529
Payroll, employee benefit and related	488,576	583,139	126,084	1,197,799	78,803	252,168	47,280	378,251	1,576,050
Printing	3,790	3,790	948	8,528	190	10,233	-	10,423	18,951
Professional and outside service	21,835	3,209	-	25,044	17,061	2,498	2,078	21,637	46,681
Repairs and maintenance	516	163	137	816	19	137	1,660	1,816	2,632
Taxes	16,292	-	-	16,292	-	-	34,954	34,954	51,246
Travel expense	12,945	15,451	3,341	31,737	2,088	6,681	1,252	10,021	41,758
Utilities	17,706	21,133	4,569	43,408	2,856	9,139	1,712	13,707	57,115
Web site and IT expense	10,722	12,798	2,767	26,287	1,729	5,534	1,038	8,301	34,588
	<u>\$ 984,279</u>	<u>\$ 1,123,423</u>	<u>\$ 171,145</u>	<u>\$ 2,278,847</u>	<u>\$ 285,184</u>	<u>\$ 369,940</u>	<u>\$ 240,049</u>	<u>\$ 895,173</u>	<u>\$ 3,174,020</u>

See independent auditors' report and accompanying notes

**NATIONAL DEER ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Program Services				Supporting Services				
	Conservation & Heritage Hunting Operations	Volunteer Operations and Chapter Support	Communications	Total Program Services	Fundraising	Membership Development	Management and General	Total Supporting Services	Total
Accounting and legal fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,341	\$ 44,341	\$ 44,341
Advertising and promotion	48,161	57,483	12,429	118,073	7,768	24,857	4,660	37,285	155,358
Bad debt	132,895	-	-	132,895	-	-	8,725	8,725	141,620
Bank charges	-	-	-	-	3,226	-	8,723	11,949	11,949
Cost of materials	152	325,679	-	325,831	243,899	301	-	244,200	570,031
Depreciation	12,940	15,445	3,339	31,724	2,087	6,679	1,254	10,020	41,744
Dues, subscriptions and contributions	11,929	8,352	1,816	22,097	1,479	-	1,896	3,375	25,472
Hunting trips	-	-	-	-	54,567	-	-	54,567	54,567
Insurance	7,966	4,710	821	13,497	2,463	462	13,763	16,688	30,185
Interest expense	-	-	-	-	-	-	50,640	50,640	50,640
Leased equipment and software	98,449	21,286	1,330	121,065	5,322	5,322	1,330	11,974	133,039
Magazine publication expense	99,928	119,269	25,788	244,985	16,117	51,576	9,671	77,364	322,349
Mail processing	21,759	78,334	-	100,093	7,616	-	1,088	8,704	108,797
Merchant account charges	65,155	52,533	-	117,688	-	-	-	-	117,688
National convention expense	19,776	7,191	-	26,967	8,989	-	-	8,989	35,956
Office and shipping supplies	13,849	16,529	3,574	33,952	2,234	7,148	1,339	10,721	44,673
Payroll, employee benefit and related	668,888	798,350	172,616	1,639,854	107,885	345,233	64,732	517,850	2,157,704
Printing	11,078	11,078	2,770	24,926	554	29,910	-	30,464	55,390
Professional and outside service	26,111	18,862	100	45,073	-	266	1,516	1,782	46,855
Repairs and maintenance	2,508	-	-	2,508	-	-	1,684	1,684	4,192
Taxes	16,567	16,317	3,337	36,221	-	-	-	-	36,221
Travel expense	55,818	66,621	14,405	136,844	9,003	28,809	5,402	43,214	180,058
Utilities	17,801	21,247	4,594	43,642	2,871	9,188	1,722	13,781	57,423
Web site and IT expense	11,987	14,306	3,093	29,386	1,933	6,187	1,160	9,280	38,666
	<u>\$ 1,343,717</u>	<u>\$ 1,653,592</u>	<u>\$ 250,012</u>	<u>\$ 3,247,321</u>	<u>\$ 478,013</u>	<u>\$ 515,938</u>	<u>\$ 223,646</u>	<u>\$ 1,217,597</u>	<u>\$ 4,464,918</u>

See independent auditors' report and accompanying notes

**NATIONAL DEER ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (1,317,325)	\$ 19,631
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	47,474	41,744
Unrealized and realized gain on investments	(11,645)	(16,295)
Receipt of donation of investment securities	(19,252)	-
Loss on impairment of land held for sale	2,283,767	-
Change in allowance for doubtful accounts	(133,000)	132,895
Changes in operating assets and liabilities:		
Accounts receivable	69,565	(181,663)
Inventory	163,562	23,996
Prepaid expenses and other assets	(17,998)	11,621
Accounts payable	(436,133)	(61,173)
Accrued expenses	(68,736)	(27,014)
	<u>560,279</u>	<u>(56,258)</u>
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	<u>(5,268)</u>	<u>-</u>
<u>NET CASH USED BY INVESTING ACTIVITIES</u>	<u>(5,268)</u>	<u>-</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Net change in lines of credit	(246,363)	215,408
Principal payments on mortgage payable	<u>(58,863)</u>	<u>(55,915)</u>
<u>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</u>	<u>(305,226)</u>	<u>159,493</u>
<u>NET INCREASE IN CASH</u>	<u>249,785</u>	<u>103,235</u>
<u>CASH AT THE BEGINNING OF THE YEAR</u>	<u>241,027</u>	<u>137,792</u>
<u>CASH AT END OF YEAR</u>	<u>\$ 490,812</u>	<u>\$ 241,027</u>
Cash paid during the year for interest	\$ 60,017	\$ 50,640

See independent auditors' report and accompanying notes

**NATIONAL DEER ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note A

Nature of Organization

National Deer Association (“NDA”), formerly known as Quality Deer Management Association, is a non-profit wildlife conservation organization dedicated to ensuring the future of wild deer, wildlife habitat and hunting. The Organization is a non-profit corporation and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Founded in 1988, NDA was established in South Carolina and moved to Georgia in 1997. NDA encourages the protection of most or all yearling (1 ½ year old) bucks combined with an appropriate harvest of does, when necessary, to maintain a healthy population in balance with habitat conditions and hunter desires.

The following programs and supporting services are included in the accompanying statements of activities:

Conservation & Hunting Heritage Operations: Conservation operations include NDA’s network of all hunters who share a passion for the wild deer. This department blends the art of hunting with the science of management to create better deer and better deer hunting. These efforts are accomplished using five key areas: research, educations, advocacy, certification, and hunting. This department is involved in all areas of the wild deer research included ecology, management, hunting, diseases and human dimensions. This department coordinates, and fund practical research projects that increase knowledge and management.

Volunteer Operations and Chapter Support – Volunteer operations is the department responsible for coordinating the activities of chapter operations; provide leadership training and guidance to the state councils; and identifying, assessing and responding to the needs of the various states’ volunteer conservation efforts.

Communications – The communications department is responsible for educating the public on the importance of wild deer conservation. It publishes a quarterly Quality Whitetails magazine, weekly newsletter, and the annual Deer Report. The communications department is also responsible for other publications; maintain NDA’s website, generating press releases, and other public relations.

Management and General – This supporting service category includes the functions necessary to secure the proper administrative functioning of NDA’s governing board, maintain an appropriate working environment, provide information technology tools and support, and manage the financial responsibilities of NDA.

Fundraising – This supporting service category includes expenditures that provide the structure necessary to encourage and secure private financial support.

Membership Development – Management Development manages the campaigns that solicit for prospective members and membership dues and the retention of current members. This department also provides support to membership. This support takes the form of member/chapter database maintenance, responding to member queries, providing rosters, and fulfilling premiums.

Note B

Summary of Significant Accounting Policies

Basis of Accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

See independent auditors’ report.

**NATIONAL DEER ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note B

Summary of Significant Accounting Policies (Continued)

Basis of Presentation:

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

The Organization's unspent contributions are reported in net assets with donor contributions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

Estimates:

The preparation of financial statement in conformity with accounting principles generally accepted in the United States of America requires NDA's management to make estimates and assumptions that affect certain reported amounts in the statement of financial position and the accompanying notes. Accordingly, actual results could differ from those estimates. Estimates are used primarily in the recording of the allowance for doubtful accounts and the allowance for inventory obsolescence.

Accounts Receivable:

Accounts receivable include contributions and other receivables and are stated at unpaid balances, less an allowance for doubtful accounts based on a review of all outstanding amounts on an annual basis which approximates fair value. The Organization provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

See independent auditors' report.

**NATIONAL DEER ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note B

Summary of Significant Accounting Policies (Continued)

Accounts receivable balances consisted of the following at December 31,

	2020	2019
Grants and contributions	\$ 504,016	\$ 500,209
Banquets	12,557	63,622
Other	19,952	42,154
Less allowance for doubtful accounts	<u>(12,000)</u>	<u>(144,895)</u>
Total	<u>\$ 524,525</u>	<u>\$ 461,090</u>

Accounts receivable of \$88,900 is scheduled to be collected in 2022 and \$26,100 is scheduled to be collected in 2023. Those amounts were recorded as non-current on the statement of financial position.

Inventory:

Inventory consists of fundraising event merchandise as well as merchandise sold through NDA's website and is stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in the statement of activities in the period in which it occurs.

Property and Equipment:

Expenditures for major improvements that extend the useful lives of assets and acquisition of property and equipment in excess of \$2,500 are capitalized. Property and equipment are carried at cost, or, if donated, at the approximate fair value at the date of donation. Depreciation of is computed over the estimated useful lives of the respective assets on a straight-line basis as follows:

Equipment	5-7 years
Furniture and fixtures	7 years
Vehicles	5 years
Software	3 years
Buildings and improvements	7-31 years

Depreciation expense for the years ended December 31, 2020 and 2019 was \$41,474 and \$41,744, respectively.

Investments:

NDA carries investments in marketable securities with readily determinable fair values at their fair values in the statements of financial position as of December 31, 2020 and 2019. Interest, dividends, realized and unrealized gains and losses of \$11,645 and \$16,295, respectively, net of management fees, are included on the Statements of Activities and Change in Net Assets.

NDA invests in a professionally managed portfolio that contains various securities that are exposed to risks such as interest, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

See independent auditors' report.

**NATIONAL DEER ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note B

Summary of Significant Accounting Policies (Continued)

Reclassifications

Certain reclassifications have been made to the 2019 financial statements to conform to the 2020 presentation.

Revenues and contributions:

Revenues consist primarily of dues paid by members, program services and grants. The Organization recognizes membership revenue when the member pays its membership dues. The Organization recognizes merchandise revenue when the merchandise is shipped. The Organization recognizes banquet proceeds as revenue when the banquet takes place and collectability is reasonably assured. Grants are recorded as revenue in the year notification is received from the donor. Contributions and grants with donor restrictions are recognized as without donor restrictions only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements. Grant funding received in advance of incurring the related expenses is recorded as "net assets with donor restrictions".

Advertising:

NDA expenses advertising costs as they are incurred. Advertising expense were \$72,961 and \$155,358 for the years ended December 31, 2020 and 2019, respectively.

Donated Inventory:

Donations of inventory from sponsors are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions since the donors have not restricted the donated assets to a specific purpose.

During the years ended December 31, 2020 and 2019, the Organization received donations of \$84,174 and \$317,325 of inventory from sponsors, respectively, which was recorded as revenue on the accompanying Statements of Activities and Changes in Net Assets.

Functional allocation of expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. These costs include utilities, depreciation and information technology. Expenses directly attributed to a specific functional area of the Organization are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort.

Income Tax Status:

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been provided in this financial statement. Unrelated business income, if any, may be subject to income tax. The Organization paid no taxes on unrelated business income for the years ended December 31, 2020 and 2019.

See independent auditors' report.

**NATIONAL DEER ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note B

Summary of Significant Accounting Policies (Continued)

Generally accepted accounting principles require the recognition, measurement, classification, and disclosure in the financial statement of uncertain tax positions taken or expected to be taken in the Organization's tax returns. Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statement or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge.

The Organization files Form 990 in the U.S. federal jurisdiction and the State Of Georgia. The Organization is generally subject to examination by the Internal Revenue Service for years after 2017.

Board-designated Quasi Endowment:

As of December 31, 2020 and 2019, the Board of Directors had designated \$98,572 and \$67,675, respectively, of net assets without restriction as a quasi-endowment fund to support youth education and outreach to further the mission of the Organization. This amount is classified as "Investments" on the accompanying statements of financial position.

Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as a net asset without donor restriction.

To achieve that objective, the Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and fixed income securities that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%. Accordingly, the Organization expects its endowment assets, over time, to produce an average rate of return of approximately 6% annually. Actual returns in any given year may vary from this amount.

Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Concentration of Credit Risk:

The Organization maintains its cash in bank deposits, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts.

Note C

Assets Held for Sale

Property held for sale consists of the following at December 31, 2020:

Land	\$1,928,634
Buildings & improvements	<u>608,518</u>
	<u>\$2,537,152</u>

See independent auditors' report.

**NATIONAL DEER ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note C

Assets Held for Sale (Continued)

During 2020, the Organization determined that it was in its best interest to sell the building and a portion of the 143 acres of land where its corporate headquarters were located. The ongoing operations of the Organization will be continued remotely. At December 31, 2020, the Organization had entered into a letter of intent and in February 2021 closed on the sale of the building and the land on which it was situated. The carrying value of the land and building sold was \$879,782. The proceeds from the sale of the building and associated land were in excess of their carrying value.

During 2020, the Organization also determined that it would sell its remaining land. The carrying value of the land listed for sale was \$1,657,370 at December 31, 2020. An impairment was recorded during 2020 on this remaining land held for sale. See Note D.

Note D

Impairment of Long-Lived Assets

Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of an asset may not be recoverable based on the undiscounted future cash flows of the asset. If the carrying amount of an asset may not be recoverable, a write-down to fair value less costs to sell is required. Fair values are determined based on the discounted cash flows, quoted market values, or external appraisals, as applicable.

During 2020, the Organization listed 143 acres of its property for sale and determined, based on market comparisons, that the value of the land was impaired. The carrying value of the land was \$4,214,401. This resulted in a \$2,283,767 write down which was classified in the caption "Impairment of land held for sale" which decreased net assets without donor restrictions from operations in the Organization's 2020 statement of activities.

Note E

Investments

Generally accepted accounting principles provide a framework for measuring fair value. That framework establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

At December 31, 2020 and 2019, NDA's investments consisted of publicly traded equity mutual funds with fair values totaling \$98,572 and \$67,675, respectively. The cost basis of the investments was \$65,584 and \$46,085 at December 31, 2020 and 2019, respectively. Investments are reported at fair value using a Level 1 measure.

Note F

Lines of Credit

The Organization had a \$200,000 working capital line of credit with a balance of \$82,074 at December 31, 2019. Interest was payable monthly at prime plus .5% and the interest rate in effect at December 31, 2019 was 6%. The line of credit was secured by the land and building at the Organization's corporate office, expired on August 14, 2020 and was not renewed.

**NATIONAL DEER ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note F

Lines of Credit (Continued)

The Organization had into a \$400,000 revolving line of credit with a balance of \$0 and \$148,206 at December 31, 2020 and 2019, respectively. Interest is payable monthly at prime plus .25% and the interest rate in effect at December 31, 2020 and 2019 was 5.25%. The line of credit is secured by the land and expires in July 2023.

The Organization has a \$100,000 revolving line of credit with a balance of \$78,254 and \$94,338 at December 31, 2020 and 2019, respectively. Payments of 2% of the balance outstanding on the line of credit are due monthly. Interest is charged monthly at 7%. The line of credit is secured by the Organization's inventory, cash accounts, equipment and fixtures and has no expiration date. The line of credit may be terminated at any time at the lender's sole discretion.

Note G

Long-Term Debt

The Organization had a mortgage payable, due in monthly installments of \$7,846 including interest at a rate of 4.49%, with all unpaid interest and principal due on October 3, 2021 which was collateralized by the land and building at the Organization's corporate office. The associated building and a portion of the land was sold in February 2021 and the entire mortgage balance was paid in full on the date of the sale.

Note H

Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2020 and 2019 are \$343,509 and \$90,495, respectively. These amounts are restricted as to use as follows:

	2020	2019
Salary of a cooperative specialist position	\$ 36,009	\$ 90,495
Southeastern Deer Stewardship program	300,000	-
Field to Fork program	<u>7,500</u>	<u>-</u>
Total	<u>\$ 343,509</u>	<u>\$ 90,495</u>

Note I

Related Party Transactions

NDA has 232 affiliates that serve as local chapters of the Organization which carry out fundraising events in communities throughout the United States. During 2020, local chapters hosted approximately 23 grassroots fundraising events. Local chapters are chartered by NDA and operate as unincorporated associations to support NDA in the local community. The Organization provides technical and fund-raising assistance to the local chapters and in return receives 75% of net income from required banquets to use toward memberships, mission and operations. Because the financial transactions of local committees are controlled by the volunteers, they are not consolidated with NDA and net amounts to be remitted to NDA are recorded as receivables in the statement of financial position.

During 2020 and 2019 NDA recorded revenue of \$560,618 and \$1,443,378, respectively, from fundraising events hosted by local chapters.

See independent auditors' report.

**NATIONAL DEER ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note I

Related Party Transactions (Continued)

Amounts due from certain branches at December 31, 2020 and 2019 were \$21,511 and \$113,484, respectively, for the excess amounts collected. These amounts are included in Accounts Receivable in the accompanying Statement of Financial Position. Alternatively, on occasion the branches remit amounts in excess of the total ultimately owed and NDA will refund the excess. Amounts due to certain branches at December 31, 2020 and 2019 were \$8,955 and \$67,253 respectively, for the excess remitted from branches to NDA. These amounts are included in Accounts Receivable in the accompanying Statements of Financial Position.

Note J

Payroll Protection Plan Loan

On April 19, 2020, the Organization was granted a loan (the "Loan") from Synovus Bank in the amount of \$445,611 pursuant to the Payroll Protection Program under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The Loan, which was in the form of a Note dated April 19, 2020 issued by the Organization, matures on April 19, 2022 and bears interest at a rate of 1% per annum, payable monthly commencing on November 15, 2020. The Organization applied for forgiveness of the loan in November 2020 and, the loan was forgiven December 30, 2020. The forgiveness of the loan was recorded as Income on the Statements of Activities and Changes in Net Assets for the year ending December 31, 2020.

Note K

Liquidity and Availability of Resources

The Organizations' financial assets available to meet cash needs for general expenditures within one year of the statement of financial position as of December 31, 2020 consist of the following:

Financial assets at year end:

Cash	\$ 490,812
Accounts receivable to be received within one year	409,525
Total financial assets	<u>900,337</u>
Less amounts with restrictions at year end	(343,509)
Liquidity resources - available funds on bank lines of credit	<u>421,746</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 978,574</u></u>

See independent auditors' report.

**NATIONAL DEER ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note L

Subsequent Events

Management has evaluated subsequent events through December 2, 2021, the date the financial statements were available to be issued and determined that, other than the events noted below, no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

As discussed in Note C, in February 2021, the Organization finalized the sale of a portion of the building and a portion of the land on which its corporate headquarters were located. The selling price of the building and land was \$1,434,400.