

Atlanta Wild Animal Rescue Effort, Inc.

Audited Financial Statements

*Years ended December 31, 2013 and 2012  
with Report of Independent Auditors*

Atlanta Wild Animal Rescue Effort, Inc.

Audited Financial Statements

Years ended December 31, 2013 and 2012

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## Report of Independent Auditors

Board of Directors  
Atlanta Wild Animal Rescue Effort, Inc.  
Lithonia, Georgia

We have audited the accompanying financial statements of Atlanta Wild Animal Rescue Effort, Inc. ("AWARE"), 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***

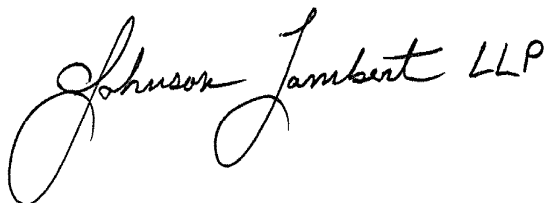
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 over financial reporting. 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 Atlanta Wild Animal Rescue Effort, Inc. as of December 31, 2013 and 2012 and the changes in its net assets, functional expenses and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Atlanta, Georgia  
July 2, 2014

Atlanta Wild Animal Rescue Effort, Inc.

Statements of Financial Position

As of December 31, 2013 and 2012

	<u>12/31/2013</u>	<u>12/31/2012</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 77,626	\$ 50,502
Fixed Assets	1,160	-
Prepaid expenses	<u>3,859</u>	<u>2,595</u>
Total assets	<u><u>\$ 82,645</u></u>	<u><u>\$ 53,097</u></u>
<b>Liabilities and net assets</b>		
<i>Liabilities:</i>		
Accounts payable and accrued expenses	\$ 7,808	\$ 3,030
Accrued payroll and related liabilities	<u>2,341</u>	<u>2,136</u>
Total liabilities	<u>10,149</u>	<u>5,166</u>
<i>Net assets:</i>		
Unrestricted net assets	<u>72,496</u>	<u>47,931</u>
Total liabilities and net assets	<u><u>\$ 82,645</u></u>	<u><u>\$ 53,097</u></u>

*See accompanying notes to the financial statements.*

Atlanta Wild Animal Rescue Effort, Inc.

Statements of Activities

Years ended December 31, 2013 and 2012

	2013	2012
<b>Support and revenue</b>		
Contributions	\$ 120,115	\$ 100,257
Product sales	10,330	6,465
Program revenue, festivals and special events	21,378	13,494
In-kind support	34,918	13,725
Other revenue	<u>558</u>	<u>882</u>
Total support and revenue	<u>187,299</u>	<u>134,823</u>
<b>Expenses</b>		
Program services	\$ 119,469	\$ 93,778
Management and general	12,928	9,845
Fundraising	<u>30,337</u>	<u>8,652</u>
Total expenses	<u>162,734</u>	<u>112,275</u>
Change in net assets	24,565	22,548
Net assets, beginning of year	<u>47,931</u>	<u>25,383</u>
Net assets, end of year	<u>\$ 72,496</u>	<u>\$ 47,931</u>

*See accompanying notes to the financial statements.*

Atlanta Wild Animal Rescue Effort, Inc.

Statements of Functional Expenses

Year ended December 31, 2013

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 41,553	\$ -	\$ -	\$ 41,553
Payroll taxes	4,578	-	-	4,578
Consulting fees	5,000	-	-	5,000
Professional Services	-	3,500	-	3,500
Office expenses	3,015	497	-	3,512
Information technology	754	867	-	1,621
Facility expenses	2,263	94	-	2,357
Insurance	1,541	1,883	-	3,424
In-kind contributions	5,253	4,500	23,965	33,718
Direct art auction expense	33	-	6,372	6,405
Cost of goods sold	3,857	-	-	3,857
Animal care	44,240	-	-	44,240
Licenses and permits	129	-	-	129
Vehicle expenses	597	-	-	597
Subscriptions	18	-	-	18
Other expenses	6,638	1,587	-	8,225
Total expenses	<u>\$ 119,469</u>	<u>\$ 12,928</u>	<u>\$ 30,337</u>	<u>\$ 162,734</u>

See accompanying notes to the financial statements.

Atlanta Wild Animal Rescue Effort, Inc.

Statements of Functional Expenses

Year ended December 31, 2012

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 33,877	\$ -	\$ -	\$ 33,877
Payroll taxes	2,535	-	-	2,535
Consulting fees	3,000	3,000	-	6,000
Advertising and promotions	75	-	-	75
Office expenses	333	201	3,402	3,936
Information technology	2,460	528	-	2,988
Facility expenses	8,231	-	-	8,231
Insurance	981	1,198	-	2,179
In-kind contributions	4,500	4,500	4,725	13,725
Direct art auction expense	-	-	525	525
Cost of goods sold	2,608	-	-	2,608
Animal care	33,356	-	-	33,356
Licenses and permits	129	-	-	129
Vehicle expenses	1,430	-	-	1,430
Subscriptions	263	-	-	263
Other expenses	-	418	-	418
Total expenses	<u>\$ 93,778</u>	<u>\$ 9,845</u>	<u>\$ 8,652</u>	<u>\$ 112,275</u>

See accompanying notes to the financial statements.

Atlanta Wild Animal Rescue Effort, Inc.

Statements of Cash Flows

Years ended December 31, 2013 and 2012

	2013	2012
<b>Cash flow from operating activities</b>		
Change in net assets	\$ 24,565	\$ 22,548
Noncash donation of fixed assets	(1,200)	-
Depreciation	40	-
Changes in operating assets and liabilities:		
Prepaid expenses	(1,264)	(2,595)
Accounts payable and accrued expenses	4,778	596
Accrued payroll and related liabilities	205	1,066
Net cash provided by operating activities	<u>27,124</u>	<u>21,615</u>
Net change in cash and cash equivalents	27,124	21,615
Cash and cash equivalents, beginning of year	<u>50,502</u>	<u>28,887</u>
Cash and cash equivalents, end of year	<u>\$ 77,626</u>	<u>\$ 50,502</u>

*See accompanying notes to the financial statements.*



# Atlanta Wild Animal Rescue Effort, Inc.

## Notes to Financial Statements

Years ended December 31, 2013 and 2012

### **Note A - Organization and Summary of Significant Accounting Policies**

#### *Organization*

Atlanta Wild Animal Rescue Effort ("AWARE") is a federally recognized 501(c)(3) not-for-profit organization preserving Georgia's native wildlife through rehabilitation and education. AWARE was founded in 1999, the current center was established at Arabia Mountain in DeKalb County during 2004. AWARE began accepting animals for rehabilitation at this location in 2006.

AWARE is open 365 days per year and accepts all species of native wildlife. AWARE's mission is to rehabilitate the animals, while ensuring they remain wild and instinctively fearful of humans in hopes that they will be able to release the rehabilitated animals into their normal habitats. AWARE also offers a variety of educational programs that are aimed at teaching peaceful coexistence of humans and wildlife. Employees and volunteers host events, offer on-site tours, and answer local 911 and Animal Control Service Calls. AWARE's daily operations are funded primarily from contributions from individuals, corporations, and foundations; the organization also generates revenue from sponsored programs, store merchandise, and raptor rig product sales.

#### *Basis of Presentation*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") promulgated by the Financial Accounting Standards Board Accounting Standards Codification ("ASC" or "the guidance"). Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

#### *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### *Support and Revenue*

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted revenue, depending on the existence and/or nature of any donor restrictions. Temporarily restricted net assets become unrestricted when the time restrictions expire or when the contributions are used for their restricted purpose, at which time they are reported in the statement of activities as net assets released from restrictions. Permanently restricted net assets represent resources subject to donor-imposed stipulations that AWARE maintain the principal in

## Atlanta Wild Animal Rescue Effort, Inc.

### Notes to Financial Statements (Continued)

#### **Note A - Organization and Summary of Significant Accounting Policies (Continued)**

##### *Support and Revenue (Continued)*

perpetuity, and use of related income earned on related investments for either general or donor-specified purposes. At December 31, 2013 and 2012, AWARE's net assets consisted only of unrestricted net assets.

Program revenue, festivals and special event revenue are recognized when the related program or event has occurred.

##### *Cash and Cash Equivalents*

AWARE considers all cash, money market fund investments, and highly liquid short-term investments with an original maturity of three months or less to be cash equivalents. The Federal Deposit Insurance Corporation (FDIC) insures amounts on deposit with each financial institution up to limits as prescribed by law. AWARE does not hold funds that are in excess of FDIC coverage (\$250,000), therefore there is no significant credit risk exposure.

##### *Property and Equipment*

Property and equipment is carried at cost and is depreciated using the straight-line method over the estimated useful lives of the related assets ranging from three to seven years. AWARE capitalizes purchases of property and equipment greater than \$1,000. Depreciation expense for the years ended December 31, 2013 and 2012 was \$40 and \$0, respectively.

##### *Contributed Services and Materials*

Donated services and materials are reported as contribution revenue and as assets or expenses only if the services and materials create or enhance a nonfinancial asset, require specialized skills and are provided by individuals possessing those skills, are measurable, and would have been purchased if they had not been contributed. Donated services and materials are measured at their fair value.

##### *Functional Allocation of Expenses*

AWARE reports the costs of providing its various programs and other activities on a functional basis. Accordingly, AWARE allocates certain costs among the program, management and general and fundraising categories based upon the estimated percentage of benefit to each category.

##### *Income Taxes*

AWARE is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Management has concluded that AWARE has properly maintained its exempt status and does not have any uncertain tax positions as of December 31, 2013. The prior three tax years are subject to examination by the federal and state authorities, and there are currently no examinations being conducted.

## Atlanta Wild Animal Rescue Effort, Inc.

### Notes to Financial Statements (Continued)

#### **Note A - Organization and Summary of Significant Accounting Policies (Continued)**

##### *Subsequent Events*

AWARE has performed an evaluation of subsequent events through July 2, 2014, which is the date the financial statements were available to be issued, and has considered any relevant matters in the preparation of the financial statements and footnotes.

#### **Note B - In-Kind Contributions**

AWARE records in-kind support for the fair value of the rental space donated by DeKalb County, and for the fair value of art items that were donated for auction. Balances for these items are included in the statements of activities for the years ended December 31, 2013 and 2012. AWARE also receives in-kind support for medicines and foods for the animals, building supplies, cages, and other items for which the fair value from donors is not readily available. Management estimates that the total of this in-kind support, which is not included in the financial statements is not material to the overall financial statements as of and for the years ended December 31, 2013 and 2012.

#### **Note C - Operating Lease**

AWARE leases office space and land in connection with its operations in DeKalb County at Arabia Mountain. AWARE entered into the operating lease with DeKalb County in March 2004 for a 10 year term, with an additional five-year renewal option. DeKalb County has provided this lease as in-kind support to AWARE.

Total lease expense for the land and office space was estimated at a fair market value of \$9,000 for the years ended December 31, 2013 and 2012 and has been reflected in the statements of activities as in-kind support and expenses.

#### **Note D - Related Party Transactions**

Certain members of the Board of Directors have made contributions to AWARE. These contributions approximated \$10,000 of AWARE's total support and revenue in 2013 and 2012. The contributions received were made to support the general operations of AWARE.