

Atlanta Wild Animal Rescue Effort, Inc.

Audited Financial Statements

*Years ended December 31, 2014 and 2013
with Report of Independent Auditors*

Atlanta Wild Animal Rescue Effort, Inc.

Audited Financial Statements

Years ended December 31, 2014 and 2013

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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, 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

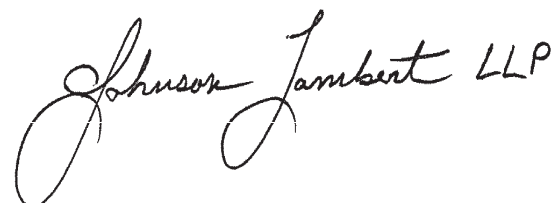
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, 2014 and 2013 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.



Atlanta, Georgia
July 7, 2015

Atlanta Wild Animal Rescue Effort, Inc.

Statement of Financial Position

As of December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and cash equivalents	\$ 105,135	\$ 77,626
Temporarily restricted cash and cash equivalents	5,784	-
Accounts receivable	374	-
Fixed assets	920	1,160
Prepaid expenses	<u>4,267</u>	<u>3,859</u>
Total assets	<u>\$ 116,480</u>	<u>\$ 82,645</u>
Liabilities and net assets		
<i>Liabilities:</i>		
Accounts payable and accrued expenses	\$ 3,014	\$ 7,808
Accrued payroll and related liabilities	<u>2,799</u>	<u>2,341</u>
Total liabilities	5,813	10,149
<i>Net assets:</i>		
Unrestricted net assets	104,883	72,496
Temporarily restricted net assets	<u>5,784</u>	<u>-</u>
Total net assets	<u>110,667</u>	<u>72,496</u>
Total liabilities and net assets	<u>\$ 116,480</u>	<u>\$ 82,645</u>

See accompanying notes to the financial statements.

Atlanta Wild Animal Rescue Effort, Inc.

Statements of Activities

Years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Support and revenue		
Contributions	\$ 140,166	\$ 120,115
Product sales	10,010	10,330
Program revenue, festivals and special events	25,441	21,378
In-kind support	38,196	34,918
Other revenue	1,833	558
Net assets released from restriction	<u>3,469</u>	<u>-</u>
Total support and revenue	219,115	187,299
Expenses		
Program services	128,023	119,496
Management and general	14,433	12,928
Fundraising	<u>44,272</u>	<u>30,337</u>
Total expenses	<u>186,728</u>	<u>162,761</u>
Change in unrestricted net assets	32,387	24,565
Changes in temporarily restricted net assets		
Contributions	9,253	-
Net assets released from restriction	<u>(3,469)</u>	<u>-</u>
Change in temporarily restricted net assets	<u>5,784</u>	<u>-</u>
Change in total net assets	38,171	24,565
Net assets, beginning of year	<u>72,496</u>	<u>47,931</u>
Net assets, end of year	<u>\$ 110,667</u>	<u>\$ 72,496</u>

See accompanying notes to the financial statements.

Atlanta Wild Animal Rescue Effort, Inc.

Statement of Functional Expenses

Year ended December 31, 2014

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Animal care	53,370	-	-	53,370
Salaries	\$ 44,311	\$ 6,400	\$ -	\$ 50,711
In kind donations	9,000	-	29,196	38,196
Facility expense	5,655	-	-	5,655
Payroll taxes	5,651	803	-	6,454
Office expenses	1,967	526	8,718	11,211
Travel	1,915	-	-	1,915
Professional services	1,750	1,785	-	3,535
Insurance	1,484	2,552	-	4,036
Information technology	1,340	498	58	1,896
Staff expenses	925	1,500	-	2,425
Volunteer expenses	358	-	-	358
Depreciation	240	-	-	240
Other expenses	57	5	5	67
Marketing	-	-	104	104
Event expenses	-	-	1,012	1,012
Cost of goods sold	-	-	4,325	4,325
Sale taxes	-	-	647	647
Organizational expenses	-	364	207	571
Total expenses	<u>\$ 128,023</u>	<u>\$ 14,433</u>	<u>\$ 44,272</u>	<u>\$ 186,728</u>

See accompanying notes to the financial statements.

Atlanta Wild Animal Rescue Effort, Inc.

Statement of Functional Expenses

Year ended December 31, 2013

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Animal care	44,240	-	-	44,240
Salaries	\$ 41,553	\$ -	\$ -	\$ 41,553
In-kind contributions	5,253	4,500	23,965	33,718
Other expenses	6,638	1,587	-	8,225
Direct art auction expense	33	-	6,372	6,405
Consulting fees	5,000	-	-	5,000
Payroll taxes	4,578	-	-	4,578
Cost of goods sold	3,857	-	-	3,857
Office expenses	3,015	497	-	3,512
Professional services	-	3,500	-	3,500
Insurance	1,541	1,883	-	3,424
Facility expenses	2,263	94	-	2,357
Information technology	754	867	-	1,621
Vehicle expenses	597	-	-	597
Licenses and permits	156	-	-	156
Subscriptions	18	-	-	18
Total expenses	<u>\$ 119,496</u>	<u>\$ 12,928</u>	<u>\$ 30,337</u>	<u>\$ 162,761</u>

See accompanying notes to the financial statements.

Atlanta Wild Animal Rescue Effort, Inc.

Statements of Cash Flows

Years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flow from operating activities		
Change in net assets	\$ 38,171	\$ 24,565
Noncash donation of fixed assets	-	(1,200)
Depreciation	240	40
Changes in operating assets and liabilities:		
Accounts receivable	(374)	-
Prepaid expenses	(408)	(1,264)
Accounts payable and accrued expenses	(4,794)	4,778
Accrued payroll and related liabilities	458	205
Net cash provided by operating activities	<u>33,293</u>	<u>27,124</u>
Net change in cash and cash equivalents	33,293	27,124
Cash and cash equivalents, beginning of year	<u>77,626</u>	<u>50,502</u>
Cash and cash equivalents, end of year	<u>\$ 110,919</u>	<u>\$ 77,626</u>

See accompanying notes to the financial statements.

Atlanta Wild Animal Rescue Effort, Inc.

Notes to Financial Statements

Years ended December 31, 2014 and 2013

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. As of December 31, 2014, temporarily restricted net assets were restricted for the use of animal rehabilitation.

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)

Permanently restricted net assets represent resources subject to donor-imposed stipulations that AWARE maintain the principal in perpetuity, and use of related income earned on related investments for either general or donor-specified purposes. AWARE did not maintain permanently restricted net assets as of December 31, 2014 or 2013.

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, 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, 2014 and 2013 was \$240 and \$40, respectively.

In-kind Support

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, 2014.

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 7, 2015, 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, 2014 and 2013. 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 represents 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, 2014 and 2013.

Note C - Operating Lease

AWARE occupies office space and land, at Arabia Mountain, in connection with its operations that is provided by DeKalb County as in-kind support. DeKalb County has agreed to provide space to AWARE through 2019. The estimated fair value of the land and office was \$9,000 for the years ended December 31, 2014 and 2013 and has been reflected in the statements of activities as in-kind support and expense.

Note D - Related Party Transactions

Certain members of the Board of Directors have made contributions to support the general operations of AWARE. Total Board contributions approximated \$10,000 of AWARE's total support and revenue in 2014 and 2013.