

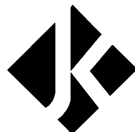


AUDITED FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015**

ATLANTA WILD ANIMAL RESCUE EFFORT, INC.
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DECEMBER 31, 2016 AND 2015

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**Jones and Kolb
Certified Public Accountants
Atlanta, Georgia**

INDEPENDENT AUDITOR'S REPORT

To the 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 statement of financial position as of December 31, 2016, and the related statements of activities and net assets, functional expenses and cash flows for the year 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. 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 2016 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, 2016, 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.

Prior Period Financial Statements

The financial statements of Atlanta Wild Animal Rescue Effort, Inc. as of December 31, 2015, were audited by other auditors whose report dated August 12, 2016, expressed an unmodified opinion on those financial statements.

A handwritten signature in cursive script that reads "Jones and Kalb".

March 9, 2017

ATLANTA WILD ANIMAL RESCUE EFFORT, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

ASSETS

ASSETS	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 171,646	\$ 122,978
Temporarily restricted cash and cash equivalents	30,000	5,784
Accounts receivable	3,465	635
Fixed assets, net	9,103	11,555
Prepaid expenses	7,308	5,465
Other assets	<u>1,338</u>	<u>636</u>
 Total assets	 <u>\$ 222,860</u>	 <u>\$ 147,053</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	\$ 7,095	\$ 6,227
Accrued payroll and related liabilities	<u>2,310</u>	<u>2,240</u>
 Total liabilities	 <u>9,405</u>	 <u>8,467</u>
 NET ASSETS		
Unrestricted	183,455	132,802
Temporarily restricted	<u>30,000</u>	<u>5,784</u>
 Total net assets	 <u>213,455</u>	 <u>138,586</u>
 Total liabilities and net assets	 <u>\$ 222,860</u>	 <u>\$ 147,053</u>

The accompanying notes to financial statements
are an integral part of these statements.

ATLANTA WILD ANIMAL RESCUE EFFORT, INC.
STATEMENTS OF ACTIVITIES AND NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES AND SUPPORT						
Contributions	\$ 181,142	\$ 30,000	\$ 211,142	\$ 159,970	\$ -	\$ 159,970
Product sales	11,863	-	11,863	13,455	-	13,455
Program revenue, festivals, and events	31,307	-	31,307	38,395	-	38,395
In-kind support	16,290	-	16,290	23,372	-	23,372
Other revenue	1,986	-	1,986	7,333	-	7,333
Total revenues and support	<u>242,588</u>	<u>30,000</u>	<u>272,588</u>	<u>242,525</u>	<u>-</u>	<u>242,525</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>5,784</u>	<u>(5,784)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENSES						
Program services	154,586	-	154,586	160,534	-	160,534
Management and general	19,201	-	19,201	22,077	-	22,077
Fundraising	23,932	-	23,932	31,995	-	31,995
Total expenses	<u>197,719</u>	<u>-</u>	<u>197,719</u>	<u>214,606</u>	<u>-</u>	<u>214,606</u>
CHANGE IN NET ASSETS	50,653	24,216	74,869	27,919	-	27,919
NET ASSETS						
Beginning of year	<u>132,802</u>	<u>5,784</u>	<u>138,586</u>	<u>104,883</u>	<u>5,784</u>	<u>110,667</u>
End of year	<u>\$ 183,455</u>	<u>\$ 30,000</u>	<u>\$ 213,455</u>	<u>\$ 132,802</u>	<u>\$ 5,784</u>	<u>\$ 138,586</u>

The accompanying notes to financial statements
are an integral part of these statements.

ATLANTA WILD ANIMAL RESCUE EFFORT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Programs Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 73,580	\$ 8,250	\$ -	\$ 81,830
Animal care	39,667	-	-	39,667
In-kind donations	9,000	-	7,290	16,290
Insurance	5,458	2,996	-	8,454
Office expense	1,605	559	5,735	7,899
Payroll taxes	6,693	758	-	7,451
Information technology	3,158	2,249	-	5,407
Facility expenses	4,454	-	-	4,454
Cost of goods sold	-	-	6,527	6,527
Fundraising event expense	-	-	4,380	4,380
Staff expenses	3,895	-	-	3,895
Professional services	-	3,850	-	3,850
Volunteer expenses	2,669	-	-	2,669
Depreciation	2,452	-	-	2,452
Organizational expense	753	513	-	1,266
Program event expense	763	-	-	763
Travel	399	-	-	399
Other expenses	40	14	-	54
Penalties and fines	-	12	-	12
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Total	<u>\$ 154,586</u>	<u>\$ 19,201</u>	<u>\$ 23,932</u>	<u>\$ 197,719</u>

The accompanying notes to financial statements
are an integral part of this statement.

ATLANTA WILD ANIMAL RESCUE EFFORT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 64,098	\$ 6,615	\$ -	\$ 70,713
Animal care	57,587	-	-	57,587
In-kind donations	226	9,000	14,143	23,369
Insurance	3,862	2,323	-	6,185
Office expense	4,581	604	4,339	9,524
Payroll taxes	6,641	-	-	6,641
Information technology	1,648	1,203	-	2,851
Facility expenses	13,216	-	-	13,216
Cost of goods sold	-	-	6,557	6,557
Fundraising event expense	-	-	6,937	6,937
Staff expenses	2,391	-	-	2,391
Professional services	1,785	2,279	-	4,064
Volunteer expenses	1,412	-	-	1,412
Depreciation	424	-	-	424
Gift shop expense	-	-	19	19
Organizational expense	598	-	-	598
Program event expense	1,612	-	-	1,612
Travel	447	-	-	447
Other expenses	6	-	-	6
Penalties and fines	-	45	-	45
Sales taxes	-	8	-	8
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Total	<u>\$ 160,534</u>	<u>\$ 22,077</u>	<u>\$ 31,995</u>	<u>\$ 214,606</u>

The accompanying notes to financial statements
are an integral part of this statement.

ATLANTA WILD ANIMAL RESCUE EFFORT, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 74,869	\$ 27,919
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	2,452	424
Changes in:		
Accounts receivable	(2,830)	(260)
Prepaid expenses	(1,843)	(1,198)
Other assets	(702)	-
Accounts payable and accrued expenses	868	2,570
Accrued payroll and related liabilities	70	(553)
Total adjustments	<u>(1,985)</u>	<u>983</u>
Net cash and cash equivalents provided by operating activities	<u>72,884</u>	<u>28,902</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>-</u>	<u>(11,059)</u>
Net cash and cash equivalents used in investing activities	<u>-</u>	<u>(11,059)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	72,884	17,843
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>128,762</u>	<u>110,919</u>
CASH AND CASH EQUIVALENTS, End of year	<u><u>\$ 201,646</u></u>	<u><u>\$ 128,762</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

ATLANTA WILD ANIMAL RESCUE EFFORT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Atlanta Wild Animal Rescue Effort, Inc. ("AWARE"), founded in 1999, is a federally recognized 501(c)(3) not-for-profit organization preserving Georgia's native wildlife through rehabilitation and education. 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. AWARE 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 judgements that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of 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 perpetuity, and use of related income earned on related

ATLANTA WILD ANIMAL RESCUE EFFORT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

investments for either general or donor-specific purposes. AWARE did not maintain permanently restricted net assets as of December 31, 2016 and 2015.

Program revenue, festivals, and special event revenue are recognized when earned.

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 of 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, 2016 and 2015 was \$2,452 and \$424, 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 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.

Subsequent Events

AWARE has performed an evaluation of subsequent events through March 9, 2017, which is the date the financial statements were available to be issued, and has considered any relevant matters in the preparations of the financial statements and footnotes.

ATLANTA WILD ANIMAL RESCUE EFFORT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

2. IN-KIND CONTRIBUTIONS

AWARE records in-kind support for the fair value of 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, 2016 and 2015. AWARE also received in-kind support of medication and food for the animals, building supplies, cages and other items for which the fair value is not readily available. Management believes that the total value 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, 2016 and 2015.

3. 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, 2016 and 2015 and has been reflected in the statements of activities as in-kind support and expense.

4. RELATED PARTY TRANSACTIONS

Certain members of AWARE have made contributions to support the general operations. Total contributions approximated \$5,400 and \$10,000 of AWARE's total support and revenue for the years ended December 31, 2016 and 2015, respectively.

5. RESTRICTED NET ASSETS

All amounts included in temporarily restricted net assets as of and during the year ended December 31, 2015 relate to the Global Giving Fund and are restricted for the purpose of funding animal rehabilitation. The following is a summary of temporarily restricted net assets as of and for the year ended December 31, 2016:

	Temporarily Restricted Net Assets			
	December 31, 2015	Contributions	Releases	December 31, 2016
Restriction:				
Restricted for use in 2017	\$ -	\$ 25,000	\$ -	\$ 25,000
Education Coordinator	-	5,000	-	5,000
Animal rehabilitation	5,784	-	(5,784)	-
Total	\$ 5,784	\$ 30,000	\$ (5,784)	\$ 30,000