

***NEW ENGLAND WILDLIFE CENTER, INC.***

***Audited Financial Statements***

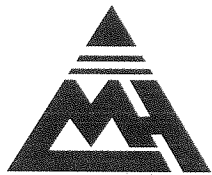
***Years Ended December 31, 2015 and 2014***

**LMHS, P.C.**

*Certified Public Accountants and Advisors*

NEW ENGLAND WILDLIFE CENTER, INC.  
AUDITED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

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LMHS, P.C.

*Certified Public Accountants and Advisors*

INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
New England Wildlife Center, Inc.  
Weymouth, Massachusetts

**Report on the Financial Statements**

We have audited the accompanying financial statements of New England Wildlife Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, 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.

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## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New England Wildlife Center, Inc. as of December 31, 2015 and 2014, 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.

*LMHS, P.C.*

LMHS, P.C.  
Norwell, Massachusetts

July 28, 2016

NEW ENGLAND WILDLIFE CENTER, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 291,009	\$ 197,264
Accounts Receivable	2,369	18,529
Pledges Receivable	50,000	61,000
Prepaid Expenses and Other	<u>12,714</u>	<u>19,449</u>
	356,092	296,242
PROPERTY AND EQUIPMENT, NET	5,526,732	5,683,878
OTHER ASSET:		
Goodwill	<u>26,000</u>	<u>26,000</u>
	<u>\$ 5,908,824</u>	<u>\$ 6,006,120</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Expenses	\$ 9,649	\$ 29,236
Accrued Payroll and Related	<u>8,552</u>	<u>6,281</u>
	18,201	35,517
NET ASSETS:		
Unrestricted	5,771,534	5,773,706
Temporarily Restricted	<u>119,089</u>	<u>196,897</u>
	<u>5,890,623</u>	<u>5,970,603</u>
	<u>\$ 5,908,824</u>	<u>\$ 6,006,120</u>

See Notes to Financial Statements

NEW ENGLAND WILDLIFE CENTER, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015			2014
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND OTHER SUPPORT:				
Contributions and Gifts	\$ 421,675	\$ -	\$ -	\$ 421,675
Donations in Kind:				\$ 356,757
Skilled Labor	193,674			107,140
Supplies and Equipment	44,303			61,437
Education and Project Fees	86,011			115,554
Fundraising Special Events	30,259			30,107
Grants Received	303,450	72,000		456,846
Investment Income	6			34
The Odd Pet Vet	262,251			155,231
Net Assets Released from Restrictions	<u>149,808</u>	<u>( 149,808)</u>		
Total Revenue and Other Support	1,491,437	( 77,808)		1,413,629
EXPENSES:				
Program Services:				
Animal Care and Teaching				
Hospital	660,795			573,968
Public Education & Information	357,992			299,888
The Odd Pet Vet	<u>259,469</u>			<u>210,171</u>
	1,278,256			1,084,027
Supporting Services:				
Fundraising and Development	85,771			123,831
Management and General	<u>129,582</u>			<u>124,363</u>
	<u>215,353</u>			<u>248,194</u>
Total Expenses	<u>1,493,609</u>			<u>1,332,221</u>
CHANGES IN NET ASSETS	( 2,172)	( 77,808)		( 79,980)
NET ASSETS AT BEGINNING OF YEAR	<u>5,773,706</u>	<u>196,897</u>		<u>5,970,603</u>
NET ASSETS AT END OF YEAR	<u>\$ 5,771,534</u>	<u>\$ 119,089</u>	<u>\$ -</u>	<u>\$ 5,890,623</u>

See Notes to Financial Statements

NEW ENGLAND WILDLIFE CENTER, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015					2014	
	Program Services			Supporting Services		Total	Total
	Animal Care and Teaching Hospital	Public Education & Information	The Odd Pet Vet	Fundraising and Development	Management and General	Total	
Salaries	\$ 204,209	\$ 210,115	\$ 128,171	\$ 54,010	\$ 84,706	\$ 681,211	\$ 628,576
Employee Benefits	14,676	17,764	17,242	642	50	50,374	41,874
Employee Bonus	578	402	220			1,200	
Payroll Taxes	16,163	16,630	10,144	4,275	6,704	53,916	56,307
	235,626	244,911	155,777	58,927	91,460	786,701	726,757
Volunteer Skilled Services	193,674					193,674	107,140
Animal Food	26,929					26,929	49,740
Bad Debt					1,707	1,707	2,399
Bank and Interest Charges	8,308	4,387	2,676	1,128	1,769	2,897	8,637
Education and Educational Supplies		21,260				18,268	14,545
Insurance		5,945	3,626	1,528	2,397	21,260	24,754
Medical Supplies	11,258		48,484			81,602	31,039
Office Expenses	33,118		2,286	963	1,511	81,602	77,211
Postage and Printing	7,096	3,747	719	303	475	15,603	9,877
Professional Fees and	2,233	1,180				4,910	8,495
Contract Labor	12,954	6,841	4,172	1,758	2,758	28,483	19,915
Publicity				3,629		3,629	6,964
Repairs and Maintenance	20,235	10,687	6,517	2,747	4,308	44,494	32,434
Telephone	4,264	2,252	1,373	789	908	9,376	8,510
Travel and Auto	573	1,583	168	20	36	2,380	707
Utilities	29,599	15,631	9,534	4,018	6,301	65,083	62,493
	350,241	73,513	79,555	16,673	22,170	542,152	440,106
Total Expenses Before Depreciation	585,867	318,424	235,332	75,600	113,630	1,328,853	1,166,863
Depreciation	74,928	39,568	24,137	10,171	15,952	164,756	165,358
Total Expenses	\$ 660,795	\$ 357,992	\$ 259,469	\$ 85,771	\$ 129,582	\$ 1,493,609	\$ 1,332,221

See Notes to Financial Statements

NEW ENGLAND WILDLIFE CENTER, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in Net Assets	\$( 79,980)	\$( 49,115)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	164,756	165,358
Non-Cash Contributions	( 237,977)	( 168,577)
Non-Cash Expenditures	237,977	168,577
Change in Operating Assets and Liabilities:		
(Increase) Decrease In:		
Accounts Receivable	16,160	( 2,986)
Pledges Receivable	11,000	( 61,000)
Prepaid Expenses and Other	6,735	( 5,157)
Increase (Decrease) In:		
Accounts Payable and Accrued Expenses	( 19,587)	5,845
Accrued Payroll and Related	<u>2,271</u>	<u>( 15,317)</u>
	101,355	37,628
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to Property and Equipment	<u>( 7,610)</u>	<u>( 3,564)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	93,745	34,064
CASH AND CASH EQUIVALENTS, BEGINNING	<u>197,264</u>	<u>163,200</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 291,009</u>	<u>\$ 197,264</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Non-Cash Investing and Financing Activities:		
Gifts of Marketable Securities	<u>\$ -</u>	<u>\$ 503</u>

See Notes to Financial Statements



NEW ENGLAND WILDLIFE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. Organization - New England Wildlife Center, Inc. (the Organization), a not-for-profit organization, was incorporated under the Laws of the Commonwealth of Massachusetts and commenced operations on July 17, 1983.
2. Operations - The Organization operates a teaching hospital dedicated to the medical treatment and rehabilitation of injured wildlife, primarily in the New England region. In addition, the Organization provides educational programs, and conducts humane medical and environmental research related to the care, protection, habitat of local wildlife, and veterinary services through The Odd Pet Vet. Program funding is received principally from the general public, with no support derived from state or local government entities.
3. Method of Accounting - The financial statements are prepared using the accrual method of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. This method of accounting conforms to generally accepted accounting principles.
4. Financial Statement Presentation - The Organization's financial statements are presented in conformity with FASB ASC 958-205-05, "Financial Statements of Not-for-Profit Organizations", which requires the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. In addition, the Organization is required to present a statement of cash flows.
5. Cash and Cash Equivalents - For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.
6. Concentration of Credit Risk - Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.
7. Marketable Securities - The Organization accounts for marketable securities in accordance with generally accepted accounting principles for not-for-profit organizations, which establish accounting standards for investments in certain equity securities and for all debt securities. The guidance prescribes that covered investments be reported in the statement of financial position at fair value with any realized or unrealized gains or losses reported in the statement of activities.
8. Property and Equipment - Property and equipment are stated at cost, or if donated, at the fair value at the date of donation. Maintenance and repairs are charged to expense as incurred whereas major betterments are capitalized. Depreciation is provided using straight-line and accelerated methods over five to forty years.

NEW ENGLAND WILDLIFE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

9. Fair Value of Financial Instruments - The Organization's financial instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued expenses. The recorded values of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate their fair values based on their short-term nature.
10. Revenue Recognition - Revenue and other support are recognized at point of receipt or completion of service.
11. Income Taxes - The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been classified as an organization that is not a private foundation under Section 509(a)(1).
12. Uncertainty In Income and Other Taxes - The Company adopted the new standards for *Accounting for Uncertainty in Income Taxes*, which required the Company to report any uncertain tax positions and to adjust its financial statements for the impact thereof. As of December 31, 2015 and 2014, the Company determined that it had no tax positions that did not meet the "more likely than not" threshold of being sustained by the applicable tax authority. The Company files tax and information returns in the United States Federal and Massachusetts state jurisdictions. These returns are generally subject to examination by tax authorities for the last three years.
13. Contributions - The Organization accounts for contributions received as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.  
  
Contributions of marketable securities are recorded in the financial statements at their quoted market price at the date of donation.
14. Donated Goods and Services - Donations of property, supplies and equipment are recorded as support at their estimated fair value on the date of donation where such an estimate can be made. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Volunteer labor is reported at its fair value where the service provided is skilled in nature, and the Organization would otherwise have purchased the service at fair value.
15. Functional Allocation of Expenses - The costs of providing various programs and activities of the Organization are summarized on a functional basis in the Statements of Activities and Functional Expenses.

NEW ENGLAND WILDLIFE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

16. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

B. PLEDGES RECEIVABLE:

Unconditional promises to give in future periods are recorded in the financial statements as Pledges Receivable, net of an allowance for uncollectible gifts. Principally representing gifts temporarily restricted for the capital campaign, aggregate promises to give in future periods are as follows:

2016	\$ <u>50,000</u>
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The Center allows for estimated losses on pledges receivable based on prior bad debt experience and a review of existing pledges. Based on these factors, there was no allowance for uncollectible gifts for the years ended December 31, 2015 and 2014. Uncollectible gift recoveries are charged against the allowance account as realized.

C. PROPERTY AND EQUIPMENT:

Property and equipment consist of the following at December 31,:

	<u>2015</u>	<u>2014</u>
Building	\$ 5,173,159	\$ 5,173,159
Building Improvements	118,462	118,462
Educational and Other Equipment	84,412	84,412
Land	1,440,000	1,440,000
Medical Equipment	256,690	249,080
Office Equipment	<u>147,274</u>	<u>147,274</u>
	7,219,997	7,212,387
Accumulated Depreciation	<u>( 1,693,265)</u>	<u>( 1,528,509)</u>
	<u>\$ 5,526,732</u>	<u>\$ 5,683,878</u>

D. GOODWILL:

The accounting for the acquisition of The Odd Pet Vet practice in 2008 resulted in recognizing goodwill of \$26,000. Under generally accepted accounting principles, the carrying amount of goodwill is not amortized but is reduced if management determines that its implied fair value has been impaired.

E. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS:

Net assets were temporarily restricted for the following purposes and amounts at December 31,:

	<u>2015</u>	<u>2014</u>
Capital and Hospital Equipment	<u>\$ 119,089</u>	<u>\$ 196,897</u>

NEW ENGLAND WILDLIFE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

E. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS: (Continued)

During the years ended December 31, 2015 and 2014, temporarily restricted net assets of \$149,808 and \$121,685, respectively, were released by satisfaction of programmatic restriction. Permanently restricted net assets represent funds established by donors to be maintained in perpetuity. At December 31, 2015 and 2014, there were no permanently restricted net assets.

F. CONTRIBUTIONS AND GIFTS:

Contributions and gifts are comprised of the following at December 31,:

	<u>2015</u>	<u>2014</u>
Annual Giving	\$ 63,133	\$ 28,816
Corporate and Business Gifts	11,624	1,660
Donations Received at Patient Admission	46,635	32,275
Major Gifts	174,839	177,900
Memorial Gifts and Bequests	10,458	6,813
Special Appeal	54,400	74,516
Other	60,586	34,777
	<u>\$ 421,675</u>	<u>\$ 356,757</u>

G. DONATIONS IN KIND:

To provide additional further support for its charitable activities, the Organization solicits and receives donations of supplies, equipment and considerable volunteer support. During the years ended December 31, 2015 and 2014, the Organization received donations of medicines, animal feed and other supplies totaling \$44,303 and \$61,437, respectively. Skilled volunteer labor, valued at \$193,674 and \$107,140, represents the services provided by the Organization's veterinarian and student interns during the years ended December 31, 2015 and 2014, respectively.

H. EMPLOYEE BENEFIT PLAN PROGRAM:

The Organization sponsors the "New England Wildlife Center Retirement Plan" to benefit all full time employees satisfying certain age and service requirements. The plan permits discretionary contributions on behalf of the Organization, in addition to employee salary deferrals. Administrative costs of the plan are borne by the Organization. For the years ended December 31, 2015 and 2014, the Board of Directors has not authorized any contributions.

I. PRIOR PERIOD ADJUSTMENT:

During the year ended December 31, 2015, the Board of Trustees determined that contributions, from a prior period, totaling \$7,500 had been erroneously classified and carried as permanently restricted. This amount has been reclassified as unrestricted.

J. SUBSEQUENT EVENTS:

Management has evaluated events occurring after the statement of financial position date through July 28, 2016, the date on which the financial statements were available to be issued. No material events have been identified which would require disclosure under FASB ASC 855-10-50-1.