



**NEW ENGLAND WILDLIFE CENTER, INC.**

**AUDITED FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**LMHS, P.C.**

*Certified Public Accountants and Advisors*

NEW ENGLAND WILDLIFE CENTER, INC.  
AUDITED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016

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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, 2017 and 2016, 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.

### ***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, 2017 and 2016, 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 25, 2018

NEW ENGLAND WILDLIFE CENTER, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 578,998	\$ 524,181
Accounts Receivable	8,099	1,870
Pledges Receivable	600,000	-
Prepaid Expenses and Other	4,325	3,583
	<u>1,191,422</u>	<u>529,634</u>
PROPERTY AND EQUIPMENT, NET	5,248,785	5,364,639
GOODWILL	26,000	26,000
	<u>\$ 6,466,207</u>	<u>\$ 5,920,273</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Expenses	\$ 21,678	\$ 9,860
Accrued Payroll and Related	4,732	11,839
	<u>26,410</u>	<u>21,699</u>
NET ASSETS:		
Unrestricted	5,636,763	5,746,583
Temporarily Restricted	803,034	151,991
	<u>6,439,797</u>	<u>5,898,574</u>
	<u>\$ 6,466,207</u>	<u>\$ 5,920,273</u>

See Notes to Financial Statements



NEW ENGLAND WILDLIFE CENTER, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017				2016
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
REVENUE AND OTHER SUPPORT:					
Contributions and Gifts	\$ 446,692	\$ -	\$ -	\$ 446,692	\$ 487,658
Donations in Kind:					
Skilled Labor	236,941	-	-	236,941	178,645
Supplies and Equipment	23,281	-	-	23,281	48,636
Education and Project Fees	62,642	300,000	-	362,642	56,245
Fundraising Special Events	29,199	-	-	29,199	19,181
Grants Received	342,500	534,000	-	876,500	460,541
Investment Income	340	-	-	340	5
The Odd Pet Vet	338,043	-	-	338,043	338,931
Net Assets Released from Restrictions	182,957	(182,957)	-	-	-
Other Income	53,907	-	-	53,907	-
Total Revenue and Other Support	1,716,502	651,043	-	2,367,545	1,589,842
EXPENSES:					
Program Services:					
Animal Care and Teaching Hospital	851,078	-	-	851,078	678,158
Public Education & Information	353,184	-	-	353,184	347,357
The Odd Pet Vet	271,321	-	-	271,321	329,978
	1,475,583	-	-	1,475,583	1,355,493
Supporting Services:					
Fundraising and Development	139,992	-	-	139,992	89,359
Management and General	210,747	-	-	210,747	137,039
	350,739	-	-	350,739	226,398
Total Expenses	1,826,322	-	-	1,826,322	1,581,891
CHANGES IN NET ASSETS	(109,820)	651,043	-	541,223	7,951
NET ASSETS AT BEGINNING OF YEAR	5,746,583	151,991	-	5,898,574	5,890,623
NET ASSETS AT END OF YEAR	\$ 5,636,763	\$ 803,034	\$ -	\$ 6,439,797	\$ 5,898,574

See Notes to Financial Statements

NEW ENGLAND WILDLIFE CENTER, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017						2016	
	Program Services			Supporting Services			Total	
	Animal Care and Teaching Hospital	Public Education & Information	The Odd Pet Vet	Total	Fundraising and Development	Management and General	Total	Total
Salaries	\$ 303,263	\$ 219,023	\$ 134,817	\$ 657,103	\$ 76,050	\$ 146,111	\$ 222,161	\$ 879,264
Employee Benefits	16,879	17,648	21,796	56,323	559	25	584	56,907
Payroll Taxes	25,233	18,224	11,218	54,675	6,328	12,157	18,485	73,160
	345,375	254,895	167,831	768,101	82,937	158,293	241,230	1,009,331
Volunteer Skilled Services								893,385
Animal Food	236,941	-	-	236,941	-	-	-	236,941
Bank and Interest Charges	74,893	-	-	74,893	-	-	-	74,893
Education and Educational Supplies	5,540	2,246	1,383	9,169	780	1,498	2,278	11,447
Insurance	-	18,818	-	18,818	-	-	-	18,818
Medical Supplies	16,967	6,879	4,234	28,080	2,389	4,589	6,978	35,058
Office Expenses	-	-	53,477	53,477	-	-	-	53,477
Postage and Printing	6,786	2,735	1,685	11,206	950	1,825	2,775	13,981
Professional Fees and Contract Labor	3,568	1,446	890	5,904	502	965	1,467	7,371
Publicity	13,994	5,674	3,492	23,160	1,970	3,785	5,755	28,915
Repairs and Maintenance	-	-	-	-	29,369	-	29,369	29,369
Telephone	26,764	10,851	6,679	44,294	3,768	7,239	11,007	55,301
Travel and Auto	4,404	1,786	1,099	7,289	620	1,191	1,811	9,100
Utilities	2,125	862	530	3,517	299	575	874	4,391
Bad Debt	34,976	14,181	8,729	57,886	4,924	9,460	14,384	72,270
	-	-	1,606	1,606	-	-	-	1,606
	426,958	65,478	83,804	576,240	45,571	31,127	76,698	652,938
Total Expenses Before Depreciation	772,333	320,373	251,635	1,344,341	128,508	189,420	317,928	1,662,269
Depreciation	78,745	32,811	19,686	131,242	11,484	21,327	32,811	164,053
Total Expenses	\$ 851,078	\$ 353,184	\$ 271,321	\$ 1,475,583	\$ 139,992	\$ 210,747	\$ 350,739	\$ 1,826,322
								\$ 1,581,891

See Notes to Financial Statements

NEW ENGLAND WILDLIFE CENTER, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in Net Assets	\$ 541,223	\$ 7,951
Adjustments to Reconcile Changes in Net Assets to Net		
Cash Provided by Operating Activities:		
Depreciation	164,053	162,093
Non-Cash Contributions	(260,222)	(227,281)
Non-Cash Expenditures	260,222	227,281
Changes in Operating Assets and Liabilities:		
(Increase) Decrease		
Accounts Receivable	(6,229)	499
Pledges Receivable	(600,000)	50,000
Prepaid Expenses and Other	(742)	9,131
(Increase) Decrease		
Accounts Payable and Accrued Expenses	11,818	211
Accrued Payroll and Related	(7,107)	3,287
	<u>103,016</u>	<u>233,172</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to Property and Equipment	<u>(48,199)</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	54,817	233,172
CASH AND CASH EQUIVALENTS- BEGINNING	524,181	291,009
CASH AND CASH EQUIVALENTS- ENDING	<u>\$ 578,998</u>	<u>\$ 524,181</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Non- Cash Investing and Financing Activities:		
Gifts of Marketable Securities	<u>\$ -</u>	<u>\$ 519</u>

See Notes to Financial Statements

**NEW ENGLAND WILDLIFE CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**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. A description of the three net asset categories follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time.

Permanently Restricted - Net assets subject to donor imposed restrictions that they be maintained permanently by the Organization.

Under FASB ASC 958-210-45, expenses are generally reported as decreases in unrestricted net assets. Expirations of donor-imposed restrictions that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

5. 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.
6. 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.

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

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

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.
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, 2017 and 2016, 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. ACCOUNTS RECEIVABLE:**

The Organization believes all accounts receivable to be collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible in future periods, they are charged to operations when that determination is made. At December 31, 2017 and 2016, bad debt expense amounted to \$1,606 and zero, respectively.

**C. 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 \$600,000 and zero as of December 31, 2017 and 2016, respectively.

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, 2017 and 2016. Uncollectible gift recoveries are charged against the allowance account as realized.

**D. PROPERTY AND EQUIPMENT:**

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

	<u>2017</u>	<u>2016</u>
Building	\$ 5,173,159	\$ 5,173,159
Building Improvements	118,462	118,462
Educational and Other Equipment	131,238	84,412
Land	1,440,000	1,440,000
Medical Equipment	256,690	256,690
Office Equipment	148,647	147,274
	<u>7,268,196</u>	<u>7,219,997</u>
Accumulated Depreciation	<u>(2,019,411)</u>	<u>(1,855,358)</u>
	<u>\$ 5,248,785</u>	<u>\$ 5,364,639</u>

**E. 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.

**F. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS:**

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

	<u>2017</u>	<u>2016</u>
Capital and Hospital Equipment	\$ 803,034	\$ 151,991

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

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**F. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS: (Continued)**

During the years ended December 31, 2017 and 2016, temporarily restricted net assets of \$182,957 and \$119,089, respectively, were released by satisfaction of programmatic restriction. At December 31, 2017 and 2016, there were no permanently restricted net assets.

**G. CONTRIBUTIONS AND GIFTS:**

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

	<u>2017</u>	<u>2016</u>
Annual Giving	\$ 71,143	\$ 65,992
Corporate and Business Gifts	17,850	27,422
Donations received at Patient Admission	42,620	38,889
Major Gifts	138,000	219,200
Memorial Gifts and Bequests	23,269	25,360
Special Appeal	83,881	68,366
Other	69,929	42,429
	<u>\$ 446,692</u>	<u>\$ 487,658</u>

**H. 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, 2017 and 2016, the Organization received donations of medicines, animal feed and other supplies totaling \$23,281 and \$48,636, respectively. Skilled volunteer labor, valued at \$236,941 and \$178,645, represents the services provided by the Organization's veterinarian and student interns during the years ended December 31, 2017 and 2016, respectively.

**I. 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, 2017 and 2016, the Board of Directors has not authorized any contributions.

**J. CONTINGENT LIABILITIES:**

The Company has certain contingent liabilities and is a party to various claims and actions arising in the ordinary course of business. Management is of the opinion that all such matters are without merit or are of such kind, or involve such amounts, that unfavorable disposition would not have a material effect on the financial position of the Company.

**K. SUBSEQUENT EVENTS:**

Management has evaluated events occurring after the statement of financial position date through July 25, 2018, 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.