

WILDLIFE RESCUE & REHABILITATION, INC.

Audited Financial Statements

December 31, 2015

AKIN, DOHERTY, KLEIN & FEUGE, P.C.
Certified Public Accountants

WILDLIFE RESCUE & REHABILITATION, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wildlife Rescue & Rehabilitation, Inc.
Kendalia, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Wildlife Rescue & Rehabilitation, Inc. (a non-profit 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 U. S. generally accepted accounting principles; 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 U. S. generally accepted auditing standards. 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.

MAIN OFFICE

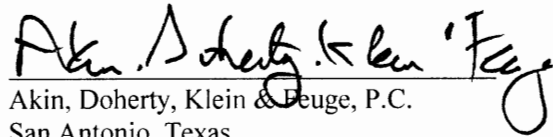
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wildlife Rescue & Rehabilitation, Inc. as of December 31, 2015 and 2014, and the results of its operations, functional expenses and its cash flows for the years then ended in accordance with U. S. generally accepted accounting principles.



Akin, Doherty, Klein & Deuge, P.C.

San Antonio, Texas

May 13, 2016

WILDLIFE RESCUE & REHABILITATION, INC.
Statements of Financial Position
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 695,964	\$ 381,769
Investments, unrestricted	419,170	446,145
Investments, Board designated endowments	157,382	167,457
Prepaid expenses and other current assets	-	4,274
Sanctuary animals	1	1
Fixed assets, net	<u>3,092,752</u>	<u>3,221,331</u>
Total Assets	<u><u>\$ 4,365,269</u></u>	<u><u>\$ 4,220,977</u></u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 11,780	\$ 78,310
Accrued expenses	26,367	18,154
Deferred revenue	16,000	17,500
Line of credit	166,009	25,000
Long-term debt, third-party	121,293	135,300
Long-term debt, related-party	135,868	142,088
Total liabilities	<u>477,317</u>	<u>416,352</u>
Net Assets:		
Unrestricted	3,495,770	3,496,298
Unrestricted, Board designated	157,382	167,457
Temporarily restricted	<u>234,800</u>	<u>140,870</u>
Total net assets	<u><u>3,887,952</u></u>	<u><u>3,804,625</u></u>
Total Liabilities and Net Assets	<u><u>\$ 4,365,269</u></u>	<u><u>\$ 4,220,977</u></u>

See notes to audited financial statements.

WILDLIFE RESCUE & REHABILITATION, INC.
Statement of Activities
Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
Support and Revenues			
Support:			
Contributions	\$ 1,639,641	\$ 100,300	\$ 1,739,941
Donations, in-kind	158,335	-	158,335
Special events, net of expenses	67,686	-	67,686
Revenues:			
Rental income	13,469	-	13,469
Other income	12,578	-	12,578
Total support and revenues	<u>1,891,709</u>	<u>100,300</u>	<u>1,992,009</u>
Expenses			
Program service	1,522,445	-	1,522,445
General and administrative	207,905	-	207,905
Fundraising	141,593	-	141,593
Total expenses	<u>1,871,943</u>	<u>-</u>	<u>1,871,943</u>
Investment Earnings			
Interest and dividends, net	14,865	-	14,865
Realized (losses)	(946)	-	(946)
Unrealized (losses)	(50,658)	-	(50,658)
Investment earnings, net	<u>(36,739)</u>	<u>-</u>	<u>(36,739)</u>
Change in Net Assets	(16,973)	100,300	83,327
Net assets at beginning of year	3,663,755	140,870	3,804,625
Net assets released from restriction	<u>6,370</u>	<u>(6,370)</u>	<u>-</u>
Net Assets at End of Year	<u>\$ 3,653,152</u>	<u>\$ 234,800</u>	<u>\$ 3,887,952</u>

See notes to audited financial statements.

WILDLIFE RESCUE & REHABILITATION, INC.
Statement of Activities
Year Ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
Support and Revenues			
Support:			
Contributions	\$ 2,160,310	\$ 140,870	\$ 2,301,180
Donations, in-kind	196,922	-	196,922
Special events, net of expenses	72,392	-	72,392
Revenues:			
Thrift store, net	25,424	-	25,424
Rental income	12,895	-	12,895
Other income	16,443	-	16,443
Total support and revenues	<u>2,484,386</u>	<u>140,870</u>	<u>2,625,256</u>
Expenses			
Program service	1,586,629	-	1,586,629
General and administrative	205,945	-	205,945
Fundraising	154,689	-	154,689
Total expenses	<u>1,947,263</u>	<u>-</u>	<u>1,947,263</u>
Investment Earnings			
Interest and dividends, net	12,403	-	12,403
Realized gains	8,429	-	8,429
Unrealized (losses)	(18,134)	-	(18,134)
Investment earnings, net	<u>2,698</u>	<u>-</u>	<u>2,698</u>
Change in Net Assets	539,821	140,870	680,691
Net assets at beginning of year	3,118,934	5,000	3,123,934
Net assets released from restriction	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>
Net Assets at End of Year	<u>\$ 3,663,755</u>	<u>\$ 140,870</u>	<u>\$ 3,804,625</u>

See notes to audited financial statements.

WILDLIFE RESCUE & REHABILITATION, INC.
Statement of Functional Expenses
Year Ended December 31, 2015

	Program Services	General and Administrative	Fundraising	Total
Salaries and benefits	\$ 675,773	\$ 78,739	\$ 90,832	\$ 845,344
Accounting and professional fees	40,454	58,453	14,087	112,994
IT fess	21,978	9,019	400	31,397
Office supplies	16,741	6,236	5,914	28,891
Postage and shipping	9,167	3,055	3,055	15,277
Computer software and hardware	4,752	781	1,256	6,789
Printing and copying	22,350	-	5,588	27,938
Books, subscriptions and references	50	96	389	535
Web hosting and maintenance	862	862	862	2,586
Facility expenses	88,608	12,477	1,211	102,296
Equipment rental and maintenance	32,392	7,291	5,419	45,102
Travel and meetings	6,658	995	-	7,653
Animal care	107,532	-	-	107,532
Apprentice program	77,937	313	-	78,250
Vehicles	9,929	412	-	10,341
Interest expense	239	18,068	-	18,307
Advertising and marketing	483	139	1,706	2,328
In-kind expense	158,335	-	-	158,335
Depreciation	222,781	-	-	222,781
Other expenses	25,424	10,969	10,874	47,267
Total Expenses	\$ 1,522,445	\$ 207,905	\$ 141,593	\$ 1,871,943

See notes to audited financial statements.

WILDLIFE RESCUE & REHABILITATION, INC.
Statement of Functional Expenses
Year Ended December 31, 2014

	Program Services	General and Administrative	Fundraising	Total
Salaries and benefits	\$ 658,118	\$ 76,682	\$ 88,459	\$ 823,259
Accounting and professional fees	29,823	31,253	315	61,391
IT fess	15,373	4,392	2,197	21,962
Office supplies	20,247	11,170	3,490	34,907
Postage and shipping	3,772	1,677	4,209	9,658
Computer software and hardware	8,523	2,435	1,217	12,175
Printing and copying	17,616	17,616	17,300	52,532
Books, subscriptions and references	50	-	-	50
Facility expenses	118,199	8,508	2,142	128,849
Equipment rental and maintenance	34,123	4,565	-	38,688
Travel and meetings	2,302	228	68	2,598
Animal care	130,719	-	-	130,719
Apprentice program	89,796	-	90	89,886
Vehicles	16,174	-	-	16,174
Interest expense	667	22,994	-	23,661
Advertising and marketing	-	-	17,189	17,189
In-kind expense	190,822	-	-	190,822
Depreciation	204,775	10,778	-	215,553
Other expenses	45,530	13,647	18,013	77,190
Total Expenses	\$ 1,586,629	\$ 205,945	\$ 154,689	\$ 1,947,263

See notes to audited financial statements.

WILDLIFE RESCUE & REHABILITATION, INC.
Statements of Cash Flows
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating Activities		
Change in net assets	\$ 83,327	\$ 680,691
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	222,781	215,553
Donated investments	-	(492,152)
Donated vehicle	-	(6,100)
Unrealized loss on investments	50,658	18,134
Realized (gain) loss on investments	946	(8,429)
Changes in operating assets and liabilities:		
Accounts receivable	-	1,802
Prepaid expenses and other assets	4,275	8,256
Accounts payable and accrued expenses	(58,318)	40,596
Deferred revenue	(1,500)	3,240
Net cash provided by operating activities	<u>302,169</u>	<u>461,591</u>
Investing Activities		
Purchase of investments	(14,554)	-
Purchases of fixed assets	(94,202)	(167,363)
Proceeds from sale of investments	-	35,000
Net cash (used) by investing activities	<u>(108,756)</u>	<u>(132,363)</u>
Financing Activities		
Proceeds from line of credit	150,500	25,000
Payments on long-term debt, related party	(6,220)	(7,912)
Payments on long-term debt, third party	(23,498)	(113,879)
Net cash provided (used) by financing activities	<u>120,782</u>	<u>(96,791)</u>
Net change in cash and cash equivalents	314,195	232,437
Cash and cash equivalents at beginning of year	<u>381,769</u>	<u>149,332</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 695,964</u></u>	<u><u>\$ 381,769</u></u>
Supplemental Disclosures		
Interest paid in cash	\$ 18,307	\$ 23,661
Non-cash donations, in-kind	158,335	196,922

See notes to audited financial statements.

WILDLIFE RESCUE & REHABILITATION, INC.
Notes to Audited Financial Statements
December 31, 2015 and 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Wildlife Rescue & Rehabilitation, Inc. (WRR or the Organization) is a not-for-profit organization founded in 1977 and is dedicated to the rescue, rehabilitation, and release of orphaned, injured, and displaced wildlife. WRR provides permanent care for non-indigenous wild animals who have been victimized by the exotic pet trade, rescued from roadside zoos, or retired from research facilities. Indigenous wild animals that are deemed non-releasable due to serious injury are also given permanent care at the sanctuary. WRR serves the areas surrounding Austin and San Antonio, Texas, and provides assistance on a national basis to wild animals in need of rescue from its 212 acre site in Kendalia, Texas.

WRR opened its Sherman Animal Care Complex in San Antonio in early January 2010. This location, which was funded by the Sherman Foundation, serves as a drop-off point for injured and orphaned wildlife, a temporary rehabilitation center for certain species of orphaned mammals and birds, a small rescue and adoption site for cats, and an education center. The immediate care available at this facility is critical in saving more animals' lives and also relieves pressure on the sanctuary clinic in Kendalia during the busiest time of year.

Basis of Presentation: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U. S. generally accepted accounting principles. Net assets, support and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets: Net assets that are not subject to donor-imposed restrictions. Assets restricted solely through actions of the Board are reported as designated, unrestricted net assets.

Temporarily Restricted Net Assets: Net assets subject to donor-imposed restrictions that are more restrictive than the Organization's mission and purpose that will be met by actions of WRR and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets: Net assets subject to donor-imposed stipulations that such assets be maintained permanently by WRR. Generally, the donors of these assets permit the use of all or part of the income earned on the investments to be used for general or specific purposes. WRR does not have any permanently restricted net assets.

Contributions: Gifts of cash are reported as restricted support if they are received with donor stipulations that limit their use. Gifts of equipment and other similar assets are reported at estimated fair value as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service. Gifts are reported as unrestricted support when the donor restrictions are met during the reporting period in which the gift was received.

Contributed Gifts and Services: Contributed gifts and services include in-kind contributions received by the Organization. Donated materials, which include primarily animal food, are valued based on their estimated fair market value on the date of contribution. Services are valued based on an amount determined to be appropriate if individuals were employed by the Organization to perform such services.

Functional Allocation of Expenses: Functional expenses are allocated based on estimates by management that relate to the nature of the expense as well as the percentage of time applicable to program services, general and administrative and fundraising.

WILDLIFE RESCUE & REHABILITATION, INC.
Notes to Audited Financial Statements
December 31, 2015 and 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents: Cash and cash equivalents consist of unrestricted cash deposits which are held by financial institutions and any equivalent securities with maturity of three months or less.

Investments: Investments are reported at fair value. Interest and dividends are reported net of fees. Gains and losses (realized and unrealized) are included in the Statement of Activities. Donated investment instruments are recorded at estimated fair value at the date of donation.

Endowments: Board designated endowment investments are pooled under a managerial agency agreement, and include cash equivalents, corporate obligations, equity securities and other investments, and are reported at fair value. Unrealized gains and losses are reported in the Statements of Activities. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization does not have any donor-funded endowments.

Sanctuary Animals: Substantially all animals have been donated or otherwise given to the Organization. In accordance with industry practice, the sanctuary animals are recorded at the nominal amount of \$1, as there is no objective basis for establishing value.

Fixed Assets: Fixed assets are stated at cost, net of accumulated depreciation. Donated assets are recorded at fair value at the date of the gift. Depreciation is provided over the estimated useful lives, generally ranging from 3 to 30 years, using the straight-line method.

Income Taxes: The Organization is a tax-exempt under Internal Revenue Service Code Section 501(c)(3). Therefore, no provision for income taxes has been provided in these financial statements. In addition, WRR is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code; accordingly, donors of money and/or property are entitled to the maximum charitable contribution deduction allowed by law. WRR is not subject to the Texas margin tax. Management is not aware of any tax positions that would have a significant impact on its financial position. Its tax returns for the last four years remain subject to examination.

Retirement Plan: The Organization has a 403(b) defined contribution plan which is available to substantially all full time employees. WRR did not contribute to the Plan in 2015 or 2014.

Concentrations of Credit Risk: Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. WRR maintains cash deposits and investments with financial institutions and major brokerage companies and limits the amount of credit exposure, although it may from time to time have cash balances or investments in excess of that insured by the FDIC and SIPC. Management believes its risk of loss is minimized due to the diversity of the underlying investments.

Subsequent Events: Subsequent events have been evaluated by management through the date of the independent auditor's report. Material subsequent events, if any, are disclosed in a separate footnote to these financial statements.

WILDLIFE RESCUE & REHABILITATION, INC.
Notes to Audited Financial Statements
December 31, 2015 and 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Pronouncements: In May 2014, the Financial Accounting Standards Board (FASB) issued a new accounting pronouncement regarding revenue recognition effective for reporting periods beginning after December 15, 2018. Management does not expect the new standard to have a significant impact to its financial position, results of operations and related disclosures.

In February 2016, the FASB issued a new accounting pronouncement regarding lease accounting for reporting periods beginning after December 15, 2019. Generally, leases with terms in excess of 12 months will be recognized on the balance sheet as an asset (right to use leased asset) and a liability (lease liability). The impact to operations is expected to be minimal. Management is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

Use of Estimates: The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications: Certain amounts in the 2014 financial statements have been reclassified to conform to the 2015 presentation. These reclassifications had no effect on the previously reported change in net assets.

NOTE B – FIXED ASSETS

Fixed assets consist of the following at December 31:

	2015	2014
Land and improvements	\$ 1,538,855	\$ 1,538,855
Buildings	1,247,846	1,247,846
Cages, fencing and enclosures	2,067,502	1,940,407
Vehicles	172,172	172,172
Other equipment	309,433	285,804
Construction in progress	-	56,522
Total fixed assets	5,335,808	5,241,606
Less accumulated depreciation	(2,243,056)	(2,020,275)
Net fixed assets	\$ 3,092,752	\$ 3,221,331

WILDLIFE RESCUE & REHABILITATION, INC.
Notes to Audited Financial Statements
December 31, 2015 and 2014

NOTE C – BOARD DESIGNATED ENDOWMENT INVESTMENTS

The Organization’s endowment investments are established through Board designations. WRR does not have any donor-restricted endowments. Accordingly, the State of Texas Prudent Management Institutional Funds Act (SPMIFA) is not currently applicable. Other policies, objectives and strategies include:

Return Objectives and Risk Parameters: The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to its programs while seeking to maintain the purchasing power of the endowment assets. Endowment assets are invested in a manner that is intended to produce results that equal or exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to generate a return which exceeds the rate of inflation over time. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that allows flexibility in investment options, based on market conditions, to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy: The Board of Directors has developed a flexible spending policy that allows it to be responsive to the needs of the Organization while trying to build the endowments’ principal for future generations.

A rollforward of earnings and losses for endowment investments is as follows:

	Board- Designated Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment investments at Jan. 1, 2014	\$ 166,155	\$ -	\$ -	\$ 166,155
Interest and dividends, net of fees	2,094	-	-	2,094
Net realized gains on sales	8,429	-	-	8,429
Unrealized losses	(9,221)	-	-	(9,221)
Endowment investments at Dec. 31, 2014	167,457	-	-	167,457
Interest and dividends, net of fees	1,550	-	-	1,550
Net realized gains on sales	3,256	-	-	3,256
Unrealized losses	(14,881)	-	-	(14,881)
Endowment investments at Dec. 31, 2015	<u>\$ 157,382</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,382</u>

WILDLIFE RESCUE & REHABILITATION, INC.
Notes to Audited Financial Statements
December 31, 2015 and 2014

NOTE D – LONG -TERM DEBT

Long term debt consists of the following at December 31:

	<u>2015</u>	<u>2014</u>
Note payable to Texas Heritage Bank, due in monthly installments of \$1,765, including interest of 5.50%, secured by real estate and deposit accounts, matures on November 27, 2017.	\$ 121,293	\$ 135,300
Line of credit with Texas Heritage Bank, with total available borrowings of \$200,000, interest only payments at 5.00% until November 13, 2016 when the outstanding balance is due, secured by real estate and deposit accounts.	166,009	25,000
Unsecured related party promissory note payable to Lynn Cuny, due in monthly installments of \$1,186, including interest at 5.00%, matures on May 1, 2028. See Note E	<u>135,868</u>	<u>142,088</u>
Total long-term debt	<u>\$ 423,170</u>	<u>\$ 302,388</u>

Maturities of long-term debt will require the following principal payments:

Year Ending December, 31:

2016	\$ 188,682
2017	114,237
2018	8,413
2019	8,843
2020	9,296
Thereafter	<u>93,699</u>
	<u>\$ 423,170</u>

WILDLIFE RESCUE & REHABILITATION, INC.
Notes to Audited Financial Statements
December 31, 2015 and 2014

NOTE E – LONG -TERM DEBT, RELATED PARTY

In accordance with a long-standing agreement with its founder and CEO, Lynn Cuny, the Organization purchased a residence located on the property from the founder in 2013. The Organization paid cash of \$100,000 and entered into a \$150,000 note with Ms. Cuny and Mr. Brestrup. The note is due in monthly installments of \$1,186 including interest at 5%, and matures in 2028.

NOTE F – OPERATING LEASE

The Organization has several operating lease agreements for office equipment and communication systems. Rent expense associated with these non-cancellable operating lease agreements totaled approximately \$9,000 in 2015 and \$10,000 in 2014. Future commitments related to these lease agreements are as follows:

Year Ending December, 31:

2016	\$	10,688
2017		9,468
2018		9,046
2019		2,936

NOTE G – IN-KIND REVENUE AND EXPENSES

In-kind donations consist of the following during the years ended December 31:

	<u>2015</u>	<u>2014</u>
Animal food	\$ 121,316	\$ 168,593
Program supplies	36,019	22,189
Equipment	-	6,100
Services	<u>1,000</u>	<u>40</u>
Total	<u>\$ 158,335</u>	<u>\$ 196,922</u>

WILDLIFE RESCUE & REHABILITATION, INC.
Notes to Audited Financial Statements
December 31, 2015 and 2014

NOTE H – FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board has established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs are inputs that reflect assumptions of what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of the inputs as follows:

- Level 1: Quoted prices are available in active markets for identical assets or liabilities,
- Level 2: Quoted prices in active markets for similar assets and liabilities that are observable for the asset or liability; or
- Level 3: Unobservable pricing inputs that are generally less observable from objective sources, such as discounted cash flow models or valuations.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following table sets forth, by level within the fair value hierarchy, the Organization's investments measured at fair value:

<i>December 31, 2015:</i>	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Cash and money markets	\$ 16,331	\$ -	\$ -	\$ 16,331
Equities	402,839	-	-	402,839
Investments held at San Antonio Area Foundation	-	157,382	-	157,382
Total investments, fair value	<u>\$ 419,170</u>	<u>\$ 157,382</u>	<u>\$ -</u>	<u>\$ 576,552</u>
<i>December 31, 2014:</i>				
Cash and money markets	\$ 3,175	\$ -	\$ -	\$ 3,175
Equities	442,970	-	-	442,970
Investments held at San Antonio Area Foundation	-	167,457	-	167,457
Total investments, fair value	<u>\$ 446,145</u>	<u>\$ 167,457</u>	<u>\$ -</u>	<u>\$ 613,602</u>

Cash and Money Markets: Valued at cost plus accrued interest.

Equities: Valued at the closing market price at year end.

Investments Held at San Antonio Area Foundation: Valued based on the aggregate market value (generally the Net Asset Value or closing market price) of the security.

WILDLIFE RESCUE & REHABILITATION, INC.
Notes to Audited Financial Statements
December 31, 2015 and 2014

NOTE I – ALLOCATION OF JOINT COSTS

Wildlife Rescue & Rehabilitation, Inc. conducted activities that included requests for contributions, as well as program components. Those activities included a quarterly newsletter. The cost of the newsletter totaled approximately \$18,000 in 2015 and \$23,000 in 2014; such costs are not specifically attributable to particular components of the activities. These joint costs were allocated as follows:

	<u>2015</u>	<u>2014</u>
Newsletter:		
Fundraising	\$ 3,600	\$ 4,600
Program	14,400	18,400

Special event expenses totaled approximately \$38,000 in 2015 and \$50,000 in 2014 and are considered joint costs. Special events expenses are netted against special event revenue as allowed under U.S. generally accepted accounting principles.