

FINANCIAL STATEMENTS
WOUNDED NATURE ORG
YEAR ENDED DECEMBER 31, 2017

WOUNDED NATURE ORG
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YEAR ENDED DECEMBER 31, 2017

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Wounded Nature Org
Charleston, South Carolina

We have audited the accompanying balance sheet of Wounded Nature Org (a nonprofit organization) as of December 31, 2017, and we were engaged to audit the related statements of activities, changes in unrestricted net assets, functional expense-cash basis 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the results of operations.

We conducted our audit of the balance sheet 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 balance sheet is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the balance sheet.

Basis for Disclaimer of Opinion on Results of Operations

We were unable to obtain sufficient appropriate audit evidence to support the allocation and classification of income and expenses, in the accompanying statement of income at December 31, 2017.

Disclaimer of Opinion on Results of Operations

Because of the significance of the matter discussed in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the results of operations for the year ended December 31, 2017. Accordingly, we do not express an opinion on the results of operations for the year ended December 31, 2017.

Opinion on the Balance Sheet

In our opinion, the balance sheet referred to in the first paragraph presents fairly, in all material respects, the financial position of Wounded Nature Org as of December 31, 2017, in accordance with the cash basis of accounting as described in the notes to the financial statements.

Basis of Accounting

We draw attention to the note, "Summary of Significant Accounting Policies-Basis of Accounting", in the notes to the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Jones, Pounder & Associates, P.C.

Jones, Pounder & Associates, PC

May 28, 2018
Charleston, South Carolina

WOUNDED NATURE ORG
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

ASSETS

Current Assets

Cash	\$ 34,960
Total current assets	<u>34,960</u>

Property And Equipment	67,221
Accumulated Depreciation	<u>(6,656)</u>
	60,565

Total Assets	<u>\$ 95,525</u>
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NET ASSETS

Unrestricted Net Assets	<u>95,525</u>
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Total Net Assets	<u>\$ 95,525</u>
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See independent auditors' report and accompanying notes to financial statements.

WOUNDED NATURE ORG
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDING DECEMBER 31, 2017

CHANGES IN UNRESTRICTED NET ASSETS

REVENUE AND SUPPORT

Contributions	\$ 709,066
Other Revenue	<u>157</u>
Total Revenue and Support	709,223

EXPENSES

Program Services	600,026
Supporting Services	<u>27,690</u>
Total Expenses	<u>627,716</u>

Increase in net assets 81,507

UNRESTRICTED NET ASSETS, BEGINNING 14,018

UNRESTRICTED NET ASSETS, ENDING \$ 95,525

See independent auditors' report and accompanying notes to financial statements.

WOUNDED NATURE ORG
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDING DECEMBER 31, 2017

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
Wages And Payroll Taxes	\$ 29,566	\$ - 0 -	\$ 29,566
Professional Fees	62,034	2,500	64,534
Advertising	380,503	9,987	390,490
Office	6,158	1,540	7,698
Occupancy	30,312	7,578	37,890
Travel	9,337	- 0 -	9,337
Entertainment	- 0 -	1,478	1,478
Conferences	3,465	- 0 -	3,465
Insurance	3,779	945	4,724
Equipment Rental	2,888	- 0 -	2,888
Maintenance	14,237	- 0 -	14,237
Miscellaneous	16,218	- 0 -	16,218
Supplies	11,075	2,769	13,844
Volunteer Expenses	16,534	- 0 -	16,534
Educational	10,346	- 0 -	10,346
Depreciation	3,574	893	4,467
	<u>\$ 600,026</u>	<u>\$ 27,690</u>	<u>\$ 627,716</u>

See independent auditors' report and accompanying notes to financial statements.

WOUNDED NATURE ORG
NOTES TO FINANCIAL STATEMENTS

NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Wounded Nature Org (the "Organization") was founded by veterans to identify and organize cleanups for the wildlife critical coastal areas. The Organization derives its revenue primarily from contributions and grants.

Basis of Accounting

The financial statements have been prepared on the cash basis of accounting, modified as follows: (1) purchases of property and furnishings are capitalized; (2) donations are recorded at fair value as of the date of donation; and (3) property and furnishings are depreciated over the estimated useful lives of these assets. Accordingly, (1) support and revenue are recognized when received, rather than when earned and (2) expenses are recognized when paid, rather than when incurred.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization currently has no temporarily and permanently restricted net assets.

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to explicit or implicit donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently. Generally, the donors of these assets permit the use of all or part of the income earned on related investments for general or specific purposes.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. 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 reported in the Statement of Activities as net assets released from restrictions.

Donated Goods and Services

Contributed goods and services are recorded as contributions and expenses at their estimated values at date of receipt. Only donated services for which an objective valuation is available are reported in the financial statements.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. The Organization values donated property and equipment at estimated fair values. Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received.

WOUNDED NATURE ORG
NOTES TO FINANCIAL STATEMENTS

NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Functional Expenses

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with specific programs or support services are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical methods.

Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization qualifies for the charitable contribution deduction under Section 170(b)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Property and Equipment and Depreciation

Property and equipment are carried at cost at the date of acquisition or, if donated, at the estimated fair value at the date of donation. Property and equipment are recorded as unrestricted net assets or temporarily restricted net assets, in the case of donations with time stipulations. The Organization capitalizes expenditures for property and equipment in excess of \$1,000. Depreciation is computed over the estimated useful lives of the assets, ranging from five to ten years, using the straight-line method. Costs for repairs and maintenance that do not improve or extend the useful lives of the respective assets are expensed currently.

Advertising Costs

Advertising expense for the year ended December 31, 2017 was approximately \$390,490.

LEASES

The Organization leased space on a month to month basis at \$2,000 per month. The rent is approximately \$24,000 annually.

PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2017:

Water Transportation and Equipment	\$ 65,721
Furniture and Fixtures	1,500
	<hr/>
	67,221
Less accumulated depreciation	(6,656)
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Property and equipment, net	<u>\$ 60,565</u>

WOUNDED NATURE ORG
NOTES TO FINANCIAL STATEMENTS

IN KIND GIFTS

In kind gifts recognized in the Statements of Activities for the years ended December 31, 2017:

Advertising	\$ 371,000
Space rental	2,000
Fixed assets	8,970
Supplies	<u>2,230</u>
Total in kind gifts	<u>\$ 384,200</u>

SUBSEQUENT EVENTS

The management of the Organization has reviewed subsequent events through May 28, 2018, the date the financial statements were available for issuance. There were no material items that management determined would require additional disclosure or accrual in the financial statements.