

Wildlife Waystation
Financial Statements
For the Years Ended November 30, 2015 and 2014
and
Independent Auditor's Report

Wildlife Waystation
Table of Contents
For the Years Ended November 30, 2015 and 2014

Independent auditor's report:	Page
<hr/>	
Independent auditor's report on the financial statements	2
Financial statements:	
<hr/>	
Statements of financial position	4
Statements of activities and changes in net assets	5
Statements of functional expenses	7
Statements of cash flows	8
Notes:	
<hr/>	
Notes to the financial statements	11

Independent Auditor's Report

To the Board of Directors of
Wildlife Waystation

We have audited the accompanying financial statements of Wildlife Waystation (a nonprofit organization), which comprise the statement of financial position as of November 30, 2015 and 2014, and the related statements of activities, 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 financial statements referred to above present fairly, in all material respects, the financial position of Wildlife Waystation as of November 30, 2015 and 2014, 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.

Lawrence R. Mitchell & Company

Lawrence R. Mitchell & Company
Certified Public Accountants
A Professional Corporation
El Segundo, California

November 14, 2016

Wildlife Waystation
Statements of Financial Position
November 30, 2015 and 2014

Assets

Current assets:	2015	2014
Cash	\$ 24,885	\$ 553,131
Prepaid expenses and other current assets	13,088	10,599
Total current assets	37,973	563,730
Property and equipment		
Property and equipment, net	602,767	636,080
Other assets		
Investment in a partnership	70,369	60,584
Total assets	\$ 711,109	\$ 1,260,394

Liabilities and Net Assets

Current liabilities:		
Accounts payable	\$ 118,726	\$ 45,126
Accrued and other current liabilities	121,207	187,457
Current portion of notes payable	43,600	46,161
Total current liabilities	283,533	278,744
Long-term liabilities:		
Notes payable	661,335	644,554
Total long-term liabilities	661,335	644,554
Total liabilities	944,868	923,298
Net assets:		
Unrestricted	(233,759)	337,096
Total net assets	(233,759)	337,096
Total liabilities and net assets	\$ 711,109	\$ 1,260,394

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

Wildlife Waystation
Statement of Activities and Changes in Net Assets
For the Year Ended November 30, 2015

	Unrestricted	Temporarily Restricted	Total
Public support:			
Appeals	\$ 358,889	\$ -	\$ 358,889
Contributions	1,693,181	-	1,693,181
Total public support	2,052,070	-	2,052,070
Other income:			
Investment income	6,880	-	6,880
Interest and dividend income	275	-	275
Royalty income	6,813	-	6,813
Merchandise sales	3,950	-	3,950
Total other income	17,918	-	17,918
Total public support and other income	2,069,988	-	2,069,988
Operating expenses:			
Program services	2,147,199	-	2,147,199
Support services:			
Management and general	252,312	-	252,312
Fundraising	241,332	-	241,332
Total support services	493,644	-	493,644
Total operating expenses	2,640,843	-	2,640,843
Net decrease in net assets	(570,855)	-	(570,855)
Net assets:			
Net assets, beginning of year	337,096	-	337,096
Net assets, end of year	\$ (233,759)	\$ -	\$ (233,759)

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

Wildlife Waystation
Statement of Activities and Changes in Net Assets
For the Year Ended November 30, 2014

	Unrestricted	Temporarily Restricted	Total
Public support:			
Appeals	\$ 461,370	\$ -	\$ 461,370
Contributions	3,282,610	-	3,282,610
Total public support	3,743,980	-	3,743,980
Other income:			
Investment income	6,506	-	6,506
Interest and dividend income	304	-	304
Royalty income	3,441	-	3,441
Merchandise sales	8,311	-	8,311
Total other income	18,562	-	18,562
Total public support and other income	3,762,542	-	3,762,542
Operating expenses:			
Program services	2,333,698	-	2,333,698
Support services:			
Management and general	269,866	-	269,866
Fundraising	285,052	-	285,052
Total support services	554,918	-	554,918
Total operating expenses	2,888,616	-	2,888,616
Net increase in net assets	873,926	-	873,926
Net assets:			
Net assets, beginning of year	(490,912)	-	(490,912)
Prior period adjustment	(45,918)	-	(45,918)
Net assets, end of year	\$ 337,096	\$ -	\$ 337,096

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

Wildlife Waystation
Statements of Functional Expenses
For the Years Ended November 30, 2015 and 2014

November 30, 2015	Program Service	Support		Subtotal	Total
		Mgt. & General	Fund Raising		
Salaries and wages	\$ 1,018,031	\$ 171,260	\$ 59,980	\$ 231,240	\$ 1,249,271
Employee taxes and benefits	221,320	37,232	13,039	50,271	271,591
Ranch operations	354,399	-	-	-	354,399
Insurance	73,492	12,363	4,331	16,694	90,186
Interest expense	56,151	9,446	3,308	12,754	68,905
Occupancy	300,869	7,089	3,544	10,633	311,502
Postage and delivery	-	1,213	10,914	12,127	12,127
Professional fees and contract svcs	70,769	3,581	79,434	83,015	153,784
Printing and reproduction	-	3,963	35,666	39,629	39,629
Supplies and miscellaneous	30,159	3,770	24,571	28,341	58,500
Telephone	19,162	2,395	2,395	4,790	23,952
Travel	2,847	-	4,150	4,150	6,997
	\$ 2,147,199	\$ 252,312	\$ 241,332	\$ 493,644	\$ 2,640,843

November 30, 2014	Program Service	Support		Subtotal	Total
		Mgt. & General	Fund Raising		
Salaries and wages	\$ 1,003,299	\$ 181,919	\$ 28,833	\$ 210,752	\$ 1,214,051
Employee taxes and benefits	211,351	38,322	6,074	44,396	255,747
Ranch operations	491,680	-	-	-	491,680
Insurance	70,684	12,817	2,031	14,848	85,532
Interest expense	36,895	6,690	1,060	7,750	44,645
Occupancy	293,081	6,699	3,350	10,049	303,130
Postage and delivery	-	2,997	26,977	29,974	29,974
Professional fees and contract svcs	157,547	3,224	98,212	101,436	258,983
Publicity	-	-	3,935	3,935	3,935
Printing and reproduction	-	9,414	84,727	94,141	94,141
Supplies and miscellaneous	42,787	5,348	26,346	31,694	74,481
Telephone	19,492	2,436	2,437	4,873	24,365
Travel	6,882	-	1,070	1,070	7,952
	\$ 2,333,698	\$ 269,866	\$ 285,052	\$ 554,918	\$ 2,888,616

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

Wildlife Waystation
Statement of Cash Flows
For the Year Ended November 30, 2015

Cash flows from operating activities:	Unrestricted	Temporarily Restricted	Total
Decrease in net assets	\$ (570,855)	\$ -	\$ (570,855)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:			
Depreciation expense	95,170	-	95,170
Donated investment activity, net	(9,785)	-	(9,785)
Accrued interest on notes payable to a director	14,382	-	14,382
(Increase) decrease in:			
Prepaid expenses and other current assets	(2,489)	-	(2,489)
Increase (decrease) in:			
Accounts payable	73,600	-	73,600
Accrued and other current liabilities	(66,250)	-	(66,250)
Total adjustments	104,628	-	104,628
Net cash used by operating activities	(466,227)	-	(466,227)
Cash flows from investing activities:			
Purchases of property and equipment	(61,857)	-	(61,857)
Net cash used by investing activities	(61,857)	-	(61,857)
Cash flows from financing activities:			
Principal payments on long-term notes payable	(206,162)	-	(206,162)
Additional borrowings under note payable agreements	206,000	-	206,000
Net cash used by financing activities	(162)	-	(162)
Net decrease in cash	(528,246)	-	(528,246)
Cash at beginning of year	553,131	-	553,131
Cash at end of year	\$ 24,885	\$ -	\$ 24,885

Supplemental disclosures of cash flow information:

Cash paid during year for:

Interest	\$ 66,023	\$ -	\$ 66,023
Income taxes	\$ -	\$ -	\$ -

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

**Wildlife Waystation
Statement of Cash Flows
For the Year Ended November 30, 2014**

Cash flows from operating activities:	Unrestricted	Temporarily Restricted	Total
Increase in net assets	\$ 873,927	\$ -	\$ 873,927
Adjustments to reconcile increase in net assets to net cash provided by operating activities:			
Depreciation expense	99,342	-	99,342
Long-term liabilities reclassified to contributions	(128,753)	-	(128,753)
Donated investment activity, net	(60,584)	-	(60,584)
Accrued interest on notes payable to a director	15,877	-	15,877
(Increase) decrease in:			
Receivables	42,650	-	42,650
Prepaid expenses and other current assets	182	-	182
Increase (decrease) in:			
Accounts payable	(174,062)	-	(174,062)
Accrued and other current liabilities	(140,887)	-	(140,887)
Total adjustments	(346,235)	-	(346,235)
Net cash provided by operating activities	527,692	-	527,692
Cash flows from investing activities:			
Purchases of property and equipment	(162,254)	-	(162,254)
Net cash used by investing activities	(162,254)	-	(162,254)
Cash flows from financing activities:			
Principal payments on long-term notes payable	(300,189)	-	(300,189)
Additional borrowings under note payable agreements	164,407	-	164,407
Net cash used by financing activities	(135,782)	-	(135,782)
Net increase in cash	229,656	-	229,656
Cash at beginning of year	323,475	-	323,475
Cash at end of year	\$ 553,131	-	\$ 553,131

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

**Wildlife Waystation
Statement of Cash Flows
For the Year Ended November 30, 2014**

Supplemental disclosures of cash flow information:	Unrestricted	Temporarily Restricted	Total
<i>Cash paid during year for:</i>			
Interest	\$ 43,405	\$ -	\$ 43,405
Income taxes	\$ -	\$ -	\$ -

Supplemental disclosures of noncash investing and financing activities:

During the year ended November 30, 2014, the Organization entered into a long-term note payable with a financial institution for \$120,495, in connection with a purchase of transportation equipment (see Note 5).

During the year ended November 30, 2014, the Organization posted a prior period adjustment for unrecorded interest payable of \$45,918 as of November 30, 2013, in connection with a note payable to a director (see Note 8).

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

Wildlife Waystation
Notes to the Financial Statements
For the Years Ended November 30, 2015 and 2014

1. Summary of significant accounting policies

This summary of significant accounting policies of Wildlife Waystation (the Organization) is presented to assist in understanding the Organization's financial statements.

Nature of the Organization

The Wildlife Waystation is a California nonprofit corporation that operates an animal sanctuary in the Angeles National Forest. The Organization is exempt from federal and state income taxes. The mission of the Organization is to rescue, rehabilitate, relocate, and provide a sanctuary for animals from around the world. The Organization's support comes primarily from public contributions.

Basis of presentation

The Organization's financial presentation follows the United States generally accepted accounting principles promulgated by the Financial Accounting Standards Board. Under those principles, the Organization is required to report 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.

At November 30, 2015, the balance of the unrestricted, temporarily restricted, and permanently restricted net assets of the Organization is \$(233,760), \$0 and \$0, respectively.

At November 30, 2014, the balance of the unrestricted, temporarily restricted, and permanently restricted net assets of the Organization is \$337,096, \$0 and \$0, respectively.

Basis of accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Cash and cash equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. There were no cash equivalents at November 30, 2015 and 2014, respectively.

Restricted and unrestricted revenue and support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. 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.

Wildlife Waystation
Notes to the Financial Statements
For the Years Ended November 30, 2015 and 2014

1. Summary of significant accounting policies (continued)

Donor-restricted gifts

Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when the stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions.

Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. At November 30, 2015 and 2014, there was no allowance for uncollectible receivables.

Credit risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of temporary cash investments and receivables.

Temporary cash investments

The Organization places its cash and temporary cash investments with high credit quality institutions. The balances in these accounts frequently exceed the FDIC federally insured amount of \$250,000. At November 30, 2015 and 2014, the Organization had uninsured cash deposits of approximately \$0 and \$167,000, respectively.

Receivables

Credit risk with respect to receivables is also limited due to the fact that the Organization's receivables are generally from reputable foundations.

Property and equipment

Property and equipment are recorded at cost. The Organization's policy is to capitalize assets with a cost of \$1,000 or more, and with estimated useful lives in excess of one year.

Expenditures for major renewal and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. When property and equipment is sold or otherwise disposed of, the asset and related accumulated depreciation accounts are relieved, and any gain or loss is included in the statement of activities as a change in restricted or unrestricted net assets, as appropriate.

Wildlife Waystation
Notes to the Financial Statements
For the Years Ended November 30, 2015 and 2014

1. Summary of significant accounting policies (continued)

Property and equipment (continued)

The cost of property and equipment is depreciated over the estimated useful lives of the related assets. The cost of leasehold improvements is depreciated (amortized) over the lesser of the lengths of the related leases or the estimated useful lives of the assets. Depreciation expense is computed using the straight-line method over the respective estimated useful lives of assets, as follows:

Animal control facilities	15 years
Building and improvements	5-15 years
Machinery and equipment	5-7 years
Office equipment	5 years
Transportation equipment	5-7 years
Website	5 years

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Investments

The Organization values its investments at fair value. Unrealized gains and losses (including investments bought, sold, and held during the year) are reflected in the Statement of Activities as gain or loss on investments. Short-term highly liquid money market deposits that are not used for operations are treated as investments.

Donated services

The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation. Additionally, a substantial number of volunteers, not meeting the criteria for recording in the financial statements, donate a significant amount of time performing tasks that assist the Organization in conducting its programs and operations.

Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Wildlife Waystation
Notes to the Financial Statements
For the Years Ended November 30, 2015 and 2014

1. Summary of significant accounting policies (continued)

Income tax status

The Organization is classified as a Section 501(c)(3) organization under the Internal Revenue Code of 1986 and Section 23701(d) of the California Revenue and Taxation Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under sections 509(a)(2) and 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation.

Allocated expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services provided.

Subsequent events

The Organization has evaluated subsequent events through November 14, 2016, the date which the financial statements were available to be issued. There were no subsequent events noted that would require adjustment to or disclosure in these financial statements.

2. Fair value measurements

ASC 820, *Fair Value Measurements and Disclosures*, established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level I – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level II – Inputs to the valuation methodology include

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in active markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Wildlife Waystation
Notes to the Financial Statements
For the Years Ended November 30, 2015 and 2014

2. Fair value measurements (continued)

Level III – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodologies used at November 30, 2015 and 2014.

Investment in partnerships: Valued on a non-recurring basis using estimates with the best information available when there is little or no market.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, although the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the report date.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of November 30, 2015 and 2014:

	Level 1	Level 2	Level 3	Total
<i>November 30, 2015:</i>				
Investment in a partnership	\$ -	\$ -	\$ 70,369	\$ 70,369
<i>November 30, 2014:</i>				
Investment in a partnership	\$ -	\$ -	\$ 60,584	\$ 60,584

The following table sets forth a summary of changes in the fair value of the Organization's level 3 assets for the years ended November 30, 2015 and 2014:

	2015	2014
Balance, beginning of year	\$ 60,584	\$ -
Capital contributions	8,905	56,078
Pass-through income	6,880	6,506
Distributions	(6,000)	(2,000)
Balance, end of year	\$ 70,369	\$ 60,584

Wildlife Waystation
Notes to the Financial Statements
For the Years Ended November 30, 2015 and 2014

3. Property and equipment

Following is a summary of property and equipment – at cost, less accumulated depreciation at November 30, 2015 and 2014:

	2015	2014
Land	\$ 181,168	\$ 181,168
Buildings and improvements	437,664	437,664
Animal control facilities	706,731	706,731
Machinery and equipment	160,906	160,906
Office equipment	29,848	29,848
Transportation equipment	437,918	437,918
Website	3,450	3,450
Conditional use permit	88,301	26,444
	2,045,986	1,984,129
Less: Accumulated depreciation	(1,443,219)	(1,348,049)
	\$ 602,767	\$ 636,080

Depreciation expense charged to operations was \$95,170 and \$99,342 for the years ended November 30, 2015 and 2014, respectively.

The Organization has applied for a conditional use permit with the County of Los Angeles, to open the Organization’s wildlife facilities for public enjoyment. The costs related to obtaining the conditional use permit are capitalized, and will be amortized over the life of the permit, beginning with the date of issuance. As of the date of this report, the application for the conditional use permit with the County of Los Angeles is still pending.

4. Accrued and other current liabilities

Following is a summary of accrued and other current liabilities at November 30, 2015 and 2014:

	2015	2014
Accrued payroll and related taxes	\$ 455	\$ 97,806
Accrued compensated absences	72,885	88,939
3% short-term, unsecured note payable to an individual	50,000	-
Other current liabilities	193	712
	\$ 123,533	\$ 187,457

Wildlife Waystation
Notes to the Financial Statements
For the Years Ended November 30, 2015 and 2014

5. Notes payable

Following is a summary of long-term notes payable at November 30, 2015 and 2014:

	2015	2014
7.25% note payable to bank in monthly installments of \$1,987 principal and interest. Principal and interest are due August 2019. This note is secured by the guarantee of a director of the Organization.	\$ 81,198	\$ 98,383
3% note payable to a director due December 31, 2016. This note is unsecured.	598,703	538,321
31.8% note payable to a financing agency in monthly installments of \$3,514 principal and interest. Principal and interest are due July 2016. This note is secured by a transportation equipment.	25,034	54,011
	704,935	690,715
Less: Current maturities included in current liabilities	(43,600)	(46,161)
	\$ 661,335	\$ 644,554

Following are maturities of the long-term notes payable for each of the next five years and in the aggregate:

<i>Year ending November 30</i>	Amount
2016	\$ 43,600
2017	618,659
2018	21,452
2019	21,224
Thereafter	-
	\$ 704,935

6. Related party transactions

Lease

The founder (a director) of the Organization leases approximately 90 acres of land to the Organization. The Organization leases the property on a month-to-month basis, at \$7,500 per month.

Rental expense under this lease totaled \$90,000 for each of the years ended November 30, 2015 and 2014, respectively.

Long-term note payable

At November 30, 2015 and 2014, the Organization has an unsecured long-term note payable to a director; which was used to finance operating cash flow difficulties. Interest on this note accrues at 3% per annum.

Wildlife Waystation
Notes to the Financial Statements
For the Years Ended November 30, 2015 and 2014

6. Related party transactions (continued)

Long- term note payable (continued)

Following is the summary of the note payable to a director at November 30, 2015 and 2014:

	2015	2014
Original loan	\$ 4,581	\$ 4,581
Loan to fund payroll expenses	163,964	114,477
Unpaid rent expenses	423,261	412,566
Other operating expenses	6,897	6,697
Balance at end of year (Note 5)	<u>\$ 598,703</u>	<u>\$ 538,321</u>

Interest expense of \$14,382 and \$15,877 was recorded, and added back to principal, in connection with this long-term note payable, during each of the years ended November 30, 2015 and 2014, respectively.

7. Concentrations

During the year ended November 30, 2015, the Organization received a contribution from an estate, which constituted 49% of total public support. At November 30, 2015, there were no amounts due from this estate.

During the year ended November 30, 2014, the Organization received a contribution from an estate and a trust, which constituted 21% and 11% of total public support, respectively. At November 30, 2014, there were no amounts due from this estate and trust.

8. Prior period adjustment

Related party loan

During the year ended November 30, 2014, the Organization posted a prior period adjustment for unrecorded interest payable of \$45,918 as of November 30, 2013, in connection with a note payable to a director (see Note 6).

9. Going concern

The Organization's financial statements are prepared using generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets, and liquidation of liabilities, in the normal course of business. However, as shown in the accompanying financial statements, the Organization had negative net assets at November 30, 2015 of \$(233,760); and has continued this negative trend through the date of this report. As such, it appears to be unlikely that the Organization will continue as a going concern, without significant changes positively affecting the Organization's net working capital. During a Board of directors' meeting in November 2016, the Board agreed to work on a comprehensive development plan, targeting large corporate and foundation giving, as well as contributions from the general public. The Board believes that, through these development efforts, the Organization will continue on a going concern.