



Financial Statements

for

CAROLINA TIGER RESCUE

Years Ended June 30, 2023 and 2022
with Report of Independent Auditors

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Report of Independent Auditors

To the Board of Directors
Carolina Tiger Rescue
Pittsboro, North Carolina

Opinion

We have audited the financial statements of Carolina Tiger Rescue (the Organization) which comprise the statements of financial position as of June 30, 2023 and 2022, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Dean Dotson Allen Ford, PLLC

Raleigh, North Carolina
January 28, 2024

CAROLINA TIGER RESCUE

Statements of Financial Position

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 888,497	\$ 2,497,862
Certificates of deposit	654,922	-
Investments	999,394	-
Accounts receivable	65,979	12,056
Promises to give, net	160,496	193,018
Inventory - Gift shop	21,872	14,732
Prepaid expenses	<u>32,486</u>	<u>34,033</u>
Total current assets	2,823,646	2,751,701
Property and equipment:		
Land	428,940	428,940
Building and improvements	719,029	626,391
Compound improvements and equipment	599,930	586,373
Quarantine	83,666	83,666
Vehicles	<u>224,219</u>	<u>219,076</u>
	2,055,784	1,944,446
Less accumulated depreciation	<u>847,538</u>	<u>754,893</u>
Total property and equipment, net	1,208,246	1,189,553
Other assets:		
Promises to give, net, less current portion	<u>194,567</u>	<u>335,660</u>
Total assets	\$ <u>4,226,459</u>	\$ <u>4,276,914</u>

See accompanying notes.

CAROLINA TIGER RESCUE

Statements of Financial Position, continued

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 35,448	\$ 52,998
Payroll liabilities	-	1,604
Accrued vacation	36,325	29,996
Accrued retirement	<u>20,422</u>	<u>18,266</u>
Total current liabilities	92,195	102,864
Net assets:		
Without donor restrictions	3,029,776	3,139,594
With donor restrictions	<u>1,104,488</u>	<u>1,034,456</u>
Total net assets	<u>4,134,264</u>	<u>4,174,050</u>
Total liabilities and net assets	<u>\$ 4,226,459</u>	<u>\$ 4,276,914</u>

See accompanying notes.

CAROLINA TIGER RESCUE

Statement of Activities

Year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions of cash	\$ 731,366	\$ 216,517	\$ 947,883
Contributions of cash for capital campaign	-	63,286	63,286
Contributions of nonfinancial assets	173,654	-	173,654
Tours	262,232	-	262,232
Special events	143,129	-	143,129
Gift shop sales	131,985	-	131,985
Miscellaneous	19	-	19
Loss on disposal of property and equipment	(1,839)	-	(1,839)
Investment income	43,333	-	43,333
Net assets released from restrictions:			
Satisfaction of program and time restrictions	<u>209,771</u>	<u>(209,771)</u>	<u>-</u>
Total support and revenue	1,693,650	70,032	1,763,682
Expenses:			
Program services	1,320,629	-	1,320,629
Support services:			
General and administrative	65,355	-	65,355
Fundraising	<u>417,484</u>	<u>-</u>	<u>417,484</u>
Total support services	482,839	-	482,839
Total expenses	<u>1,803,468</u>	<u>-</u>	<u>1,803,468</u>
Change in net assets	(109,818)	70,032	(39,786)
Net assets, beginning of year	<u>3,139,594</u>	<u>1,034,456</u>	<u>4,174,050</u>
Net assets, end of year	<u>\$ 3,029,776</u>	<u>\$ 1,104,488</u>	<u>\$ 4,134,264</u>

See accompanying notes.

CAROLINA TIGER RESCUE

Statement of Activities

Year ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions of cash	\$ 941,337	\$ -	\$ 941,337
Contributions of cash for capital campaign	-	791,732	791,732
Contributions of nonfinancial assets	124,215	-	124,215
Tours	282,918	-	282,918
Special events	183,685	-	183,685
Gift shop sales	132,056	-	132,056
Miscellaneous	1,000	-	1,000
Interest income	(3,842)	-	(3,842)
Net assets released from restrictions:			
Satisfaction of program and time restrictions	<u>403,679</u>	<u>(403,679)</u>	<u>-</u>
Total support and revenue	2,065,048	388,053	2,453,101
Expenses:			
Program services	1,227,198	-	1,227,198
Support services:			
General and administrative	68,490	-	68,490
Fundraising	<u>299,448</u>	<u>-</u>	<u>299,448</u>
Total support services	367,938	-	367,938
Total expenses	<u>1,595,136</u>	<u>-</u>	<u>1,595,136</u>
Change in net assets	469,912	388,053	857,965
Net assets, beginning of year	<u>2,669,682</u>	<u>646,403</u>	<u>3,316,085</u>
Net assets, end of year	<u>\$ 3,139,594</u>	<u>\$ 1,034,456</u>	<u>\$ 4,174,050</u>

See accompanying notes.

CAROLINA TIGER RESCUE

Statement of Functional Expenses

Year ended June 30, 2023

	Program Services	General and Administrative	Support Services		Total
			Fundraising	Support Services	Expenses
Compensation and benefits	\$ 724,373	\$ 49,189	\$ 164,901	\$ 214,090	\$ 938,463
Supplies	151,384	6,508	39,298	45,806	197,190
Professional services	90,162	2,017	80,466	82,483	172,645
Equipment repairs and maintenance	101,718	-	3,383	3,383	105,101
Depreciation	66,563	3,395	25,405	28,800	95,363
Conferences, meetings and promotion	13,889	864	46,653	47,517	61,406
Gift shop merchandise	58,981	-	-	-	58,981
Insurance	36,841	2,563	11,328	13,891	50,732
Dues, licenses and taxes	11,723	264	9,038	9,302	21,025
Bank charges and processing fees	5,706	313	14,241	14,554	20,260
Printing and copying	10,670	-	8,496	8,496	19,166
Utilities	18,763	-	-	-	18,763
Transportation	11,744	-	6,367	6,367	18,111
Postage	9,549	242	7,908	8,150	17,699
Telephone	8,563	-	-	-	8,563
Total expenses	<u>\$ 1,320,629</u>	<u>\$ 65,355</u>	<u>\$ 417,484</u>	<u>\$ 482,839</u>	<u>\$ 1,803,468</u>

See accompanying notes.

CAROLINA TIGER RESCUE

Statement of Functional Expenses

Year ended June 30, 2022

	Program Services	Support Services			Total Expenses
		General and Administrative	Fundraising	Total Support Services	
Compensation and benefits	\$ 665,338	\$ 58,482	\$ 122,586	\$ 181,068	\$ 846,406
Supplies	150,468	961	57,449	58,410	208,878
Professional services	58,157	1,456	42,809	44,265	102,422
Equipment repairs and maintenance	48,179	920	1,359	2,279	50,458
Depreciation	65,128	4,110	12,946	17,056	82,184
Conferences, meetings and promotion	48,756	886	17,104	17,990	66,746
Gift shop merchandise	62,148	-	-	-	62,148
Insurance	40,409	1,112	5,159	6,271	46,680
Dues, licenses and taxes	14,062	161	7,811	7,972	22,034
Bank charges and processing fees	13,436	50	8,985	9,035	22,471
Printing and copying	15,959	-	12,492	12,492	28,451
Utilities	19,357	-	-	-	19,357
Transportation	5,706	-	-	-	5,706
Postage	11,954	352	10,748	11,100	23,054
Telephone	8,141	-	-	-	8,141
Total expenses	<u>\$ 1,227,198</u>	<u>\$ 68,490</u>	<u>\$ 299,448</u>	<u>\$ 367,938</u>	<u>\$ 1,595,136</u>

See accompanying notes.

CAROLINA TIGER RESCUE

Statements of Cash Flows

Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ (39,786)	\$ 857,965
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	95,363	82,184
In-kind contribution - Property and equipment	(1,500)	(10,299)
Loss on disposal of property and equipment	1,839	-
Unrealized gain on investments	(27,482)	-
Changes in assets and liabilities:		
Accounts receivable	(53,923)	(3,219)
Promises to give	173,615	(437,445)
Inventory - Gift shop	(7,140)	927
Prepaid expenses	1,547	(2,292)
Accounts payable	(17,550)	32,153
Payroll liabilities	(1,604)	(183)
Accrued vacation	6,329	(2,621)
Accrued retirement	<u>2,156</u>	<u>1,553</u>
Net cash provided by operating activities	131,864	518,723
Cash flows from investing activities:		
Purchase of property and equipment	(114,395)	(287,504)
Purchase of certificates of deposit	(654,922)	-
Purchase of investments	(1,542,672)	-
Proceeds from sale of investments	<u>570,760</u>	<u>-</u>
Net cash used in investing activities	(1,741,229)	(287,504)
Cash flows from financing activities:		
Payment of long-term debt	<u>-</u>	<u>(193,026)</u>
Net cash used in financing activities	<u>-</u>	<u>(193,026)</u>
Net (decrease) increase	(1,609,365)	38,193
Cash and cash equivalents, beginning of year	<u>2,497,862</u>	<u>2,459,669</u>
Cash and cash equivalents, end of year	\$ <u>888,497</u>	\$ <u>2,497,862</u>

See accompanying notes.

CAROLINA TIGER RESCUE

Statements of Cash Flows, continued

Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	\$ 136	\$ 1,060
Noncash transactions:		
Contributions of property and equipment	\$ 1,500	\$ 10,299
Donated materials and services	\$ 172,154	\$ 113,916

See accompanying notes.

CAROLINA TIGER RESCUE

Notes to the Financial Statements

1. Description of the Organization

Carolina Tiger Rescue (the Organization) is a wildlife sanctuary, saving and protecting wild cats in captivity and in the wild. The Organization maintains a population of approximately 50 animals of twelve different species. The Organization works toward a day when wild cats are living in their native habitat and are not exploited by humans.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) which require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of the significant accounting policies consistently followed by the Organization in the preparation of its financial statements:

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions include net assets that are not subject to donor imposed stipulations. Net assets may be designated for specific purposes by action of the Board of Directors (the Board). The Organization currently has no board-designated funds.

Net Assets With Donor Restrictions include net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the corpus funds be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has fulfilled, or both. The Organization treats certain individual donor restricted contributions whose restrictions are met in the same reporting period as net assets without donor restrictions.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Organization considers all highly liquid investments with a maturity, at time of purchase, of three months or less to be cash equivalents.

The Organization has a concentration of credit risk in that it maintains cash deposits in a single financial institution located in North Carolina. Balances in interest-bearing accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had an uninsured balance of \$542,583 and \$2,247,054 at June 30, 2023 and 2022, respectively.

CAROLINA TIGER RESCUE

Notes to the Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Investments

Investments are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in investment income on the statements of activities.

Accounts Receivable

Accounts receivable relates principally to amounts due to the Organization for grants and contributions. The Organization estimates the collectability of its accounts receivable and establishes an allowance for the amount of receivables that it estimates to be uncollectible. The Organization bases the allowance on its historical collection experience, the length of time its receivables are outstanding, and the financial condition of individual customers. No allowance for doubtful accounts was considered necessary at June 30, 2023 and 2022.

Promises to Give

The Organization recognizes as support and revenues, contributions received and made, including unconditional, legally enforceable promises to give, in the period in which the Organization is notified that the donor has made a promise to give. All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are designed for future periods or restricted by the donor for specific purposes are reported as donor restricted support that increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions.

Unconditional promises to give expected to be collected within one year are recorded at net realizable value and at the present value of estimated future cash flows if expected to be collected beyond one year. Amortization of the discount is included in contribution revenue. Unconditional promises are also recorded net of an allowance for uncollectible promises. The allowance is based on management's analysis of specific promises to give and current economic conditions.

Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Inventories

Gift shop inventories were valued at cost using the first-in, first-out (FIFO) method.

Property and Equipment

Property and equipment is recorded at cost if purchased or at fair value if donated at the date of donation. A capitalization threshold of \$500 is utilized. Expenditures for repairs and maintenance are charged against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to forty years.

CAROLINA TIGER RESCUE

Notes to the Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Property and Equipment, continued

Depreciation expense during the years ended June 30, 2023 and 2022 was \$95,363 and \$82,184, respectively.

Compensated Absences

Employees of the Organization vest in vacation pay earned but unused. The aggregate amount of vacation pay due has been accrued on the statements of financial position.

Contributions

Contributions received are recorded as net assets without donor restrictions and net assets with donor restrictions, depending on the existence of any donor restrictions. Contributions that are restricted by donors are reported as net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected after one year are recorded at their present value of estimated future cash flows.

Revenue and Revenue Recognition

The Organization derives revenues from contracts. All of these revenues are recorded in the period in which the services are rendered in accordance with the terms of the contracts.

The following is a summary of the principal forms of the Organization's products and services recognized and how revenue is recognized for each.

Gift Shop Sales

The Organization receives gift shop revenue. Revenue is recognized when items are sold.

Tours

The Organization provides tours. Revenue related to tours is recognized when the tour is provided.

Special Event Revenue - Ticket Sales

The portion of ticket sales that relates to the commensurate value the attendee received in return is recognized when the related events are held and performance obligations are met.

CAROLINA TIGER RESCUE

Notes to the Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Revenue and Revenue Recognition, continued

Disaggregation of Revenue

In the following table, revenue recognized is disaggregated by major products and service lines and the timing of revenue recognition.

	<u>2023</u>	<u>2022</u>
Gift Shop	\$ 131,985	\$ 132,056
Major services:		
Tours	262,232	282,918
Special events - Ticket sales	<u>143,129</u>	<u>183,685</u>
Total major services	405,361	466,603
Total gift shop and major services	<u>\$ 537,346</u>	<u>\$ 598,659</u>
Timing of revenue recognition:		
Services transferred at a point in time	<u>\$ 537,346</u>	<u>\$ 598,659</u>

The Organization assesses certain economic factors and the potential for significant changes in those economic factors and its impact on the nature, amount, timing and uncertainty of revenue and cash flows. Common factors ordinarily impacting the Organization would be the food needs and crises in the local area and the capacity of other organizations to service them. These factors have been assessed and management feels they have limited impact on the performance of the Organization.

Contract Balances

Contract assets are disclosed in the statements of financial position as accounts receivable and represent program income owed. As the contract payments are fixed per the contract agreement, management does not have any unbilled contract assets.

Significant Judgments When Applying the Guidance

The Organization assesses judgments and changes in judgments that significantly affect the determination and timing of revenue.

CAROLINA TIGER RESCUE

Notes to the Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Contributed Nonfinancial Assets

For the years ended June 30, contributed nonfinancial assets recognized within the statement of activities included:

	<u>2023</u>	<u>2022</u>
Food	\$ 105,259	\$ 49,328
Auction Items	30,438	38,145
Medical Supplies	6,746	3,923
Equipment	5,648	-
Building Materials	1,015	-
Vehicles	1,000	7,798
Miscellaneous	<u>23,548</u>	<u>25,021</u>
	<u>\$ 173,654</u>	<u>\$ 124,215</u>

The Organization recognized contributed nonfinancial assets within support and revenue, including food, auction items, medical supplies, equipment, building materials, vehicles, and miscellaneous items. It is the Organization's policy to use contributed nonfinancial assets in its operations. The food contributed is used to feed its population of wild cats, the medical supplies are used to care for its animals, the vehicles are used by staff on the sanctuary to tend to the animals, and all other equipment and materials are used in maintaining the wildlife's habitat. Contributed nonfinancial assets are recorded at the fair value at the date of the gift, which is determined by the price that it would cost to purchase the materials on the date of the donation. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

The Organization regularly receives a substantial amount of services donated by volunteers interested in the Organization's program. For the years ended June 30, 2023 and 2022, the Organization received approximately 16,017 hours by approximately 195 volunteers (includes regular volunteer hours, community service hours, and workgroup hours) and 14,500 hours by approximately 200 volunteers, respectively. These services include the performance of animal care and maintenance chores, the presentation of in-school and on-site educational programs, mission programs, preparation and production of newsletters and fundraising materials, and various professional and trade services. In addition, the Organization's officers and board of directors serve without compensation.

Amounts have been reported in the financial statements for voluntary donations of services when those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and which would be typically purchased if not provided by donation. No such services were received for the years ended June 30, 2023 and 2022.

CAROLINA TIGER RESCUE

Notes to the Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Functional Allocation of Expenses

The cost of providing the various program and supporting services of the Organization has been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Directly identifiable expenses are charged to programs and supporting services. Expenses attributable to more than one function are generally allocated based on time and effort as tracked by Organization staff and estimates made by management. Supporting services include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the Organization.

Promotion

The Organization expenses the cost of promotion as it is incurred. Promotion expense for the years ended June 30, 2023 and 2022 totaled \$7,611 and \$6,285, respectively.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code and is classified under Section 501(c)(3) as a public charity. In addition, the Organization qualifies for deductible contributions under Section 170(b)(1)(A)(vi) of the Internal Revenue Code. Further, the Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. Accordingly, the accompanying financial statements do not include a provision for income taxes.

Adoption of New Accounting Standard

Effective July 1, 2022, the Organization adopted Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)* and associated amendments. This standard requires all leases to be recognized on the Organization's balance sheet as a right-of-use asset and a lease liability, unless the lease is a short term lease (generally a lease with a term of twelve months or less). The Organization recognizes: 1) a lease liability for the Organization's obligation to make payments under the lease agreement, measured on a discounted basis; and 2) a right-of-use asset that represents the Organization's right to use, or control the use of, the specified asset for the lease term.

The Organization recognized and measured its leases at July 1, 2022 in accordance with Accounting Standards Codification (ASC) Topic 842 using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Amounts as of and for the year ended June 30, 2022 are accounted for in accordance with previous guidance (ASC Topic 840).

The Organization elected the "package of practical expedients" under the transition guidance within ASC Topic 842, in which the Organization does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for

CAROLINA TIGER RESCUE

Notes to the Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Adoption of New Accounting Standard, continued

any existing leases. The Organization has not elected to adopt the “hindsight” practical expedient, and therefore measured the ROU assets and lease liabilities using the remaining portion of the lease term upon adoption of ASC 842.

The adoption of the new lease standard did not materially impact changes in net assets or cash flows and did not result in a cumulative-effect adjustment to the opening balance of net assets.

Subsequent Events

Management has evaluated subsequent events for accounting and disclosure requirements through January 28, 2024, the date that the financial statements were issued.

Reclassifications

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 presentation with no impact on net assets or cash flows previously reported.

3. Liquidity and Availability of Resources

The Organization manages its liquid resources by focusing on fundraising efforts to ensure the entity has adequate contributions and revenue to cover the programs that are being conducted. The Organization prepares detailed budgets and is active in managing costs to ensure the entity remains liquid.

The Organization's financial assets as of June 30, 2023 expected to be available within one year to meet the cash needs for general expenditures comprise of the following:

	<u>2023</u>
Cash and cash equivalents	\$ 888,497
Certificates of deposit	654,922
Investments	999,394
Accounts receivable	65,979
Promises to give, net	<u>160,496</u>
Financial assets, at year end	2,769,288
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	<u>(1,104,488)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>1,664,800</u>

CAROLINA TIGER RESCUE

Notes to the Financial Statements, continued

4. Investments

Investments consist of the following as of June 30, 2023:

	Historical Cost	Fair Value
Exchange Traded Funds	\$ 263,838	\$ 280,068
Mutual Funds	<u>708,073</u>	<u>719,326</u>
	<u>\$ 971,911</u>	<u>\$ 999,394</u>

Investment income consists of the following:

Interest and dividends	\$ 17,426
Unrealized gain on investments	27,482
Investment expense	<u>(1,575)</u>
	<u>\$ 43,333</u>

5. Fair Value Measurements

The Organization has determined the fair value of certain assets as of June 30, 2023 as follows:

	<u>Fair Value Measurement Using</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Exchange Traded Funds	\$ 280,068	\$ 280,068	\$ -	\$ -
Mutual Funds	<u>719,326</u>	<u>719,326</u>	<u>-</u>	<u>-</u>
	<u>\$ 999,394</u>	<u>\$ 999,394</u>	<u>\$ -</u>	<u>\$ -</u>

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Financial assets valued using Level 3 inputs are based primarily on assumptions that management believes market participants would utilize in pricing the asset. Valuation techniques utilized to determine fair value are consistently applied.

CAROLINA TIGER RESCUE

Notes to the Financial Statements, continued

5. Fair Value Measurements, continued

The following methods and assumptions were used by the Organization in estimating the fair value of its financial assets. There have been no changes in the methodologies used at June 30, 2023 and 2022.

Exchange traded funds: Valued at the daily closing price as reported by the fund. Exchange-traded funds held are open-end exchange-traded funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The exchange-traded funds held are deemed to be actively traded.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held are deemed to be actively traded.

6. Promises to Give

Promises to give consist of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Promises to give	\$ 439,714	\$ 641,414
Less allowance for uncollectible promises to give	(43,958)	(64,141)
Less unamortized discount	<u>(40,693)</u>	<u>(48,595)</u>
Total promises to give, net	355,063	528,678
Less current portion	<u>(160,496)</u>	<u>(193,018)</u>
Amounts due after one year	\$ <u>194,567</u>	\$ <u>335,660</u>

CAROLINA TIGER RESCUE

Notes to the Financial Statements, continued

6. Promises to Give, continued

Promises to give due in more than one year are discounted to their estimated net present values using a discount rate of 8.25% and 4.75%, respectively. The discount rate is determined by using the small business administration current prime rates.

	<u>2023</u>	<u>2022</u>
Amounts due in less than one year	\$ 178,329	\$ 214,464
Amounts due in one to five years	<u>261,385</u>	<u>426,950</u>
	439,714	641,414
Less: allowance for uncollectible promises to give	(43,958)	(64,141)
Less: unamortized discount	<u>(40,693)</u>	<u>(48,595)</u>
Total promises to give, net	\$ <u>355,063</u>	\$ <u>528,678</u>

7. Net Assets with Donor Restrictions

At June 30, 2023 and 2022, net assets with donor restrictions of \$1,104,488 and \$1,034,456 respectively, were restricted for expenses relates to animal rescue, food, habitats, and medical, building/facilities and maintenance, and community outreach/education.

8. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. Net assets were released from restrictions for the following during the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Expenses related to:		
Capital campaign	\$ 85,494	\$ -
Food	25,398	8,881
Rescue	7,494	-
Medical	10,914	-
Habitats	7,619	-
Other	15,406	-
ARPA grant	32,657	-
Museum grant	24,789	-
Community outreach/education	<u>-</u>	<u>2,300</u>
	\$ <u>209,771</u>	\$ <u>11,181</u>

CAROLINA TIGER RESCUE

Notes to the Financial Statements, continued

9. Net Assets without Donor Restrictions

Net assets without donor restrictions are \$3,029,776 and \$3,139,594 at June 30, 2023 and 2022, respectively.

10. Special Events

Special events consist of the following fundraising activities:

	<u>2023</u>	<u>2022</u>
Gross proceeds	\$ 143,129	\$ 183,685
Direct costs	<u>(88,407)</u>	<u>(61,101)</u>
	<u>\$ 54,722</u>	<u>\$ 122,584</u>

11. Gift Shop Activity

The Organization operates a gift shop. Gift shop activity for the years ended June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Revenues	\$ 131,985	\$ 132,056
Expenses:		
Gift shop merchandise	58,981	62,148
Salaries and benefits	34,036	30,983
Utilities	708	712
Depreciation	<u>173</u>	<u>178</u>
Total expenses	<u>93,898</u>	<u>94,021</u>
Gift shop sales, net	<u>\$ 38,087</u>	<u>\$ 38,035</u>

12. Related Party Transactions

The Organization has various board members who contribute to its mission. Board members contributed \$222,995 in support to the Organization for the year ended June 30, 2023.

The Organization has a tenancy in common with the founder's daughter for 55.4 acres of land, which includes its current office building.

CAROLINA TIGER RESCUE

Notes to the Financial Statements, continued

13. Pension Plans

The Organization established a Simplified Employee Pension plan during 2016 to provide retirement benefits to eligible employees. To become a participant, an employee must meet the current eligibility requirements established by the Employee Retirement and Income Security Act of 1974 and the Internal Revenue Code. The Organization may make discretionary contributions based on the participant's compensation. The Organization contributed 3.0% for the years ended June 30, 2023 and 2022. The Organization's expense was \$20,422 and \$18,266, for the years ended June 30, 2023 and 2022, respectively.

14. Concentration of Credit Risk

The Organization receives a major portion of its support and revenue from contributions and tours. A reduction in the level of support could possibly have a significant effect on the Organization's program and activities.