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CAROLINA TIGER RESCUE

Financial Statements

June 30, 2021 and 2020

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The Board of Directors
Carolina Tiger Rescue
Pittsboro, North Carolina

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Carolina Tiger Rescue (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and 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 financial statements referred to above present fairly, in all material respects, the financial position of Carolina Tiger Rescue as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity 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. 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 Carolina Tiger Rescue 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, for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Carolina Tiger Rescue's ability to continue as a going concern within one year after the date that the financial statements are 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 generally accepted auditing standards 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, including omissions, 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.

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In performing an audit in accordance with generally accepted auditing standards, 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 Carolina Tiger Rescue'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 Carolina Tiger Rescue'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.

Koonce, Wooten + Haywood, LLP

Pittsboro, North Carolina
December 2, 2021

CAROLINA TIGER RESCUE
Statements of Financial Position
June 30, 2021 and 2020

ASSETS		2021	2020
CURRENT ASSETS:			
Cash	\$	2,459,669	\$ 626,458
Accounts Receivables		8,837	10,643
Promises to Give, net		58,029	140,494
Inventory--Gift Shop		15,659	21,002
Prepaid Expenses		31,741	27,176
Total Current Assets		2,573,935	825,773
PROPERTY AND EQUIPMENT:			
Land		428,940	428,940
Buildings and Improvements		460,605	374,958
Compound Improvements and Equipment		578,211	564,752
Quarantine		83,666	83,666
Vehicles		95,221	52,054
Total		1,646,643	1,504,370
Less Accumulated Depreciation		672,709	605,055
Net Property and Equipment		973,934	899,315
OTHER ASSETS:			
Promises to Give, net		33,204	84,601
Total Assets	\$	3,581,073	\$ 1,809,689
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts Payable	\$	20,845	\$ 25,622
Payroll Liabilities		1,787	1,742
Accrued Vacation		32,617	31,391
Accrued Retirement		16,713	12,473
SBA Loan			294,000
Current Maturities of Long-Term Debt		43,096	50,286
Total Current Liabilities		115,058	415,514
LONG-TERM DEBT			
Total Liabilities		149,930	47,627
Total Liabilities		264,988	463,141
NET ASSETS:			
Without Donor Restrictions		2,669,682	1,185,986
With Donor Restrictions		646,403	160,562
Total Net Assets		3,316,085	1,346,548
Total Liabilities and Net Assets	\$	3,581,073	\$ 1,809,689

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

CAROLINA TIGER RESCUE
Statements of Activities
For the Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
CHANGES IN NET ASSETS:						
SUPPORT AND REVENUE:						
Contributions	\$ 1,969,237	\$ 595,478	\$ 2,564,715	\$ 960,835	\$ 45,195	\$ 1,006,030
Tours	257,598		257,598	224,650		224,650
In-Kind Contributions	182,942		182,942	148,399		148,399
SBA Paycheck Protection Program	144,100		144,100			
Special Events, net	91,000		91,000	118,388		118,388
Gift Shop Sales, net	41,035		41,035	42,717		42,717
Memberships	27,150		27,150	34,305		34,305
Subtotal	<u>2,713,062</u>	<u>595,478</u>	<u>3,308,540</u>	<u>1,529,294</u>	<u>45,195</u>	<u>1,574,489</u>
Net Assets Released from Restrictions:						
Satisfaction of Program and Timing Restrictions	109,637	(109,637)		27,085	(27,085)	
Total Support and Revenue	<u>2,822,699</u>	<u>485,841</u>	<u>3,308,540</u>	<u>1,556,379</u>	<u>18,110</u>	<u>1,574,489</u>
EXPENSES:						
Program Service	<u>1,011,249</u>		<u>1,011,249</u>	<u>1,039,482</u>		<u>1,039,482</u>
Supporting Services:						
General and Administrative	74,823		74,823	57,101		57,101
Fundraising	252,931		252,931	225,822		225,822
Total Supporting Services	<u>327,754</u>		<u>327,754</u>	<u>282,923</u>		<u>282,923</u>
Total Expenses	<u>1,339,003</u>		<u>1,339,003</u>	<u>1,322,405</u>		<u>1,322,405</u>
CHANGES IN NET ASSETS	1,483,696	485,841	1,969,537	233,974	18,110	252,084
NET ASSETS--Beginning of Year	<u>1,185,986</u>	<u>160,562</u>	<u>1,346,548</u>	<u>952,012</u>	<u>142,452</u>	<u>1,094,464</u>
NET ASSETS--End of Year	<u>\$ 2,669,682</u>	<u>\$ 646,403</u>	<u>\$ 3,316,085</u>	<u>\$ 1,185,986</u>	<u>\$ 160,562</u>	<u>\$ 1,346,548</u>

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

CAROLINA TIGER RESCUE
Statements of Functional Expenses
For the Years Ended June 30, 2021 and 2020

	2021				2020			
	Program Service	Supporting Services			Program Service	Supporting Services		
		General and Administrative	Fundraising	Total		General and Administrative	Fundraising	Total
Salaries and Wages	\$ 494,887	\$ 55,158	\$ 102,458	\$ 652,503	\$ 503,030	\$ 40,125	\$ 110,736	\$ 653,891
Payroll Taxes	41,500	4,210	8,513	54,223	41,516	2,129	9,581	53,226
Employee Benefits	34,350	3,956	9,376	47,682	37,928	1,945	8,752	48,625
Total Personnel Expenses	<u>570,737</u>	<u>63,324</u>	<u>120,347</u>	<u>754,408</u>	<u>582,474</u>	<u>44,199</u>	<u>129,069</u>	<u>755,742</u>
Supplies	173,321	2,212	19,116	194,649	208,584	2,528	1,286	212,398
Professional Services	73,414	1,900	57,310	132,624	55,712	1,735	25,089	82,536
Depreciation	55,498	3,512	11,062	70,072	54,731	3,464	10,836	69,031
Equipment Repairs and Maintenance	44,003	217	825	45,045	39,133	199	1,590	40,922
Printing and Copying	15,973		11,913	27,886	15,630		16,515	32,145
Postage	8,887	632	8,959	18,478	14,447	758	11,531	26,736
Bank Charges and Processing Fees	5,590	717	13,173	19,480	4,627	601	14,898	20,126
Dues, Licenses, and Taxes	11,525	111	5,581	17,217	9,911	229	7,216	17,356
Utilities	16,548	12	26	16,586	13,525	857	2,634	17,016
Insurance	20,069	1,425	4,520	26,014	13,362	635	2,221	16,218
Conferences, Meetings and Advertising	5,417	761	99	6,277	11,386	1,435	569	13,390
Telephone	7,731			7,731	7,151	458	1,559	9,168
Transportation and Vehicle Grant Expenses	2,536			2,536	4,809	3	809	5,621
	<u>1,011,249</u>	<u>74,823</u>	<u>252,931</u>	<u>1,339,003</u>	<u>1,039,482</u>	<u>57,101</u>	<u>225,822</u>	<u>1,322,405</u>

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

CAROLINA TIGER RESCUE
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in Net Assets	\$ 1,969,537	\$ 252,084
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	70,072	69,280
In-Kind Contribution--Property and Equipment	(9,206)	(9,500)
Changes in Assets and Liabilities:		
Accounts Receivables	1,806	4,715
Promises to Give	133,862	39,276
Inventory--Gift Shop	5,343	3,810
Prepaid Expenses	(4,565)	(15,050)
Accounts Payable	(4,777)	(12,272)
Payroll Liabilities	45	136
Accrued Vacation	1,226	6,732
Accrued Retirement	4,240	12,473
Net Cash Provided by Operating Activities	2,167,583	351,684
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property and Equipment	(135,485)	(135,634)
Net Cash Used by Investing Activities	(135,485)	(135,634)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from (Forgiveness of) SBA PPP Loan	(144,070)	294,000
Payment of Long-Term Debt	(54,817)	(47,925)
Net Cash Provided (Used) by Financing Activities	(198,887)	246,075
NET INCREASE IN CASH	1,833,211	462,125
CASH--Beginning of Year	626,458	164,333
CASH--End of Year	\$ 2,459,669	\$ 626,458
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash Paid During the Year for Interest	\$ 3,417	\$ 5,829
NONCASH TRANSACTIONS:		
Contributions of Property and Equipment	\$ 9,206	\$ 9,500
Donated Materials and Services	\$ 173,736	\$ 138,899

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

CAROLINA TIGER RESCUE
Notes to Financial Statements
June 30, 2021 and 2020

1. Organization and Purpose

Carolina Tiger Rescue 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 ten 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

A. Basis of Accounting and Presentation:

The accompanying financial statements have been, in all material respects, prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. This basis of accounting conforms to accounting principles generally accepted in the United States of America.

The Organization follows standards for external financial reporting by not-for-profit organizations that require its resources be classified for accounting and reporting purposes into two net asset categories according to externally imposed restrictions. Accordingly, net assets of the Organization and changes therein may be classified and reported as follows:

Net Assets Without Donor Restrictions--Net assets without donor restrictions are not subject to donor-imposed restrictions and are available for use by the Board and/or management for general operating purposes. From time to time the Board may designate a portion of these net assets for specific purposes or uses under various internal operating budgets or for board designated purposes which makes them unavailable for use at management's discretion.

Net Assets With Donor Restrictions--Net assets with donor restrictions are subject to donor-imposed, time and/or purpose restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. The Organization currently has no assets that meet this criteria.

B. 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.

CAROLINA TIGER RESCUE
Notes to Financial Statements
June 30, 2021 and 2020

2. Summary of Significant Accounting Policies (Continued)

C. Support and Revenue Without and With Donor Restrictions:

Contributions of cash and other assets, as well as grants, are recorded as increases in without or with donor restrictions, depending on the existence or nature of any externally-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is presented as an increase in net assets with donor restrictions depending on the nature of the restrictions.

D. Revenue Recognition:

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers, Accounting Standards Code Topic 606* (Topic 606). Topic 606 and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in GAAP. This standard became effective for the Organization on July 1, 2020 and the Organization adopted Topic 606. The financial statements for the year ended June 30, 2020 are presented in accordance with the Organization's historical accounting. The adoption of Topic 606 did not result in an adjustment to net assets as of June 30, 2020.

The following is a summary of the principal forms of the Organization's services recognized in accordance with Topic 606 and how revenue is recognized for each.

Memberships

The Organization receives membership dues in exchange for membership benefits. Revenue related to membership dues is recognized in the period the membership benefits are provided.

Tours

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

Gift Shop Sales

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

Sponsorship Revenue

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

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.

E. 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.

CAROLINA TIGER RESCUE
Notes to Financial Statements
June 30, 2021 and 2020

2. Summary of Significant Accounting Policies (Continued)

F. Donated Services and Materials:

The Organization records in-kind contributions of services, materials, and other at their estimated fair value at the date of the contribution. The Organization regularly receives a substantial amount of services donated by volunteers interested in the Organization's program. For the years ended June 30, 2021 and 2020, the Organization received approximately 12,200 hours (includes regular volunteer hours, community service hours, and workgroup hours) and 16,000 hours of volunteer services, 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. A percentage of food and medical supplies required to support this population is donated. 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. Donated materials are recorded at the fair value at the date of the gift. For the years ended June 30, 2021 and 2020, donated services and materials were \$182,942 and \$148,399, respectively.

G. Accounts Receivable:

Accounts receivable relates principally to amounts due to the Organization for tours. 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 was considered necessary at June 30, 2021 and 2020.

H. Inventory:

Inventory, which consists of gift shop items, is valued at cost using the first-in, first-out method.

I. 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 provided using the straight-line method over the estimated useful lives ranging from three to forty years. Depreciation expense for the years ended June 30, 2021 and 2020 totaled \$70,250 and \$69,280, respectively.

J. 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 statement of financial position of the Organization.

K. Income Tax Status:

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.

CAROLINA TIGER RESCUE
Notes to Financial Statements
June 30, 2021 and 2020

2. Summary of Significant Accounting Policies (Concluded)

The Organization files Form 990 information returns in the U.S. Federal jurisdiction. These returns are subject to examination by the Internal Revenue Service for a period of three years after the respective filing deadlines. The Organization has not been informed by any tax authorities for any jurisdictions that any of its tax years are under examination as of June 30, 2021.

L. Accounting 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 revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates and assumptions are used for, but not limited to, the fair value of in-kind contributions, discounted to net present value for promises to give, depreciable lives of property and equipment, and functional allocation of expenses.

M. Advertising:

The Organization expenses the cost of advertising as it is incurred. Advertising expense for the years ended June 30, 2021 and 2020 totaled \$3,891 and \$2,253, respectively. These expenses promote the Organization's programs.

3. Promises to Give

Promises to give consist of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Promises to Give	\$ 102,655	\$ 242,563
Less Allowance for Uncollectible Promises to Give	8,123	10,995
Less Unamortized Discount	<u>3,299</u>	<u>6,473</u>
	91,233	225,095
Less Current Portion	<u>58,029</u>	<u>140,494</u>
Amounts Due After One Year	<u>\$ 33,204</u>	<u>\$ 84,601</u>

Promises to give due in more than one year are discounted to their estimated net present values using a discount rate of 3%:

	<u>2021</u>	<u>2020</u>
Amounts due in less than one year	\$ 64,230	\$ 146,696
Amounts due in one to five years	<u>38,425</u>	<u>95,867</u>
	102,655	242,563
Less Allowance for Uncollectible Promises to Give	8,123	10,995
Less Unamortized Discount	<u>3,299</u>	<u>6,473</u>
	<u>\$ 91,233</u>	<u>\$ 225,095</u>

4. Net Assets With Donor Restrictions

At June 30, 2021 and 2020, temporarily restricted net assets of \$646,403 and \$160,562, respectively, were restricted for expenses related to food, rescue, building/facilities and maintenance, medical, and community outreach/education.

CAROLINA TIGER RESCUE
Notes to Financial Statements
June 30, 2021 and 2020

5. Special Events

Special events consist of the following fundraising activities:

	2021	2020
Gross Proceeds	\$ 129,662	\$ 188,931
Direct Costs	(38,662)	(70,543)
	\$ 91,000	\$ 118,388

6. Gift Shop Activity

The Organization operates a gift shop. Gift shop activity for the years ended June 30, 2021 and 2020 was as follows:

	2021	2020
Revenues	\$ 120,819	\$ 121,215
Expenses:		
Gift Shop Merchandise	48,640	51,019
Salaries and Benefits	30,349	26,563
Utilities	617	667
Depreciation	178	249
Total Expenses	79,784	78,498
Gift Shop Sales, net	\$ 41,035	\$ 42,717

7. Concentrations

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 programs and activities.

The Organization maintains its operating bank accounts at a financial institution located in North Carolina. Balances in interest-bearing accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2021 and 2020, the Organization had an uninsured balance of \$2,211,680 and \$379,056, respectively.

8. Retirement Plan

Effective July 2016, the Organization established a Simplified Employee Pension plan for its 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 approved a contribution of 3.0% for the year ended June 30, 2021. Contributions approved by the Organization on behalf of its eligible employees for the year ended June 30, 2021 were \$16,713. The Organization contributed 3.0% for the year ended June 30, 2020. Contributions made by the Organization on behalf of its eligible employees for the year ended June 30, 2020 were \$12,473.

CAROLINA TIGER RESCUE
Notes to Financial Statements
June 30, 2021 and 2020

9. Long-Term Debt

Long-term debt relates to the financing of the purchase of land for the new building and consists of the following at June 30, 2021 and 2020:

	2021	2020
Note payable with First Citizens Bank and Trust Company in order to finance the purchase of land. The total financing available through the note payable is \$195,000. The note matures April 2022 and bears interest at 4.8%. Monthly principal and interest payments of \$4,480 commenced May 2018 with final payment scheduled for April 2022. The note payable is collateralized by land and \$50,000 cash at Chatham County Economic Development Corporation.	\$ 43,096	\$ 97,950
Less Amount Classified as Current Liability	43,096	50,323
Amount Due After One Year	\$ -	\$ 47,627

Scheduled maturities of long-term debt related to this note payable are as follows:

Year Ending <u>June 30</u>	
2022	\$ 43,096

10. Operating Lease Commitments

The Organization leases a copier/printer. The prior lease, with monthly payments of \$199 expired in January 2021. The new lease, started February 2021 provides for monthly payments of \$99 over a term of thirty-six months. Total rent expense, included in equipment rental, for 2021 was \$1,888 and 2020 was \$2,388.

Future minimum lease payments under this operating lease agreement at June 30, 2021 are as follows:

Year Ending <u>June 30</u>	
2022	\$ 1,188
2023	1,188
2024	693
	\$ 3,069

11. 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, 2021 and 2020:

	2021	2020
Expenses related to:		
Food	\$ 25,182	\$ 4,424
Habitats, Rescues, Facilities and Maintenance, Other	67,194	
Community Outreach/Education (State Grant)	22,661	22,661
	\$ 109,637	\$ 27,085

CAROLINA TIGER RESCUE
Notes to Financial Statements
June 30, 2021 and 2020

12. 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, 2021 and 2020 expected to be available within one year to meet the cash needs for general expenditures comprise of the following:

	<u>2021</u>	<u>2020</u>
Financial assets available within one year:		
Cash	\$ 2,459,669	\$ 626,458
Accounts Receivable	8,837	10,643
Promises to Give, net	<u>58,029</u>	<u>140,494</u>
Financial assets, at year end	2,526,535	777,595
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>646,403</u>	<u>160,562</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>1,880,132</u>	\$ <u>617,033</u>

13. Small Business Administration Loan Pursuant to CARES Act

In May 2020, the Organization obtained a Paycheck Protection Program loan in the amount of \$134,100, an Economic Injury Disaster Grant in the amount of \$10,000, and a Small Business Disaster loan in the amount of \$150,000 under Section 1102 of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") in the amount of \$294,100. Pursuant to Section 1106 of the CARES Act, the Paycheck Protection Program and Economic Injury Disaster loans can be forgiven up to the full principal amount of the loans and any accrued interest if the Organization maintains employment and compensation levels and restricts use of the loan proceeds for eligible purposes, including payroll, rent, and utilities.

On August 28, 2021 the Organization received a notification from First Citizens Bank that the SBA approved the Paycheck Protection Program loan forgiveness application, and all principal and interest under the loan had been forgiven in full. Loan forgiveness revenue of \$134,100 and \$10,000 was recognized as SBA Paycheck Protection Program income at June 30, 2021 on the statements of activities.

The Small Business Disaster loan with the Small Business Administration in the amount of \$150,000 is in deferment status. Payments in the amount of \$641 per month, with accrued interest, will begin in June 2022.

	<u>2021</u>	<u>2020</u>
Note payable with Small Business Administration for Small Business Disaster Loan. The total financing available through this note payable is \$150,000. This note matures June 2052 and bears interest at 2.75%. Monthly principal and interest payments of \$641 commence June 2022.	\$ 149,930	\$ -
Less Amount Classified as Current Liability	<u> </u>	<u> </u>
Amount Due After One Year	\$ <u>149,930</u>	\$ <u>-</u>

CAROLINA TIGER RESCUE
Notes to Financial Statements
June 30, 2021 and 2020

13. Small Business Administration Loan Pursuant to CARES Act (Continued)

Scheduled maturities of long-term debt related to this loan are as follows:

Year Ending <u>June 30</u>	
2022	\$ -
2023	3,524
2024	3,624
2025	3,724
2026	3,828
Thereafter	<u>135,230</u>
	<u>\$ 149,930</u>

14. Subsequent Events

For the year ended June 30, 2021, the Organization evaluated subsequent events for potential recognition and disclosure through December 2, 2021, the date of financial statement issuance. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively impact the Organization.

15. Reclassifications

Certain reclassifications have been made to the 2020 financial statements to conform to the 2021 financial statement presentation. Such reclassifications have no effect on net assets or cash flows as previously reported.

16. Prior Period Adjustment

The beginning net assets without donor restrictions balance for the year ended June 30, 2020 have been restated to properly reflect net assets after the capitalization of expenses. Beginning net assets without donor restrictions have been increased by \$93,850 from \$1,092,136 to \$1,185,986. Expenses have also been restated to properly reflect the capitalization of expenses. For the year ended June 30, 2020, expenses decreased \$93,850 from \$1,416,255 to \$1,322,405. Net property and equipment at June 30, 2020 increased \$93,850 from \$805,465 to \$899,315.