

*Financial Statements*

**Big Cat Rescue Corp.**

**Years ended December 31, 2013 and 2012**

*Independent Auditor's Report*

**BIG CAT RESCUE CORP.**  
**Financial Statements**  
**Years ended December 31, 2013 and 2012**

**TABLE OF CONTENTS**

	<u>PAGE</u>
<b>INDEPENDENT AUDITOR'S REPORT</b> .....	1-2
<b>FINANCIAL STATEMENTS:</b>	
Statements of Financial Position .....	3
Statements of Activities .....	4
Statements of Functional Expenses .....	5
Statements of Changes in Net Assets .....	6
Statements of Cash Flows .....	7
Notes to Financial Statements .....	8-12



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The Board of Directors  
Big Cat Rescue Corp.

### **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying statements of financial position of Big Cat Rescue Corp., (a not-for-profit organization) as of December 31, 2013 and 2012, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

#### ***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 of 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.

The Board of Directors  
Big Cat Rescue Corp.

***Opinion***

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Big Cat Rescue Corp., (a not-for-profit organization), as of December 31, 2013 and 2012, and the results of its operations, cash flows and changes in net assets for the year then ended, in conformity with accounting principles generally accepted in the United States of America.



Certified Public Accountants  
Tampa, Florida  
March 11, 2014

*Read independent auditor's report. The accompanying notes are an integral part of the financial statements.*

**BIG CAT RESCUE CORP.**

**STATEMENTS OF FINANCIAL POSITION  
December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 466,528	\$ 1,213,096
Cash, board designated reserve	558,857	242,677
Certificates of deposit	306,371	617,646
Other investments	30,593	240,602
Grants and contributions receivable	46,000	83,000
Inventory, gift shop	<u>94,856</u>	<u>116,643</u>
 Total current assets	 <u>1,503,205</u>	 <u>2,513,664</u>
<b>Other assets:</b>		
Beneficial interest in endowment fund held by others	787,523	336,047
Mortgages receivable	264,260	273,912
Other real estate owned	946,345	913,191
Property and equipment, less accumulated depreciation of \$513,097, and \$437,779 at December 31, 2013 and 2012, respectively	<u>3,091,533</u>	<u>1,853,903</u>
 Total other assets	 <u>5,089,661</u>	 <u>3,377,053</u>
 <b>Total assets</b>	 <u><u>\$ 6,592,866</u></u>	 <u><u>\$ 5,890,717</u></u>
 <b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	<u>\$ 37,731</u>	<u>\$ 63,365</u>
 <b>Total liabilities</b>	 37,731	 63,365
 <b>Net assets:</b>		
Unrestricted net assets	5,996,278	5,584,675
Unrestricted net assets, board designated	500,000	200,000
Unrestricted net assets, board designated for Wall Fund	<u>58,857</u>	<u>42,677</u>
 Total net assets	 <u>6,555,135</u>	 <u>5,827,352</u>
 <b>Total liabilities and net assets</b>	 <u><u>\$ 6,592,866</u></u>	 <u><u>\$ 5,890,717</u></u>

*Read independent auditor's report. The accompanying notes are an integral part of the financial statements.*

**BIG CAT RESCUE CORP.**

**STATEMENTS OF ACTIVITIES**  
**Years ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Revenues and support:</b>		
Contributions and grants	\$ 1,484,989	\$ 1,162,693
Educational tours and activities	928,328	757,925
Bequests	13,985	238,869
In-kind services and contributions	12,073	38,852
Special events, net expenses of \$989 and \$-0- for years ended December 31, 2013 and 2012, respectively	24,782	10,800
Rental income from operations	11,664	11,215
Investment income	174,790	133,797
Gift shop, net cost of goods sold of \$159,941 and \$140,830 for the years ended December 31, 2013 and 2012, respectively	126,875	127,656
Total revenues and support	<u>2,777,486</u>	<u>2,481,807</u>
<b>Expenses:</b>		
Program expense	1,701,993	1,829,668
Management and general	226,546	146,953
Fundraising	121,164	112,910
Total expenses	<u>2,049,703</u>	<u>2,089,531</u>
<b>Change in net assets</b>	<u>\$ 727,783</u>	<u>\$ 392,276</u>

*Read independent auditor's report. The accompanying notes are an integral part of the financial statements.*

**BIG CAT RESCUE CORP.**

**STATEMENTS OF FUNCTIONAL EXPENSES**  
**Years ended December 31, 2013 and 2012**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>2013 Total</u>	<u>2012 Total*</u>
Conferences, conventions and meetings	\$ 677	\$ -	\$ -	\$ 677	\$ 505
Equipment rental and repairs	16,411	-	-	16,411	12,328
Salaries and payroll expense	428,537	141,847	46,875	617,259	468,993
Animal care and education activities	554,075	-	-	554,075	626,184
Taxes	(3,143)	-	-	(3,143)	2,011
Advertising	127,518	-	26,310	153,828	139,014
Legal and accounting fees	191,794	11,405	-	203,199	347,376
Office expense and supplies	44,044	14,480	4,785	63,309	48,542
Postage and shipping	14,661	4,820	1,593	21,074	23,372
Printing and publications	82,528	-	15,100	97,628	89,860
Other professional fees	65,934	2,931	1,729	70,594	81,093
Bank and credit card fees	13,718	-	13,719	27,437	33,146
Insurance	6,138	-	-	6,138	6,083
Legislation efforts	28,185	-	-	28,185	31,806
Other expense	15,677	-	7,771	23,448	20,314
Telephone	30,205	9,931	3,282	43,418	47,513
Travel	9,716	-	-	9,716	2,462
Real estate investment expense	-	41,132	-	41,132	38,289
Depreciation expense	75,318	-	-	75,318	70,640
	<u>\$ 1,701,993</u>	<u>\$ 226,546</u>	<u>\$ 121,164</u>	<u>\$ 2,049,703</u>	<u>\$ 2,089,531</u>

\*The totals for 2011 are for comparative purposes only.

*Read independent auditor's report. The accompanying notes are an integral part of the financial statements.*

**BIG CAT RESCUE CORP.**

**STATEMENTS OF CHANGES IN NET ASSETS**  
**Years ended December 31, 2013 and 2012**

<b>Balance, December 31, 2011</b>	<b>\$ 5,435,076</b>
Increase in net assets	<u>392,276</u>
<b>Balance, December 31, 2012</b>	<b>5,827,352</b>
Increase in net assets	<u>727,783</u>
<b>Balance, December 31, 2013</b>	<b><u>\$ 6,555,135</u></b>

*Read independent auditor's report. The accompanying notes are an integral part of the financial statements.*



**BIG CAT RESCUE CORP.**

**STATEMENTS OF CASH FLOWS**  
**Years ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Cash flows from operating activities:</b>		
Increase in net assets	\$ 727,783	\$ 392,276
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	75,318	70,640
(Increase) decrease in operating assets:		
Accounts receivable	37,000	9,600
Inventory	21,787	(21,921)
Deposits	-	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	<u>(25,634)</u>	<u>55,516</u>
Total adjustments	<u>108,471</u>	<u>113,835</u>
<b>Net cash provided by operating activities</b>	<b>836,254</b>	<b>506,111</b>
<b>Cash flow used by investing activities:</b>		
Decrease (increase) in mortgage receivables	(85,470)	2,077
Purchase of investments	(97,432)	(124,994)
Purchase of property and equipment	<u>(1,312,948)</u>	<u>(172,467)</u>
<b>Net cash used in investing activities</b>	<b><u>(1,495,850)</u></b>	<b><u>(295,384)</u></b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(659,596)</b>	<b>210,727</b>
<b>Beginning cash and cash equivalent</b>	<u>1,455,773</u>	<u>1,245,046</u>
<b>Ending cash and cash equivalents</b>	<b><u>\$ 796,177</u></b>	<b><u>\$ 1,455,773</u></b>
<b>Supplemental disclosure of cash flow information and noncash investing and financing activities:</b>		
Taxes received (paid)	<u>\$ 3,143</u>	<u>\$ (2,011)</u>

*Read independent auditor's report. The accompanying notes are an integral part of the financial statements.*

**BIG CAT RESCUE CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2013 and 2012**

**1. Background Information**

Big Cat Rescue Corp. (the Organization) is a nonprofit organization in Hillsborough County, Florida which was formed under the laws of the State of Florida on April 4, 1995. The Organization's dual mission is to provide the best home we can for the cats in our care and educate the public about the plight of these majestic animals, both in captivity and in the wild, to end abuse and avoid extinction. This is done through tours of the sanctuary, which houses a substantial number of abused, abandoned and retired big cats; school education programs; species preservation efforts and hands on experience for interns from around the world.

Primary sources of income for the Organization are derived from educational tours and contributions from foundations, corporations, individuals, and special events.

**2. Significant Accounting Policies**

The significant accounting policies followed are:

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

The financial statements of the Organization have been prepared on the basis of accrual accounting in accordance with accounting principles accepted in the United States of America. The assets, liabilities, and net assets of the Organization are reported as unrestricted net assets which are not subject to donor-imposed stipulations.

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

**BIG CAT RESCUE CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2013 and 2012**

**2. Significant Accounting Policies (Continued)**

The Organization records admissions, merchandising, and grant revenues as earned. The Organization records gifts of long-lived assets as revenue when they are received unconditionally, at their fair value. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met.

In accordance with industry practice, animal collections are recorded at the nominal amount of \$1, as there is no objective basis for establishing value. Additionally, animal collections have numerous attributes, including species, age, sex, relationship and value to other animals, endangered status, and breeding potential, whereby it is impracticable to assign value. The Organization does not purchase animals. Rescue costs are recorded as expenditures in the period of acquisition.

Fund-raising revenues are recorded when received. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Donated professional services (which include accounting and legal services) are reflected in the statement of activities at their fair value if material. Volunteer services not requiring specialized skills are not reflected in the financial statements since no objective basis exists for recording and assigning values to many of these services. Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt. Donated services and materials for the year ended December 31, 2013 and 2012 were \$12,073 and \$38,852, respectively.

Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with maturities of less than 90 days. At year-end and throughout the year, the Organization's cash balances were deposited in several banks. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents.

The Organization's inventory which consists primarily of gift shop merchandise is valued at the lower of cost or market, and accounted for using a weighted-average cost basis.

**BIG CAT RESCUE CORP.**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2013 and 2012**

**2. Significant Accounting Policies (Continued)**

The Organization states the other real estate owned which was either purchased or acquired through donation at the lower of cost or fair value at the date of donation. Fair value of such assets is determined based on independent appraisals and other relevant factors.

All property and equipment is recorded at cost. Depreciation is provided by the straight-line method over the useful lives of assets which is five years for equipment and 39 years for property. The Organization's policy is to record capital expenditures greater than \$1,000 as property and equipment.

The Organization is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Organization has been classified as an organization that is not a private foundation and has been designated as a "publicly supported" organization.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Company's financial statements for the year ended December 31, 2012, from which the summarized information was derived.

**BIG CAT RESCUE CORP.**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2013 and 2012**

**3. Mortgages Receivable**

The Organization has sold various real estate investments under mortgage notes as follows:

	<u>2013</u>	<u>2012</u>
Mortgage receivable, (Sholtz) interest at 10%; monthly principal and interest payments of \$868.40; due January 22, 2083; secured by land and building	\$ -	\$ 95,197
Mortgage receivable (Thomasdale), interest at 9%; monthly principal and interest payments of \$1,167; due May 25, 2039; secured by land and building	147,910	135,723
Mortgage receivable (Texel), interest at 9.25%; monthly principal and interest payments of \$397; due September 16, 2038; secured by land and building	42,254	42,992
Mortgage receivable (Oconee), interest at 9.5%; monthly principal and interest payments of \$630.65; due March 15, 2042; secured by land and building	<u>74,096</u>	<u>-</u>
	<u>\$ 264,260</u>	<u>\$ 273,912</u>

Principal amounts due under these mortgage receivables at December 31 are as follows:

2014	\$ 1,845
2015	2,023
2016	2,217
2017	2,431
2018 and thereafter	<u>255,744</u>
	<u>\$ 264,260</u>

**BIG CAT RESCUE CORP.**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013 and 2012**

**4. Property and Equipment**

Property and equipment consists of:

	December 31, 2013	December 31, 2012
Land	\$ 1,965,991	\$ 752,256
Buildings and structures	1,161,080	1,120,580
Equipment	244,595	202,845
Vehicles	120,998	115,636
Office equipment	111,966	100,365
Total property and equipment before depreciation	3,604,630	2,291,682
Less accumulated depreciation	513,097	437,779
Property and equipment, net of depreciation	<u>\$ 3,091,533</u>	<u>\$ 1,853,903</u>