

# Big Cat Rescue Corporation

## Audited Financial Statements

December 31, 2019 and 2018

# Big Cat Rescue Corporation

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## Independent Auditors' Report

To the Board of Directors  
Big Cat Rescue Corporation,

We have audited the accompanying financial statements of Big Cat Rescue Corporation (the Organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and cash flows for the years 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 audits. 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 auditors' 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 auditors consider internal control relevant to the Organization'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 Organization'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 the Organization, as of December 31, 2019 and 2018, and the changes in its net assets, functional expenses, and cash flows for the years then ended are in accordance with accounting principles generally accepted in the United States of America.

FRSCPA, PLLC

St. Petersburg, Florida

March 25, 2020

**Big Cat Rescue Corporation**  
**Statements of Financial Position**  
**December 31, 2019 and 2018**

	2019	2018
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$3,786,161	\$1,804,274
Cash, board-designated reserve	596,007	589,257
Certificates of deposit	924,085	1,125,354
Current portion of mortgages receivable	3,999	6,149
Investments	67,745	364,329
Grants and contributions receivable	209,701	213,458
Inventory	176,732	87,709
<b>Total current assets</b>	<b>5,764,430</b>	<b>4,190,530</b>
Beneficial interest in endowment funds held by others	930,684	537,606
Mortgages receivable, less current portion	244,889	293,438
Other real estate owned	1,972,797	2,000,565
Property and equipment, net	4,461,052	4,524,727
<b>Total assets</b>	<b>\$13,373,852</b>	<b>\$11,546,866</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 85,389	\$ 97,642
<b>Total current liabilities</b>	<b>85,389</b>	<b>97,642</b>
<b>Total liabilities</b>	<b>85,389</b>	<b>97,642</b>
<b>Net assets:</b>		
Without Donor Restrictions:		
Undesignated	11,761,772	10,322,361
Designated by board for operations	500,000	500,000
Designated by board for wall fund	96,007	89,257
Total net assets without donor restrictions	<b>12,357,779</b>	<b>10,911,618</b>
With Donor Restrictions	930,684	537,606
<b>Total net assets</b>	<b>13,288,463</b>	<b>11,449,224</b>
<b>Total liabilities and net assets</b>	<b>\$13,373,852</b>	<b>\$11,546,866</b>

*See accompanying notes to financial statements.*

# Big Cat Rescue Corporation

## Statement of Activities and Changes in Net Assets Year ended December 31, 2019 (with comparative totals for 2018)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2019	2018
<b>Support and Revenue:</b>				
Contributions and grants	\$2,252,248	\$300,000	\$2,552,248	\$2,646,862
Educational tours and activities	1,183,411	–	1,183,411	1,246,193
Bequests	568,412	–	568,412	21,212
In-kind services and contributions	33,250	–	33,250	11,600
Special events (net of expenses of \$2,596 and \$1,222)	33,762	–	33,762	15,886
Rental income	14,759	–	14,759	14,191
Investment income	417,062	93,078	510,140	258,229
Gift shop (net of cost of goods sold of \$261,777 and \$274,727)	207,865	–	207,865	193,811
Other income	264,829	–	264,829	105,120
Support and revenue before releases	4,975,598	393,078	5,368,676	4,513,104
Net assets released from restrictions	24,472	(24,472)	–	–
<b>Total support and revenue</b>	<b>5,000,070</b>	<b>368,606</b>	<b>5,368,676</b>	<b>4,513,104</b>
<b>Expenses:</b>				
Program services	3,237,632	–	3,237,632	3,007,732
Management and general	180,381	–	180,381	181,556
Fundraising	111,424	–	111,424	96,454
<b>Total expenses</b>	<b>3,529,437</b>	<b>–</b>	<b>3,529,437</b>	<b>3,285,742</b>
<b>Increase in net assets</b>	<b>1,470,633</b>	<b>368,606</b>	<b>1,839,239</b>	<b>1,227,362</b>
<b>Net assets, beginning of year</b>	<b>10,911,618</b>	<b>537,606</b>	<b>11,449,224</b>	<b>10,221,862</b>
<b>Net assets, end of year</b>	<b>\$12,382,251</b>	<b>\$906,212</b>	<b>\$13,288,463</b>	<b>\$11,449,224</b>

See accompanying notes to financial statements.

# Big Cat Rescue Corporation

## Statements of Functional Expenses

Year ended December 31, 2019 (with comparative totals for 2018)

	<i>Program Services</i>				<i>Supporting services</i>		Cost of goods sold	<b>Total 2019</b>	Total 2018
	Animal Care	Advocacy	In Situ Conservation Grants	Total Program	Management and General	Fundraising			
Conferences, conventions, and meetings	\$62,593	\$ -	\$ -	\$62,593	\$ -	\$ -	\$ -	\$ 62,593	\$ 39,816
Contributions	-	-	138,405	138,405	-	-	-	138,405	108,315
Equipment rental and maintenance	49,206	-	-	49,206	-	-	-	49,206	33,064
Salaries and payroll expenses	716,621	129,217	-	845,838	79,525	57,832	-	983,195	859,754
Animal care and education activities	648,958	-	-	648,958	-	-	-	648,958	663,401
Taxes	3,736	-	-	3,736	-	-	-	3,736	(3,134)
Advertising	78,888	-	-	78,888	-	16,133	-	95,021	110,053
Legal and accounting fees	124,759	-	-	124,759	10,500	-	-	135,259	363,688
Donated use of facilities	33,250	-	-	33,250	-	-	-	33,250	-
Office expense	32,520	-	-	32,520	3,057	2,223	-	37,800	33,414
Postage and shipping	35,175	-	-	35,175	3,307	2,405	-	40,887	33,840
Printing and publications	45,897	67,063	-	112,960	-	18,604	-	131,564	117,535
Other professional fees	106,160	35,000	-	141,160	-	4,550	-	145,710	264,993
Bank and credit card fees	1,664	-	-	1,664	1,664	-	-	3,328	1,882
Insurance	1,176	-	-	1,176	-	-	-	1,176	11,223
Legislation efforts	372,506	18,900	-	391,406	-	-	-	391,406	79,007
Other expense	44,385	-	-	44,385	(156)	6,456	-	50,685	27,767
Technology	174,006	76,314	-	250,320	-	-	-	250,320	209,320
Telephone	47,105	-	-	47,105	4,429	3,221	-	54,755	53,239
Travel	713	-	-	713	-	-	-	713	5,954
Other real estate owned expense	-	-	-	-	78,055	-	-	78,055	83,757
Gift shop cost of goods sold	-	-	-	-	-	-	261,777	261,777	274,727
Cost of direct benefit to donors	-	-	-	-	-	-	2,596	2,596	1,222
Depreciation	193,415	-	-	193,415	-	-	-	193,415	188,854
<b>Total expenses by function</b>	<b>2,772,733</b>	<b>326,494</b>	<b>138,405</b>	<b>3,237,632</b>	<b>180,381</b>	<b>111,424</b>	<b>264,373</b>	<b>3,793,810</b>	<b>\$3,561,691</b>
Less expenses included with revenues on the statement of activities									
Gift shop cost of goods sold	-	-	-	-	-	-	(261,777)	(261,777)	(274,727)
Cost of direct benefit to donors	-	-	-	-	-	-	(2,596)	(2,596)	(1,222)
<b>Total expenses included in expense section on the statement of activities</b>	<b>\$2,772,733</b>	<b>\$326,494</b>	<b>\$138,405</b>	<b>\$3,237,632</b>	<b>\$180,381</b>	<b>\$111,424</b>	<b>\$ -</b>	<b>\$3,529,437</b>	<b>\$3,285,742</b>

See accompanying notes to financial statements.

# Big Cat Rescue Corporation

## Statements of Cash Flows Years ended December 31, 2019 and 2018

	2019	2018
<b>Cash flows from operating activities:</b>		
Increase in net assets	\$1,839,239	\$1,227,362
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	193,415	188,854
Net change in value of endowment funds	(393,078)	69,455
Net loss (gain) on investments	(54,844)	(10,730)
Loss (gain) on sale of other real estate owned	(61,068)	(28,352)
Changes in operating assets and liabilities:		
Grants and contributions receivable	3,757	65,983
Inventory	(89,023)	29,772
Accounts payable and accrued expenses	(12,253)	(52,473)
<b>Net cash provided by operating activities</b>	<b>1,426,145</b>	<b>1,489,871</b>
<b>Cash flows from investing activities:</b>		
Principal payments received from mortgages receivable	50,699	4,979
Purchases of certificates of deposit, net of redemptions	201,269	(559,355)
Purchases of investments	(126,284)	(708,414)
Proceeds from sale of investments	477,712	410,200
Proceeds from sale of other real estate owned	93,759	–
Purchases of other real estate owned	(4,923)	(39,472)
Purchases of property and equipment	(129,740)	(208,778)
<b>Net cash used in investing activities</b>	<b>562,492</b>	<b>(1,100,840)</b>
<b>Net change in cash and cash equivalents</b>	<b>1,988,637</b>	<b>389,031</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>2,393,531</b>	<b>2,004,500</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$4,382,168</b>	<b>\$2,393,531</b>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid (refunded) during the year for:		
Taxes	\$3,376	\$ (3,134)
<b>Noncash investing activities:</b>		
Issuance of note receivable for sale of other real estate owned	–	\$99,000

See accompanying notes to financial statements.



# Big Cat Rescue Corporation

## Notes to financial statements December 31, 2019 and 2018

### 1. Nature of Activities

Big Cat Rescue Corporation (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. Our Organization's mission is to provide the best home we can for the cats in our care, end abuse of big cats in captivity and prevent extinction of big cats in the wild. We accomplish this through educational guided tours of the sanctuary, which houses a substantial number of abused, abandoned, orphaned or retired big cats, school education programs, multi-month training programs including housing for interns from around the world, advocacy, and support of in situ conservation projects.

The primary sources of income from the Organization are derived from educational tours and contributions from individuals, foundations and corporations.

### 2. Significant Accounting Policies

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

#### **Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions

# Big Cat Rescue Corporation

## Notes to financial statements December 31, 2019 and 2018

of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Cash and Cash Equivalents**

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization places its cash with high quality financial institutions. At times, cash may be in excess of FDIC insurance limits. The Organization does not believe it is exposed to any significant credit risk on cash.

### **Contributions and Unconditional Promises**

Contributions and unconditional promises to give are measured at their fair values and are reported as an increase in net assets when received. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire or are otherwise satisfied in the fiscal year in which the contributions are recognized. Contributions receivable are written off when deemed uncollectible.

Amounts restricted for future periods or restricted for specific purposes are reported as net assets with donor restrictions. When a donor-stipulated time restriction ends, or a purpose restriction is accomplished, the restricted net assets are reclassified to net assets without restrictions and reported as satisfactions of program restrictions and net assets released. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met.

### **Inventory**

The Organization's inventory consists of gift shop merchandise. Inventory is valued at the lower of cost or market, and the cost of items is calculated using a first-in, first-out (FIFO) basis.

# Big Cat Rescue Corporation

## Notes to financial statements December 31, 2019 and 2018

### **Mortgages Receivable and Allowance for credit losses**

Mortgages receivable primarily represent amounts due to the Organization from sales of investment properties. The Organization will occasionally issue a mortgage on a property that is not related to the sale of an investment property. Mortgages receivable are carried at their remaining unpaid balance. All loans are secured with mortgages on the underlying property. Interest income is recognized monthly as mortgage payments are due.

Mortgage receivables are determined to be past due or delinquent based on how recently payments have been received. The Organization establishes an allowance for credit losses based on management's evaluation of the collectability of mortgages, including the nature of the loan, estimated realizable value of the underlying collateral, historical loss experience, specific impaired loans, economic conditions, and other risk factors. Uncollectible loans are charged off when collection efforts have been exhausted. Properties re-acquired through foreclosure or similar action are recorded at the lesser of the remaining mortgage balance or the fair value of the property on the date re-acquired. No allowance for credit losses was recorded as of December 31, 2019 and 2018.

### **Other Real Estate Owned**

The Organization has received real estate through donations and has also purchased real estate. When the Organization holds the property as an investment, the property is classified as Other Real Estate Owned on the Statement of Financial Position. Such property is reported at cost, if purchased; and if received as a donation, is initially recorded at fair value. The fair values of such assets are determined by independent appraisals and/or other relevant factors.

After acquisition, the property is not depreciated and is reported at cost unless the fair value of the property drops below the cost, in which case the property is reported at fair value.

### **Property and Equipment**

Property and equipment is recorded at the cost purchased or fair value at date of gift, if contributed, and is depreciated using the straight-line method over the estimated useful life of the respective asset, which is 5 years for equipment and vehicles and 39 years for buildings and structures. The Organization's policy is to record capital expenditures greater than \$2,500 as property and equipment.

# Big Cat Rescue Corporation

## Notes to financial statements December 31, 2019 and 2018

### **Admissions, Merchandising, and Grant Revenues**

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.

### **Animal Collections**

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 and endangered status, whereby it is impracticable to assign value. The Organization does not purchase animals. Rescue costs are recorded as expenditures as they are incurred.

### **Donated Use of Facilities, Materials and Services**

Vehicles, materials and the use of facilities received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt. During 2019, the Organization was donated the use of facilities at two shopping malls with a value of \$33,250. The Organization received contributed materials and other assets during 2018, with an estimated fair market value on the dates of donation of approximately \$11,600.

Donated professional services (which include accounting and legal services) are reflected in the statement of activities at their fair value. The Organization recorded no donated professional services during the years ended December 31, 2019 and 2018.

Volunteer services not requiring specialized skills are not reflected in the financial statements. The Organization received 68,640 and 61,626 volunteer hours donated by volunteer and interns during the years ended December 31, 2019 and 2018, respectively.

### **Functional Allocation of Expenses**

The costs of providing the Organization's various programs and other activities have been summarized on a functional basis in a separate statement of functional expenses. Accordingly, certain costs have been allocated to program services, management and general and fund-raising.

# Big Cat Rescue Corporation

## Notes to financial statements December 31, 2019 and 2018

### Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was \$95,021 and \$110,053, respectively for the years ending December 31, 2019 and 2018.

### Fair Value of Financial Instruments

The fair value of financial instruments is measured as the amount that could be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is used to prioritize the quality and reliability of the information used to determine fair values. Categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is defined into the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs corroborated by market data.

Level 3: Unobservable inputs not corroborated by market data.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include cash and equivalents, certificates of deposit, grants and contributions receivable, inventory, accounts payable and accrued expenses.

### Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC).

The Organization is subject to tax on unrelated business income related to merchandise sales revenues. No income tax provision has been accrued in the financial statements because the amounts have been determined to be immaterial. Management is not aware of any activities that would jeopardize the Organization's tax-exempt status.

The Organization follows the income tax standard for uncertain tax positions. The Organization has evaluated their tax positions and determined they have no uncertain tax positions as of

# Big Cat Rescue Corporation

## Notes to financial statements December 31, 2019 and 2018

December 31, 2019. Should the Organization's tax returns be challenged in the future, the Organization's 2016 tax year and years thereafter are open for examination by the IRS.

### Summarized Financial Information for 2018

The financial information for the year ended December 31, 2018, presented for comparative purposes, is not intended to be a complete presentation. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended December 31, 2018, from which the summarized information was derived.

### 3. **Beneficial interest in endowment funds held by others**

The Organization has four endowment funds with the Community Foundation of Tampa Bay (Community Foundation). Two of these funds are shown on the Balance Sheet as "Beneficial interest in endowment fund held by others" and represent the Organization's undivided interest in a pool of investment assets held and managed by the Community Foundation. The funds were established to provide future financial support to the Organization. The endowment plus the earnings on the endowment investments are recorded as net assets with donor restrictions. Grants paid to the Organization from these funds are reported as releases of net assets with donor restrictions in the Statement of Activities and Changes in Net Assets.

The majority of the endowment assets are traded in active markets and would be classified as Level 1 assets in the fair value hierarchy. The Community Foundation reports the endowment value to the Organization. The fair value of the Organization's interest in these assets are as follows:

<i>December 31,</i>	<b>2019</b>	2018
Challenge grant #3	<b>\$334,786</b>	\$297,027
Endowment fund	<b>595,898</b>	240,579
<b>Total endowment funds</b>	<b>\$930,684</b>	\$537,606

The changes in the fair value of the endowment interest are as follows for the years ended December 31, 2019 and 2018:

# Big Cat Rescue Corporation

## Notes to financial statements December 31, 2019 and 2018

<i>Year ended December 31,</i>	<b>2019</b>	2018
Fair value, beginning of year	<b>\$537,606</b>	\$607,061
Grants to the Organization	<b>(24,472)</b>	(25,882)
Contributions	<b>300,000</b>	25
Change in value	<b>117,550</b>	(43,598)
Fair value, end of year	<b>\$930,684</b>	\$537,606

In addition to the funds disclosed above, the Community Foundation holds two additional funds designated as benefiting the Organization. The Community Foundation has variance power over these funds, which allows the Community Foundation to modify any restrictions on the funds, including re-designating the funds to another beneficiary organization, as determined by the sole judgment of the Community Foundation's governing board. As a result, these funds are not considered assets of the Organization and are not included in the Organization's financial statements. The Organization records distributions from designated funds as unrestricted support.

The fair value of the two designated funds, which are not included in the Organization's financial statements, are as follows for the year ended December 31, 2019 and 2018:

<i>As of December 31,</i>	<b>2019</b>	2018
Designated fund #1	<b>\$196,668</b>	\$ 78,436
Designated fund #2	<b>100,498</b>	89,175
Total designated funds	<b>\$297,166</b>	\$167,611

# Big Cat Rescue Corporation

## Notes to financial statements December 31, 2019 and 2018

### 4. Mortgages Receivable

The Organization provides financing, secured by mortgages, for sales of real estate investments. At December 31, 2019 and 2018, loans receivable consists of the following:

<i>As of December 31,</i>	<b>2019</b>	2018
Mortgage receivable (Cypress Nook), interest at 8%; monthly principal and interest payments of \$507; due December 4, 2020; secured by land and building	\$ –	\$ 46,597
Mortgage receivable (Lantana), interest at 8%; monthly principal and interest payments of \$653; due January 16, 2045; secured by land and building	<b>84,848</b>	85,853
Mortgage receivable (Oconee), interest at 9.50%; monthly principal and interest payments of \$631; due March 15, 2042; secured by land and building	<b>67,620</b>	68,795
Mortgage receivable (Meadowview), interest at 4.50%; monthly principal and interest payments of \$502; due August 1, 2048; secured by land and building	<b>96,420</b>	98,342
<b>Total mortgages receivable</b>	<b>248,888</b>	299,587
Less: current portion	<b>(3,999)</b>	(6,149)
<b>Mortgages receivable, long term</b>	<b>\$244,889</b>	\$293,438

The principal amounts due on mortgages receivable for years subsequent to December 31, 2019 are as follows:

<b><u>Year ending December 31:</u></b>	
2019	\$3,999
2020	4,286
2021	4,597
2022	4,933
2023	5,295
Thereafter	225,778
	<b>248,888</b>



# Big Cat Rescue Corporation

## Notes to financial statements December 31, 2019 and 2018

### 5. Property and Equipment

Property and equipment at December 31, 2019 and 2018 consists of the following:

<i>December 31,</i>	<b>2019</b>	2018
Land	<b>\$2,347,548</b>	\$2,347,548
Buildings and structures	<b>2,422,185</b>	2,375,691
Equipment	<b>554,555</b>	579,014
Vehicles	<b>236,682</b>	219,169
Office equipment	<b>99,723</b>	193,287
	<b>5,660,693</b>	5,714,709
<u>Less: accumulated depreciation</u>	<u><b>(1,199,641)</b></u>	<u>(1,189,982)</u>
	<b>\$4,461,052</b>	\$4,524,727

Depreciation expense for the years ended December 31, 2019 and 2018 was \$193,415 and \$188,854, respectively.

### 6. Investments

Investments are summarized as follows:

<i>December 31,</i>	<b>2019</b>		2018	
	<b>Fair Value</b>	<b>Cost</b>	Fair Value	Cost
Stocks	<b>\$12,360</b>	<b>\$12,221</b>	\$121,679	\$127,993
Mutual funds	–	–	187,265	191,158
Gold coins	<b>55,385</b>	<b>65,793</b>	55,385	65,793
<u>Total investments</u>	<u><b>\$67,745</b></u>	<u><b>\$78,014</b></u>	<u>\$364,329</u>	<u>\$384,944</u>

Accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of quoted prices in active markets for identical assets, Level 2 inputs are observable market-based values of similar assets, and Level 3 inputs are unobservable and have the lowest priority. At December 31, 2019 and 2018, fair value by asset category is as follows:

# Big Cat Rescue Corporation

## Notes to financial statements December 31, 2019 and 2018

	Level 1	Level 2	Level 3	Total
<u>December 31, 2019</u>				
Stocks	\$12,360	\$ –	\$ –	\$12,360
Gold coins	–	55,385	–	55,385
<b>Total investments</b>	<b>\$12,360</b>	<b>\$55,385</b>	<b>\$ –</b>	<b>\$67,745</b>
<u>December 31, 2018</u>				
Stocks	\$121,679	\$ –	\$ –	\$121,679
Mutual funds	187,265	–	–	187,265
Gold coins	–	55,385	–	55,385
<b>Total investments</b>	<b>\$308,944</b>	<b>\$55,385</b>	<b>\$ –</b>	<b>\$364,329</b>

Investment income from the above investments is reported as an increase/decrease in net assets without donor restrictions. The following schedule details the investment income/loss recognized in the statement of activities for the years ended December 31, 2019 and 2018, from these investments above as well as from the Organization's mortgages receivable, real estate and endowments:

<u>Year ended December 31,</u>	<b>2019</b>	2018
Realized and unrealized gain from investments	<b>\$ 54,844</b>	\$ 10,730
Interest and dividend income	<b>71,394</b>	25,460
Income from other real estate owned	<b>246,297</b>	246,607
Interest from mortgages receivable	<b>20,055</b>	19,006
Beneficial interest in endowment funds	<b>117,550</b>	(43,574)
<b>Investment income</b>	<b>\$510,140</b>	\$258,229

# Big Cat Rescue Corporation

## Notes to financial statements December 31, 2019 and 2018

### 7. Liquidity

The Organization's financial assets as of December 31, 2019 and available within one year of the balance sheet date for general expenditure are as follows:

<i>December 31,</i>	<b>2019</b>
Cash and equivalents	<b>\$3,786,161</b>
Cash, board-designated reserve	<b>596,007</b>
Certificates of deposit	<b>924,085</b>
Current portion of mortgages receivable	<b>3,999</b>
Investments	<b>67,745</b>
Grants and contributions receivable	<b>209,701</b>
Inventory	<b>176,732</b>
	<b>\$5,731,261</b>

The financial assets above have been reduced by amounts not available for general use because of donor imposed restrictions within one year of the balance sheet date.

The Organization's beneficial interest in endowment funds consist of restricted endowments held by others. The endowments are not readily available for general expenditure. As described in Note 3, the endowment funds make quarterly grants to the Organization. Approximately \$32,000 of grants from the endowment funds are expected to be made to the Organization within the next 12 months.

The Organization holds other real estate with a cost of \$1,972,797 which is available for sale. The Organization has no intention to sell these properties for liquidity purposes. However, the properties could be sold and the proceeds made available to the Organization if necessary.

### 8. Retirement Plan

The Organization sponsors a SIMPLE IRA contribution plan that covers the majority of all employees. The Organization contributes a matching contribution up to 3% of the employee's compensation for the calendar year. For the year ended December 31, 2019 and 2018 the Organization contributed \$15,909 and \$13,712, respectively, to the retirement plan.

# Big Cat Rescue Corporation

## Notes to financial statements December 31, 2019 and 2018

### 9. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods.

<i>December 31,</i>	<b>2019</b>	2018
<u>Not subject to spending policy or appropriation:</u>		
Beneficial interest in endowment funds held by others	<b>\$930,684</b>	\$537,606
	<b>\$930,684</b>	\$537,606

Net assets were released from restrictions by events as follows for the year ended December 31, 2019 and 2018.

<i>Year ending December 31,</i>	<b>2019</b>	2018
<u>Distributions (proceeds not restricted by donor):</u>		
Beneficial interest in endowment funds held by others	<b>\$ 25,882</b>	\$ 24,472
	<b>\$ 25,882</b>	\$ 24,472

### 10. Subsequent Events

Management has evaluated subsequent events through March 25, 2020, which is the date of the financial statements were available to be issued.