

Financial Statements

Big Cat Rescue Corp.

Years ended December 31, 2008 and 2007

Independent Auditor's Report

BIG CAT RESCUE CORP.

**Financial Statements
Years ended December 31, 2008 and 2007**

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MEMBER FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Big Cat Rescue Corp.

We have audited the accompanying statements of financial position of Big Cat Rescue Corp. (a nonprofit organization) as of December 31, 2008 and 2007 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.

We conducted our audits 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Cat Rescue Corp. as of December 31, 2008 and 2007 and the results of its activities and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Marsha Weisse, CPA, PA

Certified Public Accountant
Tampa, Florida
May 15, 2009

BIG CAT RESCUE CORP.

STATEMENTS OF FINANCIAL POSITION

December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Current assets		
Cash and cash equivalents	\$ 421,259	\$ 433,261
Cash, board designated reserve	324,312	436,625
Certificates of deposit	211,234	203,594
Other investments	33,231	-
Grants and contributions receivable	81,373	24,000
Inventory, gift shop	74,978	77,029
Deposits	<u>65,000</u>	<u>-</u>
 Total current assets	 <u>1,211,387</u>	 <u>1,174,509</u>
 Other assets:		
Beneficial interest in endowment fund held by others	191,079	-
Mortgages receivable	250,184	153,673
Other real estate owned	601,948	586,506
Property and equipment, less accumulated depreciation of \$227,399 and \$194,316 at December 31, 2008 and 2007, respectively	 <u>1,144,696</u>	 <u>1,035,775</u>
 Total other assets	 <u>2,187,907</u>	 <u>1,775,954</u>
 Total assets	 <u><u>\$ 3,399,294</u></u>	 <u><u>\$ 2,950,463</u></u>
 Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 18,256	\$ 17,470
Mortgage payable	<u>-</u>	<u>172,946</u>
 Total liabilities	 18,256	 190,416
 Net assets:		
Unrestricted net assets	3,056,726	2,323,422
Unrestricted net assets, board designated	200,000	200,000
Unrestricted net assets, board designated for Wall Fund	 <u>124,312</u>	 <u>236,625</u>
 Total net assets	 <u>3,381,038</u>	 <u>2,760,047</u>
 Total liabilities and net assets	 <u><u>\$ 3,399,294</u></u>	 <u><u>\$ 2,950,463</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, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenues and support:		
Contributions and grants	\$ 741,961	\$ 619,528
Educational tours and activities	566,136	531,590
In-kind services and contributions	5,830	34,786
Special events, net expenses of \$51,389 and \$55,508 for years ended December 31, 2008 and 2007, respectively	108,747	119,332
Rental income from operations	10,376	9,188
Investment income	111,539	104,552
Gift shop, net cost of goods sold of \$126,233 and \$136,689 for the years ended December 31, 2008 and 2007, respectively	<u>97,431</u>	<u>90,308</u>
Total revenues and support	1,642,020	1,509,284
Expenses:		
Program expense	848,255	800,511
Management and general	115,290	90,521
Fundraising	<u>57,484</u>	<u>35,587</u>
Total expenses	<u>1,021,029</u>	<u>926,619</u>
Change in net assets	<u>\$ 620,991</u>	<u>\$ 582,665</u>

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BIG CAT RESCUE CORP.

STATEMENTS OF FUNCTIONAL EXPENSES
Years ended December 31, 2008 and 2007

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>2008 Total</u>	<u>2007 Total*</u>
Conferences, conventions and meetings	\$ -	\$ -	\$ -	\$ -	\$ 2,222
Equipment rental and repairs	5,635	-	-	5,635	2,518
Salaries and payroll expense	158,844	71,387	7,600	237,831	190,915
Donated labor	-	-	-	-	21,735
Animal care and education activities	276,754	-	-	276,754	284,608
Taxes	207	-	-	207	7,315
Advertising	78,627	-	19,401	98,028	98,322
Legal and accounting fees	-	6,548	-	6,548	6,000
Office expense and supplies	19,593	1,089	1,088	21,770	24,266
Postage and shipping	13,040	725	724	14,489	12,683
Printing and publications	137,139	-	12,455	149,594	113,058
Other professional fees	35,879	7,923	9,754	53,556	8,614
Bank and credit card fees	17,780	-	-	17,780	16,381
Insurance	4,143	-	-	4,143	3,834
Interest	4,655	-	-	4,655	14,290
Legislation efforts	20,690	-	-	20,690	22,208
Other expense	11,348	-	4,780	16,128	17,850
Telephone	30,286	1,683	1,682	33,651	28,169
Travel	552	-	-	552	301
Real estate investment expense	-	25,935	-	25,935	19,852
Depreciation expense	33,083	-	-	33,083	31,478
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 848,255</u>	<u>\$ 115,290</u>	<u>\$ 57,484</u>	<u>\$1,021,029</u>	<u>\$ 926,619</u>

*The totals for 2007 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, 2008 and 2007

Balance, December 31, 2006	\$ 2,177,382
Increase in net assets	<u>582,665</u>
Balance, December 31, 2007	2,760,047
Increase in net assets	<u>620,991</u>
Balance, December 31, 2008	<u>\$ 3,381,038</u>

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, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Increase in net assets	\$ 620,991	\$ 582,665
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	33,083	31,478
(Increase) decrease in operating assets:		
Accounts receivable	(57,373)	(12,471)
Inventory	2,051	1,808
Deposits	(65,000)	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	786	5,565
	<u>(86,453)</u>	<u>26,380</u>
Net cash provided by operating activities	534,538	609,045
Cash flow used by investing activities:		
(Increase) decrease in mortgage receivables	(96,511)	89,244
Purchase of investments	(450,986)	(153,340)
Purchase of property and equipment	(142,004)	(39,048)
	<u>(689,501)</u>	<u>(103,144)</u>
Net cash used in investing activities	(689,501)	(103,144)
Cash flow provided (used) by financing activities:		
Payments to mortgage payable	(172,946)	(56,994)
	<u>(172,946)</u>	<u>(56,994)</u>
Net cash used by financing activities	(172,946)	(56,994)
Net increase (decrease) in cash and cash equivalents	(327,909)	448,907
Beginning cash and cash equivalents	1,073,480	624,573
Ending cash and cash equivalents	<u>\$ 745,571</u>	<u>\$ 1,073,480</u>
Supplemental disclosure of cash flow information and noncash investing and financing activities:		
Interest paid	<u>\$ 4,655</u>	<u>\$ 14,290</u>
Taxes paid	<u>\$ 708</u>	<u>\$ 7,315</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, 2008 and 2007

1. Background Information

Big Cat Rescue Corp. (f.k.a. WildLife on Easy Street, Inc.) (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 mission is to reduce the number of cats that suffer the fate of abandonment and abuse by educating people about the conditions that lead to the plight of these animals. 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, 2008 and 2007

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, 2008 and 2007 were \$5,830 and \$34,786, 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, 2008 and 2007

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, 2007, from which the summarized information was derived.

BIG CAT RESCUE CORP.

**NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007**

3. Mortgages Receivable

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

	<u>2008</u>	<u>2007</u>
Mortgage receivable, interest at 10%; monthly principal and interest payments of \$771.46; due March 15, 2034; secured by land and building	\$ 72,771	\$ 73,263
Mortgage receivable, interest at 12%; monthly principal and interest payments of \$874.34; balloon payment of \$79,390 due January 6, 2009; secured by land and building; balance paid off in January 2009	79,519	80,410
Mortgage receivable, interest at 10%; monthly principal and interest payments of \$868.40; due January 22, 2038 secured by land and building	<u>97,894</u>	<u>-</u>
	<u>\$ 250,184</u>	<u>\$ 153,673</u>

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

2009	\$ 1,172
2010	1,355
2011	1,511
2012	1,684
2013 and thereafter	<u>244,462</u>
	<u>\$ 250,184</u>

BIG CAT RESCUE CORP.

**NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007**

4. Property and Equipment

Property and equipment consists of:

	December 31, 2008	December 31, 2007
Land	\$ 538,236	\$ 538,236
Buildings and structures	645,646	511,115
Equipment	69,199	65,424
Vehicles	71,060	71,060
Office equipment	47,954	44,256
Total property and equipment before depreciation	1,372,095	1,230,091
Less accumulated depreciation	227,399	194,316
Property and equipment, net of depreciation	<u>\$ 1,144,696</u>	<u>\$ 1,035,775</u>

5. Mortgage Payable

	2008	2007
Mortgage consists of:		
Mortgage payable; interest at 7% monthly interest and principal payments of \$5,940.36; collateralized by property	<u>\$ -</u>	<u>\$ 172,946</u>

This mortgage was paid in full during fiscal year ended December 31, 2008.

6. Related Party Transaction

An affiliated nonprofit organization provided educational services to the Organization worth approximately \$21,000 during 2007. There were no such services provided to the Organization during 2008.