

Financial Statements

Big Cat Rescue Corp.

Years ended December 31, 2009 and 2008

Independent Auditor's Report

BIG CAT RESCUE CORP.
Financial Statements
Years ended December 31, 2009 and 2008

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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, 2009 and 2008 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, 2009 and 2008 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 11, 2010

BIG CAT RESCUE CORP.

STATEMENTS OF FINANCIAL POSITION
December 31, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|---|--------------------------------|--------------------------------|
| Current assets | | |
| Cash and cash equivalents | \$ 184,335 | \$ 421,259 |
| Cash, board designated reserve | 329,688 | 324,312 |
| Certificates of deposit | 618,327 | 211,234 |
| Other investments | 117,281 | 33,231 |
| Grants and contributions receivable | 83,150 | 81,373 |
| Inventory, gift shop | 89,444 | 74,978 |
| Deposits | <u>12,765</u> | <u>65,000</u> |
| Total current assets | <u>1,434,990</u> | <u>1,211,387</u> |
| Other assets: | | |
| Beneficial interest in endowment fund held by others | 238,340 | 191,079 |
| Mortgages receivable | 309,504 | 250,184 |
| Other real estate owned | 799,205 | 601,948 |
| Property and equipment, less accumulated depreciation of \$225,290 and \$227,399 at December 31, 2009 and 2008, respectively | <u>1,211,055</u> | <u>1,144,696</u> |
| Total other assets | <u>2,558,104</u> | <u>2,187,907</u> |
| Total assets | <u><u>\$ 3,993,094</u></u> | <u><u>\$ 3,399,294</u></u> |
| Liabilities and Net Assets | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | <u>\$ 9,468</u> | <u>\$ 18,256</u> |
| Total liabilities | 9,468 | 18,256 |
| Net assets: | | |
| Unrestricted net assets | 3,653,938 | 3,056,726 |
| Unrestricted net assets, board designated | 200,000 | 200,000 |
| Unrestricted net assets, board designated for Wall Fund | <u>129,688</u> | <u>124,312</u> |
| Total net assets | <u>3,983,626</u> | <u>3,381,038</u> |
| Total liabilities and net assets | <u><u>\$ 3,993,094</u></u> | <u><u>\$ 3,399,294</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, 2009 and 2008

| | 2009 | 2008 |
|--|-------------------|-------------------|
| Revenues and support: | | |
| Contributions and grants | \$ 745,222 | \$ 741,961 |
| Educational tours and activities | 585,764 | 566,136 |
| In-kind services and contributions | 3,400 | 5,830 |
| Special events, net expenses of \$52,465 and \$51,389 for years ended December 31, 2009 and 2008, respectively | 89,236 | 108,747 |
| Rental income from operations | 9,970 | 10,376 |
| Investment income | 163,124 | 111,539 |
| Gift shop, net cost of goods sold of \$125,361 and \$126,233 for the years ended December 31, 2009 and 2008, respectively | 111,209 | 97,431 |
| Total revenues and support | 1,707,925 | 1,642,020 |
| Expenses: | | |
| Program expense | 894,238 | 848,255 |
| Management and general | 127,795 | 115,290 |
| Fundraising | 83,304 | 57,484 |
| Total expenses | 1,105,337 | 1,021,029 |
| Change in net assets | \$ 602,588 | \$ 620,991 |

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, 2009 and 2008

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fund- Raising</u> | <u>2009 Total</u> | <u>2008 Total*</u> |
|--|-----------------------------|---------------------------------------|--------------------------|-----------------------|------------------------|
| Conferences, conventions and meetings | \$ 1,299 | \$ - | \$ - | \$ 1,299 | \$ - |
| Equipment rental and repairs | 5,268 | - | - | 5,268 | 5,635 |
| Salaries and payroll expense | 196,209 | 65,277 | 26,334 | 287,820 | 237,831 |
| Animal care and education activities | 275,806 | - | - | 275,806 | 276,754 |
| Taxes | 4,485 | - | - | 4,485 | 207 |
| Advertising | 77,555 | - | 28,932 | 106,487 | 98,028 |
| Legal and accounting fees | - | 6,200 | - | 6,200 | 6,548 |
| Office expense and supplies | 33,230 | 1,846 | 1,846 | 36,922 | 21,770 |
| Postage and shipping | 13,910 | 773 | 773 | 15,456 | 14,489 |
| Printing and publications | 131,792 | - | 14,682 | 146,474 | 149,594 |
| Other professional fees | 36,045 | 4,950 | 3,285 | 44,280 | 53,556 |
| Bank and credit card fees | 20,677 | - | - | 20,677 | 17,780 |
| Insurance | 4,951 | - | - | 4,951 | 4,143 |
| Interest | - | - | - | - | 4,655 |
| Legislation efforts | 4,250 | - | - | 4,250 | 20,690 |
| Other expense | 9,701 | - | 5,337 | 15,038 | 16,128 |
| Telephone | 38,076 | 2,116 | 2,115 | 42,307 | 33,651 |
| Travel | 1,433 | - | - | 1,433 | 552 |
| Real estate investment expense | - | 46,633 | - | 46,633 | 25,935 |
| Depreciation expense | 39,551 | - | - | 39,551 | 33,083 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total expenses | <u>\$ 894,238</u> | <u>\$ 127,795</u> | <u>\$ 83,304</u> | <u>\$1,105,337</u> | <u>\$ 1,021,029</u> |

*The totals for 2008 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, 2009 and 2008

| | |
|-----------------------------------|----------------------------|
| Balance, December 31, 2007 | \$ 2,760,047 |
| Increase in net assets | <u>620,991</u> |
| Balance, December 31, 2008 | 3,381,038 |
| Increase in net assets | <u>602,588</u> |
| Balance, December 31, 2009 | <u><u>\$ 3,983,626</u></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, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|---|-------------------|-------------------|
| Cash flows from operating activities: | | |
| Increase in net assets | \$ 602,588 | \$ 620,991 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 39,551 | 33,083 |
| (Increase) decrease in operating assets: | | |
| Accounts receivable | (1,777) | (57,373) |
| Inventory | (14,466) | 2,051 |
| Deposits | 52,235 | (65,000) |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable and accrued liabilities | <u>(8,788)</u> | <u>786</u> |
| Total adjustments | 66,755 | (86,453) |
| Net cash provided by operating activities | <u>669,343</u> | <u>534,538</u> |
| Cash flow used by investing activities: | | |
| (Increase) in mortgage receivables | (59,320) | (96,511) |
| Purchase of investments | (735,661) | (450,986) |
| Purchase of property and equipment | <u>(105,910)</u> | <u>(142,004)</u> |
| Net cash used in investing activities | <u>(900,891)</u> | <u>(689,501)</u> |
| Cash flow provided (used) by financing activities: | | |
| Payments to mortgage payable | <u>-</u> | <u>(172,946)</u> |
| Net cash used by financing activities | <u>-</u> | <u>(172,946)</u> |
| Net increase (decrease) in cash and cash equivalents | (231,548) | (327,909) |
| Beginning cash and cash equivalents | <u>745,571</u> | <u>1,073,480</u> |
| Ending cash and cash equivalents | <u>\$ 514,023</u> | <u>\$ 745,571</u> |
| Supplemental disclosure of cash flow information and noncash investing and financing activities: | | |
| Interest paid | <u>\$ -</u> | <u>\$ 4,655</u> |
| Taxes paid | <u>\$ 3,127</u> | <u>\$ 708</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, 2009 and 2008

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 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, 2009 and 2008

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, 2009 and 2008 were \$3,400 and \$5,830, 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, 2009 and 2008

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, 2008, from which the summarized information was derived.

BIG CAT RESCUE CORP.

**NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008**

3. Mortgages Receivable

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

| | <u>2009</u> | <u>2008</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 | \$ 72,771 |
| 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 |
| Mortgage receivable, interest at 10%; monthly principal and interest payments of \$868.40; due January 22, 2083; secured by land and building | 97,344 | 97,894 |
| Mortgage receivable, interest at 9%; monthly principal and interest payments of \$1,167; due May 25, 2039; secured by land and building | <u>139,389</u> | <u>-</u> |
| | <u>\$ 309,504</u> | <u>\$ 250,184</u> |

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

| | |
|---------------------|-------------------|
| 2010 | \$ 3,170 |
| 2011 | 3,143 |
| 2012 | 3,468 |
| 2013 | 3,827 |
| 2014 and thereafter | <u>295,896</u> |
| | <u>\$ 309,504</u> |

BIG CAT RESCUE CORP.
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

4. Property and Equipment

Property and equipment consists of:

| | December 31, 2009 | December 31, 2008 |
|---|-------------------------|-------------------------|
| | <u>2009</u> | <u>2008</u> |
| Land | \$ 538,236 | \$ 538,236 |
| Buildings and structures | 700,887 | 645,646 |
| Equipment | 77,178 | 69,199 |
| Vehicles | 75,750 | 71,060 |
| Office equipment | <u>74,294</u> | <u>47,954</u> |
| Total property and equipment before depreciation | 1,466,345 | 1,372,095 |
| Less accumulated depreciation | <u>255,290</u> | <u>227,399</u> |
| Property and equipment, net of depreciation | <u>\$ 1,211,055</u> | <u>\$ 1,144,696</u> |