

Financial Statements

Big Cat Rescue Corp.

Years ended December 31, 2010 and 2009

Independent Auditor's Report



Marsha Weisse, CPA, PA

P.O. Box 13408
TAMPA, FLORIDA 33681-3408

(813) 857-4976
FAX: (813) 835-7521

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, 2010 and 2009 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, 2010 and 2009 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
March 23, 2011

BIG CAT RESCUE CORP.

STATEMENTS OF FINANCIAL POSITION

December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Current assets		
Cash and cash equivalents	\$ 556,540	\$ 184,335
Cash, board designated reserve	357,393	329,688
Certificates of deposit	721,000	618,327
Other investments	90,468	117,281
Grants and contributions receivable	77,116	83,150
Inventory, gift shop	96,358	89,444
Deposits	<u>-</u>	<u>12,765</u>
 Total current assets	 <u>1,898,875</u>	 <u>1,434,990</u>
 Other assets:		
Beneficial interest in endowment fund held by others	297,068	238,340
Mortgages receivable	307,291	309,504
Other real estate owned	853,484	799,205
Property and equipment, less accumulated depreciation of \$304,619 and \$225,290 at December 31, 2010 and 2009, respectively	<u>1,524,447</u>	<u>1,211,055</u>
 Total other assets	 <u>2,982,290</u>	 <u>2,558,104</u>
 Total assets	 <u><u>\$ 4,881,165</u></u>	 <u><u>\$ 3,993,094</u></u>
 Liabilities and Net Assets		
 Current liabilities:		
Accounts payable and accrued liabilities	<u>\$ 15,184</u>	<u>\$ 9,468</u>
 Total liabilities	 15,184	 9,468
 Net assets:		
Unrestricted net assets	4,508,588	3,653,938
Unrestricted net assets, board designated	200,000	200,000
Unrestricted net assets, board designated for Wall Fund	<u>157,393</u>	<u>129,688</u>
 Total net assets	 <u>4,865,981</u>	 <u>3,983,626</u>
 Total liabilities and net assets	 <u><u>\$ 4,881,165</u></u>	 <u><u>\$ 3,993,094</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, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Revenues and support:		
Contributions and grants	\$ 1,164,678	\$ 745,222
Educational tours and activities	610,518	585,764
Bequests	133,584	-
In-kind services and contributions	10,726	3,400
Special events, net expenses of \$58,347 and \$52,465 for years ended December 31, 2010 and 2009, respectively	79,316	89,236
Rental income from operations	10,369	9,970
Investment income	127,166	163,124
Gift shop, net cost of goods sold of \$146,974 and \$125,361 for the years ended December 31, 2010 and 2009, respectively	<u>109,441</u>	<u>111,209</u>
Total revenues and support	2,245,798	1,707,925
Expenses:		
Program expense	1,130,303	894,238
Management and general	137,577	127,795
Fundraising	95,563	83,304
Total expenses	<u>1,363,443</u>	<u>1,105,337</u>
Change in net assets	<u>\$ 882,355</u>	<u>\$ 602,588</u>

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BIG CAT RESCUE CORP.

STATEMENTS OF FUNCTIONAL EXPENSES

Years ended December 31, 2010 and 2009

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>2010 Total</u>	<u>2009 Total</u>
Conferences, conventions and meetings	\$ 2,281	\$ -	\$ -	\$ 2,281	\$ 1,299
Equipment rental and repairs	11,193	-	-	11,193	5,268
Salaries and payroll expense	266,481	70,105	39,223	375,809	287,820
Animal care and education activities	409,269	-	-	409,269	275,806
Taxes	3,428	-	-	3,428	4,485
Advertising	76,521	-	28,693	105,214	106,487
Legal and accounting fees	2,500	11,796	-	14,296	6,200
Office expense and supplies	39,976	10,272	5,884	56,132	36,922
Postage and shipping	8,451	2,171	1,244	11,866	15,456
Printing and publications	67,203	-	8,242	75,445	146,474
Other professional fees	45,463	400	1,207	47,070	44,280
Bank and credit card fees	28,415	-	-	28,415	20,677
Insurance	6,381	-	-	6,381	4,951
Legislation efforts	58,306	-	-	58,306	4,250
Other expense	21,865	-	6,443	28,308	15,038
Telephone	31,437	8,078	4,627	44,142	42,307
Travel	1,804	-	-	1,804	1,433
Real estate investment expense	-	34,755	-	34,755	46,633
Depreciation expense	49,329	-	-	49,329	39,551
	<u>\$ 1,130,303</u>	<u>\$ 137,577</u>	<u>\$ 95,563</u>	<u>\$1,363,443</u>	<u>\$ 1,105,337</u>
Total expenses					

*The totals for 2009 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, 2010 and 2009

Balance, December 31, 2008	\$ 3,381,038
Increase in net assets	<u>602,588</u>
Balance, December 31, 2008	3,983,626
Increase in net assets	<u>882,355</u>
Balance, December 31, 2010	<u>\$ 4,865,981</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, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Increase in net assets	\$ 882,355	\$ 602,588
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	49,329	39,551
(Increase) decrease in operating assets:		
Accounts receivable	6,034	(1,777)
Inventory	(6,914)	(14,466)
Deposits	12,765	52,235
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	<u>5,716</u>	<u>(8,788)</u>
Total adjustments	66,930	66,755
Net cash provided by operating activities	<u>949,285</u>	<u>669,343</u>
Cash flow used by investing activities:		
(Increase) decrease in mortgage receivables	2,213	(59,320)
Purchase of investments	(188,867)	(735,661)
Purchase of property and equipment	<u>(362,721)</u>	<u>(105,910)</u>
Net cash used in investing activities	<u>(549,375)</u>	<u>(900,891)</u>
Net increase (decrease) in cash and cash equivalents	399,910	(231,548)
Beginning cash and cash equivalents	<u>514,023</u>	<u>745,571</u>
Ending cash and cash equivalents	<u>\$ 913,933</u>	<u>\$ 514,023</u>
Supplemental disclosure of cash flow information and noncash investing and financing activities:		
Taxes paid	<u>\$ 3,428</u>	<u>\$ 3,127</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, 2010 and 2009

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, 2010 and 2009

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, 2010 and 2009 were \$10,726 and \$3,400, 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, 2010 and 2009

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, 2009, from which the summarized information was derived.

BIG CAT RESCUE CORP.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

3. Mortgages Receivable

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

	<u>2010</u>	<u>2009</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 10%; monthly principal and interest payments of \$868.40; due January 22, 2083; secured by land and building	96,389	97,344
Mortgage receivable, interest at 9%; monthly principal and interest payments of \$1,167; due May 25, 2039; secured by land and building	<u>138,131</u>	<u>139,389</u>
	<u>\$ 307,291</u>	<u>\$ 309,504</u>

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

2011	\$ 4,094
2012	3,395
2013	3,745
2014	4,131
2015 and thereafter	<u>291,926</u>
	<u>\$ 307,291</u>

BIG CAT RESCUE CORP.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

4. Property and Equipment

Property and equipment consists of:

	December 31, 2010	December 31, 2009
	<u> </u>	<u> </u>
Land	\$ 752,256	\$ 538,236
Buildings and structures	806,337	700,887
Equipment	113,935	77,178
Vehicles	78,151	75,750
Office equipment	<u>78,387</u>	<u>74,294</u>
 Total property and equipment before depreciation	 1,829,066	 1,466,345
 Less accumulated depreciation	 <u>304,619</u>	 <u>255,290</u>
 Property and equipment, net of depreciation	 <u>\$ 1,524,447</u>	 <u>\$ 1,211,055</u>