

CAROLINA RAPTOR CENTER, INC.

**Financial Statements
June 30, 2013 and 2012**

Goldberg Davis, CPAs

Goldberg & Davis, CPAs

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Carolina Raptor Center, Inc.

We have audited the accompanying financial statements of Carolina Raptor Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013 and 2012, 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 U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation 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 audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 principles 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 Carolina Raptor Center, Inc. as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Goldberg & Davis

October 30, 2013

Carolina Raptor Center, Inc.

Financial Statements

STATEMENT OF FINANCIAL POSITION

	June 30,	
	2013	2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 270,985	\$ 315,718
Grants and donations receivable	2,640	8,250
Gift shop inventories	10,076	9,218
Prepaid expenses	9,918	17,974
Other current assets	<u>7,487</u>	<u>7,836</u>
total current assets	301,106	358,996
Property and equipment, net	448,918	440,847
Long-term investments	140,865	132,671
Other assets	<u>121,277</u>	<u>121,277</u>
	<u>\$ 1,012,166</u>	<u>\$ 1,053,791</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 30,199	\$ 22,765
Accrued expenses	25,764	32,093
Unearned revenue	<u>23,270</u>	<u>25,976</u>
total liabilities	<u>79,233</u>	<u>80,834</u>
Net assets:		
Unrestricted	795,254	826,407
Temporarily restricted	9,982	18,853
Permanently restricted	<u>127,697</u>	<u>127,697</u>
total net assets	<u>932,933</u>	<u>972,957</u>
	<u>\$ 1,012,166</u>	<u>\$ 1,053,791</u>

The accompanying notes are an integral part of these financial statements.

Carolina Raptor Center, Inc.

Financial Statements

STATEMENT OF ACTIVITIES

	Year ended June 30,	
	2013	2012
Changes in unrestricted net assets		
Revenues:		
Contributions	\$ 284,898	\$ 285,051
Programs	160,493	168,322
Memberships	36,534	40,339
Admission fees	203,404	197,723
Grants	249,510	252,281
Adopt-A-Bird	23,658	21,532
Gift shop	75,004	76,604
Investment income (loss)	14,723	(2,432)
Special events	49,199	48,504
Other income	<u>7,158</u>	<u>4,894</u>
	1,104,581	1,092,818
Net assets released from restrictions:		
Expenditure of funds for restricted purpose	<u>20,261</u>	<u>3,974</u>
	<u>1,124,842</u>	<u>1,096,792</u>
Expenses:		
Program services:		
Education	291,749	284,471
Rehabilitation	328,508	297,973
Museum	<u>258,815</u>	<u>276,042</u>
	879,072	858,486
Fundraising	131,112	125,671
General and administrative	<u>145,811</u>	<u>133,222</u>
	<u>1,155,995</u>	<u>1,117,379</u>
	<u>(31,153)</u>	<u>(20,587)</u>

(continued)

Carolina Raptor Center, Inc.

Financial Statements

STATEMENT OF ACTIVITIES (continued from prior page)

	Year ended June 30,	
	2013	2012
Change in temporarily restricted net assets		
Contributions	11,390	22,827
Net assets released from restrictions	<u>(20,261)</u>	<u>(3,974)</u>
Increase (decrease) in temporarily restricted net assets	<u>(8,871)</u>	<u>18,853</u>
Change in permanently restricted net assets		
Contributions	<u> </u>	<u>4,862</u>
Increase (decrease) in net assets	(40,024)	3,128
Net assets at beginning of year	<u>972,957</u>	<u>969,829</u>
Net assets at end of year	<u>\$ 932,933</u>	<u>\$ 972,957</u>

The accompanying notes are an integral part of these financial statements.

Carolina Raptor Center, Inc.

Financial Statements

STATEMENT OF CASH FLOWS

	Year ended June 30,	
	2013	2012
Cash flows from operating activities		
Change in net assets	\$ (40,024)	\$ 3,128
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	63,197	63,368
Net non-cash donations	(22,370)	(19,339)
(Income) loss in endowment funds	(14,723)	3,931
(Gain) loss on disposal of assets	(1,000)	1,210
Changes in operating assets and liabilities:		
Receivables	5,610	(5,250)
Gift shop inventories	(858)	367
Other assets	8,405	(7,967)
Accounts payable and accruals	<u>(1,601)</u>	<u>11,396</u>
Net cash provided (used) by operating activities	<u>(3,364)</u>	<u>50,844</u>
Cash flows from investing activities		
Capital expenditures	(48,898)	(12,156)
Transfer to/from endowment assets	6,529	5,039
Cash proceeds from the sale of assets	<u>1,000</u>	<u> </u>
Net cash used in investing activities	<u>(41,369)</u>	<u>(7,117)</u>
Net increase (decrease) in cash and cash equivalents	(44,733)	43,727
Cash and cash equivalents at beginning of year	<u>315,718</u>	<u>271,991</u>
Cash and cash equivalents at end of year	<u>\$ 270,985</u>	<u>\$ 315,718</u>

The accompanying notes are an integral part of these financial statements.

Carolina Raptor Center, Inc.

Notes to Financial Statements

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:

General:

Carolina Raptor Center, Inc. ("CRC"), located north of Charlotte, North Carolina (in Latta Plantation Nature Preserve), is a nonprofit corporation established in 1981 under the laws of the state of North Carolina. Carolina Raptor Center is dedicated to environmental stewardship and the conservation of birds of prey through education, research, and the rehabilitation of injured and orphaned raptors.

Support and expenses:

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Center 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 for restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Cash and cash equivalents:

Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with original maturities of less than 90 days.

Inventories:

Inventories, consisting of items sold in the Center's gift shop, are valued at cost, if purchased, or appraised value at the time of donation, if received as a gift, on a first-in, first-out (FIFO) basis.

Property and equipment:

Purchased property and equipment are stated at cost. Donated property and equipment are recorded at estimated fair value. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which are 20-40 years for building and improvements and 3-10 years for all other assets.

Income taxes:

The Center has received an exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions. Management believes the Center continues to fulfill the requirements of a tax exempt organization. Accordingly, no income taxes have been paid or provided in the accompanying financial statements.

The organization files an information return with the Internal Revenue Service. With few exceptions, it is no longer subject to income tax examinations for years before 2010.

Estimates:

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

Carolina Raptor Center, Inc.

Notes to Financial Statements

Concentrations:

Cash balances are maintained with large, credit-worthy institutions, but amounts at any given time may exceed federally insured limits.

NOTE 2 - PROPERTY AND EQUIPMENT:

	June 30,	
	2013	2012
Buildings	\$ 510,404	\$ 510,404
Trailers	12,474	3,700
Furniture and equipment	331,788	394,440
Vehicles	21,650	23,300
Leasehold improvements	29,961	29,961
Cages	348,297	315,185
Birds	<u>21,595</u>	<u>15,173</u>
	1,276,169	1,292,163
<u>Less - accumulated depreciation</u>	<u>(827,251)</u>	<u>(851,316)</u>
	<u>\$ 448,918</u>	<u>\$ 440,847</u>

Depreciation expense was \$63,197 in 2013 and \$63,368 in 2012.

NOTE 3 - LONG-TERM INVESTMENTS:

Long-term investments are restricted for permanent endowment and are managed by the Greater Charlotte Cultural Trust. The investments are in a range of managed funds and are recorded at fair value based on quoted net asset values of the shares held. For fiscal year 2013 the net investment gain of \$14,723 was comprised of interest and dividend income of \$2,671, realized gains of \$3,301, and unrealized gains of \$8,751. For fiscal year 2012 the net investment loss of \$(3,931) was comprised of interest and dividend income of \$2,764, realized losses of \$(3,182), and unrealized losses of \$(3,513).

NOTE 4 - CONTRIBUTED SERVICES AND MATERIALS:

Included in contributions are in-kind donations of various capital and operating items totaling \$60,379 in 2013 and \$60,291 in 2012.

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

NOTE 5 - LEASE COMMITMENTS:

The Center leases approximately 58 acres of land within Latta Plantation Park, Mecklenburg County, under an agreement which provides for an annual rental payment of \$1 to Mecklenburg County for a period of 99 years and expiring June 30, 2083.

Carolina Raptor Center, Inc.

Notes to Financial Statements

Beginning in fiscal year 2011 the Center began leasing computer equipment under an operating lease with terms calling for monthly payments of \$468 through June 2014.

NOTE 6 - RESTRICTED ASSETS:

Permanently restricted assets are restricted to investments in perpetuity, the income from which is expendable to support the Center's ongoing operations.

Temporarily restricted assets are restricted as to use by the donor. For the years ended June 30, 2013 and 2012 such assets were designated for the construction of flight cages, technology upgrades, and other various purposes.

NOTE 7 - EVALUATION OF SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through October 30, 2013, the date which the financial statements were available to be issued.