

CAROLINA RAPTOR CENTER, INC.

**Financial Statements
June 30, 2014 and 2013**

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, 2014 and 2013, 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

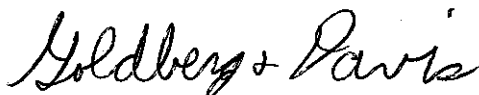
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements 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, 2014 and 2013, 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.



October 22, 2014

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Carolina Raptor Center, Inc.

Financial Statements

STATEMENT OF FINANCIAL POSITION

	June 30,	
	2014	2013
Assets		
Current assets:		
Cash	\$ 164,669	\$ 270,985
Grants and donations receivable		2,640
Gift shop inventories	11,630	10,076
Prepaid expenses	4,353	9,918
Other current assets	<u>3,976</u>	<u>7,487</u>
total current assets	184,628	301,106
Property and equipment, net	410,301	448,918
Long-term investments	255,573	140,865
Other assets	<u>121,277</u>	<u>121,277</u>
	<u>\$ 971,779</u>	<u>\$ 1,012,166</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 21,494	\$ 30,199
Accrued expenses	4,474	25,764
Unearned revenue	<u>17,162</u>	<u>23,270</u>
total liabilities	<u>43,130</u>	<u>79,233</u>
Net assets:		
Unrestricted	751,372	795,254
Temporarily restricted	49,580	9,982
Permanently restricted	<u>127,697</u>	<u>127,697</u>
total net assets	<u>928,649</u>	<u>932,933</u>
	<u>\$ 971,779</u>	<u>\$ 1,012,166</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,	
	2014	2013
Changes in unrestricted net assets		
Revenues:		
Contributions	\$ 336,880	\$ 284,898
Programs	133,621	160,493
Memberships	29,037	36,534
Admission fees	188,959	203,404
Grants	290,745	249,510
Adopt-A-Bird	20,254	23,658
Gift shop	68,635	75,004
Investment income	21,597	14,723
Special events	28,897	49,199
Other income	14,002	7,158
	<u>1,132,627</u>	<u>1,104,581</u>
Net assets released from restrictions:		
Expenditure of funds for restricted purpose	<u>14,562</u>	<u>20,261</u>
	<u>1,147,189</u>	<u>1,124,842</u>
Expenses:		
Program services:		
Education	292,333	291,749
Rehabilitation	385,881	328,508
Museum	<u>243,064</u>	<u>258,815</u>
	921,278	879,072
Fundraising	122,686	131,112
General and administrative	<u>147,107</u>	<u>145,811</u>
	<u>1,191,071</u>	<u>1,155,995</u>
decrease in unrestricted net assets	<u>(43,882)</u>	<u>(31,153)</u>

(continued)

Carolina Raptor Center, Inc.

Financial Statements

STATEMENT OF ACTIVITIES (continued from prior page)

	Year ended June 30,	
	2014	2013
Changes in temporarily restricted net assets		
Contributions	54,160	11,390
Net assets released from restrictions	<u>(14,562)</u>	<u>(20,261)</u>
Increase (decrease) in temporarily restricted net assets	<u>39,598</u>	<u>(8,871)</u>
Decrease in net assets	(4,284)	(40,024)
Net assets, beginning of year	<u>932,933</u>	<u>972,957</u>
Net assets, end of year	<u>\$ 928,649</u>	<u>\$ 932,933</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,	
	2014	2013
Cash flows from operating activities		
Change in net assets	\$ (4,284)	\$ (40,024)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	57,619	63,197
Net non-cash donations	(2,400)	(22,370)
Income in endowment funds	(20,492)	(14,723)
Gain on disposal of assets	(2,538)	(1,000)
Changes in operating assets and liabilities:		
Receivables	2,640	5,610
Gift shop inventories	(1,554)	(858)
Other assets	9,076	8,405
Accounts payable and accruals	<u>(36,103)</u>	<u>(1,601)</u>
Net cash provided (used) by operating activities	<u>1,964</u>	<u>(3,364)</u>
Cash flows from investing activities		
Capital expenditures	(16,602)	(48,898)
Transfer to/from endowment assets	(94,216)	6,529
Cash proceeds from the sale of assets	<u>2,538</u>	<u>1,000</u>
Net cash used in investing activities	<u>(108,280)</u>	<u>(41,369)</u>
Net decrease in cash	(106,316)	(44,733)
Cash, beginning of year	<u>270,985</u>	<u>315,718</u>
Cash, end of year	<u>\$ 164,669</u>	<u>\$ 270,985</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. The organization is supported primarily through donor contributions, memberships and admission fees, and programming charges.

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.

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 2011.

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

NOTE 2 - PROPERTY AND EQUIPMENT:

	June 30,	
	2014	2013
Buildings	\$ 510,404	\$ 510,404
Trailers	12,474	12,474
Furniture and equipment	335,569	331,788
Vehicles	18,249	21,650
Leasehold improvements	29,961	29,961
Cages	361,920	348,297
Birds	<u>21,595</u>	<u>21,595</u>
	1,290,172	1,276,169
<u>Less - accumulated depreciation</u>	<u>(879,871)</u>	<u>(827,251)</u>
	<u>\$ 410,301</u>	<u>\$ 448,918</u>

Depreciation expense was \$57,619 in 2014 and \$63,197 in 2013.

NOTE 3 - LONG-TERM INVESTMENTS:

Long-term investments consist of endowment funds managed by the Greater Charlotte Cultural Trust. CRC specifies that funds are to be distributed as requested, except for those funds restricted for permanent endowment. The investments are in a range of managed funds and are recorded at fair value as provided by the custodian. Activity in the accounts are as follows:

	Year ended June 30,	
	2014	2013
Balance at beginning of fiscal year	\$ 140,865	\$ 132,671
Interest and dividends	4,301	2,484
Realized gains	4,462	3,301
Unrealized gains	12,763	8,751
Investment fees	(1,034)	(1,015)
Transfer of unrestricted funds	<u>94,216</u>	<u>(5,327)</u>
Balance at end of fiscal year	<u>\$ 255,573</u>	<u>\$ 140,865</u>

At June 30, 2014 and 2013, \$127,697 of the total endowment funds was permanently restricted and the remainder was unrestricted. Beginning in fiscal year 2014, \$101,773 is a board-designated endowment.

NOTE 4 - CONTRIBUTED SERVICES AND MATERIALS:

Included in contributions are in-kind donations of various capital and operating items totaling \$72,953 in 2014 and \$60,379 in 2013.

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.

Carolina Raptor Center, Inc.

Notes to Financial Statements

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.

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, 2014 and 2013 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 22, 2014, the date which the financial statements were available to be issued.