

# **CAROLINA RAPTOR CENTER, INC.**

**Financial Statements  
June 30, 2015 and 2014**

**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, 2015 and 2014, 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, 2015 and 2014, 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, CPAs*

December 22, 2015

# Carolina Raptor Center, Inc.

## Financial Statements

---

### STATEMENT OF FINANCIAL POSITION

	June 30,	
	2015	2014
<b>Assets</b>		
Current assets:		
Cash	\$ 197,707	\$ 164,669
Unconditional promises to give	172,961	
Gift shop inventories	10,248	11,630
Prepaid expenses	1,608	4,353
Other current assets	<u>5,431</u>	<u>3,976</u>
total current assets	387,955	184,628
Property and equipment, net	375,293	410,301
Long-term investments	251,747	255,573
Unconditional promises to give - long-term	265,903	
Other assets	<u>121,277</u>	<u>121,277</u>
	<u>\$ 1,402,175</u>	<u>\$ 971,779</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 22,126	\$ 21,494
Accrued expenses	6,194	4,474
Unearned revenue	<u>14,426</u>	<u>17,162</u>
total liabilities	<u>42,746</u>	<u>43,130</u>
Net assets:		
Unrestricted	706,103	751,372
Temporarily restricted	525,629	49,580
Permanently restricted	<u>127,697</u>	<u>127,697</u>
total net assets	<u>1,359,429</u>	<u>928,649</u>
	<u>\$ 1,402,175</u>	<u>\$ 971,779</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,	
	2015	2014
<b>Changes in unrestricted net assets</b>		
Revenues:		
Contributions	\$ 516,998	\$ 386,171
Programs	110,425	133,621
Admission fees	208,290	188,959
Grants	246,407	290,745
Gift shop	68,768	68,635
Investment income	3,685	21,597
Special events	77,368	28,897
Other income	1,358	14,002
	<u>1,233,299</u>	<u>1,132,627</u>
Net assets released from restrictions:		
Expenditure of funds for restricted purpose	<u>160,835</u>	<u>14,562</u>
	<u>1,394,134</u>	<u>1,147,189</u>
Expenses:		
Program services:		
Education	337,324	292,333
Rehabilitation	376,947	385,881
Museum	307,498	243,064
	<u>1,021,769</u>	<u>921,278</u>
Fundraising	275,289	122,686
General and administrative	<u>142,345</u>	<u>147,107</u>
	<u>1,439,403</u>	<u>1,191,071</u>
	<u>(45,269)</u>	<u>(43,882)</u>

(continued)

# Carolina Raptor Center, Inc.

## Financial Statements

---

### STATEMENT OF ACTIVITIES (continued from prior page)

	Year ended June 30,	
	2015	2014
<b>Changes in temporarily restricted net assets</b>		
Contributions	636,884	54,160
Net assets released from restrictions	<u>(160,835)</u>	<u>(14,562)</u>
Increase in temporarily restricted net assets	<u>476,049</u>	<u>39,598</u>
<b>Increase (decrease) in net assets</b>	<b>430,780</b>	<b>(4,284)</b>
<b>Net assets, beginning of year</b>	<u>928,649</u>	<u>932,933</u>
<b>Net assets, end of year</b>	<b><u>\$ 1,359,429</u></b>	<b><u>\$ 928,649</u></b>

*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,	
	2015	2014
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 430,780	\$ (4,284)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	57,392	57,619
Net non-cash donations	(20,250)	(2,400)
Income in endowment funds	(2,257)	(20,492)
Gain on disposal of assets		(2,538)
Changes in operating assets and liabilities:		
Receivables	(438,864)	2,640
Gift shop inventories	1,382	(1,554)
Other assets	1,290	9,076
Accounts payable and accruals	(384)	(36,103)
Net cash provided by operating activities	<u>29,089</u>	<u>1,964</u>
<b>Cash flows from investing activities</b>		
Capital expenditures	(2,134)	(16,602)
Transfer to/from endowment assets	6,083	(94,216)
Cash proceeds from the sale of assets		<u>2,538</u>
Net cash provided (used) by investing activities	<u>3,949</u>	<u>(108,280)</u>
<b>Net increase (decrease) in cash</b>	<b>33,038</b>	<b>(106,316)</b>
<b>Cash, beginning of year</b>	<u>164,669</u>	<u>270,985</u>
<b>Cash, end of year</b>	<u>\$ 197,707</u>	<u>\$ 164,669</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.

#### Promises to give:

Contributions are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional. 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.

The Center's policy is to use the allowance method to determine uncollectible pledges receivable based on management's analysis of specific promises made.

#### 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 income taxes under Section 501(c)(3) of the Internal Revenue Code. Management believes the Center continues to fulfill the requirements of a tax exempt organization.

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 2012.

#### 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 - RESTRICTIONS ON NET ASSETS:

Temporary restrictions on net assets at June 30, 2015 are primarily related to contributions received and pledges made in a capital campaign, a drive to raise funds to construct a new home. In conjunction with the Mecklenburg County Parks and Recreation Department, the Center intends to construct a new rehabilitation center and education facility near its current location in Latta Plantation Nature Preserve. The capital campaign was initiated in the second half of 2014.

At June 30, 2014 temporary restrictions on net assets were designated for the construction of flight cages, technology upgrades, and other various purposes.

Permanently restricted assets at June 30, 2015 and 2014 are restricted to investments in perpetuity, the income from which is expendable to support the Center's ongoing operations.

### NOTE 3 - PROMISES TO GIVE:

Unconditional promises to give due in more than one year are recorded as long-term assets. At June 30, 2015 these amounts are due as follows:

<b>FY ending June 30,</b>	
2017	\$ 197,152
2018	68,251
2019	<u>500</u>
	<u>\$ 265,903</u>

At June 30, 2015 the balance of unconditional promises to give were due from board members and other past contributors to the Center. As such, management has determined that uncollectible amounts are expected to be insignificant, and thus no provision has been made for uncollectible amounts.

### NOTE 4 - PROPERTY AND EQUIPMENT:

	<b>June 30,</b>	
	<b>2015</b>	<b>2014</b>
Buildings	\$ 510,404	\$ 510,404
Trailers	12,474	12,474
Furniture and equipment	355,819	335,569
Vehicles	18,249	18,249
Leasehold improvements	29,961	29,961
Cages	364,053	361,920
Birds	<u>21,595</u>	<u>21,595</u>
	1,312,555	1,290,172
<u>Less - accumulated depreciation</u>	<u>(937,262)</u>	<u>(879,871)</u>
	<u>\$ 375,293</u>	<u>\$ 410,301</u>

Depreciation expense was \$57,392 in 2015 and \$57,619 in 2014.



# Carolina Raptor Center, Inc.

## Notes to Financial Statements

---

### NOTE 5 - 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,	
	2015	2014
Balance at beginning of fiscal year	\$ 255,573	\$ 140,865
Interest and dividends	6,070	4,301
Realized gains	10,013	4,462
Unrealized gains (losses)	(12,424)	12,763
Investment fees	(1,402)	(1,034)
Transfer of unrestricted funds	(6,083)	94,216
	<u>\$ 251,747</u>	<u>\$ 255,573</u>
Balance at end of fiscal year	\$ 251,747	\$ 255,573

At June 30, 2015 and 2014, \$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 6 - CONTRIBUTED SERVICES AND MATERIALS:

Included in contributions are in-kind donations of various capital and operating items totaling \$144,577 in 2015 and \$72,953 in 2014.

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 7 - 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 8 - EVALUATION OF SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through December 22, 2015, the date which the financial statements were available to be issued.