

CAROLINA RAPTOR CENTER, INC.

**Financial Statements
June 30, 2017 and 2016**

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, 2017 and 2016, 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, 2017 and 2016, 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

November 16, 2017

Carolina Raptor Center, Inc.

Financial Statements

STATEMENT OF FINANCIAL POSITION

	June 30,	
	2017	2016
Assets		
Current assets:		
Cash	\$ 733,107	\$ 483,669
Unconditional promises to give	471,325	245,632
Gift shop inventories	6,877	7,304
Prepaid expenses	20,367	16,627
Other current assets	<u>5,878</u>	<u>10,392</u>
total current assets	1,237,554	763,624
Property and equipment, net	329,255	388,341
Long-term investments	234,559	235,246
Unconditional promises to give - long-term	465,717	136,793
Other assets	<u>121,277</u>	<u>121,277</u>
	<u>\$ 2,388,362</u>	<u>\$ 1,645,281</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 46,705	\$ 33,743
Accrued expenses	2,276	506
Unearned revenue	<u>19,232</u>	<u>16,186</u>
total liabilities	<u>68,213</u>	<u>50,435</u>
Net assets:		
Unrestricted	538,111	656,099
Temporarily restricted	1,654,341	811,050
Permanently restricted	<u>127,697</u>	<u>127,697</u>
total net assets	<u>2,320,149</u>	<u>1,594,846</u>
	<u>\$ 2,388,362</u>	<u>\$ 1,645,281</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,	
	2017	2016
Changes in unrestricted net assets		
Revenues:		
Contributions	\$ 461,400	\$ 583,927
Programs	112,177	102,289
Admission fees	249,060	228,794
Grants	187,101	256,246
Gift shop	51,740	66,670
Investment income (loss)	32,013	(8,685)
Special events	105,265	90,241
Other income	<u>9,909</u>	<u>5,995</u>
	1,208,665	1,325,477
Net assets released from restrictions:		
Expenditure of funds for restricted purpose	<u>97,358</u>	<u>156,319</u>
	<u>1,306,023</u>	<u>1,481,796</u>
Expenses:		
Program services:		
Education	302,059	342,393
Rehabilitation	377,031	374,633
Museum	<u>334,675</u>	<u>361,724</u>
	1,013,765	1,078,750
Fundraising	293,026	320,983
General and administrative	<u>117,220</u>	<u>132,067</u>
	<u>1,424,011</u>	<u>1,531,800</u>
	<u>(117,988)</u>	<u>(50,004)</u>

(continued)

Carolina Raptor Center, Inc.

Financial Statements

STATEMENT OF ACTIVITIES (continued from prior page)

	Year ended June 30,	
	2017	2016
Changes in temporarily restricted net assets		
Contributions	940,649	441,740
Net assets released from restrictions	<u>(97,358)</u>	<u>(156,319)</u>
Increase in temporarily restricted net assets	<u>843,291</u>	<u>285,421</u>
Increase in net assets	725,303	235,417
Net assets, beginning of year	<u>1,594,846</u>	<u>1,359,429</u>
Net assets, end of year	<u>\$ 2,320,149</u>	<u>\$ 1,594,846</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,	
	2017	2016
Cash flows from operating activities		
Change in net assets	\$ 725,303	\$ 235,417
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	63,019	56,253
Net non-cash donations	(3,500)	(25,650)
(Income) loss in endowment funds	(31,500)	9,519
Gain on disposal of assets	(1,900)	
Changes in operating assets and liabilities:		
Receivables	(554,617)	56,439
Gift shop inventories	427	2,944
Other assets	774	(19,980)
Accounts payable and accruals	<u>17,778</u>	<u>7,689</u>
Net cash provided by operating activities	<u>215,784</u>	<u>322,631</u>
Cash flows from investing activities		
Capital expenditures	(433)	(43,651)
Transfer from endowment assets	32,187	6,982
Cash proceeds from the sale of assets	<u>1,900</u>	<u></u>
Net cash provided by (used in) investing activities	<u>33,654</u>	<u>(36,669)</u>
Net increase in cash	249,438	285,962
Cash, beginning of year	<u>483,669</u>	<u>197,707</u>
Cash, end of year	<u>\$ 733,107</u>	<u>\$ 483,669</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 2014.

Concentrations:

At June 30, 2017 the Center's uninsured cash balances total \$446,941.

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, 2017 and 2016 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, 2017, \$696,941 of the reported cash balance is restricted for future use towards this endeavor. At June 30, 2016 such restricted cash balance was \$421,709.

Permanently restricted assets at June 30, 2017 and 2016 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, 2017 these amounts are due as follows:

FY ending June 30,

2019	\$ 249,858
2020	209,859
2021	<u>6,000</u>
	<u>\$ 465,717</u>

At June 30, 2017 the balance of unconditional promises to give were due from board members and other past contributors to the Center, and large prominent foundations. 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:

	June 30,	
	2017	2016
Buildings	\$ 515,814	\$ 515,814
Trailers	12,474	12,474
Furniture and equipment	382,119	380,119
Vehicles	15,414	25,364
Leasehold improvements	46,525	46,525
Cages	370,663	370,230
Birds	<u>21,595</u>	<u>21,595</u>
	1,364,604	1,372,121
<u>Less - accumulated depreciation</u>	<u>(1,035,349)</u>	<u>(983,780)</u>
	<u>\$ 329,255</u>	<u>\$ 388,341</u>

Depreciation expense was \$63,019 in 2017 and \$56,253 in 2016.

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,	
	2017	2016
Balance at beginning of fiscal year	\$ 235,246	\$ 251,747
Net investment earnings/(loss)	31,999	(8,841)
Administrative fees	(499)	(678)
Transfer of unrestricted funds	<u>(32,187)</u>	<u>(6,982)</u>
Balance at end of fiscal year	<u>\$ 234,559</u>	<u>\$ 235,246</u>

At June 30, 2017 and 2016, \$127,697 of the total endowment funds was permanently restricted and the remainder was unrestricted. In fiscal years 2017 and 2016, \$106,862 and \$107,549, respectively, are board-designated endowments.

NOTE 6 - CONTRIBUTED SERVICES AND MATERIALS:

Included in contributions are in-kind donations of various capital and operating items totaling \$149,887 in 2017 and \$194,623 in 2016.

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 November 16, 2017, the date which the financial statements were available to be issued.