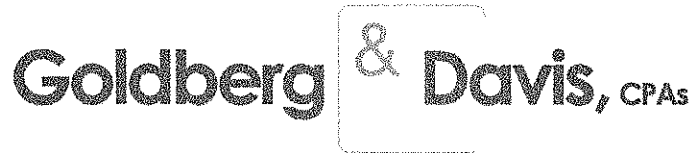


# **CAROLINA RAPTOR CENTER, INC.**

**Financial Statements  
June 30, 2018 and 2017**

**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, 2018 and 2017, 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, 2018 and 2017, 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.

A handwritten signature in cursive script that reads "Goldberg &amp; Davis, CPAs".

November 7, 2018

# Carolina Raptor Center, Inc.

## Financial Statements

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### STATEMENT OF FINANCIAL POSITION

	June 30,	
	2018	2017
<b>Assets</b>		
Current assets:		
Cash, unrestricted	\$ 69,130	\$ 32,817
Unconditional promises to give	424,767	471,325
Gift shop inventories	7,861	6,877
Prepaid expenses	30,567	20,367
Other current assets	<u>9,445</u>	<u>5,878</u>
total current assets	541,770	537,264
Cash, restricted for future use	703,859	700,290
Property and equipment, net	279,461	329,255
Quest campaign contribution	384,000	
Long-term investments	246,058	234,559
Unconditional promises to give - long-term	420,141	465,717
Other assets	<u>121,277</u>	<u>121,277</u>
	<u>\$ 2,696,566</u>	<u>\$ 2,388,362</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 68,399	\$ 46,705
Accrued expenses	5,555	2,276
Unearned revenue	<u>29,816</u>	<u>19,232</u>
total liabilities	<u>103,770</u>	<u>68,213</u>
Net assets:		
Unrestricted	871,352	538,111
Temporarily restricted	1,593,747	1,654,341
Permanently restricted	<u>127,697</u>	<u>127,697</u>
total net assets	<u>2,592,796</u>	<u>2,320,149</u>
	<u>\$ 2,696,566</u>	<u>\$ 2,388,362</u>

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

# Carolina Raptor Center, Inc.

## Financial Statements

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### STATEMENT OF ACTIVITIES

	Year ended June 30,	
	2018	2017
<b>Changes in unrestricted net assets</b>		
Revenues:		
Contributions	\$ 487,227	\$ 461,400
Programs	117,050	112,177
Admission fees	239,796	249,060
Grants	162,547	187,101
Gift shop, net	39,614	30,905
Investment income	19,035	32,013
Special events	137,202	105,265
Other income	<u>7,201</u>	<u>9,909</u>
	1,209,672	1,187,830
Net assets released from restrictions:		
Expenditure of funds for restricted purpose	<u>519,501</u>	<u>97,358</u>
	<u>1,729,173</u>	<u>1,285,188</u>
Expenses:		
Program services:		
Education	315,789	302,059
Rehabilitation	378,175	377,031
Museum	<u>279,320</u>	<u>313,840</u>
	973,284	992,930
Fundraising	266,821	293,026
General and administrative	<u>155,827</u>	<u>117,220</u>
	<u>1,395,932</u>	<u>1,403,176</u>
Increase (decrease) in unrestricted net assets	<u>333,241</u>	<u>(117,988)</u>

(continued)

# Carolina Raptor Center, Inc.

## Financial Statements

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

	Year ended June 30,	
	2018	2017
<b>Changes in temporarily restricted net assets</b>		
Contributions	458,907	940,649
Net assets released from restrictions	<u>(519,501)</u>	<u>(97,358)</u>
Increase (decrease) in temporarily restricted net assets	<u>(60,594)</u>	<u>843,291</u>
<b>Increase in net assets</b>	<b>272,647</b>	<b>725,303</b>
<b>Net assets, beginning of year</b>	<b><u>2,320,149</u></b>	<b><u>1,594,846</u></b>
<b>Net assets, end of year</b>	<b><u>\$ 2,592,796</u></b>	<b><u>\$ 2,320,149</u></b>

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

# Carolina Raptor Center, Inc.

## Financial Statements

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### STATEMENT OF CASH FLOWS

	Year ended June 30,	
	2018	2017
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 272,647	\$ 725,303
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	58,818	63,019
Net non-cash donations		(3,500)
Income in endowment funds	(18,576)	(31,500)
(Gain) loss on disposal of assets	548	(1,900)
Changes in operating assets and liabilities:		
Receivables	92,134	(554,617)
Other assets	(14,751)	1,201
Accounts payable and accruals	24,973	14,732
Unearned revenue	<u>10,584</u>	<u>3,046</u>
Net cash provided by operating activities	<u>426,377</u>	<u>215,784</u>
<b>Cash flows from investing activities</b>		
Capital expenditures	(10,572)	(433)
Payment towards Quest construction	(384,000)	
Transfer from endowment assets	7,077	32,187
Cash proceeds from the sale of assets	<u>1,000</u>	<u>1,900</u>
Net cash provided by (used in) investing activities	<u>(386,495)</u>	<u>33,654</u>
<b>Net increase in cash</b>	<b>39,882</b>	<b>249,438</b>
<b>Cash, beginning of year</b>	<u>733,107</u>	<u>483,669</u>
<b>Cash, end of year</b>	<u>\$ 772,989</u>	<u>\$ 733,107</u>

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

# Carolina Raptor Center, Inc.

## Notes to Financial Statements

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### 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 2015.

#### Concentrations:

At June 30, 2018 the Center's uninsured cash balances total \$445,284.

#### 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

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### Reclassifications:

Certain amounts previously reported for the prior year have been reclassified to conform with the presentation used in the current year.

### NOTE 2 - PROMISES TO GIVE:

Unconditional promises to give due in more than one year are recorded as long-term assets. At June 30, 2018 these amounts are due as follows:

#### FY ending June 30,

2020	\$ 266,307
2021	42,334
2022	33,500
2023	26,500
2024	16,500
After	<u>35,000</u>
	<u>\$ 420,141</u>

At June 30, 2018 the balance of unconditional promises to give were due from board members and other past contributors to the Center, and large prominent foundations and businesses. As such, management has determined that uncollectible amounts are expected to be insignificant, and thus no provision has been made for uncollectible amounts.

### NOTE 3 - PROPERTY AND EQUIPMENT:

	June 30,	
	2018	2017
Buildings	\$ 515,814	\$ 515,814
Trailers	12,474	12,474
Furniture and equipment	375,692	382,119
Vehicles	13,914	15,414
Leasehold improvements	46,525	46,525
Cages	373,053	370,663
Birds	<u>21,773</u>	<u>21,595</u>
	1,359,245	1,364,604
<u>Less - accumulated depreciation</u>	<u>(1,079,784)</u>	<u>(1,035,349)</u>
	<u>\$ 279,461</u>	<u>\$ 329,255</u>

Depreciation expense was \$58,818 in 2018 and \$63,019 in 2017.



# Carolina Raptor Center, Inc.

## Notes to Financial Statements

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### NOTE 4 - 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,	
	2018	2017
Balance at beginning of fiscal year	\$ 234,559	\$ 235,246
Net investment earnings	19,035	31,999
Administrative fees	(459)	(499)
Transfer of unrestricted funds	<u>(7,077)</u>	<u>(32,187)</u>
Balance at end of fiscal year	<u>\$ 246,058</u>	<u>\$ 234,559</u>

At June 30, 2018 and 2017, \$127,697 of the total endowment funds was permanently restricted and the remainder was unrestricted. In fiscal years 2018 and 2017, \$118,361 and \$106,862, respectively, are board-designated endowments.

### NOTE 5 - RESTRICTIONS ON NET ASSETS:

Temporary restrictions on net assets at June 30, 2018 and 2017 are primarily related to contributions received and pledges made in a capital campaign (Quest), a drive to raise funds to construct a new home. The restricted cash balance at June 30, 2018 and 2017 is restricted predominantly for future use towards this new facility.

Permanently restricted assets at June 30, 2018 and 2017 are restricted to investments in perpetuity, the income from which is expendable to support the Center's ongoing operations.

### NOTE 6 - QUEST CAMPAIGN:

In conjunction with the Mecklenburg County Parks and Recreation Department, a new rehabilitation center and education facility will be constructed near the current location in Latta Plantation Nature Preserve. CRC has a \$1 million commitment to Mecklenburg County as a partner in this endeavor, payable in a combination of cash and in-kind construction materials as outlined in the operating agreement. As required by the operating agreement, CRC obtained a \$150,000 line of credit and a \$200,000 loan commitment from a bank.

CRC made an initial \$384,000 payment to Mecklenburg County during fiscal year 2018 per the terms of the agreement. This leaves a remaining commitment of \$616,000 as of June 30, 2018, which becomes due upon delivery of a certificate of occupancy for the building. This is expected to occur in fiscal year 2020.

### NOTE 7 - CONTRIBUTED SERVICES AND MATERIALS:

Included in contributions are in-kind donations of various capital and operating items totaling \$94,979 in 2018 and \$149,887 in 2017.

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

# Carolina Raptor Center, Inc.

## Notes to Financial Statements

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and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

### **NOTE 8 - 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 9 - EVALUATION OF SUBSEQUENT EVENTS:**

The Organization has evaluated subsequent events through November 7, 2018, the date which the financial statements were available to be issued.