

Tiger Haven, Inc. and Subsidiary



Consolidated Financial Statements and Supplementary Information

Years Ended January 31, 2018 and 2017

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Independent Auditors' Report

Board of Directors
Tiger Haven, Inc. and Subsidiary
Kingston, Tennessee

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Tiger Haven, Inc., which comprise the consolidated statements of financial position as of January 31, 2018 and 2017, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tiger Haven, Inc. as of January 31, 2018 and 2017, and the consolidated changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidated schedules of functional expenses on pages 11-12 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management, was derived from, and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Dixon Hughes Goodman LLP

**Asheville, North Carolina
July 17, 2018**

Tiger Haven, Inc. and Subsidiary
Consolidated Statements of Financial Position
January 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 320,666	\$ 283,228
Investments	1,825,308	1,304,955
Employee receivable	5,172	2,492
Inventories	<u>18,368</u>	<u>18,368</u>
Total current assets	<u>2,169,514</u>	<u>1,609,043</u>
Property and equipment:		
Furniture and fixtures	75,529	75,255
Machinery and equipment	455,982	464,730
Office equipment	8,719	7,669
Buildings	597,228	556,847
Fencing	816,575	794,741
Land	721,140	704,616
Animal enclosures	1,818,766	1,654,020
Vehicles	<u>321,572</u>	<u>274,072</u>
	4,815,511	4,531,950
Less accumulated depreciation	<u>(2,759,027)</u>	<u>(2,562,874)</u>
Total property and equipment, net	<u>2,056,484</u>	<u>1,969,076</u>
Total assets	<u>\$ 4,225,998</u>	<u>\$ 3,578,119</u>

See accompanying notes.

	<u>2018</u>	<u>2017</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 32,055	\$ 54,271
Accrued payroll	<u>15,124</u>	<u>8,507</u>
Total current liabilities	47,179	62,778
Net assets:		
Unrestricted:		
Undesignated	2,122,335	1,546,265
Designated:		
Investment in property and equipment, net	<u>2,056,484</u>	<u>1,969,076</u>
Total unrestricted net assets	4,178,819	3,515,341
Total liabilities and net assets	<u>\$ 4,225,998</u>	<u>\$ 3,578,119</u>

See accompanying notes.

Tiger Haven, Inc. and Subsidiary
Consolidated Statements of Activities and Changes in Net Assets
January 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Changes in unrestricted net assets:		
Unrestricted revenues and support:		
Contributions	\$ 3,533,923	\$ 2,383,044
Investment gain	<u>174,431</u>	<u>228,543</u>
Total unrestricted revenues and support	3,708,354	2,611,587
Expenses:		
Program services	1,953,665	1,774,006
Supporting services:		
Management and general	142,746	121,898
Fundraising	<u>948,465</u>	<u>541,006</u>
Total expenses	<u>3,044,876</u>	<u>2,436,910</u>
Net change in unrestricted net assets	663,478	174,677
Net assets, beginning of year	<u>3,515,341</u>	<u>3,340,664</u>
Net assets, end of year	<u>\$ 4,178,819</u>	<u>\$ 3,515,341</u>

See accompanying notes.

Tiger Haven, Inc. and Subsidiary
Consolidated Statements of Cash Flows
January 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ 663,478	\$ 174,677
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	234,207	250,567
Loss on disposal of assets	3,675	-
Net unrealized and realized gains on investments	(90,159)	(165,881)
Changes in assets and liabilities:		
Accounts payable	(22,216)	33,822
Accrued payroll	6,617	2,561
Net cash provided by operating activities	<u>795,602</u>	<u>295,746</u>
Cash flows from investing activities:		
Employee receivable	(2,680)	(125)
Purchase of investments	(430,194)	(62,212)
Proceeds from sale of investments	-	115,000
Purchase of property and equipment	(325,290)	(333,876)
Net cash used by investing activities	<u>(758,164)</u>	<u>(281,213)</u>
Net change in cash and cash equivalents	37,438	14,533
Cash and cash equivalents at beginning of year	<u>283,228</u>	<u>268,695</u>
Cash and cash equivalents at end of year	<u>\$ 320,666</u>	<u>\$ 283,228</u>

See accompanying notes.

Notes to Consolidated Financial Statements

1. Nature of Organization and Summary of Significant Accounting Policies

Nature of organization

Tiger Haven, Inc. and Subsidiary (the "Organization") is a non-profit organization created for the purpose of providing a safe haven to abused and neglected exotic animals, primarily big cats. The Organization provides permanent housing and care, performs rescue operations, and works with state wildlife agencies. Operations began February 24, 1993. The Organization receives a majority of their contributions from direct response mailings.

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Financial statement presentation

The accompanying consolidated financial statements present information according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization currently does not have any temporarily or permanently restricted net assets.

Principles of consolidation

The consolidated financial statements include the accounts of Tiger Haven, Inc. and wholly owned subsidiary, Roane Stray Haven, LLC (Subsidiary). During 2016, Roane Stray Haven, LLC, was formed as a rescue organization for shelter dogs destined for euthanasia. All intercompany accounts have been eliminated.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose 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. If the terms of restriction are met in the same year as the donor-restricted contributions are received, the contribution revenue is reported as an increase to unrestricted net assets.

Inventory

Inventories consist primarily of food and supplies used in the care of the animals and are valued at cost.

Tiger Haven, Inc. and Subsidiary
Notes to Consolidated Financial Statements

Donated services

Donated services which create or enhance non-financial assets or require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not donated, are reflected in the consolidated financial statements as in-kind contributions and expenditures if the value of the donated services is ascertainable. There were no such donated services recorded in the accompanying consolidated financial statements. However, during the year, volunteers donated services not meeting the above requirement for inclusion in the consolidated financial statements.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets. The estimated lives are 39 years for buildings and 5 - 7 years for equipment. Amounts paid for maintenance and repairs are charged to expense as incurred.

Tax exempt status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying consolidated financial statements do not reflect a provision or liability for federal and state income taxes. The Organization has determined that it does not have any material unrecognized tax benefits or obligations as of January 31, 2018.

The Organization accounts for uncertain tax positions in accordance with the accounting principles generally accepted in the United States of America, under which liabilities for uncertain tax positions are recognized in the consolidated financial statements when it becomes probable a liability has been incurred and the amount can be reasonably estimated.

Cash and cash equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At times, the Organization may have balances in excess of the limits insured under the federal deposit insurance requirements. The Organization has not experienced any losses on such accounts and management does not believe the Organization is exposed to any significant credit risk on cash and cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the consolidated statement of financial position. Unrealized gains and losses are included in the consolidated statement of activities and change in net assets.

Fair value measurements

Fair value as defined under generally accepted accounting principles is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization utilizes market data or assumptions that market participants would use in pricing the asset or liability. Generally accepted accounting principles establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Prices for the Organization's investment securities are determined using observable inputs such as quoted prices in active markets, and the resulting fair values of \$1,825,308 and \$1,304,955 at January 31, 2018 and 2017, respectively, are categorized as Level 1. The Organization has no financial assets or liabilities that are valued on a recurring basis using a Level 2 or 3 valuation method.

Tiger Haven, Inc. and Subsidiary
Notes to Consolidated Financial Statements

There were no changes during the year ended January 31, 2018 to the Organization's valuation techniques used to measure assets valued at fair value on a recurring basis.

2. Investment in Property and Equipment, Net

This amount represents property and equipment acquisitions, net of accumulated depreciation.

3. Fundraising Expense

Total fundraising expense for the years ended January 31, 2018 and 2017, was approximately \$948,000 and \$541,000 respectively.

4. Joint Costs

During the year ended January 31, 2018, the Organization incurred joint costs of approximately \$1,600,000 for informational materials and activities that included fundraising appeals. The Organization allocated approximately \$948,000 and \$652,000, respectively, to fundraising and program expense.

5. Contingencies

In the normal course of business, various legal claims may arise against the Organization. The Organization's management is of the opinion that the outcome of any outstanding claims will have no material adverse effect on the consolidated financial position of the Organization. Therefore, no liabilities have been reflected in the accompanying consolidated financial statements.

6. Investments

Investments are stated at fair value and consist of mutual funds at January 31, 2018 and 2017.

Investment income from these investments during the 2018 and 2017 fiscal years is summarized as follows:

	<u>2018</u>	<u>2017</u>
Interest and dividend income	\$ 84,272	\$ 62,662
Net unrealized and realized gains	<u>90,159</u>	<u>165,881</u>
	<u>\$ 174,431</u>	<u>\$ 228,543</u>

7. Subsequent Events

The Organization evaluated the effect subsequent events would have on the consolidated financial statements through July 17, 2018, which is the date the consolidated financial statements were available to be issued.

Supplementary Information

Tiger Haven, Inc. and Subsidiary
Consolidated Schedules of Functional Expenses
January 31, 2018 and 2017

	2018			
	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Fundraising</u>	<u>Total</u>
Advertising	\$ -	\$ 3,542	\$ -	\$ 3,542
Animal food	226,752	-	-	226,752
Automobile	21,657	-	-	21,657
Bank and credit card fees	5,453	11,378	11,071	27,902
Computer expenses	23,248	-	47,199	70,447
Contract services	101,922	13,899	-	115,821
Creative/coordination fees	74,576	-	151,411	225,987
Depreciation	229,524	4,684	-	234,208
Dues and subscriptions	-	5,541	-	5,541
Equipment rental	1,535	-	-	1,535
Insurance	9,750	-	-	9,750
Legal and professional	-	38,708	-	38,708
List rental	17,940	-	36,423	54,363
Loss on disposal of assets	-	3,675	-	3,675
Mail house	61,585	-	125,037	186,622
Miscellaneous	18,986	-	26,464	45,450
Office	-	5,161	-	5,161
Postage	345,424	-	345,425	690,849
Printing and publications	101,184	-	205,435	306,619
Repairs and maintenance	134,063	-	-	134,063
Salaries	233,462	31,836	-	265,298
Supplies	100,821	13,748	-	114,569
Taxes and licenses	22,953	3,130	-	26,083
Telephone	8,300	-	-	8,300
Travel	7,256	-	-	7,256
Utilities	54,593	7,444	-	62,037
Vet services	152,681	-	-	152,681
Total expenses	<u>\$ 1,953,665</u>	<u>\$ 142,746</u>	<u>\$ 948,465</u>	<u>\$ 3,044,876</u>

See independent auditors' report.

2017

<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
\$ -	\$ 292	\$ -	\$ 292
225,078	-	-	225,078
16,535	-	-	16,535
2,382	9,903	4,837	17,122
15,277	-	31,016	46,293
95,821	13,066	-	108,887
32,254	-	65,486	97,740
245,556	5,011	-	250,567
-	-	-	-
6,821	-	-	6,821
9,674	-	-	9,674
-	34,155	-	34,155
8,579	-	17,417	25,996
-	-	-	-
35,501	-	72,077	107,578
12,927	-	23,144	36,071
-	1,954	-	1,954
211,649	-	211,650	423,299
56,828	-	115,379	172,207
193,793	-	-	193,793
218,681	29,820	-	248,501
127,771	17,423	-	145,194
19,005	2,592	-	21,597
8,599	-	-	8,599
7,392	-	-	7,392
56,338	7,682	-	64,020
167,545	-	-	167,545
<u>\$ 1,774,006</u>	<u>\$ 121,898</u>	<u>\$ 541,006</u>	<u>\$ 2,436,910</u>

See independent auditors' report.