

**SHY WOLF SANCTUARY EDUCATION  
AND EXPERIENCE CENTER, INC.**

**FINANCIAL REPORT**

**DECEMBER 31, 2019**

# SHY WOLF SANCTUARY EDUCATION AND EXPERIENCE CENTER, INC.

## FINANCIAL REPORT DECEMBER 31, 2019

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## INDEPENDENT AUDITOR'S REPORT

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**To the Board of Directors  
Shy Wolf Sanctuary Education  
and Experience Center, Inc.  
Naples, Florida**

We have audited the accompanying financial statements of Shy Wolf Sanctuary Education and Experience Center, Inc. (a non-profit organization) which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, cash flows, and functional expenses for the year 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 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 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 audit. We conducted our audit 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 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 policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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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 Shy Wolf Sanctuary Education and Experience Center, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
August 28, 2020

**SHY WOLF SANCTUARY EDUCATION  
AND EXPERIENCE CENTER, INC.**

**STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2019**

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<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash	\$ 503,033
Prepaid expenses	8,201
	<u>511,234</u>
<b>PROPERTY AND EQUIPMENT</b>	
Land	105,000
Building and improvements	242,319
Furniture and fixtures	5,645
Vehicles	12,792
	<u>365,756</u>
Accumulated depreciation	40,459
	<u>325,297</u>
<b>INVESTMENTS</b>	<u>317,203</u>
<b>Total Assets</b>	<u><u>\$ 1,153,734</u></u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 962
	<u>962</u>
<b>NET ASSETS</b>	
Net assets without donor restrictions	1,044,951
Net assets with donor restrictions - time and purpose	107,821
	<u>1,152,772</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 1,153,734</u></u>

**See Notes to Financial Statements.**

**SHY WOLF SANCTUARY EDUCATION  
AND EXPERIENCE CENTER, INC.**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
<b>Support and revenues</b>			
Contributions	\$ 402,691	\$ 125,000	\$ 527,691
Special events	12,218	-	12,218
Grants	68,664	-	68,664
Investment income	11,056	-	11,056
Other	52	-	52
Releases from restrictions	17,179	(17,179)	-
Total support and revenues	<u>511,860</u>	<u>107,821</u>	<u>619,681</u>
<b>Expenses</b>			
Program services	414,161	-	414,161
Management and general	9,909	-	9,909
Fundraising	72,660	-	72,660
Total expenses	<u>496,730</u>	<u>-</u>	<u>496,730</u>
Change in net assets	15,130	107,821	122,951
Net assets, beginning of year	<u>1,029,821</u>	<u>-</u>	<u>1,029,821</u>
Net assets, end of year	<u>\$ 1,044,951</u>	<u>\$ 107,821</u>	<u>\$ 1,152,772</u>

**See Notes to Financial Statements.**

**SHY WOLF SANCTUARY EDUCATION  
AND EXPERIENCE CENTER, INC.**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 122,951
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	12,247
Changes in operating assets and liabilities	
Increase in prepaid expenses	(8,201)
Decrease accounts payable	(1,644)
Net cash provided by operating activities	<u>125,353</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments	<u>(15,274)</u>
Net cash (used in) investing activities	<u>(15,274)</u>
Change in cash	110,079
Cash, beginning of year	<u>392,954</u>
Cash, end of year	<u>\$ 503,033</u>

**See Notes to Financial Statements.**

**SHY WOLF SANCTUARY EDUCATION  
AND EXPERIENCE CENTER, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 97,900	\$ 3,908	\$ 11,725	\$ 113,533
Payroll taxes	7,289	291	873	8,453
Vet and medical care	49,963	-	-	49,963
Utilities	7,218	-	-	7,218
Animal care supplies	13,231	-	-	13,231
Food and food supplies	20,401	-	-	20,401
Repairs and maintenance	46,281	-	-	46,281
Contract services	54,578	669	2,007	57,254
Advertising	61,934	2,226	19,005	83,165
Travel	4,209	502	-	4,711
Communications and postage	1,773	71	1,708	3,552
Office expenses	12,449	1,754	9,335	23,538
Insurance	12,224	488	1,464	14,176
Education	12,464	-	-	12,464
Depreciation	12,247	-	-	12,247
Database management	-	-	16,102	16,102
Special events	-	-	10,294	10,294
Miscellaneous	-	-	147	147
Total expenses	<u>\$ 414,161</u>	<u>\$ 9,909</u>	<u>\$ 72,660</u>	<u>\$ 496,730</u>

**See Notes to Financial Statements.**



# SHY WOLF SANCTUARY EDUCATION AND EXPERIENCE CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Shy Wolf Sanctuary Education and Experience Center, Inc. (the "Organization") is a Florida not-for-profit corporation established to provide sanctuary and rehabilitation to un-releasable wild and captive-bred exotic animals, including wolves and wolfdogs.

#### **Basis of Presentation**

The Organization's financial statements have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables and other liabilities.

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Accordingly, net assets are reported in each of the following two classes:

Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations. From time to time the Board designates certain items for use on specific future projects. At December 31, 2019, there were no board designated net assets.

Net assets with donor restrictions—Net assets subject to donor-imposed stipulations. Some donor-imposed stipulations are temporary in nature, such as those that will be met either by actions of the Organization and/or the passage of time. Other donor-imposed stipulations are perpetual in nature where the donor stipulates that resources be maintained in perpetuity. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

#### **Management Estimates**

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

The Organization considers all highly liquid investments with a maturity date of three months or less at the date of acquisition to be cash equivalents.

The Organization maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Contributions and Grants

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions that increases that net asset class. When a restriction expires, net assets with donor restrictions are classified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions. All grant revenue is recorded when performance occurs under the terms of the grant agreement.

#### Property and Equipment

Property and equipment acquisitions in excess of \$5,000 are recorded at cost, estimated cost, or if donated, at fair value on the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method.

	<u>Years</u>
Building and improvements	15-27.5
Furniture and fixtures	7
Vehicles	5

Maintenance and repairs of property and equipment are charged to operations and major improvements are capitalized.

#### Functional Allocation of Expenses

The costs of providing various programs and other activities and the administration of the Organization have been summarized on a functional basis in the statement of activities. Salaries and other expenses which are associated with a specific program are charged directly to that program. Management and general expenses and other expenses which benefit more than one program are allocated to the various programs based on the relative benefit provided.

#### Donated Goods and Services

Numerous volunteers have donated significant amount of time to the Organization's various programs. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition under generally accepted accounting principles have not been satisfied.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Fair Value of Financial Instruments

The Organization has adopted FASB's fair value measurement and disclosure guidance, which provides a framework for measuring fair value under generally accepted accounting principles. This guidance applies to all financial instruments that are being measured and reported on a fair value basis.

#### Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value based on quoted market prices. Increases and decreases in fair value are recognized in the period in which they occur and the carrying values of the investments are adjusted to reflect these fluctuations. Cash and cash equivalents designated for long-term purposes are classified as investments.

The Organization invests in a variety of investment vehicles, as described in Note 3. These investment securities are exposed to interest rate, market, credit and other risks depending on the nature of the specific investment. Accordingly, it is reasonably possible that these factors will result in changes in the value of the Organization's investments, which could materially affect amounts reported in the financial statements.

#### Income Taxes

The Organization is a not-for-profit organization exempt from federal income tax under provisions of Internal Revenue Code Section 501(c)(3). However, the Organization remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption.

It is the Organization's policy to account for any uncertainties in income tax law in accordance with FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. ASC 740-10 clarifies the accounting for uncertain income tax positions and requires that the Organization recognize the impact of such a tax position in its financial statements if, upon ultimate settlement, that position is more likely than not to be sustained. Management has evaluated the Organization's tax positions and concluded that the Organization has maintained its tax-exempt status and has taken no uncertain tax positions that require adjustment to the financial statements. As a result, no provision or liability for income taxes has been included in the financial statements.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Recently Issued and Adopted Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which provides guidance for revenue recognition. This ASU's core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects consideration to which the organization expects to be entitled in exchange for those goods or services.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which establishes standards for characterizing grants and similar contracts with resource providers as either exchange transactions or contributions.

The Organization adopted the new guidance in ASU No. 2014-09 and ASU No. 2018-08 as of January 1, 2019. The adoption of these standards did not have a significant impact on the way the Organization recognizes revenue.

### NOTE 2. LIQUIDITY AND AVAILABILITY

The Organization's working capital and cash flows have variations during the year attributable to the timing of grants, contributions and special events. The Organization manages liquidity during the year by utilizing the following strategies: operating with a balanced budget which assumes collection of sufficient revenue via grants, contributions and special events to cover operating expenditures not covered by donor-restricted resources and regular analysis of actual operating results versus budget.

The following table reflects the Organization's financial assets as of December 31, 2019, which could be made available within 12 months to meet operating expenditures:

Financial assets available to meet operating expenditures over the next 12 months:	
Cash	\$ 503,033
Investments	317,203
Less net assets with donor restrictions	(107,821)
Financial assets available to meet operating expenditures	<u>\$ 712,415</u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. INVESTMENTS

Investments at December 31, 2019, consist of the following:

Money market funds	\$	166,761
Certificate of deposit		150,442
	\$	<u>317,203</u>

Investment income for the year ended December 31, 2019, consists of the following:

Interest and dividends	\$	9,685
Realized gains		1,371
	\$	<u>11,056</u>

### NOTE 4. FAIR VALUE MEASUREMENTS

The Organization adopted the *Fair Value Measurements and Disclosures Topic* of the FASB Accounting Standards Codification which provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.
- Level 3 Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The level within the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a description of the valuation methodologies used in estimating the fair value of its Level 1, 2 and Level 3 financial instruments:

*Money market funds and certificate of deposit:* Valued based on quoted prices in active markets, quoted prices for similar assets, observable inputs other than quoted prices, or inputs derived principally from or corroborated by observable market data by correlation or other means.

The following table presents the Organization's financial instruments measured at fair value on a recurring basis at December 31, 2019:

	<u>Level 1</u>
Money market funds	\$ 166,761
Certificate of deposit	<u>150,442</u>
Total assets at fair value	<u>\$ 317,203</u>

### NOTE 5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2019, consist of the following:

Capital campaign	<u>\$ 107,821</u>
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Net assets with donor restrictions at December 31, 2019, are included with cash on the accompanying statement of financial position.

Releases from restrictions totaled \$17,179 for the year ended December 31, 2019, and were released for capital campaign expenses.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 6. SUBSEQUENT EVENTS

Management has evaluated subsequent events occurring through August 28, 2020, the date on which the financial statements were available to be issued.

On April 29, 2020, the Organization received \$21,333 in funding through the Small Business Association Payroll Protection Program. Management anticipates with the 24 week forgiveness period the entire amount of the loan will be forgiven.

On May 21, 2020, the Organization signed a contract to purchase real property valued at approximately \$3,900,000 from an unrelated third party for \$1,700,000. The real property will be used by the Organization to expand operations.

During March 2020, the World Health Organization declared the Coronavirus outbreak a global pandemic. Actions taken around the world to help mitigate the spread of the Coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The Coronavirus and actions taken to mitigate it have had, and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the Organization, to date, the Organization has not seen a significant decrease in support and revenues. The ultimate impact of the pandemic on the Organization's results of operations, financial position, and liquidity or capital resources cannot be reasonably estimated at this time.