

**KEEPERS OF THE WILD**  
**(A NONPROFIT CORPORATION)**

**FINANCIAL STATEMENTS**  
**(WITH INDEPENDENT AUDITOR'S REPORT)**

**AS OF DECEMBER 31, 2021**  
**AND**  
**FOR THE YEAR THEN ENDED**

**KEEPERS OF THE WILD  
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2021**

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# Joel D. Huber, CPA, P.C.

Certified Public Accountant

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Keepers of the Wild  
Valentine, Arizona

### Report on the Financial Statements

I have audited the accompanying statement of financial position of Keepers of the Wild (an Arizona nonprofit corporation) as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise Keepers of the Wild's basic financial statements as listed in the table of contents.

### 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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, I 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.

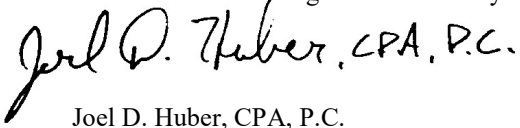
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Keepers of the Wild, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

In accordance with *United States Government Auditing Standards*, I have also issued a report dated September 28, 2022, on my consideration of Keepers of the Wild's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *United States Government Auditing Standards* and should be considered in assessing the results of my audit.



Joel D. Huber, CPA, P.C.

Mesa, Arizona

September 28, 2022

**KEEPERS OF THE WILD  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021**

**ASSETS**

Current assets

Cash		\$	642,220
Inventory			60,956
Total current assets			703,176
Furniture and equipment			
Net of accumulated depreciation of \$1,948,440			1,601,481
Other assets (deposits and prepaids)			180,762
 TOTAL ASSETS		 \$	 2,485,419

**LIABILITIES AND NET ASSETS**

Liabilities

Current liabilities:			
Accounts payable and accrued expenses		\$	276,463
Note payable - short term portion			23,659
Total current liabilities			300,122
 Notes payable - long term portion			 19,927
Total liabilities			320,049

Net assets

Without donor restrictions			2,165,370
Total net assets			2,165,370
 TOTAL LIABILITIES AND NET ASSETS		 \$	 2,485,419

See accompanying notes to the financial statements.

**KEEPERS OF THE WILD  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

<b>Revenues, gains, and other support</b>	Without Donor Restrictions	With Donor Restrictions	Total
Gross income from other fundraising events	\$ 1,285,908	\$ 0	\$ 1,285,908
Contributions and grants	686,366		686,366
Tours and adoptions	284,224		284,224
Gift shop (net \$205,394-\$106,284 (sales - COGS))	99,110		99,110
Gain on sale of fixed assets	1,928		1,928
Gain on sale of securities	20,111		20,111
Investment income	8,418		8,418
 Net assets released from restrictions:			
Expiration of time restrictions	0	0	0
 Total revenues, gains, and other support	2,386,065	0	2,386,065
 <b>Expenses</b>			
Program services	1,814,948		1,814,948
Management and general	146,000		146,000
Fundraising	235,787	0	235,787
 Total expenses	2,196,735	0	2,196,735
 <b>Increase (decrease) in net assets</b>	189,330	0	189,330
 <b>Net assets at beginning of year, before prior period adjustment</b>	2,021,232	0	2,021,232
<b>Prior period adjustment</b>	(45,192)	0	(45,192)
 <b>Net assets at beginning of year, after prior period adjustment</b>	1,976,040	0	1,976,040
 <b>Net assets at end of year</b>	\$ 2,165,370	\$ 0	\$ 2,165,370

See accompanying notes to the financial statements.

**KEEPERS OF THE WILD  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Program services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Salaries	\$ 432,788	\$ 70,467	\$ 55,917	\$ 559,172
Animal awareness program expenses	211,152			211,152
Animal support, food, medication, and supplies	270,416			270,416
Educational materials	158,519			158,519
Legal and professional services	25,665	12,656	92,869	131,190
Advertising and promotion	92,272		66,521	158,793
Postage and delivery	93,673	26,764	13,382	133,819
Information technology	52,151		2,745	54,896
Insurance	67,569	5,086		72,655
Office expenses	63,795	7,088		70,883
Employee benefits and payroll taxes	50,130	9,028	970	60,128
Travel	3,129			3,129
Interest and finance charges		1,440		1,440
Other expenses	<u>111,074</u>	<u>13,471</u>	<u>3,383</u>	<u>127,928</u>
 Total expenses before depreciation	 1,632,333	 146,000	 235,787	 2,014,120
 Depreciation	 <u>182,615</u>	 <u>—</u>	 <u>—</u>	 <u>182,615</u>
 Total expenses	 <u>\$ 1,814,948</u>	 <u>\$ 146,000</u>	 <u>\$ 235,787</u>	 <u>\$ 2,196,735</u>

See accompanying notes to the financial statements.

**KEEPERS OF THE WILD  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

<b>Cash flows from operating activities:</b>	
Change in net assets	\$ 189,330
Prior period adjustment	(45,192)
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Depreciation	182,615
Decrease (increase) in:	
Inventory	(31,667)
Other assets (deposits and prepaids)	9,871
Increase (decrease) in:	
Accounts payable and accrued expenses	<u>112,391</u>
Net cash provided by operating activities	<u>417,348</u>
 <b>Cash flows from investing activities:</b>	
Accumulated depreciation reduction	<u>(172,193)</u>
Net cash used by investing activities	<u>(172,193)</u>
 <b>Cash flows from financing activities:</b>	
Payments on notes	<u>(27,361)</u>
Net cash used by financing activities	<u>(27,361)</u>
<b>Net increase in cash and cash equivalents</b>	217,794
<b>Cash and cash equivalents at beginning of year</b>	<u>424,426</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>\$ 642,220</u></u>
 Supplemental data:	
Interest paid	\$ 1,440
Income taxes paid	\$ 0

See accompanying notes to the financial statements.



**KEEPERS OF THE WILD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 - ORGANIZATION**

The Keepers of the Wild, located in Valentine, Arizona, is a non-profit organization that protects and cares for exotic animals that have been either neglected or abused.

The organization has received a letter of determination from the Internal Revenue Service exempting it from federal income taxation under IRC section 501(c)(3), and classifying it as other than a private foundation.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF ACCOUNTING**

Assets, liabilities, support, revenue and expenses are recognized using the accrual basis of accounting.

**RECOGNITION OF DONOR RESTRICTED SUPPORT**

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**PROPERTY AND EQUIPMENT**

Property and equipment are recorded at cost. Depreciation is recorded and computed using the straight-line method over the estimated useful life of each asset.

**DONATIONS**

Donated materials, fixed assets and investments are recorded at fair-market value when received.

Donated services, when applicable, are recorded at fair market value as contributions and expense when the following criteria are met:

- (1) The services received create or enhance nonfinancial assets or require specialized skills. Those services requiring specialized skills are performed by professionals possessing the necessary skills and would typically need to be purchased if not provided by donation.

**KEEPERS OF THE WILD**  
**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

- (2) There is a clearly measurable basis for the amount recorded. Management tracks the number of volunteer hours contributed and multiplies the number of hours by an hourly rate customary to the service performed. This calculation is the amount of volunteer service contribution revenue and expense recorded in the financial statements.

**USE OF ESTIMATES**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

**CASH EQUIVALENTS**

For the purposes of the statement of cash flows, Keepers of the Wild considers cash in operating bank accounts, money market accounts, cash on hand and certificates of deposit with original maturities of 90 days or less to be cash or cash equivalents.

**FAIR VALUE OF FINANCIAL INSTRUMENTS**

Unless otherwise indicated, the fair values of all reported assets and liabilities which represent financial instruments (none of which are held for trading purposes) approximate the carrying values of such amounts.

**NOTE 3 - INVENTORY**

Inventory consists of gift shop novelty items that are sold to tourists or others interested in visiting Keepers of the Wild. Inventory balances are recorded at cost and adjustments to the financial statements are posted each period to reconcile the inventory counts with the period ending inventory balances on the financial statements.

**KEEPERS OF THE WILD  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

**NOTE 4 - PROPERTY AND EQUIPMENT**

The following classes of property and equipment are reflected in the accompanying financial statements at December 31, 2021:

Buildings, habitats, land and improvements	\$ 2,489,424
Equipment, fixtures and vehicles	1,060,497
	<u>\$ 3,549,921</u>
Less Accumulated Depreciation	<u>(1,948,440)</u>
	<u>\$ 1,601,481</u>

Depreciation expense for the year ended December 31, 2021 was \$ 182,615.

**NOTE 5 - ECONOMIC DEPENDENCY**

Keepers of the Wild receives a substantial amount of its support from tours and various individual donations. A significant reduction in the level of support from these sources may have a material effect on Keepers of the Wild's ability to maintain continuing operations.

**NOTE 6 - CONCENTRATION OF CREDIT RISK**

The financial instruments that potentially subject the Company to credit risk consist principally of cash. The Company maintains cash balances at a well respected financial institution. Deposits not to exceed \$250,000 for each institution are insured by the Federal Deposit Insurance Corporation.

**NOTE 7 - NOTES PAYABLE**

The company is obligated under two 5 year notes with local banks for equipment purchased. One note interest rate is .38% per annum and the original balance of the note was \$79,518. Payments in the amount of \$1,345 are due monthly. The other note interest rate is 1.9% per annum and the original balance of the note was \$64,013. Payments in the amount of \$1,119 are due monthly. The estimated future minimum payments at December 31, 2021 are as follows:

Year ending December 31:	
2022	\$ 24,192
2023	13,430
2024	6,715
2025	0
2026 and thereafter	<u>0</u>
Total note payable	44,337
Less: interest	<u>(751)</u>
Present value of note payable	<u>\$ 43,586</u>

Interest expense associated with the notes totaled \$1,440 for the year ended December 31, 2021.

**KEEPERS OF THE WILD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 8 - PRIOR PERIOD ADJUSTMENT**

At December 31, 2021 the company recorded a prior period adjustment of \$45,192 as a debit to unrestricted net assets and a credit to accounts payable. This represented an amount that had been paid in expenses by the company's fundraising partner but had not been recorded as an accounts payable in the prior period.

**NOTE 9 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events thru September 28, 2022, the date the financial statements were issued. In early 2020, an outbreak of the novel strain of coronavirus (COVID-19) emerged globally. As a result, there have been mandates from federal, state and local authorities resulting in an overall decline in economic activity. The ultimate impact of COVID-19 on the financial performance of this entity is not reasonably estimable at this time.

As a 501(c)(3) non-profit organization and wildlife park, Keepers of the Wild relies heavily on individual donations and foot traffic to sustain our income. COVID-19 hit during the peak season (spring), which resulted in a total loss of park visitors for a period of about a week. After that, foot traffic began to slowly pick up to about an eighth of the usual traffic, and it has remained at approximately half the occupancy typically seen throughout the year.

**SPECIAL AUDIT REPORT**

# Joel D. Huber, CPA, P.C.

Certified Public Accountant

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Keepers of the Wild  
Valentine, Arizona

I have audited the financial statements of Keepers of the Wild as of and for the year ended December 31, 2021, and have issued my report thereon dated September 28, 2022. I conducted my audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Keepers of the Wild's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Keepers of the Wild's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Company's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

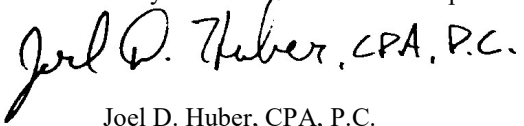
My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be a material weakness, as described above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Keepers of the Wild's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *United States Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Joel D. Huber, CPA, P.C.

Mesa, Arizona

September 28, 2022