

SOUTHEASTERN WILDLIFE EXPOSITION, INC.

FINANCIAL REPORT

JUNE 30, 2022 and 2021

SOUTHEASTERN WILDLIFE EXPOSITION, INC.

FINANCIAL REPORT

JUNE 30, 2022 and 2021

CONTENTS	Page No.
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 18

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Southeastern Wildlife Exposition, Inc.
Charleston, South Carolina

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Southeastern Wildlife Exposition, Inc., which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Southeastern Wildlife Exposition, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Southeastern Wildlife Exposition, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Southeastern Wildlife Exposition, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Southeastern Wildlife Exposition, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Southeastern Wildlife Exposition, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

DCLPAS, LLC dba Davis' Company CPAs

Mount Pleasant, South Carolina
February 14, 2023

SOUTHEASTERN WILDLIFE EXPOSITION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash, without donor restriction	\$ 767,324	\$ 1,279,593
Accounts receivable	236,243	15,920
Prepaid expenses	25,627	210
Inventory, event souvenirs	8,500	8,500
Investments - board restricted reserve	2,272,881	1,637,595
Property and equipment, net	13,425	15,367
Art collection, non-depreciable	<u>27,200</u>	<u>27,200</u>
TOTAL ASSETS	<u><u>\$ 3,351,200</u></u>	<u><u>\$ 2,984,385</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 2,977	\$ 10,962
Deferred revenue	-	321,500
Note payable	<u>-</u>	<u>102,900</u>
TOTAL LIABILITIES	<u><u>2,977</u></u>	<u><u>435,362</u></u>
NET ASSETS		
Without donor restrictions		
Undesignated	890,342	911,428
Board restricted reserve	<u>2,272,881</u>	<u>1,637,595</u>
Total net assets without donor restrictions	<u>3,163,223</u>	<u>2,549,023</u>
With donor restrictions	<u>185,000</u>	<u>-</u>
TOTAL NET ASSETS	<u><u>3,348,223</u></u>	<u><u>2,549,023</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,351,200</u></u>	<u><u>\$ 2,984,385</u></u>

See accompanying notes.

SOUTHEASTERN WILDLIFE EXPOSITION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Grant revenue	\$ 467,854	\$ 185,000	\$ 652,854
Contribution revenue	189,500	-	189,500
Exposition:			
Ticket sales	1,949,158	-	1,949,158
Booth revenue	158,372	-	158,372
Art sales, net of cost of art of \$1,095,622	570,802	-	570,802
Souvenirs, net of cost of products \$17,617	124,618	-	124,618
Raffle ticket sales, net of cost of products \$87,350	95,700	-	95,700
Miscellaneous income	5,486	-	5,486
Investment income, net	51,989	-	51,989
Net unrealized loss on investments	<u>(216,468)</u>	<u>-</u>	<u>(216,468)</u>
TOTAL SUPPORT AND REVENUE	3,397,011	185,000	3,582,011
EXPENSES			
Program services	2,231,523	-	2,231,523
Supporting services			
General and administrative	430,795	-	430,795
Fundraising	<u>120,493</u>	<u>-</u>	<u>120,493</u>
TOTAL EXPENSES	<u>2,782,811</u>	<u>-</u>	<u>2,782,811</u>
CHANGE IN NET ASSETS	614,200	185,000	799,200
NET ASSETS, beginning of year	<u>2,549,023</u>	<u>-</u>	<u>2,549,023</u>
NET ASSETS, end of year	<u><u>\$ 3,163,223</u></u>	<u><u>\$ 185,000</u></u>	<u><u>\$ 3,348,223</u></u>

See accompanying notes.

SOUTHEASTERN WILDLIFE EXPOSITION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions
SUPPORT AND REVENUE	
Grant revenue	\$ 273,188
Contribution revenue	303,774
Exposition:	
Art sales, net of cost of art of \$237,589	2,371
Souvenirs, net of cost of products \$46,170	(16,493)
Raffle ticket sales	163,234
Miscellaneous income	4,422
Investment income, net	37,824
Realized gain	11,814
Net unrealized gain on investments	68,770
TOTAL SUPPORT AND REVENUE	848,904
EXPENSES	
Program services	702,330
Supporting services	
General and administrative	178,178
Fundraising	69,477
TOTAL EXPENSES	949,985
CHANGE IN NET ASSETS	(101,081)
NET ASSETS, beginning of year	2,650,104
NET ASSETS, end of year	\$ 2,549,023

See accompanying notes.

SOUTHEASTERN WILDLIFE EXPOSITION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Program Services</u>	<u>Management & General</u>	<u>Fund- raising</u>	<u>Total</u>
FUNCTIONAL EXPENSES				
Salaries	\$ 520,041	\$ 148,583	\$ 74,292	\$ 742,916
Food and beverage expenses	481,109	-	-	481,109
Printing, promotion and advertising	427,719	-	-	427,719
Contract labor	320,663	-	-	320,663
Occupancy, venue and office	144,934	41,409	20,706	207,049
Vehicle, travel and local transportation	48,616	48,616	-	97,232
Credit card fees and bank charges	-	88,235	-	88,235
Event expense and supplies	-	64,061	-	64,061
Payroll taxes	36,202	10,343	5,172	51,717
Education	51,373	-	-	51,373
Insurance	43,982	-	-	43,982
Lodging fees	33,995	-	-	33,995
Security	32,632	-	-	32,632
Professional services	17,356	7,232	4,338	28,926
Postage and delivery	19,465	-	-	19,465
Computer services	15,134	1,892	1,892	18,918
Meals and entertainment	-	8,406	8,407	16,813
Benefits	9,125	2,607	1,304	13,036
Telephone	5,860	1,674	837	8,371
Dues and subscriptions	2,008	-	500	2,508
Miscellaneous	-	1,649	-	1,649
TOTAL EXPENSES BEFORE DEPRECIATION	<u>2,210,214</u>	<u>424,707</u>	<u>117,448</u>	<u>2,752,369</u>
Depreciation	21,309	6,088	3,045	30,442
TOTAL FUNCTIONAL EXPENSES	<u><u>\$ 2,231,523</u></u>	<u><u>\$ 430,795</u></u>	<u><u>\$ 120,493</u></u>	<u><u>\$ 2,782,811</u></u>

See accompanying notes.

SOUTHEASTERN WILDLIFE EXPOSITION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Program Services</u>	<u>Management & General</u>	<u>Fund- raising</u>	<u>Total</u>
FUNCTIONAL EXPENSES				
Salaries	\$ 334,680	\$ 95,623	\$ 47,811	\$ 478,114
Advertising	102,915	-	-	102,915
Occupancy, venue and office	48,096	13,741	6,871	68,708
Event expense and supplies	40,130	18,285	-	58,415
Vehicle, travel and local transportation	23,851	23,852	-	47,703
Payroll taxes	24,909	7,117	3,558	35,584
Insurance	25,807	-	-	25,807
Credit card fees and bank charges	19,740	4,895	-	24,635
Printing, promotion and advertising	19,268	-	-	19,268
Professional services	10,181	4,242	2,545	16,968
Contract labor	14,772	-	-	14,772
Computer services	11,240	1,405	1,405	14,050
Meals and entertainment	-	4,829	4,830	9,659
Postage and delivery	9,462	-	-	9,462
Benefits	6,069	1,734	867	8,670
Telephone	5,148	1,471	736	7,355
Dues and subscriptions	1,458	-	362	1,820
Security	1,160	-	-	1,160
	<u>698,886</u>	<u>177,194</u>	<u>68,985</u>	<u>945,065</u>
TOTAL EXPENSES BEFORE DEPRECIATION				
Depreciation	3,444	984	492	4,920
TOTAL FUNCTIONAL EXPENSES	<u><u>\$ 702,330</u></u>	<u><u>\$ 178,178</u></u>	<u><u>\$ 69,477</u></u>	<u><u>\$ 949,985</u></u>

See accompanying notes.

SOUTHEASTERN WILDLIFE EXPOSITION, INC.
STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Operating activities		
Increase in net assets	\$ 799,200	\$ (101,081)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	30,441	4,920
(Increase) decrease in operating assets		
Accounts receivable	(220,323)	34,684
Prepaid expense	(25,417)	-
Increase (decrease) in operating assets		
Accounts payable	(7,985)	9,107
Deferred revenue	(321,500)	239,660
Net cash provided by operating activities	<u>254,416</u>	<u>187,290</u>
Investing activities		
Purchases of property and equipment	(28,499)	-
Unrealized (loss)/gain on investments	216,468	(68,770)
Realized (gain) on investments	-	(11,814)
Purchases of securities	(800,000)	-
Investment income	(51,754)	(37,790)
Net cash used in investing activities	<u>(663,785)</u>	<u>(118,374)</u>
Financing activities		
Forgiveness on loan	(102,900)	(102,900)
Proceeds from loan	-	102,900
Net cash used by financing activities	<u>(102,900)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(512,269)	68,916
Cash and cash equivalents as of beginning of year	<u>1,279,593</u>	<u>1,210,677</u>
Cash and cash equivalents as of end of year	<u><u>\$ 767,324</u></u>	<u><u>\$ 1,279,593</u></u>

See accompanying notes.

SOUTHEASTERN WILDLIFE EXPOSITION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

The Southeastern Wildlife Exposition, Inc. (the Organization or Organization) is a nonprofit corporation organized under the laws of the State of South Carolina for the purpose of providing educational, recreational, social and cultural activities for the Charleston area. The Organization receives support from the annual exposition event, general contributions, and other special events.

Basis of accounting

The financial statements of the Southeastern Wildlife Exposition, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Net assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are board limits resulting for the nature of the organization, the nature in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purposes or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Classification of transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Cash and cash equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization does not have any cash equivalents.

SOUTHEASTERN WILDLIFE EXPOSITION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Receivables

The Organization has contribution and trade receivables due from donors and sponsors. Management believes that the receivable balances are collectible in full and, therefore, no allowance for bad debts was deemed necessary at June 30, 2022 and 2021.

Prepaid and other assets

Prepaid and other assets are primarily expenses for deposits to secure event space for the next fiscal year exposition.

Property and equipment

Operating property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Organization capitalizes all property and equipment over \$500. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Computer equipment	5 years
Office furniture and fixtures	7 years
Leasehold improvements	15 years

Art collection

All contributions of works of art and similar assets, whether held as part of a collection for other purposes, have been recognized at their estimated fair value at the date of receipt based upon appraisals or similar valuations. All such items, whether contributed or purchased, have been capitalized. These works of art are not depreciated as they are not decreasing in value.

Investments

The Organization's investments consist primarily of assets invested in marketable equity and debt securities, certificates of deposits, and cash equivalents. The Organization accounts for investments in accordance with FASB ASC 958-320 and subsections. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the statements of financial position. Fair value of marketable equity and debt securities is based on quoted market prices. Certificates of deposit are classified as trading securities and are carried at current fair market value.

Net realized and unrealized gains and losses are credited or charged to operations. For purposes of determining realized gains and losses, the cost of securities sold is based on specific identification.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Financial Position.

Investment income is recorded net of investment expenses. Realized gains or losses on investments are determined by comparison of specific cost of acquisition to proceeds at the time of disposal. Unrealized gains or losses are calculated by comparing cost to market values at the statement of financial position date. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

SOUTHEASTERN WILDLIFE EXPOSITION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounting of contributions

Contributions, including contributions receivable, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Contributions receivable with payments due in the future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities in the current fiscal year. It is the Organization's policy to record restricted contributions received and released in the same year as support without donor restriction.

Grant revenue

Grant revenue is recognized when received and is primarily treated as a contribution to the exposition. Grant revenue is provided by city, county, state and foundations to support the Organization.

Fair value of financial instruments

Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. ASC 820 is effective for the Organization's financial assets and liabilities for the years June 30, 2022 and 2021. The estimated fair value amounts for specific groups of financial instruments are presented within the footnotes. Accounts receivable and accounts payable are stated at cost, which approximates fair value, due to their short term to maturity.

Compensated absences

Employees of the Organization are entitled to paid vacations, paid sick days and personal days off, depending on job classification and length of service. After one year of service, each employee earns 20 personal days ratably through the year. No liability was recorded for estimated unused personal time as of June 30, 2022 and 2021, as all eligible employees had used their personal days.

Deferred revenue

The Organization records revenues from exchange transactions as increases in net assets without donor restrictions to the extent that the earnings process is complete. These transactions primarily include ticket sales, booth fees and sponsorships for future events. Resources received in exchange transactions are recognized as deferred revenue to the extent that the earning process has not been complete. These resources are recorded as revenues without donor restrictions when the related obligations have been satisfied.

SOUTHEASTERN WILDLIFE EXPOSITION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue and revenue recognition

The Organization recognizes contributions when cash, securities or other assets, or an unconditional promise to give (contributions receivable) is received. Conditional promises to give – that is, those with a measurable performance or other barrier and right of return – are not recognized until the conditions are met.

The Organization recognizes revenue from ticket sales, booth fees and sponsorship fees in the year in which the event is held and services are delivered to customers. The performance obligation of delivery of these services is simultaneously received and consumed by the customer; therefore, revenue is recognized at the point in time when the event is held. All amounts received prior to the event are deferred to the applicable period.

Non-cash donations

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Donated services are recognized as contributions at their estimated fair value in accordance with ASC 958-605, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization benefits from the work of many volunteers, but their services did not meet the required criteria to be recorded. Accordingly, no donated services were recorded for the years ended June 30, 2022 and 2021.

Retirement benefits

The Organization provides retirement benefits through a Simple IRA plan. All employees are eligible to participant in the plan. The Organization contributes a match of 3% of the eligible employee's annual salary.

Advertising

Cost of promotions and advertising are expensed as incurred. Advertising and promotion expense total \$330,797 and \$102,915 for the years ended June 30, 2022 and 2021, respectively.

Expense allocation

The cost of providing various programs and other activities have been summarized in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied as follows:

- Salaries, wages and payroll taxes are allocated based on activity reports prepared by key personnel.
- Direct expenses are charged to their specific area of activity.
- All other expenses are recorded directly to its function.

SOUTHEASTERN WILDLIFE EXPOSITION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of estimates and assumptions

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income tax status

The Organization is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(A) and has been classified as an organization that is not a private Organization under Section 509(a)(2).

Management evaluated the Organization's tax positions and concluded that the Organization had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment to the financial statements.

Therefore, no provision or liability for income taxes has been included in the financial statements. The Organization currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 2 - AVAILABILITY AND LIQUIDITY

Financial assets are available for general expenditure, that are without donor or other restrictions limiting their use within one year of the Statement of Financial Position date of June 30, 2022 and 2021, comprise of the following at June 30:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash, without donor restriction	\$ 767,324	\$ 1,279,593
Accounts receivable	236,243	15,920
Investments	<u>2,272,881</u>	<u>1,637,595</u>
Total financial assets	3,276,448	2,933,108
Less financial assets held to meet designations or restrictions:		
Net assets with purpose restrictions	(150,000)	-
Board restricted reserve investments	<u>(2,272,881)</u>	<u>(1,637,595)</u>
Amount available for general expenditures within one year:	<u>\$ 853,567</u>	<u>\$ 1,295,513</u>

As part of its liquidity plan, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due.

SOUTHEASTERN WILDLIFE EXPOSITION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

NOTE 3 - INVESTMENTS, BOARD RESTRICTED RESERVE

Investments are restricted by the Board of Directors for the Reserve Fund, see Note 6. Investments held by the Organization are cash and cash equivalents, certificates of deposits, and mutual funds. Investments consisted of the following as of June 30:

	2022		2021	
	Market Value	Cost	Market Value	Cost
Cash	\$ 35,936	\$ 35,936	\$ 26,207	\$ 26,207
Certificates of deposit	798,338	800,000	816,812	800,000
Mutual funds	1,438,607	1,364,063	794,576	585,466
Total securities	<u>\$ 2,272,881</u>	<u>\$ 2,199,999</u>	<u>\$ 1,637,595</u>	<u>\$ 1,411,673</u>

NOTE 4 - FAIR VALUE OF FINANCIAL INVESTMENTS

ASC 820 defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

- Level 1: Quoted prices in active markets for identical securities
- Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.)
- Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments)

For the years ended June 30, 2022 and 2021, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

Certificates of deposit - Valued at the reported amount on deposits held by the Organization at year end (Level 2).

Mutual funds - The Organization's mutual funds are readily marketable and have fair values which are determined by obtaining quoted market prices in active markets (Level 1).

The following tables provide fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2022 and 2021:

SOUTHEASTERN WILDLIFE EXPOSITION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

NOTE 4 - FAIR VALUE OF INVESTMENTS - Continued

Description	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 798,338	\$ -	\$ 798,338
Mutual funds	1,438,607	-	-	1,438,607
Total assets at fair value	<u>\$ 1,438,607</u>	<u>\$ 798,338</u>	<u>\$ -</u>	<u>\$ 2,236,945</u>

Description	June 30, 2021			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 816,812	\$ -	\$ 816,812
Mutual funds	794,576	-	-	794,576
Total assets at fair value	<u>\$ 794,576</u>	<u>\$ 816,812</u>	<u>\$ -</u>	<u>\$ 1,611,388</u>

The inputs and methodology used for valuing the Organization's financial assets and liabilities are not indicators of the risks associated with those instruments.

NOTE 5 - PROPERTY AND EQUIPMENT

Major classifications of property and equipment as of June 30, 2022 and 2021 are summarized below:

	2022	2021
Computer equipment	\$ 164,156	\$ 135,657
Office furniture and fixtures	13,159	13,159
Leasehold improvements	41,911	41,911
	219,226	190,727
Accumulated depreciation	(205,801)	(175,360)
	<u>\$ 13,425</u>	<u>\$ 15,367</u>
Art collection, non-depreciable	<u>\$ 27,200</u>	<u>\$ 27,200</u>

Depreciation expense for the years ended June 30, 2022 and 2021 totaled \$30,441 and \$4,920, respectively.

NOTE 6 - BOARD RESTRICTED RESERVE

The Board of Directors restricted the Reserve Fund investment account. In prior years, unexpected weather patterns, airline employee strikes and major road construction projects have greatly impacted the annual event income. The Reserve Fund is a vital part of the Organization's long term financial stability strategic plan. These funds may only be expended after a vote by the full Board of Directors. As of June 30, 2022 and 2021, the restricted Reserve Fund was \$2,272,881 and \$1,637,595 respectively.

SOUTHEASTERN WILDLIFE EXPOSITION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

NOTE 7 - NOTE PAYABLE

The Organization entered into a Paycheck Protection Program loan of \$102,900 dated February 10, 2021 with an interest rate of 1%. The loan and any accrued interest is due on February 10, 2026 unless forgiven. The entire balance of this loan was forgiven on September 7, 2021.

NOTE 8 - LEASE COMMITMENTS

The Organization leases office space under a five-year non-cancelable lease agreement beginning July 1, 2018. Monthly payments start at \$4,050 with yearly increase of two-percent beginning July 1, 2019.

The Organization also leases office equipment under a five-year non-cancelable lease agreement dated June 8, 2021 with monthly payments of \$177. Future minimum lease payments under the agreements are as follows for the years ended June 30:

2023 \$	54,727
2024	2,121
2025	2,121
2026	<u>1,966</u>
\$	<u><u>60,935</u></u>

Continued on the next page

SOUTHEASTERN WILDLIFE EXPOSITION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

NOTE 9 - REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table provides information about significant changes in deferred revenue for the year ended June 30, 2022 and 2021.

	<u>2022</u>	<u>2021</u>
Deferred sponsorships, beginning of the year	\$ 205,000	\$ 75,000
Revenue recognized that was included in deferred sponsorships at the beginning of the year	(205,000)	(75,000)
Increase in deferred revenue due to cash received during the year	<u>-</u>	<u>205,000</u>
Deferred sponsorships, end of year	\$ -	\$ 205,000
Deferred booth fees, beginning of the year	\$ 35,500	\$ 6,840
Revenue recognized that was included in booth fees at the beginning of the year	(35,500)	-
Increase in deferred revenue due to cash received during the year	<u>-</u>	<u>28,660</u>
Deferred booth fees, end of year	\$ -	\$ 35,500
Deferred VIP tickets, beginning of the year	\$ 81,000	\$ -
Revenue recognized that was included in deferred VIP tickets at the beginning of the year	(81,000)	-
Increase in deferred revenue due to cash received during the year	<u>-</u>	<u>81,000</u>
Deferred VIP tickets, end of year	\$ -	\$ 81,000
Total deferred revenue, end of year	<u>\$ -</u>	<u>\$ 321,500</u>

NOTE 10 - CONCENTRATIONS

Credit risk

The Organization maintains bank cash balances which are insured by the Federal Deposit Insurance Corporation up to \$250,000 as of June 30, 2022 and 2021. The Organization's cash exceed federally insured limits at June 30, 2022 and 2021 in the amounts of \$317,544 and \$938,883, respectively.

Support and revenue

Credit risk is concentrated because substantially all of the Organization's support and revenue is received from one annual event in the city of Charleston, South Carolina. The Organization also relies heavily upon annual support from city and county accommodation tax for tourism. The loss of these sources of support would directly affect the Organization's operations.

SOUTHEASTERN WILDLIFE EXPOSITION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

The Organization has net assets with donor restrictions available for the following purpose and time restrictions:

	As of June 30,	
	2022	2021
Restricted purpose:		
2023 Event	\$ 35,000	\$ -
Advertising - outside of market	150,000	-
	<u>\$ 185,000</u>	<u>\$ -</u>

NOTE 12 - SUBSEQUENT EVENTS

In accordance with ASC 855, the Organization evaluated subsequent events through the report date and has concluded no significant events meet the criteria of the professional accounting standards to be recognized or not recognized but disclosed in the financial statements.