

SOUTHWEST WILDLIFE CONSERVATION CENTER

Audited Financial Statements

For the years ended December 31, 2024 and 2023

SOUTHWEST WILDLIFE CONSERVATION CENTER

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Southwest Wildlife Conservation Center

Opinion

We have audited the accompanying financial statements of Southwest Wildlife Conservation Center (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of Southwest Wildlife Conservation Center as of December 31, 2024 and 2023, 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 audit in accordance with auditing standards generally accepted in the United States of America. 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 Southwest Wildlife Conservation Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Southwest Wildlife Conservation Center's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards 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.



INDEPENDENT AUDITOR'S REPORT, CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements, continued

In performing an audit in accordance with generally accepted auditing standards, 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 Southwest Wildlife Conservation Center '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 Southwest Wildlife Conservation Center '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.

LUDWIG KLEWER & RUNNER PLLC

August 13, 2025

SOUTHWEST WILDLIFE CONSERVATION CENTER

STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

ASSETS

	2024	2023
Current assets:		
Cash and cash equivalents	\$ 2,379,772	\$ 2,699,459
Bequests receivable	389,001	-
Accounts receivable	43,774	13,653
Beneficial interest in funds held by others	52,050	50,259
Prepaid expenses	35,815	21,885
Inventory	30,739	30,636
Grant receivable - ERC	-	29,758
Contributions receivable	-	29,289
Total current assets	2,931,151	2,874,939
Donated artwork held for sale	-	17,280
Property and equipment, net	1,486,666	970,937
Total assets	<u>\$ 4,417,817</u>	<u>\$ 3,863,156</u>

LIABILITIES AND NET ASSETS

	2024	2023
Current liabilities:		
Accounts payable	\$ 220,262	\$ 64,212
Accrued payroll and related expenses	67,996	61,954
Total current liabilities	288,258	126,166
Total liabilities	288,258	126,166
Net assets:		
Without donor restrictions:		
Undesignated	2,580,160	2,685,904
Invested in property and equipment	1,486,666	970,937
Total net assets without donor restrictions	4,066,826	3,656,841
With donor restrictions:		
Subject to expenditure for specified purpose	62,733	80,149
Total net assets	4,129,559	3,736,990
Total liabilities and net assets	<u>\$ 4,417,817</u>	<u>\$ 3,863,156</u>

See independent auditor's report and notes to financial statements.

SOUTHWEST WILDLIFE CONSERVATION CENTER

STATEMENT OF ACTIVITIES
For the year ended December 31, 2024

	Without donor restrictions	With donor restrictions	Total
Support and revenue:			
Contributions and grants	\$ 2,191,801	\$ 49,384	\$ 2,241,185
Tours	338,518	-	338,518
In-kind donations	317,608	-	317,608
Special event	252,588	-	252,588
Interest income	108,809	-	108,809
Gift shop, net	40,068	-	40,068
Gain on sale of equipment	20,641	-	20,641
Other income	3,066	-	3,066
Change in value of beneficial interest in funds held by others	1,791	-	1,791
Net assets released from restriction	66,800	(66,800)	-
Total support and revenue	3,341,690	(17,416)	3,324,274
Expenses:			
Program services	2,269,887	-	2,269,887
Management and general	315,416	-	315,416
Fundraising expenses	305,006	-	305,006
Direct donor benefit costs	41,396	-	41,396
Total expenses	2,931,705	-	2,931,705
Change in net assets	409,985	(17,416)	392,569
Net assets, beginning of year	3,656,841	80,149	3,736,990
Net assets, end of year	\$ 4,066,826	\$ 62,733	\$ 4,129,559

See independent auditor's report and notes to financial statements.

SOUTHWEST WILDLIFE CONSERVATION CENTER

STATEMENT OF ACTIVITIES For the year ended December 31, 2023

	Without donor restrictions	With donor restrictions	Total
Support and revenue:			
Contributions and grants	\$ 3,336,864	\$ 54,864	\$ 3,391,728
Tours	306,372	-	306,372
In-kind donations	233,154	-	233,154
Grant income - ERC	29,758	-	29,758
Interest income	26,008	-	26,008
Gift shop, net	20,367	-	20,367
Gain on sale of equipment	13,455	-	13,455
Change in value of beneficial interest in funds held by others	1,680	-	1,680
Net assets released from restriction	85,084	(85,084)	-
Total support and revenue	4,052,742	(30,220)	4,022,522
Expenses:			
Program services	1,949,344	-	1,949,344
Management and general	308,705	-	308,705
Fundraising expenses	215,683	-	215,683
Total expenses	2,473,732	-	2,473,732
Change in net assets	1,579,010	(30,220)	1,548,790
Net assets, beginning of year	2,077,831	110,369	2,188,200
Net assets, end of year	\$ 3,656,841	\$ 80,149	\$ 3,736,990

See independent auditor's report and notes to financial statements.

SOUTHWEST WILDLIFE CONSERVATION CENTER

STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2024

	Program Services	Management & General	Fund- raising	Total
Salaries and employee related expenses	\$ 766,427	\$ 98,245	\$ 138,609	\$ 1,003,281
Animal rehab, food, and medical	724,302	12,230	4,770	741,302
Facilities and occupancy	522,114	1,616	-	523,730
Professional fees	66,058	122,162	50,605	238,825
Depreciation	119,001	14,708	-	133,709
Advertising and marketing	383	2,931	84,181	87,495
Office Supplies	6,177	35,118	2,590	43,885
Miscellaneous	11,256	511	21,560	33,327
Travel and transportation	25,775	4,088	-	29,863
Small equipment	17,580	7,705	-	25,285
Insurance	8,705	4,860	-	13,565
Communications	1,335	9,823	2,351	13,509
Meals and entertainment	774	1,419	340	2,533
Total functional expenses	<u>\$ 2,269,887</u>	<u>\$ 315,416</u>	<u>\$ 305,006</u>	<u>\$ 2,890,309</u>

See independent auditor's report and notes to financial statements.

SOUTHWEST WILDLIFE CONSERVATION CENTER

STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2023

	Program Services	Management & General	Fund- raising	Total
Salaries and employee related expenses	\$ 610,112	\$ 92,666	\$ 103,084	\$ 805,862
Animal rehab, food, and medical	652,254	13,314	522	666,090
Facilities and occupancy	514,090	1,843	8,752	524,685
Professional fees	6,085	142,402	15,646	164,133
Depreciation	118,412	18,547	-	136,959
Advertising and marketing	31	42	65,728	65,801
Miscellaneous	9,240	4,238	16,549	30,027
Travel and transportation	24,410	632	-	25,042
Office Supplies	3,181	17,432	2,957	23,570
Communications	756	10,967	2,400	14,123
Insurance	7,895	4,326	-	12,221
Meals and entertainment	1,456	1,583	45	3,084
Equipment	1,422	713	-	2,135
Total functional expenses	<u>\$ 1,949,344</u>	<u>\$ 308,705</u>	<u>\$ 215,683</u>	<u>\$ 2,473,732</u>

See independent auditor's report and notes to financial statements.

SOUTHWEST WILDLIFE CONSERVATION CENTER

STATEMENTS OF CASH FLOWS
For the years ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 392,569	\$ 1,548,790
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	133,709	136,959
Donated property and equipment	(51,919)	-
Donated artwork	-	(17,280)
Gain on disposal of property and equipment	(20,641)	(13,455)
Change in value of beneficial interest in funds held by others	(1,791)	(1,680)
Changes in operating assets and liabilities:		
Accounts receivable	(30,120)	(3,169)
Bequests receivable	(389,001)	-
Contributions and grants receivable	59,047	(38,103)
Prepaid expenses and other current assets	(13,930)	(2,571)
Inventory	(103)	(4,277)
Accounts payable	156,050	425
Accrued payroll and related expenses	6,042	18,478
Total adjustments	(152,657)	75,327
Net cash provided by operating activities	239,912	1,624,117
Cash flows from investing activities:		
Proceeds from sale of artwork	17,280	-
Proceeds from sale of equipment	24,000	14,600
Purchases of property and equipment	(600,879)	(194,158)
Net cash used in investing activities	(559,599)	(179,558)
Cash flows from financing activities	-	-
Net change in cash and cash equivalents	(319,687)	1,444,559
Cash and cash equivalents, beginning of year	2,699,459	1,254,900
Cash and cash equivalents, end of year	\$ 2,379,772	\$ 2,699,459
Schedule of cash flow information:		
Cash paid for taxes	\$ -	\$ -
Schedule of non-cash investing activities:		
Donated artwork	\$ -	\$ 17,280
Donated property and equipment	51,919	-

See independent auditor's report and notes to financial statements.

SOUTHWEST WILDLIFE CONSERVATION CENTER

NOTES TO FINANCIAL STATEMENTS For the years ended December 31, 2024 and 2023

1. Organization

Southwest Wildlife Conservation Center (the Organization) was founded in 1994 with a mission to rescue and rehabilitate injured and orphaned wildlife native to the southwest, provide permanent sanctuary for those animals that cannot be released back into the wild, and educate youth and adults on the importance of native wildlife and the environment. The Organization has rehabilitated thousands of sick, injured, and abandoned wild animals on its ten-acre desert habitat facility and successfully released more than seventy percent of those animals back into the wild.

The Organization's facility provides rehabilitation for both releasable and non-releasable wild animals, an on-site medical care center, full-time wildlife consultation services, and volunteer dispatch teams that respond to wildlife emergencies. In March 2016, the Organization opened a veterinary clinic that allows animals to be treated onsite. The Organization offers a variety of educational programs at the Conservation Center or offsite at various locations, as well as providing the opportunity for veterinary interns to practice wildlife medicine. The Organization is accredited by the American Sanctuary Association to provide animals with a safe home, provide comfort for the animals, and to provide enrichment opportunity for the animals. The Organization is a vital component of the Mexican Gray Wolf Recovery Plan with the U.S. Fish and Wildlife Service by serving as a holding facility for the animals in the plan. The Organization is supported by private donations, grants, and fundraising events and receives no state or federal support.

2. Summary of Significant Accounting Policies

Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions.

- Net assets without donor restrictions – net assets available for use in general operations and not subject to donor restrictions.
- Net assets with donor restrictions – net assets subject to donor restrictions. Donor-imposed restrictions are temporary in nature that will be designated for purposes specified by the donor.

Contributions received are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets or if they are designated as support for future periods. When a temporary 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Revenue Recognition

Revenue consists primarily of donor contributions, tours, special events and gift shop sales. The Organization recognizes revenue from exchange transactions when it satisfies a performance obligation by providing a service to a customer or member or by transferring control over a product to a customer or member. Contributions are recognized as revenue when they are received or unconditionally promised as prescribed in ASC 958-605, *Not-for-Profit Entities – Revenue Recognition* (ASC 956-605).

See independent auditor's report.

SOUTHWEST WILDLIFE CONSERVATION CENTER

NOTES TO FINANCIAL STATEMENTS For the years ended December 31, 2024 and 2023

2. Summary of Significant Accounting Policies, Continued

Cash and Cash Equivalents

The Organization considers highly liquid cash investments and money market funds purchased with an original maturity of three months or less to be cash equivalents. The Federal Deposit Insurance Corporation (FDIC) insures cash accounts at banks up to \$250,000 per institution. Investments held by other institutions are covered up to \$500,000 per institution under insurance provided by the Securities Investor Protection Corporation (SIPC). However, the SIPC does not protect against losses in market value. At December 31, 2024 and 2023, the Organization had \$1,529,741 and \$1,857,199, respectively, on deposit in excess of FDIC and SIPC limitations. The board of directors believes the Organization is not exposed to any significant credit risk related to cash and cash equivalents. The Organization has not experienced any losses on its cash equivalents.

Accounts Receivable

The Organization uses the allowance method to account for uncollectible accounts receivable. Management believes all accounts receivable are collectible at December 31, 2024 and 2023, therefore no allowance for uncollectible accounts has been established. There are no receivables that are considered delinquent at December 31, 2024 and 2023.

Contributions Receivable

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of their estimate future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the contributions are received. Discount amortization is included in contribution revenue. Conditional contributions are not included as support until the conditions are met.

Bequests Receivable

Bequests are recognized as contribution revenue in the period in which the Organization receives notification that a will or trust has been enacted, the court has deemed the will or trust valid, all conditions have been substantially met, and the amount can be reasonably estimated.

Beneficial Interest in Funds Held by Others

FASB ASC 958-605-50-6 *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others* dictates that a transfer of assets to a recipient organization is an equity transaction if all of the following conditions are present:

- The resource provider specifies itself or its affiliate as the beneficiary.
- The resource provider and the recipient organization are financially interrelated organizations.
- Neither the resource provider nor its affiliate expects payment of the transferred assets, although payment of investment return on the transferred assets may be expected.

The Organization funds held at the Arizona Community Foundation for which these criteria have been met. The balance at December 31, 2024 and 2023 is \$52,050 and \$50,259, respectively.

Property and Equipment

Purchased property and equipment is recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose.

See independent auditor's report.

SOUTHWEST WILDLIFE CONSERVATION CENTER

NOTES TO FINANCIAL STATEMENTS For the years ended December 31, 2024 and 2023

2. Summary of Significant Accounting Policies, Continued

Property and Equipment, continued

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 support. 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.

The cost of maintenance and repairs is charged to expense in the year incurred. Expenditures greater than \$2,500 that increase the useful lives of the assets are capitalized and depreciated. Depreciation is calculated using the straight-line method over the following estimated useful lives of the assets:

Buildings and improvements	15-40 years
Equipment	5-10 years
Fencing, caging and housing	5-10 years
Vehicles and trailers	5-7 years

Inventory

Inventory consists of retail shop items. The Organization's inventory is valued at the lower of cost (first in, first out) or net realizable value. Cost is determined by the average cost method. Physical inventory is conducted twice a year and perpetual records are adjusted accordingly.

Donated Services, Goods and Facilities

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. During the year ended December 31, 2023, the Organization received artwork with an estimated fair value of \$17,280. The artwork was sold for fair value during March 2024.

Accounting 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 amount 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.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and from Arizona income tax under Arizona Revised Statute Section 43-1201(4). However, income from certain activities not directly related to the Organization's exempt purpose may be subject to taxation as unrelated business income. No provision has been made for income taxes in the accompanying consolidated financial statements. The Organization is not classified as a private foundation under Section 509(a)(2) of the IRC.

See independent auditor's report.

SOUTHWEST WILDLIFE CONSERVATION CENTER

NOTES TO FINANCIAL STATEMENTS For the years ended December 31, 2024 and 2023

2. Summary of Significant Accounting Policies, Continued

Income Taxes, Continued

The Organization's policy is to disclose or recognize income tax positions based on management's estimate of whether it is reasonably possible or probable, respectively, that a liability has been incurred for unrecognized income tax positions. As of December 31, 2024, there were no uncertain tax positions that are potentially material. In addition, management is not aware of any matters which would cause the Organization to lose its tax-exempt status.

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among its programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural classification. Certain other expenses are allocated among program services and supporting services benefited. These allocated expenses include salaries and wages and related expenses, which are allocated on the basis of estimates of time and effort as well as travel, rent, depreciation, repairs and maintenance, utilities, insurance and other operating expenses, which are allocated based on the programs and services benefited.

3. Liquidity and Availability of Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position sheet date, are comprised of the following at December 31,:

	2024	2023
Cash and cash equivalents	\$ 2,379,772	\$ 2,699,459
Bequests receivable	389,001	-
Beneficial interest in funds held by others	52,050	50,259
Accounts receivable	43,774	13,653
Inventory	30,739	30,636
Grants receivable - ERC	-	29,758
Contributions receivable	-	29,289
Total financial assets available within one year	2,895,336	2,853,054
Less:		
Amounts unavailable for general expenditures within one year due to purpose restrictions	62,733	80,149
Total financial assets available to management for general expenditure within one year	\$ 2,832,603	\$ 2,933,203

Under the Organization's liquidity management plan, it has a policy to structure its financial assets to be available to meet 180 days of general expenditures, liabilities and other obligations. In addition, the Organization invests cash in excess of daily requirements in short-term investments, including money market funds, and has the ability to redeem certain investments as necessary to meet its obligations.

See independent auditor's report.

SOUTHWEST WILDLIFE CONSERVATION CENTER

NOTES TO FINANCIAL STATEMENTS For the years ended December 31, 2024 and 2023

4. Property and Equipment

Property and equipment consists of the following at December 31,:

	2024	2023
Buildings and Improvements	\$ 529,664	\$ 585,973
Construction in progress	643,837	-
Equipment	622,317	570,141
Fencing, cages, houses	410,308	401,614
Vehicles and trailers	140,856	213,893
Total property and equipment	2,346,982	1,771,621
Less accumulated depreciation	(860,316)	(800,684)
Property and equipment, net	\$ 1,486,666	\$ 970,937

Construction in progress consists primarily of design, architectural, and engineering services and deliverables related to relocating wildlife conservation activities to a location within McDowell Mountain Regional Park, approximately 3 miles south-southeast of the Organization's current location. The facilities would be developed under a use management agreement with the Maricopa County Parks and Recreation Department. The project is designed to be completed in phases to accommodate fundraising, design, permitting, and construction. Following a capital campaign feasibility study conducted in May, 2025, the Organization is evaluating both the project scope and timing in light of developments since the use management agreement was entered into in 2020.

5. Fair Value Measurements

The Financial Accounting Standards Board has established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

See independent auditor's report.

SOUTHWEST WILDLIFE CONSERVATION CENTER

NOTES TO FINANCIAL STATEMENTS For the years ended December 31, 2024 and 2023

5. Fair Value Measurements, Continued

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024 and 2023.

- *Beneficial interest in funds held by others:* Valued at the fair value of the underlying funds as reported by the foundation holding the funds.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair values of assets measured on a recurring basis at December 31, 2024 are:

	Level 1	Level 2	Level 3	Total
Beneficial interest in funds held by others	\$ -	\$ -	\$ 52,050	\$ 52,050

The table below sets forth a summary of changes in the fair value of the Organization's level 3 assets for the year ended December 31, 2024:

	Donated Artwork	Beneficial Interest in Funds Held by Others
Balance, beginning of year	\$ 17,280	\$ 50,259
Contributions	-	-
Proceeds	(17,280)	-
Reinvested interest	-	2,541
Fees paid	-	(750)
Balance, end of year	\$ -	\$ 52,050

The fair values of assets measured on a recurring basis at December 31, 2023 are:

	Level 1	Level 2	Level 3	Total
Beneficial interest in funds held by others	\$ -	\$ -	\$ 50,259	\$ 50,259
Donated artwork	\$ -	\$ -	\$ 17,280	\$ 17,280

See independent auditor's report.

SOUTHWEST WILDLIFE CONSERVATION CENTER

NOTES TO FINANCIAL STATEMENTS For the years ended December 31, 2024 and 2023

5. Fair Value Measurements, Continued

The table below sets forth a summary of changes in the fair value of the Organization's level 3 assets for the year ended December 31, 2023:

	Donated Artwork	Beneficial Interest in Funds Held by Others
Balance, beginning of year	\$ -	\$ 48,579
Contributions	17,280	-
Proceeds	-	-
Reinvested interest	-	2,432
Fees paid	-	(752)
Balance, end of year	<u>\$ 17,280</u>	<u>\$ 50,259</u>

6. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at December 31,:

	2024	2023
Subject to expenditure for specified purpose:		
Medical equipment	\$ 32,198	\$ 2,150
Veterinary aid	15,128	50,000
Education programs	7,338	19,273
Animal care	6,266	3,340
Asset improvement	1,803	5,386
Total net assets with donor restrictions	<u>\$ 62,733</u>	<u>\$ 80,149</u>

Activity in net assets with donor restrictions is comprised of the following for the year ended December 31, 2024:

	Contributions	Releases
Subject to expenditure for specified purpose:		
Medical equipment	\$ 32,000	\$ 1,952
Veterinary aid	-	34,872
Education programs	5,000	16,935
Animal care	9,900	6,973
Asset improvement	2,484	6,068
	<u>\$ 49,384</u>	<u>\$ 66,800</u>

See independent auditor's report.

SOUTHWEST WILDLIFE CONSERVATION CENTER

NOTES TO FINANCIAL STATEMENTS For the years ended December 31, 2024 and 2023

6. Net Assets With Donor Restrictions, Continued

Activity in net assets with donor restrictions is comprised of the following for the year ended December 31, 2023:

	Contributions	Releases
Subject to expenditure for specified purpose:		
Medical Equipment	\$ 28,000	\$ 25,850
Animal Care	23,064	19,725
Education Programs	3,800	16,968
Asset Improvement	-	22,541
	<u>\$ 54,864</u>	<u>\$ 85,084</u>

7. Related Party Transactions

The Organization is party to a facilities lease agreement with the executive director. The lease agreement calls for a portion of the space to be donated and a portion to be paid. As of January 1, 2024, the annual lease payments required are \$86,520, payable in monthly installments of \$7,210. The lease renews annually unless either party provides notice of termination. The executive director retired on December 31, 2024, and the lease was renewed January 1, 2025. The Organization pays for all expenses associated with the property, including utilities, taxes, and repairs/maintenance needed.

Rent expense for the years ended December 31,:

	2024	2023
Rent expense - Donated	\$ 186,000	\$ 186,000
Rent expense - Cash	86,520	84,000
Total rent expense	<u>\$ 272,520</u>	<u>\$ 270,000</u>

The donated rent portion is based on the estimated fair value of the rental in excess of the rent expense paid.

8. In-kind Donations

In-kind donations, utilized primarily for program services, consist of the following for the years ended December 31,:

	2024	2023
Use of facility	\$ 186,000	\$ 186,000
Animal care	67,817	10,160
Barn	35,473	-
Medical equipment	16,446	-
Artwork	-	17,280
Food	8,101	1,233
Wildlife and cleaning supplies	3,771	18,481
Total in-kind donations	<u>\$ 317,608</u>	<u>\$ 233,154</u>

See independent auditor's report.

SOUTHWEST WILDLIFE CONSERVATION CENTER

NOTES TO FINANCIAL STATEMENTS
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9. Special Event

During the year ended December 31, 2024, the Organization hosted its 30th anniversary gala. Total special event revenue and expenses for the year ended December 31, 2024 was \$252,588 and \$77,800, respectively. Special event expenses include \$41,396 of direct donor benefit costs as reported on the statement of activities, and the remaining \$36,404 of other special event expenses are allocated on the statement of functional expenses as fund-raising.

10. Subsequent Events

The Organization was unaware of any subsequent events as of August 13, 2025, the date the financial statements were available to be issued.

See independent auditor's report.