

Lions, Tigers & Bears

**Financial Statements and
Independent Accountant's Report**

For the Fiscal Year Ended March 31, 2015

Lions, Tigers & Bears

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Independent Accountant's Report**

For the Fiscal Year Ended March 31, 2015

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Stephen Wojdowski

Certified Public Accountant

Independent Auditor's Report

To the Board of Directors
Lions, Tigers & Bears

I have audited the accompanying financial statements of Lions, Tigers & Bears (a nonprofit organization) which comprise the statement of financial position as of March 31, 2015 and 2014 and the related statements of activities and cash flows for the years 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

My responsibility is to express an opinion 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. 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.

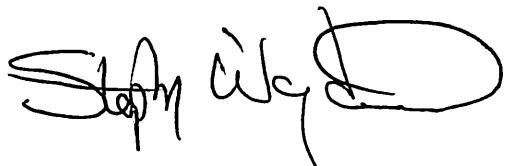
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lions, Tigers & Bears as of March 31, 2015 and 2014, 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.

Other Matter

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of Supplemental Statement of Functional Expenses is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink, appearing to read "Stephen W. Jones". The signature is fluid and cursive, with a large, stylized 'S' at the beginning and a 'J' at the end.

San Diego, CA
October 28, 2015

LIONS, TIGERS & BEARS
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2015
(Summarized Totals for 2014)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u> <u>2015</u>	<u>Total</u> <u>2014</u>
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 194,116	\$ 221,047	\$ 415,163	\$ 409,495
Prepaid assets	21,252		21,252	1,231
Inventory - gift shop	20,656		20,656	14,567
Marketable securities	993		993	
Total Current Assets	237,018	221,047	458,065	425,293
Property and Equipment, net	<u>1,483,934</u>		<u>1,483,934</u>	<u>1,207,567</u>
Total Assets	<u>\$1,720,952</u>	<u>\$ 221,047</u>	<u>\$1,941,999</u>	<u>\$1,632,860</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	\$ 44,312	\$	\$ 44,312	\$ 19,330
Accrued expenses	29,599		29,599	10,728
Accrued payroll	13,947		13,947	5,487
Accrued payroll liabilities	8,105		8,105	4,026
Prepaid income	10,920		10,920	10,470
Sales tax payable	791		791	481
Notes payable, current maturities	<u>14,680</u>		<u>14,680</u>	<u>9,162</u>
Total Current Liabilities	122,354		122,354	59,684
Long Term Debt				
Notes payable	37,639		37,639	18,255
Loans from related parties	<u>19,000</u>		<u>19,000</u>	<u>19,000</u>
Total Liabilities	178,992		178,992	96,939
Net Assets				
Unrestricted	1,541,959		1,541,959	1,277,344
Temporarily Restricted		221,047	221,047	308,577
Total Net Assets	<u>1,541,959</u>	<u>221,047</u>	<u>1,763,006</u>	<u>1,535,921</u>
Total Liabilities and Net Assets	<u>\$1,720,952</u>	<u>\$ 221,047</u>	<u>\$1,941,999</u>	<u>\$1,632,860</u>

The accompanying notes are an integral part of these financial statements.

LIONS, TIGERS & BEARS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2015
(Summarized Totals for 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2015</u>	<u>Total 2014</u>
Public Support and Revenues				
Contributions	\$ 449,835	\$ 92,256	\$ 542,091	\$ 368,339
Contributed services and materials	338,164		338,164	475,027
Gift shop sales	37,263		37,263	28,165
Fundraising	183,660		183,660	147,142
Memberships	116,803		116,803	98,632
Member visits	66,927		66,927	76,825
Grant income	189,097	59,405	248,502	216,400
Special event revenue	45,036		45,036	62,584
Special event expenses	(8,801)		(8,801)	(12,851)
Special event expenses - GIK*	<u>(1,525)</u>		<u>(1,525)</u>	<u>(2,610)</u>
Net special events	<u>36,235</u>	<u>-</u>	<u>36,235</u>	<u>49,733</u>
	<u>1,416,458</u>	<u>151,661</u>	<u>1,568,119</u>	<u>1,457,653</u>
 Revenue				
Dividends and interest	28		28	20
 Released from Restriction				
Restrictions satisfied by payments	<u>239,191</u>	<u>(239,191)</u>	<u>-</u>	<u>-</u>
 Total Public Support and Revenue	<u>1,655,677</u>	<u>(87,530)</u>	<u>1,568,147</u>	<u>1,457,673</u>
 Expenses				
Program costs	1,012,223		1,012,223	820,512
Fundraising	124,007		124,007	115,630
Administration	183,386		183,386	150,487
Gift shop sales	<u>21,447</u>		<u>21,447</u>	<u>14,604</u>
 Total Expenses	<u>1,341,062</u>	<u>-</u>	<u>1,341,062</u>	<u>1,101,233</u>
 Change in Net Assets	314,615	(87,530)	227,085	356,440
 Net Assets Beginning	<u>1,227,344</u>	<u>308,577</u>	<u>1,535,921</u>	<u>1,179,481</u>
 Net Assets Ending	<u>\$1,541,959</u>	<u>\$ 221,047</u>	<u>\$1,763,006</u>	<u>\$1,535,921</u>

The accompanying notes are an integral part of these financial statements.

LIONS, TIGERS & BEARS
SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED MARCH 31, 2015
(Summarized Totals for 2014)

	<u>Administrative</u>	<u>Fundraising</u>	<u>Gift Shop Sales</u>	<u>Program Costs</u>	<u>Total 2015</u>	<u>Total 2014</u>
Salaries	\$ 59,758	\$ 4,428	\$ 252	\$ 121,987	\$ 186,425	\$ 140,371
Salaries - GIK*	21,250	8,500		84,689	105,939	98,760
Payroll taxes and costs	8,555	516	22	13,754	22,847	14,395
Workers' comp insurance	2,240			5,227	7,468	11,312
Animal care				310,604	310,604	75,319
Animal care - GIK*				67,212	67,212	232,193
Bank charges	468				468	765
Catering/food		20,006			20,006	12,270
Credit card fees	11,944				11,944	14,473
Dues and permits	2,491			2,026	4,517	3,047
Educational				4,750	4,750	3,057
Equipment rental		8,829		3,275	12,104	14,171
Equipment rental- GIK*		1,081			1,081	-
Insurance	5,806			40,923	46,729	38,331
Interest	2,662				2,662	1,557
Legal/professional fees	20,257			2,050	22,307	18,669
Legal/professional fees - GIK*				268	268	1,052
Marketing	660			524	1,184	514
Marketing - GIK*	97				0	6,138
Meals and entertainment				687	784	1,327
Meals and entertainment - GIK*				1,174	1,174	2,272
Meetings and conferences				5,862	5,862	399
Meetings and conferences - GIK*				404	404	727
Merchandise			19,849		19,849	13,764
Merchandise - GIK*		56,738	1,194		57,932	56,180
Miscellaneous		5,046			5,046	1,644
Miscellaneous - GIK*					0	809
Newsletters				16,699	16,699	10,676

The accompanying notes are an integral part of these financial statements.

LIONS, TIGERS & BEARS
SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED MARCH 31, 2015
(Summarized Totals for 2014)

	<u>Administrative</u>	<u>Fundraising</u>	<u>Gift Shop Sales</u>	<u>Program Costs</u>	<u>Total 2015</u>	<u>Total 2014</u>
Outside services		13,642			13,642	8,015
Office expense	20,187			4,518	24,705	18,434
Office expense - GIK*	746				746	1,396
Postage	1,482		130	2,018	3,630	1,503
Printing/reproduction	666	4,985		8,239	13,889	20,959
Printing/reproduction - GIK*					0	170
Public relations				16,042	16,042	20,562
Public relations- GIK*						-
Rent/occupancy costs-GIK*				1,102	1,102	-
Rent/occupancy costs-related party	11,749			41,158	52,907	39,000
Repairs and maintenance	725			25,448	26,172	25,201
Repairs and maintenance - GIK*				14,059	14,059	2,753
Small tools					0	1,586
Supplies		6,975		4,887	11,862	5,442
Supplies - GIK*		1,220		1,678	2,898	5,348
Travel		541		3,195	3,736	3,386
Travel - GIK*				578	578	3,564
Utilities	4,781			40,782	45,563	45,882
Vehicle expense	1,327			18,089	19,416	11,677
Vehicle expense - GIK*				3,747	3,747	305
Volunteer expense	2,985			3,495	6,480	2,083
Volunteer expense - GIK*				1,199	1,199	2,215
Waste management	328			2,249	2,577	3,208
Waste management - GIK				3,350	3,350	-
 Total expenses before depreciation	181,163	124,007	21,447	877,947	1,204,563	996,881
 Depreciation	2,223			134,276	136,499	104,352
 Total Expenses	<u>\$ 183,386</u>	<u>\$ 124,007</u>	<u>\$ 21,447</u>	<u>\$ 1,012,223</u>	<u>\$1,341,062</u>	<u>\$1,101,233</u>

*GIK - Gifts in Kind[

LIONS, TIGERS & BEARS
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
Operating Activities		
Change in net assets	\$ 227,085	\$ 356,440
Adjustment to reconcile change in net assets to cash provided by operating activities		
Depreciation and amortization	136,499	104,352
Non-cash transactions		
Contributed services and materials	(338,164)	(475,027)
Program costs	180,984	318,825
Fundraising	59,039	70,111
Administration	21,996	21,299
Special events	-	2,610
Merchandise	1,194	726
Inventory	(6,089)	(3,167)
Marketable securities	(993)	-
Prepaid expenses	(20,021)	2,432
Advance payments	450	10,470
Accounts payable	24,982	(8,443)
Accrued expenses	<u>31,720</u>	<u>18,594</u>
Net Cash Provided by Operating Activities	<u>318,681</u>	<u>419,222</u>
Investing Activities		
Capital expenditures	(337,915)	(187,885)
Net Cash Provided by Investing Activities	<u>(337,915)</u>	<u>(187,885)</u>
Financing Activities		
Loan Proceeds	40,884	
Note payable decrease	(15,982)	(9,405)
Net Cash Provided by Financing Activities	<u>24,902</u>	<u>(9,405)</u>
Net Increase in Cash and Cash Equivalents	5,668	221,932
Cash/Cash Equivalents at Beginning of Year	<u>409,495</u>	<u>187,563</u>
Cash/Cash Equivalents at End of Year	<u>\$ 415,163</u>	<u>\$ 409,495</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 2,662</u>	<u>\$ 1,557</u>
Non-Cash Transactions		
Contributed services and materials	\$ 338,164	\$ 475,027
Property and equipment	(74,951)	(61,456)
Program costs	(180,984)	(318,825)
Fundraising	(67,539)	(70,111)
Administration	(13,496)	(21,299)
Special events		(2,610)
Merchandise	(1,194)	(726)

LIONS, TIGERS & BEARS
Notes to Financial Statements
For the Fiscal Year Ended March 31, 2015

Note 1 – Summary of Significant Accounting Policies and General Information

Organization and Nature of Activities

Lions, Tigers & Bears is a California nonprofit public benefit corporation (the "Organization"). The Organization was organized under the Nonprofit Public Benefit Corporation Law for charitable purposes in January 2001 to:

- A. Preserve, protect and provide lifetime, safe havens for endangered, injured, abused, unwanted and abandoned exotic cats and animals.
- B. Provide educational experiences, mentorship programs, consultation services and opportunities to display and exchange information regarding endangered, injured, abused, unwanted and abandoned exotic animals.
- C. Conduct and disseminate qualitative and quantitative research regarding the breeding, care, preservation, protection and environmental and other impacts upon endangered, injured, unwanted and abandoned exotic animals.
- D. Establish a wild life sanctuary, museum and educational facility dedicated to informing the public concerning the protection, preservation and care of such animals.
- E. Engage in such other activities as will facilitate, or which are necessary or incidental to, achieving the foregoing charitable purposes.

The Organization operates out of and is located on a leased facility located in Alpine, California (The "Alpine Facility") (See Note 6 - Related Party Operating Lease Commitment). The Organization's fiscal year end is March 31.

Basis of Accounting

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, "Not for Profit Entities".

The accompanying financial statements have been prepared on the accrual basis of accounting.

LIONS, TIGERS & BEARS
Notes to Financial Statements
For the Fiscal Year Ended March 31, 2015

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

- Unrestricted net assets represent expendable funds available for operations, which are not otherwise limited by donor restrictions.
- Temporarily restricted net assets contain donor-imposed restrictions that permit the Organization to use or expend the assets only as specified. These restrictions are satisfied either by the passage of time or by the Organization's expenditure for the specified purpose.
- Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

Revenue Recognition

The Organization records contributions, visits, auxiliary activities and grants as earned. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All 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 (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are classified to unrestricted net assets and reported in the statements of activities as net assets released from restriction. Contributions received with donor-imposed restrictions that are satisfied within the same reporting period are reported as unrestricted support in that period.

The Organization has ten (10) levels of membership allowing varying benefits based upon membership fees paid ("Memberships"). Memberships are for one year from the date of payment. Membership dues are recognized upon collection as fees and are not refundable and are considered a charitable donation.

In 2015, the main Fundraiser was an event called Wild in the Country (WIC).

Merchandise sales include clothing and other materials that generally have the Organization's logo.

Sales taxes that are due on certain of the Organization's revenues are not reported as public support and revenue.

LIONS, TIGERS & BEARS
Notes to Financial Statements
For the Fiscal Year Ended March 31, 2015

Cash and Cash Equivalents

Cash and cash equivalents represent short-term highly liquid investments with maturities less than three months.

Inventory

Inventory, consisting of clothing and other retail items that generally have the Organizations' logo, are stated at the lower of cost (first-in, first-out basis) or market.

Property and Equipment

Property is stated at cost if purchased and at fair value at the date of contribution of assets donated to the Organization. Expenses incurred in connection with property acquisitions are capitalized if over \$750 in amount. No depreciation is taken on assets until they are placed in service. Lions, Tigers & Bears' expenditures for ordinary repairs and maintenance and planned major maintenance activities are charged to operations as incurred.

The cost of capitalized assets is depreciated using the straight-line method over their estimated lives (generally 5-25 years).

Impairment of Long-lived Assets

The Organization accounts for impairment of long-lived assets in accordance with FASB ASC 360, "Property, Plant and Equipment, with Regard to Impairment and Disposal of Long-Lived Assets." This analysis included a review for a significant decrease in market value below book value, the extent and manner for which the long-lived assets are used, a review of legal factors and business climate and a review of the costs of new construction and cash flows generated by the Organization in the fiscal year ended March 31, 2015. The Organization has determined that no impairment has occurred for the fiscal year ended March 31, 2015.

LIONS, TIGERS & BEARS
Notes to Financial Statements
For the Fiscal Year Ended March 31, 2015

Use of Estimates

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

Comparative Information

The financial statements include certain summarized comparative information from the prior year. This information is presented in total and not by net asset class and does not include sufficient detail to be in conformity with generally accepted accounting principles. Such information should be read together with the Organization's financial statement for the year ended March 31, 2014 from which the summarized information was extracted. Certain amounts in the prior year financial statements have been reclassified for comparison purposes to conform to the current year presentation.

Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Contributed Services and Materials

Contributed materials are recorded at their fair market value where an objective basis is available to measure their value. Contributed services are reflected in the accompanying financial statements at fair value of the services received, if the services create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing these skills and would otherwise need to be purchased if not provided by donation. Such items are capitalized or charged to operations as appropriate. Contributed services and materials totaled \$338,164 and were charged to: Property and equipment \$74,951; Program costs \$180,984, Fundraising \$67,539, Administration \$13,496 and Merchandising \$1,194 in 2015.

The Organization received a substantial amount of services donated by volunteers in carrying out the Organization's program services. Management estimates that, in addition to the contributed services, there are approximately 5,000 hours that have been donated in 2015 with an approximate fair value of \$75,000. No amounts have been recorded for these services as they do not meet the requirements for recognition under generally accepted accounting principles as contributions in the financial statements.

LIONS, TIGERS & BEARS
Notes to Financial Statements
For the Fiscal Year Ended March 31, 2015

Nonprofit Status and Income Taxes

The Organization is a qualified nonprofit organization that is exempt from income taxes under Section 501(c)3 of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. This exemption is for all income taxes except for those assessed on unrelated business income, if any. There was no unrelated business income for the year ended March 31, 2015.

Since the Organization is exempt from federal and state income tax liability, no provision is made for current or deferred income tax expense. Annual income returns are filed with federal and state governments and the accounting methods used for such filings are the same as those used for financial reporting.

Generally accepted accounting practices provide accounting and disclosure guidance about positions taken by an entity in its exempt tax returns that might be uncertain. Management of the Organization has evaluated its uncertain tax positions and related income tax contingencies. Management does not believe that any material uncertain tax positions exist. The Organization's tax returns are subject to examination by Federal taxing authorities for a period of three years from the date they are filed and a period of four years for California taxing authorities.

Licenses

The Organization and its principal officer have been licensed by the State of California, Department of Fish and Game and United States Department of Agriculture, respectively, to accept, care for and exhibit certain wild animal species as provided in the licensing.

Advertising Costs

The Organization expenses the costs of advertising as incurred. There were no advertising costs for the year ended March 31, 2015.

Note 2 – Property and Equipment

Property and equipment at March 31 consisted of the following:

	<u>2015</u>	<u>2014</u>
Habitats and improvements	\$ 1,452,344	\$ 1,216,432
Transportation and equipment	668,846	491,892
	<hr/>	<hr/>
Less accumulated depreciation and amortization	2,121,190	1,708,324
	(637,256)	(500,757)
	<hr/>	<hr/>
Total property and equipment, net	<u>\$ 1,483,934</u>	<u>\$ 1,207,567</u>

Depreciation expense totaled \$136,499 and \$104,352 for the years ended March 31, 2015 and 2014 respectively.

LIONS, TIGERS & BEARS
Notes to Financial Statements
For the Fiscal Year Ended March 31, 2015

Note 3 – Notes Payable

At March 31, 2015, long-term debt was comprised of the following:

The Organization has two notes payable used to purchase two trucks. The interest rate of the first truck is 2.9 percent and the term is sixty months.	\$16,063
The interest rate of the second truck is 2.5 percent and the term is sixty months.	35,256
The trucks are pledged as collateral on the notes.	
In addition, the Organization has a note payable used to purchase a freezer. The interest rate is 15.089 percent and the term is thirty-six months. The freezer is pledged as collateral for the note.	<u>1,000</u>
	52,319
Less Current Portion	<u>(14,680)</u>
Long-Term Debt	<u><u>\$37,639</u></u>

The future maturities of long-term debt are as follows:

2016	\$ 17,354
2017	16,635
2018	9,901
2019	8,429
	<u><u>\$ 52,319</u></u>

Note 4 – Temporarily Restricted Net Assets

Temporarily restricted net assets consist of amounts received for the following purposes. All funds are available as of March 31, 2015 and are awaiting expenditure in order for the restrictions to be released.

Natasha's Surgery	\$ 11,754
Bear Habitat	85,069
Animal Care Equipment	28,155
Rescue Equipment	26,607
Rocha Project	1,400
Horse Perimeter Fence	7,241
Ohio Big Cat Rescue	3,579
Transfer Cages	27,026
Veterinary Equipment	1,025
SB310 Ohio Rescues	<u>29,191</u>
 Total temporarily restricted net assets	 <u><u>\$ 221,047</u></u>

LIONS, TIGERS & BEARS
Notes to Financial Statements
For the Fiscal Year Ended March 31, 2015

Note 5 – Related Party Advances and Other Transactions

The Organization's founder is the Chairman of the Board of Trustees and President (the "Founder") and her husband is a Trustee (the "Co-Founder"). The Founder manages and operates the Organization on a full-time basis and has received no compensation from inception through March 31, 2015. The Co-Founder provides assistance on a part-time basis and equipment to maintain the Organization's Alpine Facility. The Co-Founder has received no compensation since inception.

The Founder and Co-Founder have made non-interest bearing Related Party Advances to the Organization through and as of March 31, 2015 totaling \$19,000.

Note 6 – Related Party Operating Lease

On March 29, 2008, as amended on March 10, 2010, as restated on January 1, 2015 the Organization entered into a Related Party Triple - Net Operating Lease with the Founder and Co-Founder to lease approximately seven (7) acres of land and improvements in Alpine, California, the Alpine Facility, for an initial term of ten (10) years from January 1, 2015 (the "Related Party Operating Lease"). The Alpine Facility leased by the Organization under the Related Party Operating Lease is owned by the Founder and Co-Founder and is part of a parcel of 93 acres of land upon which their residence is located. Monthly rental for the Related Party Operating Lease during the ten (10) year term is \$4,975. Monthly rental for the Related Party Operating Lease for the Period April 1 to December 31, 2014 was \$4,000 per month. If mutually agreed upon by both parties, the Organization has the option to add acreage to the lease at the monthly rate of \$100 per acre. The Organization has an option to extend the Related Party Operating Lease for an additional five (5) year term with a minimum of 180 days written notice prior to the expiration of the initial lease term. Rent expense for the fiscal years ended March 31, 2015 and 2014 was \$50,925 and \$39,000, respectively.

The Related Party Operating Lease annual minimum lease commitments are as follows:

Years Ending March 31	
2016	\$ 59,700
2017	59,700
2018	59,700
Thereafter	<u>343,275</u>
	<u><u>\$ 522,375</u></u>

The Related Party Operating Lease for the Alpine Facility is likely under market rental rates for the location. The Company has not recorded as contributed services and additional rent an amount for the below market lease rate.

LIONS, TIGERS & BEARS
Notes to Financial Statements
For the Fiscal Year Ended March 31, 2015

Note 6 – Related Party Operating Lease (continued)

Under the Related Party Operating Lease, the Organization is responsible to reimburse all taxes and assessments levied against the premises resulting specifically from the Organization actions or use of the premises by the Founder and Co-Founder. Property taxes reimbursed by the Organization under this clause for the fiscal year ended March 31, 2015 and 2014 totaled \$1,278 and \$0, respectively.

The Related Party Operating Lease can be cancelled by the Founder and Co-Founder upon 60 days written notice in the event that either the Landlord sells the premises or either the Founder or Co-Founder cease to be Trustees of the Organization. No penalty provisions exist if the Related Party Operating Lease is cancelled. No assurance can be given that the Founder and Co-Founder will be retained as Trustees of the Organization.

Note 7 – Commitments and Contingencies

Other than the Related Party Operating Lease and Notes Payable, there are no known commitments or contingencies.

Note 8 – Life Insurance

The Organization has a life insurance policy on the Founder.

The policy is a term life policy on the Founder with the Organization named as the beneficiary for coverage totaling \$2,000,000. The annual insurance premiums of the policy was \$4,256 for fiscal year ending March 31, 2015.

Note 9 – Subsequent Events

Management has evaluated its March 31, 2015 financial statements for subsequent events through October 28, 2015, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.