

THE ELEPHANT SANCTUARY IN
TENNESSEE AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2024 AND 2023

THE ELEPHANT SANCTUARY IN
TENNESSEE AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT

DECEMBER 31, 2024 AND 2023

TABLE OF CONTENTS

	<u>PAGE</u>
<u>INDEPENDENT AUDITOR’S REPORT</u>	1 - 2
 <u>CONSOLIDATED FINANCIAL STATEMENTS</u>	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Cash Flows	5
Consolidated Statement of Functional Expenses (2024).....	6
Consolidated Statement of Functional Expenses (2023).....	7
Notes to Consolidated Financial Statements	8 - 24



INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Elephant Sanctuary in Tennessee and Subsidiary
Hohenwald, Tennessee

REPORT ON THE AUDITS OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of The Elephant Sanctuary in Tennessee, a nonprofit organization, and Subsidiary (collectively, the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Elephant Sanctuary in Tennessee and Subsidiary 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 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 Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

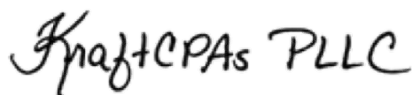
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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, internal 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 consolidated 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 consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.



Nashville, Tennessee
June 3, 2025

THE ELEPHANT SANCTUARY IN TENNESSEE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2024 AND 2023

	<u>ASSETS</u>	
	<u>2024</u>	<u>2023</u>
ASSETS		
Cash	\$ 4,236,732	\$ 4,042,625
Contributions receivable, net	3,588,498	3,824,814
Prepaid expenses	122,426	129,317
Inventory	22,746	22,805
Investments - operating	64,043,325	56,621,186
Property and equipment, net	22,822,676	19,564,245
Beneficial interest in charitable remainder trust	215,693	187,057
Beneficial interest in trusts	2,338,447	2,287,077
Investments - endowment	<u>3,051,088</u>	<u>2,746,664</u>
TOTAL ASSETS	<u>\$ 100,441,631</u>	<u>\$ 89,425,790</u>
	<u>LIABILITIES AND NET ASSETS</u>	
LIABILITIES		
Accounts payable	\$ 243,651	\$ 26,271
Accrued expenses	<u>648</u>	<u>911</u>
TOTAL LIABILITIES	<u>244,299</u>	<u>27,182</u>
NET ASSETS		
Without donor restrictions:		
Undesignated	24,593,626	14,249,858
Board-designated	<u>70,822,676</u>	<u>70,564,245</u>
Total without donor restrictions	95,416,302	84,814,103
Total with donor restrictions	<u>4,781,030</u>	<u>4,584,505</u>
TOTAL NET ASSETS	<u>100,197,332</u>	<u>89,398,608</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 100,441,631</u>	<u>\$ 89,425,790</u>

See accompanying notes to consolidated financial statements.

THE ELEPHANT SANCTUARY IN TENNESSEE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Public support:						
Contributions and grants	\$ 9,726,102	\$ 440,149	\$ 10,166,251	\$ 10,086,116	\$ 835,269	\$ 10,921,385
Change in value of beneficial interest agreements	-	208,756	208,756	-	222,884	222,884
In-kind revenue	264,511	-	264,511	123,500	-	123,500
Merchandise sales	65,471	-	65,471	81,266	-	81,266
Less: cost of merchandise sales	(24,699)	-	(24,699)	(25,691)	-	(25,691)
Investment income, net	7,450,357	-	7,450,357	7,718,175	-	7,718,175
Gain on the sale of property and equipment	1,535	-	1,535	-	-	-
Loss on restricted contributions receivable	-	(7,265)	(7,265)	-	(19,123)	(19,123)
Net assets released from restrictions	445,115	(445,115)	-	1,034,800	(1,034,800)	-
TOTAL SUPPORT AND REVENUE	17,928,392	196,525	18,124,917	19,018,166	4,230	19,022,396
EXPENSES						
Program	6,612,230	-	6,612,230	6,074,216	-	6,074,216
Management and general	474,483	-	474,483	463,167	-	463,167
Fundraising	239,480	-	239,480	191,639	-	191,639
TOTAL EXPENSES	7,326,193	-	7,326,193	6,729,022	-	6,729,022
CHANGE IN NET ASSETS	10,602,199	196,525	10,798,724	12,289,144	4,230	12,293,374
NET ASSETS - BEGINNING OF YEAR	84,814,103	4,584,505	89,398,608	72,524,959	4,580,275	77,105,234
NET ASSETS - END OF YEAR	\$ 95,416,302	\$ 4,781,030	\$ 100,197,332	\$ 84,814,103	\$ 4,584,505	\$ 89,398,608

See accompanying notes to consolidated financial statements.

THE ELEPHANT SANCTUARY IN TENNESSEE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 10,798,724	\$ 12,293,374
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,775,218	1,496,003
Loss on contributions receivable	7,265	19,123
Gain on the sale of property and equipment	(1,535)	-
Realized and unrealized gain on investments	(6,070,858)	(10,192,970)
Change in value of beneficial interest agreements	(208,756)	(222,884)
Noncash contributions of investments	(264,511)	(123,268)
(Increase) decrease in:		
Contributions receivable	229,051	1,070,362
Prepaid expenses	6,891	1,550
Inventory	59	(4,829)
Increase (decrease) in:		
Accounts payable	217,380	(20,723)
Accrued expenses	<u>(263)</u>	<u>(4,364)</u>
TOTAL ADJUSTMENTS	<u>(4,310,059)</u>	<u>(7,982,000)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>6,488,665</u>	<u>4,311,374</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(5,033,649)	(7,058,334)
Proceeds from sale of property and equipment	1,535	-
Distributions received from beneficial interest agreements	128,750	123,820
Purchases of investments	(6,365,933)	(11,249,517)
Sales of investments	<u>4,974,739</u>	<u>10,704,157</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(6,294,558)</u>	<u>(7,479,874)</u>
NET INCREASE (DECREASE) IN CASH	194,107	(3,168,500)
CASH - BEGINNING OF YEAR	<u>4,042,625</u>	<u>7,211,125</u>
CASH - END OF YEAR	<u>\$ 4,236,732</u>	<u>\$ 4,042,625</u>

See accompanying notes to consolidated financial statements.

THE ELEPHANT SANCTUARY IN TENNESSEE AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2024

	PROGRAM SERVICES					MANAGEMENT AND FUNDRAISING			
	ELEPHANT CARE	VET CARE	FACILITIES	EDUCATION	VOLUNTEER OUTREACH EDUCATION	TOTAL	GENERAL	FUNDRAISING	TOTAL
Salaries and wages	\$ 915,946	\$ 191,643	\$ 468,532	\$ 443,992	\$ 115,820	\$ 2,135,933	\$ 209,918	\$ 122,337	\$ 2,468,188
Payroll taxes	71,116	14,850	46,989	33,778	8,796	175,529	13,974	9,487	198,990
Employee benefit - insurance	154,667	17,511	97,955	62,530	11,630	344,293	4,675	11,243	360,211
Employee benefit - retirement	19,869	4,157	10,164	9,631	2,513	46,334	4,554	2,654	53,542
Other payroll expenses	5,713	1,195	2,923	2,770	723	13,324	1,309	763	15,396
SALARIES AND RELATED EXPENSES	1,167,311	229,356	626,563	552,701	139,482	2,715,413	234,430	146,484	3,096,327
Advertising	85	1,781	2,360	1,960	978	7,164	1,389	-	8,553
Bank service charges	-	-	-	55,508	-	55,508	4,947	4,744	65,199
Conferences and meetings	1,535	1,907	140	1,298	321	5,201	9,782	-	14,983
Depreciation	-	-	1,635,218	100,000	-	1,735,218	40,000	-	1,775,218
Donations	110	-	-	-	-	110	235	-	345
Dues and subscriptions	780	2,836	281	665	95	4,657	4,674	170	9,501
Education	-	-	-	-	2,550	2,550	-	-	2,550
Employee relocation	3,500	1,000	-	-	-	4,500	-	-	4,500
Employee recruitment and testing	2,422	334	1,426	515	497	5,194	204	112	5,510
Feed and supplements	179,224	-	-	-	-	179,224	-	-	179,224
Insurance - liability	96,154	13,669	42,605	12,728	3,867	169,023	15,636	2,505	187,164
Insurance - workers' compensation	19,451	3,686	10,092	3,480	1,479	38,188	966	395	39,549
International elephant habitat and care programs	283,705	-	-	-	-	283,705	-	-	283,705
Licenses	721	1,159	2,297	1,276	935	6,388	5,494	8,135	20,017
Meals	2,025	660	190	228	339	3,442	3,280	660	7,382
Merchandise	-	-	-	24,699	-	24,699	-	-	24,699
Mileage reimbursement	1,116	414	1,237	376	563	3,706	1,490	-	5,196
Miscellaneous	-	-	-	-	2,003	2,003	-	-	2,003
Newsletter	-	-	-	76,354	-	76,354	-	15,710	92,064
Office supplies and small equipment	91,857	9,552	20,451	29,595	16,344	167,799	4,906	6,513	179,218
Printing	92	54	46	8,068	479	8,739	-	2,861	11,600
Postage and delivery	255	2,379	1,267	35,409	1,016	40,326	-	15,726	56,052
Professional development	8,860	3,000	-	2,130	-	13,990	-	89	14,079
Professional fees	11,400	73,015	10,250	20,739	24,501	139,905	123,943	15,265	279,113
Repairs and maintenance	167,829	6,792	39,502	27,959	5,167	247,249	1,656	3,253	252,158
Security	6,562	469	1,682	1,039	29	9,781	100	80	9,961
Taxes	-	-	16,390	6,102	762	23,254	-	843	24,097
Technology	37,796	10,854	17,580	51,923	6,654	124,807	6,798	11,627	143,232
Telephone and internet	6,185	4,124	5,916	3,761	2,874	22,860	2,112	513	25,485
Travel	13,844	5,317	387	2,465	2,311	24,324	4,942	-	29,266
Utilities	72,724	3,731	18,288	12,926	5,478	113,147	1,034	1,465	115,646
Vehicle	48,422	3,431	49,891	69	2,092	103,905	6,465	2,330	112,700
Veterinary services and medicines	-	274,596	-	-	-	274,596	-	-	274,596
TOTAL EXPENSES	2,223,965	654,116	2,504,059	1,033,973	220,816	6,636,929	474,483	239,480	7,350,892
Less: expenses included with revenues on the consolidated statements of activities	-	-	-	(24,699)	-	(24,699)	-	-	(24,699)
TOTAL EXPENSES INCLUDED IN EXPENSE SECTION OF THE CONSOLIDATED STATEMENTS OF ACTIVITIES	\$ 2,223,965	\$ 654,116	\$ 2,504,059	\$ 1,009,274	\$ 220,816	\$ 6,612,230	\$ 474,483	\$ 239,480	\$ 7,326,193

See accompanying notes to consolidated financial statements.

THE ELEPHANT SANCTUARY IN TENNESSEE AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

	PROGRAM SERVICES					MANAGEMENT AND FUNDRAISING			
	ELEPHANT CARE	VET CARE	FACILITIES	EDUCATION	VOLUNTEER OUTREACH EDUCATION	TOTAL	GENERAL	FUNDRAISING	TOTAL
Salaries and wages	\$ 805,830	\$ 198,137	\$ 527,945	\$ 372,806	\$ 101,416	\$ 2,006,134	\$ 178,785	\$ 44,752	\$ 2,229,671
Payroll taxes	62,168	13,499	48,140	28,686	7,847	160,340	13,188	3,439	176,967
Employee benefit - insurance	161,999	21,533	103,676	59,952	14,539	361,699	15,692	5,022	382,413
Employee benefit - retirement	17,732	4,360	11,617	8,203	2,232	44,144	3,934	984	49,062
Other payroll expenses	5,115	1,258	3,351	2,366	644	12,734	1,135	283	14,152
SALARIES AND RELATED EXPENSES	1,052,844	238,787	694,729	472,013	126,678	2,585,051	212,734	54,480	2,852,265
Advertising	-	1,783	1,474	250	698	4,205	-	-	4,205
Bank service charges	-	-	-	63,813	-	63,813	2,081	10,355	76,249
Conferences and meetings	2,490	1,983	850	-	1,110	6,433	981	-	7,414
Depreciation	-	-	1,354,737	100,001	-	1,454,738	40,000	1,265	1,496,003
Donations	-	-	-	-	-	-	600	-	600
Donated materials and supplies	-	-	-	-	-	-	-	231	231
Dues and subscriptions	1,082	1,413	494	434	370	3,793	11,379	-	15,172
Education	-	-	-	-	3,006	3,006	-	-	3,006
Employee assistance program	980	170	436	509	113	2,208	117	68	2,393
Employee relocation	1,612	-	-	-	-	1,612	979	-	2,591
Employee recruitment and testing	218	-	880	60	648	1,806	35	9	1,850
Feed and supplements	155,955	-	-	-	-	155,955	-	-	155,955
Insurance - liability	80,890	17,675	45,444	16,394	4,460	164,863	6,429	3,117	174,409
Insurance - workers' compensation	4,988	1,043	2,723	1,115	496	10,365	6,605	197	17,167
International elephant habitat and care programs	256,150	-	-	-	-	256,150	-	-	256,150
Licenses	383	976	4,136	7,546	210	13,251	5,945	9,451	28,647
Meals	2,616	228	857	277	215	4,193	6,454	1,177	11,824
Merchandise	-	-	-	25,691	-	25,691	-	-	25,691
Mileage reimbursement	1,806	481	600	333	502	3,722	252	-	3,974
Miscellaneous	-	-	-	-	412	412	-	-	412
Newsletter	-	-	-	51,262	-	51,262	-	33,626	84,888
Office supplies and small equipment	74,917	9,848	28,013	17,332	6,467	136,577	13,092	5,321	154,990
Printing	30	65	-	7,443	847	8,385	119	21,536	30,040
Postage and delivery	214	3,389	-	34,367	200	38,170	143	6,446	44,759
Professional development	17,374	3,813	18,050	2,450	-	41,687	486	135	42,308
Professional fees	35,152	65,895	11,650	15,007	-	127,704	125,851	29,786	283,341
Repairs and maintenance	152,327	10,155	40,411	9,824	5,370	218,087	794	612	219,493
Security	1,848	370	518	698	-	3,434	185	201	3,820
Taxes	-	-	15,120	6,102	2,032	23,254	-	843	24,097
Technology	37,756	15,729	17,916	64,223	8,610	144,234	10,150	9,986	164,370
Telephone and internet	5,318	1,716	5,039	3,081	1,019	16,173	2,271	417	18,861
Travel	66,544	3,350	-	2,669	774	73,337	8,088	81	81,506
Utilities	64,607	4,556	21,272	10,754	4,405	105,594	3,580	1,607	110,781
Vehicle	28,470	5,950	55,647	-	-	90,067	3,817	692	94,576
Veterinary services and medicines	-	260,675	-	-	-	260,675	-	-	260,675
TOTAL EXPENSES	2,046,571	650,050	2,320,996	913,648	168,642	6,099,907	463,167	191,639	6,754,713
Less: expenses included with revenues on the consolidated statements of activities	-	-	-	(25,691)	-	(25,691)	-	-	(25,691)
TOTAL EXPENSES INCLUDED IN EXPENSE SECTION OF THE CONSOLIDATED STATEMENTS OF ACTIVITIES	\$ 2,046,571	\$ 650,050	\$ 2,320,996	\$ 887,957	\$ 168,642	\$ 6,074,216	\$ 463,167	\$ 191,639	\$ 6,729,022

See accompanying notes to consolidated financial statements.

THE ELEPHANT SANCTUARY IN
TENNESSEE AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 1 - ORGANIZATION AND GENERAL

The Elephant Sanctuary in Tennessee is a nonprofit organization which was organized on December 30, 1994, primarily to provide elephants with individualized care, companionship of a herd and the opportunity to live out their lives in a safe haven dedicated to their well-being. Other goals related to the captive elephants include conducting noninvasive research, practicing progressive management and care techniques, and sharing knowledge through education, consultation and collaboration. The majority of the Organization's revenues for the years ended December 31, 2024 and 2023 represent support from the general public, primarily from citizens of or entities located in the United States.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of The Elephant Sanctuary in Tennessee and its wholly owned for-profit subsidiary, Highland Lake Properties, Inc. ("HLPI") (collectively, the "Organization"). All significant intercompany accounts and transactions have been eliminated in consolidation. HLPI's assets consist of 701 acres of real estate adjacent to other real estate owned by The Elephant Sanctuary in Tennessee and used as part of the natural habitat refuge for elephants.

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Consolidated Statements of Activities.

THE ELEPHANT SANCTUARY IN
TENNESSEE AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions - Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is made.

A contribution is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets exists. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has overcome the barrier(s) in the agreement. Conditional promises to give are not recognized until the barrier(s) in the agreement are overcome.

Unconditional contributions of cash and other assets, including contributions receivable (unconditional promises to give), are recorded as revenue based upon any donor-imposed restrictions on the date of the donor's commitment or gift. Noncash contributions are recorded at the estimated fair value at the date of the gift. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discount on these amounts is computed using a risk-free interest rate applicable to the year in which the promise is received (4.52% and 4.49% for promises made in 2024 and 2023, respectively). Amortization of the discount is recognized on the interest method over the term of the gift and included in contribution revenue.

The allowance for uncollectible contributions is provided based on management's estimate of uncollectible pledges and historical trends.

The Organization is required to make significant estimates and exercise judgment in determining the net contributions receivable. The Organization reviewed all documentation received to determine the estimated amount to be received in future periods and recognized the related estimated revenues in the Consolidated Statements of Activities for the years ended December 31, 2024 and 2023. Annually, the Organization evaluates its assumptions, judgments and estimates that can have a significant impact on its reported contributions receivable based on the most recent information available, and when necessary, adjusts the balance accordingly. It is at least reasonably possible that this estimate will change within one year of the date of the consolidated financial statements due to one or more confirming events and the effect of that change could be material.

THE ELEPHANT SANCTUARY IN
TENNESSEE AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Sale of inventory - Revenues are recognized when control of products is transferred to customers, in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those products and services. The Organization does not have any significant financing components as payment is received at or shortly after the point of sale. Costs incurred to obtain a contract are expensed as incurred when the amortization period is less than a year. The nature of the Organization's business does not give rise to variable consideration.

For performance obligations related to the sale of general merchandise and educational materials such as caps, artwork, publications and other merchandise promoting the Organization, which is the sole source of contract revenue, control transfers to the customer at a point in time. The Organization's principal terms of sale are Freight On Board (FOB) Shipping Point and the Organization transfers control and records revenue for product sales upon shipment to the customer.

Cash

Cash consists principally of checking and savings account balances. Cash and other short-term investments held in brokerage accounts are classified as investments.

Inventory

Inventory is stated at the lower of cost or net realizable value. Inventory primarily consists of general merchandise and educational materials such as caps, artwork, publications and other merchandise promoting the Organization. Cost of sales, including shipping and handling, is classified as program services expenses in the Consolidated Statements of Functional Expenses.

Investments

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 12 for discussion of fair value measurements.

Money market funds are managed to maintain a net asset value per share of \$1, and are reported at net asset value, which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Changes in unrealized gains and losses are recognized currently in the Consolidated Statements of Activities.

THE ELEPHANT SANCTUARY IN
TENNESSEE AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are reported at cost at the date of purchase or at estimated fair value at the date of gift to the Organization. The Organization's policy is to capitalize purchases with a cost of \$1,000 or more and an estimated useful life greater than one year. Costs of maintenance and repairs are charged to expense. When depreciable assets are disposed, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is included in the operations for the period. Depreciation is calculated by the straight-line method over the assets' estimated useful lives.

Sales Taxes Collected

Sales taxes collected and remitted to governmental authorities are excluded from sales and cost of sales and presented on a net basis in the consolidated financial statements.

Advertising

Advertising costs are expensed as incurred. Advertising expenses amounted to \$8,553 and \$4,205 for the years ended December 31, 2024 and 2023, respectively.

Income Taxes

The Elephant Sanctuary in Tennessee qualifies as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income taxes are not provided. The Elephant Sanctuary in Tennessee files a U.S. Federal Form 990 for organizations exempt from income tax. The Elephant Sanctuary in Tennessee will also be filing a U.S. Federal Form 990-T for organizations exempt from income tax with unrelated business income for the year ending December 31, 2024, as well as an income tax return in the state of Tennessee. There was no U.S. Federal Form 990-T or income tax return for the state of Tennessee required for the year ending December 31, 2023.

HLPI is classified as a C corporation under the Internal Revenue Code. HLPI has no operating activities and incurs no income tax. In the event HLPI sells or distributes its assets, any realized gain would be subject to federal and state corporate income taxes. HLPI files income tax returns in the U.S. federal jurisdiction and the state of Tennessee.

THE ELEPHANT SANCTUARY IN
TENNESSEE AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

Management performs an evaluation of all income tax positions taken or expected to be taken in the course of preparing the Organization's income tax returns to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. Management has performed its evaluation of all income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there are no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax positions in the accompanying consolidated financial statements.

Donated Goods and Services

Donated goods are utilized by the Organization and are recorded as support and either an asset or expense in the period received at fair value, if there is an objective and measurable basis for determining such value.

Donated services are recognized if they create or enhance non-financial assets or the donated service requires specialized skills, was performed by the donor who possesses such skills and would have been purchased by the Organization if not provided by the donor. Such services are utilized by the Organization and are recognized at fair value as support and expense in the period the services are performed.

In addition, during 2024 and 2023, many unpaid volunteers contributed their time to the Organization's program and supporting services. The value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement or valuation.

Program and Supporting Services

The following program and supporting services classifications are included in the accompanying consolidated financial statements:

Program Services:

Elephant Care, Vet Care and Facilities - provides elephants a natural habitat, individualized care and the opportunity to live out their lives in a safe haven dedicated to their well-being.

Education and Volunteer Outreach Education - raises public awareness by providing educational opportunities for the public relating to elephant care and habitat; this includes providing materials and other programs to those who have an interest.

THE ELEPHANT SANCTUARY IN
TENNESSEE AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Supporting Services (Continued)

Supporting Services:

Management and General - relates to the overall direction of the Organization. These expenses are not identifiable with a particular program or with fundraising but are indispensable to the conduct of those activities and are essential to the Organization. Specific activities include agency oversight, business management, recordkeeping, budgeting, financing and other administrative activities.

Fundraising - includes costs of activities directed toward appeals for financial support primarily for expansion of physical facilities, the purchase of additional land, hiring additional trained keepers and establishing endowments for the care of elephants. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

Allocation of Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the Consolidated Statements of Activities. Accordingly, most costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Allocations of expenses are determined based on time and effort or the related use of the property.

Use of Estimates

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

Reclassification

Certain amounts in the prior year financial statements have been reclassified to conform to the current year's presentation. Such reclassifications had no effect on net assets or the change in net assets as previously reported.

Events Occurring after Reporting Date

The Organization has evaluated events and transactions that occurred between December 31, 2024 and June 3, 2025, the date the consolidated financial statements were available to be issued, for possible recognition or disclosure in the consolidated financial statements.

THE ELEPHANT SANCTUARY IN
TENNESSEE AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

NOTE 3 - LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Consolidated Financial Position date, comprise the following at December 31:

	<u>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash	\$ 4,236,732	\$ 4,042,625
Contributions receivable	3,588,498	3,824,814
Investments	67,094,413	59,367,850
Anticipated distribution from beneficial interest agreements	128,750	123,820
	<u>75,048,393</u>	<u>67,359,109</u>
Less amounts not available to be used within one year:		
Testamentary bequests	3,360,920	3,660,187
Donor-restricted contributions receivable	227,578	164,627
Donor-restricted endowment funds	1,878,871	1,855,220
Donor-restricted for a specific purpose	120,441	90,524
Board-designated operating reserves	30,000,000	30,000,000
Board-designated for capital reserves, improvements and upgrades	12,000,000	15,000,000
Board-designated for elephant transition	3,000,000	3,000,000
Board-designated for international welfare and conservation projects	1,000,000	1,000,000
Board-designated for education and support of the Elephant Discovery Center	2,000,000	2,000,000
	<u>53,587,810</u>	<u>56,770,558</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 21,460,583</u>	<u>\$ 10,588,551</u>

THE ELEPHANT SANCTUARY IN
TENNESSEE AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

NOTE 3 - LIQUIDITY (CONTINUED)

The Organization has set aside unrestricted financial operational reserves of approximately 5 times its budgeted expenses to ensure the lifetime care and safe haven for an undetermined number of elephants. Elephants have an expected lifespan of 50-70 years, and the Organization is committed to providing food, shelter, veterinary care, medicine, caregivers, property maintenance and security. Along with the public's continued support, these funds are needed to provide for the elephants currently in our care and for those that will come to the Organization.

All categories of board-designated amounts included in the liquidity calculation could be made available if necessary.

Due to the nature of the testamentary bequests, timing of collection is uncertain and thus not included in financial assets available to meet general expenditures over the next twelve months. Amounts will be available when received.

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following at December 31:

	<u>2024</u>	<u>2023</u>
Due within one year	\$ 3,835,324	\$ 4,109,892
Due in two to five years	<u>192,413</u>	<u>136,394</u>
	4,027,737	4,246,286
Less: discount to net present value	(14,233)	(3,731)
Less: allowance for uncollectible accounts	<u>(425,006)</u>	<u>(417,741)</u>
Total contributions receivable, net	<u>\$ 3,588,498</u>	<u>\$ 3,824,814</u>

Contributions receivable due within one year include approximately \$3,360,000 and \$3,660,000 in testamentary bequests at December 31, 2024 and 2023, respectively.

THE ELEPHANT SANCTUARY IN
TENNESSEE AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

NOTE 5 - INVESTMENTS

Investments consisted of the following at December 31:

	<u>2024</u>	<u>2023</u>
Money market funds	\$ 2,618,289	\$ 2,221,732
U.S. treasury obligations	3,572,385	3,115,711
Equities	5,784,010	4,872,014
Mutual funds	48,980,770	45,503,759
Corporate bonds	6,136,451	3,652,126
Real estate investment trusts	<u>2,508</u>	<u>2,508</u>
Total investments	<u>\$ 67,094,413</u>	<u>\$ 59,367,850</u>

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2024</u>	<u>2023</u>
Land and improvements	\$ 8,102,314	\$ 7,766,227
Buildings and improvements	17,255,805	14,473,906
Fencing	12,689,049	11,330,243
Furniture and equipment	3,014,404	2,635,828
Vehicles	<u>840,034</u>	<u>732,572</u>
	41,901,606	36,938,776
Less: accumulated depreciation	<u>(19,078,930)</u>	<u>(17,374,531)</u>
	<u>\$ 22,822,676</u>	<u>\$ 19,564,245</u>

Fully depreciated property and equipment amounted to approximately \$11,082,000 and \$11,120,000 as of December 31, 2024 and 2023, respectively.

THE ELEPHANT SANCTUARY IN
TENNESSEE AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

NOTE 7 - BENEFICIAL INTEREST AGREEMENTS

The Organization and its donors have established two types of split-interest agreements. Under these agreements, the Organization receives benefits that are shared with other beneficiaries designated by the donors.

Beneficial Interest in Charitable Remainder Trust

The Organization is a 25% remainder beneficiary in an irrevocable charitable remainder trust. Under the terms of the trust, income payments are made to family members of the donor. Following the death of the last surviving family member, 25% of the trust's assets will be distributed to the Organization. At December 31, 2024 and 2023, the Organization's beneficial interest in the charitable remainder trust was \$215,693 and \$187,057, respectively.

The beneficial interest in charitable remainder trust is valued by using an income approach based on calculating the present value of the future distribution expected to be received and the quoted market prices of the investments held by a third-party trustee. This approach takes into account the Organization's determination of an appropriate risk-adjusted discount rate, equal to 4.86% and 4.20% at December 31, 2024 and 2023, respectively, and expected cash flows. The Organization remeasures the fair value of its beneficial interest in charitable remainder trust annually and adjusts the measurement inputs based on market conditions and other relevant data.

Beneficial Interest in Trusts

A donor has established an irrevocable trust naming the Organization as a 40% beneficiary. The beneficial interest in trust value is based on the quoted market prices of the investments held by the third-party trustee. Under the terms of the trust, the third-party trustee must pay the Organization an annual distribution and has the discretion to pay the Organization, upon request, distributions from both the corpus and the income earned by the trust. During 2024 and 2023, the trustee distributed \$128,750 and \$123,820, respectively, to the Organization. The trust terminates in 2047, at which time 40% of any undistributed corpus or income from the trust will be distributed to the Organization. At December 31, 2024 and 2023, the Organization's beneficial interest in the trust was \$2,050,692 and \$1,996,680, respectively.

A donor has established an irrevocable trust naming the Organization as a 10.5% percent beneficiary. The beneficial interest in trust value is based on the quoted market prices of the investments held by the third-party trustee. The trust terminates in 2029, at which time 10.5% of any undistributed corpus or income from the trust will be distributed to the Organization. At December 31, 2024 and 2023, the Organization's beneficial interest in the trust was \$287,755 and \$290,397, respectively.

THE ELEPHANT SANCTUARY IN
TENNESSEE AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

NOTE 8 - NET ASSETS

Net assets consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Undesignated	\$ 24,593,626	\$ 14,249,858
Board-designated:		
Operating reserves	30,000,000	30,000,000
Property and equipment	22,822,676	19,564,245
Annual reserves for capital reserves, improvements and upgrades	12,000,000	15,000,000
Elephant transition	3,000,000	3,000,000
Support of international welfare and conservation projects	1,000,000	1,000,000
Education and support of the Elephant Discovery Center	2,000,000	2,000,000
	<u>70,822,676</u>	<u>70,564,245</u>
Total net assets without donor restrictions	<u>95,416,302</u>	<u>84,814,103</u>
Specific Purpose:		
Barbara J. Mapp Foundation - Curriculum	16,000	16,000
Elephant Discovery Center	44,500	-
Elephant Healthcare Center	59,941	74,524
	<u>120,441</u>	<u>90,524</u>
Passage of Time:		
Contributions receivable	227,578	164,627
Beneficial interest in charitable remainder trust	215,693	187,057
Beneficial interest in trusts	2,338,447	2,287,077
	<u>2,781,718</u>	<u>2,638,761</u>
Endowments:		
Subject to endowment spending policy and appropriation:		
Education endowment	94,020	78,997
Elephant endowment	1,784,851	1,776,223
	<u>1,878,871</u>	<u>1,855,220</u>
Total net assets with donor restrictions	<u>4,781,030</u>	<u>4,584,505</u>
Total net assets	<u>\$ 100,197,332</u>	<u>\$ 89,398,608</u>

THE ELEPHANT SANCTUARY IN
TENNESSEE AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

NOTE 9 - ENDOWMENT FUNDS

The Organization's endowment consists of funds established by the board of directors and by donors to be held in perpetuity, including gifts requiring that the principal be invested, and the income or specific portions thereof be used for perpetual care of the elephants. The Organization's endowment funds are based on the spending policies described below which follow the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") and the State of Tennessee's State Uniform Prudent Management of Institutional Funds Act ("SUPMIFA").

Interpretation of applicable law - The board of directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Spending policy - The board of directors has formally adopted an endowment spending policy. The policy allows an annual distribution from the endowment fund based on the lesser of 5% of the prior year's investable funds or the actual interest and dividend income earned in the current year, unless stated otherwise in the donor-specified agreement. If the maximum allowable distribution is not made in a particular year, the balance remains in the corpus of the endowment fund and is classified in the without-donor-restrictions category.

Investment return objective, risk parameters and strategies - The Organization has adopted investment and spending policies, approved by the board of directors, to establish asset allocation targets, investment objectives and guidelines and the degree of investment risk the board deems acceptable. The goal of the investment program is to achieve a rate of return that will allow the Organization to respond to current needs while also maintaining long-term growth to respond to future needs. Long-term strategic asset allocation ranges were updated in March 2024 and are as follows: return-seeking assets and diversifying assets 30% - 80%; risk-mitigating assets 20% - 70%.

Return-seeking assets consist of assets that are expected to generate more growth but also more volatility than cash or bonds. This category may include, but not be limited to, exposure to US, developed international, emerging-market and frontier-market stocks: large-cap, mid-cap and small-cap stocks.

Risk-mitigating assets comprise assets expected to provide stability and income, to counterbalance the higher volatility of return-seeking assets. This category may include, but not be limited to, high-credit quality, short- and intermediate-duration bonds (both US and non-US, corporate and sovereign and inflation-protected and non-inflation-protected).

THE ELEPHANT SANCTUARY IN
TENNESSEE AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

NOTE 9 - ENDOWMENT FUNDS (CONTINUED)

Diversifying assets comprises assets that are expected to provide diversification against both return-seeking and risk-mitigating assets. This category may include, but not be limited to, exposure to high-yield bonds, real assets (direct real estate, real estate investment trusts, commodity futures and stocks of commodity-producing companies), and various alternative investment strategies, such as hedge funds, private credit strategies, and low-net-exposure long/short equity funds. Alternative investments may be considered and incorporated into the portfolio given that no more than 15% of the portfolio is invested in vehicles that cannot be fully redeemed in cash over 3 months.

A summary of changes in endowment funds follows for the years ended December 31:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, January 1, 2024	\$ 891,445	\$ 1,855,220	\$ 2,746,665
Contributions	-	23,651	23,651
Investment income	<u>280,772</u>	<u>-</u>	<u>280,772</u>
Endowment net assets, December 31, 2024	<u>\$ 1,172,217</u>	<u>\$ 1,878,871</u>	<u>\$ 3,051,088</u>
	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, January 1, 2023	\$ 541,973	\$ 1,829,174	\$ 2,371,147
Contributions	-	26,046	26,046
Investment income	<u>349,472</u>	<u>-</u>	<u>349,472</u>
Endowment net assets, December 31, 2023	<u>\$ 891,445</u>	<u>\$ 1,855,220</u>	<u>\$ 2,746,665</u>

Donor-restricted endowment funds include \$1,878,871 and \$1,855,220 at December 31, 2024 and 2023, respectively, that are required by the donor to be maintained in perpetuity.

THE ELEPHANT SANCTUARY IN
TENNESSEE AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

NOTE 10 - CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash balances at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to statutory limits. The Organization's cash balances may, at times, exceed statutory limits. The Organization has not experienced any losses in such accounts and management considers this to be a normal business risk.

The Organization maintains investment balances at various brokerage and investment companies. Generally, these investments are not insured by the FDIC or any other government agency and are subject to investment risk, including the risk of loss of principal. Investors are provided limited protection by the Securities Investor Protection Corporation ("SIPC"), which provides protection to investors in certain circumstances such as fraud or failure of the institution. Coverage is limited to \$500,000, including up to \$250,000 in cash. The SIPC does not insure against market risk.

Contributions receivable consist of individual and corporate contribution pledges. Contributions receivable from two and three donors amounted to \$1,560,000 (39%) and \$2,181,417 (52%) of total gross contributions receivable at December 31, 2024 and 2023, respectively.

NOTE 11 - RETIREMENT PLAN

The Organization adopted a 401(k) plan that allows eligible employees to make voluntary contributions, subject to limitations under the Internal Revenue Code.

The plan allows for discretionary employer matching contributions. The amount is to be determined annually. For 2024 and 2023, the matching contribution equaled 100% of the first 3% of compensation that is deferred by the employee. The plan also allows for discretionary employer non-elective contributions. Employer contributions fully vest after 3 years of service.

During 2024 and 2023, the Organization contributed \$53,542 and \$49,062 to the plan, respectively.

THE ELEPHANT SANCTUARY IN
TENNESSEE AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

NOTE 12 - FAIR VALUE MEASUREMENTS

The Organization classifies its investments based on a hierarchy consisting of: Level 1 (valued using quoted prices from active markets for identical assets), Level 2 (not traded on an active market but for which observable market inputs are readily available) and Level 3 (valued based on significant unobservable inputs).

An asset's 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 maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

Real estate investment trusts and equities are valued at the closing price reported on the active market on which the individual funds are traded.

Mutual funds are valued using the net asset value per unit as quoted in active markets at the valuation date.

Fixed income investments, including corporate bonds and U.S. treasury obligations, for which quotations are readily available in active markets are valued at the most recent quote in the principal market in which such securities are normally traded. These investments also include securities valued on the basis of information provided by pricing services that employ valuation matrices that may incorporate both broker/dealer-supplied valuations as well as valuation models reflecting such factors as benchmark yields, reported trades, broker/dealer quotes, bid/offer data, and other relevant elements.

There have been no changes in the valuation methodologies used at December 31, 2024 and 2023.

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 methodologies are appropriate and consistent with that of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

THE ELEPHANT SANCTUARY IN
TENNESSEE AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

NOTE 12 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth the Organization's major categories of assets measured at fair value on a recurring basis, by level within the fair value hierarchy, as of December 31, 2024:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Investments measured at fair value:				
U.S. treasury obligations	\$ -	\$ 3,572,385	\$ -	\$ 3,572,385
Equities:				
Consumer services	864,781	-	-	864,781
Energy	223,991	-	-	223,991
Financial	1,502,895	-	-	1,502,895
Healthcare	1,052,380	-	-	1,052,380
Industrial	295,182	-	-	295,182
Technology	1,716,141	-	-	1,716,141
Utilities	128,640	-	-	128,640
Total equities	5,784,010	-	-	5,784,010
Mutual funds:				
Emerging markets	1,207	-	-	1,207
Foreign large growth	1,653,423	-	-	1,653,423
Intermediate core-plus	5,699,815	-	-	5,699,815
International	11,837,077	-	-	11,837,077
Large value/blend	13,264,758	-	-	13,264,758
Real estate	51,793	-	-	51,793
Specialty - financial	9,702,108	-	-	9,702,108
Ultrashort bond	1,066,365	-	-	1,066,365
World bond USD hedged	5,704,224	-	-	5,704,224
Total mutual funds	48,980,770	-	-	48,980,770
Corporate bonds	-	6,136,451	-	6,136,451
Real estate investment trusts	2,508	-	-	2,508
Total investments at fair value	54,767,288	9,708,836	-	64,476,124
Beneficial interest in charitable remainder trust	-	215,693	-	215,693
Beneficial interest in trusts	-	2,338,447	-	2,338,447
Total assets at fair value	\$ 54,767,288	\$ 12,262,976	\$ -	\$ 67,030,264

THE ELEPHANT SANCTUARY IN
TENNESSEE AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024 AND 2023

NOTE 12 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth the Organization's major categories of assets measured at fair value on a recurring basis, by level within the fair value hierarchy, as of December 31, 2023:

	<u>Level 1</u> <u>Inputs</u>	<u>Level 2</u> <u>Inputs</u>	<u>Level 3</u> <u>Inputs</u>	<u>Total</u>
Investments measured at fair value:				
U.S. treasury obligations	\$ -	\$ 3,115,711	\$ -	\$ 3,115,711
Equities:				
Consumer services	695,906	-	-	695,906
Energy	202,380	-	-	202,380
Financial	1,135,878	-	-	1,135,878
Healthcare	1,145,720	-	-	1,145,720
Industrial	169,882	-	-	169,882
Technology	1,355,248	-	-	1,355,248
Transportation	41,603	-	-	41,603
Utilities	125,397	-	-	125,397
Total equities	<u>4,872,014</u>	<u>-</u>	<u>-</u>	<u>4,872,014</u>
Mutual funds:				
Emerging markets	1,207	-	-	1,207
Foreign large growth	1,632,855	-	-	1,632,855
Intermediate core-plus	5,448,609	-	-	5,448,609
International	11,476,206	-	-	11,476,206
Large value/blend	12,483,203	-	-	12,483,203
Real estate	31,712	-	-	31,712
Specialty - financial	7,525,838	-	-	7,525,838
Ultrashort bond	1,390,895	-	-	1,390,895
World Bond USD Hedged	5,513,234	-	-	5,513,234
Total mutual funds	<u>45,503,759</u>	<u>-</u>	<u>-</u>	<u>45,503,759</u>
Corporate bonds	<u>-</u>	<u>3,652,126</u>	<u>-</u>	<u>3,652,126</u>
Real estate investment trusts	<u>2,508</u>	<u>-</u>	<u>-</u>	<u>2,508</u>
Total investments at fair value	<u>50,378,281</u>	<u>6,767,837</u>	<u>-</u>	<u>57,146,118</u>
Beneficial interest in charitable reminder trust	-	187,057	-	187,057
Beneficial interest in trusts	<u>-</u>	<u>2,287,077</u>	<u>-</u>	<u>2,287,077</u>
Total assets at fair value	<u>\$ 50,378,281</u>	<u>\$ 9,241,971</u>	<u>\$ -</u>	<u>\$ 59,620,252</u>