The Elephant Sanctuary in Tennessee and Subsidiary

Consolidated Financial Statements

December 31, 2025 and 2024

Independent Auditors' Report

To the Board of Directors of
The Elephant Sanctuary in Tennessee and Subsidiary

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 statement of financial position as of December 31, 2025, and the related consolidated statements of activities, cash flows and functional expenses for the year 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, 2025, and the changes in its net assets and its cash flows for the year 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter – 2024 Consolidated Financial Statements

The consolidated financial statements of the Organization as of and for the year ended December 31, 2024, were audited by other auditors whose report thereon, dated June 3, 2025, expressed an unmodified 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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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.

Baker Tilly US, LLP

Nashville, Tennessee
July 8, 2026

The Elephant Sanctuary in Tennessee and Subsidiary

Consolidated Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Cash	$ 3,337,529	$ 4,236,732
Contributions receivable, net	2,529,700	3,588,498
Prepaid expenses	126,279	122,426
Inventory	14,000	22,746
Investments, operating	73,079,821	64,043,325
Property and equipment, net	26,335,880	22,822,676
Beneficial interest in charitable remainder trust	230,843	215,693
Beneficial interest in trusts	2,305,931	2,338,447
Investments, endowment	3,481,226	3,051,088
Total assets	$ 111,441,209	$ 100,441,631
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 8,480	$ 243,651
Accrued expenses	1,431	648
Total liabilities	9,911	244,299
Net Assets		
Without donor restrictions:		
Undesignated	34,315,034	24,593,626
Invested in property and equipment	26,335,880	22,822,676
Board-designated	46,000,000	48,000,000
Total without donor restrictions	106,650,914	95,416,302
Total with donor restrictions	4,780,384	4,781,030
Total net assets	111,431,298	100,197,332
Total liabilities and net assets	$ 111,441,209	$ 100,441,631

See notes to consolidated financial statements

The Elephant Sanctuary in Tennessee and Subsidiary

Consolidated Statements of Activities
Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Public support:						
Contributions and grants	$ 9,228,892	$ 365,761	$ 9,594,653	$ 9,726,102	$ 440,149	$ 10,166,251
Change in value of beneficial interest agreements	-	300,596	300,596	-	208,756	208,756
In-kind revenue	32,198	-	32,198	264,511	-	264,511
Merchandise sales	69,963	-	69,963	65,471	-	65,471
Less: cost of merchandise sales	(33,785)	-	(33,785)	(24,699)	-	(24,699)
Investment income, net	9,326,783	-	9,326,783	7,450,357	-	7,450,357
Gain on the sale of property and equipment	4,739	-	4,739	1,535	-	1,535
Miscellaneous income	147	-	147	-	-	-
Loss on restricted contributions receivable	-	(30,326)	(30,326)	-	(7,265)	(7,265)
Net assets released from restrictions	636,677	(636,677)	-	445,115	(445,115)	-
Total support and revenue	19,265,614	(646)	19,264,968	17,928,392	196,525	18,124,917
Expenses						
Program	7,367,323	-	7,367,323	6,612,230	-	6,612,230
Management and general	356,643	-	356,643	474,483	-	474,483
Fundraising	307,036	-	307,036	239,480	-	239,480
Total expenses	8,031,002	-	8,031,002	7,326,193	-	7,326,193
Change in net assets	11,234,612	(646)	11,233,966	10,602,199	196,525	10,798,724
Net Assets, Beginning	95,416,302	4,781,030	100,197,332	84,814,103	4,584,505	89,398,608
Net Assets, Ending	$ 106,650,914	$ 4,780,384	$ 111,431,298	$ 95,416,302	$ 4,781,030	$ 100,197,332

See notes to consolidated financial statements

The Elephant Sanctuary in Tennessee and Subsidiary

Consolidated Statement of Functional Expenses
Year Ended December 31, 2025

	Program Services								
	Elephant Care	Vet Care	Facilities	Education	Volunteer Outreach Education	Total	Management and General	Fundraising	Total
Salaries and wages	$ 1,047,144	$ 243,053	$ 551,190	$ 537,883	$ 24,044	$ 2,403,314	$ 181,034	$ 126,746	$ 2,711,094
Payroll taxes	79,256	18,418	54,982	41,152	1,984	195,792	13,586	9,733	219,111
Employee benefit, insurance	186,763	31,510	124,411	90,282	-	432,966	-	15,906	448,872
Employee benefit, retirement	21,828	5,067	11,490	11,212	501	50,098	3,774	2,642	56,514
Other payroll expenses	7,417	1,722	3,904	3,810	170	17,023	1,282	898	19,203
Salaries and related expenses	1,342,408	299,770	745,977	684,339	26,699	3,099,193	199,676	155,925	3,454,794
Advertising	30	-	512	2,571	-	3,113	-	-	3,113
Bank service charges	-	-	-	59,340	-	59,340	2,170	8,333	69,843
Conferences and meetings	671	1,884	-	1,723	-	4,278	395	-	4,673
Depreciation	-	-	1,987,302	75,000	-	2,062,302	30,000	-	2,092,302
Dues and subscriptions	445	1,837	600	830	-	3,712	2,286	5,200	11,198
Education	-	-	-	-	2,500	2,500	-	-	2,500
Employee relocation	1,606	-	-	795	-	2,401	-	-	2,401
Employee recruitment and testing	959	25	959	528	256	2,727	25	-	2,752
Feed and supplements	218,031	-	-	-	-	218,031	-	-	218,031
Insurance, liability	93,749	14,062	49,341	16,172	3,281	176,605	9,375	2,344	188,324
Insurance, workers' compensation	41,040	7,286	19,306	6,895	2,937	77,464	3,295	1,272	82,031
International elephant habitat and care programs	266,985	-	-	-	-	266,985	-	-	266,985
Licenses	2,015	1,174	3,929	1,120	560	8,798	6,451	9,675	24,924
Meals	2,917	861	755	2,026	147	6,706	1,311	1,058	9,075
Merchandise	-	-	-	33,785	-	33,785	-	-	33,785
Mileage reimbursement	712	978	1,831	634	396	4,551	1,696	-	6,247
Miscellaneous	-	-	-	-	956	956	-	-	956
Newsletter	-	-	-	41,861	-	41,861	-	43,645	85,506
Office supplies and small equipment	83,628	11,460	31,847	31,122	10,803	168,860	4,025	6,251	179,136
Postage and delivery	1,254	4,510	94	51,854	400	58,112	561	26,411	85,084
Printing	-	-	-	8,411	197	8,608	-	4,722	13,330
Professional development	-	37	-	9,228	-	9,265	1,484	105	10,854
Professional fees	27,334	73,618	11,463	25,562	-	137,977	76,020	12,325	226,322
Repairs and maintenance	176,390	10,600	31,482	13,975	5,164	237,611	1,206	1,785	240,602
Security	3,004	439	2,809	1,291	40	7,583	87	160	7,830
Taxes	-	-	15,078	5,037	-	20,115	-	1,144	21,259
Technology	39,645	11,956	20,506	64,918	3,074	140,099	8,101	12,964	161,164
Telephone and internet	5,504	2,512	8,399	3,120	3,090	22,625	2,156	310	25,091
Travel	11,827	5,606	-	3,871	-	21,304	1,439	257	23,000
Utilities	63,858	3,603	18,740	12,823	6,455	105,479	682	2,216	108,377
Vehicle	62,593	3,361	36,049	651	-	102,654	4,202	10,934	117,790
Veterinary services and medicines	-	285,508	-	-	-	285,508	-	-	285,508
Total expenses	2,446,605	741,087	2,986,979	1,159,482	66,955	7,401,108	356,643	307,036	8,064,787
Less expenses included with revenues on the consolidated statements of activities	-	-	-	(33,785)	-	(33,785)	-	-	(33,785)
Total expenses included in expense section of the consolidated statement of activities	$ 2,446,605	$ 741,087	$ 2,986,979	$ 1,125,697	$ 66,955	$ 7,367,323	$ 356,643	$ 307,036	$ 8,031,002

See notes to consolidated financial statements

Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services								
	Elephant Care	Vet Care	Facilities	Education	Volunteer Outreach Education	Total	Management and 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
Postage and delivery	255	2,379	1,267	35,409	1,016	40,326	-	15,726	56,052
Printing	92	54	46	8,068	479	8,739	-	2,861	11,600
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 statement 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 notes to consolidated financial statements

The Elephant Sanctuary in Tennessee and Subsidiary

Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	$ 11,233,966	$ 10,798,724
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,092,302	1,775,218
Loss on contributions receivable	30,326	7,265
Gain on the sale of property and equipment	(4,739)	(1,535)
Realized and unrealized gain on investments	(7,751,786)	(6,070,858)
Change in value of beneficial interest agreements	(300,596)	(208,756)
Noncash contributions of investments	(32,198)	(264,511)
(Increase) decrease in:		
Contributions receivable	1,028,472	229,051
Prepaid expenses	(3,853)	6,891
Inventory	8,746	59
Increase (decrease) in:		
Accounts payable	(235,171)	217,380
Accrued expenses	783	(263)
Total adjustments	(5,167,714)	(4,310,059)
Net cash provided by operating activities	6,066,252	6,488,665
Cash Flows From Investing Activities		
Additions to property and equipment	(5,660,047)	(5,033,649)
Proceeds from sale of property and equipment	59,280	1,535
Distributions received from beneficial interest agreements	317,962	128,750
Purchases of investments	(125,750,728)	(6,365,933)
Sales of investments	124,068,078	4,974,739
Net cash used in investing activities	(6,965,455)	(6,294,558)
Net (decrease) increase in cash	(899,203)	194,107
Cash, Beginning	4,236,732	4,042,625
Cash, Ending	$ 3,337,529	$ 4,236,732

See notes to consolidated financial statements

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, 2025 and 2024 represent support from the general public, primarily from citizens of or entities located in the United States.

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.

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 (3.68% and 4.52% for promises made in 2025 and 2024, 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, 2025 and 2024. 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.

Merchandise sales - 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 that are designed for long-term investment are included in "Investments" in the Consolidated Statements of Financial Position and are excluded from cash on the Consolidated Statements of Cash Flows.

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 merchandise sales, including shipping and handling, is classified as program services expenses in the Consolidated Statements of Functional Expenses.

Investments

Investments, other than money market funds, 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.

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 merchandise sales and cost of merchandise sales and presented on a net basis in the consolidated financial statements.

Advertising

Advertising costs are expensed as incurred.

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 filed 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, 2025.

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.

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 2025 and 2024, 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.

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 through July 8, 2026, the date the consolidated financial statements were available to be issued, for possible recognition or disclosure in the consolidated financial statements.

3. Liquidity

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

	2025	2024
Financial assets at year end:		
Cash	$ 3,337,529	$ 4,236,732
Contributions receivable	2,529,700	3,588,498
Investments	76,561,047	67,094,413
Anticipated distribution from beneficial interest agreements	133,439	128,750
	82,561,715	75,048,393
Less amounts not available to be used within one year:		
Testamentary bequests	2,238,061	3,360,920
Donor-restricted contributions receivable	291,639	227,578
Donor-restricted endowment funds	1,935,971	1,878,871
Donor-restricted for a specific purpose	16,000	120,441
Board-designated operating reserves	30,000,000	30,000,000
Board-designated for capital reserves, improvements and upgrades	10,000,000	12,000,000
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
	50,481,671	53,587,810
Financial assets available to meet general expenditures over the next twelve months	$ 32,080,044	$ 21,460,583

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.

4. Contributions Receivable

Contributions receivable consisted of the following at December 31:

	2025	2024
Due within one year	$ 2,743,419	$ 3,835,324
Due in two to five years	260,785	192,413
	3,004,204	4,027,737
Less discount to net present value	(19,172)	(14,233)
Less allowance for uncollectible accounts	(455,332)	(425,006)
Total contributions receivable, net	$ 2,529,700	$ 3,588,498

Contributions receivable due within one year include approximately $2,238,000 and $3,360,000 in testamentary bequests at December 31, 2025 and 2024, respectively. Collection of testamentary bequests is dependent on the administration and settlement of the related estates, and accordingly, the timing of receipt may differ materially from amounts estimated to be collected within one year.

5. Investments

Investments consisted of the following at December 31:

	2025	2024
Money market funds	$ 3,236,308	$ 2,618,289
U.S. treasury obligations	3,723,481	3,572,385
Equities	35,135,838	5,784,010
Mutual funds	25,872,594	48,980,770
Corporate bonds	3,708,192	6,136,451
International bonds	141,952	-
Mortgage-backed securities	4,740,174	-
Real estate investment trusts	2,508	2,508
Total investments	$ 76,561,047	$ 67,094,413

6. Property and Equipment

Property and equipment consisted of the following at December 31:

	2025	2024
Land and improvements	$ 9,261,813	$ 8,102,314
Buildings and improvements	19,398,192	17,255,805
Fencing	14,452,188	12,689,049
Furniture and equipment	3,425,163	3,014,404
Vehicles	945,531	840,034
	47,482,887	41,901,606
Less accumulated depreciation	(21,147,007)	(19,078,930)
Total	$ 26,335,880	$ 22,822,676

Fully depreciated property and equipment amounted to approximately $9,722,000 and $11,082,000 as of December 31, 2025 and 2024, respectively.

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, 2025 and 2024, the Organization's beneficial interest in the charitable remainder trust was $230,843 and $215,693, 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 4.79% and 4.86% at December 31, 2025 and 2024, 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 2025 and 2024, the trustee distributed $133,439 and $128,750, 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, 2025 and 2024, the Organization's beneficial interest in the trust was $2,279,687 and $2,050,692, respectively.

A donor has established an irrevocable trust naming the Organization as a 10.5% beneficiary. The beneficial interest in trust value is based on the quoted market prices of the investments held by the third-party trustee. During 2025 and 2024, the trustee distributed $184,523 and $0, respectively, to the Organization. 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, 2025 and 2024, the Organization's beneficial interest in the trust was $26,244 and $287,755, respectively.

8. Net Assets

Net assets consist of the following at December 31:

	2025	2024
Undesignated	$ 34,315,034	$ 24,593,626
Invested in property and equipment	26,335,880	22,822,676
Board-designated:		
Operating reserves	30,000,000	30,000,000
Annual reserves for capital reserves, improvements and upgrades	10,000,000	12,000,000
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
	46,000,000	48,000,000
Total net assets without donor restrictions	106,650,914	95,416,302
Specific Purpose:		
Barbara J. Mapp Foundation - Curriculum	16,000	16,000
Elephant Discovery Center	-	44,500
Elephant Healthcare Center	-	59,941
	16,000	120,441
Passage of Time:		
Contributions receivable	291,639	227,578
Beneficial interest in charitable remainder trust	230,843	215,693
Beneficial interest in trusts	2,305,931	2,338,447
	2,828,413	2,781,718
Endowments:		
Subject to endowment spending policy and appropriation:		
Education endowment	110,626	94,020
Elephant endowment	1,825,345	1,784,851
	1,935,971	1,878,871
Total net assets with donor restrictions	4,780,384	4,781,030
Total net assets	$ 111,431,298	$ 100,197,332

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).

Diversifying assets comprises of 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:

	2025		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Endowment net assets, January 1, 2025	$ 1,172,217	$ 1,878,871	$ 3,051,088
Contributions	-	57,100	57,100
Investment income	373,038	-	373,038
Endowment net assets, December 31, 2025	$ 1,545,255	$ 1,935,971	$ 3,481,226

	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	280,772	-	280,772
Endowment net assets, December 31, 2024	$ 1,172,217	$ 1,878,871	$ 3,051,088

Donor-restricted endowment funds include $1,935,971 and $1,878,871 at December 31, 2025 and 2024, respectively, that are required by the donor to be maintained in perpetuity.

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 donors amounted to $730,000 (24%) and $1,560,000 (39%) of total gross contributions receivable at December 31, 2025 and 2024, respectively.

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 2025 and 2024, 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 2025 and 2024, the Organization contributed $56,514 and $53,542 to the plan, respectively.

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, international bonds, U.S. treasury obligations and mortgage-backed securities, 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, 2025 and 2024.

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 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, 2025:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Investments measured at fair value:				
U.S. treasury obligations	$ -	$ 3,723,481	$ -	$ 3,723,481
Equities:				
Consumer services	7,030,691	-	-	7,030,691
Energy	1,051,212	-	-	1,051,212
Financial	6,240,943	-	-	6,240,943
Healthcare	1,678,260	-	-	1,678,260
Industrial	3,647,308	-	-	3,647,308
Real estate	1,005,984	-	-	1,005,984
Technology	13,620,359	-	-	13,620,359
Utilities	861,081	-	-	861,081
Total equities	35,135,838	-	-	35,135,838
Mutual funds:				
Foreign large growth	6,656,148	-	-	6,656,148
Large value/blend	13,599,453	-	-	13,599,453
World bond USD hedged	5,616,993	-	-	5,616,993
Total mutual funds	25,872,594	-	-	25,872,594
Corporate bonds	-	3,708,192	-	3,708,192
International bonds	-	141,952	-	141,952
Mortgage-backed securities	-	4,740,174	-	4,740,174
Real estate investment trusts	2,508	-	-	2,508
Total investments at fair value	61,010,940	12,313,799	-	73,324,739
Beneficial interest in charitable remainder trust	-	230,843	-	230,843
Beneficial interest in trusts	-	2,305,931	-	2,305,931
Total assets at fair value	$ 61,010,940	$ 14,850,573	$ -	$ 75,861,513

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