

# **Global Federation Of Animal Sanctuaries**

## **Financial Statements**

**December 31, 2020 and 2019**

# Global Federation of Animal Sanctuaries December 31, 2020 and 2019

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## Independent Accountant's Review Report

To: The Board of Directors of Global Federation of Animal Sanctuaries

I have reviewed the accompanying statements of financial position of Global Federation of Animal Sanctuaries (a nonprofit organization) as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

### Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Matthew J. Bernier, CPA  
Natick, MA  
October 28, 2021

**Global Federation of Animal Sanctuaries  
Statements of Financial Position  
Years Ended December 31, 2020 and 2019**

<b>Assets</b>	<u>2020</u>	<u>2019</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 248,935	\$ 234,661
Prepaid expenses	6,904	5,813
<b>Total current assets</b>	<u>255,839</u>	<u>240,474</u>
<b>Total assets</b>	<u>\$ 255,839</u>	<u>\$ 240,474</u>
 <b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 2,166	\$ 4,984
Accrued expenses	52,806	2,086
<b>Total current liabilities</b>	<u>54,972</u>	<u>7,070</u>
<b>Net assets</b>		
Without donor restrictions	170,011	159,934
With donor restrictions	30,856	73,470
Total net assets	<u>200,867</u>	<u>233,404</u>
<b>Total liabilities and net assets</b>	<u>\$ 255,839</u>	<u>\$ 240,474</u>

See notes to financial statements

**Global Federation of Animal Sanctuaries**  
**Statements of Activities and Change in Net Assets**  
**For the Years Ending December 31, 2020 and 2019**

	Without Donor Restrictions	With Donor Restrictions	2020
<b>Revenue and support</b>			
Grant revenue	\$ 85,000	\$ 196,500	\$ 281,500
Contributions	34,603	-	34,603
Pass through revenue	-	224,672	224,672
Program service revenue	32,228	-	32,228
Net assets released from restrictions	463,786	(463,786)	-
<b>Total revenue and support</b>	<u>615,617</u>	<u>(42,614)</u>	<u>573,003</u>
<b>Expenses</b>			
Program services	517,588	-	517,588
General and administrative	42,574	-	42,574
Fundraising expenses	45,378	-	45,378
<b>Total expenses</b>	<u>605,540</u>	<u>-</u>	<u>605,540</u>
<b>Change in net assets</b>	<u>10,077</u>	<u>(42,614)</u>	<u>(32,537)</u>
<b>Net assets, beginning of year</b>	<u>159,934</u>	<u>73,470</u>	<u>233,404</u>
<b>Net assets, end of year</b>	<u>\$ 170,011</u>	<u>\$ 30,856</u>	<u>\$ 200,867</u>
	Without Donor Restrictions	With Donor Restrictions	2019
<b>Revenue and support</b>			
Grant revenue	\$ 95,000	\$ 206,645	\$ 301,645
Contributions	31,947	7,000	38,947
Pass through revenue	-	200,529	200,529
Program service revenue	32,561	-	32,561
Net assets released from restrictions	401,529	(401,529)	-
<b>Total revenue and support</b>	<u>561,037</u>	<u>12,645</u>	<u>573,682</u>
<b>Expenses</b>			
Program services	503,742	-	503,742
General and administrative	45,067	-	45,067
Fundraising expenses	27,811	-	27,811
<b>Total expenses</b>	<u>576,620</u>	<u>-</u>	<u>576,620</u>
<b>Change in net assets</b>	<u>(15,583)</u>	<u>12,645</u>	<u>(2,938)</u>
<b>Net assets, beginning of year</b>	<u>175,517</u>	<u>60,825</u>	<u>236,342</u>
<b>Net assets, end of year</b>	<u>\$ 159,934</u>	<u>\$ 73,470</u>	<u>\$ 233,404</u>

See notes to financial statements

**Global Federation of Animal Sanctuaries**  
**Statements of Functional Expenses**  
**For the Years Ending December 31, 2020 and 2019**

	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising Expenses</b>	<b>2020 Total</b>
<b>Expenses</b>				
Salaries and wages	\$ 219,204	\$ 27,401	\$ 27,401	\$ 274,005
Pass through expenses	224,672	-	-	224,672
Travel	26,750	-	-	26,750
Payroll taxes	18,191	2,274	2,274	22,739
Information Technology	-	1,443	12,990	14,433
Professional services	9,633	2,408	-	12,041
Office supplies	4,940	2,470	2,470	9,880
Grant expense	9,614	-	-	9,614
Insurance	-	4,363	-	4,363
Marketing and advertising	3,624	-	-	3,624
Bank and payroll service fees	-	1,250	-	1,250
Employee benefits	960	120	120	1,200
Staff development	-	845	-	845
Printing and publications	-	-	124	124
<b>Total expenses</b>	<b>\$ 517,588</b>	<b>\$ 42,574</b>	<b>\$ 45,378</b>	<b>\$ 605,540</b>

	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising Expenses</b>	<b>2019 Total</b>
<b>Expenses</b>				
Salaries and wages	\$ 193,218	\$ 24,152	\$ 24,152	\$ 241,522
Pass through expenses	200,529	-	-	200,529
Professional services	36,000	9,000	-	45,000
Accreditation expenses	32,760	-	-	32,760
Payroll taxes	17,978	2,247	2,247	22,472
Travel	10,878	-	-	10,878
Marketing and advertising	9,268	-	-	9,268
Office supplies	2,642	1,321	1,321	5,284
Insurance	-	3,850	-	3,850
Bank and payroll service fees	-	2,329	-	2,329
Staff development	-	2,000	-	2,000
Workshops and webinars	469	-	-	469
Conferences and meetings	-	168	-	168
Printing and publications	-	-	91	91
<b>Total expenses</b>	<b>\$ 503,742</b>	<b>\$ 45,067</b>	<b>\$ 27,811</b>	<b>\$ 576,620</b>

See notes to financial statements

# Global Federation of Animal Sanctuaries

## Statements of Cash Flows

### For the Years Ending December 31, 2020 and 2019

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	2020	2019
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (32,537)	\$ (2,938)
Adjustments to reconcile change in net assets to net cash provided by/(used for) operating activities:		
(Increase)/decrease in:		
Prepaid expenses	(1,091)	(5,813)
Increase/(decrease) in:		
Accounts payable	(2,818)	4,984
Accrued expenses	50,720	2,086
<b>Net cash provided by (used for) operating activities</b>	14,274	(1,681)
<b>Net increase (decrease) in cash</b>	14,274	(1,681)
<b>Cash and cash equivalents, beginning of year</b>	234,661	236,342
<b>Cash and cash equivalents, end of year</b>	\$ 248,935	\$ 234,661
<b>Supplemental disclosures of cash flow information</b>		
Cash paid during the year for:		
Interest	\$ -	\$ -
Taxes	\$ -	\$ -

See notes to financial statements

# Global Federation of Animal Sanctuaries

## Notes to Financial Statements

### December 31, 2020 and 2019

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#### Note 1 - The Organization

Global Federation of Animal Sanctuaries (the Organization) is a non-profit corporation exempt from tax as a public charity under Section 501(c)(3) of the Internal Revenue Code. The Organization provides certification for animal sanctuaries, rescue centers, and rehabilitation centers through verification and accreditation. The sole purpose of the Organization is to ensure that animals receive the highest standards of care during rescue, rehabilitation, and for the remainder of their lives if housed in animal sanctuaries.

#### Note 2 - Significant Accounting Policies

##### Basis of Accounting

The financial statements are prepared on the accrual basis of accounting. Other significant accounting policies are described below.

##### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### Financial Statement Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations* as well as any subsequent updates and amendments. The Organization is required to report information regarding its financial position and activities according to two classes of net assets. These classes include net assets without donor restrictions and net assets with donor restrictions.

A description of the Organization's net asset categories are as follows:

**Net assets without donor restrictions** represent those assets whose use has not been limited by donor-imposed restrictions. This category is comprised unrestricted and board-designated net assets. At December 31, 2020 and 2019, net assets without donor restrictions were \$170,011 and \$159,934 respectively and were comprised exclusively of unrestricted net assets. There were no board-designated net assets at years ending December 31, 2020 and 2019.

**Net assets with donor restrictions** represent those assets whose use has been limited by donors to a specific time period or purpose. This category is comprised of temporarily restricted and permanently restricted net assets and includes amounts restricted by the donor in perpetuity, restricted for specific purposes, restricted by the passage of time, and restricted for amounts of underwater endowments. At December 31, 2020 and 2019, net assets with donor restrictions were \$30,856 and \$73,740 respectively and were comprised exclusively of temporarily restricted net assets. There were no permanently restricted net assets at years ending December 31, 2020 and 2019.



# Global Federation of Animal Sanctuaries

## Notes to Financial Statements

### December 31, 2020 and 2019

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#### Note 2 - Significant Accounting Policies (continued)

##### Cash and cash equivalents

The Organization considers all highly liquid financial instruments with original maturities of three months or less when purchased to be cash equivalents.

##### Income Recognition

Revenues are recognized when products or services are delivered or rendered to customers.

##### Contributions

The Organization accounts for its contributions under Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made* as well as subsequent updates and amendments. In accordance with governing standards, contributions received are recorded as support with or without donor restrictions depending on the existence and/or nature of donor restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restrictions expire in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

##### Uncertain Tax Positions

The Organization accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority.

If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. Interest and penalties assessed, if any, are accrued as income tax expense.

The Organization has identified its tax status as a tax exempt entity and its treatment of related and unrelated income as its only significant tax position and has determined that such tax positions do not result in an uncertainty requiring recognition. The Organization is not currently under examination by any taxing jurisdiction. Its federal and state income tax returns are generally open for examination for three years after the date of filing, including extensions.

# Global Federation of Animal Sanctuaries

## Notes to Financial Statements

### December 31, 2020 and 2019

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#### Note 3 – Liquidity and Availability of Resources

As of December 31, 2020 and 2019, the Organization has \$248,935 and \$234,661 respectively of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting primarily of cash and cash equivalents. The Organization has \$30,856 and \$73,740 respectively of financial assets included in the cash and cash equivalents balance that is subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statements of financial position unless it ties directly to the contract or adheres to the donor restrictions.

The Organization has a goal to maintain financial assets on hand to meet 90 days of normal operating expenses which on average are approximately \$95,217 and \$94,023 respectively for years ending December 31, 2020 and 2019. Pass-through expenses are not factored into the calculations since pass-through revenues are for identical amounts creating exact offsets with net zero effects. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

In addition, as part of its liquidity management, the Organization keeps cash in excess of daily requirements in non-interest bearing checking accounts for immediate access when required.

#### Note 4 – Net Assets with Donor Restrictions

As of December 31, 2020 and 2019, the Organization has \$30,856 and \$73,740 respectively classified as net assets with donor restrictions due to the restrictions by donors for specific purposes and (or) for use over a specified period of time. Restrictions typically correspond with each of the Organizations program areas which include equine/farmed animal, Africa/Asia; and wildlife. Depending on the source of the revenue received, within each program area there may also be additional restrictions such as site visits, staff salaries, marketing, etc. In addition to the program areas, there may be restricted revenues that fund only the expenses for particular initiatives the Organization runs annually.

#### Note 5 – Effects of COVID-19 on Operations

In 2020, the cancellation of visitor programs, conferences and in-person fundraising events, as well as the closing of national borders had real costs and implications for the Organization and our accredited sanctuaries dependent on these activities and sources of revenue. The Organization was able to maintain staffing levels throughout the year and through the implementation of a temporary COVID-19 travel policy, staff was able to continue to conduct site visits in the United States. All international visits were delayed due to travel restrictions. In addition, loss of revenue was experienced at the Organization as annual fees were waived or deferred for the Organization's accredited sanctuaries experiencing economic hardships. On October 1, 2020, the Organization received a Paycheck Protection Program (PPP) Loan for the amount of \$48,302. As of December 31, 2020, the PPP Loan has yet to be forgiven and the balance remains as a liability on the Organization's statements of financial position and is included in the accrued expenses balance of \$52,806.

# Global Federation of Animal Sanctuaries

## Notes to Financial Statements

### December 31, 2020 and 2019

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#### Note 6 – Revenue from Contracts with Customers

##### Revenue Recognition Policy

The Organization's mission is to continuously improve the quality of care for animals requiring sanctuary by verifying or accrediting sanctuaries, rescue centers, and rehabilitation centers based on worldwide standards of excellence, facilitating operational and financial support, and enhancing effectiveness, recognition, and collaboration. Revenues are generated from application fees for those sanctuaries and centers looking to obtain or renew verification or accreditation and annual fees from already verified or accredited sanctuaries and centers. To achieve verification or accreditation, applicants go through a series of steps, including a site visit and an extensive review of organizational documents by the Organization's staff and accreditation Committee members. As a part of the Organization's verification or accreditation process, a sanctuary or center takes part in a renewal process every three years which includes a new site visit. Costs incurred in obtaining sanctuary or center contracts are expensed as incurred when the amortization period is less than a year.

##### Disaggregation of Revenue from Contracts with Customers

The following table disaggregates the Organization's revenue based on the timing of satisfaction of performance obligations for the years ended December 31:

	2020	2019
Performance obligations satisfied at a point in time	\$ 32,228	\$ 32,561
Total revenue from contracts with customers	<u>\$ 32,228</u>	<u>\$ 32,561</u>

Revenue from performance obligations satisfied at a point in time consists of revenues from verification and accreditation application fees and annual fees. Verification and accreditation allows sanctuaries and centers a simple, meaningful way to communicate that they are officially recognized as committed, capable, and worthy of support. This applies to how they're perceived by donors, law enforcement, lawmakers, and the general public.

##### Performance Obligations and Variable Consideration

Performance obligations related to the products and services provided by the Organization and control transfer occurs between the sanctuaries/centers and the Organization at a point in time. Application fees are generally nonrefundable and annual fees are due for verified and accredited sanctuaries and centers each year during the three year verification or accreditation contract.

The nature of the Organization's business allows for some variable consideration. Since most animal sanctuaries vary in size, scope, and the type of animals they care for, there is not one fixed amount related to application or annual fees. The Organization has a sliding scale for both application fees and annual fees based on total annual expenses for the last applicable fiscal year.

# Global Federation of Animal Sanctuaries

## Notes to Financial Statements

### December 31, 2020 and 2019

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#### Note 7 – Grants and Contributions

All grants and contributions (including pass-through revenues) received by the Organization are properly classified as nonreciprocal transfers since the donors are not receiving equal value in exchange for the grants and contributions and public benefit is not considered equal value. Donor restrictions have been placed on a portion of the grants and contributions received during the fiscal year and funding must be spent for a specific purpose and (or) within a specific period of time. The grants and contributions balances for the year ending December 31, 2020 is \$540,775 which is comprised of \$119,603 categorized as net assets without donor restrictions and \$421,172 categorized as net assets with donor restrictions. The grants and contributions balances for the year ending December 31, 2019 is \$541,121 which is comprised of \$126,947 categorized as net assets without donor restrictions and \$414,174 categorized as net assets with donor restrictions.

#### Note 8 - Concentration of Credit Risk

The Organization receives a substantial amount of its support from grants and contributions. If a significant reduction in the level of this support were to occur, the Organization's programs and activities would be affected proportionately.

During the years ended December 31, 2020 and 2019, the Organization received \$540,775 and \$541,121 respectively in total grants and contributions which accounted for 94% of the Organization's revenue each year.

#### Note 9 – Subsequent Events

On February 2, 2021, the Organization received notification from the Small Business Administration (SBA) indicating that the PPP Loan received in 2020 was forgiven and converted from a loan to a grant. On January 22, 2021, the Organization received a second PPP Loan in the amount of \$48,305 which was subsequently converted to a grant on August 17, 2021 following notification received from the SBA indicating the loan had been forgiven.

Subsequent events have been evaluated through October 28, 2021, which is the date the financial statements were available to be issued.