

# **Global Federation Of Animal Sanctuaries**

## **Financial Statements**

**December 31, 2022 and 2021**

# Global Federation of Animal Sanctuaries December 31, 2022 and 2021

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## Contents

Independent Accountant’s Review Report .....1

Financial Statements

Statements of Financial Position .....2

Statements of Activities .....3

Statements of Functional Expenses .....4

Statements of Cash Flows .....5

Notes to Financial Statements .....6-10



## 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, 2022 and 2021, 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.

I am required to be independent of Global Federation of Animal Sanctuaries and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

### 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  
November 8, 2023

**Global Federation of Animal Sanctuaries**  
**Statements of Financial Position**  
**Years Ended December 31, 2022 and 2021**

<b>Assets</b>	<u>2022</u>	<u>2021</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 234,579	\$ 221,211
Accounts receivable, net of \$0 allowance	-	100,000
Prepaid expenses	8,348	7,006
<b>Total current assets</b>	<u>242,927</u>	<u>328,217</u>
<b>Total assets</b>	<u>\$ 242,927</u>	<u>\$ 328,217</u>
 <b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 783	\$ 1,746
Accrued expenses	4,533	4,544
<b>Total current liabilities</b>	<u>5,316</u>	<u>6,290</u>
<b>Net assets</b>		
Without donor restrictions	94,046	171,006
With donor restrictions	143,565	150,921
Total net assets	<u>237,611</u>	<u>321,927</u>
<b>Total liabilities and net assets</b>	<u>\$ 242,927</u>	<u>\$ 328,217</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, 2022 and 2021**

	Without Donor Restrictions	With Donor Restrictions	2022
<b>Revenue and support</b>			
Grant revenue	\$ 50,100	\$ 218,245	\$ 268,345
Contributions	10,886	-	10,886
Awards received for others	49	215,781	215,830
Government grants	76,907	-	76,907
Program service revenue	42,200	-	42,200
Net assets released from restrictions	441,382	(441,382)	-
<b>Total revenue and support</b>	<u>621,524</u>	<u>(7,356)</u>	<u>614,168</u>
<b>Expenses</b>			
Program services	581,946	-	581,946
General and administrative	50,447	-	50,447
Fundraising expenses	66,091	-	66,091
<b>Total expenses</b>	<u>698,484</u>	<u>-</u>	<u>698,484</u>
<b>Change in net assets</b>	<u>(76,960)</u>	<u>(7,356)</u>	<u>(84,316)</u>
<b>Net assets, beginning of year</b>	<u>171,006</u>	<u>150,921</u>	<u>321,927</u>
<b>Net assets, end of year</b>	<u>\$ 94,046</u>	<u>\$ 143,565</u>	<u>\$ 237,611</u>
	Without Donor Restrictions	With Donor Restrictions	2021
<b>Revenue and support</b>			
Grant revenue	\$ 38,930	\$ 342,207	\$ 381,137
Contributions	11,185	-	11,185
Awards received for others	96,854	253,835	350,689
Program service revenue	46,105	-	46,105
Net assets released from restrictions	475,977	(475,977)	-
<b>Total revenue and support</b>	<u>669,051</u>	<u>120,065</u>	<u>789,116</u>
<b>Expenses</b>			
Program services	579,350	-	579,350
General and administrative	46,313	-	46,313
Fundraising expenses	42,394	-	42,394
<b>Total expenses</b>	<u>668,056</u>	<u>-</u>	<u>668,056</u>
<b>Change in net assets</b>	<u>995</u>	<u>120,065</u>	<u>121,060</u>
<b>Net assets, beginning of year</b>	<u>170,011</u>	<u>30,856</u>	<u>200,867</u>
<b>Net assets, end of year</b>	<u>\$ 171,006</u>	<u>\$ 150,921</u>	<u>\$ 321,927</u>

See notes to financial statements

**Global Federation of Animal Sanctuaries**  
**Statements of Functional Expenses**  
**For the Years Ending December 31, 2022 and 2021**

	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising Expenses</b>	<b>2022 Total</b>
<b>Expenses</b>				
Salaries and wages	\$ 229,345	\$ 28,668	\$ 28,668	\$ 286,681
Awards distributed	225,792	-	-	225,792
Travel	64,039	-	-	64,039
Information technology	-	3,792	34,130	37,922
Payroll taxes	19,216	2,402	2,402	24,020
Professional services	15,398	3,849	-	19,247
Grant expense	16,000	-	-	16,000
Insurance	-	9,188	-	9,188
Marketing and advertising	7,872	-	-	7,872
Employee benefits	3,603	450	450	4,504
Bank and payroll service fees	-	1,756	-	1,756
Office supplies	682	341	341	1,363
Printing and publications	-	-	100	100
<b>Total expenses</b>	<b>\$ 581,946</b>	<b>\$ 50,447</b>	<b>\$ 66,091</b>	<b>\$ 698,484</b>

	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising Expenses</b>	<b>2021 Total</b>
<b>Expenses</b>				
Salaries and wages	\$ 226,082	\$ 28,260	\$ 28,260	\$ 282,603
Awards distributed	266,704	-	-	266,704
Travel	29,294	-	-	29,294
Professional services	19,758	4,939	-	24,697
Payroll taxes	18,890	2,361	2,361	23,612
Office supplies	10,115	5,058	5,058	20,230
Marketing and advertising	8,507	-	-	8,507
Information technology	-	746	6,715	7,461
Insurance	-	3,226	-	3,226
Bank and payroll service fees	-	1,722	-	1,722
<b>Total expenses</b>	<b>\$ 579,350</b>	<b>\$ 46,313</b>	<b>\$ 42,394</b>	<b>\$ 668,056</b>

See notes to financial statements

# Global Federation of Animal Sanctuaries

## Statements of Cash Flows

### For the Years Ending December 31, 2022 and 2021

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	2022	2021
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (84,316)	\$ 121,060
Adjustments to reconcile change in net assets to net cash provided by/(used for) operating activities:		
(Increase)/decrease in:		
Accounts receivable, net of \$0 allowance	100,000	(100,000)
Prepaid expenses	(1,342)	(102)
Increase/(decrease) in:		
Accounts payable	(963)	(420)
Accrued expenses	(11)	(48,262)
<b>Net cash provided by (used for) operating activities</b>	<b>13,368</b>	<b>(27,724)</b>
<b>Net increase (decrease) in cash</b>	13,368	(27,724)
<b>Cash and cash equivalents, beginning of year</b>	221,211	248,935
<b>Cash and cash equivalents, end of year</b>	<b>\$ 234,579</b>	<b>\$ 221,211</b>
<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, 2022 and 2021

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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, 2022 and 2021, net assets without donor restrictions were \$94,046 and \$171,006 respectively and were comprised exclusively of unrestricted net assets. There were no board-designated net assets at years ending December 31, 2022 and 2021.

**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, 2022 and 2021, net assets with donor restrictions were \$143,565 and \$150,921 respectively and were comprised exclusively of temporarily restricted net assets. There were no permanently restricted net assets at years ending December 31, 2022 and 2021.



# Global Federation of Animal Sanctuaries

## Notes to Financial Statements

### December 31, 2022 and 2021

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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, 2022 and 2021

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

As of December 31, 2022, the Organization has \$234,579 of financial assets available within one year of the statements of financial position date to meet cash needs for general expenditures consisting primarily of cash and cash equivalents. As of December 31, 2021, the Organization has \$321,211 of financial assets available within one year of the statements of financial position date to meet cash needs for general expenditures consisting primarily of cash and cash equivalents of \$221,211 and accounts receivable of \$100,000. The Organization has \$143,565 and \$150,921 respectively of financial assets that are 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 \$118,173 and \$100,338 respectively for years ending December 31, 2022 and 2021. Awards distributed expenses are not factored into the calculations since pass-through revenues and expenses typically offset one another. 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, 2022 and 2021, the Organization has \$143,565 and \$150,921 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

COVID-19 restrictions lessened in 2021 and were eventually removed allowing for accredited sanctuaries to operate more freely. International travel was permitted and the Organization was able to start charging annual fees to all accredited sanctuaries. In 2022, the organization was operating at full capacity similar to a pre-COVID-19 environment where international travel was continuously permitted and annual fee charges to all accredited sanctuaries continued to be collected in full.

The Organization was granted a total of \$76,907 in tax refunds as it related to the Employee Retention Tax Credit (ERTC). The ERTC was first established in March of 2020 as part of the CARES Act. The grant revenue received by the Organization during the year ended December 31, 2022 is listed in the statements of activities and changes in net assets as government grants.

# Global Federation of Animal Sanctuaries

## Notes to Financial Statements

### December 31, 2022 and 2021

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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:

	<u>2022</u>	<u>2021</u>
Performance obligations satisfied at a point in time	\$ 42,200	\$ 46,105
Total revenue from contracts with customers	<u>\$ 42,200</u>	<u>\$ 46,105</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, 2022 and 2021

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#### Note 7 – Grants and Contributions

All grants and contributions (including awards received for others) 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. Grants and contributions balances for the year ending December 31, 2022 is \$571,968 which is comprised of \$137,942 categorized as net assets without donor restrictions and \$434,026 categorized as net assets with donor restrictions. Grants and contributions balances for the year ending December 31, 2021 is \$743,011 which is comprised of \$146,969 categorized as net assets without donor restrictions and \$596,042 categorized as net assets with donor restrictions.

#### Note 8 – Retirement Plan

In April 2022, the Organization implemented a SIMPLE IRA salary deferral plan covering all eligible employees. For those who chose to participate in the plan, the Organization's match is 3% of each participating employee's gross payroll. The contribution expense incurred by the Organization during the year ended December 31, 2022 totaled \$4,504 and is listed in the statements of functional expenses as employee benefits.

#### Note 9 – Related Party Transactions

Although no member of the board of directors is paid for their services as a board member, one member of the board received payments from the Organization during the year. Valerie Taylor, Executive Director and member of the board of directors, was compensated \$68,500 and \$74,208 for services provided to the Organization for the years ended December 31, 2022 and 2021 respectively.

#### Note 10 - 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, 2022 and 2021, the Organization received \$571,968 and \$743,011 respectively in total grants and contributions which accounted for 93% and 94% of the Organization's revenue each year.

#### Note 11 – Subsequent Events

Subsequent events have been evaluated through November 8, 2023, which is the date the financial statements were available to be issued.