Global Federation
Of Animal Sanctuaries

Financial Statements

December 31, 2019

Global Federation of Animal Sanctuaries
December 31, 2019

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MATTHEW J. BERNIER
CERTIFIED PUBLIC ACCOUNTANT, LLC

Independent Accountant's Review Report

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

I have reviewed the accompanying statement of financial position of Global Federation of Animal Sanctuaries (a nonprofit organization) as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year 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 Bernier

Matthew J. Bernier, CPA
Natick, MA
February 9, 2021

Global Federation of Animal Sanctuaries
Statement of Financial Position
Year Ended December 31, 2019

Assets

		2019
Current assets		
Cash and cash equivalents	$	234,661
Prepaid expenses		5,813
Total current assets		240,474
Total assets	$	240,474

Liabilities and Net Assets

Current liabilities		
Accounts payable	$	4,984
Accrued expenses		2,086
Total current liabilities		7,070
Net assets		
Without donor restrictions		159,934
With donor restrictions		73,470
Total net assets		233,404
Total liabilities and net assets	$	240,474

See notes to financial statements

Global Federation of Animal Sanctuaries
Statement of Activities and Change in Net Assets
For the Year Ending December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	2019
Revenue and support			
Grant revenue	$ 95,000	$ 206,645	$ 301,645
Contributions	31,947	7,000	38,947
Pass through revenue	-	200,529	200,529
Accreditation fees	32,561	-	32,561
Net assets released from restrictions	401,529	(401,529)	-
Total revenue and support	561,037	12,645	573,682
Expenses			
Program services	503,742	-	503,742
General and administrative	45,067	-	45,067
Fundraising expenses	27,811	-	27,811
Total expenses	576,620	-	576,620
Change in net assets	(15,583)	12,645	(2,938)
Net assets, beginning of year	175,517	60,825	236,342
Net assets, end of year	$ 159,934	$ 73,470	$ 233,404

See notes to financial statements

Global Federation of Animal Sanctuaries
Statement of Functional Expenses
For the Year Ending December 31, 2019

	Program Services	General and Administrative	Fundraising Expenses	2019 Total
Expenses				
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
Total expenses	$ 503,742	$ 45,067	$ 27,811	$ 576,620

See notes to financial statements

Global Federation of Animal Sanctuaries
Statement of Cash Flows
For the Year Ending December 31, 2019

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

See notes to financial statements

Global Federation of Animal Sanctuaries
Notes to Financial Statements
December 31, 2019

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, 2019, net assets without donor restrictions were $159,934 and were comprised exclusively of unrestricted net assets. There were no board-designated net assets at year-end December 31, 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, 2019, net assets with donor restrictions were $73,740 and were comprised exclusively of temporarily restricted net assets. There were no permanently restricted net assets at year-end December 31, 2019.

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.

Note 2 - Significant Accounting Policies (continued)

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.

Note 3 – Adoption of New Accounting Standards

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted the new standard effective January 1, 2019, the first day of the Organization’s fiscal year.

Note 3 – Adoption of New Accounting Standards (continued)

As part of the adoption of the ASU, the Organization elected to use the following transition practical expedients: (i) completed contracts that begin and end in the same annual reporting period have not been restated; (ii) the Organization used the known transaction price for completed contracts; (iii) to exclude disclosures of transaction prices allocated to remaining performance obligations when the Organization expects to recognize such revenue for all periods prior to the date of initial application of the ASU.

All of the Organization’s revenue is recognized at a point in time based on the transfer of control. The Organization does not recognize revenue over time which primarily consists of performance obligations that are satisfied within one year or less. In addition, some of the Organization’s contracts contain variable consideration and contract modifications and are generally limited to service additions chosen by the client. For these reasons, there is not a significant impact as a result of electing these transition practical expedients.

The adoption of this ASU did not have an impact on the Organization’s financial statements. All of the Organization’s revenue arrangements consist of a single performance obligation to transfer the elected products or services. Based on the Organization’s evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard.

In June 2018, the Financial Accounting Standards Board (FASB) released Accounting Standards Update ASU No. 2018-08, clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made (Topic 958). The update provides clarifying guidance on accounting for the grants and contracts of nonprofit Organization’s as they relate to revenue standard ASU No. 2014-09 Revenue from Contracts with Customers (Topic 606), and aims to minimize diversity in the classification of grants and contracts that exists under current guidance. The Organization also adopted the new standard update effective January 1, 2019, the first day of the Organization’s fiscal year.

Transactions that are reciprocal in nature where both the service provider and customer receive equal value are classified as exchanges and follow the guidance of ASU No. 2014-09 Revenue from Contracts with Customers (Topic 606) as well as some prior revenue recognition guidance. Transactions that are nonreciprocal in nature where the service provider receives value and the donor receives no direct benefit are considered contributions are follow the guidance of ASU No. 2018-08 clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made (Topic 958) as well as prior versions of the original standard (SFAS No. 116).

Transactions that are categorized as contributions need to be evaluated to determine if there are conditions attached to the contribution. Conditional contributions take into consideration a barrier that must be overcome and either a right of return of assets transferred or a right of release of the donor or grantor from its obligation to transfer assets. Conditional contributions that come with donor restrictions are then classified as net assets with donor restrictions while unconditional contributions without conditions or donor restrictions are classified as net assets without donor restrictions.

Note 4 – Liquidity and Availability of Resources

The Organization has $234,661 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 $73,740 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 Statement of Financial Position unless tied directly to the contract or adhere 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 $94,023. Pass through expenses are not factored into the calculation since pass through revenues are for an identical amount creating exact offsets with a net zero effect. 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 5 – Net Assets with Donor Restrictions

As of December 31, 2019, the Organization had $73,740 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 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.

Note 6 – Revenue from Contracts with Customers (continued)

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:

	2019
Performance obligations satisfied at a point in time	$ 23,561
Total revenue from contracts with customers	$ 23,561

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.

Note 7 – Grants and Contributions

All grants and contributions (including pass through revenue) 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 balance as of 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.

Global Federation of Animal Sanctuaries
Notes to Financial Statements
December 31, 2019

Note 8 - Concentration of Credit Risk (continued)

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

Note 9 – Subsequent Events

Subsequent events have been evaluated through February 9, 2021, which is the date the financial statements were available to be issued.