

THE WILD ANIMAL SANCTUARY
FINANCIAL STATEMENTS
and
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2024

THE WILD ANIMAL SANCTUARY

TABLE OF CONTENTS

	<u>Page</u>
<u>Independent Auditors' Report</u>	1
<u>Financial Statements</u>	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 13

Helzer & Barclay LLP

CERTIFIED PUBLIC ACCOUNTANTS

48951 E 144TH AVE

BENNETT, CO 80102

(303) 834-0628 or (970) 302-1941

Community Minded ~ Professionally Driven

INDEPENDENT AUDITORS' REPORT

**Board of Directors
The Wild Animal Sanctuary
Keenesburg, Colorado**

Opinion

We have audited the accompanying financial statements of The Wild Animal Sanctuary (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Wild Animal Sanctuary as of December 31, 2024, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Wild Animal Sanctuary 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.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Wild Animal Sanctuary'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Wild Animal Sanctuary'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.

Helzer & Barclay LLP

Certified Public Accountants

Bennett, Colorado
January 31, 2025

THE WILD ANIMAL SANCTUARY
(a Non-Profit Corporation)
STATEMENT OF FINANCIAL POSITION
December 31, 2024

ASSETS

	<u>2024</u>	<u>2023</u> <u>Comparative</u>
Current Assets		
Cash and cash equivalents (Note 1)	\$ 4,622,628	\$ 4,675,162
Cash - Restricted (Note 1)	33,031	67,310
Investments (Note 1)	203,475	71,206
Inventory (Note 1)	314,088	335,904
Prepaid expenses (Note 1)	288,579	279,777
Loan receivable (Note 1)	82,740	-
Other current assets	1,286,302	1,264,306
Assets held for sale - discontinued operations	<u>1,123,940</u>	<u>-</u>
Total Current Assets	7,954,783	6,693,665
Property and Equipment		
Property and equipment - at cost (Note 1)	64,774,670	60,196,238
Less: accumulated depreciation	<u>(21,500,733)</u>	<u>(17,781,960)</u>
Net Property and Equipment	43,273,937	42,414,278
Total Assets	\$ <u>51,228,720</u>	\$ <u>49,107,943</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 249,960	\$ 169,821
Accrued liabilities	186,525	107,352
Current portion of long-term debt	<u>492,242</u>	<u>546,685</u>
Total Current Liabilities	928,727	823,858
Long-Term Debt (net of current portion)	19,997,995	19,509,114
Total Liabilities	20,926,722	20,332,972
Net Assets		
Without donor restrictions	26,055,285	24,528,258
With donor restrictions	<u>4,246,713</u>	<u>4,246,713</u>
Total Net Assets	30,301,998	28,774,971
Total Liabilities and Net Assets	\$ <u>51,228,720</u>	\$ <u>49,107,943</u>

See independent auditors' report.
The accompanying notes on pages 6 to 13 are an
integral part of the financial statements.

THE WILD ANIMAL SANCTUARY
(a Non-Profit Corporation)
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

	2024		
	Without Donor Restriction	With Donor Restriction	Totals
Revenue and Support			
Contributions	\$ 12,016,591	\$ 4,827,607	\$ 16,844,198
In-kind donations	15,688,484	-	15,688,484
Special event revenue	380,430	-	380,430
Less: direct event expenses	(145,100)	-	(145,100)
Other income	3,597,911	-	3,597,911
Net assets released from restrictions:	-	-	-
Satisfaction of program restrictions	4,827,607	(4,827,607)	-
Total Revenue and Support	<u>36,365,923</u>	<u>-</u>	<u>36,365,923</u>
Expenses			
Animal care	19,214,389	-	19,214,389
Texas	881,718	-	881,718
Refuge	1,895,562	-	1,895,562
Wild Horse Refuge	2,866,004	-	2,866,004
Education	6,736,859	-	6,736,859
Rescue	141,436	-	141,436
Administration	1,924,173	-	1,924,173
Fundraising	786,447	-	786,447
Goodwill Impairment (TWAS-Texas)	392,308	-	392,308
Total Expenses	<u>34,838,896</u>	<u>-</u>	<u>34,838,896</u>
Change in Net Assets	1,527,027	-	1,527,027
Net Assets, Beginning of the year	<u>24,528,258</u>	<u>4,246,713</u>	<u>28,774,971</u>
Net Assets, End of the year	<u>\$ 26,055,285</u>	<u>\$ 4,246,713</u>	<u>\$ 30,301,998</u>

See independent auditors' report.
The accompanying notes on pages 6 to 13 are an
integral part of the financial statements.

THE WILD ANIMAL SANCTUARY
(a Non-Profit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024

			Wild Horse							2024
	Animal Care/Op	Texas	Refuge	Refuge	Education	Rescue	Total Programs	Administration	Fundraising	Total Functional Expenses
Personnel	3,583,622	457,781	602,060	79,310	1,360,080	-	6,082,853	1,721,348	286,571	8,090,772
Community Outreach	15,000	-	-	4,000	43,109	-	62,109	-	-	62,109
Animal Care/Maintenance	13,107,416	26,858	124,136	14,013	68	1,397	13,273,888	-	-	13,273,888
Food/Merchandise Expense	-	-	-	-	388,803	-	388,803	-	-	388,803
Program Supplies	270,329	48,265	107,948	340,094	108,366	3,712	878,714	559	44,524	923,797
Contract/Professional Svcs	166,448	83,469	11,577	925,957	494,049	-	1,681,500	61,049	100	1,742,649
Communications	26,317	32,847	2,762	4,248	2,593,019	30	2,659,223	27,493	340	2,687,056
Office Expense	62,953	48,408	7,518	28,706	319,964	5,562	473,111	40,344	408,207	921,662
Meeting Expense	-	-	-	-	-	-	-	-	-	-
Travel/Transportation	189,080	42,285	145,914	87,347	18,069	71,648	554,343	1,180	1,220	556,743
Staff Development/Donor Cultivation	16,889	2,608	4,350	-	16,080	-	39,927	2,700	33,561	76,188
Occupancy	370,029	55,031	87,128	1,025,211	717,396	-	2,254,795	8,183	7,183	2,270,161
Depreciation	1,060,036	72,194	800,480	356,340	677,107	59,087	3,025,244	42,123	4,741	3,072,108
Insurance	346,270	11,972	1,689	778	749	-	361,458	19,194	-	380,652
	19,214,389	881,718	1,895,562	2,866,004	6,736,859	141,436	31,735,968	1,924,173	786,447	34,446,588

**THE WILD ANIMAL SANCTUARY
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024**

	2024
Cash Flow from Operating Activities:	
Change in Net Assets	1,527,027
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Gain (Loss) on sale of assets	(64,777)
Unrealized gain (loss)	(153)
Goodwill impairment (TWAS-Texas)	392,308
Depreciation	2,851,984
Change in:	
Other assets	(21,996)
Inventory	21,816
Prepays	(8,802)
Accounts payable	80,139
Accrued liabilities	79,173
Net Cash Provided By (Used in) Operating Activities	4,856,719
Cash Flow from Investing Activities:	
Purchases of property and equipment	(5,713,180)
Purchases of investments	(135,146)
Proceeds from sale of investments	504,635
Net Cash Used In Investing Activities	(5,343,691)
Cash Flow from Financing Activities:	
Proceeds from long-term debt	950,000
Payments on long-term debt	(515,562)
Net Cash Used In Investing Activities	434,438
Net Increase (Decrease) In Cash and Cash Equivalents	(52,534)
Cash and Cash Equivalents, Beginning of the year	4,675,162
Cash and Cash Equivalents, End of the year	4,622,628

See independent auditors' report.

The accompanying notes on pages 6 to 13 are an integral part of the financial statements.

**THE WILD ANIMAL SANCTUARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

1. Summary of Significant Accounting Policies

A. Purpose

The Sanctuary is a 501(c)(3) public nonprofit organization that has been in operation for more than 44 years and is dedicated to savings and providing lifelong homes for captive exotic and endangered species of wildlife, as well as many other types of animals. The Sanctuary specializes in the rescue and rehabilitation of Lions, Tigers, Bears, Leopards, Mountain Lions, Wolves, Mustangs and other captive animals that come from illegal or abusive situations. The Wild Animal Sanctuary encompasses more than 33,000-acres with its four separate facilities and provides large natural habitats ranging from 5 to 300 acres in size for its rescued carnivores to live in - as well as open ranges varying in size from 7,000-acres to more than 22,500-acres for its rescued Mustangs to enjoy. The Sanctuary operates with more than 85 full time employees and more than 140 community-based volunteers.

B. Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and determined to be realizable: contributions are reported when cash, other assets, or an unconditional promise to give is received: and expenses are recognized when the product or service has been received and the liability incurred.

C. Estimates in the Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles (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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

See independent auditors' report.

**THE WILD ANIMAL SANCTUARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

1. Summary of Significant Accounting Policies - (continued)

D. Financial Statement Presentation

The financial statements of The Wild Animal Sanctuary are prepared based upon accounting principles generally accepted in the United States of America for not-for-profit entities. The Organization has adopted the provisions of Statement of Financial Accounting Standards Codification 958 (*ASC 958*) Financial Statements of *Not-for-Profit Organizations*. Under this statement, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. In addition, contributions received are recorded as with donor restrictions support based on the existence and nature of any donor restrictions. The two classes of net assets are as follows:

Without donor restrictions

Without donor restrictions are net assets currently available at the discretion of the Board for the use in the Organization's operations.

With donor restrictions

With donor restrictions are net assets which are stipulated by donors or grantors for specific operating purposes or future periods.

E. Net Assets

The Organization reports all contributions and grants as unrestricted revenue unless the donor imposes specific restrictions as to the use of the contribution or grant.

F. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Amounts included in restricted cash represent funds set aside in an endowment fund. Restricted cash has been separately stated on the balance sheet. Restricted cash balance at December 31, 2024, is \$33,031.

See independent auditors' report.

**THE WILD ANIMAL SANCTUARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

1. Summary of Significant Accounting Policies - (continued)

G. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. The Organization places its cash and cash equivalents with creditworthy, high-quality, financial institutions. Concentration risks associated with accounts receivable are limited as no significant balances are due from any single entity.

As of December 31, 2024, the organization's cash deposits had a carrying balance of \$4,622,628 and corresponding bank balances as follows:

	<u>2024</u>
Insured Deposits	\$ 288,861
Cash on hand	369,111
Uninsured	<u>3,964,656</u>
 Total Cash and Cash Equivalents	 <u>\$ 4,622,628</u>

H. Advertising

The Organization uses various advertising, communications and public relations strategies to promote its programs amongst the audience it serves and expenses all costs as incurred. Advertising, communications and public relations expenses for the year ended December 31, 2024, was \$1,984,321.

I. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated by the indirect method based on management's estimates.

J. Promises to Give

Promises to give are recorded at their estimated fair value. Amounts due later than one year, if any, are recorded at the present value of estimated future cash flows. The Organization estimates the allowance based on analysis of specific donors, taking into consideration the age of past due pledges and an assessment of the donor's ability to pay. At December 31, 2024, management of the Organization considers all promises to be collectible; therefore, no allowance has been recorded. Promises to give for the year ended December 31, 2024, were \$0.

See independent auditors' report.

**THE WILD ANIMAL SANCTUARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

1. Summary of Significant Accounting Policies - (continued)

K. Fair Value Measurements

In accordance with the requirements of Statement of Financial Accounting Standards Codification 820, *Fair Value Measurements*, the Organization uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1), inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2), and unobservable inputs from the asset or liability (Level 3).

The Organization's financial instruments include cash and cash equivalents, receivables, and accounts payable. The fair value of these financial instruments approximates their carrying amounts based on current market indicators such as prevailing interest rates and their nearness to maturity.

L. Property and Equipment

Property and equipment valued at \$5,000 or more are recorded at cost and depreciated using the straight-line method over an estimated useful life of three to forty years.

As of December 31, 2024, the organization's property and equipment consisted of the following:

Land and Improvements	\$ 35,785,131
Buildings and Equipment	17,096,974
Habitat	405,378
Vehicles and Machinery	<u>12,611,127</u>
Total Fixed Assets	\$ <u>65,898,610</u>
Less: Accumulated Depreciation	<u>(21,500,733)</u>
	<u>\$ <u>44,397,877</u></u>

Depreciation expense for the year ended December 31, 2024 was \$3,072,108.

M. Prepaid Expenses

Prepaid expenses are expenditures made in advance of when the economic benefit of the cost will be realized, and which will be expensed in future periods. Prepaid expenses primarily consist of deposit for land purchase, prepaid insurance and dues. Prepaid expenses for the year ended December 31, 2024, was \$288,579.

See independent auditors' report.

**THE WILD ANIMAL SANCTUARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

1. Summary of Significant Accounting Policies - (continued)

N. Inventory

Inventory is valued at cost using the first-in-first-out costing method. The balance in inventory for the year ended December 31, 2024, was \$314,088.

O. Asset Liquidity

From time to time, the Organization may receive support from restricted contributions. Because a donors' restriction requires resources to be used in a particular manner in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Financial current assets at year-end	\$6,413,888
Less: current liabilities	<u>(928,727)</u>
Financial assets available to meet cash needs within one year	<u>\$ 5,485,161</u>

2. Income Taxes

The Organization is exempt from income tax under Internal Revenue Code Section 501(c)(3).

In accordance with accounting principles generally accepted in the United States of America, a private entity is required to disclose any material uncertain tax positions that management believes does not meet a "more-likely-than-not" standard of being sustained under an income tax audit and to record a liability for any such income tax, including penalties and related interest expense. Management has not identified any uncertain tax positions that require the recording of the liability mentioned above or further disclosure. Tax years ending December 31, 2022, through 2024 remain subject to examination by the Internal Revenue Service.

See independent auditors' report.

**THE WILD ANIMAL SANCTUARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

3. Contributions and In-kind Donations

Contributions and in-kind donations are recorded as without donor restriction or with donor restriction depending on the existence or nature of donor restrictions. All unconditional unrestricted contributions are considered to be available for unrestricted use in the accounting period when the donor makes an unconditional promise to give to the Organization. Contributions that are restricted by the donor are reported as increases in with donor restriction net assets depending on the nature of the restrictions. When a time restriction ends or a purpose restriction is accomplished, with donor restrictions are reclassified to without donor restricted net assets. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as restricted and shows funds released from restriction when the restricted purpose is met. Donations of property, equipment, supplies and other goods and services are recorded as support at their estimated fair market value on the date of gift. These donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets, goods and services donated with explicit restrictions regarding their use are reported as with donor restricted support and reclassified to without donor restriction net assets when placed in service. During the year ended December 31, 2024, the Organization received in-kind donations that totaled \$12,594,791. The in-kind contributions consisted primarily of donated animal food.

4. Investments

The Wild Animal Sanctuary investments at December 31, 2024, are described below. The investments have a readily determinable value and are considered as Level 1 investments based on the fair value measurement described in Note 1. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

See independent auditors' report.

**THE WILD ANIMAL SANCTUARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

5. Long-Term Debt

The following is a summary of all long-term debt for the year ended December 31, 2024.

	December 31, 2024
Notes payable - various equipment, (carrying amount of \$841,913), due in monthly installments ranging from \$660 to \$11,806 with interest ranging from 0.00% to 7.57% through 2033.	\$ 606,422
Note payable on land purchases to various banks, (carrying amount of \$19,700,000), due in monthly principal installments ranging from approximately \$42,481 and interest ranging from 5.69% to 7.67% through February 2053.	18,601,779
Note payable on land improvements to Metro City Bank, (carrying amount of \$1,500,000), due in monthly installments of \$10,397 with interest at 7.25% through September 2041.	1,282,036
Total debt	\$ 20,490,237
Less: Current Maturities	(492,242)
Long-term debt	\$ 19,997,995

Maturities of long-term debt are as follows:

December 31, 2025	\$ 492,242
2026	496,859
2027	1,451,942
2028	1,960,570
2029	2,015,325
2030-2034	1,972,035
Thereafter	12,101,264
Total	\$ 20,490,237

Interest expense for the year ended December 31, 2024, totaled \$1,679,393.

See independent auditors' report.

**THE WILD ANIMAL SANCTUARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

6. Note Receivable Related Party

In 2020, the Organization acquired and invested in The International Exotic Animal Sanctuary (IEAS). Beginning in fiscal year 2020, the Organization provided financial support to assist in the operations of IEAS. IEAS is considered a related party to the Organization and as of December 31, 2024, the note receivable from IEAS includes a balance due of \$0. The note receivable is an installment note bearing 0% interest, with the full balance due by December 31, 2024. IEAS is expected to transfer ownership of assets to the Organization to pay off the note in fiscal year 2024. Fair market value will be used to calculate the value of the fixed assets to be transferred. See Note 7 below.

7. Assets Held for Sale

During the year ended December 31, 2024, the Wild Animal Sanctuary committed to a plan to sell its subsidiary, The Wild Animal Sanctuary - Texas, as part of a strategic decision to streamline operations and focus on core business activities. Accordingly, the subsidiary's assets and liabilities have been transferred to the Organization to pay off the note described in footnote 6 in fiscal year 2024.

Accordingly, the subsidiary's remaining assets, which comprise of land, building and equipment, in the state of Texas, have been classified as being held for sale in accordance with ASC 360. The subsidiary's carrying value was determined to exceed the fair value of all assets and liabilities less costs to sell. As a result, an impairment charge has been recognized for the year ended December 31, 2024, for \$392,308.

The subsidiary's operations have not been classified as discontinued operations, as they do not represent a major line of business or geographical area of operations for the Organization.

8. Conservation Easement

The Wild Animal Sanctuary has secured a conservation easement on the property known as the Wild Animal Refuge for preservation of the land. "Conservation easement" is the generic term for easements granted for preservation of land areas for outdoor recreation, protection of a relatively natural habitat for fish, wildlife, or plants, or a similar ecosystem, preservation of open space for the scenic enjoyment of the public or pursuant to a Federal, State, or local governmental conservation policy, and preservation of a historically important land area or historic building.

9. Subsequent Events

In accordance with the provisions of Statement of Financial Accounting Standards Codification 855, Subsequent Events, management must evaluate, through the date the financial statements are issued or are available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. The Organization's financial statements were available to be issued on the date of the auditor's report and this is the date through which subsequent events were evaluated. Management has not identified any events requiring disclosure.

See independent auditors' report.