THE WILD ANIMAL SANCTUARY

FINANCIAL STATEMENTS

and

INDEPENDENT AUDITORS’ REPORT

DECEMBER 31, 2020
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**Financial Statements**

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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, 2020, 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, 2020 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.

Feio & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS
Brighton, CO

March 29, 2021
ASSETS

Current Assets
- Cash and cash equivalents $2,630,565
- Cash - Restricted (Note 1) 46,050
- Investments 59,313
- Inventory 203,146
- Prepaid expenses 69,824
- Other current assets 446,638
Total Current Assets 3,455,536

Property and Equipment
- Property and equipment - at cost 34,923,451
- Less: accumulated depreciation (10,324,996)
  Net Property and Equipment 24,598,455

Total Assets $28,053,991

LIABILITIES AND NET ASSETS

Current Liabilities
- Accounts payable $153,864
- Accrued liabilities 248,433
- PPP Loan 773,100
- Current portion of long-term debt 1,341,221
  Total Current Liabilities 2,516,618

Long-Term Debt (net of current portion) 10,353,071
Total Liabilities 12,869,689

Net Assets
- Without donor restrictions 11,986,568
- With donor restrictions 3,197,734
  Total Net Assets 15,184,302

Total Liabilities and Net Assets $28,053,991

See independent auditors' report.
The accompanying notes on pages 6 to 14 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, 2020

<table>
<thead>
<tr>
<th>Revenue and Support</th>
<th>Without Donor Restriction</th>
<th>With Donor Restriction</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$7,016,736</td>
<td>$4,976,866</td>
<td>$11,993,602</td>
</tr>
<tr>
<td>Special event revenue</td>
<td>36,107</td>
<td>-</td>
<td>36,107</td>
</tr>
<tr>
<td>Less: direct event expenses</td>
<td>(22,498)</td>
<td>-</td>
<td>(22,498)</td>
</tr>
<tr>
<td>In-kind donations</td>
<td>8,330,495</td>
<td>-</td>
<td>8,330,495</td>
</tr>
<tr>
<td>Other income</td>
<td>3,339,963</td>
<td>-</td>
<td>3,339,963</td>
</tr>
<tr>
<td>Net assets released from restrictions:</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Satisfaction of program restrictions</td>
<td>3,927,887</td>
<td>(3,927,887)</td>
<td>-</td>
</tr>
<tr>
<td>Total Revenue and Support</td>
<td>22,628,690</td>
<td>1,048,979</td>
<td>23,677,669</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Animal care</td>
<td>13,147,253</td>
<td>-</td>
<td>13,147,253</td>
</tr>
<tr>
<td>Refuge</td>
<td>2,077,853</td>
<td>-</td>
<td>2,077,853</td>
</tr>
<tr>
<td>Education</td>
<td>4,537,790</td>
<td>-</td>
<td>4,537,790</td>
</tr>
<tr>
<td>Rescue</td>
<td>173,431</td>
<td>-</td>
<td>173,431</td>
</tr>
<tr>
<td>Administration</td>
<td>1,285,546</td>
<td>-</td>
<td>1,285,546</td>
</tr>
<tr>
<td>Fundraising</td>
<td>634,172</td>
<td>-</td>
<td>634,172</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>21,856,045</td>
<td>-</td>
<td>21,856,045</td>
</tr>
</tbody>
</table>

| Change in Net Assets                    | 772,645                  | 1,048,979              | 1,821,624  |

| Net Assets, Beginning of the year       | 11,213,923               | 2,148,755              | 13,362,678 |

| Net Assets, End of the year             | $11,986,568              | $3,197,734             | $15,184,302|

See independent auditors' report.  
The accompanying notes on pages 6 to 14 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, 2020

<table>
<thead>
<tr>
<th>Functional Expense</th>
<th>Animal Care/Op</th>
<th>Refuge</th>
<th>Education</th>
<th>Rescue</th>
<th>Total Programs</th>
<th>Administration</th>
<th>Fundraising</th>
<th>Total Functional Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$2,121,555</td>
<td>$68,564</td>
<td>$1,157,520</td>
<td>$0</td>
<td>$3,347,639</td>
<td>$1,089,412</td>
<td>$305,140</td>
<td>$4,742,191</td>
</tr>
<tr>
<td>Community Outreach</td>
<td>-</td>
<td>-</td>
<td>6,651</td>
<td>-</td>
<td>6,651</td>
<td>-</td>
<td>-</td>
<td>6,651</td>
</tr>
<tr>
<td>Animal Care/Maintenance</td>
<td>8,647,829</td>
<td>61,646</td>
<td>699</td>
<td>796</td>
<td>8,710,970</td>
<td>-</td>
<td>-</td>
<td>8,710,970</td>
</tr>
<tr>
<td>Food/Merchandise Expense</td>
<td>-</td>
<td>-</td>
<td>348,362</td>
<td>-</td>
<td>348,362</td>
<td>-</td>
<td>-</td>
<td>348,362</td>
</tr>
<tr>
<td>Program Supplies</td>
<td>359,447</td>
<td>783,204</td>
<td>120,285</td>
<td>20,098</td>
<td>1,283,034</td>
<td>253</td>
<td>57,695</td>
<td>1,340,982</td>
</tr>
<tr>
<td>Contract/Professional Svs</td>
<td>210,942</td>
<td>188,531</td>
<td>110,908</td>
<td>-</td>
<td>510,381</td>
<td>26,922</td>
<td>339</td>
<td>537,642</td>
</tr>
<tr>
<td>Communications</td>
<td>36,959</td>
<td>9,040</td>
<td>1,451,743</td>
<td>136</td>
<td>1,497,878</td>
<td>32,694</td>
<td>1,050</td>
<td>1,531,622</td>
</tr>
<tr>
<td>Office Expense</td>
<td>100,661</td>
<td>893</td>
<td>103,047</td>
<td>3,903</td>
<td>208,504</td>
<td>38,081</td>
<td>218,342</td>
<td>464,927</td>
</tr>
<tr>
<td>Meeting Expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Travel/Transportation</td>
<td>163,337</td>
<td>97,568</td>
<td>6,499</td>
<td>117,541</td>
<td>384,945</td>
<td>-</td>
<td>-</td>
<td>384,945</td>
</tr>
<tr>
<td>Staff Development/Donor Cultivation</td>
<td>1,450</td>
<td>50</td>
<td>4,480</td>
<td>50</td>
<td>6,030</td>
<td>4,257</td>
<td>19,173</td>
<td>29,460</td>
</tr>
<tr>
<td>Occupancy</td>
<td>270,333</td>
<td>348,560</td>
<td>469,417</td>
<td>-</td>
<td>1,088,310</td>
<td>32,097</td>
<td>6,739</td>
<td>1,127,146</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,071,487</td>
<td>516,902</td>
<td>758,162</td>
<td>30,907</td>
<td>2,377,458</td>
<td>46,047</td>
<td>25,694</td>
<td>2,449,199</td>
</tr>
<tr>
<td>Insurance</td>
<td>163,253</td>
<td>2,895</td>
<td>17</td>
<td>-</td>
<td>166,165</td>
<td>15,783</td>
<td>-</td>
<td>181,948</td>
</tr>
</tbody>
</table>

$13,147,253 $2,077,853 $4,537,790 $173,431 $19,936,327 $1,285,546 $634,172 $21,856,045

See independent auditors' report.  
The accompanying notes on pages 6 to 14 are an integral part of the financial statements.
THE WILD ANIMAL SANCTUARY
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

Cash Flow from Operating Activities:

Change in Net Assets $ 1,821,624

Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:
Gain (Loss) on sale of assets 15,939
Unrealized gain on investments (4,068)
Depreciation 2,449,199

Change in:
Other assets (434,283)
Inventory (4,892)
Prepaids 5,682
Accounts payable (148,389)
Accrued liabilities (9,396)

Net Cash Provided By (Used in) Operating Activities 3,691,416

Cash Flow from Investing Activities:

Proceeds from sale of equipment 118,500
Purchases of property and equipment (3,745,818)
Purchases of investments (1,505,592)
Proceeds from sale of investments 1,644,483

Net Cash Used In
Investing Activities (3,488,427)

Cash Flow from Financing Activities:

Proceeds from long-term debt 1,623,100
Payments on long-term debt (1,486,179)
Net Cash Used In
Investing Activities 136,921

Net Increase (Decrease) In
Cash and Cash Equivalents 339,910

Cash and Cash Equivalents,
Beginning of the year 2,290,655
Cash and Cash Equivalents,
End of the year $ 2,630,565

See independent auditors' report.
The accompanying notes on pages 6 to 14 are an integral part of the financial statements.
1. **Summary of Significant Accounting Policies**

   **A. Purpose**

   The Sanctuary is a 501(c)(3) public nonprofit organization dedicated to saving and providing lifelong homes for exotic and endangered captive large carnivores for nearly 40 years. The Sanctuary specializes in the rescue and rehabilitation of Lions, Tigers, Bears, Leopards, Mountain Lions, Wolves and other captive large carnivores that have been abused, abandoned, exploited or kept illegally. Of only 10 such refuges in the country that are "true" sanctuaries for the animals (no breeding, selling or training), The Wild Animal Sanctuary is the only one to provide large habitats (5-25 acres) that replicate free-roaming territories in the wild for the various species. The Sanctuary operates through a large community-based volunteer program, as dedicated people assist with everything from feeding, cleaning and maintenance to public presentations.

   **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.
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, 2020 is $46,050.

See independent auditors' report.
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, 2020, the organization’s cash deposits had a carrying balance of $2,630,565 and corresponding bank balances as follows:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insured Deposits</td>
<td>$250,000</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>394,933</td>
</tr>
<tr>
<td>Uninsured</td>
<td>1,985,632</td>
</tr>
<tr>
<td><strong>Total Cash and Cash Equivalents</strong></td>
<td><strong>$2,630,565</strong></td>
</tr>
</tbody>
</table>

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 expense for the year ended December 31, 2020 was $1,176,520.

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, 2020, 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, 2020 were $0.

See independent auditors' report.
THE WILD ANIMAL SANCTUARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020, the organization’s property and equipment consisted of the following:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and Improvements</td>
<td>$13,070,388</td>
</tr>
<tr>
<td>Buildings and Equipment</td>
<td>14,059,185</td>
</tr>
<tr>
<td>Habitat</td>
<td>406,978</td>
</tr>
<tr>
<td>Vehicles and Machinery</td>
<td>7,386,900</td>
</tr>
<tr>
<td>Total Fixed Assets</td>
<td>$34,923,451</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation</td>
<td>(10,324,996)</td>
</tr>
<tr>
<td></td>
<td>$24,598,455</td>
</tr>
</tbody>
</table>

Depreciation expense for the year ended December 31, 2020 was $2,449,199.

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 prepaid insurance, dues and leases. Prepaid expenses for the year ended December 31, 2020 was $69,824.

See independent auditors' report.
THE WILD ANIMAL SANCTUARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020 was $203,146.

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 expenditures 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 $ 3,455,536
Less: current liabilities (2,516,618)
Financial assets available to meet cash needs within one year $ 938,918

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 a liability mentioned above or further disclosure. Tax years ending December 31, 2017 through 2020 remain subject to examination by the Internal Revenue Service.

See independent auditors' report.
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, 2020, the Organization received in-kind donations that totaled $8,330,495. The in-kind contributions consisted primarily of donated animal food.

4. **Investments**

The Wild Animal Sanctuary investments at December 31, 2020 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 reasonably possible that changes in the values 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.
5. Long-Term Debt

The following is a summary of all long-term debt.

Notes payable - various equipment, (carrying amount of $2,018,605), due in monthly installments ranging from $617 to $6,313 with interest ranging from 2.49% to 7.95% through 2034.  
December 31, 2020  $ 1,447,903

Notes payable - various vehicles, (carrying amount of $127,791), due in monthly installments ranging from $936 to $2,046 with interest ranging from 4.99% to 7.11% through 2022.  
24,948

Note payable on land to Metro City Bank, (carrying amount of $5,750,000), due in monthly installments of $42,481 with interest at 6.753% through November 2040.  
5,230,788

Note payable on land to Metro City Bank, (carrying amount of $1,500,000), due in monthly installments of $10,397 with interest at 7.5% through September 2041.  
1,437,540

Note payable on refuge land to B.A.R. Corp., (carrying amount of $5,000,000), due in annual installments of $1,048,979 with interest at 7% through March 2024.  
3,553,113

Total debt  
11,694,292

Less: Current Maturities  
(1,341,221)

Long-term debt  
$ 10,353,071

See independent auditors' report.
5. Long-Term Debt - (continued)

Maturities of long-term debt are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2021</td>
<td>$1,341,221</td>
</tr>
<tr>
<td>2022</td>
<td>$1,375,170</td>
</tr>
<tr>
<td>2023</td>
<td>$1,325,937</td>
</tr>
<tr>
<td>2024</td>
<td>$1,302,057</td>
</tr>
<tr>
<td>2025</td>
<td>$1,176,854</td>
</tr>
<tr>
<td>2026-2030</td>
<td>$1,573,383</td>
</tr>
<tr>
<td>2031-2035</td>
<td>$2,193,240</td>
</tr>
<tr>
<td>2036-2040</td>
<td>$610,189</td>
</tr>
<tr>
<td>2041</td>
<td>$796,241</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$11,694,292</strong></td>
</tr>
</tbody>
</table>

Interest expense as of the year ended December 31, 2020, totaled $748,481.

6. Related Party Transactions

The Organization leases office space and a veterinarian clinic from the founder and Executive Director, based on leases signed in September 2012 and July 2013, respectively, and are renewable annually. Lease expense as of the year ended December 31, 2020, totaled $23,847. Monthly rent is $5,600; with actual payments being less to coincide with the monthly mortgage payments. The Organization has the option of purchasing both properties for fair market value at any time with all lease payments being applied toward the purchase price and existing equity being retained by the organization.

Future minimum lease payments are as follows.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$44,800</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$44,800</strong></td>
</tr>
</tbody>
</table>

See independent auditors' report.
7. **Note Receivable Related Party**

In 2020, the Organization acquired and invested in The International Exotic Animal Sanctuary (IEAS). During the fiscal year 2020, the Organization has provided additional support to assist in the operations of IEAS. IEAS is considered a related party to the Organization and as of December 31, 2020, the note receivable from IEAS includes a balance due of $446,638. The note receivable, is an installment note bearing 0% interest, payable in 6 payments during fiscal year 2021 of $74,440, commencing May 15, 2021 and maturing on December 15, 2021.

8. **Payroll Protection Program Loan (PPP Loan)**

On April 28, 2020, the Organization successfully secured a $773,100 Small Business Association loan under the Payroll Protection Program. Per the terms of the loan, the full amount will be forgiven as long as loan proceeds are used to cover payroll costs and other specified non-payroll costs. The Organization complied with the terms in order to qualify for loan forgiveness. The Organization filed for loan forgiveness in November 2020 and is more like than not to be granted forgiveness. In the event the Organization is required to repay the loan, all payments are deferred for 10 months with accrued interest over this period. Amounts outstanding under the loan will bear a fixed interest rate of 1.00% per annum with a maturity date of 2 years from commencement date.

9. **Covid-19 Pandemic**

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home) and securing the supply of materials that are essential to our production process. At this stage, the impact on our Organization and results has not been significant. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.

10. **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. The Organization did not identify any subsequent events requiring disclosure.

See independent auditors' report.