

**THE WILD ANIMAL SANCTUARY**  
**FINANCIAL STATEMENTS**  
**and**  
**INDEPENDENT AUDITORS' REPORT**  
**DECEMBER 31, 2019**

**THE WILD ANIMAL SANCTUARY**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b><u>Independent Auditors' Report</u></b>	<b>1</b>
<b><u>Financial Statements</u></b>	
<b>Statement of Financial Position</b>	<b>2</b>
<b>Statement of Activities</b>	<b>3</b>
<b>Statement of Functional Expenses</b>	<b>4</b>
<b>Statement of Cash Flows</b>	<b>5</b>
<b>Notes to Financial Statements</b>	<b>6 - 14</b>



**FEIS & COMPANY, P.C.**

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ROBERT R. FEIS, CPA

**INDEPENDENT AUDITORS' REPORT**

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

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, 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.

**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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



**We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.**

**Opinion**

**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, 2019 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.**

***CERTIFIED PUBLIC ACCOUNTANTS***  
**Brighton, CO**

**March 26, 2020**



**THE WILD ANIMAL SANCTUARY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**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.

**THE WILD ANIMAL SANCTUARY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**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, 2019 is \$40,669.

See independent auditors' report.



**THE WILD ANIMAL SANCTUARY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**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, 2019, the organization's cash deposits had a carrying balance of \$2,290,655 and corresponding bank balances as follows:

	<u>2019</u>
Insured Deposits	\$ 250,000
Cash on hand	59,110
Uninsured	<u>1,981,545</u>
 Total Cash and Cash Equivalents	 <u>\$ 2,290,655</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 expense for the year ended December 31, 2019 was \$1,071,129.

**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, 2019, 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, 2019 were \$0.

See independent auditors' report.

**THE WILD ANIMAL SANCTUARY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**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, 2019, the organization's property and equipment consisted of the following:

Land and Improvements	\$ 13,037,122
Buildings and Equipment	14,374,319
Habitat	406,978
Vehicles and Machinery	<u>4,466,732</u>
Total Fixed Assets	\$ 32,285,151
Less: Accumulated Depreciation	<u>(8,976,170)</u>
	<u>\$ 23,308,981</u>

Depreciation expense for the year ended December 31, 2019 was \$2,204,276.

**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, 2019 was \$75,506.

See independent auditors' report.



**THE WILD ANIMAL SANCTUARY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**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, 2019 was \$198,254.

**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	\$ 2,802,495
Less: current liabilities	<u>(1,712,125)</u>
Financial assets available to meet cash needs within one year	\$ <u>1,090,370</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 a liability mentioned above or further disclosure. Tax years ending December 31, 2016 through 2019 remain subject to examination by the Internal Revenue Service.

See independent auditors' report.

**THE WILD ANIMAL SANCTUARY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**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, 2019, the Organization received in-kind donations that totaled \$8,164,800. The in-kind contributions consisted primarily of donated animal food.

**4. Investments**

The Wild Animal Sanctuary investments at December 31, 2019 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.



**THE WILD ANIMAL SANCTUARY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**5. Long-Term Debt**

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

	<u>December 31, 2019</u>
Notes payable - various equipment, (carrying amount of \$1,151,562), due in monthly installments ranging from \$617 to \$6,313 with interest ranging from 2.49% to 7.95% through 2034.	\$ 1,009,447
Notes payable - various vehicles, (carrying amount of \$288,773), due in monthly installments ranging from \$936 to \$2,046 with interest ranging from 4.99% to 7.11% through 2022.	50,234
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.	5,358,360
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.	1,469,654
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.	4,301,021
Total debt	12,188,716
Less: Current Maturities	(1,152,043)
Long-term debt	\$ 11,036,673

See independent auditors' report.

**THE WILD ANIMAL SANCTUARY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**5. Long-Term Debt - (continued)**

Maturities of long-term debt are as follows:

December 31, 2020	\$ 1,152,044
2021	1,199,554
2022	1,233,503
2023	1,184,270
2024	1,160,390
2025-2029	1,130,410
2030-2034	1,617,292
2035-2039	2,257,400
2040	<u>1,253,853</u>
<b>Total</b>	<b><u>\$ 12,188,716</u></b>

Interest expense as of the year ended December 31, 2019, totaled \$906,941.

**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, 2019, totaled \$23,491. 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.

2019	<u>\$ 44,800</u>
<b>Total</b>	<b><u>\$ 44,800</u></b>

See independent auditors' report.



**THE WILD ANIMAL SANCTUARY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**7. 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 identified the following subsequent event requiring disclosure.

The COVID-19 outbreak, which was declared a worldwide pandemic on March 11, 2020 by the World Health Organization ("WHO"), has caused business disruption in a variety of industries, markets and geographic regions. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The extent to which the Organization's operational and financial performance will be affected is also uncertain. Therefore, while the Organization expects this matter to negatively impact their business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time.

See independent auditors' report.

**THE WILD ANIMAL SANCTUARY**  
**(a Non-Profit Corporation)**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2019**

**ASSETS**

	2019
<b>Current Assets</b>	
Cash and cash equivalents	\$ 2,290,655
Cash - Restricted (Note 1)	40,669
Investments	185,056
Inventory	198,254
Prepaid expenses	75,506
Other current assets	12,355
<b>Total Current Assets</b>	<b>2,802,495</b>
<b>Property and Equipment</b>	
Property and equipment - at cost	32,285,151
Less: accumulated depreciation	(8,976,170)
<b>Net Property and Equipment</b>	<b>23,308,981</b>
<b>Total Assets</b>	<b>\$ 26,111,476</b>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>	
Accounts payable	\$ 302,253
Accrued liabilities	257,829
Current portion of long-term debt	1,152,043
<b>Total Current Liabilities</b>	<b>1,712,125</b>
<b>Long-Term Debt (net of current portion)</b>	<b>11,036,673</b>
<b>Total Liabilities</b>	<b>12,748,798</b>
<b>Net Assets</b>	
Without donor restrictions	11,213,923
With donor restrictions	2,148,755
<b>Total Net Assets</b>	<b>13,362,678</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 26,111,476</b>

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**  
**December 31, 2019**

	2019		Totals
	Without Donor Restriction	With Donor Restriction	
<b>Revenue and Support</b>			
Contributions	\$ 5,228,800	\$ 3,683,200	\$ 8,912,000
Special event revenue	154,962	-	154,962
Less: direct event expenses	(135,359)	-	(135,359)
In-kind donations	8,164,800	-	8,164,800
Other income	3,104,097	-	3,104,097
Net assets released from restrictions:	-	-	-
Satisfaction of program restrictions	2,584,679	(2,584,679)	-
<b>Total Revenue and Support</b>	<u>19,101,979</u>	<u>1,098,521</u>	<u>20,200,500</u>
<b>Expenses</b>			
Animal care	12,479,727	-	12,479,727
Refuge	1,124,756	-	1,124,756
Education	4,624,727	-	4,624,727
Rescue	95,882	-	95,882
Administration	1,128,954	-	1,128,954
Fundraising	633,586	-	633,586
<b>Total Expenses</b>	<u>20,087,632</u>	<u>-</u>	<u>20,087,632</u>
<b>Change in Net Assets</b>	(985,653)	1,098,521	112,868
<b>Net Assets, Beginning of the year</b>	<u>12,199,576</u>	<u>1,050,234</u>	<u>13,249,810</u>
<b>Net Assets, End of the year</b>	<u>\$ 11,213,923</u>	<u>\$ 2,148,755</u>	<u>\$ 13,362,678</u>

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, 2019

	Animal Care/Op	Refuge	Education	Rescue	Total Programs	Administration	Fundraising	2019 Total Functional Expenses
Personnel	\$ 1,852,496	\$ 41,917	\$ 1,285,780	\$ -	\$ 3,180,193	\$ 931,375	\$ 252,295	\$ 4,363,863
Community Outreach	-	-	3,309	-	3,309	-	-	3,309
Animal Care/Maintenance	8,384,555	50,065	-	2,326	8,436,946	-	-	8,436,946
Food/Merchandise Expense	-	-	314,616	-	314,616	-	-	314,616
Program Supplies	312,761	382,178	94,647	25,737	815,323	695	101,685	917,703
Contract/Professional Svcs	137,582	34,676	101,792	209	274,259	29,471	1,595	305,325
Communications	43,886	3,457	1,349,843	139	1,397,325	23,643	7,546	1,428,514
Office Expense	31,489	7,828	39,399	2,024	80,740	41,315	200,756	322,811
Meeting Expense	-	-	-	-	-	261	173	434
Travel/Transportation	171,157	149,875	24,461	28,288	373,781	143	23	373,947
Staff Development/Donor Cultivation	2,000	50	1,200	-	3,250	1,008	14,185	18,443
Occupancy	272,771	342,526	576,983	-	1,192,280	31,797	7,610	1,231,687
Depreciation	1,117,999	111,780	832,697	37,159	2,099,635	56,923	47,718	2,204,276
Insurance	153,031	404	-	-	153,435	12,323	-	165,758
	\$ 12,479,727	\$ 1,124,756	\$ 4,624,727	\$ 95,882	\$ 18,325,092	\$ 1,128,954	\$ 633,586	\$ 20,087,632

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, 2019

	2019
<b>Cash Flow from Operating Activities:</b>	
Change in Net Assets	\$ 112,868
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Gain on sale of assets	(24,923)
Unrealized gain on investments	(12,001)
Depreciation	2,204,276
Change in:	
Accounts receivable	7,728
Other assets	-12,826
Inventory	17,322
Accounts payable	98,039
Accrued liabilities	-26,071
Net Cash Provided By (Used in) Operating Activities	2,364,412
<b>Cash Flow from Investing Activities:</b>	
Proceeds from sale of equipment	84,000
Purchases of property and equipment	(1,492,232)
Purchases of investments	(170,468)
Proceeds from sale of investments	78,442
Net Cash Used In Investing Activities	(1,500,258)
<b>Cash Flow from Financing Activities:</b>	
Proceeds from long-term debt	165,000
Payments on long-term debt	(1,112,884)
Net Cash Used In Investing Activities	(947,884)
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	(83,730)
<b>Cash and Cash Equivalents, Beginning of the year</b>	2,374,385
<b>Cash and Cash Equivalents, End of the year</b>	\$ 2,290,655

See independent auditors' report.  
The accompanying notes on pages 6 to 14 are an  
integral part of the financial statements.