

**WOODSTOCK FARM  
ANIMAL SANCTUARY, INC.  
FINANCIAL REPORT  
DECEMBER 31, 2018**

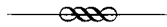
Woodstock Farm Animal Sanctuary, Inc

FINANCIAL REPORT

DECEMBER 31, 2018

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# *Thomas J. Lindgren, CPA, P.C.*



417 Albany Avenue, PO Box 4236  
Kingston, NY 12402  
(845) 338-1001 ~ (845) 338-2003  
tlindgren@tflcpa.com

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Woodstock Farm Animal Sanctuary, Inc.  
High Falls, NY 12440

Ladies and Gentlemen:

I have audited the accompanying financial statements of Woodstock Farm Animal Sanctuary, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and changes in net assets, cash flows and functional expenses 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.

### ***Auditor's Responsibility***

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Woodstock Farm Animal Sanctuary, Inc. as of December 31, 2018, 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.

A handwritten signature in black ink, appearing to read "Thomas Lindgren". The signature is written in a cursive, flowing style.

Thomas F. Lindgren, CPA

Kingston, New York  
July 26, 2019

**Woodstock Farm Animal Sanctuary, Inc**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2018**

**ASSETS**

	<b>Without Restrictions</b>	<b>With Restrictions</b>	<b>Total</b>
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 225,222	\$ 102,062	\$ 327,284
Accounts receivable - net	81,998	0	\$ 81,998
Inventories	28,432	0	\$ 28,432
Prepaid expenses	31,602	0	\$ 31,602
<b>Total Current Assets</b>	<u>367,254</u>	<u>102,062</u>	<u>\$ 469,316</u>
<b>Fixed Assets - Net</b>	4,923,156	0	\$ 4,923,156
<b>Other Assets:</b>			
Pledges Receivable	145,000	0	\$ 145,000
Security deposits	2,400	0	\$ 2,400
Loan acquisition cost, net of amortization	19,150	0	\$ 19,150
<b>TOTAL ASSETS</b>	<u>\$5,456,960</u>	<u>\$ 102,062</u>	<u>\$5,559,022</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 265,218	\$ 0	\$ 265,218
Accrued expenses	63,729	0	\$ 63,729
Deferred revenue	26,480	0	\$ 26,480
Long term debt - current	551,297	0	\$ 551,297
<b>Total Current Liabilities</b>	<u>906,724</u>	<u>0</u>	<u>\$ 906,724</u>
<b>Long Term Debt:</b>			
Note Payable	728,769	0	\$ 728,769
<b>TOTAL LIABILITIES</b>	<u>1,635,493</u>	<u>0</u>	<u>\$ 1,635,493</u>
<b>TOTAL NET ASSETS</b>	<u>3,821,467</u>	<u>102,062</u>	<u>3,923,529</u>
<b>TOTAL LIABILITES AND NET ASSETS</b>	<u>\$5,456,960</u>	<u>\$ 102,062</u>	<u>\$5,559,022</u>

See independent auditors report and notes to financial statements

**Woodstock Farm Animal Sanctuary, Inc**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>
<b>Revenue and Support</b>			
Program service revenue	\$ 65,847	0	65,847
Contributions	2,009,219	681,333	2,690,552
Merchandise sales	98,892	0	98,892
Fundraising	136,525	0	136,525
Other revenue	14,002	0	14,002
<b>Total Revenue and Support</b>	<u>2,324,485</u>	<u>681,333</u>	<u>3,005,818</u>
<b>Expenses</b>			
Program	1,909,292	0	1,909,292
Manangement and General	233,194	0	233,194
Fundraising	287,692	0	287,692
<b>Total Expenses</b>	<u>2,430,178</u>	<u>0</u>	<u>2,430,178</u>
<b>Other Changes</b>			
Gain on Disposal of Assets	23	0	23
Interest Income	41	0	41
Net Assets Released From Restriction	704,687	(704,687)	0
<b>Total Other Changes</b>	<u>704,751</u>	<u>(704,687)</u>	<u>64</u>
<b>Increase in Net Assets Before Prior Period Adjustment</b>	599,058	(23,354)	575,704
<b>Prior Period Adjustment</b>	<u>50,000</u>	<u>0</u>	<u>50,000</u>
<b>Increase in Net Assets</b>	649,058	(23,354)	625,704
<b>NET ASSETS - BEGINNING</b>	<u>3,172,409</u>	<u>125,416</u>	<u>3,297,825</u>
<b>NET ASSETS - ENDING</b>	<u>\$ 3,821,467</u>	<u>\$ 102,062</u>	<u>\$ 3,923,529</u>

See independent auditors report and notes to financial statements

**Woodstock Farm Animal Sanctuary, Inc**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

<b>Cash Flows From Operating Activities:</b>	
Increase in net assets	\$ 575,704
Adjustments to reconcile net assets to net cash provided by (used for) operations	
Depreciation and amortization	134,167
Prior Period Adjustment	50,000
(Increase) decrease in operating assets:	
Accounts receivable	(80,537)
Contributions receivable	(145,000)
Inventories	(4,532)
Prepaid expenses and other current assets	1,553
Security deposits	50
Increase (decrease) in operating liabilities:	
Accounts payable	173,835
Accrued expenses	58,059
Deferred revenue	<u>14,355</u>
Net cash provided by operating activities	<u>777,654</u>
<b>Cash Flows From Investing Activities:</b>	
Purchase of fixed assets	<u>(724,928)</u>
Net cash used by investing activities	<u>(724,928)</u>
<b>Cash Flows From Financing Activities:</b>	
Loan proceeds	400,000
Loan payments	<u>(314,972)</u>
Net cash provided by financing activities	<u>85,028</u>
<b>NET INCREASE IN CASH</b>	137,754
<b>CASH - BEGINNING</b>	<u>189,530</u>
<b>CASH - ENDING</b>	<u><u>\$ 327,284</u></u>
<b>Supplemental Information:</b>	
Cash paid for interest	<u><u>\$ 65,375</u></u>

See independent auditors report and notes to financial statements

**Woodstock Farm Animal Sanctuary, Inc**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Program	Mangement		Total
	<u>Services</u>	<u>and General</u>	<u>Fundraising</u>	<u>Expenses</u>
Salaries and wages	\$ 781,895	\$ 147,827	\$ 105,134	\$ 1,034,856
Payroll taxes and employee benefits	157,496	17,329	15,184	190,009
Animal feed and supplies	118,045	0	0	118,045
Veterinary and medical	223,737	0	0	223,737
Farm equipment repairs and maintenance	22,441	0	0	22,441
Repairs and maintenance	77,218	244	0	77,462
Supplies	27,429	19,057	3,726	50,212
Advocacy campaign and conferences	6,011	0	7,092	13,103
Purchases	63,918	0	0	63,918
Event costs	22,884	0	47,969	70,853
Interest	65,356	396	0	65,752
Professional fees	2,212	24,640	0	26,852
Advertising and promotion	24,160	0	25,844	50,004
Utilities	81,171	10,389	0	91,560
Insurance	31,995	2,183	1,525	35,703
Licenses, fees and dues	1,275	339	0	1,614
Office	28,289	3,433	55,010	86,732
Travel	9,929	464	6,366	16,759
Bank and merchant fees	29,173	225	15,224	44,622
Website and technology	491	6,668	4,618	11,777
Depreciation and amortization	134,167	0	0	134,167
	<u>\$ 1,909,292</u>	<u>\$ 233,194</u>	<u>\$ 287,692</u>	<u>\$ 2,430,178</u>

See independent auditors report and notes to financial statements



**Woodstock Farm Animal Sanctuary, Inc**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**NOTE 1- ORGANIZATION AND NATURE OF ACTIVITIES**

Woodstock Farm Animal Sanctuary, Inc. (the "Organization") is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code. The Organization is incorporated in the State of New York.

Woodstock Farm Animal Sanctuary is one the country's most recognized and respected sanctuaries for farmed animals. At the heart of their mission is the hands-on work of rescuing, rehabilitating, and caring for farmed animals. Equally important is their efforts to educate the public about the treatment of animals who are raised for food, by connecting animals with people. The majority of the organization's revenue and support is through individual, corporate, and foundation contributions.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Financial Statement Presentation

The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

The cost of providing the Organization's various programs, supporting services and fundraising has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, Not-for-Profit Entities, Presentation of Financial Statements. During 2018, the organization adopted the provisions of Accounting Standards Update ("ASU") 2016-14: Not-for-Profit-Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities, which improves the current net asset classification and the related information presented in the financial statements and notes about the organization's liquidity, financial performance, and cash flows.

Estimates

The preparation of financial statements in accordance 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.

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**Woodstock Farm Animal Sanctuary, Inc**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property and Equipment

Purchased property and equipment is stated at cost, and depreciated on a straight-line basis over the estimated useful lives of the assets. Additions and improvements are capitalized. Depreciation is calculated using the straight line method based on the useful lives of the assets. Useful lives range from 3 years to 30 years depending on the nature of the assets.

Inventory

Inventory is recorded at the lower of cost (average cost method) or market, determined by the first-in- first-out (FIFO) method.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is not liable for income taxes providing it operates within the confines of its exempt status, though the Organization may be responsible for taxes on unrelated business activities. In the event of an examination of the information returns, the tax liability of the Organization could be changed if an adjustment in the tax exempt purpose or income from unrelated business activities is ultimately determined to be taxable by the taxing authorities. The Organization's information returns are subject to audit by various taxing authorities. The Organization's open audit periods are 2015 - 2017. Management continually evaluates expiring statutes of limitation, audits, proposed settlements, changes in tax law, and new authoritative rulings. The Organization believes their evaluations are appropriate based on current facts and circumstances.

The Organization had no income tax liabilities for the year ended 2018, and as such, no provision for income taxes is included in the accompanying financial statements.

Functional Allocation of Expenses

The costs of providing program services and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among programs and supporting services benefited.

**Woodstock Farm Animal Sanctuary, Inc**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Recognition Revenue

The Organization follows FASB ASC 958-210, Accounting for Contributions Received and Contributions Made. Under this statement, the Organization records revenue as unrestricted, temporarily restricted, or permanently restricted based upon the existence and nature of donor-imposed restrictions. When the conditions relating to the restriction are met, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the contribution as unrestricted.

**NOTE 3 - FIXED ASSETS**

The fixed assets at December 31, 2018 are summarized as follows;

Land and improvements	\$ 1,238,515
Buildings and improvements	3,899,841
Farm equipment	202,111
Office furniture and equipment	<u>71,969</u>
	5,412,436
Accumulated depreciation	<u>(489,280)</u>
Fixed Assets - Net	<u>\$ 4,923,156</u>

Depreciation expense for the year ended December 31, 2018 totaled \$133,730.

**NOTE 4 - LONG TERM DEBT**

Long-term debt at December 31, 2018 is as follows:

	<u>Current Portion</u>	<u>Long-term Portion</u>	<u>Balance of Loan</u>
Line of Credit - Rondout	\$ 494,359	\$ 0	\$ 494,359
Loan Payable - Rondout	<u>56,938</u>	<u>728,769</u>	<u>785,707</u>
	<u>\$ 551,297</u>	<u>\$ 728,769</u>	<u>\$ 1,280,066</u>

**Woodstock Farm Animal Sanctuary, Inc**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**NOTE 4 - LONG TERM DEBT (Continued)**

Line of Credit - Rondout:

The Organization is obligated to Rondout Savings Bank pursuant to the terms of the line of credit. Monthly payments of accrued and unpaid interest are due on the 10th of each month. The line of credit bears interest at rate equal to the Wall Street Journal Prime plus 1.500 percentage points. The interest rate will never be greater than 25.000% or less than 1.500%. The note is secured by a second mortgage on the real and personal property of the organization in High Falls, NY. The unpaid principal balance of the note shall be due and payable on demand. The interest rate on the line of credit was 7.00% at December 31, 2018.

Loan Payable - Rondout:

The Organization was originally obligated to Rondout Savings Bank in the amount of \$1,000,000. Pursuant to the terms of the loan, monthly payments of \$7,812.40 representing principal and interest are due until Oct. 1, 2019, when the interest rate and monthly amortization payment may be adjusted as provided in the note. The entire unpaid principal sum and accrued interest is due in full on Oct. 1, 2029. The loan bears interest at the rate of 4.75% until Oct. 1, 2019 at which time the interest rate shall be adjusted to an amount equal to the Treasury Constant Maturity 5 Year in effect plus 3.000 percentage points. The interest rate will never be greater than 8.75% or less than 4.750%. The note is secured by a mortgage on the real and personal property of the organization in High Falls, NY.

The amounts of long term debt outstanding at December 31, 2018 maturing during the next five years are as follows:

December 31, 2019	\$ 551,297
December 31, 2020	59,643
December 31, 2021	62,679
December 31, 2022	65,765
December 31, 2023	69,003
Thereafter	471,679
	\$ 1,280,066

**NOTE 5 - DEFERRED REVENUE**

The Organization offers the use of the facility for weddings and camp activities. When a member makes a reservation to use the facilities, there is a deposit required to hold the reservation. In addition, the Organization sells gift certificates. The deposits and outstanding gift certificates represent the deferred revenue.

**Woodstock Farm Animal Sanctuary, Inc**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**NOTE 6 - CONCENTRATIONS OF CREDIT RISK**

The Organization maintains cash and money market deposit accounts at two financial institutions. As part of the Federal Deposit Insurance Corporation both noninterest and interest bearing accounts will be insured up to a combined balance of \$250,000 per bank. At December 31, 2018 none of the Organization's bank balances were in excess of the limits.

**NOTE 7 - RESTRICTED NET ASSETS**

Restricted net assets are available for the following purposes:

Capital Improvements	\$ <u>102,062</u>
Temporarily Restricted Net Assets	\$ <u><u>102,062</u></u>

**NOTE 8 - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through July 29, 2018, the date which the financial statements were available for the initial review.