

**WOODSTOCK FARM  
ANIMAL SANCTUARY, INC.**

**FINANCIAL REPORT**

**DECEMBER 31, 2015**

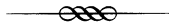
WOODSTOCK FARM ANIMAL SANCTUARY, INC.

FINANCIAL REPORT

DECEMBER 31, 2015

Independent Auditors' Report.....	1-2
Financial Statements:	
Statement of Financial Position.....	3-4
Statement of Activities.....	5
Statement of Cash Flows.....	6
Statement of Functional Expenses.....	7
Notes to Financial Statements.....	8-13

# *Thomas F. 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 the Woodstock Farm Animal Sanctuary, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, 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, 2015, 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  
September 19, 2016

**WOODSTOCK FARM ANIMAL SANCTUARY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2015**

**ASSETS**

**Current Assets:**

Cash	\$ 230,526
Cash - temporarily restricted	50,000
Accounts receivable	5,907
Contributions receivable	144,083
Inventories	6,833
Prepaid expenses and other current assets	<u>16,078</u>

**Total Current Assets** 453,427

**Fixed Assets:**

Land and improvements	1,237,500
Buildings and improvements	2,898,297
Farm equipment	112,468
Office furniture and equipment	<u>46,167</u>

4,294,432

Less accumulated depreciation (115,942)

**Total Fixed Assets** 4,178,490

**Other Assets:**

Loan acquisition costs	24,518
Long-term investments	5,336
Security Deposits	<u>2,700</u>

**Total Other Assets** 32,554

**TOTAL ASSETS** \$ 4,664,471

See independent auditors report and notes to financial statements

**WOODSTOCK FARM ANIMAL SANCTUARY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2015**

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable	\$ 83,121
Accrued expenses	5,040
Deferred revenue	50,176
Long term debt - current portion	<u>454,009</u>

**Total Current Liabilites** 592,346

**Long Term Liabilities:**

Long term debt - net of current portion	<u>892,334</u>
---	----------------

**Total Liabilities** 1,484,680

**Net Assets:**

Unrestricted	3,129,791
Temporarily restricted	<u>50,000</u>

**Total Net Assets** 3,179,791

**TOTAL LIABILITIES AND NET ASSETS** \$ 4,664,471

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, 2015**

**CHANGES IN UNRESTRICTED NET ASSETS**

**Revenue and Support**

Program service revenue	\$ 56,879
Contributions	1,526,363
Merchandise sales	38,487
Fundraising	124,378
Interest income	217
Other revenue	4,200
<b>Total Revenue and Support</b>	<u>1,750,524</u>

**Expenses**

Program	982,807
Bed and Breakfast	1,969
Manangement and General	321,085
Fundraising	235,717
<b>Total Expenses</b>	<u>1,541,578</u>

**Other Changes**

Loss on Disposal of Assets	(629,993)
Unrealized Loss on Investments	(86)
Net Assets Released From Restriction	17,790
<b>Total Other Changes</b>	<u>(612,289)</u>

**Decrease in Unrestricted Net Assets** (403,343)

**CHANGE IN TEMPORARILY RESTRICTED NET ASSETS**

Contributions	50,000
Net Assets Released From Restriction	<u>(17,790)</u>
<b>Increase in Temporarily Restricted Net Assets</b>	<u>32,210</u>

**NET ASSETS - BEGINNING** 3,550,924

**NET ASSETS - ENDING** \$ 3,179,791

See independent auditors report and notes to financial statements

**WOODSTOCK FARM ANIMAL SANCTUARY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Cash Flows From Operating Activities:**

Decrease in net assets	\$ (400,123)
Adjustments to reconcile net assets to net cash provided by (used for) operations	
Prior period adjustment	28,990
Depreciation and amortization	76,339
Loss on disposal of assets	629,993
Related selling expenses	(19,160)
Unrealized loss on investments	86
(Increase) decrease in operating assets:	
Accounts receivable	(5,907)
Contributions receivable	(133,302)
Inventories	(499)
Prepaid expenses and other current assets	(3,980)
Security deposits	(2,700)
Increase (decrease) in operating liabilities:	
Accounts payable	(5,763)
Accrued expenses	(55,990)
Deferred revenue	<u>49,901</u>
Net cash provided by operating activities	<u>157,885</u>

**Cash Flows From Investing Activities:**

Purchase of fixed assets	(821,168)
Sale of fixed assets	335,000
Purchase of long-term investments	<u>(5,336)</u>
Net cash used by investing activities	<u>(491,504)</u>

**Cash Flows From Financing Activities:**

Loan proceeds	455,000
Loan payments	<u>(201,070)</u>
Net cash provided by financing activities	<u>253,930</u>

**NET DECREASE IN CASH** (79,689)

**CASH - BEGINNING** 360,215

**CASH - ENDING** \$ 280,526

See independent auditors report and notes to financial statements



**WOODSTOCK FARM ANIMAL SANCTUARY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Program Services</u>	<u>Bed and Breakfast</u>	<u>Mangement and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries and wages	\$ 414,090	\$ 423	\$ 100,395	\$ 92,344	\$ 607,252
Payroll taxes and employee benefits	98,377	52	25,737	16,904	141,070
Animal feed and supplies	67,331	0	0	0	67,331
Veterinary and medical	68,740	0	0	0	68,740
Farm equipment repairs and maintenance	42,931	0	457	0	43,388
Repairs and maintenance	66,239	150	1,000	175	67,564
Supplies	30,127	0	0	0	30,127
Conferences	0	0	0	2,477	2,477
Publication design and printing	5,757	0	1,724	6,405	13,886
Purchases	0	95	0	15,126	15,221
Equipment and facilities rental	0	0	27,500	0	27,500
Interest	8,019	0	63,340	0	71,359
Miscellaneous	439	0	744	855	2,038
Professional fees	1,627	0	40,206	20,340	62,173
Advertising and promotion	24,689	0	0	30,596	55,285
Utilities	31,611	960	774	0	33,345
Insurance	28,330	0	2,019	0	30,349
Licenses, fees and dues	2,013	25	508	250	2,796
Office	7,428	220	26,911	11,486	46,045
Travel	2,143	0	0	10,954	13,097
Bank and merchant fees	0	44	25,626	27,264	52,934
Telephone and telecommunications	6,577	0	4,144	541	11,262
Depreciation	76,339	0	0	0	76,339
	<u>\$ 982,807</u>	<u>\$ 1,969</u>	<u>\$ 321,085</u>	<u>\$ 235,717</u>	<u>\$ 1,541,578</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, 2015**

**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 farm animals. At the heart of their mission is the hands-on work of rescuing, rehabilitating, and caring for farm animal refugees. Equally important is their efforts to educate the public about the treatment of animals who are raised for food, and the many benefits of a plant-based diet. The majority of the organizations 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 Organization follows FASB ASC 958-210. Accordingly, the Organization is required to report information regarding its financial position and activities according to the following three classes of net assets:

Unrestricted Net Assets - Unrestricted net assets generally result from assets derived from providing services, receiving unrestricted contributions, realized gains, and other inflows of assets, less expenses incurred in providing services, raising contributions and performing administrative functions.

Temporarily Restricted Net Assets - Temporarily restricted net assets generally result from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Permanently Restricted Net Assets - Permanently restricted net assets consist of endowment fund investments to be held indefinitely, the income of which is expendable to support program and operating activities.

See independent auditors report

**WOODSTOCK FARM ANIMAL SANCTUARY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

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

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.

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. Depreciation expense for the year was \$76,339.

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 2012 - 2014. 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 2015, and as such, no provision for income taxes is included in the accompanying financial statements.

**WOODSTOCK FARM ANIMAL SANCTUARY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

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

Contribution Receivable

Contributions receivable is stated at their estimated collectible amounts. Contributions receivable is periodically evaluated for collectability based on factors such as past history and prior loss experience. At December 31, 2015, net contributions receivable totaled \$144,083. Management expects to collect this amount in full in 2016.

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.

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 - CONTRIBUTIONS RECEIVABLE**

Contribution receivables as of December 31, 2015, are as followed:

Gross contributions receivable	\$ 144,083
Less: Unamortized discounts	<u>---</u>
Net contributions receivable	<u>\$ 144,083</u>
Amounts due in:	
Less than one year	\$ 144,083
One to five years	<u>---</u>
Net contributions receivable	<u>\$ 144,083</u>

See independent auditors report

**WOODSTOCK FARM ANIMAL SANCTUARY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**NOTE 3 - CONTRIBUTIONS RECEIVABLE (CONTINUED)**

Contribution receivables due in more than one year are recognized at fair value, using net present value techniques. As of December 31, 2015, there were no multi-year pledges.

**NOTE 4 - LONG TERM DEBT**

Long-term debt at December 31, 2015 is as follows:

	<u>Current Portion</u>	<u>Long-term Portion</u>	<u>Balance of Loan</u>
Line of Credit - Rondout	\$ 404,838	\$ 0	\$ 404,838
Loan Payable - Rondout	<u>49,171</u>	<u>892,334</u>	<u>941,505</u>
	<u>\$ 454,008</u>	<u>\$ 892,334</u>	<u>\$ 1,346,343</u>

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.

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 4.75%. 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, 2015 maturing during the next five years are as follows:

December 31, 2016	\$ 454,009
December 31, 2017	51,720
December 31, 2018	54,266
December 31, 2019	56,938
December 31, 2020	59,643
Thereafter	<u>669,768</u>
	<u>\$ 1,346,344</u>

See independent auditors report

**WOODSTOCK FARM ANIMAL SANCTUARY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**NOTE 5 - DEFERRED REVENUE**

The Organization operates a Bed-n-Breakfast for the benefit of members of the organization. When a member makes a reservation to stay in the Bed-n-Breakfast, there is a deposit required to hold the reservation. In addition, the Organization sells gift certificates. The room deposits and outstanding gift certificates represent the deferred revenue.

**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, 2015 the Organization's bank balances totaled \$280,526 of which, \$7,149 was in excess of the limits.

**NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes

Humane Education grant	\$ <u>50,000</u>
Temporarily Restricted Net Assets	\$ <u><u>50,000</u></u>

**NOTE 8 - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events thru October 7, 2016, the date which the financial statements were available for the initial review.