

THE SANCTUARY AT HAAFSVILLE, INC.
(A NONPROFIT CORPORATION)

FINANCIAL STATEMENTS
DECEMBER 31, 2021
REVIEW REPORT

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BRUNST & COMPANY, P.C.

Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To Management
The Sanctuary at Haafsville, Inc.
Fogelsville, PA 18051

We have reviewed the accompanying financial statements of The Sanctuary at Haafsville, Inc. (a nonprofit corporation), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2021, and the related statements of revenues, expenses, changes in net assets and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Brunst & Co. P.C.

Brunst & Company, P.C.
Certified Public Accountants
November 14, 2022

THE SANCTUARY AT HAAFSVILLE, INC.
FOGELSVILLE, PENNSYLVANIA

STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS

December 31, 2021

See Accountant's Review Report

ASSETS

CURRENT ASSETS

Cash in bank - checking	\$ 165,646
Savings & temporary investments	<u>203,401</u>
Total Current Assets	<u>\$ 369,047</u>

LAND, BUILDINGS, AND OTHER PROPERTY

Buildings	\$ 186,819
Furniture, fixtures and equipment	4,316
Land	4,001
Land improvements	68,930
Leasehold improvements	26,531
Vehicles	<u>21,936</u>

\$ 312,533

79,738

\$ 232,795

TOTAL ASSETS \$ 601,842

LIABILITIES & NET ASSETS

NET ASSETS

Unrestricted Net Assets	\$ 601,842
Total Net Assets	<u>\$ 601,842</u>

TOTAL LIABILITIES & NET ASSETS \$ 601,842

The accompanying notes to financial statements are an integral part of this statement.

THE SANCTUARY AT HAAFSVILLE, INC.
FOGELSVILLE, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET ASSETS - MODIFIED CASH BASIS

Year Ended December 31, 2021
See Accountant's Review Report

	<u>Amount</u>	<u>% to Revenue</u>
REVENUE		
Direct public support	\$ 383,320	74.4
Government grants	9,708	1.9
Program service revenue	122,286	23.7
Merchandise sales	20	0.0
Investment income	65	0.0
Total Revenue	<u>\$ 515,399</u>	<u>100.0</u>
EXPENSES		
Program services	\$ 505,211	98.0
Genral and administrative	1,554	0.3
Fundraising	18,644	3.6
Total Expenses	<u>\$ 525,409</u>	<u>101.9</u>
CHANGE IN NET ASSETS	<u>\$ (10,010)</u>	<u>-1.9</u>
UNRESTRICTED NET ASSETS - BEGINNING	<u>611,852</u>	
UNRESTRICTED NET ASSETS - ENDING	<u>\$ 601,842</u>	

The accompanying notes to financial statements are an integral part of this statement.

THE SANCTUARY AT HAAFSVILLE, INC.
FOGELSVILLE, PENNSYLVANIA

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

Year Ended December 31, 2021
See Accountant's Review Report

Cash flows from operating activities:	
Change in net assets	\$ (10,010)
Adjustments to reconcile net income to net cash provided by or (used in) operating activities:	
Depreciation and amortization	15,047
Foregiveness of Paycheck Protection loan	(9,692)
Increase or (decrease) in payroll tax accrued	<u>(1,104)</u>
Net cash provided by or (used in) operating activities	\$ (5,759)
Cash flows from investing activities	
Purchase of fixed assets	<u>\$ (19,311)</u>
Net cash provided by or (used in) investing activities	\$ (19,311)
Net increase or (decrease) in cash and cash equivalents	\$ (25,070)
Cash and cash equivalents at beginning of year	<u>394,117</u>
Cash and cash equivalents at end of year	<u>\$ 369,047</u>

The accompanying notes to financial statements are an integral part of this statement.

THE SANCTUARY AT HAAFSVILLE, INC.
FOGELSVILLE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Sanctuary at Haafsville, Inc. (Organization) was formed as a Non-Profit (Non Stock) corporation in the Commonwealth of Pennsylvania on May 28, 2010 for the primary purpose of constructing, owning and operation animal shelter and sanctuary to serve the needs of the Lehigh Valley and nearby areas of Pennsylvania.

Basis of Accounting - The Organization's policy is to prepare its financial statements on the modified cash basis of accounting; consequently, contributions and other revenues are recognized when received rather than when promised or earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

Use of estimates - The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements. Estimates and assumptions may affect disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses. Actual results could differ from management estimates.

Cash Equivalents - The Organization considers all highly liquid investments purchased with maturities of three months or less to be cash equivalents.

Land, Buildings, and Other Property - Purchases of land, buildings, and other property having a useful life of three or more years are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Revenue Recognition - Contributions are recognized as revenues in the period received. Contributions are considered to be unrestricted unless specifically restricted by the donor.

Income Taxes - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. At December 31, 2021 the Organization has determined that no income taxes are due for its activities.

Subsequent Events - Management has evaluated subsequent events through November 14, 2022, the date on which the financial statements were available to be issued.