

**THE SANCTUARY AT HAAFSVILLE, INC.
(A Not-for-Profit Organization)**

**Financial Statements and
Independent Accountant's Review Report**

December 31, 2024

CAMPBELL, RAPPOLD & YURASITS LLP
Certified Public Accountants
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(A Not-for-Profit Organization)
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
The Sanctuary at Haafsville, Inc.
Fogelsville, PA

We have reviewed the accompanying financial statements of The Sanctuary at Haafsville, Inc. (a Not-for-Profit Organization), which comprise the statement of assets, liabilities and net assets – modified cash basis as of December 31, 2024 and the related statements of revenues, expenses and changes in net assets – modified cash basis and functional expenses – 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 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 the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal controls relevant to 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.

We are required to be independent of The Sanctuary at Haafsville, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

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 2 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.

Congbell, Rappold & Yasaita LLP

October 14, 2025

THE SANCTUARY AT HAAFSVILLE, INC.
(A Not-for-Profit Organization)
STATEMENT OF ASSETS, LIABILITIES AND
NET ASSETS - MODIFIED CASH BASIS
Reviewed

ASSETS

	December 31, 2024
<i><u>Current Assets:</u></i>	
Cash and Cash Equivalents	\$ 539,813
Total Current Assets	539,813
Property and Equipment (Note 4)	185,441
TOTAL ASSETS	\$ 725,254

LIABILITIES AND NET ASSETS

<i><u>Liabilities:</u></i>	
Liabilities	\$ -
Total Liabilities	-
<i><u>Net Assets:</u></i>	
Without Donor Restrictions	725,254
Total Net Assets	725,254
TOTAL LIABILITIES AND NET ASSETS	\$ 725,254

See independent accountant's review report and notes to financial statements.

THE SANCTUARY AT HAAFSVILLE, INC.
(A Not-for-Profit Organization)
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS – MODIFIED CASH BASIS
Reviewed

	Year Ended December 31, 2024
<u><i>Changes in Net Assets Without Donor Restrictions:</i></u>	
<u><i>Revenue</i></u>	
Support and Contributions	\$ 438,610
Program Service Revenue	201,040
Gross Fundraising Revenue	116,833
Less: Direct Costs Associated with Special Events	(15,374)
Merchandise Income	455
Interest Income	4,750
	<u>746,314</u>
Total Revenue	
<u><i>Expenses</i></u>	
Program Services	574,932
Management and General	14,167
Fundraising	9,553
	<u>598,652</u>
Total Expenses	
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	147,662
NET ASSETS, Beginning of Year	577,592
	<u>577,592</u>
NET ASSETS, End of Year	<u>\$ 725,254</u>

See independent accountant's review report and notes to financial statements.

THE SANCTUARY AT HAAFSVILLE, INC.
(A Not-for-Profit Organization)
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
Reviewed

				Year Ended 12/31/2024
	Program Services	Management and General	Fundraising	Total
Salaries and Wages	\$ 160,837	\$ -	\$ -	\$ 160,837
Payroll Taxes	13,773	-	-	13,773
Total Salaries and Related Expenses	174,610	-	-	174,610
Veterinarian and Hospital Expenses	172,446	-	-	172,446
Animal Acquisition and Control Fees	16,243	-	-	16,243
Outside Services	14,717	-	-	14,717
Professional Fees	-	5,835	-	5,835
Office Expenses	-	8,332	-	8,332
Printing	887	-	295	1,182
Postage	-	-	9,258	9,258
Program Supplies	66,791	-	-	66,791
Bank and Credit Card Fees	9,022	-	-	9,022
Rent	26,000	-	-	26,000
Utilities	18,701	-	-	18,701
Real Estate Taxes	4,660	-	-	4,660
Repairs and Maintenance	24,945	-	-	24,945
Donations	300	-	-	300
Travel	5,003	-	-	5,003
Meals	833	-	-	833
Insurance	21,782	-	-	21,782
Dues and Subscriptions	999	-	-	999
Advertising	1,209	-	-	1,209
Depreciation	15,784	-	-	15,784
Direct Costs Associated with Special Events	-	-	15,374	15,374
Total Expenses	574,932	14,167	24,927	614,026
Less Expenses Included with Revenue on the Statement of Revenues, Expenses and Changes in Net Assets - Modified Cash Basis				
Direct Costs Associated with Special Events	-	-	(15,374)	(15,374)
Total Expenses Included with the Expenses Section on the Revenues, Expenses and Changes in Net Assets - Modified Cash Basis	\$ 574,932	\$ 14,167	\$ 9,553	\$ 598,652

See independent accountant's review report and notes to financial statements.

THE SANCTUARY AT HAAFSVILLE, INC.
(A Not-for-Profit Organization)
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

1. Nature of Activities

The Sanctuary at Haafsville, Inc. (the "Organization") is a not-for-profit organization that was organized under the laws of the Commonwealth of Pennsylvania on May 28, 2010. The primary mission of the Organization is to construct, own, and operate a comprehensive animal shelter and sanctuary, specifically designed to serve the needs of the Lehigh Valley and surrounding areas of Pennsylvania.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("GAAP"). The modified cash basis differs from GAAP primarily because certain revenues are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when an obligation is incurred. Modifications to the cash basis of accounting include property and equipment which are capitalized and depreciated over their estimated useful lives.

Basis of Presentation

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets of the Organization whose use has not been restricted by an outside donor or law. They are available for use carrying out the operations of the Organization. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets With Donor Restrictions

Net assets of the Organization whose use has been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the Organization. When such stipulations end or are fulfilled, the net assets with donor restrictions are released to net assets without donor restrictions. Certain restrictions may need to be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

THE SANCTUARY AT HAAFSVILLE, INC.
(A Not-for-Profit Organization)
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

2. Summary of Significant Accounting Policies (Continued)

Contributions

Contributions are recognized as revenue when received. All contributions are available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Cash and Cash Equivalents

The Organization considers checking and savings accounts and all highly liquid investments available for current use with an original maturity of three months or less to be cash or cash equivalents.

Property and Equipment

Purchases of land, buildings, and other property having a useful life of three or more years are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Repairs and maintenance costs are expensed as incurred.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting functions. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include administrative and occupancy costs. Administrative costs are allocated primarily on the basis of estimated time and effort and occupancy expenses are allocated on a square footage basis. All other expenses that are split between program and supporting functions are directly charged.

Advertising Costs

Advertising costs are expensed when incurred and was \$1,209 for 2024.

Income Taxes

The Organization is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT).

THE SANCTUARY AT HAAFSVILLE, INC.
(A Not-for-Profit Organization)
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

2. Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or liabilities recorded for 2024.

The Organization files its Form 990, Return of Organization Exempt from Tax, with the United States Internal Revenue Service and Form BCO-10 with the Bureau of Charitable Organizations in Pennsylvania.

Concentration of Credit Risk

The Organization maintains its cash balances in financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, bank balances are in excess of FDIC limits. As of December 31, 2024, the Organization had cash balances in excess of FDIC insurance limits in the amount of \$290,378. The Organization has not historically experienced any losses as a result of uninsured cash balances.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Statement of Assets, Liabilities and Net Assets – Modified Cash Basis, consist of the following:

	<u>2024</u>
Cash and Cash Equivalents	<u>\$ 539,813</u>
Total Financial Assets at Year End	<u>\$ 539,813</u>

The Organization is supported mainly by program service revenue and contributions. The Organization believes that program revenue and contributions along with the assets held at December 31, 2024, is sufficient to enable the Organization to continue to operate for the upcoming year.

THE SANCTUARY AT HAAFSVILLE, INC.
(A Not-for-Profit Organization)
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

4. Property and Equipment

Property and equipment consists of the following:

	<u>2024</u>
Land	\$ 4,001
Land Improvements	68,930
Buildings	186,819
Furniture, fixtures and equipment	4,316
Leasehold Improvements	26,531
Vehicles	<u>21,936</u>
	312,533
Less: Accumulated Depreciation	<u>(127,092)</u>
	<u><u>\$ 185,441</u></u>

Depreciation charged to earnings was \$15,784 during the year ended December 31, 2024.

5. Subsequent Events

Management has considered events subsequent to December 31, 2024, that affect the Organization through October 14, 2025, the date the financial statements were available to be issued, and has determined that no material subsequent events exist that require recognition or disclosure.