

**FLORIDA WILDLIFE
HOSPITAL & SANCTUARY,
INC.**

Financial Statements

**Year Ended
December 31, 2022**

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INDEPENDENT ACCOUNTANT’S REVIEW REPORT

To the Board of Directors
Florida Wildlife Hospital & Sanctuary, Inc.
Palm Shores, Florida

We have reviewed the accompanying financial statements of Florida Wildlife Hospital & Sanctuary, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows 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 entity 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 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.

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 accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Florida Wildlife Hospital & Sanctuary, 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 accounting principles generally accepted in the United States of America.

Moss, Krusick & Associates, LLC

Winter Park, Florida
February 22, 2023

Florida Wildlife Hospital and Sanctuary, Inc.

STATEMENT OF FINANCIAL POSITION

December 31, 2022

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 452,333
Investments	282,107
Prepaid expenses	<u>4,793</u>
Total current assets	739,233
Property and equipment, net	512,422
OTHER ASSETS	
Interest in Florida Wildlife Hospital Endowment Fund	<u>15,243</u>
Total assets	<u>\$ 1,266,898</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 12,801
Deferred revenue	<u>500</u>
Total current liabilities	<u>13,301</u>
NET ASSETS	
Without donor restrictions	1,238,354
With donor restrictions	<u>15,243</u>
Total net assets	<u>1,253,597</u>
Total liabilities and net assets	<u>\$ 1,266,898</u>

See independent accountant's review report and accompanying notes.

Florida Wildlife Hospital and Sanctuary, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Grants and contributions	\$ 579,093	\$ -	\$ 579,093
Membership dues	137,304	-	137,304
Special events, net of \$8,753 of direct expenses	29,177	-	29,177
Contributions of non-financial assets	25,764	-	25,764
Program income	14,774	-	14,774
Other	715	-	715
Investment income (loss), net	(52,623)	(3,249)	(55,872)
Total revenue and support	734,204	(3,249)	730,955
EXPENSES			
Program services	579,801	-	579,801
Management and general	78,307	-	78,307
Total expenses	658,108	-	658,108
Changes in net assets	76,096	(3,249)	72,847
Net assets, beginning of year	1,162,258	18,492	1,180,750
Net assets, end of year	\$ 1,238,354	\$ 15,243	\$ 1,253,597

See independent accountant's review report and accompanying notes.

Florida Wildlife Hospital and Sanctuary, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2022

	Program Services	Management and General	Total
Payroll and related expenses			
Salaries	\$ 362,146	\$ 40,239	\$ 402,385
Payroll taxes	31,994	3,555	35,549
Total payroll and related expenses	<u>394,140</u>	<u>43,794</u>	<u>437,934</u>
Depreciation	43,239	-	43,239
Repairs and maintenance	35,333	5,085	40,418
Non-financial expenses	25,764	-	25,764
Insurance	6,932	7,989	14,921
Vet services	14,338	-	14,338
Accounting	-	14,313	14,313
Medical supplies	12,352	-	12,352
Service fees	10,865	1,207	12,072
Other	6,642	4,909	11,551
Animal feed and seed	10,777	-	10,777
Membership and volunteer	9,388	-	9,388
Office expenses	7,371	1,010	8,381
Advertising	1,375	-	1,375
Conferences and meetings	1,285	-	1,285
Total expenses	<u>\$ 579,801</u>	<u>\$ 78,307</u>	<u>\$ 658,108</u>

See independent accountant's review report and accompanying notes.

Florida Wildlife Hospital and Sanctuary, Inc.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in net assets	\$ 72,847
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Realized and unrealized (gain) loss on investments	53,121
Depreciation	43,239
Changes in operating assets and liabilities:	
Other assets	3,249
Accounts payable and accrued expenses	12,801
Prepaid expenses	(1,022)
Deferred revenue	<u>(1,759)</u>
Net cash provided by operating activities	<u>182,476</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of investments	15,357
Purchase of investments	(15,855)
Purchase of equipment	<u>(72,041)</u>
Net cash used by investing activities	<u>(72,539)</u>
Net increase in cash and cash equivalents	109,937
Cash and cash equivalents, beginning of year	<u>342,396</u>
Cash and cash equivalents, end of year	<u>\$ 452,333</u>

See independent accountant's review report and accompanying notes.

Florida Wildlife Hospital & Sanctuary, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A – SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

1. Organization

Florida Wildlife Hospital & Sanctuary, Inc. (the “Organization”) is a nonprofit corporation recognized by the Internal Revenue Service as a charitable, tax-exempt organization pursuant to section 501(c)(3) of the Internal Revenue Code. The Organization was founded in 1973. The Organization’s mission is to aid sick, injured, and orphaned wildlife and return them to their place in the ecosystem in the State of Florida. A number of technical and non-technical committees promote the Organization’s priorities for professional development, promoting sound public policy, and supporting education for its members and the public.

2. Basis of accounting and financial statement presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the “Board”) and/or management for general operating purposes. From time to time, the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management’s discretion.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed restrictions, time and/or purpose restrictions.

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

All gifts of cash and other assets are considered to be available as net assets without restrictions for 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. However, if a restriction is fulfilled in the same time period in which the cash or other assets is received, the Organization reports the support as without donor restrictions.

Some net assets with donor restriction may include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy.

3. Revenue and support recognition

The Organization follows Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (ASC 606), which prescribes a single, common revenue standard to replace most existing revenue recognition guidance, and most industry-specific requirements.

The Organization also follows ASU No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASC 958-605), which clarifies how transactions should be accounted for as contributions (nonreciprocal transactions) or exchange transactions and whether a contribution is conditional.

Florida Wildlife Hospital & Sanctuary, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A – SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Revenue and support recognition (continued)

The Organization receives a majority of its grants and contributions from organizations, corporations, private donors, and government agencies. Revenues from grants and contracts are generally recognized on the accrual basis as eligible costs are incurred and/or as required services are performed in accordance with the grant agreements.

The Organization recognizes bequests and other support ratably over the period covered. Membership dues are recognized upon receipt as membership of the organization does not include an exchange or benefit. Investment earnings are recognized upon change in the market value of investment balances.

The Organization's contributions are generally unconditional and do not contain barriers, rights of return, or conditions which must be met in order to recognize revenue.

4. Deferred revenue

Deferred revenue represents one-year apartment deposits received for the following year. Amounts are removed from deferred revenue when the criteria for recognition have been met or a refund is required.

5. Accounts receivable

The Organization periodically reviews its outstanding receivables, and determines which balances are not collectible, and records an appropriate allowance for doubtful accounts. At December 31, 2022, no accounts receivable were outstanding.

6. Property and equipment

Property and equipment is stated at cost less accumulated depreciation, but not in excess of market value. The Organization capitalizes property and equipment with a cost greater than \$5,000 and a useful life of more than one year. Depreciation is recognized using the double declining balance and straight line methods over the estimated useful lives of the assets, which range from five to thirty-nine years. The cost of maintenance and repairs is charged to operations, as incurred.

7. Prepaid expenses

The Organization prepays their annual insurance obligation. Prepaid expense accounts are reduced as the insurance contract lapses, which are renewed on an annual basis.

8. Advertising

The Organization uses advertising to promote its program among audiences. Advertising costs are expended as incurred. During 2022, advertising expense totaled \$1,375.

9. Cash and cash equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted, highly liquid investments with an original maturity of three months or less to be cash equivalents. The Organization maintains its cash in bank deposit accounts which are insured by the Federal Deposit Insurance Corporation (FDIC) in amounts up to \$250,000 per depositor per institution. As of December 31, 2022, the Organization had \$108,447 in excess of federally insured limits.

Florida Wildlife Hospital & Sanctuary, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A – SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

10. Income taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and therefore no income tax provision is required in the accompanying financial statements. The Organization is not classified as a private Organization. Contributions to the Organization are qualified as deductions for charitable contributions. Management has concluded that as of December 31, 2022, there are no uncertain tax positions taken or expected to be taken by the Organization that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

11. Merchandise

The Organization purchases gifts for its members which are not held for sale. Purchase of merchandise are expensed as incurred. During 2022, purchases of merchandise totaled \$6,607.

12. Donated services, materials, and facilities

Donated services are reflected as contributions in the accompanying financial statements at fair value at the date of receipt. The Organization receives a substantial amount of services donated by its volunteers in carrying out the Organization's needs. Donated services, materials and facilities that are measurable are recorded as support at their fair market values at the date of receipt by the Organization. A corresponding amount is recorded as expense or property and equipment.

13. Functional allocation of expenses

The cost of program services and management and general activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting service benefited.

14. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates, and those differences could be material.

15. Accounting pronouncements implemented

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-financial Assets*, which requires the monitoring and tracking of gifts in kind by asset category, while also noting any donor-imposed restrictions. The Organization adopted ASU No. 2020-07 effective January 1, 2022. The adoption has no significant impact on the Organization's financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*, which requires lessees to put most leases on their balance sheets and recognize expenses on their income statements in a manner similar to today's capital lease accounting. For lessors, the guidance modifies the classification criteria for accounting for sales-type and direct financing leases. The new guidance is effective for fiscal years beginning after December 15, 2021. The Organization adopted ASU No. 2016-02 effective January 1, 2022. The adoption has no significant impact on the Organization's financial statements.

Florida Wildlife Hospital & Sanctuary, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A – SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

16. Fair value of financial instruments

The Organization reports its financial assets and liabilities using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Levels 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 – Valuation based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Valuation based on observable quoted prices for similar assets and liabilities in active markets.

Level 3 – Valuation based on inputs that are unobservable and are supported by little or no market activity, therefore requiring management's best estimate of what market participants would use as fair value.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximates their fair values due to the short-term nature or market interest rates of these instruments. These financial instruments include cash and cash equivalents, accounts and notes receivables, and accounts payable, and notes and mortgage payable.

The Organization's Level 1 financial assets consist of investments identified in Note F and are valued on a daily basis in an active market. There are no Level 2 or 3 financial assets or liabilities.

17. Subsequent events

Management has evaluated the effect subsequent events would have on the financial statements through the date these financial statements were available to be issued on February 22, 2023.

NOTE B – FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, insurance, occupancy and other, which are allocated on the basis of estimates of time and effort.

Florida Wildlife Hospital & Sanctuary, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 452,333
Investments	<u>282,107</u>
Total financial assets available within one year	<u>734,440</u>
Accounts payable and accrued expenses	(12,801)
Deferred revenue	<u>(500)</u>
Total financial assets unavailable within one year	(13,301)
Donor restricted assets unavailable within one year	<u>(15,243)</u>
Total net financial assets available within one year	<u><u>\$ 705,896</u></u>

As part of 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.

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2022 consist of the following:

Building	\$ 427,135
Equipment	277,318
Building improvements	169,453
Land	102,000
Cages	<u>92,081</u>
	1,067,987
Less: accumulated depreciation	<u>(555,565)</u>
	<u><u>\$ 512,422</u></u>

Depreciation expense was \$43,239 for the year ended December 31, 2022.

Florida Wildlife Hospital & Sanctuary, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE E – CONTRIBUTED NON-FINANCIAL ASSETS

Donated services, materials and facilities that are measurable are recorded at their fair market values on the date of receipt by the Organization. A corresponding amount is recorded as an expense or is capitalized as property and equipment. Medical includes donated medical equipment and supplies. Building and equipment includes donated building maintenance and equipment. Goods and services include donated animal services, supplies, and postage.

For the year ended December 31, 2022, contributed non-financial assets recognized within the statement of activities and statement of functional expenses included:

Goods and services	\$	10,998
Medical		9,507
Building and equipment		2,787
Animal food		2,472
		<u>25,764</u>
	\$	<u>25,764</u>

NOTE F – INVESTMENTS

The Organization’s investments are maintained in a Raymond James brokerage account. Balances, fair value, and activities in the account are measured at fair value on a recurring basis by the fair value hierarchy levels as follows:

Fair value measurements as of December 31, 2022				
Description	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 266,265	\$ -	\$ -	\$ 266,265
Equity funds	15,842	-	-	15,842
Total	<u>\$ 282,107</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 282,107</u>

Cumulative unrealized gains and losses on investments as of December 31, 2022 consist of the following:

	Cost	Cumulative unrealized gain/(loss)	Fair value
Mutual funds	\$ 330,344	\$ (64,079)	\$ 266,265
Equity funds	4,105	11,737	15,842
Total	<u>\$ 334,449</u>	<u>\$ (52,342)</u>	<u>\$ 282,107</u>

Florida Wildlife Hospital & Sanctuary, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE F – INVESTMENTS (continued)

The activities in the investments for the year ended December 31, 2022 consist of the following:

Dividends and interest income	\$ 5,440
Fees and charges	(4,942)
Net realized and unrealized loss on investments	<u>(53,121)</u>
	<u>\$ (52,623)</u>

NOTE G – FUNDS FUNCTIONING AS ENDOWMENT FUNDS

The Community Foundation for Brevard Endowment Fund (“Foundation”) consists of funds that have been transferred to and are held by the Foundation on behalf of the Organization. As required by GAAP, net assets associated with endowment funds, including funds designated by the governing board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Florida Wildlife Hospital & Sanctuary, Inc. Fund is functioning as an endowment fund. These funds are classified as net assets with donor restrictions as they have been voluntarily transferred to the Foundation and only the earnings can be transferred to the Organization.

Investment decisions are made by the Foundation. The endowment net assets are invested in a manner that is intended to ensure preservation of capital. Interest earned on these funds is paid to the Organization to support charitable, educational, scientific or civic uses as determined by the Board of Directors of the Foundation.

The amount available for distribution from a fund is four percent of the fund's average market value of invested assets over the preceding 20 quarters. A fund must be invested for at least 12 months before it can distribute. If the fund has been invested for at least 4 quarters but not 20 quarters at the time of the valuation date, the calculation will be based on all quarters for which market value information is available.

The following table presents changes in the Organization’s endowment net assets during the fiscal year ended December 31, 2022:

Endowment net assets at December 31, 2021	\$ 18,492
Investment return, net:	
Earnings	(3,374)
Interest	346
Management and foundation fees	<u>(221)</u>
Total investment return, net	<u>(3,249)</u>
Endowment net assets at December 31, 2022	<u>\$ 15,243</u>

Florida Wildlife Hospital & Sanctuary, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE H – RISKS AND UNCERTAINTIES

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global pandemic situation.