

THE SAGA FOUNDATION LIMITED
d/b/a/ SAGA HUMANE SOCIETY

FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

THE SAGA FOUNDATION LIMITED

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DECEMBER 31, 2013 AND 2012

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THE SAGA FOUNDATION LIMITED
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2013 and 2012

| ASSETS | 2013 | 2012 |
|---|---------------------|---------------------|
| <i>Current Assets:</i> | | |
| Cash | 56,848 | 45,817 |
| Inventory (Note 2) | 4,500 | 4,500 |
| Prepaid Rent | 1,200 | 1,200 |
| Total Current Assets | 62,548 | 51,517 |
| | | |
| Property and Equipment (Note 2) | | |
| Land (Note 3) | 38,750 | 38,750 |
| Animal care facilities (Note 3) | 62,554 | 62,554 |
| Animal care equipment | 24,563 | 24,563 |
| Office furniture and equipment | 12,327 | 12,327 |
| Golf cart | 9,500 | 9,500 |
| Total Property and Equipment | 147,694 | 147,694 |
| | | |
| Deposit (Note 3) | 1,800 | 1,800 |
| | | |
| TOTAL ASSETS | BZ\$ 212,042 | BZ\$ 201,011 |
| | | |
| LIABILITIES AND NET ASSETS | | |
| <i>Current Liabilities:</i> | | |
| Current portion of note payable | 0 | 0 |
| Accounts payable | 0 | 0 |
| Payroll tax payable | <u>0</u> | <u>0</u> |
| Total Current Liabilities | 0 | 0 |
| Note Payable | 0 | 0 |
| TOTAL LIABILITIES | 0 | 0 |
| | | |
| Net Assets | <u>212,042</u> | <u>201,011</u> |
| | | |
| TOTAL LIABILITIES AND NET ASSETS | BZ\$ 212,042 | BZ\$ 201,011 |

The accompanying Notes to the Financial Statements are an integral part of these financial statements.

**THE SAGA FOUNDATION LIMITED
STATEMENTS OF ACTIVITIES
DECEMBER 31, 2013 and 2012**

| REVENUE | 2013 | 2012 |
|---|---------------------|---------------------|
| Donations, grants, fundraisers, product sales, interest | 108,956 | 131,074 |
| Veterinary services | 15,770 | 18,890 |
| Drugs and medications sold | 76,008 | 62,163 |
| Total revenues | 200,734 | 212,127 |
| COST OF SALES | | |
| Drugs and medications purchased | 32,372 | 25,300 |
| T-Shirts | 1,009 | 0 |
| Gross profit | 167,353 | 186,827 |
| OPERATING EXPENSES | | |
| Animal care expenses (principally food) | 8,906 | 22,675 |
| Op SNIP program | 14,505 | 0 |
| Advertising and promotion expenses | 1,515 | 8,020 |
| Personnel costs | 84,494 | 81,081 |
| Facility costs | 38,188 | 31,376 |
| Golf cart | 3,294 | 1,558 |
| Administrative and general expenses | 4,644 | 2,601 |
| Total operating expenses | 155,546 | 147,311 |
| REVENUE IN EXCESS OF (LESS THAN) EXPENSES | 11,807 | 39,516 |
| NET ASSETS, beginning of year | 201,041 | 161,525 |
| NET ASSETS, end of year | BZ\$ 212,848 | BZ\$ 201,041 |

**THE SAGA FOUNDATION LIMITED
STATEMENTS OF CASH FLOW
DECEMBER 31, 2013 and 2012**

| SOURCES (USES) OF CASH | 2013 | 2012 |
|--|--------------------|--------------------|
| <i>Operating Activities</i> | | |
| Revenue in excess of (less than) expenses | 11,807 | 39,516 |
| Changes in working capital components | 0 | 0 |
| Prepaid rent | 0 | 0 |
| Current portion of note payable | 0 | 0 |
| Accounts payable | 0 | 0 |
| Net cash provided by (used) in operating activities | 11,807 | 39,516 |
| <i>Investment activities</i> | | |
| Construction of animal care facilities | 0 | 0 |
| Purchase of furniture and equipment | 0 | 0 |
| Net cash used in investment activities | 0 | 0 |
| <i>Financing activities</i> | | |
| Additional borrowing from mortgages | 0 | 0 |
| Debt repayment | 0 | 0 |
| Net cash used in financing activities | 0 | 0 |
| NET INCREASE (DECREASE) IN CASH | 11,031 | 29,985 |
| CASH BALANCES, beginning of year | 45,817 | 15,832 |
| CASH BALANCE, end of year | BZ\$ 56,848 | BZ\$ 45,817 |

THE SAGA FOUNDATION LIMITED

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

1. DESCRIPTION OF ACTIVITIES.

The Saga Foundation Limited, d/b/a/ Saga Humane Society, is a Belize not-for-profit company, limited by guarantee and not having a share capital, organized in June 1999 for the purpose of providing care and treatment to domestic animals in San Pedro town on Ambergris Caye, Belize. Its objective has been to construct, operate and fund an animal shelter and to operate an animal clinic staffed with a full time veterinarian.

On February 21, 2002 it received its Certificate of Registration as a Non-Governmental Organization pursuant to Belize's Non-Governmental Organization Act No. 26 of 2000. For compliance with the Act's regulations, more formal accounting records were established as of January 1, 2002 and the amount reported as Net Assets represents the results of the Foundation's activities since that date. In addition to granting exemption from payment of business tax on revenues and other things, the Act requires that registrants submit audited financial statements within four months following each year end. The Foundation was not in compliance with this audit requirement with its financial statements submitted for years 2002, 2003, and 2004, but did submit audited financial statements for years 2005 and 2006 prior to December 31, 2007, as directed by the regulatory authority.

In order to attract donations from contributors (whether institutions or individuals) in the United States of America and to ensure the U.S. tax deductibility of contributions made by U.S. donors, the Foundation incorporated a U.S. entity, The Saga Society Foundation, Inc., in the state of Texas in 2001. The U.S. Internal Revenue Service (IRS) recognition of the Foundation stems from this Texas incorporation. That corporation's legal status had expired from lack of submitting annual filings and payment of related fees but was reactivated in 2008. Annual filing of US IRS Form 990 and other procedures are required to establish U.S. Federal income tax compliance with IRS so as to ensure the tax deductibility of contributions made by U.S. donors.

2013 Activities:

- 150% increase in animals treated free of charge.
- 216% increase in vaccinations- To control the spread of diseases distemper, rabies and parvo, vaccines were given to low income residents at no charge.
- CDV outbreak and Mobile Clinics- After 22 cases of distemper had been seen at the Saga HS clinic, it was clear there was an outbreak in San Mateo. To prevent the spread of this highly contagious disease Saga HS held a Mobile Clinic and vaccinated 151 area dogs and distributed antibiotics to affected dogs. 5 dogs were transported back to Saga HS clinic with advance symptoms of distemper and humanly euthanized. Vaccines were at no charge to low income residents or \$10 for those who could afford to pay. Estimated cost to Saga HS was \$2,000 which was subsidized through donations. Success was measured through a decrease in cases of CDV in San Mateo

SNIP Program:

Saga HS aims to help reduce the problems associated with community and street animals on Ambergris Caye through a pet population management program, Operation SNIP (Spay Neuter Initiative Project). Activities in 2013 included:

- 42% increase in neutered animals- 639 animals were sterilized through SNIP in 2013. The estimated cost to Saga HS was \$32,000 which was subsidized through volunteers, grants, donations and fundraising efforts. Success was measured by a decrease of 26% in owner surrenders and a 27% decrease in surrender euthanasia.
- World Spay Day- 30 animals were sterilized in co-ordination with World Spay Day promoted by The Humane Society of the United States and Humane Society International.
- SNIP-a-thon- During the month of October Saga HS hosted two different visiting veterinary groups Helping Paws Across Borders and Hopkins Belize Humane Society that provided 208 free spay/neuter clinics for the low income residents of Ambergris Caye in DFC and San Mateo.

2. ACCOUNTING POLICIES

The Foundation has adopted those accounting practices and policies which it believes most realistically portray the results of its activities. Significant accounting practices and policies are summarized below:

Revenue recognition:

The Foundation derives revenue from voluntary donations and grants, from the billing of services by its veterinary employee, and from the sale of drugs and medications in the treatment of domestic animals. Revenue is recognized in the period in which it is received, which is typically the same period in which service is rendered. No credit account arrangements are in effect with animal owners.

Inventory

Inventory represents the approximate value of drugs and medications and supplies on hand either for sale or for consumption. No physical inventory is maintained or controlled for these items, and the amount is left unchanged as representative of the quantity and value of such items on hand from time to time.

Furniture and equipment:

Furniture and equipment resulted from an earlier identification and listing of items in use at the Foundation's clinic and an assignment of approximate net book values as used assets. Generally, these items are received by the Foundation as donations from contributors and, as such, are already used assets with a low remaining value. Accordingly, the Foundation has elected to not depreciate the value assigned to these items when received or purchase.

Foreign currencies:

Transactions in foreign currencies have been translated into Belize dollars at rates ruling on the dates of the transactions, with BZ\$2.00 US\$1.00 being the official exchange rate for most commercial transactions. Any gains and losses on exchange are included in the statement of activities.

Estimates and assumptions:

The preparation of financial statements requires Foundation management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from those estimates.

3. FACILITY LEASE

Subsequent to March 31, 2006 the clinic facilities had been occupied on a month-to-month basis with no formal extension, modification, or replacement of the original six-month lease which expired on that date. Monthly rent increased to \$1,000 on September 1, 2007 when the building in which the clinic facilities are located was purchased by new owners. On April 1, 2008 the monthly rent was increased to \$1,200 and a one year lease effective June 1, 2008 was executed. After May 31, 2009, the occupancy shall be month-to-month with a sixty day notice period by either party for termination of the occupancy. The Foundation had earlier paid a security deposit of \$1,800 in connection with this.

**THE SAGA FOUNDATION LIMITED
SUPPLEMENTAL SCHEDULES OF OPERATING
EXPENSES
DECEMBER 31, 2013 and 2012**

| | 2013 | 2012 |
|---|---------------------|---------------------|
| Advertising and Promotion Expenses | | |
| Advertising | 1,215 | 734 |
| Fundraising expenses | 300 | 4,675 |
| Tee shirt purchases | 0 | 2,611 |
| Total advertising and promotion expenses | 1,515 | 8,020 |
| Personnel Costs | | |
| Employee compensation-salaries | 75,173 | 73,767 |
| Social security expense | 3,645 | 3,204 |
| Transportation, travel and meals | 5,296 | 450 |
| Staff education expenses | 0 | 3,510 |
| Casual labor | 380 | 150 |
| Total personnel costs | 84,494 | 81,081 |
| Facility Costs | | |
| Clinic rent | 11,190 | 10,016 |
| Equipment | 0 | 165 |
| Repairs and maintenance | 2,587 | 7,326 |
| Animal food | 8,906 | 6,981 |
| Clinic supplies | 10,763 | 15,694 |
| Golf cart | 3,294 | 1,558 |
| Utilities - cable, electric, telephone, Internet, water | 13,648 | 13,869 |
| Op SNIP program (no charge neuter/spay) | 14,505 | 0 |
| Total facility costs | 64,893 | 55,609 |
| Administrative and General Expenses | | |
| Audit and legal expense | 0 | 935 |
| Bank charges | 795 | 336 |
| Postage and delivery | 674 | 667 |
| Office supplies | 214 | 633 |
| Printing | 0 | 30 |
| Licenses and permits | 2,961 | 0 |
| Total administrative and general expenses | 4,644 | 2,601 |
| TOTAL OPERATING EXPENSES | BZ\$ 155,546 | BZ\$ 147,311 |