

GOOD MEWS ANIMAL FOUNDATION, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
with
INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Good Mews Animal Foundation, Inc.

Opinion

We have audited the accompanying financial statements of Good Mews Animal Foundation, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the changes in net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP; 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date of this report.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter – Prior Year Financial Information

The prior year comparative information and the financial statements of the Organization as of December 31, 2020 and for the year then ended were audited by other auditors whose report dated December 15, 2021 expressed an unqualified opinion on those financial statements.

Smith and Howard

November 9, 2022

GOOD MEWS ANIMAL FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 1,077,774	\$ 1,234,806
Investments	509,767	122,993
Prepaid expenses	3,000	-
Total current assets	<u>1,590,541</u>	<u>1,357,799</u>
Property and equipment, net	<u>1,522,733</u>	<u>1,556,474</u>
Total Assets	<u><u>\$ 3,113,274</u></u>	<u><u>\$ 2,914,273</u></u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	\$ 20,128	\$ 9,413
Prepaid adoption fees	5,054	4,579
Paycheck Protection Program loan	48,945	34,058
Notes payable, current portion	<u>25,095</u>	<u>28,953</u>
Total Current Liabilities	<u>99,222</u>	<u>77,003</u>
Noncurrent Liabilities		
Notes payable, net of current portion and loan costs	<u>395,284</u>	<u>420,635</u>
Total Liabilities	<u>494,506</u>	<u>497,638</u>
Net Assets		
Without donor restrictions	2,230,579	1,724,842
With donor restrictions	<u>388,189</u>	<u>691,793</u>
Total Net Assets	<u>2,618,768</u>	<u>2,416,635</u>
Total Liabilities and Net Assets	<u><u>\$ 3,113,274</u></u>	<u><u>\$ 2,914,273</u></u>

The accompanying notes are an integral part of these financial statements.

GOOD MEWS ANIMAL FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Revenues			
Contributions and grants	\$ 669,209	\$ -	\$ 669,209
Special Events	96,225	-	96,225
Adoptions	41,500	-	41,500
Merchandise	21,053	-	21,053
Donated stock	200,753	-	200,753
Other income	24,647	-	24,647
Net assets released from restrictions	<u>303,604</u>	<u>(303,604)</u>	<u>-</u>
Total support and revenue	<u>\$ 1,356,991</u>	<u>\$ (303,604)</u>	<u>\$ 1,053,387</u>
Expenses			
Program services	887,874	-	887,874
Supporting services			
Fundraising	35,248	-	35,248
Management and general	<u>71,947</u>	<u>-</u>	<u>71,947</u>
Total Expenses	<u>995,069</u>	<u>-</u>	<u>995,069</u>
Other Income			
Forgiveness of Paycheck Protection Program loan	38,875	-	38,875
Investment earnings	<u>104,940</u>	<u>-</u>	<u>104,940</u>
Total Other Income	<u>143,815</u>	<u>-</u>	<u>143,815</u>
Change in Net Assets	505,737	(303,604)	202,133
Net Assets, Beginning of Year	<u>1,724,842</u>	<u>691,793</u>	<u>2,416,635</u>
Net Assets, End of Year	<u>\$ 2,230,579</u>	<u>\$ 388,189</u>	<u>\$ 2,618,768</u>

The accompanying notes are an integral part of these financial statements.

GOOD MEWS ANIMAL FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Revenues			
Contributions and grants	\$ 393,804	\$ 121,838	\$ 515,642
Special Events	181,659	-	181,659
Adoptions	38,531	-	38,531
Merchandise	9,123	-	9,123
Other income	27,215	-	27,215
Net assets released from restrictions	<u>20,694</u>	<u>(20,694)</u>	<u>-</u>
Total support and revenue	<u>671,026</u>	<u>101,144</u>	<u>772,170</u>
Expenses			
Program services	702,232	-	702,232
Supporting services			
Fundraising	24,273	-	24,273
Management and general	<u>76,689</u>	<u>-</u>	<u>76,689</u>
Total Expenses	<u>803,194</u>	<u>-</u>	<u>803,194</u>
Other Income			
Investment earnings	<u>41,716</u>	<u>-</u>	<u>41,716</u>
Total Other Income	<u>41,716</u>	<u>-</u>	<u>41,716</u>
Change in Net Assets	(90,452)	101,144	10,692
Net Assets, Beginning of Year	<u>1,815,294</u>	<u>590,649</u>	<u>2,405,943</u>
Net Assets, End of Year	<u>\$ 1,724,842</u>	<u>\$ 691,793</u>	<u>\$ 2,416,635</u>

The accompanying notes are an integral part of these financial statements.

**GOOD MEWS ANIMAL FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Personnel	\$ 449,379	\$ -	\$ -	\$ 449,379
Supplies	189,894	6,987	3,059	199,940
Depreciation	79,049	-	-	79,049
Professional fees	13,584	28,205	-	41,789
Repair and maintenance	22,966	-	-	22,966
Interest	15,551	-	-	15,551
Other	48,928	16,627	1,943	67,498
Insurance	21,166	-	-	21,166
Occupancy	18,868	6,951	-	25,819
Storage	8,010	-	-	8,010
Telephone	7,046	-	-	7,046
Printing and postage	13,075	-	26,605	39,680
Bank fees	358	13,177	-	13,535
Events	-	-	3,641	3,641
Total Functional Expenses	<u>\$ 887,874</u>	<u>\$ 71,947</u>	<u>\$ 35,248</u>	<u>\$ 995,069</u>

The accompanying notes are an integral part of these financial statements.

GOOD MEWS ANIMAL FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Personnel	\$ 359,390	\$ -	\$ -	\$ 359,390
Supplies	120,731	8,154	2,476	131,361
Depreciation	76,423	-	-	76,423
Professional fees	38,697	40,127	-	78,824
Repair and maintenance	25,261	-	-	25,261
Interest	16,088	6,007	-	22,095
Other	16,082	6,092	80	22,254
Insurance	15,724	-	-	15,724
Occupancy	14,494	5,314	-	19,808
Storage	8,095	-	-	8,095
Telephone	7,062	-	-	7,062
Printing and postage	3,879	-	12,014	15,893
Bank fees	306	10,995	-	11,301
Events	-	-	9,703	9,703
Total Functional Expenses	<u>\$ 702,232</u>	<u>\$ 76,689</u>	<u>\$ 24,273</u>	<u>\$ 803,194</u>

The accompanying notes are an integral part of these financial statements.

GOOD MEWS ANIMAL FOUNDATION, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Increase in net assets	\$ 202,133	\$ 10,692
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	79,049	76,423
Loan issuance costs on refinance on note payable	-	(5,547)
Amortization of loan issuance costs included in interest expense	871	6,007
Forgiveness of Paycheck Protection Program loan	(38,875)	-
Unrealized gains on investments	(77,075)	(26,409)
Donated securities	(200,753)	(11,496)
Change in prepaid expenses	(3,000)	-
Change in accounts payable and accrued liabilities	10,715	(1,389)
Change in prepaid adoption fees	475	(399)
Total Adjustments	<u>(228,593)</u>	<u>37,190</u>
Net Cash Provided (Required) by Operating Activities	<u>(26,460)</u>	<u>47,882</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	(45,308)	-
Purchases of investments	<u>(108,946)</u>	<u>-</u>
Net Cash Required by Investing Activities	<u>(154,254)</u>	<u>-</u>
Cash Flows from Financing Activities:		
Payments on note payable	(25,264)	(24,161)
Proceeds from note payable	<u>48,946</u>	<u>38,875</u>
Net Cash Required by Financing Activities	<u>23,682</u>	<u>14,714</u>
Change in Cash and Cash Equivalents	(157,032)	62,596
Cash and Cash Equivalents, Beginning of Year	<u>1,234,806</u>	<u>1,172,210</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,077,774</u>	<u>\$ 1,234,806</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the years for:

Interest	<u>\$ 14,680</u>	<u>\$ 16,088</u>
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The accompanying notes are an integral part of these financial statements.

GOOD MEWS ANIMAL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 – ORGANIZATION

Good Mews Animal Foundation, Inc. (the “Organization”) was formed in 1988. Located in Marietta, Georgia, the Organization provides an alternative to shelters performing euthanasia of unwanted cats. The Organization’s mission is to provide a cage-free, no-kill haven for homeless, abused, abandoned, or owner- relinquished cats until they are placed in permanent loving homes.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Foundation follows accounting standards set by the Financial Accounting Standards Board (“FASB”). The FASB sets accounting principles generally accepted in the United States of America (“GAAP”).

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments purchased with an initial maturity of three months or less.

At times during the year, the Organization maintains cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation insurance limit. The Organization believes it is not exposed to any significant credit risk on cash.

Investments

For those investments which have readily determined fair values, the Organization carries them at fair value on the statements of financial position. None of the investments are donor restricted or board designated. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. All of the Organization's investments were in common stocks and the fair market value of these stocks was \$509,767 and \$122,993 at December 31, 2021 and 2020, respectively.

Property and Equipment

Purchased property and equipment are carried at cost. Donated property and equipment is carried at approximate fair value at donation date. Expenditures of \$1,000 or more which prolong an asset’s useful life beyond two years are capitalized. Leasehold improvements are amortized over the shorter of the lease’s remaining term or the asset’s estimated useful life. The cost of assets retired or sold and their associated accumulated depreciation are removed from the accounts upon disposition, with any related gain or loss included in income. Depreciation is provided under the straight-line method over each asset’s estimated useful life, ranging from five to forty years.

Fair Value of Financial Instruments

GAAP has established a framework for measuring fair value that provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

GOOD MEWS ANIMAL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments (Continued)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Valuations for assets and liabilities traded in active markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization's financial instruments include cash, promises to give, other receivables, investments, accounts payable, accrued liabilities, and note payable. The carrying value of these instruments approximates fair value due to their relatively short-term nature.

The Organization's investments are considered level 1 as the Organization only holds common stock.

GOOD MEWS ANIMAL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. It is the policy of the board of directors to review their financial standing from time to time and to designate sums of net assets without donor restrictions for specific efforts.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, this is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

There were \$388,189 and \$691,793 in net assets with donor restrictions at December 31, 2021 and 2020, respectively.

Revenue Recognition

In accordance with FASB, unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. All contributions and investment income are available for use unless specifically restricted by the donor. Amounts received and investment income earned that are designated for future periods or restricted by the donor for specific purposes are reported as donor restricted support that increases that net asset class. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met.

Contributions received are recorded as support with donor restrictions or without donor restrictions depending on the existence or nature of any donor restrictions. All contributions are available for use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions are met within the fiscal year in which the contributions are received.

Donated materials and services are reflected as contributions in the accompanying financial statements at their fair values at the date of receipt. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. A substantial number of volunteers donated significant amounts of their time to the Organization's program services. No amounts have been reflected in the statement of activities because the criteria for recognition of such volunteer effort have not been satisfied.

GOOD MEWS ANIMAL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing various programs and other activities has been summarized on a functional basis in the statements of functional expenses. The Organization has one program which supports providing a safe haven to all cats taken in by the Organization. Costs directly attributable to their program are summarized by their natural classification on the statement of functional expenses. The Organization's operating costs are shown between management and general and fundraising costs and are summarized by their natural classification on the statements of functional expenses. All costs reported were directly attributable to each classification and no allocation of expenses was determined to be needed.

Income Taxes

The Organization is exempt from income taxes under Section 501(a) as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements.

The Organization annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Organization takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification.

In the normal course of business, the Organization is subject to examination by the federal and state taxing authorities. In general, the Organization is no longer subject to tax examinations for the tax years ending before December 31, 2018.

Use of Estimates

The Organization prepares its financial statements in conformity with accounting principles generally accepted in the United States of America, which requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Subsequent Events

The Organization has evaluated events through the date of this report, which is the date the financial statements were available to be issued.

**GOOD MEWS ANIMAL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization’s financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 689,585	\$ 545,014
Investments	<u>509,767</u>	<u>122,993</u>
Financial assets available for general use	<u><u>\$ 1,199,352</u></u>	<u><u>\$ 668,007</u></u>

The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. Cash needs of the Organization are expected to be met on a monthly basis from program service fees and contributions. In general, the Organization maintains sufficient financial assets on hand to meet 30 days of normal operating expenses.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
Buildings and improvements	\$ 1,399,385	\$ 1,399,385
Land	231,996	231,996
Equipment	131,716	131,716
Furniture and fixtures	126,338	126,338
Leasehold Improvements	45,308	-
Accumulated depreciation	<u>(412,010)</u>	<u>(332,961)</u>
Net property & equipment	<u><u>\$ 1,522,733</u></u>	<u><u>\$ 1,556,474</u></u>

Depreciation expense for the years ended December 31, 2021 and 2020 was \$79,049 and \$76,423, respectively.

**GOOD MEWS ANIMAL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 5 – NOTE PAYABLE

In February 2015 the Organization obtained a \$675,000 non-revolving line of credit to finance construction. On December 20, 2015, the loan converted to an amortizing term loan, and is payable in monthly principal and interest installments. On March 26, 2020 the Organization refinanced the terms of the loan to be payable in monthly principal and interest installments in the amount of \$3,454 maturing with a balloon payment of the remaining principal balance on March 20, 2025. The loan requires simple interest on the outstanding principal balance at a rate of 3.95% per annum. The loan is collateralized by the premises constructed.

The aggregate amounts of principal payments on the notes during the years following December 31, 2021 are as follows:

2022	\$ 25,095
2023	26,104
2024	27,155
2025	345,511
Less unamortized deferred loan costs	<u>(3,486)</u>
Total	<u>\$ 420,379</u>

Interest expense incurred totaled \$14,680 and \$16,088 for the years ended December 31, 2021 and 2020, respectively.

NOTE 6 – PAYCHECK PROTECTION PROGRAM LOAN

During the year ended December 31, 2020, the Organization qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender for an aggregate principal amount of \$38,875 (the “PPP Loan”). In July 2021, the Organization obtained loan forgiveness for the first PPP loan and recorded funds within other income in the accompanying statements of activities.

A second PPP Loan was received during the year ended December 31, 2021 in the amount of \$48,946. The PPP Loan bears interest at a fixed rate of 1.0% per annum. The principal amount of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon the Organization’s request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Organization. The terms of the PPP Loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The PPP Loan may be accelerated upon the occurrence of an event of default. The Organization has applied for forgiveness for the second PPP Loan with respect to these covered expenses and is expecting full forgiveness.

**GOOD MEWS ANIMAL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes at December 31:

	<u>2021</u>	<u>2020</u>
Capital campaign	\$ 33,875	\$ 81,240
Surgical Unit	280,991	488,715
Adoption Sponsorships	-	-
Best Friends	<u>73,323</u>	<u>121,838</u>
	<u><u>\$ 388,189</u></u>	<u><u>\$ 691,793</u></u>

At December 31, 2021 and 2020, all net assets with donor restrictions consisted of cash.

NOTE 8 – NET ASSETS RELEASED FROM RESTRICTIONS

For the years ended December 31, 2021 and 2020, net assets with donor restrictions were released from restriction by incurring expenses satisfying the restricted purposes specified by donors as follows:

	<u>2021</u>	<u>2020</u>
Surgical Unit	\$ 207,724	\$ -
Adoption Sponsorships	-	2,313
Capital Campaign	47,365	18,381
Best Friends	<u>48,515</u>	<u>-</u>
	<u><u>\$ 303,604</u></u>	<u><u>\$ 20,694</u></u>