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*Casey Neilson, Inc.*  
**Accountants and Advisors**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Feeding Pets of the Homeless:

**Opinion**

We have audited the accompanying financial statements of Feeding Pets of the Homeless (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities 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 Feeding Pets of the Homeless as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Feeding Pets of the Homeless 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 audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

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 Feeding Pets of the Homeless' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's 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 auditor's 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 generally accepted auditing standards 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 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.

In performing an audit in accordance with generally accepted auditing standards, 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 Feeding Pets of the Homeless' 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 Feeding Pets of the Homeless' 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.

*Casey Neilon*  
Carson City, Nevada  
June 9, 2022

**Feeding Pets of the Homeless**  
Statement of Financial Position  
December 31, 2021

<b>Assets</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<i>Current Assets</i>			
Cash and cash equivalents	\$ 2,139,553	\$ 109,781	\$ 2,249,334
Investments	292,857	-	292,857
Supplies inventory	602	-	602
Prepaid expenses	20,348	-	20,348
<i>Total Current Assets</i>	<u>2,453,360</u>	<u>109,781</u>	<u>2,563,141</u>
<i>Fixed Assets</i>			
Furniture and equipment	57,394	-	57,394
Website	14,097	-	14,097
Accumulated depreciation	(29,950)	-	(29,950)
<i>Net Fixed Assets</i>	<u>41,541</u>	<u>-</u>	<u>41,541</u>
<b>Total Assets</b>	<u><u>\$ 2,494,901</u></u>	<u><u>\$ 109,781</u></u>	<u><u>\$ 2,604,682</u></u>
<b>Liabilities and Net Assets</b>			
<i>Current liabilities</i>			
Accounts payable	\$ 41,152	\$ -	41,152
Accrued payroll taxes and expenses	12,243	-	12,243
<i>Total Current Liabilities</i>	<u>53,395</u>	<u>-</u>	<u>53,395</u>
<i>Long-Term Liabilities</i>			
Deferred rent	2,228	-	2,228
<i>Total Long-Term Liabilities</i>	<u>2,228</u>	<u>-</u>	<u>2,228</u>
<b>Total Liabilities</b>	<u>55,623</u>	<u>-</u>	<u>55,623</u>
<i>Net Assets</i>	<u>2,439,279</u>	<u>109,781</u>	<u>2,549,060</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 2,494,902</u></u>	<u><u>\$ 109,781</u></u>	<u><u>\$ 2,604,683</u></u>

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

**Feeding Pets of the Homeless**  
Statement of Activities  
For the Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Operating activities</b>			
<b>Revenue and Other Support</b>			
Contributions	\$ 2,971,140	\$ -	\$ 2,971,140
Donated supplies	358,342	-	358,342
Grants	281,250	144,600	425,850
Donated services	90,347	-	90,347
Other income	5,284	-	5,284
Interest and dividends	5,185	-	5,185
<b>Total Revenue</b>	<u>3,711,548</u>	<u>144,600</u>	<u>3,856,148</u>
Net assets released from restrictions:			
Expiration of restrictions on grant awards and donations	43,869	(43,869)	-
<b>Total Revenue and Other Support</b>	<u>3,755,417</u>	<u>100,731</u>	<u>3,856,148</u>
<b>Expense</b>			
<i>Program Services</i>			
Care of homeless pets	1,520,751	-	1,520,751
<i>Supporting Services</i>			
General and administrative	220,349	-	220,349
Fundraising	381,974	-	381,974
<b>Total Expense</b>	<u>2,123,074</u>	<u>-</u>	<u>2,123,074</u>
<b>Change in Net Assets from operations</b>	<u>1,632,343</u>	<u>100,731</u>	<u>1,733,074</u>
<b>Nonoperating activities</b>			
Investment return, net of fees	12,562	-	12,562
<b>Total nonoperating activities</b>	<u>12,562</u>	<u>-</u>	<u>12,562</u>
<b>Changes in Net Assets</b>	1,644,905	100,731	1,745,636
<b>Net Assets, Beginning of Year</b>	<u>794,374</u>	<u>9,050</u>	<u>803,424</u>
<b>Net Assets, End of Year</b>	<u>\$ 2,439,279</u>	<u>\$ 109,781</u>	<u>\$ 2,549,060</u>

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

**Feeding Pets of the Homeless**  
Statement of Functional Expenses  
For the Year Ended December 31, 2021

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Care of Homeless Pets</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
Emergency veterinarian care	\$ 495,176	\$ -	\$ -	\$ 495,176
Donated pet food and supplies	362,649	-	-	362,649
Veteran pet support	50,792	-	-	50,792
Sleeping crates	4,078	-	-	4,078
Salaries and wages	128,643	117,695	27,371	273,709
Donated professional services	90,347	-	-	90,347
Advertising	122,444	1,409	137,206	261,059
Marketing	11,975	-	-	11,975
Rent	14,179	12,972	3,017	30,168
Wellness clinics	7,000	-	-	7,000
Information technology	9,323	8,529	1,984	19,836
Dues and subscriptions	6,868	6,142	1,655	14,665
Professional fees	5,625	5,146	1,197	11,968
Depreciation and amortization	3,679	3,364	783	7,826
Office supplies	2,285	2,090	486	4,861
Health insurance	4,314	3,947	918	9,179
Postage	68,080	1,937	97,030	167,047
Other	2,636	2,411	561	5,608
Printing	68,462	4,121	94,603	167,186
Third party donation fees	1,649	-	-	1,649
Outside services	38,649	35,360	8,223	82,232
Spay and neuter	2,936	-	-	2,936
Telephone	5,311	4,860	1,130	11,301
Insurance	1,097	1,004	233	2,334
Travel	373	341	79	793
Training	763	699	163	1,625
Bank fees	11,418	8,322	5,335	25,075
<b>Total Expenses</b>	<b>\$ 1,520,751</b>	<b>\$ 220,349</b>	<b>\$ 381,974</b>	<b>\$ 2,123,074</b>

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

**Feeding Pets of the Homeless**  
Statement of Cash Flows  
For the Year Ended December 31, 2021

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**Cash Flows from Operating Activities**

Changes in net assets	\$ 1,745,636
<i>Adjustments to reconcile changes in net assets to net cash provided by operating activities</i>	
Depreciation	7,826
Realized (gain) on investments	(17,739)
Unrealized (loss) on investments	1,753
<i>Changes in operating assets and liabilities</i>	
Prepaid expenses	(4,662)
Accounts payable	(18,807)
Accrued payroll taxes and expenses	444
Deferred rent	(466)

<b>Net Cash Provided by Operating Activities</b>	<u>1,713,985</u>
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**Cash Flows from Investing Activities**

Purchase of equipment	(23,059)
Sale of securities	273,487
Purchase of securities	(394,830)

<b>Net Cash Used in Investing Activities</b>	<u>(144,402)</u>
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<b>Net Increase in Cash and Cash Equivalents</b>	1,569,583
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<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>679,751</u>
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<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 2,249,334</u></u>
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The accompanying notes are an integral part of these financial statements.

## Feeding Pets of the Homeless

Notes to Financial Statements

December 31, 2021

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### 1. Nature of Operations & Summary of Significant Accounting Policies

#### Organization

Feeding Pets of the Homeless, doing business as Pets of the Homeless (the Organization), received nonprofit status in July 2008 as a public charity. The Organization is the first and one of the few national nonprofits that provide pet food and veterinary care to the homeless in local communities across the United States and parts of Canada. The Organization is generally exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

#### Financial Statement Presentation

The Organization follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958, *Not for Profit Entities*. Under ASC No. 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions as follows:

- Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- Net Assets With Donor Restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

#### Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing purpose and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

#### Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 9, 2022, the date the financial statements were available to be issued.

- The organization received an individual donation of \$1,000,000 of which \$750,000 was moved to the endowment fund subsequent to the date of the financial statements.

## Feeding Pets of the Homeless

Notes to Financial Statements

December 31, 2021

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### 1. Nature of Operations & Summary of Significant Accounting Policies (continued)

#### Paycheck Protection Program Loan

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) loan. On May 1, 2020 the organization received funding for the PPP loan, in the amount of \$45,514. The PPP loan is payable over a two year period at a fixed annual interest rate of 1%. Payments and interest of the PPP loan are deferred for the first 6 months. After 60 days of the disbursement of the funds, the Organization was eligible to apply for forgiveness for the PPP loan for PPP funds that were expended for qualifying expenses in line with the Coronavirus Aid, Relief, and Economic Security Act guidelines. On March 15, 2021, the Organization received partial forgiveness of the PPP loan in the amount of \$43,852. The remaining \$1,662 of the PPP loan was paid off on March 18<sup>th</sup>, 2021.

#### Risk and Uncertainties

On March 11, 2020, the World Health Organization (WHO) declared the novel Coronavirus (COVID-19) outbreak a global pandemic, constituting a “public health emergency of international concern”. The Company is responding to the recent COVID-19 outbreak with a measured, practical response. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration. Therefore, while the Company expects this matter to negatively impact its operating results, the related financial impact and duration cannot be reasonably estimated.

#### Description of Program and Supporting Services

##### *Program Services*

The mission of the Organization is to provide nationwide food and basic emergency veterinary care to the pets of the homeless and thus relieve the anguish and anxiety of the homeless who cannot provide for their pets. Program expenses include costs related to the following initiatives:

- Pet Food and Supplies - Pet food and supplies collected at donation sites are delivered to food banks and soup kitchens that have agreed to distribute the items to the homeless with pets. The Organization supports and provides assistance to donation sites and pet food providers and helps coordinate their efforts.
- Veterinary Care - The Organization pays veterinarians directly for the costs of emergency pet services. Services are always provided at a discount and include updating vaccinations, if necessary.
- Wellness Clinics - The Organization sponsors Wellness Clinics where volunteer veterinarians see pets twice monthly and monthly at shelters and food banks. Expenses include costs of vaccines, syringes, gloves, disinfectants and worm and flea treatments.
- Crate Program - The Organization ships metal sleeping crates to homeless shelters so pets can sleep next to their guardians. Expenses include the costs of the crates which become the property of the shelter.
- Veteran Pet Support – The Organization pays veterinarians directly for the costs of emergency pet services. Services are always provided at a discount and include updating vaccinations, if necessary. These services are also provided specifically for veterans that are homeless or in a veteran homeless outreach program.

## Feeding Pets of the Homeless

Notes to Financial Statements

December 31, 2021

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### 1. Nature of Operations & Summary of Significant Accounting Policies (continued)

#### Description of Program and Supporting Services (continued)

##### *Supporting Services*

- General and Administrative

These services include functions necessary to maintain an equitable employment program, ensure an adequate working environment, provide coordination of the Organization's programs, and manage the financial and budgetary responsibilities of the Organization.

- Fundraising

The board of directors and executive director are responsible for all fundraising efforts including foundation grants, corporate giving and individual donations.

#### Concentrations of Revenue

The following schedule shows the concentrations of the Organization's revenue for the year ended December 31, 2021:

Contributions	77.0%
Donated supplies	9.3%
Grants	11.0%
Donated services	2.3%
Investment and other income	<u>0.4%</u>
	<u>100.0%</u>

#### Use of Estimates

The preparation of the financial statements requires management to make a number of estimates and assumptions relating to the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expense during the period. Actual results could differ from those estimates.

#### Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less. The Organization invests its temporary cash investments with high credit quality financial institutions.

## **Feeding Pets of the Homeless**

Notes to Financial Statements

December 31, 2021

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### **1. Nature of Operations & Summary of Significant Accounting Policies (continued)**

#### Property and Equipment

Property and equipment with an acquisition cost in excess of \$1,000, and with an expected useful life of more than one year are capitalized at cost. Property and equipment are depreciated over their estimated useful lives of five to seven years using the straight-line method. Depreciation expense for the year ended December 31, 2021 was \$7,826.

Donations of property and equipment are recorded as support revenue at their estimated fair value. Such donations are reported as unrestricted support revenue unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support revenue. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

The Organization's policy is to capitalize renewals and betterments acquired for greater than \$1,000 and expense normal repairs and maintenance as incurred. The Organization's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered

#### Contribution Revenue

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contributions is recognized.

## Feeding Pets of the Homeless

Notes to Financial Statements

December 31, 2021

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### 1. Nature of Operations & Summary of Significant Accounting Policies (continued)

#### Contribution Revenue (continued)

All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

#### Donated Services

The Organization received donated professional services of \$90,347 for the year ended December 31, 2021. Such amounts, which are reported by the professionals donating the services, are recorded at their estimated fair value determined on the date of contribution and are reported as donated services and program services on the accompanying statement of activities and statement of functional expenses. Several volunteers, such as those serving on the board of directors, those managing collection sites and those participating in wellness clinics, made significant contributions of their time in furtherance of the Organization's mission. These services amounted to \$35,739 during the year ended December 31, 2021, and were not reflected in the accompanying statement of activities because they do not meet the necessary criteria for recognition under US GAAP.

#### Donated Supplies Inventory

Contributions of pet food and supplies are recognized at their estimated fair market values which are updated and reviewed by management on a bi-annual basis.

#### Functional Expenses

Functional expenses, which are not directly attributable to a specific function, are allocated between program and supporting services based on the employees involved, the amount of time spent, the percentage of their salary associated with that time, and management estimates. Functional expenses are considered an expense in the year incurred and, accordingly, are charged to operations on a current basis.

#### Advertising

Advertising costs are expensed as incurred and amounted to \$261,059 for the year ended December 31, 2021.

#### Tax Status

Under FASB ASC 740, the Organization recognizes a tax benefit only if it is more likely than not the tax provision would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely to be realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit is recorded.

The Organization is exempt from income tax under the IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

## Feeding Pets of the Homeless

Notes to Financial Statements

December 31, 2021

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### 1. Nature of Operations & Summary of Significant Accounting Policies (continued)

#### Concentration of Credit Risk – Cash Held at Banks

The Organization maintains its cash in bank deposit accounts which, at times, might exceed federally insured limits. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) or the Securities Investor Protection Corporation (SIPC) up to \$250,000. At December 31, 2021, the Organization had \$1,479,266 in excess of insured limits. The Organization has not experienced any losses in such accounts.

#### Recent Accounting Guidance

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). ASU 2016-02 requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the balance sheet upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance.

In 2020, the FASB delayed the implementation of this ASU for private non-profit organizations. This ASU is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The organization is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

### 2. Fair Value Measurements

The Company has adopted and implemented FASB ASC 820-10, which provides a framework for measuring fair value under GAAP. This statement defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. FASB ASC 820-10 establishes a fair value hierarchy, which prioritizes the valuation inputs into four broad levels.

Fair Values for the Company's securities are based on prices provided by its custodian banks, Morgan Stanley and Vanguard.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Fair value is based on valuation techniques for which all significant inputs are, or are based on, observable market data.

Level 3: Valuation techniques for which significant inputs are not based on observable market data.

At December 31, 2021, the Organization's financial instruments consisted of Level 1 measurements. The Organization did not have any Level 2 or Level 3 financial instruments measured at fair value on a recurring or nonrecurring basis for the year ended December 31, 2021.

## Feeding Pets of the Homeless

Notes to Financial Statements

December 31, 2021

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### 3. Investments

Investments at fair value consisted of the following as of December 31, 2021:

<u>Class</u>	<u>Level 1</u>
Cash and cash equivalents	\$2,249,334
U.S. equities	86,697
Fixed income and preferred stock	206,160
	<u>\$2,542,191</u>

Investment income and related fees consisted of the following for the year ended December 31, 2021

Interest and dividend income	\$ 5,185
Unrealized gains (losses)	(1,753)
Realized gains (losses)	17,739
Investment fees	<u>(3,424)</u>
Net investment income	<u>\$ 17,747</u>

### 4. Donated Services and Supplies

In-kind revenue from donated services for the year ended December 31, 2021 was \$90,347 and primarily included discounts given by veterinarians. In-kind revenue from donated pet food and supplies for the year ended December 31, 2021 was \$358,342.

### 5. Related Party Transactions

During the year ended December 31, 2021, a veterinarian that serves on the board of directors of the Organization provided professional veterinarian care for a total cost of \$531.

### 6. Community Foundation Endowment Agreement

The Organization entered into an Endowment Agreement with the Community Foundation of Western Nevada (the Foundation). Per the Endowment Agreement, the Organization made donations to the Foundation in the amount of \$62,000 during the year ended December 31, 2017. With the donations, the Foundation established an Endowment Fund (the Fund) in the name of the Organization. The Organization's board of directors may make recommendations for disbursements from the Fund up to 5% of the Fund balance, payable from income. In the event of a financial emergency, the Organization may request up to an additional 3%, payable from income. The Fund will be charged an administration fee of 1% annually of the average daily balance of the Fund.

Per the Endowment Agreement, should any of the purposes, restrictions, or conditions imposed upon the Fund ever become obsolete, unnecessary, incapable of fulfillment, or inconsistent with the charitable purposes or needs served by the Foundation, then the Foundation's Board of Trustees shall have the sole variance power to modify such purpose, restriction or condition.

At December 31, 2021, the Fund balance was \$305,911. For the year ended December 31, 2021, investment gain net of investment fees was \$21,751, administrative fees totaled \$2,507, and transfers to principal totaled \$0. Additionally, gifts and grants to the fund for the year ended December 31, 2021 totaled \$202,000, all of which was from the Organization.

## Feeding Pets of the Homeless

Notes to Financial Statements

December 31, 2021

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### 7. Liquidity and Availability of Resources

The following reflects the Organization's financial assets as of December 31, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position.

Financial assets at year-end	\$2,542,191
Less those unavailable for general expenditure within one year due to:	
Contractual or donor-imposed restrictions:	
Restricted by donors for use in specified programs:	<u>(109,781)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u><u>\$2,418,777</u></u>

### 8. Operating Lease Commitments

Total rent expense incurred under operating leases totaled \$30,168 for the year ended December 31, 2021. The \$30,168 of rent expense was for an operating lease for office space.

The Organization leases its office space. The following table represents future minimum lease payments required under operating leases for the Organization's office space for years ending December 31, 2021:

	2022	31,512
	2023	<u>15,968</u>
Total minimum lease payments	\$	<u><u>47,480</u></u>

Deferred rent consists of the excess of the rental expenses on a straight-line basis over the payments required by the lease and is included in long-term liabilities in the statement of financial position. As of December 31, 2021, the deferred rent liability balance was \$2,228.

### 9. Net Assets

Net assets with donor restrictions were as follows for the year ended December 31, 2021:

Specific Purpose		
Veteran pet care program	\$	53,957
Geographic restriction		52,610
Special project restriction		<u>3,213</u>
Total	\$	<u><u>109,780</u></u>

**Feeding Pets of the Homeless**

Notes to Financial Statements

December 31, 2021

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**9. Net Assets (continued)**

Net assets without donor restrictions for the year ended December 31, 2021 are as follows:

Undesignated	\$	<u>2,453,360</u>
Total	\$	<u><u>2,453,360</u></u>

Net assets released from net assets with donor restrictions are as follows:

<b>Satisfaction of Purpose Restrictions</b>		
Veteran pet care program	\$	11,042
Care restriction		16,000
Geographic restriction		16,040
Special project restriction		<u>787</u>
Total	\$	<u><u>43,869</u></u>