

**LEAGUE FOR ANIMAL WELFARE**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021 AND 2020**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
League for Animal Welfare

### ***Opinion***

I have audited the accompanying financial statements of League for Animal Welfare (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of League for Animal Welfare as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

I conducted the audit in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. I am required to be independent of League for Animal Welfare to meet other ethical responsibilities in accordance with the relevant ethical requirements relating to the audit. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my 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 League for Animal Welfare's 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***

My objective is 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 my 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, including omissions, 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, I:

- 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 my 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.

I am 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 I identified during the audit.

*Kathleen F. Wesp CPA*

Kathleen F. Wesp, CPA

May 5, 2022

LEAGUE FOR ANIMAL WELFARE  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2021 AND 2020

ASSETS		
	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 300,289	\$ 312,756
Accounts receivable	1,675	4,138
Pledge receivable	100,000	200,000
Investments, at market value	6,533,985	4,029,635
Prepaid expenses	3,853	5,023
Property and equipment, net	<u>3,028,333</u>	<u>3,152,558</u>
 TOTAL ASSETS	 <u><u>\$ 9,968,135</u></u>	 <u><u>\$ 7,704,110</u></u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Line of credit	\$ -	\$ 755,055
Accounts payable	52,555	72,413
Accrued expenses	105	115
Note payable - SBA	<u>150,000</u>	<u>150,000</u>
TOTAL LIABILITIES	<u>202,660</u>	<u>977,583</u>
 NET ASSETS		
Without donor restriction	9,751,701	6,726,527
With donor restriction	<u>13,774</u>	<u>-</u>
TOTAL NET ASSETS	<u><u>9,765,475</u></u>	<u><u>6,726,527</u></u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 9,968,135</u></u>	 <u><u>\$ 7,704,110</u></u>

See notes to financial statements

LEAGUE FOR ANIMAL WELFARE  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<b>SUPPORT</b>						
Contributions and grants	\$ 3,534,924	\$ 41,000	\$ 3,575,924	\$ 813,485	\$ -	\$ 813,485
Adoption fees	112,280	-	112,280	110,020	-	110,020
Program fees	9,031	-	9,031	88,157	-	88,157
In-kind contributions	19,064	-	19,064	13,874	-	13,874
Merchandise sales less cost of goods	(2,750)	-	(2,750)	(1,381)	-	(1,381)
Other income	3,482	-	3,482	29,121	-	29,121
Special events less direct cost	2,881	-	2,881	8,840	-	8,840
Investment earnings (losses), net	927,768	-	927,768	407,699	-	407,699
Net assets released from restriction	27,226	(27,226)	-	3,467	(3,467)	-
<b>TOTAL SUPPORT</b>	<b>4,633,906</b>	<b>13,774</b>	<b>4,647,680</b>	<b>1,473,282</b>	<b>(3,467)</b>	<b>\$ 1,469,815</b>
<b>EXPENSES</b>						
Animal Care	1,461,334	-	1,461,334	1,335,584	-	1,335,584
Management and general	109,773	-	109,773	131,606	-	131,606
Fundraising	37,625	-	37,625	60,277	-	60,277
<b>TOTAL EXPENSES</b>	<b>1,608,732</b>	<b>-</b>	<b>1,608,732</b>	<b>1,527,467</b>	<b>-</b>	<b>1,527,467</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>3,025,174</b>	<b>13,774</b>	<b>3,038,948</b>	<b>(54,185)</b>	<b>(3,467)</b>	<b>(57,652)</b>
<b>NET ASSETS BEGINNING OF YEAR</b>	<b>6,726,527</b>	<b>-</b>	<b>6,726,527</b>	<b>6,780,712</b>	<b>3,467</b>	<b>6,784,179</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 9,751,701</b>	<b>\$ 13,774</b>	<b>\$ 9,765,475</b>	<b>\$ 6,726,527</b>	<b>\$ -</b>	<b>\$ 6,726,527</b>

See notes to financial statements

LEAGUE FOR ANIMAL WELFARE  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,038,948	\$ (57,652)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	129,025	148,803
Unrealized/realized change in market value	(811,128)	(345,661)
Changes in:		
Pledge and accounts receivable	102,463	101,118
Prepaid expenses	1,170	(470)
Accounts payable	(19,858)	5,744
Accrued expenses	(110)	(7,344)
NET CASH USED (PROVIDED) BY OPERATING ACTIVITIES	<u>2,440,510</u>	<u>(155,462)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of securities	2,611,796	1,800,603
Purchase of securities	(4,305,018)	(1,512,337)
Purchase of equipment	(4,800)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(1,698,022)</u>	<u>288,266</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	-	149,900
Payments on line of credit	(754,955)	(270,000)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(754,955)</u>	<u>(120,100)</u>
NET CHANGE IN CASH	(12,467)	12,704
CASH AT BEGINNING OF YEAR	<u>312,756</u>	<u>300,052</u>
CASH AT END OF YEAR	<u>\$ 300,289</u>	<u>\$ 312,756</u>

See notes to financial statements

LEAGUE FOR ANIMAL WELFARE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020

	ANIMAL CARE	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL	2020
Annex	\$ -	\$ 2,117	\$ -	\$ 2,117	\$ 2,550
Bank fees	8,156	-	462	8,618	10,938
Bottle feeding program	-	-	-	-	11,741
Clinic supplies	70,660	-	-	70,660	75,785
Communications	11,056	3,426	1,090	15,572	16,152
Consulting	-	-	-	-	2,950
Continuing education	5,304	2,750	-	8,054	1,524
Depreciation	126,445	1,290	1,290	129,025	148,803
Dues and memberships	3,543	-	-	3,543	2,805
Employee appreciation	887	-	-	887	515
Fundraising	-	-	528	528	2,192
Grounds	28,858	292	-	29,150	23,845
Health insurance	35,377	4,633	2,106	42,116	49,756
Information technology	25,679	262	262	26,203	20,988
Insurance	12,640	2,192	-	14,832	15,571
Interest	11,242	-	-	11,242	20,536
Kennel supplies	73,934	-	-	73,934	33,939
Marketing	5,700	-	5,699	11,399	15,890
Mileage reimbursement	1,889	-	-	1,889	-
Miscellaneous	-	308	-	308	-
Newsletter	-	-	6,342	6,342	6,782
None left behind program	28,515	-	-	28,515	26,616
Office expense	13,487	1,060	475	15,022	12,452
Payroll processing	4,445	582	265	5,292	5,318
Payroll taxes	49,175	6,217	1,130	56,522	62,257
Pre-hire expense	4,237	-	-	4,237	5,336
Professional fees	-	7,751	-	7,751	19,045
Salaries	596,159	75,386	13,780	685,325	757,542
Shelter exterior	293	-	-	293	2,661
Shelter interior	19,973	1,051	-	21,024	17,572
Spay and neuter vouchers	43,647	-	-	43,647	26,850
Stewardship	-	-	3,862	3,862	915
Uniforms	1,085	121	-	1,206	2,415
Utilities	32,777	335	334	33,446	29,876
Vehicle	9,007	-	-	9,007	11,400
Veterinary	235,233	-	-	235,233	82,976
Volunteer training	1,931	-	-	1,931	974
	<u>\$ 1,461,334</u>	<u>\$ 109,773</u>	<u>\$ 37,625</u>	<u>\$ 1,608,732</u>	<u>\$ 1,527,467</u>

See notes to financial statements



LEAGUE FOR ANIMAL WELFARE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	ANIMAL CARE	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL
Annex	\$ -	\$ 2,550	\$ -	\$ 2,550
Bank fees	10,407	-	531	10,938
Bottle feeding program	11,741	-	-	11,741
Communications	11,468	3,553	1,131	16,152
Consulting	-	2,950	-	2,950
Continuing education	1,524	-	-	1,524
Depreciation	147,166	1,488	149	148,803
Dues and memberships	2,465	22	318	2,805
Employee appreciation	515	-	-	515
Fundraising	-	-	2,192	2,192
Grounds	23,607	238	-	23,845
Health insurance	44,283	5,473	-	49,756
Information technology	20,568	210	210	20,988
Insurance	13,873	1,557	141	15,571
Interest	20,536	-	-	20,536
Kennel supplies	33,939	-	-	33,939
Marketing	7,945	-	7,945	15,890
Medical RV and clinic	75,785	-	-	75,785
Mileage reimbursement	-	-	-	-
Newsletter	-	-	6,782	6,782
None left behind program	26,616	-	-	26,616
Office expense	10,267	1,436	749	12,452
Payroll processing	4,636	585	97	5,318
Payroll taxes	52,268	6,848	3,141	62,257
Pre-hire expense	5,336	-	-	5,336
Professional fees	-	19,045	-	19,045
Salaries	638,512	83,330	35,700	757,542
Shelter exterior	2,661	-	-	2,661
Shelter interior	15,815	1,757	-	17,572
Spay and neuter vouchers	26,850	-	-	26,850
Stewardship	-	-	915	915
Uniforms	2,149	266	-	2,415
Utilities	29,302	298	276	29,876
Vehicle	11,400	-	-	11,400
Veterinary	82,976	-	-	82,976
Volunteer training	974	-	-	974
	<u>\$ 1,335,584</u>	<u>\$ 131,606</u>	<u>\$ 60,277</u>	<u>\$ 1,527,467</u>

See notes to financial statements

LEAGUE FOR ANIMAL WELFARE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

**NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the League for Animal Welfare is presented to assist in understanding the organization's financial statements. The financial statements and notes are representations of the organization's management who is responsible for the integrity and objectivity of the financial statements.

**Nature of Operations**

Founded in 1949, League for Animal Welfare provides much needed care for unwanted, lost and neglected cats and dogs in the community. As the oldest and one of the largest no-kill shelters in the area, the League serves the Greater Cincinnati area through initiatives to reduce the number of homeless animals and to help people better care for their pets. Using the resources of its dedicated staff, volunteers and supports, the League provides medical care, behavioral training and socialization needed to match homeless animals with lifelong homes. The League's shelter has the capacity to care for approximately 40 dogs and 100 cats with the permanent placement in appropriate, screened and loving homes. Volunteers foster additional dogs and cats and bottle-feed kittens and puppies in their own homes until they are eligible for adoption. In 2019 construction was completed on the new "Sis & Dick Miller Wellness Clinic" which will provide veterinary care for all of the shelters' animals, other area shelters and rescues and the community at large.

**Basis of Presentation**

The financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified 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. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

**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 passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

**Revenue and Revenue Recognition**

The organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with measureable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

LEAGUE FOR ANIMAL WELFARE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

**NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Revenue and Revenue Recognition - continued**

Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of donated assets. When a restriction expires, that is, when the stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

**Donated Services and In-Kind Contributions**

Donated services are recognized as contribution if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization. The organization relies on many volunteers to carry out its programs but no amounts have been recorded in the statements of activities because the criteria for recognition have not been satisfied. Contributed supplies are recorded at fair value the date of donation. \$19,064 and \$13,874 was recognized for the years ended December 31, 2021 and 2020, respectively.

**Cash and Cash Equivalents**

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. Cash and highly liquid financial instruments restricted to building projects or other long term purposes are excluded from this definition.

**Investments**

Investments are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair value in the statements of financial position. Net investment return/loss is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

**Accounts and pledge receivable**

The organization considers all contributions receivable to be fully collectible; accordingly no allowance for doubtful accounts is considered necessary

LEAGUE FOR ANIMAL WELFARE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

**NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Property and Equipment**

Property and equipment is stated at cost, or if donated, at the approximate fair market value at the date of donation. Depreciation expense is computed on the straight-line method over the estimated useful life of the assets. Expenditures for major renewals and betterments that extend the useful lives of fixed assets are capitalized. Expenditures for maintenance and repairs are charged to expenses as incurred. Depreciation was \$129,025 and \$148,803 during 2021 and 2020.

**Fair Value of Financial Instruments**

Assets and liabilities measured at fair value are categorized into one of three different levels depending on the observability of the inputs employed in their measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are market-observable inputs for measuring the asset or liability other than quoted prices included within Level 1. Level 3 inputs are observable inputs for measuring the asset or liability reflecting significant modifications to observable related market data or the organization's assumptions about pricing by market participants. The carrying amounts of cash and cash equivalents, accounts payable and accrued expenses approximate fair value due to the short-term nature of the items, and are considered to fall within Level 1 of the fair value hierarchy.

**Advertising**

Advertising and marketing is expensed as incurred. Expenses for the years ending December 31, 2021 and 2020 was \$11,399 and \$15,890, respectively.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include: caretaker house, communications, depreciation, grounds, information technology, insurance, shelter interior and exterior, and, utilities which are allocated on a square-footage basis, as well as payroll and payroll taxes which are allocated on the basis of estimates of time and effort.

**Income Taxes**

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code pursuant to a determination letter from the Internal Revenue Service. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions. The Organization's returns are subject to examination by the IRS generally for 3 years from filing date. Management believes that all positions taken in the tax returns would be sustained upon examination based on the technical merits should the returns be examined. For the years ended December 31, 2021 and 2020, there were no income tax penalties and interest recorded.

LEAGUE FOR ANIMAL WELFARE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

**NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

**Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

**Concentration and Credit Risk**

The Organization manages deposit concentration risk by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, no losses have been experienced in any of those accounts.

**NOTE #2 – CONTRIBUTIONS RECEIVABLE**

Contributions receivable consist of the following:

	2021	2020
Contributions due in less than one year		
More than a shelter campaign	\$100,000	\$100,000
Total due in less than one year	\$100,000	\$100,000
Contributions due in more than one year		
More than a shelter campaign	-0-	\$100,000
Total due in more than one year	-0-	\$100,000
	\$100,000	\$200,000

These receivables are recorded at their face amounts rather than being reduced to their net present values because the amount of discounts would be immaterial to the financial statements.

**NOTE #3 - INVESTMENTS**

Long term investments, carried at market value based on quoted prices in active markets (all level 1 measurements) at December 31, 2020 and 2019 consisted of the following:

	2021	2021 Cost	2020	2020 Cost
Cash and money funds	\$ 159,504	\$ 159,504	\$ 125,969	\$ 125,969
Fixed income	654,857	648,699	1,164,703	1,114,384
Equities	5,719,624	4,352,392	2,738,963	2,148,313
	\$6,533,985	\$5,160,595	\$4,029,635	\$3,388,666

LEAGUE FOR ANIMAL WELFARE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

**NOTE #4 – PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2021 and 2020 consisted of the following:

	2021	2020
Equipment and furniture	\$ 369,365	\$ 364,565
Buildings and improvements	3,254,535	3,254,535
Medical RV and equipment	164,544	164,544
Vehicles	154,069	154,069
Land	632,742	632,742
	4,575,255	4,570,455
Less: accumulated depreciation	(1,546,922)	(1,417,897)
	<u>\$ 3,028,333</u>	<u>\$ 3,152,558</u>

**NOTE #5 – LINE OF CREDIT**

In 2019, the organization obtained a line of credit in the amount of \$1,500,000 from PNC Bank secured by a pledge of the organization's investment account. It bears interest at the Daily LIBOR rate plus 1.6%, resulting in an interest rate of 2.1% and 1.7% as of December 31, 2021 and 2020, respectively. The outstanding balance on the line of credit was \$-0- and \$755,055 for the years ended 2021 and 2020.

**NOTE # 6- PAYCHECK PROTECTION PROGRAM LOAN**

The organization was granted a \$152,800 loan under the Paycheck Protection Program "PPP" administered by a Small Business Administration (SBA) approved partner during 2020. The loan is uncollateralized and is fully guaranteed by the Federal government. The organization initially recorded the loan as a refundable advance and subsequently recognized revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. Loan was forgiven. \$152,800 of revenue was recognized for the year ended December 31, 2020.

The organization qualified and received a second Paycheck Protection Program Loan in the amount of \$150,000 in 2021. The loan also qualified for full forgiveness and the amount was recognized as revenue for 2021.

LEAGUE FOR ANIMAL WELFARE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

**NOTE # 7- NOTE PAYABLE**

During 2020, the organization entered into a secured disaster loan through the U.S. Small Business Administration for \$150,000. The loan is for 30 years and carries an interest rate of 2.75%. The required principal and interest payments of \$641 per month begin in July 2022. The loan is secured by all tangible and intangible personal property.

Loan payable at December 31, 2021	\$ 150,000
Less: current portion	<u>(1,526)</u>
Loan payable, net of current portion	<u>\$ 148,474</u>

Future principal payments on the loan payable are as follows at December 31:

2022	\$ 1,526
2023	3,125
2024	3,223
2025	3,325
2026 and thereafter	<u>138,801</u>
	<u>\$ 150,000</u>

**NOTE #8- NET ASSETS WITH DONOR RESTRICTION**

Net assets with donor restrictions are restricted for the following purposes:

	<u>2021</u>	<u>2020</u>
Commercial washer	\$ 6,000	\$ -0-
Clermont County Assistance	<u>7,774</u>	<u>-0-</u>
	<u>\$ 13,774</u>	<u>\$ -0-</u>

**NOTE #9- LEASES**

The organization has a lease for office equipment that will expired in 2024

Future minimum lease payments are as follows:

2022	\$ 4,048
2023	4,048
2024	2,359
2025	-0-
2026 and thereafter	<u>-0-</u>
Total minimum lease payments	<u>\$ 10,455</u>

LEAGUE FOR ANIMAL WELFARE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

**NOTE #10– LIQUIDITY AND AVAILABILITY**

The following reflects the Organization’s financial assets reduced by amounts not available for general use within 12 months because of contractual or donor-imposed restrictions.

	2021	2020
Financial assets at year end	\$6,935,949	\$4,446,529
Less: funds unavailable for general expenditures within one year		
Restricted by donor for specific purposes	(13,774)	-0-
Financial assets available to meet cash needs for general operations within one year	<u>\$6,922,175</u>	<u>\$4,446,529</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity needs, the organization has a line of credit for \$1,500,000, with \$1,500,000 and \$744,945 available at December 31, 2021 and 2020, respectively.

**NOTE #11– CONTINGENCIES**

In 2003, a parcel of land in Alaska was donated to the organization with a fair market value at that time of \$56,700. Since no valid deed to the property could be obtained, the land value was removed from the books and no further real estate taxes were paid. In 2020, the organization was notified by the Kenai Peninsula Borough that it intended to take a clerk’s deed to the property on or about November 13, 2020. The notice further indicated that rights to redeem the property would cease.

**NOTE #12– SUBSEQUENT EVENTS**

On March 11, 2020, the World Health Organization declared the Coronavirus (COVID-19) a pandemic. The spread of COVID-19, or any similar outbreaks in the future, may adversely impact the local, regional, national and global economies. The extent to which COVID-19 impacts the organization’s operating results is dependent on the breadth and duration of the pandemic and could be affected by other factors management is not currently able to predict. Potential impacts include, but are not limited to, additional costs for responding to COVID-19, delays, loss of, or reduction to funding and support. Management believes the organization is taking appropriate actions to respond to the pandemic, however, the full impact is unknown and cannot be reasonably estimated at the date the financial statements were available to be issued.



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**NOTE #12- SUBSEQUENT EVENTS - CONTINUED**

The organization has evaluated subsequent events for recognition and disclosure through May 5, 2022, the date the financial statements were available to be issued. Through that date, there were no events requiring adjustments to or disclosures in the financial statements except as disclosed.