

LEAGUE FOR ANIMAL WELFARE

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
League for Animal Welfare

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, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit. I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Kathleen F. Wesp CPA

Kathleen F. Wesp, CPA
April 8, 2021

LEAGUE FOR ANIMAL WELFARE
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 312,756	\$ 300,052
Accounts receivable	4,138	5,256
Pledge receivable	200,000	300,000
Investments, at market value	4,029,635	3,972,240
Prepaid expenses	5,023	4,553
Property and equipment, net	<u>3,152,558</u>	<u>3,301,361</u>
 TOTAL ASSETS	 <u>\$ 7,704,110</u>	 <u>\$ 7,883,462</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Line of credit	\$ 755,055	\$ 1,025,055
Accounts payable	72,413	66,669
Accrued expenses	115	7,559
Note payable - SBA	<u>150,000</u>	<u>-</u>
TOTAL LIABILITIES	<u>977,583</u>	<u>1,099,283</u>

NET ASSETS

Without donor restriction	6,726,527	6,780,712
With donor restriction	<u>-</u>	<u>3,467</u>
TOTAL NET ASSETS	<u>6,726,527</u>	<u>6,784,179</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,704,110</u>	<u>\$ 7,883,462</u>
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See notes to financial statements

LEAGUE FOR ANIMAL WELFARE
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
SUPPORT						
Contributions and grants	\$ 813,485	\$ -	\$ 813,485	\$ 761,815	\$ 313,551	\$ 1,075,366
Adoption fees	110,020	-	110,020	110,515	-	110,515
Program fees	88,157	-	88,157	50,295	-	50,295
In-kind contributions	13,874	-	13,874	22,623	-	22,623
Merchandise sales less cost of goods	(1,381)	-	(1,381)	1,802	-	1,802
Other income	29,121	-	29,121	1,142	-	1,142
Special events less direct cost	8,840	-	8,840	19,603	-	19,603
Investment earnings (losses), net	407,699	-	407,699	700,365	-	700,365
Net assets released from restriction	3,467	(3,467)	-	1,105,231	(1,105,231)	-
TOTAL SUPPORT	1,473,282	(3,467)	1,469,815	2,773,391	(791,680)	\$ 1,981,711
EXPENSES						
Animal Care	1,335,584	-	1,335,584	1,341,107	-	1,341,107
Management and general	131,606	-	131,606	145,285	-	145,285
Fundraising	60,277	-	60,277	134,746	-	134,746
TOTAL EXPENSES	1,527,467	-	1,527,467	1,621,138	-	1,621,138
INCREASE (DECREASE) IN NET ASSETS	(54,185)	(3,467)	(57,652)	1,152,253	(791,680)	360,573
NET ASSETS BEGINNING OF YEAR	6,780,712	3,467	6,784,179	5,628,459	795,147	6,423,606
NET ASSETS, END OF YEAR	\$ 6,726,527	\$ -	\$ 6,726,527	\$ 6,780,712	\$ 3,467	\$ 6,784,179

See notes to financial statements

LEAGUE FOR ANIMAL WELFARE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (57,652)	\$ 360,573
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	148,803	116,507
Unrealized/realized change in market value	(345,661)	(608,656)
Contributions restricted for construction	-	(293,051)
Changes in:		
Pledge and accounts receivable	101,118	94,744
Prepaid expenses	(470)	(2,000)
Accounts payable	5,744	33,009
Accrued expenses	(7,344)	4,466
NET CASH USED (PROVIDED) BY OPERATING ACTIVITIES	<u>(155,462)</u>	<u>(294,408)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of securities	1,800,603	7,565,752
Purchase of securities	(1,512,337)	(7,413,861)
Purchase of equipment	-	(138,786)
Construction in progress payments	-	(1,375,062)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>288,266</u>	<u>(1,361,957)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	-	1,025,055
Proceeds from note payable	149,900	-
Payments on line of credit	(270,000)	-
Contributions restricted for construction	-	293,051
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(120,100)</u>	<u>1,318,106</u>
NET CHANGE IN CASH	12,704	(338,259)
CASH AT BEGINNING OF YEAR	<u>300,052</u>	<u>638,311</u>
CASH AT END OF YEAR	<u><u>\$ 312,756</u></u>	<u><u>\$ 300,052</u></u>

See notes to financial statements

LEAGUE FOR ANIMAL WELFARE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019

	ANIMAL CARE	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL	2019
Annex	\$ -	\$ 2,550	\$ -	\$ 2,550	\$ 4,806
Bank fees	10,407	-	531	10,938	8,857
Bottle feeding program	11,741	-	-	11,741	1,397
Communications	11,468	3,553	1,131	16,152	18,478
Consulting	-	2,950	-	2,950	129
Continuing education	1,524	-	-	1,524	40
Depreciation	147,166	1,488	149	148,803	116,507
Dues and memberships	2,465	22	318	2,805	2,281
Employee appreciation	515	-	-	515	160
Fundraising	-	-	2,192	2,192	5,468
Grounds	23,607	238	-	23,845	31,662
Health insurance	44,283	5,473	-	49,756	96,047
Information technology	20,568	210	210	20,988	24,542
Insurance	13,873	1,557	141	15,571	9,725
Interest	20,536	-	-	20,536	12,735
Kennel supplies	33,939	-	-	33,939	77,769
Marketing	7,945	-	7,945	15,890	38,488
Medical RV and clinic	75,785	-	-	75,785	94,203
Mileage reimbursement	-	-	-	-	2,346
Newsletter	-	-	6,782	6,782	8,212
None left behind program	26,616	-	-	26,616	22,611
Office expense	10,267	1,436	749	12,452	26,312
Payroll processing	4,636	585	97	5,318	2,388
Payroll taxes	52,268	6,848	3,141	62,257	65,017
Pre-hire expense	5,336	-	-	5,336	1,326
Professional fees	-	19,045	-	19,045	13,089
Salaries	638,512	83,330	35,700	757,542	783,662
Shelter exterior	2,661	-	-	2,661	2,057
Shelter interior	15,815	1,757	-	17,572	20,088
Spay and neuter vouchers	26,850	-	-	26,850	45,725
Stewardship	-	-	915	915	2,570
Uniforms	2,149	266	-	2,415	3,356
Utilities	29,302	298	276	29,876	29,847
Vehicle	11,400	-	-	11,400	7,762
Veterinary	82,976	-	-	82,976	39,888
Volunteer training	974	-	-	974	1,588
	<u>\$ 1,335,584</u>	<u>\$ 131,606</u>	<u>\$ 60,277</u>	<u>\$ 1,527,467</u>	<u>\$ 1,621,138</u>

See notes to financial statements

LEAGUE FOR ANIMAL WELFARE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	ANIMAL CARE	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL
Annex	\$ 480	\$ 1,442	\$ 2,884	\$ 4,806
Bank fees	4,163	-	4,694	8,857
Bottle feeding program	1,397	-	-	1,397
Communications	18,108	185	185	18,478
Consulting	129	-	-	129
Continuing education	40	-	-	40
Depreciation	114,177	1,165	1,165	116,507
Dues and memberships	570	570	1,141	2,281
Employee appreciation	160	-	-	160
Fundraising	-	-	5,468	5,468
Grounds	31,029	317	316	31,662
Health insurance	76,838	10,565	8,644	96,047
Information technology	24,052	245	245	24,542
Insurance	9,725	-	-	9,725
Interest	12,735	-	-	12,735
Kennel supplies	77,769	-	-	77,769
Marketing	18,090	1,924	18,474	38,488
Medical RV and clinic	94,203	-	-	94,203
Mileage reimbursement	939	469	938	2,346
Newsletter	-	-	8,212	8,212
None left behind program	22,611	-	-	22,611
Office expense	2,631	21,050	2,631	26,312
Payroll processing	1,910	263	215	2,388
Payroll taxes	52,052	7,130	5,835	65,017
Pre-hire expense	1,326	-	-	1,326
Professional fees	-	13,089	-	13,089
Salaries	626,930	86,203	70,529	783,662
Shelter exterior	2,057	-	-	2,057
Shelter interior	20,088	-	-	20,088
Spay and neuter vouchers	45,725	-	-	45,725
Stewardship	-	-	2,570	2,570
Uniforms	2,685	369	302	3,356
Utilities	29,250	299	298	29,847
Vehicle	7,762	-	-	7,762
Veterinary	39,888	-	-	39,888
Volunteer training	1,588	-	-	1,588
	<u>\$ 1,341,107</u>	<u>\$ 145,285</u>	<u>\$ 134,746</u>	<u>\$ 1,621,138</u>

See notes to financial statements

LEAGUE FOR ANIMAL WELFARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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.

During 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.

LEAGUE FOR ANIMAL WELFARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue and Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance outlines a single comprehensive model for accounting for revenue from contracts with customers. The Organization adopted the standard on January 1, 2019. Adoption and program fees contain a single delivery element and revenue is recognized at time of service. Special event revenue is equal to the fair value of direct benefit to donors, and contributions revenue for the difference. Analysis of various provisions of this standard resulted in no significant changes in the way revenue was recognized and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

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.

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.

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.

LEAGUE FOR ANIMAL WELFARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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 \$148,803 and \$116,507 during 2020 and 2019.

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, 2020 and 2019 was \$15,890 and \$38,488, 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.

LEAGUE FOR ANIMAL WELFARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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, 2020 and 2019, there were no income tax penalties and interest recorded.

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:

	<u>2020</u>	<u>2019</u>
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	100,000	\$200,000
Total due in more than one year	100,000	\$200,000
	<u>\$200,000</u>	<u>\$300,000</u>

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.

LEAGUE FOR ANIMAL WELFARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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:

	2020	2020 Cost	2019	2019 Cost
Cash and money funds	\$ 125,969	\$ 125,969	\$ 99,474	\$ 99,474
Fixed income	1,164,703	1,114,384	1,195,023	1,173,459
Equities	2,738,963	2,148,313	2,677,743	2,403,486
	<u>\$4,029,635</u>	<u>\$3,388,666</u>	<u>\$3,972,240</u>	<u>\$3,676,419</u>

NOTE #4 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2020 and 2019 consisted of the following:

	2020	2019
Equipment and furniture	\$ 364,565	\$ 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
	<u>4,570,455</u>	<u>4,570,455</u>
Less: accumulated depreciation	<u>(1,417,897)</u>	<u>(1,269,094)</u>
	<u>\$ 3,152,558</u>	<u>\$ 3,301,361</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 1.74% and 3.3625% as of December 31, 2020 and 2019, respectively. The outstanding balance on the line of credit was \$755,055 and \$1,025,055 for the years ended 2020 and 2019.

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. 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.

LEAGUE FOR ANIMAL WELFARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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 2021. The loan is secured by all tangible and intangible personal property.

Loan payable at December 31, 2020	\$ 150,000
Less: current portion	(1,526)
Loan payable, net of current portion	<u>148,474</u>
Loan payable, net of current portion	<u>\$ 148,474</u>

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

2021	\$ 1,546
2022	3,125
2023	3,223
2024	3,325
2025 and thereafter	<u>138,781</u>
	<u>\$ 150,000</u>

NOTE #8- NET ASSETS WITH DONOR RESTRICTION

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

	<u>2020</u>	<u>2018</u>
Cat shelving	\$ -0-	2,333
Agricultural grant	-0-	1,134
	<u>\$ -0-</u>	<u>\$ 3,467</u>

NOTE #9- LEASES

The organization has a lease for office equipment that will expired in 2020. A new lease was signed in July 2020 for 48 months

Future minimum lease payments are as follows:

2021	\$ 4,048
2022	4,048
2023	4,048
2024	2,359
2025 and thereafter	<u>-0-</u>
Total minimum lease payments	<u>\$ 14,503</u>

LEAGUE FOR ANIMAL WELFARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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.

	2020	2019
Financial assets at year end	\$4,446,529	\$4,377,548
Less: funds unavailable for general expenditures within one year		
Restricted by donor for specific purposes	-0-	(3,467)
Financial assets available to meet cash needs for general operations within one year	<u>\$4,446,529</u>	<u>\$4,374,081</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 \$744,945 and \$474,945 available at December 31, 2020 and 2019, 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.

LEAGUE FOR ANIMAL WELFARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE #12- SUBSEQUENT EVENTS - CONTINUED

The organization qualified and received a second Paycheck Protection Program Loan in the amount of \$150,000. The loan qualifies for full forgiveness if certain criteria is met.

The organization has evaluated subsequent events for recognition and disclosure through April 8, 2021, 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.