

**Animal Friends, Inc.**  
562 Camp Horne Road  
Pittsburgh, PA 15237

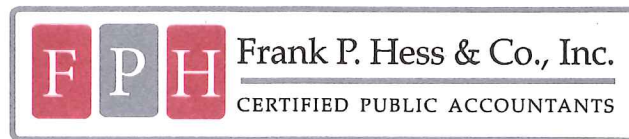
FINANCIAL REPORT

December 31, 2019 AND 2018

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### **Independent Auditor's Report**

To the Board of Directors  
of Animal Friends, Inc.:

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Animal Friends, Inc., (a nonprofit organization) which comprise the balance sheet as of December 31, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

#### **Management's Responsibility 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 of America; 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.

#### **Auditor's Responsibility**

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

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

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Animal Friends, Inc., as of December 31, 2019, 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.

#### **Report on Summarized Comparative Information**

We have previously audited the Animal Friends, Inc.'s 2018 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated July 19, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent in all material respects, with the audited financial statements from which it has been derived.

Pittsburgh, PA  
August 19, 2020

*Frank P. Hess & Co., Inc.*

# ANIMAL FRIENDS, INC.

## BALANCE SHEET

DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION AT DECEMBER 31, 2018

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>ASSETS</u>				
Cash and Cash Equivalents (Note 2)	\$ 1,715,654	\$ 57,686	\$ 1,773,340	\$ 3,663,476
Investments (Note 3)	1,675,047	3,823,207	5,498,254	3,973,087
Receivables (Note 4)	0	550,150	550,150	792,769
Inventory	49,577	0	49,577	55,790
Prepaid Expenses	53,889	0	53,889	106,474
Property, Plant and Equipment - Net (Note 5)	12,493,459	0	12,493,459	12,981,519
Assets Held In Trust (Note 6)	0	3,471,481	3,471,481	2,695,866
<u>TOTAL ASSETS</u>	<u>\$ 15,987,626</u>	<u>\$ 7,902,524</u>	<u>\$ 23,890,150</u>	<u>\$ 24,268,981</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 106,824	\$ 0	\$ 106,824	\$ 56,632
Accrued Expenses	231,794	0	231,794	227,973
Debt (Note 7)	5,515,939	0	5,515,939	5,724,718
<u>Total Liabilities</u>	<u>5,854,557</u>	<u>0</u>	<u>5,854,557</u>	<u>6,009,323</u>
<u>Net Assets (Note 8)</u>				
Without Donor Restrictions	10,133,069	0	10,133,069	11,209,702
With Donor Restrictions	0	7,902,524	7,902,524	7,049,956
<u>Total Net Assets</u>	<u>10,133,069</u>	<u>7,902,524</u>	<u>18,035,593</u>	<u>18,259,658</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 15,987,626</u>	<u>\$ 7,902,524</u>	<u>\$ 23,890,150</u>	<u>\$ 24,268,981</u>

See Notes to Financial Statements

# ANIMAL FRIENDS, INC.

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2019</u>			<u>2018</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
<u>SUPPORT AND REVENUE</u>				
Donations and Grants (Note 9)	\$ 1,676,168	\$ 843,664	\$ 2,519,832	\$ 3,142,334
Legacies	1,400,542	227,031	1,627,573	3,276,531
Fund Raisers (Net of \$457,575 Direct Costs)	768,989	0	768,989	790,134
Investment Income (Note 10)	179,539	562,249	741,788	(131,566)
Trust Income (Loss) (Note 11)	0	677,344	677,344	(164,710)
Net Assets Released From Restrictions: Satisfaction of Donor Restrictions	<u>1,457,720</u>	<u>(1,457,720)</u>	<u>0</u>	<u>0</u>
	<u>5,482,958</u>	<u>852,568</u>	<u>6,335,526</u>	<u>6,912,723</u>
<u>EXPENSES (Note 12)</u>				
Program	5,610,159	0	5,610,159	5,885,255
Administration	440,884	0	440,884	419,884
Fund Raising	<u>508,548</u>	<u>0</u>	<u>508,548</u>	<u>590,758</u>
	<u>6,559,591</u>	<u>0</u>	<u>6,559,591</u>	<u>6,895,897</u>
<u>NET ACTIVITY</u>	(1,076,633)	852,568	(224,065)	16,826
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>11,209,702</u>	<u>7,049,956</u>	<u>18,259,658</u>	<u>18,242,832</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 10,133,069</u>	<u>\$ 7,902,524</u>	<u>\$ 18,035,593</u>	<u>\$ 18,259,658</u>

See Notes to Financial Statements

# ANIMAL FRIENDS, INC.

## STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ (224,065)	\$ 16,826
Add (Deduct) Items Not Affecting Cash:		
Depreciation	500,223	530,322
Capital (Gains) Losses	(557,157)	283,199
Noncash Trust (Income) Loss	(677,344)	164,710
Change in Inventory	6,213	4,452
Change in Prepaid Expenses	52,585	(11,305)
Change in Assets Held in Trust	(98,271)	120,237
Change in Accounts Payable	50,192	(47,750)
Change in Accrued Expenses	3,821	48,419
Donations Restricted to Long Term Use	(227,031)	(562,596)
<u>NET CASH FLOWS FROM OPERATIONS</u>	<u>(1,170,834)</u>	<u>546,514</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Marketable Investments	(3,509,995)	(2,260,398)
Sale of Marketable Investments	2,541,985	1,742,220
Purchase of Property, Plant and Equipment	(12,163)	(88,109)
<u>NET CASH FLOWS FROM INVESTING ACTIVITIES</u>	<u>(980,173)</u>	<u>(606,287)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Donations Restricted to Long Term Use	227,031	562,596
Change in Receivables	242,619	340,290
Repayment on Loan	(208,779)	(217,703)
<u>NET CASH FLOWS FROM FINANCING ACTIVITIES</u>	<u>260,871</u>	<u>685,183</u>
<u>NET CASH FLOWS</u>	<u>(1,890,136)</u>	<u>625,410</u>
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	<u>3,663,476</u>	<u>3,038,066</u>
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>\$ 1,773,340</u>	<u>\$ 3,663,476</u>
<u>SUPPLEMENTAL DISCLOSURES</u>		
Cash paid for interest	<u>\$ 180,917</u>	<u>\$ 171,993</u>

Noncash donations valued at \$222,312 and \$202,799 were received in 2019 and 2018, respectively.

See Notes to Financial Statements

ANIMAL FRIENDS, INC.  
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Date of Management's Review

Management has evaluated subsequent events through August 19, 2020, which is the date the financial statements were available for issue.

Organization

Animal Friends, Inc., ("Animal Friends") received its charter as a nonprofit corporation from the Commonwealth of Pennsylvania on June 1, 1943. Since then it has operated as a public charity exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The purpose of Animal Friends is to ensure the well-being of companion animals, while ending overpopulation, abuse and unwarranted euthanasia. It is the mission of the organization to 1) reduce the number of unwanted animals through aggressive spay/neuter programs; 2) provide for the well-being of companion animals in need, while adhering to our no-kill tradition, and find each a lifelong, loving home; 3) offer affordable wellness services and resources to pets and owners in need, targeting underserved communities, to support whole-life care; 4) promote the animal-human bond through outreach, education and therapeutic programs and; 5) act as an advocate on behalf of animals in crisis and as an enforcer of their rights and protection through education, investigation and promotion of companion animal welfare legislation.

Tax Status

Since incorporation, Animal Friends has operated as a public charity exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Tax form 990, Return of Organization Exempt from Income Tax, for the years ending December 31, 2017, 2018, and 2019 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Accounting For Restrictions

Net assets, revenues, expenses, gains and losses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of Animal Friends are classified and reported as follows:

Net Assets Without Donor Restrictions- Net assets which are not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions- Net assets which are subject to donor-imposed restrictions which will be satisfied by actions of Animal Friends or by the passage of time.

Animal Friends has adopted the following policies for gifts received with a donor-imposed restriction:

In the absence of donor stipulations specifying how long-lived donated assets must be used, restrictions on long-lived assets and other personal property items, or cash to acquire long-lived assets or personal property items, expire when the assets are placed in service or purchased as the case may be. The sale proceeds (or, in the case of a destroyed item, insurance proceeds) from either a donated asset or an asset purchased with a gift of cash are unrestricted unless specifically delineated otherwise by the original donor. In the absence of donor stipulations, interest income earned on funds with donor restrictions is without restriction and may be used for general operations, programs and services.

#### Contributions

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

#### Volunteer Services

Unpaid volunteers have made significant contributions of their services to develop Animal Friends' programs and assist in its support. The value of these contributions is not reflected in the accompanying financial statements due to the nature of the services rendered. In 2019 over 3,000 active volunteers donated 297,191 hours of service, which equate to approximately 143 full-time equivalent employees.

#### Basis of Accounting

All transactions of Animal Friends have been accounted for using the accrual basis of accounting. All restricted gifts are separately identified both in the financial statements and in the underlying accounting workpapers.

#### Estimates

These financial statements use estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Cash and Cash Equivalents

Cash and Cash Equivalents consist of cash, certificates of deposit, and other highly liquid investments with maturities of three months or less.

### Fair Value Accounting

Investments and Assets Held in Trust are reported at fair value. Fair values are classified according to a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

Level 1 - Securities traded in an active market with available quoted prices for identical assets as of the reporting date.

Level 2 - Securities not traded in an active market but for which market inputs are readily available.

Level 3 - Securities not traded in an active market and for which no significant observable market inputs are available as of the reporting date.

All Investments and Assets Held in Trust are Level 1 securities.

### Receivables

Receivables are recorded at net realizable value. No allowance for doubtful accounts was deemed necessary. A present value discount rate of 5% is used valuing pledges receivable to the capital campaign.

### Inventory

Inventory is comprised of food, clothing and gift items held for sale in the gift shop. Proceeds from the sale of donated food are recorded as Donations. Net proceeds from the sale of purchased items are recorded as a Fund Raiser. Inventory also includes animal supplies (primarily food) for use in the facility. Inventory is accounted for at the lower of cost or market, using the specific identification cost method.

### Property, Plant and Equipment

All Property, Plant and Equipment are being depreciated using the straight-line method over each asset's useful life. Useful lives assigned are five years for transportation equipment; three to ten years for furniture and equipment; and twenty to forty years for buildings. Repairs and maintenance, which do not extend the lives of the applicable assets, are charged to expense as incurred. Gain or loss from the retirement or other disposition of these assets is included in the statement of activities.

### Revenue Recognition

Donations and Grants are recognized as revenue when a donor makes an unconditional promise to give.

Legacies are recognized as cash is received.

Reimbursements from reduced-cost spaying and neutering services are recognized on a cash basis due to the inability to reasonably estimate bad debts.

Fundraisers are recognized on the day the event is held. Sponsorships and donations for the event are included as part of the fundraiser.

### Allocations

Animal Friends allocates expenses to Program, Administration, and Fund Raising as follows:

Payroll and Related Costs – time sheets, position responsibilities and management estimates

Depreciation, Utilities, Repairs and Maintenance, Interest, Insurance – square footage consumed by each activity

Publicity and Bank Fees – 50% program and 50% fund raising

Other Costs – management's best estimates using professional judgment

### Prior Year Amounts

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

## 2. LIQUIDITY

Financial Assets (Cash, Investments, Receivables)	\$ 7,821,744
Less Donor Restricted Assets	<u>(4,510,195)</u>
Financial Assets available to meet cash needs for general expenditures within one year	<u>\$ 3,311,549</u>

Animal Friends is supported by donor restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, Animal Friends must maintain sufficient resources to meet those responsibilities to its donors. Thus certain financial assets may not be available for general expenditure within one year. As part of its liquidity management, Animal Friends has a policy to structure its financial assets on hand to meet sixty days of normal operating expense, which are, on average, approximately \$1,000,000. In the event of an unanticipated liquidity need, Animal Friends could also draw on its available line of credit (\$300,000) as further discussed in Note 7.

## 3. INVESTMENTS

Investments were composed of the following:

<u>Investment Type</u>	<u>2019</u>	<u>2018</u>
Money Market Funds	\$ 201,779	\$ 615,510
Equity Mutual Funds	3,358,679	1,629,522
Debt Mutual Funds	1,937,796	1,410,316
Common Stocks	<u>0</u>	<u>317,739</u>
Total	<u>\$ 5,498,254</u>	<u>\$ 3,973,087</u>

## 4. RECEIVABLES

In 2013 Animal Friends initiated an \$8,500,000 Capital Campaign. \$7,500,000 of the Campaign is allocated to construction of a new 18,400 square foot public spay/neuter clinic and Animal Wellness Center. \$1,000,000 of the campaign is allocated to the organization's current and on-going operational funding. A \$25,000 allowance to adjust for present value has been recorded.

Anticipated cash flow from these pledges is as follows:

<u>Year</u>	<u>Cash Collected</u>
2019	\$ 201,882
2020	180,952
2021	<u>167,316</u>
Total	<u>\$ 550,150</u>

5. PROPERTY, PLANT AND EQUIPMENT

At December 31, 2019, Property, Plant and Equipment were composed of the following:

<u>Description</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>2018</u>
Land	\$ 1,032,949	\$ -	\$ 1,032,949	\$ 1,032,949
Building	13,945,509	2,790,768	11,154,741	11,511,679
Furniture and Equipment	1,167,451	893,350	274,101	366,532
Transportation Equipment	422,811	391,143	31,668	70,359
	<u>\$ 16,568,720</u>	<u>\$ 4,075,261</u>	<u>\$ 12,493,459</u>	<u>\$ 12,981,519</u>

6. ASSETS HELD IN TRUST

Donor Restricted Assets Held In Trust represents assets held in twelve separate trusts by others. In these trusts, Animal Friends is entitled to receive a percentage of the future income earned as stipulated by the grantor in perpetuity.

7. DEBT

In February, 2020 Animal Friends refinanced its debt to PNC Bank to a 2.925% fixed interest rate, 17 year serial bond with monthly principal and interest payments of \$34,111 maturing February 1, 2037. The loan is secured by the Resource Center and Animal Wellness Center land and buildings.

Future minimum principal payments are as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 248,133
2021	258,596
2022	266,365
2023	274,261
2024	282,392
Thereafter	<u>4,186,191</u>
Total	<u>\$ 5,515,938</u>

Animal Friends has a \$300,000 line of credit with interest at the prime rate expiring October 20, 2020. At December 31, 2019, nothing was drawn on the line.

## 8. NET ASSETS

Animal Friends currently maintains two separate net asset classifications in order to control in detail all gifts received. These classifications include: 1) Without Donor Restrictions, which is used to account for revenues earned and gifts received without a restricted directive and 2) With Donor Restrictions, which is used to account for gifts received by Animal Friends with donor-restricted directives. A summary of the activity in the open Net Asset With Donor Restrictions class from January 1, 2019 to December 31, 2019 is as follows:

<u>Net Assets With Donor Restrictions</u>	<u>January 1</u>	<u>Support and Revenue</u>	<u>Release of Net Assets</u>	<u>December 31</u>
Endowment	\$ 3,435,690	\$ 563,486	\$ 175,969	\$ 3,823,207
Assets Held in Trust	2,695,866	904,375	128,760	3,471,481
Capital Campaign	792,769	0	242,619	550,150
Therapeutic Programming	23,019	109,903	92,780	40,142
Reward	12,544	5,000	0	17,544
Major Ben Follansbee Pets for Vets	90,068	113,612	203,680	0
Animal Wellness	0	588,912	588,912	0
AAARF	0	25,000	25,000	0
	<u>\$ 7,049,956</u>	<u>\$ 2,310,288</u>	<u>\$ 1,457,720</u>	<u>\$ 7,902,524</u>

A reconciliation of endowment activity is as follows:

	<u>Original Gift</u>	<u>Subsequent Activity</u>	<u>2019 Total</u>	<u>2018 Total</u>
Balance January 1	\$ 3,121,093	\$ 314,597	\$ 3,435,690	\$ 3,147,328
Contributions	1,236	0	1,236	562,596
Investment Income	0	124,584	124,584	136,158
Capital Gains/(Losses)	0	457,220	457,220	(243,684)
Fees	0	(19,554)	(19,554)	(19,095)
Distributions	0	(175,969)	(175,969)	(147,613)
Balance December 31	<u>\$ 3,122,329</u>	<u>\$ 700,878</u>	<u>\$ 3,823,207</u>	<u>\$ 3,435,690</u>

8. NET ASSETS (continued)

Animal Friends' endowment fund is governed by Pennsylvania's Principal and Income Act (Act 141) enacted on December 21, 1998.

The Board of Directors has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the real value of the endowment portfolio. Under this policy, the endowment assets are invested in a manner that is intended to emphasize total return (aggregate return from capital appreciation and dividend and interest income) sufficient to preserve the real (inflation-adjusted) value of the portfolio, achieve long-term growth of principal, while avoiding excessive risk and to the extent necessary, provide for the operating needs of Animal Friends. The Board of Directors has adopted a long-term asset allocation policy that identifies the strategic target weights to each of the major asset classes (domestic and international equity, investment grade fixed income and cash equivalents). The investment objective for each asset class portfolio is to exceed the rate of return of a relevant benchmark after taking into account all manager fees.

Each year, Animal Friends appropriates a percentage of its endowment fund's average fair value over the prior three years preceding the fiscal year in which the distribution is planned. The Board of Directors votes on this appropriation each year. For the fiscal years 2019 and 2018, this percentage was 5%.

9. DONATIONS

Donations are received from a broad base of donors. There is not a significant concentration of risk in large donations.

10. INVESTMENT INCOME

Investment Income is composed of the following:

<u>Item</u>	<u>2019</u>	<u>2018</u>
Capital Gains (Losses)	\$ 557,157	\$ (283,199)
Dividends	141,750	129,022
Interest	69,341	45,308
Expenses	(26,460)	(22,697)
	<u>\$ 741,788</u>	<u>\$ (131,566)</u>

11. TRUST INCOME

Trust Income is composed of the following:

<u>Item</u>	<u>2019</u>	<u>2018</u>
Capital Gains (Losses)	\$ 616,627	\$ (220,527)
Dividends	62,895	64,979
Interest	29,391	20,177
Expenses	(31,569)	(29,339)
	<u>\$ 677,344</u>	<u>\$ (164,710)</u>

## 12. EXPENSES

Detail of functional expenses is as follows:

<u>Expense</u>	<u>2019</u>			<u>2018</u>	
	<u>Program</u>	<u>Administration</u>	<u>Fund Raising</u>	<u>Total</u>	<u>Total</u>
Payroll & Related Costs*	\$ 3,185,018	\$ 272,748	\$ 295,579	\$ 3,753,345	\$ 3,837,247
Animal Care & Services	1,112,886	0	0	1,112,886	1,355,594
Depreciation	475,212	10,004	15,007	500,223	530,322
Utilities	217,352	4,600	8,050	230,002	235,730
Interest	170,062	3,618	7,237	180,917	171,993
Printing & Postage	68,508	6,776	75,285	150,569	139,262
Professional Fees	48,492	84,970	0	133,462	21,197
Software Support	62,582	37,550	25,033	125,165	183,278
Office Costs	63,506	17,782	20,322	101,610	106,841
Repairs & Maintenance	65,139	1,371	2,057	68,567	92,284
Publicity	33,637	0	33,638	67,275	64,415
Insurance	56,707	1,207	2,413	60,327	60,439
Bank Fees	23,411	0	23,411	46,822	59,037
Local Transportation	15,515	0	0	15,515	23,019
Other	12,132	258	516	12,906	15,239
Total	<u>\$ 5,610,159</u>	<u>\$ 440,884</u>	<u>\$ 508,548</u>	<u>\$ 6,559,591</u>	<u>\$ 6,895,897</u>

\* Animal Friends has adopted a defined contribution pension plan covering employees who are twenty-one or over, worked over 1,000 hours, and have completed one year of service. Animal Friends can contribute 0%-15% of employee wages to the plan. Animal Friends' cost for this plan was \$65,219 in 2019 and \$22,494 in 2018.

## 13. CONCENTRATION OF CREDIT RISK

Although Animal Friends maintains cash balances in excess of federally insured limits, they have not historically experienced any credit loss.

## 14. SUBSEQUENT EVENT

As a result of the COVID-19 outbreak in the United States, economic uncertainties have arisen that are likely to negatively impact gross revenues and income. Voluntary, and then subsequently mandatory, shelter-in-place orders necessitated temporary business closing and then limited capacity opening as the uncertainty continues. Though the extent of disruption is expected to be temporary, the extent of the financial impact and other possible impacting matters are unknown at this time.

In March 2020, Animal Friends applied for and received a \$723,600 Paycheck Protection Program (PPP) loan to help fund operations. It is hoped and expected that most or all of this loan will be forgiven and will result in grant revenue.