

BROTHER WOLF ANIMAL RESCUE, INC.

INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019



CORLISS &
SOLOMON
PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Brother Wolf Animal Rescue, Inc.

Table of Contents

Year Ended December 31, 2019

Independent Auditor's Report.....	1 - 2
Financial Statements:	
<i>Statement of Financial Position</i>	3
<i>Statement of Activities</i>	4
<i>Statement of Functional Expenses</i>	5
<i>Statement of Cash Flows</i>	6
Notes to Financial Statements	7 - 13



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Brother Wolf Animal Rescue, Inc.
Asheville, NC

We have audited the accompanying financial statements of Brother Wolf Animal Rescue, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019 and the related statements of activities, functional expenses, 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 Brother Wolf Animal Rescue 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.

Carliss + Seaman, PLLC

Asheville, North Carolina

October 12, 2020

Brother Wolf Animal Rescue, Inc.

Statement of Financial Position

As of December 31, 2019

Assets

Current Assets

Cash and Cash Equivalents	\$	710,285
Account Receivable		191,650
Investments		805
Inventory		48,624
Prepaid Expenses		16,077
Other Assets		9,500
Total Current Assets		<u>976,941</u>

Long-Term Assets

Assets Held for Sale		669,237
Property and Equipment, Net		56,536
Total Long-Term Assets		<u>725,773</u>

Total Assets \$ 1,702,714

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$	25,563
Accrued Wages and Payroll Liabilities		23,230
Accrued Vacation		13,687
Note Payable-Current		31,361
Deferred Gain - Current		38,350
Total Current Liabilities		<u>132,191</u>

Long Term Liabilities

Note Payable-Long Term		99,416
Deferred Gain - Long Term		128,683
Total Long Term Liabilities		<u>228,099</u>

Total Liabilities 360,290

Net Assets

Without Donor Restrictions		1,082,510
With Donor Restrictions		259,914
Total Net Assets		<u>1,342,424</u>

Total Liabilities and Net Assets \$ 1,702,714

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

Brother Wolf Animal Rescue, Inc.

Statement of Activities

Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	\$ 1,431,665	\$ 105,349	\$ 1,537,014
Foundation Grants	-	109,000	109,000
Program Service Revenue	447,155	-	447,155
Retail Sales	67,491	-	67,491
Thrift Store Sales	262,863	-	262,863
In Kind Contributions	35,893	-	35,893
Other Income	21,038	-	21,038
Net Assets Released from Restrictions	284,315	(284,315)	-
Total Revenue and Support	2,550,420	(69,966)	2,480,454
Expenses			
Program Services	2,422,978	-	2,422,978
Management and General	337,132	-	337,132
Fundraising	172,040	-	172,040
Total Expenses	2,932,150	-	2,932,150
Change in Net Assets Before Other Changes in Net Assets	(381,730)	(69,966)	(451,696)
<u>Other Changes in Net Assets</u>			
Asset Impairment (Note 8)	(342,758)	-	(342,758)
Merger (Note 15)	389,567	-	389,567
Total Other Change in Net Assets	46,809	-	46,809
Total Change in Net Assets	(334,921)	(69,966)	(404,887)
Net Assets, Beginning of Year	1,417,431	329,880	1,747,311
Net Assets, End of Year	\$ 1,082,510	\$ 259,914	\$ 1,342,424

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

Brother Wolf Animal Rescue, Inc.
Statement of Functional Expenses

Year Ended December 31, 2019

	Program	Management and General	Fundraising	Total
Salaries	\$ 1,338,876	\$ 128,471	\$ 80,488	\$ 1,547,835
Payroll Taxes	104,875	10,063	6,305	121,243
Employee Benefits	44,270	4,248	2,661	51,179
Total Personnel Expense	<u>1,488,021</u>	<u>142,782</u>	<u>89,454</u>	<u>1,720,257</u>
Advertising	2,333	8,075	5,556	15,964
Bank and Merchant Fees	12,678	18,583	-	31,261
Contract Labor	7,795	801	-	8,596
Dues, Licenses and Permits	5,198	1,139	882	7,219
Event Expenses	-	-	-	-
Information Technology	15,117	5,039	5,039	25,195
Insurance	58,178	26,279	3,497	87,954
Interest Expense	13,858	2,655	-	16,513
Miscellaneous	4,783	20,578	257	25,618
Office Supplies	9,598	1,645	335	11,578
Occupancy Costs				
Rent	107,236	14,463	3,376	125,075
Repairs and Maintenance	17,953	3,756	-	21,709
Utilities	69,027	7,396	1,602	78,025
Printing and Postage	6,196	2,023	2,002	10,221
Professional Services	3,605	51,360	5,408	60,373
Program Costs				
Animal Transportation	22,599	-	-	22,599
Food for Animals	23,851	-	-	23,851
Medical Supplies	261,427	-	-	261,427
Other Program Expense	52,317	-	-	52,317
Spay and Neuter Surgery	5,796	-	-	5,796
Veterinary Services	95,259	-	-	95,259
Retail Merchandise and Supplies	40,147	-	-	40,147
Fundraising Expenses	-	-	53,289	53,289
Seminars and Education	19,734	4,824	-	24,558
Staff Appreciation	-	2,508	-	2,508
Supplies and Equipment	2,633	417	370	3,420
Telephone and Communications	14,946	2,091	589	17,626
Travel and Meals	9,028	1,931	339	11,298
Subtotal Expenses	<u>2,369,313</u>	<u>318,345</u>	<u>171,995</u>	<u>2,859,653</u>
Depreciation	29,283	7,321	-	36,604
In Kind Expense	24,382	11,466	45	35,893
Total Expenses	<u>\$ 2,422,978</u>	<u>\$ 337,132</u>	<u>\$ 172,040</u>	<u>\$ 2,932,150</u>

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

Brother Wolf Animal Rescue, Inc.

Statement of Cash Flows

Year Ended December 31, 2019

Cash Flows from Operating Activities

Change in Net Assets	\$ (404,887)
Adjustments to reconcile change in net assets to net cash provided or (used) by operating activities:	
Asset Impairment (Note 8)	342,758
Merger (Note 15)	(389,567)
Depreciation	36,604
Gain on Sale of Assets	(8,991)
(Increase)/Decrease in Operating Assets:	
Account Receivable	(191,650)
Investments	(113)
Inventory	19,984
Prepaid Expenses	(16,077)
Other Assets	(5,698)
Increase/(Decrease) in Operating Liabilities:	
Accounts Payable	7,424
Deferred Gain	167,033
Accrued Wages and Payroll Liabilities	4,607
Accrued Vacation	(16,388)
Net Cash Used by Operating Activities	<u>(454,961)</u>

Cash Flows from Investing Activities

Purchase of Property and Equipment	(121,700)
Assets Received in Merger	389,567
Proceeds from Sale of Property and Equipment	<u>675,623</u>
Net Cash Provided by Investing Activities	<u>943,490</u>

Cash Flows from Financing Activities

Proceeds from Note Payable	80,000
Principal Payments on Financing Lease	(7,154)
Principal Payments on Notes	<u>(238,902)</u>
Net Cash Provided by Financing Activities	<u>(166,056)</u>

Net Increase/(Decrease) in Cash and Cash Equivalents	322,473
Cash and Cash Equivalents, Beginning of Year	<u>387,812</u>

Cash and Cash Equivalents, End of Year **\$ 710,285**

Supplemental Disclosure:

Cash Paid for Interest	<u>\$ 16,513</u>
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The accompanying notes are an integral part of these financial statements.

Brother Wolf Animal Rescue, Inc.

Notes to Financial Statements

Year Ended December 31, 2019

1. Description of the Organization, Corporate and Tax-Exempt Status

Brother Wolf Animal Rescue, Inc. (BWAR) believes in enhancing the lives of companion animals and the people who love them. Through adoption and pet retention programs, a low-cost mobile spay and neuter clinic, lifesaving shelter transfer partnerships, extensive volunteer and foster networks, a northern animal transport program, and a trap-neuter-vaccinate-return program for community cats, Brother Wolf Animal Rescue impacts the lives of thousands of animals each year in the Western North Carolina region. During 2019, BWAR's three satellite locations and accompanying thrift stores, were spun off and became standalone nonprofit organizations.

BWAR was established in 2007 as a nonprofit corporation under the laws of the State of North Carolina under the name of Brother Wolf Canine Rescue, Inc. The organization's primary funding sources are contributions from the public and program service revenue. It qualifies for exemption from federal income taxes under section 501(c)(3) of the Internal Revenue code and is a publicly supported organization.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require an organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

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

Cash and Cash Equivalents

For purposes of reporting on the statement of cash flows, the organization considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial assets that potentially subject the organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Investments

Investments in marketable securities with readily determinable fair market values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized and realized gains and losses are included in the change in net assets in the statement of activities.

Fair Value Measurements

In accordance with U.S. GAAP, BWAR follows "Fair Value Measurements." This standard establishes a single definition of fair value and a framework for measuring fair value in financial statements under U.S. GAAP. Fair value is defined as "the price that would be received to sell an asset in an orderly transaction between market participants at an agreed upon measurement date. That is, fair value is based on an exit price, which may differ from the price paid to acquire the asset. If there is a principal market for the asset, fair value represents the price in that market." The organization does not have any financial assets that it carries at fair value on a recurring basis.

Inventories

The thrift store inventory is comprised of contributed items recorded at estimated fair value. The retail store inventory is comprised of pet food and supplies purchased for resale and is valued at cost.

Property and Equipment

Property and equipment purchases are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. The capitalization threshold is \$500 per item.

Support and Revenue Recognition

Revenue is recognized when earned. Program services fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, and unconditional promises to give, or notification or beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Contributions

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. As restrictions expire, net assets are reclassified to net assets without donor restrictions and are reported on the statement of activities as "Net Assets Released from Restrictions."

In-Kind Contributions

The organization recognizes contributed goods and the use of facilities at estimated fair value on the date of receipt. Contributed services are recognized in the financial statements if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. When recognized, contributed services are reported at fair value.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain categories of expenses that are attributable to more than one program or supporting function, require managements allocation on a reasonable basis that is consistently applied. The primary allocation basis used by management for personnel expenses and applicable overhead expenses is estimated based on employee time and effort.

Income Taxes/Uncertain Tax Positions

BWAR is exempt from federal income taxes under 501(c)(3) of the Internal Revenue Code. Under the Code, however, income from certain activities not related to the organization's tax-exempt purpose may be subject to taxation as unrelated business income. The organization had no income from unrelated business activities in 2019 and was, therefore, not required to file Federal Form 990-T (Exempt Organization Business Income Tax Return). The organization believes that it has appropriate support for all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

New Accounting Pronouncements

The organization has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of the organization's financial reporting.

In May 2014, the Financial accounting Standards Board (FASB) issued amended guidance to clarify the principles for recognizing revenue from contracts with customers ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, as well as other disclosures. The standard is effective for annual reporting periods beginning after December 15, 2018. The organization has adopted the new standard for calendar year 2019 with modified prospective application. Accordingly, the summarized prior period comparative statements for 2018 have not been adjusted. Impacts to the 2018 financial statements from the revenue recognition standards are not considered significant and are not required to be adjusted during the transition period.

3. Liquidity and Availability

BWAR's goal is generally to maintain financial assets to meet a minimum of 180 days of operating expenses (approximately \$800,000). Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of the following:

<u>As of December 31:</u>	2019
Financial Assets at Year End:	
Cash and Cash Equivalents	\$ 710,285
Accounts Receivable, Net	191,650
Investments	805
Financial assets available to meet general expenditures over the next twelve months	\$ 902,740

4. Cash and Cash Equivalents

The cash and cash equivalents balance as of December 31, 2019 consists of the following:

Checking Accounts	\$ 707,499
Undeposited Funds	904
PayPal Account	1,682
Petty cash	200
Total Cash and Cash Equivalents	<u>\$ 710,285</u>

On December 31, 2019, the organization's cash funds in one bank exceeded the \$250,000 federally insured limit by \$460,447. These funds are held at high-quality, reputable financial institutions, and management believes the credit risk exposure on these balances does not pose a significant risk.

5. Accounts Receivable

The accounts receivable balance was \$191,650 as of December 31, 2019. Management believes all amounts are fully collectible, and all receipts are expected to occur in the following year. As such, no allowance for doubtful accounts or discount to present value is considered necessary. The accounts receivable balance as of December 31, 2019 consists of the following:

Contributions Receivable	\$ 22,270
Grants Receivable	5,000
Receivable from Sale of Property	136,615
Other Receivables	27,765
Total Accounts Receivable	<u>\$ 191,650</u>

6. Inventory

BWAR holds inventory for the ReTail Store and the Second Chance Thrift Store. The total inventory balance was \$48,624 as of December 31, 2019.

7. Property and Equipment

Depreciation expense was \$36,604 for the year ended December 31, 2019. Property and equipment consist of the following as of December 31, 2019:

Leasehold Improvements	\$ 18,052
Furniture and Equipment	89,449
Vehicles	82,259
Less: Accumulated Depreciation	<u>(133,224)</u>
Property and Equipment, Net	<u>\$ 56,536</u>

8. Assets Held for Sale

Assets held for sale consists of land and equipment that were purchased by the organization in prior years for projects and programs that are no longer being pursued by the organization. Therefore, the assets were reclassified from the property and equipment balances in Note 7 and listed separately in the financial statements. When an asset reclassification occurs in this way, GAAP requires the revaluation of the assets to market value from book value. This action resulted in an asset impairment of \$342,758 for purchased property, equipment, and planning and project management costs associated with these projects and programs. The resulting value of assets held for sale totaled \$669,237 as of December 31, 2019.

9. Notes Payable

Notes payable consists of the following:

In May 2014, BWAR obtained a note for \$96,000 for the purchase of the sanctuary property. The note is payable in monthly installments of \$1,000 over seven years at 5% per annum. A final payment of all outstanding principal and interest is due on May 1, 2021. The note is secured by the property purchased.

Balance as of December 31, 2019:	\$ 59,761
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In June 2019, BWAR obtained a unsecured note payable for \$80,000. The note is payable in monthly installments of \$2,035 over two years at 3.75% per annum. A final payment of all outstanding principal and interest is due on July 1, 2021.

Balance as of December 31, 2019:	71,016
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Total Notes Payable	130,777
Less Current Maturities	(31,361)
Notes Payable, Net of Current Maturities	<u>\$ 99,416</u>

Maturities on the above notes for the remaining terms are as follows for the years ending December 31:

2020	\$ 31,361
2021	99,416
Thereafter	-
Total	<u>\$ 130,777</u>

10. Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes as of December 31, 2019:

Merchandise Purchases	\$ 5,979
Mobile Clinics	39,655
Capital Projects	214,280
Total Net Assets With Donor Restrictions	<u>\$ 259,914</u>

11. Program Service Revenue

Program service revenue for the year ended December 31, 2019 consists of the following:

Adoption Fees	\$ 158,895
Animal Transportation	61,106
Mobile Clinic	227,154
Total Program Service Revenue	<u>\$ 447,155</u>

12. Deferred Gain from Sale-Leaseback Agreement

On September 1, 2019 BWAR entered into a contract with an unrelated party involving the Adoption Center at 31 Glendale Avenue that qualified as a sale-leaseback agreement per GAAP. Under the arrangement, the Adoption Center, with a net book value of \$473,489, was sold for \$652,454, and simultaneously the parties executed a lease for BWAR to occupy the entire property for its ongoing operations. This part of the transaction resulted in a gain of \$178,965, which per GAAP, will be deferred and recognized over the initial five-year lease term (see Note 13). Recognized gain on the sale of 31 Glendale Avenue was \$11,932 for the year ended December 31, 2019.

13. Lease Agreements

On June 1, 2019, BWAR entered into a two-year lease agreement for the Second Chance Thrift Store property at 49 Glendale Avenue, Asheville NC. The rent agreement is \$2,650 per month.

On February 19, 2019, BWAR assumed a three-year lease agreement for the Treasure Shop property at 515 North Broad Street, Brevard NC. The rent agreement is \$700 per month. The lessor canceled this lease in 2019.

On March 1, 2019, BWAR entered into a two-year lease agreement for the ReTail Store property at 38 Glendale Avenue, Asheville NC. The rent agreement is \$1,850 per month. Beginning March 1, 2020, monthly rent will be increased to \$1,950.

On September 1, 2019, BWAR entered into an operating lease agreement (See Note 12) for their Adoption Center at 31 Glendale Avenue. The initial term of the lease is for five years with the option to renew for three additional five-year periods. Lease payments are \$4,000 per month plus taxes and insurance for the first five years, with an annual increase of 3% after that.

Future Minimum Lease Obligations by year and location are as follows:

<u>Years Ending December 31:</u>	<u>Adoption Center</u>	<u>Thrift Store</u>	<u>ReTail Store</u>
2020	\$ 48,000	\$ 31,800	\$ 23,200
2021	48,000	13,250	3,900
2022	48,000	-	-
2023	48,000	-	-
2024	32,000	-	-
Total Minimum Lease Obligation	<u>\$ 224,000</u>	<u>\$ 45,050</u>	<u>\$ 27,100</u>

14. Advertising Expense

Advertising expense consists of promotions to raise awareness about BWAR programs and mission. Advertising expenses were \$15,964 for the year ended December 31, 2019.

15. Merger with Animal Friends For Life

On July 10, 2019 Animal Friends For Life, a nonprofit corporation organized under the laws of North Carolina, merged into Brother Wolf Animal Rescue. The mission was in line with that of BWAR. The animals from Animal Friends for Life were able to be taken into BWAR's care, and the merger met the strategic goal of strengthening the organization. This transfer is reflected in Other Changes in Net Assets on the Statement of Activities. The assets transferred from Animals Friends For Life consists of the following:

Cash and Cash Equivalents	\$ 218,832
Accounts Receivable	20,324
Property and Equipment	<u>150,411</u>
Total Assets Received in Merger	<u>\$ 389,567</u>

16. Volunteers

BWAR makes extensive use of volunteers to carry out its programs. For the year ended December 31, 2019, over 500 active volunteers contributed 12,648 hours, with a total value of \$312,659 based on a rate of \$24.72 per hour, a rate provided annually by the organization Independent Sector. The services contributed by volunteers did not meet the requirements of U.S. GAAP for recognition in income

17. Fair Value Measurements

Fair value of assets measured on a recurring basis on December 31, 2019 are as follows:

	Fair Value Measurements at Reporting Date Using			
	Fair Value	(Level 1)	(Level 2)	(Level 3)
Assets Held for Sale	\$ 669,237	\$ -	\$ 669,237	\$ -
Total	\$ 669,237	\$ -	\$ 669,237	\$ -

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets.

Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets.

Financial assets valued using Level 3 inputs are based on unobservable inputs such as those that apply to derivatives and split interest agreements.

18. Subsequent Events

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of the geographical area in which the organization operates. During the peak of the pandemic, the BWAR thrift and retail stores closed entirely for two months, the existing mobile spay and neuter clinic reduced shelter animal surgeries and suspended public animal surgeries for several weeks, the launch of the second mobile spay and neuter clinic was delayed by approximately six weeks, northern transport partners stopped accepting animals for six months, and available volunteer assistance was greatly reduced. While it is unknown how long these conditions will last and what the complete financial effect will be to the organization, to date, the organization is expecting an effect on operations for the remainder of 2020.

On May 11, 2020 the organization received a Paycheck Protection Program loan in the amount of \$290,822. This loan is potentially forgivable if the organization meets certain criteria. The loan has an interest rate of 1% and is due five years from the date of origination. There are no collateral nor personal guarantees associated with this loan.

On September 25, 2020, the organization sold its Sanctuary property listed in Note 8 for a contract price of \$587,000. Using proceeds from the sale, the organization paid off both Notes Payable listed in Note 9.

Subsequent events have been evaluated through October 12, 2020, which is the date the financial statements were available to be issued.