

**CATHERINE VIOLET HUBBARD FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

CATHERINE VIOLET HUBBARD FOUNDATION, INC.

TABLE OF CONTENTS

---

<b><u>AUDITED FINANCIAL STATEMENTS</u></b>	<b><u>PAGE</u></b>
INDEPENDENT AUDITORS' REPORT	1 - 2
STATEMENTS OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES (WITH COMPARATIVE TOTALS FOR 2020)	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7 - 12

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Catherine Violet Hubbard Foundation, Inc.  
Newtown, Connecticut

**Opinion**

We have audited the accompanying financial statements of Catherine Violet Hubbard Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statement of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Catherine Violet Hubbard Foundation, Inc. as of December 31, 2021, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Catherine Violet Hubbard Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Catherine Violet Hubbard Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Catherine Violet Hubbard Foundation, Inc.'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Catherine Violet Hubbard Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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

We have previously audited Catherine Violet Hubbard Foundation, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 23, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

EFPR Group, CPAs, PLLC

EFPR Group, CPAs, PLLC  
Rochester, New York  
July 25, 2022

**CATHERINE VIOLET HUBBARD FOUNDATION, INC.**  
**Statements of Financial Position**  
**December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 996,609	\$ 810,025
Accounts receivable	15,107	28,126
Prepaid expenses	20,994	11,094
Total current assets	1,032,710	849,245
<b>Investments</b>	1,176,567	1,443,295
<b>Property and Equipment - Net</b>	1,403,178	1,074,757
<b>Other Assets</b>	760,879	760,879
<b>Total Assets</b>	\$ 4,373,334	\$ 4,128,176
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 16,314	\$ 24,106
Accrued payroll	5,693	2,236
Total current liabilities	22,007	26,342
<b>Net Assets</b>		
Without donor restriction	2,811,277	2,585,315
With donor restriction	1,540,050	1,516,519
Total net assets	4,351,327	4,101,834
<b>Total Liabilities and Net Assets</b>	\$ 4,373,334	\$ 4,128,176

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

**CATHERINE VIOLET HUBBARD FOUNDATION, INC.**  
**Statement of Activities**  
**For the Year Ended December 31, 2021**  
**(With Comparative Totals for the Year Ended December 31, 2020)**

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total 2021</u>	<u>Total 2020</u>
<b>Support and Revenue</b>				
Contributions	\$ 559,456	\$ 94,603	\$ 654,059	\$ 452,181
Grants	94,000	-	94,000	12,438
Dividends and interest income	60,527	-	60,527	32,771
Realized and unrealized gain on investments	45,549	-	45,549	42,090
In-kind contributions	8,487	-	8,487	3,735
Gain (loss) on extinguishment of debt	(6,026)	-	(6,026)	18,232
Miscellaneous income	22,570	-	22,570	9,796
Employee retention credit	28,000	-	28,000	-
Net assets released from restriction	71,072	(71,072)	-	-
Total support and revenue	<u>883,635</u>	<u>23,531</u>	<u>907,166</u>	<u>571,243</u>
<b>Expenses</b>				
Program services	286,469	-	286,469	264,502
Management and general	183,227	-	183,227	235,774
Fundraising	187,977	-	187,977	96,421
Total expenses	<u>657,673</u>	<u>-</u>	<u>657,673</u>	<u>596,697</u>
<b>Change in Net Assets</b>	225,962	23,531	249,493	(25,454)
<b>Net Assets - Beginning</b>	<u>2,585,315</u>	<u>1,516,519</u>	<u>4,101,834</u>	<u>4,127,288</u>
<b>Net Assets - Ending</b>	<u>\$ 2,811,277</u>	<u>\$ 1,540,050</u>	<u>\$ 4,351,327</u>	<u>\$ 4,101,834</u>

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

**CATHERINE VIOLET HUBBARD FOUNDATION, INC.**  
**Statements of Functional Expenses**  
**For the Years Ended December 31, 2021 and 2020**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2021</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2020</u>
Advertising	\$ 490	\$ 60	\$ 1,098	\$ 1,648	\$ 319	\$ 2,499	\$ 331	\$ 3,149
Bank and credit card fees	-	10,396	7,666	18,062	-	13,870	-	13,870
Charitable contribution	-	-	-	-	-	1,283	-	1,283
Event supplies	13,808	11,785	9,673	35,266	14,678	22,560	8,896	46,134
In-kind expenses	1,250	5,987	1,250	8,487	-	3,735	-	3,735
Insurance	2,066	8,635	288	10,989	364	14,177	176	14,717
Loss on disposal	-	536	-	536	-	-	-	-
Merchandise supplies	597	7,873	1,020	9,490	-	5,806	660	6,466
Miscellaneous expense	-	203	634	837	-	381	-	381
Office expenses	4,264	4,979	11,613	20,856	-	17,082	1,483	18,565
Payroll and related expenses	134,993	55,151	89,828	279,972	83,967	27,989	27,989	139,945
Printing and publications	1,270	310	9,516	11,096	2,847	3,522	13,946	20,315
Professional services	-	21,300	-	21,300	-	29,806	-	29,806
Rent expense	-	13,789	-	13,789	-	14,214	-	14,214
Repair and maintenance	10	3,632	-	3,642	-	5,721	-	5,721
Subcontractors	68,385	14,670	55,391	138,446	142,855	49,353	42,940	235,148
Travel, conferences and seminars	606	-	-	606	269	20	-	289
Utilities	414	2,276	-	2,690	140	2,807	-	2,947
Vet services	58,316	-	-	58,316	19,063	-	-	19,063
Total expenses before depreciation	<u>286,469</u>	<u>161,582</u>	<u>187,977</u>	<u>636,028</u>	<u>264,502</u>	<u>214,825</u>	<u>96,421</u>	<u>575,748</u>
Depreciation	-	21,645	-	21,645	-	20,949	-	20,949
Total expense	<u>\$ 286,469</u>	<u>\$ 183,227</u>	<u>\$ 187,977</u>	<u>\$ 657,673</u>	<u>\$ 264,502</u>	<u>\$ 235,774</u>	<u>\$ 96,421</u>	<u>\$ 596,697</u>

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

**CATHERINE VIOLET HUBBARD FOUNDATION, INC.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 249,493	\$ (25,454)
Adjustments		
Depreciation	21,645	20,949
Realized and unrealized gain on investments	(45,549)	(42,090)
Loss on disposal	536	-
(Gain) loss on extinguishment of debt	6,026	(18,232)
Change in assets and liabilities		
Accounts receivable	13,019	47,598
Prepaid expenses	(9,900)	(11,094)
Other assets	-	726
Accounts payable	(7,792)	(14,961)
Accrued payroll	3,457	(1,124)
Net cash flows from operating activities	<u>230,935</u>	<u>(43,682)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	(263,979)	(1,394,510)
Proceeds from sale of investments	576,256	1,154,125
Purchase of property and equipment	<u>(350,602)</u>	<u>(59,491)</u>
Net cash flow from investing activities	<u>(38,325)</u>	<u>(299,876)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Paycheck Protection Program	<u>(6,026)</u>	<u>18,232</u>
<b>Net Change in Cash and Cash Equivalents</b>	186,584	(325,326)
<b>Cash and Cash Equivalents - Beginning</b>	<u>810,025</u>	<u>1,135,351</u>
<b>Cash and Cash Equivalents - Ending</b>	<u>\$ 996,609</u>	<u>\$ 810,025</u>

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



**CATHERINE VIOLET HUBBARD FOUNDATION, INC.**  
**Notes to Financial Statements**

---

**Note 1. Summary of Significant Accounting Policies and Nature of Organization**

**Nature of Organization** - Catherine Violet Hubbard Foundation, Inc. (the "Organization") is a nonprofit organization established February 1, 2013 for the exclusive purposes of supporting charitable, scientific, literary or education purposes that honor the memory of Catherine Violet Hubbard, a first grader lost in the Sandy Hook Tragedy. Inspired by Catherine's pure and kind spirit, and her love for all creatures, the Organization's goal is to make Catherine's dream of creating a safe haven for all animals by building and supporting The Catherine Violet Hubbard Animal Sanctuary.

**Method of Accounting** - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 reporting period. Actual results could differ from those estimates.

**Classification of Net Assets** - The Organization's financial statements are presented in accordance with the provisions of (ASU) 2016-14, "Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities." As a result, the Organization reports information regarding its net assets and changes therein in the following categories: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions represents resources available for the general support of the Organization's activities. Net assets with donor restrictions are those whose use has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the Organization or are required to be held in perpetuity.

**Net Assets Without Donor Restriction** - Net assets without donor restrictions represent net assets that are not subject to donor imposed stipulations and are generally available for support of the Organization's activities. The Board of Directors has discretionary control over these resources to carry out the operations of the Organization in accordance with its by-laws.

**Net Assets With Donor Restriction** - The Organization reports contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

**Basis of Presentation** - 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 a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

**Liquidity** - The Organization has \$1,011,716 of financial assets available within one year of the statement of financial position date consisting of \$996,609 of cash and cash equivalents and \$15,107 of receivables. All of these financial assets are subject to donor or contractual restricts that make them unavailable for general expenditures within one year of the statement of financial position date.

**Cash and Cash Equivalents** - For purposes of the statement of cash flows, cash and cash equivalents include deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less. The Organization maintains cash and cash equivalents at financial institutions which periodically may exceed federally insured limits.

**CATHERINE VIOLET HUBBARD FOUNDATION, INC.**  
**Notes to Financial Statements**

---

**Accounts Receivable** - Accounts receivable is stated at the amount management expects to collect from contributions, grants, and investment income outstanding at year-end. The Organization has accounts receivable of \$15,107 and \$28,126 at December 31, 2021 and 2020, respectively.

**Investments** - Investments are presented in the financial statements at fair market value based on quoted market prices in an active market. The net increase or decrease in the fair market value of investments is reflected as an increase or reduction in the statement of activities. FASB ASC 820 defines fair value, establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America, and expands disclosures about fair value measurements. The fair value of investments is disclosed in Note 2.

**Land** - Land is recorded at the fair market value of donated property.

**Property and Equipment** - All buildings and building improvements are stated at cost, if purchased, and at fair value, if donated. Routine maintenance and repair costs are charged to operations as they are incurred. Expenditures over \$500, which extend the useful life of an asset, are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in operations. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and building improvements	5 - 40	Years
Machinery and equipment	5	Years

**Conservation Easement** - In accordance with FASB ASC 350-30, the Organization records conservation easements as an intangible asset at the fair value of the conservation easement as of the date of the contribution. Furthermore, ASC 350-30 requires the Organization to test these assets for impairment annually or whenever events change or circumstances indicate that the carrying value of the asset may not be recoverable. Management determined that the value of the conservation easement was not impaired at December 31, 2021 and 2020.

**Contributions** - The Organization accounts for its contributions under the provisions of FASB ASC 958-605. In accordance with FASB ASC 958-605, contributions received are recorded as with or without donor restriction, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in net assets with donor restriction, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. However, donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction.

The Organization has many volunteers who have made significant contributions of their time, facilities or other forms of non-monetary giving for which the Organization would normally have to pay. The value of these contributions is not reflected in these financial statements, as they have not been deemed cost effective to measure or value these services.

**Functional Expenses** - Expenses are charged to program services, management and general, or fundraising based on direct expenditures incurred. Any program expenditures not directly charged are allocated based on estimates of resource application and usage.

**Income Tax Status** - The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

**CATHERINE VIOLET HUBBARD FOUNDATION, INC.**  
**Notes to Financial Statements**

---

In accordance with FASB ASC 740-10-50 the Organization recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities. Management believes that the Organization is currently operating in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no liability for unrecognized tax benefits has been included on the Organization's financial statements. The exempt Organization's informational returns are subject to audit by various taxing authorities.

**Revenue Recognition** - On January 1, 2019, the Organization adopted ASU 2014-09, Revenue from Contracts with Customers, which provides guidance for revenue recognition that superseded the revenue recognition requirements in Accounting Standards Codification ("ASC" Topic 605, Revenue Recognition ("Topic 605")) and most industry specific guidance. Under ASU 2014-09, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for these goods or services. The Organization has analyzed the provisions of the ASU 2014-09 and has concluded that no changes are necessary to conform with the new standard. The Organization utilizes a five-step framework as identified in ASU 2014-09.

The Organization adopted ASU 2014-09 under the modified retrospective approach, applying the amendments to prospective reporting periods. Results for reporting periods beginning after January 1, 2019 are presented under ASU 2014-09, while prior period amounts are not adjusted and continue to be reported in accordance with the historic accounting under Topic 605.

The Organization receives its revenue primarily from contributions and grants. The Organization receives contributions primarily from individuals, private organizations, and other foundations. Contributions are recognized in the period they are made. The Organization also receives grants to assist in carrying out its mission. Grants are recognized in the period they are awarded.

**Advertising** - The Organization expenses all advertising costs as they are incurred. Advertising expense for the years ended December 31, 2021 and 2020 were \$1,648 and \$3,149, respectively.

**Subsequent Events** - The Organization has evaluated subsequent events through the date of the report, which is the date the financial statements were available to be issued.

**Note 2. Investments**

The Organization measures its investments at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America. Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**CATHERINE VIOLET HUBBARD FOUNDATION, INC.**  
**Notes to Financial Statements**

---

FSAB ASC 820-10 establishes a fair value hierarchy which requires an organization to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

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

Level 2: Significant other observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting organization's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The following is a description of the valuation methodologies used for assets measured at fair value:

Cash & Cash Equivalents and Exchange-traded Funds: Valued at the closing price reported in the active market in which the investment is actively traded at year-end (Level 1).

Bonds: Valued at quoted prices in markets that are not active, which approximates the market value with changes in fair value during the period (Level 2).

Exchange-traded funds: Valued at the closing price reported on the active market on which the individual securities are traded (Level 1)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments consisted of the following at December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash and cash equivalents	\$ 349,330	\$ -	\$ 349,330
Exchange-traded funds			
Commodities focused	19,879	-	19,879
Diversified emerging markets	15,026	-	15,026
Foreign small/mid blend	15,137	-	15,137
Foreign large blend	129,715	-	129,715
Intermediate government	208,224	-	208,224
Real estate	13,457	-	13,457
Small blend	59,904	-	59,904
Mid blend	19,985	-	19,985
Large blend	115,372	-	115,372
Bonds	-	579,868	579,868
Total investments at fair value	<u>\$ 946,029</u>	<u>\$ 579,868</u>	<u>\$ 1,525,897</u>

**CATHERINE VIOLET HUBBARD FOUNDATION, INC.**  
**Notes to Financial Statements**

Investments consisted of the following at December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash and cash equivalents	\$ 188,294	\$ -	\$ 188,294
Exchange-traded funds			
Commodities focused	20,693	-	20,693
Diversified emerging markets	36,187	-	36,187
Foreign small/mid blend	23,028	-	23,028
Foreign large blend	121,473	-	121,473
Intermediate government	269,192	-	269,192
Small blend	63,190	-	63,190
Mid blend	28,782	-	28,782
Large blend	185,404	-	185,404
Bonds	-	695,346	695,346
Total investments at fair value	<u>\$ 936,243</u>	<u>\$ 695,346</u>	<u>\$ 1,631,589</u>

Unrestricted investment income is comprised of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Dividend and interest income	\$ 60,527	\$ 32,771
Net realized and unrealized gain on investments	45,549	42,090
Total unrestricted investment income	<u>\$ 106,076</u>	<u>\$ 74,861</u>

**Note 3. Fixed Assets**

Fixed assets is comprised of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 340,000	\$ 340,000
Land improvements	1,026,601	675,999
Buildings and building improvements	70,047	70,047
Machinery and equipment	26,153	28,453
Sub-total	1,462,801	1,114,499
Less, accumulated depreciation	(59,623)	(39,742)
Total property and equipment - net	<u>\$ 1,403,178</u>	<u>\$ 1,074,757</u>

**Note 4. Other Assets**

Other assets is comprised of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Conservation easement	\$ 759,755	\$ 759,755
Security deposit	1,124	1,124
Total other assets	<u>\$ 760,879</u>	<u>\$ 760,879</u>

**CATHERINE VIOLET HUBBARD FOUNDATION, INC.**  
**Notes to Financial Statements**

---

**Note 5. Net Assets With Donor Restrictions**

Net assets with donor restrictions are comprised of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Construction	\$ 320,943	\$ 310,712
Land	340,000	340,000
Conservation easement	759,755	759,755
Eco Programming	20,000	20,000
Engraved brick pavers	34,945	33,445
Senior paw programming	16,278	-
Sculptures	3,449	5,549
Butterfly garden/Pollinator plants	7,215	9,593
Trees	28,795	28,795
Benches	8,670	8,670
Total Net Assets With Donor Restrictions	<u>\$ 1,540,050</u>	<u>\$ 1,516,519</u>

**Note 6. Lease Contracts**

During February 2018, the Organization entered into a lease agreement with a lessor for office space renewable annually. Rent expense amounted to \$13,789 and \$14,214 for the years ended December 31, 2021 and 2020, respectively.

**Note 7. Paycheck Protection Program**

On May 1, 2020, the Organization received loan proceeds in the amount of \$18,232 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying organizations for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels during the measurement period. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the measurement period.

The Organization anticipated that the loan would have been forgiven in full and recognized a gain on extinguishment of debt in the amount of \$18,232 for the year ending December 31, 2020. During November 2021, the Organization was notified that only \$12,023 of the principal was forgiven. The remaining balance of this loan was paid off and recognized as a loss on extinguishment of debt in the amount of \$6,206 for the year ended December 31, 2021.

**Note 8. Employee Retention Credit**

During the year ended December 31, 2021, the Organization claimed a refundable tax credit for the Employee Retention Credit ("ERC") under the CARES Act. The Organization qualified to receive a refundable tax credit of \$28,000 for the year ended December 31, 2021. The calculation used to determine the refundable tax credit was based on financial activity as of December 31, 2021 and 2020. For the year ended December 31, 2021, the total refund of \$28,000 was accounted for on the statement of activities as "Employee retention credit".

**Note 9. Subsequent Events**

Subsequent to the year ended December 31, 2021 the Organization received an additional \$30,404 in Employee Retention Credit.