

**NOAH'S ARK ANIMAL
REHABILITATION CENTER
AND SANCTUARY, INC.**

FINANCIAL REPORT

APRIL 30, 2021

NOAH’S ARK ANIMAL REHABILITATION CENTER AND SANCTUARY, INC.

**FINANCIAL REPORT
APRIL 30, 2021**

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT.....	1
FINANCIAL STATEMENTS	
Statements of financial position	2
Statements of activities	3 and 4
Statements of functional expenses	5 and 6
Statements of cash flows	7
Notes to financial statements.....	8 - 15



INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Noah's Ark Animal Rehabilitation Center and Sanctuary, Inc.
Atlanta, Georgia**

We have audited the accompanying financial statements of **Noah's Ark Animal Rehabilitation Center and Sanctuary, Inc.** (a nonprofit organization), which comprise the statements of financial position as of April 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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 audits. We conducted our audits 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 Noah's Ark Animal Rehabilitation Center and Sanctuary, Inc. as of April 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted

Mauldin & Jenkins, LLC

Atlanta, Georgia
September 24, 2021

**NOAH'S ARK ANIMAL REHABILITATION
CENTER AND SANCTUARY, INC.**

**STATEMENTS OF FINANCIAL POSITION
APRIL 30, 2021 AND 2020**

	2021	2020
ASSETS		
Assets:		
Cash	\$ 302,883	\$ 300,677
Accounts receivable	20,821	26,876
Investments	151,435	151,352
Other assets	624	40
Property and equipment, net	2,025,202	2,104,268
Total assets	\$ 2,500,965	\$ 2,583,213
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 55,139	\$ 32,607
Accrued expenses	13,092	9,367
Notes payable	1,240	15,250
Total liabilities	69,471	57,224
Net assets:		
Without donor restrictions		
Undesignated	2,389,798	2,471,307
With donor restrictions		
Purpose restricted	41,696	54,682
Total net assets	2,431,494	2,525,989
Total liabilities and net assets	\$ 2,500,965	\$ 2,583,213

See Notes to Financial Statements.

**NOAH'S ARK ANIMAL REHABILITATION
CENTER AND SANCTUARY, INC.**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and support:			
Contribution and grant revenue	\$ 1,254,589	\$ 48,732	\$ 1,303,321
Forgiveness of PPP debt income	130,800	-	130,800
Pet adoptions	52,600	-	52,600
Fundraising events revenue	14,127	-	14,127
In-kind donations	363,168	-	363,168
Rescue vet services	267,977	-	267,977
Gift shop sales	21,689	-	21,689
Other revenue	26,281	-	26,281
Net assets released from restrictions	61,718	(61,718)	-
Total revenues, gains and support	<u>2,192,949</u>	<u>(12,986)</u>	<u>2,179,963</u>
Loss on sale of fixed assets	<u>(830)</u>	<u>-</u>	<u>(830)</u>
Expenses:			
Program activities	1,796,380	-	1,796,380
Support activities			
General and administrative	369,254	-	369,254
Fundraising	107,994	-	107,994
Total expenses	<u>2,273,628</u>	<u>-</u>	<u>2,273,628</u>
Change in net assets	<u>(81,509)</u>	<u>(12,986)</u>	<u>(94,495)</u>
Net assets at beginning of year	<u>2,471,307</u>	<u>54,682</u>	<u>2,525,989</u>
Net assets at end of year	<u>\$ 2,389,798</u>	<u>\$ 41,696</u>	<u>\$ 2,431,494</u>

See Notes to Financial Statements.

**NOAH'S ARK ANIMAL REHABILITATION
CENTER AND SANCTUARY, INC.**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and support:			
Contribution and grant revenue	\$ 1,486,302	\$ 24,479	\$ 1,510,781
Fundraising events revenue	6,138	-	6,138
In-kind donations	467,036	-	467,036
Rescue vet services	176,123	-	176,123
Gift shop sales	14,387	-	14,387
Other revenue	16,797	-	16,797
Net assets released from restrictions	11,379	(11,379)	-
Total revenues, gains and support	<u>2,178,162</u>	<u>13,100</u>	<u>2,191,262</u>
Gain on sale of fixed assets	<u>4,256</u>	<u>-</u>	<u>4,256</u>
Expenses:			
Program activities	1,719,958	-	1,719,958
Support activities			
General and administrative	286,354	-	286,354
Fundraising	100,681	-	100,681
Total expenses	<u>2,106,993</u>	<u>-</u>	<u>2,106,993</u>
Change in net assets	<u>75,425</u>	<u>13,100</u>	<u>88,525</u>
Net assets at beginning of year	<u>2,395,882</u>	<u>41,582</u>	<u>2,437,464</u>
Net assets at end of year	<u>\$ 2,471,307</u>	<u>\$ 54,682</u>	<u>\$ 2,525,989</u>

See Notes to Financial Statements.

**NOAH'S ARK ANIMAL REHABILITATION
CENTER AND SANCTUARY, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED APRIL 30, 2021**

	<u>Program Expenses</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 513,630	\$ 148,180	\$ 74,090	\$ 735,900
Employee benefits	82,459	23,560	11,780	117,799
Payroll taxes	33,405	9,544	4,772	47,721
Professional fees	-	115,419	-	115,419
Advertising and promotion	84,684	-	-	84,684
Office expenses	18,192	6,064	6,064	30,320
Technology expenses	10,921	3,641	3,641	18,203
Repairs and maintenance	155,085	-	-	155,085
Utilities	85,061	15,011	-	100,072
Property taxes	2,692	475	-	3,167
Conferences and meetings	2,111	264	264	2,639
Depreciation expense	174,067	30,718	-	204,785
Insurance	67,706	11,948	-	79,654
Automobile expenses	42,299	-	-	42,299
Animal feed	190,196	-	-	190,196
Vet care	171,222	-	-	171,222
Supplies	132,579	-	-	132,579
Visitor center expense	2,390	-	-	2,390
Rehabilitation expense	9,961	-	-	9,961
Other expenses	17,720	4,430	7,383	29,533
Total expenses	<u>\$ 1,796,380</u>	<u>\$ 369,254</u>	<u>\$ 107,994</u>	<u>\$ 2,273,628</u>

See Notes to Financial Statements.

**NOAH'S ARK ANIMAL REHABILITATION
CENTER AND SANCTUARY, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED APRIL 30, 2020**

	<u>Program Expenses</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 474,538	\$ 135,582	\$ 67,791	\$ 677,911
Employee benefits	68,651	19,615	9,807	98,073
Payroll taxes	31,460	8,989	4,494	44,943
Professional fees	-	51,351	-	51,351
Advertising and promotion	67,803	-	-	67,803
Office expenses	16,973	5,658	5,658	28,289
Technology expenses	6,417	2,139	2,139	10,695
Repairs and maintenance	203,478	-	-	203,478
Utilities	93,235	16,453	-	109,688
Property taxes	1,253	221	-	1,474
Conferences and meetings	7,956	995	995	9,946
Interest expense	-	585	-	585
Depreciation expense	171,202	30,212	-	201,414
Insurance	56,370	9,948	-	66,318
Fundraising event expenses	-	-	2,120	2,120
Automobile expenses	45,461	-	-	45,461
Animal feed	219,656	-	-	219,656
Vet care	133,000	-	-	133,000
Supplies	97,217	-	-	97,217
Visitor Center expense	5,020	-	-	5,020
Rehabilitation expense	1,842	-	-	1,842
Other expenses	18,426	4,606	7,677	30,709
Total expenses	<u>\$ 1,719,958</u>	<u>\$ 286,354</u>	<u>\$ 100,681</u>	<u>\$ 2,106,993</u>

See Notes to Financial Statements.

**NOAH'S ARK ANIMAL REHABILITATION
CENTER AND SANCTUARY, INC.**

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (94,495)	\$ 88,525
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	204,785	201,414
Loss on sale of fixed assets	830	-
Changes in assets and liabilities		
Decrease (increase) in accounts receivable	6,055	(3,325)
(Increase) decrease in other assets	(584)	6,019
Increase (decrease) in accounts payable	22,532	(48,221)
Increase (decrease) in accrued expenses	3,725	(12,367)
Net cash provided by operating activities	142,848	232,045
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(83)	(91,486)
Disposition of property and equipment	-	36,994
Acquisition of property and equipment	(126,549)	(158,622)
Net cash used in investing activities	(126,632)	(213,114)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	(14,010)	(12,704)
Net cash used in financing activities	(14,010)	(12,704)
Net increase in cash	2,206	6,227
Cash, beginning of year	300,677	294,450
Cash, end of year	\$ 302,883	\$ 300,677
SUPPLEMENTAL DISCLOSURE OF ADDITIONAL CASH FLOW INFORMATION		
Cash paid for interest	\$ 275	\$ 585

See Notes to Financial Statements.

NOAH'S ARK ANIMAL REHABILITATION CENTER AND SANCTUARY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION

History

Founded by Jama Hedgecoth, the original Noah's Ark opened in 1978 in Ellenwood, Georgia. Named for the biblical Noah's Ark, which represented a vessel of safety in the midst of danger, Jama's Ark was built to shield animals and children from today's floods of abuse and neglect.

Jama outgrew her small farm in Ellenwood, Georgia in 1990 and moved her family, and all of the animals, to Locust Grove, Georgia. The current facility is 250 acres situated in a beautiful, "park like" setting, and encompasses an animal rehabilitation center, training administration building, nature trails, and countless natural habitats for the roughly 1,500 rescued animals on site.

The Noah's Ark Animal Rehabilitation Center, Inc. (the Center) was organized as a Georgia Non-profit corporation in April 1990 under the Georgia Non-Profit Corporation Code. Noah's Ark Animal Rehabilitation Center, Inc. is a public charity as defined in Section 509(a) of the Internal Revenue Service Code and is governed by a board of directors.

Mission

Noah's Ark is an educational animal sanctuary and rehabilitation center dedicated to bringing children and animals together with the purpose of providing unconditional love, unconditional service, and a future full of hope. Noah's Ark has roughly 1,500 animals from over 100 different species, including exotic animals, domestic animals and native Georgia wildlife.

The Organization's mission is threefold:

- To provide a home for injured, abused, and orphaned animals.
- To provide awareness through rehab/education programs that emphasize all living things have value no matter how small or seemingly insignificant. When we as a society can recognize this fact, we will begin to win the battles for conservation and preservation.
- To provide unconditional love and care for animals who have special needs in their lives whether mental, physical, or emotional.

The care of wildlife can be a lengthy and complex process depending on the species and the extent of injuries. If injuries are so debilitating that the animal cannot be released, it will stay at Noah's Ark for the remainder of its life in as natural of a habitat as possible.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION (Continued)

Mission (Continued)

Services/Programs include:

Animal Care Program:

The majority of exotic animals surrendered to the sanctuary were either confiscated by law enforcement from individuals illegally owning them, rescued from deplorable conditions, living as stray animals, or were unwanted zoo or private breeder “surplus” animals.

Most domestic livestock (including but not limited to horses, cow, llama, pig, bison, goat and sheep) and companion animals, including dogs and cats, were brought to Noah’s Ark by Animal Control agencies or surrendered by owners who could no longer care for them. After receiving necessary veterinary care and behavioral training and evaluations, most dogs and cats can be adopted to forever homes by way of the Organization’s Pet Adoption Program. Animals that would not make suitable pets live out their lives as members of the Noah’s Ark family.

Numerous species of native Georgia wildlife (including but not limited to white tailed deer, opossum, rabbit, songbirds, squirrel and armadillo) are brought to Noah’s Ark as abandoned babies or injured adults. Every effort is made to rehabilitate the animal in hopes for eventual release, however those who cannot return to the wild are housed permanently at Noah’s Ark.

Noah’s Ark works with numerous credible animal rescue facilities and in the event an animal is unable to be accepted to the sanctuary, resources are provided in hopes of assisting that animal to find a forever home.

Education and Advocacy Program:

Free of charge, each month thousands of children on field trips spend the day at Noah’s Ark, learning about responsible animal ownership as well as the story of each rescued wild animal and why that particular animal is in need of a sanctuary. Children are encouraged to get involved in the community service program and find ways to volunteer their time which provides an opportunity to apply academic learning to real life needs.

More than 100,000 people visit Noah’s Ark annually to experience beautiful rescued animals thriving in habitats that mimic their natural environments, as well as learn what threatens each species both in the wild and in captivity, and what they can do to help.

Noah’s Ark also develops, publishes and distributes materials concerning the rescue, care and treatment of exotic, domestic/companion, and native wild animals for the prevention of animal cruelty.

Basis of presentation

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. This basis of accounting involves the application of accrual accounting; consequently, revenues are recognized when earned, and expenses are recognized when incurred.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

For financial statement purposes, the Organization considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. At April 30, 2021 and 2020, there were no cash equivalents.

Property and equipment

Property and equipment are carried at cost, or if donated, at the fair market value on the date the asset is donated. Depreciation is computed over the estimated useful lives of the assets (5 to 40 years) using the straight-line method. Repairs and maintenance are charged to operations when incurred. Betterments and renewals in excess of \$1,000 are capitalized. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation are removed, and any gain or loss is included in operations.

Investments

Investments consist of equity securities and are carried at fair value. Donated investments are recorded at fair value on the date received. Realized and unrealized gains and losses on the portfolio are recognized as income or loss.

Investment securities are exposed to various risks, such as interest rate risk, market risk, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the accompanying financial statements.

Net assets

The Organization presents its financial statements in accordance with the Financial Accounting Standards Board (FASB)'s *Financial Statements for Not-For-Profit Organizations*. Under this guidance, the Organization is required to report information regarding its financial position and activities according to two categories of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions are not subject to donor-imposed restrictions which are used to account for resources available to carry out the purposes of the Organization in accordance with the limitations of its bylaws. Net assets with donor restrictions are subject to donor-imposed restrictions that may be perpetual in nature or met with by the actions of the Organization or the passage of time. As of April 30, 2021 and 2020, the Organization had no net assets with donor restrictions that are perpetual in nature.

Revenue Recognition

A majority of all revenues are derived from contributions and grants. Contributions received are recognized as revenues in the period pledged at their estimated fair value.

The Organization recognizes rescue vet services and gift shop sales in accordance with FASB ASC Topic 606. Both types of sales revenue are recognized at a point in time, which is at the point of sale at the Organization location. The adoption of ASU 2014-09 did not have an impact on the timing of the revenue recognition of rescue vet services and gift shop sales.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated goods and services

Contributed goods and services are recognized if they create or enhance nonfinancial assets or if they require specialized skills and would typically be purchased if not provided by donation. Contributed goods and services are reflected as contributions at fair value at the date of donation and are reported as unrestricted support unless specific donor stipulations specify how donated assets must be used. Noah's Ark received in-kind contributions of various items and services valued at \$363,168 and \$467,036 for the years ended April 30, 2021 and 2020, respectively.

Estimates

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America which require management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements, as well as the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Functional allocation of expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as personnel costs, professional services, office expenses, information technology, insurance, and other, which are allocated on the basis of estimates of time and effort.

Fair value presentation

As defined by FASB, fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. In determining fair value, Noah's Ark uses various methods including market, income, and cost approaches. Based on these approaches, Noah's Ark often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. Noah's Ark utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, Noah's Ark is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value presentation (Continued)

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Valuations for assets and liabilities traded in active markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

For the fiscal years ended April 30, 2021 and 2020, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

Income taxes

Noah's Ark is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the Organization is not required to pay federal taxes on income, and contributions to the Organization qualify for the charitable contributions deduction to the extent provided by Section 170 of the Internal Revenue Code.

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Management is not aware of any circumstances or transactions that would jeopardize its tax exempt status.

All tax exempt entities are subject to review and audit by federal, state and other applicable agencies. Such agencies may review the taxability of unrelated business income, or the qualification of the tax-exempt entity under the Internal Revenue Code and applicable state statutes.

NOTE 3. CONCENTRATIONS OF RISK

For the years ended April 30, 2021 and 2020, contributions from a major contributor accounted for 25% and 23% of the total contributions to the Organization, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position as of April 30, 2021 and 2020, comprise the following:

	2021	2020
Cash and cash equivalents (without donor restrictions)	\$ 261,187	\$ 245,995
Accounts receivable	20,821	26,876
Investments	151,435	151,352
	\$ 433,443	\$ 424,223

NOTE 5. OTHER ASSETS

Other assets consists of materials and supplies, either purchased or donated, and are valued at the lower of cost or market. Cost is determined using the first-in, first-out method. Therefore, ending other assets at April 30, 2021 and 2020 is valued at the most recent price.

The other asset balances are as follows at April 30:

	2021	2020
Gift shop merchandise	\$ 624	\$ 40

NOTE 6. INVESTMENTS

The following table sets forth by level, within the fair value hierarchy described in Note 2, the Organization's assets at fair value as of April 30, 2021:

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Institutional Government	\$ 151,435	\$ -	\$ -	\$ 151,435
Total investments at fair value	\$ 151,435	\$ -	\$ -	\$ 151,435

The following table sets forth by level, within the fair value hierarchy described in Note 2, the Organization's assets at fair value as of April 30, 2020:

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Institutional Government	\$ 151,352	\$ -	\$ -	\$ 151,352
Total investments at fair value	\$ 151,352	\$ -	\$ -	\$ 151,352

NOTES TO FINANCIAL STATEMENTS

NOTE 7. PROPERTY AND EQUIPMENT

Property and equipment, net, is comprised of the following as of April 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Land	\$ 468,601	\$ 468,601
Building, improvements and habitats	5,081,597	4,990,048
Furniture and fixtures	136,951	123,357
Machinery and equipment	382,178	382,178
Automotive equipment	245,795	238,295
	<u>6,315,122</u>	<u>6,202,479</u>
Less: accumulated depreciation	<u>(4,289,920)</u>	<u>(4,098,211)</u>
Property and equipment, net	<u>\$ 2,025,202</u>	<u>\$ 2,104,268</u>

Depreciation expense was \$204,785 and \$201,414 for the years ended April 30, 2021 and 2020, respectively.

NOTE 8. ANIMAL COLLECTIONS

The Financial Accounting Standards Board codification defines collections as works of art, historical treasures, or similar assets that meet all of the following criteria:

- They are held for public exhibition, education, or research in furtherance of public service rather than financial gain.
- They are protected, kept unencumbered, cared for, and preserved.
- They are subject to an organizational policy that requires the proceeds of items that are sold to be used to acquire other items for collections.

Animals held by the Animal Sanctuary meet this definition. The Animal Sanctuary's animal collection is not capitalized. In accordance with industry practice, there is no objective basis for establishing value. Additionally, the animal collection has numerous attributes, including species, age, sex, relationship and value to other animals and endangered status, whereby it is impractical to assign value.

NOTE 9. NOTE PAYABLE

In April 2016, Noah's Ark incurred a note payable in the amount of \$66,436 at an interest rate of 2.9% for the purchase of a new Holland skid steer loader. Principal and interest are payable by the Organization in monthly installments of \$1,107 for a term of 60 months ending June 2021.

Scheduled maturities are as follows:

During the year ending April 30,

2022	\$ 1,240
	<u>\$ 1,240</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. NET ASSETS WITH DONOR RESTRICTIONS

At April 30, 2021 and 2020, net assets with donor restrictions were available for the following donor restricted purposes:

	<u>2021</u>	<u>2020</u>
Macaw Aviary	\$ -	\$ 20,402
Track software	11,375	11,375
The Golden Years fund	30,321	22,905
	<u>\$ 41,696</u>	<u>\$ 54,682</u>

Net assets with donor restrictions as of April 30, 2021 and 2020 consisted of cash.

NOTE 11. RELEASES FROM NET ASSETS WITH DONOR RESTRICTIONS

Net assets released from donor restrictions (by incurring expenses satisfying the restricted purpose specified by donors) for the years ended April 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Macaw Aviary	\$ 22,902	\$ 10,408
Big Cat	-	971
Dog Rescue	35,966	-
The Golden Years fund	2,850	-
	<u>\$ 61,718</u>	<u>\$ 11,379</u>

NOTE 12. EFFECTS OF COVID-19

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act commonly referred to as the CARES Act. One component of the CARES Act was the paycheck protection program (“PPP”) which provides small businesses with the resources needed to maintain their payroll and cover applicable overhead. The PPP is implemented by the Small Business Administration (“SBA”) with support from the Department of Treasury. The PPP provides funds to pay up to 24 weeks of payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent, and utilities. Noah’s Ark applied for and was accepted to participate in this program. On May 14, 2020, Noah’s Ark received funding for \$130,800.

The loan was a 2 year loan with a maturity date of May 11, 2022. The loan bore an annual interest rate of 1%. Monthly payments of \$7,361 were made with the first six monthly payments deferred. The entire loan proceeds of \$130,800 was forgiven on January 31, 2021. Since Noah’s Ark spent all of the funds on eligible expenses during the period May 2020 to July 2020, the PPP loan has been recognized as grant revenue.

NOTE 13. SUBSEQUENT EVENTS

Management has evaluated events through September 24, 2021, the date on which the financial statements were available to be issued.