Orphan Kitten Club, Inc.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

(With Independent Auditor's Report Thereon)

Orphan Kitten Club, Inc.

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Independent Auditor's Report

To the Board of Directors
Orphan Kitten Club, Inc.

Opinion

We have audited the accompanying financial statements of Orphan Kitten Club, Inc. (a not-for-profit organization), which comprise the statements of financial position as of December 31, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Orphan Kitten Club, Inc. as of December 31, 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 in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Orphan Kitten Club, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Orphan Kitten Club, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 Orphan Kitten Club, 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 Orphan Kitten Club, 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.

Terra Business Solutions

Terra Business Solutions

Walnut, California

December 2, 2022

ORPHAN KITTEN CLUB, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020

ASSETS

	2021	2020
Current assets		
Cash and cash equivalents - without donor restrictions (Note 2)	$ 1,518,244	$ 1,268,410
Accounts receivable	23,621	9,405
Prepaid assets	26,172	-
Total curent assets	$ 1,568,037	$ 1,277,815
Long-term assets		
Leasehold improvements	$ 111,516	$ 36,257
Accumulated amoritzation	(4,259)	(1,032)
Total long-term assets	$ 107,257	$ 35,225
Total assets	$ 1,675,294	$ 1,313,040

LIABILITIES AND NET ASSETS

	2021	2020
Current liabilities		
Accrued expenses	$ 192,352	$ 197,015
Total current liabilities	$ 192,352	$ 197,015
Net Assets		
Whithout donor restrictions	$ 1,482,942	$ 1,085,581
With donor restrictions	-	30,444
Total net assets	$ 1,482,942	$ 1,116,025
Total liabilities and net assets	$ 1,675,294	$ 1,313,040

The notes are an integral part of the financial statements

ORPHAN KITTEN CLUB, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	December 31, 2021		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Support and Revenue			
Revenues			
Contributiona	$ 1,471,553	$ -	$ 1,471,553
In-kind Donations	6,759	-	6,759
Interest and dividend income	1,569	-	1,569
Realized and unrealized gain (loss) on investments	1,694	-	1,694
Total support and revenue	$ 1,481,575	$ -	$ 1,481,575
Net Assets Released From Restrictions			
Satisfaction of program restrictions (Note 7)	$ 30,444	$ (30,444)	$ -
Expenses			
Program services	$ 917,985	$ -	$ 917,985
Total program services	$ 917,985	$ -	$ 917,985
Supporting services			
Management and general	$ 98,759	$ -	$ 98,759
Fund-raising	97,914	-	97,914
Total supporting services	$ 196,673	$ -	$ 196,673
Total Expenses	$ 1,114,658	$ -	$ 1,114,658
Change in total net assets	$ 397,361	$ (30,444)	$ 366,917
Net assets, beginning of year	1,085,581	30,444	1,116,025
Net assets, end of year	$ 1,482,942	$ -	$ 1,482,942

The notes are an integral part of the financial statements

ORPHAN KITTEN CLUB, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	December 31, 2020					
	WITHOUT DONOR RESTRICTIONS		WITH DONOR RESTRICTIONS		TOTAL	
Support and Revenue						
Revenues						
Contributiona	$	1,111,496	$	56,654	$	1,168,150
Adoption Fees		3,600		-		3,600
In-kind Donations		-		-		-
Interest and dividend income		-		-		-
Realized and unrealized gain (loss) on investments		-		-		-
Total support and revenue	$	1,115,096	$	56,654	$	1,171,750
Net Assets Released From Restrictions						
Satisfaction of program restrictions (Note 7)	$	26,210	$	(26,210)	$	-
Expenses						
Program services	$	641,350	$	26,210	$	667,560
Total program services	$	641,350	$	26,210	$	667,560
Supporting services						
Management and general	$	84,026	$	-	$	84,026
Fund-raising		24,493		-		24,493
Total supporting services	$	108,519	$	-	$	108,519
Total Expenses	$	749,869	$	26,210	$	776,079
Change in total net assets	$	365,227	$	30,444	$	395,671
Net assets, beginning of year		720,354		-		720,354
Net assets, end of year	$	1,085,581	$	30,444	$	1,116,025

The notes are an integral part of the financial statements

ORPHAN KITTEN CLUB, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	December 31, 2021		
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAI
Advertising and marketing	$ -	$ -	$
Business filings	-	400	
Cat care	156,607	-	
Contract services	66,440	14	
Depreciation	3,227		
Insurance	-		
Meals	-		
Mighty Cat Grants	676,502		
Might Cat program	-		
Office supplies and expenses	1		
Bank fees			
Postage andmailing services			
Professional fees			
Promotional material			
Rent			
Repairs and maintenance			
TNR program			
Travel			
Utilties			
Tota			

The notes are an integral part of the financial statements

ORPHAN KITTEN CLUB, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	December 31, 2020			
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Business filings	$ -	$ 313	$ -	$ 313
Cat care	95,948	-		95,948
Contract services	56,166	4,769	826	61,761
Depreciation	1,032	-	-	1,032
Insurance	-	75	-	75
Meals	-	1,101	-	1,101
Mighty Cat Grants	434,371	-	-	434,371
Might Cat program	5,304	-	-	5,304
Office supplies and expenses	10,705	21,345	10,311	42,361
PayPal Fees	40,752			40,752
Postage and mailing services	12,309			12,309
Professional fees	-	2,130	6,584	8,714
Promotional material	-	-	6,772	6,772
Rent	-	32,500	-	32,500
Repairs and maintenance	-	12,748	-	12,748
TNR program	10,973	-	-	10,973
Travel	-	584	-	584
Utilties	-	8,461	-	8,461
Total exp[enses	$ 667,560	$ 84,026	$ 24,493	$ 776,079

ORPHAN KITTEN CLUB, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

		2021
Cash flows from operating activities		
Change in net assets	$	
Changes in assets and liabilities		
Investments		
Other current assets		
Accrued expenses		
Net cash provided by operating activities		
Cash flows from investing activities		
Purchase of property and equipment		
Purchase of securities		
Net cash used by investing ac		
Net increase in cash, cash		
Cash, cash equiv		
Cash, ca		

The notes are an integral part of the financial statements

NOTE 1 - Principal Activity

Orphan Kitten Club (The Organization) is a 501(c)(3) not-for-profit organization whose mission is to end the killing of neonatal kittens and to give every kitten a chance at a full and happy life. Funds for the Organization's operations are raised primarily through contributions from private donors.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Accounting

The Organization's financial statements are prepared in conformity with US generally accepted accounting principles (US GAAP). In the opinion of the Organization's management, the accompanying financial statements contain all adjustments, consisting of normal recurring accruals, necessary to fairly present the accompanying financial statements.

Tax-Exempt Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and does not conduct unrelated business activities. The Organization has also been classified as an entity that is not a private Organization within the meaning of Section 509(a) of the Internal Revenue Code. Therefore, no provision has been made for federal income taxes in the accompanying financial statements.

Uncertain Tax Positions

The Organization follows accounting standards established by the Financial Accounting Standards Board (FASB) ASC 740 which clarify the accounting for uncertainty in income taxes recognized in the financial statements and ASC 740-10-25 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition, and measurement of a tax position taken or to be taken in a tax return. The Organization has no uncertain tax positions resulting in any tax expense or benefit that would have a material impact on the financial statements for the years ending December 31, 2021 and 2020.

Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions based on available information. To make estimates, allocations, and assumptions that affect the reported amounts of 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.

NOTE 2 – Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Organization considers all highly liquid investments available with a maturity date of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents without donor restrictions.

Concentration of Credit Risk

The Organization restricts investments of cash to financial institutions of high credit standing. Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Organization to be creditworthy. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. The Organization has not experienced any loss in such accounts.

The Organization believes it is not exposed to any significant credit risks on its cash balances. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that the investment policies and guidelines are prudent for the long-term welfare of the organization.

Revenue Recognition

Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received or promised. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Consists of assets which are fully available, at the discretion of management and the Board of Directors, for the Organization to utilize in any of its programs or supporting services. Net assets without donor restrictions also include amounts designated for certain purposes by the Board of Directors.

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.

NOTE 2 – Summary of Significant Accounting Policies (continued)

Net Assets with Donor Restrictions (continued)

Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be with donor restrictions 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 statements of activities as net assets released from restrictions. 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, both.

Donations In-kind

The Organization includes contributed goods and services in the financial statements. The Organization records the value of non-cash materials, facilities, and professional services at the estimated fair value. Contributed professional services are recognized when the services received require specialized skills. Expenses related to contributed goods and services are divided between program services, management and general, and fund-raising on the statement of functional expenses.

Property and Equipment

Property and equipment additions over $ 2,500 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 10 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term.

When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

Donated property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

NOTE 2 – Summary of Significant Accounting Policies (continued)

Property and Equipment (continued)

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2021 and 2020.

Basis of Presentation

Under accounting standards on Financial Statements of non-profit Organizations, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

As of January 01, 2020, the Organization adopted the provisions of Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements for Not-For-Profit Entities. The provisions of the ASU replace the existing three classes of net assets with two new classes (net assets without donor restrictions and net assets with donor restrictions). The ASU introduces new disclosure requirements to provide information about what is included or excluded from the Organization's intermediate measure of operations as well as disclosures to improve a financial statement user's ability to assess the Organization's liquidity and exposure to risk. The ASU also introduces new reporting requirements to present expenses by both function and natural classification in a single location and to present investment returns on the statements of activities net of external and direct internal investment expenses.

The new provisions should be applied on a retrospective basis; however, if presenting comparative financial statements, the ASU allows for the option to omit, for any periods presented before the period of adoption, the analysis of expenses by both natural classification and functional classification (the separate presentation of expenses by functional classification and expenses by natural classification is still required), and the disclosure about liquidity and availability of resources.

Exchange Transactions

In June 2018, the FASB issued Accounting Standards Update (ASU) No. 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made, which amends the accounting guidance related to (1) evaluating whether transactions should be accounted for as contributions or exchange transactions, and (2) determining whether a contribution is conditional. The ASU is effective for annual periods beginning after December 15, 2018 for resource recipients, and after December 15, 2019 for resource providers, with early adoption permissible. The guidance is effective for the Organization for years beginning after December 15, 2019. The Organization adopted this guidance on January 01, 2020 under the modified prospective approach to agreements that were either not completed as of January 01, 2020 or entered into after January 01, 2020. The Organization does not make significant conditional contributions or exchanges and the impact of ASU 2018-08 related to contributions made is not expected to be material to the financial statements or disclosures.

NOTE 2 – Summary of Significant Accounting Policies (continued)

Exchange Revenue

As a resource provider, the Organization has adopted the guidance effective January 01, 2020. The Organization has recorded exchange transactions for sponsorship in exchange revenue for advertising sponsors during special events to support program initiatives during the year ended December 31, 2021 and 2020 in the amount of $ 0 and $ 0, respectively.

Recent Accounting Pronouncements

Accounting Standards Update No. 2014-09, 2016-08, 2016-10, 2016-12 and 2016-20, collectively implemented as Financial Accounting Standard Board ("FASB") Accounting Standards Codification ("ASC") Topic 606 ("ASC 606") Revenue from Contracts with Customers, provides guidance for revenue recognition. This ASC's core principle requires an organization to recognize revenue when it transfers promised goods or services to customers in an amount that reflects consideration to which the organization expects to be entitled in exchange for those goods or services. The standard also clarifies the principal versus agent considerations, providing the evaluation must focus on whether the entity has control of the goods or services before they are transferred to the customer. The new standard permits the use of either the modified retrospective or full retrospective transition method.

The Organization has performed a review of the new guidance as compared to its current accounting policies, and evaluated all services rendered to its customers as well as underlying contracts to determine the impact of this standard to its revenue recognition process. Upon completion of its review of relevant contracts, the Organization has decided that there was not a material impact to revenues in the years ending December 31, 2021 and 2020 because of applying ASC 606. Additionally, there have not been significant changes to the Organization's business processes, systems, or internal controls because of implementing the standard. The Organization adopted the standard on January 1, 2020, using the modified retrospective transition method.

In February 2016, the FASB issued ASU No. 2016-02, Leases, which is intended to improve financial reporting about leasing transactions. ASU No. 2016-02 requires that leased assets be recognized as assets on the statement of financial position and the liabilities for the obligations under the lease also be recognized on the statement of financial position. ASU No. 2016-02 requires disclosures to help investors and other financial statement users better understand the amount, timing and uncertainty of cash flows arising from leases. The required disclosures include qualitative and quantitative requirements. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2020 and interim periods within those fiscal years.

Early adoption is permitted. ASU No. 2016-02 must be adopted using a modified retrospective transition and provides for certain practical expedients. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. The Organization was not a party to any leases that would fall under the requirements of ASU No. 2016-02 during the years ended December 31, 2021 and 2020.

NOTE 3 - Fair Value Measurement

The Organization follows the method of fair value to value its financial assets and liabilities. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels has been established, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Financial assets carried at fair value on December 31, 2021 and 2020 are classified in the following schedules in one of three categories described above.

The table below presents the balances of assets measured at fair value as of December 31, 2021 and 2020 on a recurring basis:

	2021			2020		
Assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 1,518,244	$ -	$ -	$ 1,268,410	$ -	$ -
Total Cash and cash equivalents	$ 1,518,244	$ -	$ -	$ 1,268,410	$ -	$ -

NOTE 4 - Liquidity and Availability

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 date, comprise the following:

	2021	2020
Cash and cash equivalents	$ 1,518,244	$ 1,268,410

As part of its liquidity management, the Organization maintains liquid assets sufficient to meet its ongoing funding needs, which include IRS distribution requirements, general expenditures, and other obligations. Its main source of income is derived from contributions.

NOTE 5 - Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalents, and restricted cash as noted in the cash flow statements consists of the following on December 31:

	2021	2020
Cash	$ 1,518,244	$ 1,237,966
Restricted cash	-	30,444
Total cash, cash equivalents, and restricted cash	$ 1,518,244	$ 1,268,410

NOTE 6 - Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include utilities, general insurance, and depreciation, as well as salaries, wages, benefits, payroll taxes, postage, mailing, printing, copying, telephone, supplies and technology, which are allocated based on estimates of time and effort.

NOTE 7 - Net Assets

Net assets with donor restrictions are restricted for the following purposes or period:
Net assets consist of the following on December 31:

	2021	2020
Without donor restrictions:		
Undesignated and unrestricted	$ 1,482,942	$ 1,085,581
Total net assets without donor restrictions	$ 1,482,942	$ 1,085,581
With donor restrictions:		
Subject to expenditure for specific purpose:		
Earmarked for specific kittens	$ -	$ 30,444
	$ -	$ 30,444

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or events specified by donors during fiscal years ended December 31, 2021 and 2020 are as follows:

	2021	2020
Purpose restrictions accomplished:		
Release of restriction for specific kittens	$ (30,444)	$ (26,210)
Total net assets with donor restrictions	$ -	$ 30,444
Total net assets with and without donor restrictions	$ 1,482,942	$ 1,116,025

NOTE 8 - Property and Equipment

Property and equipment consist of the following on December 31:

	2021	2020
Leasehold improvements	$ 111,516	$ 36,257
Total leasehold improvements	$ 111,516	$ 36,257
Accumulated depreciation	$ (4,259)	$ (1,032)

Depreciation expense was $ 3,227 and $ 1,032 for the year ended December 31, 2021 and 2020, respectively.

NOTE 9 - Donations In-kind

The Organization includes contributed goods and services in the financial statements. The Organization records the value of non-cash materials, facilities, and professional services at the estimated fair value. Contributed professional services are recognized when the services received require specialized skills. Expenses related to contributed goods and services are divided between program services, management and general, and fund-raising on the statement of functional expenses. Expenses related to contributed goods and services totaled $ 0 and $ 0 for the years ended December 31, 2021 and 2020, respectively.

NOTE 10 – Rental Commitments

The Company rents its office facility from a related party under a month-to-month rental agreement. The agreement provides for monthly payments of $ 3,000. Rent expense was $ 41,000 and $ 32,500 for the years ended December 31, 2021 and 2020, respectively.

NOTE 11 – Related Party Transactions

The Organization rents it facilities form the Organizations' founder and board chair. The terms of the rental include $3,000 rental payment each month each month the facilities are used. The rental agreement has no term beyond each month that the facilities are rented. The agreement can be terminated by either party with written notice or by default of either party. While the amount of the monthly rental payment is below market value for developed land and buildings in the area, the property is underdeveloped and there is no term beyond each month. Based on that information the Organization believes the monthly rental amount is fair and reasonable.

NOTE 12 – Subsequent Events

The Organization has evaluated subsequent events through December 2, 2022 which is the date that the financial statements were approved and available to be issued.

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus as a pandemic. Management continues to evaluate the potential negative economic impact. Impacts resulting from the global COVID-19 pandemic. Given the uncertainty of these circumstances, the related impact on the Organization's operations cannot be reasonably estimated at this time.

As of the last brokerage statement received prior to December 2, 2022, the fair market value of the Organization's investments had declined by $171,715. Had the unrealized loss been recorded at December 31, 2021 the carrying value of the investments would have been $678,839, and the unrealized loss would have reduced the net assets at that date.