

Gateway Pet Guardians
(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021

GATEWAY PET GUARDIANS

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Linda A. Howdeshell, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Gateway Pet Guardians
East St. Louis, IL 62205

Opinion

I have audited the accompanying financial statements of Gateway Pet Guardians (a nonprofit organization) which comprise the statements of financial position as of December 31, 2022, and 2021, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gateway Pet Guardians, as of December 31, 2022, and 2021, 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Gateway Pet Guardians and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Gateway Pet Guardians' 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

My 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 my 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, including omissions, 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, I:

- 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 Gateway Pet Guardians' 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Gateway Pet Guardians' ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Linda O. Hardschull CPA

St. Louis, Missouri
May 15, 2023

Gateway Pet Guardians
STATEMENTS OF FINANCIAL POSITION

ASSETS		December 31,	
		2022	2021
CURRENT ASSETS			
Cash and cash equivalents	\$	307,980	\$ 180,408
Receivables		105,042	70,342
Inventory		7,788	8,989
Prepaid expenses		10,543	9,698
Total Current Assets		431,353	269,437
PROPERTY AND EQUIPMENT, net			
accumulated depreciation		587,924	536,979
TOTAL ASSETS		\$ 1,019,277	\$ 806,416
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$	32,898	\$ 75,484
Accrued expenses		38,528	34,465
Current portion of long-term debt		13,848	20,779
Total Current Liabilities		85,274	130,728
LONG-TERM LIABILITIES			
Long-term debt		212,831	158,120
TOTAL LIABILITIES		298,105	288,848
NET ASSETS			
Net assets without donor restrictions		621,172	458,063
Net assets with donor restrictions		100,000	59,505
Total Net Assets		721,172	517,568
TOTAL LIABILITIES AND NET ASSETS		\$ 1,019,277	\$ 806,416

See accompanying notes to financial statements

Gateway Pet Guardians
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

	Funds without Donor Restrictions	Funds with Donor Restrictions	Total
SUPPORT AND REVENUE			
Support			
Contributions	\$ 686,843	\$ 100,000	\$ 786,843
Grants	344,822	-	344,822
Special events	226,756	-	226,756
In-kind	319,288	-	319,288
Paycheck Protection Plan	-	-	-
Revenue			
Adoption income	154,607	-	154,607
Clinic income	143,512	-	143,512
Retail	223,892	-	223,892
Rescue bank	116,891	-	116,891
Other program	93,127	-	93,127
Interest and miscellaneous	411	-	411
Net assets released from restrictions	59,505	(59,505)	-
TOTAL SUPPORT AND REVENUE	2,369,654	40,495	2,410,149
EXPENSES			
Program services	1,894,411	-	1,894,411
Supporting services			
Management and general	99,376	-	99,376
Fundraising	212,758	-	212,758
TOTAL EXPENSES	2,206,545	-	2,206,545
CHANGE IN NET ASSETS	163,109	40,495	203,604
NET ASSETS, Beginning of year	458,063	59,505	517,568
NET ASSETS, End of year	\$ 621,172	\$ 100,000	\$ 721,172

See accompanying notes to financial statements

Gateway Pet Guardians
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

	Funds without Donor Restrictions	Funds with Donor Restrictions	Total
SUPPORT AND REVENUE			
Support			
Contributions	\$ 1,037,471	\$ 32,838	\$ 1,070,309
Grants	10,825	-	10,825
Special events	-	-	-
In-kind materials	300	-	300
Paycheck Protection Plan	95,140	-	95,140
Revenue			
Adoption income	206,754	-	206,754
Clinic income	55,390	-	55,390
Retail	43,282	-	43,282
Rescue bank	59,161	-	59,161
Other program	8,246	-	8,246
Interest and miscellaneous	3,672	-	3,672
Net assets released from restrictions	128,333	(128,333)	-
TOTAL SUPPORT AND REVENUE	1,648,574	(95,495)	1,553,079
 EXPENSES			
Program services	1,372,413	-	1,372,413
Supporting service			
Management and general	128,235	-	128,235
Fundraising	221,809	-	221,809
TOTAL EXPENSES	1,722,457	-	1,722,457
CHANGE IN NET ASSETS	(73,883)	(95,495)	(169,378)
NET ASSETS, Beginning of year	531,946	155,000	686,946
NET ASSETS, End of year	\$ 458,063	\$ 59,505	\$ 517,568

See accompanying notes to financial statements
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Gateway Pet Guardians
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 203,604	\$ (169,378)
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation	27,319	23,418
(Increase) decrease in assets:		
Receivables	(34,700)	(20,941)
Prepaid expenses	(845)	(2,791)
Inventory	1,201	7,733
(Decrease) increase in liabilities:		
Accounts payable	(42,584)	3,632
Accrued expenses	4,063	18,817
Net Change in Cash and Cash Equivalents from Operating Activities	158,058	(139,510)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital additions	(78,264)	(9,619)
Net Change in Cash and Cash Equivalents from Investing Activities	(78,264)	(9,619)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	206,000	160,800
Repayment of long-term debt	(158,222)	(133,255)
Net Change in Cash and Cash Equivalents from Financing Activities	47,778	27,545
NET CHANGE IN CASH AND CASH EQUIVALENTS	127,572	(121,584)
CASH AND CASH EQUIVALENTS -- BEGINNING OF THE YEAR	180,408	301,992
CASH AND CASH EQUIVALENTS -- END OF THE YEAR	\$ 307,980	\$ 180,408
SUPPLEMENTAL DISCLOSURES		
Cash paid during the year for interest	\$ 8,806	\$ 8,206
Cash paid during the year for income taxes	\$ -	\$ -

See accompanying notes to financial statements

Gateway Pet Guardians
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022

Supporting Services

	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	<u>Total</u>
Salaries	\$ 791,726	\$ 19,355	\$ 120,536	\$ 139,891	\$ 931,617
Benefits	137,758	3,443	22,284	25,727	163,485
Payroll taxes	72,149	1,779	11,093	12,872	85,021
Total Payroll and taxes	<u>1,001,633</u>	<u>24,577</u>	<u>153,913</u>	<u>178,490</u>	<u>1,180,123</u>
Supplies	664,101	3,905	6,439	10,344	674,445
Professional services	50,374	34,968	3,418	38,386	88,760
Occupancy	69,914	7,983	7,925	15,908	85,822
Depreciation expense	22,239	3,182	1,898	5,080	27,319
Bank and credit card fees	7,942	6,515	11,516	18,031	25,973
Information technology	16,974	-	6,071	6,071	23,045
Sales tax	17,484	3,388	-	3,388	20,872
Insurance	14,480	3,578	1,339	4,917	19,397
Marketing and advertising	9,337	-	4,649	4,649	13,986
Repairs and maintenance	9,810	1,595	722	2,317	12,127
Interest expense	-	8,806	-	8,806	8,806
Postage and shipping	605	-	7,453	7,453	8,058
Printing	686	499	6,066	6,565	7,251
Travel and meetings	5,333	-	-	-	5,333
Grantmaking	3,500	-	-	-	3,500
Miscellaneous	-	380	1,348	1,728	1,728
Total Expenses	<u><u>\$ 1,894,411</u></u>	<u><u>\$ 99,376</u></u>	<u><u>\$ 212,758</u></u>	<u><u>\$ 312,134</u></u>	<u><u>\$ 2,206,545</u></u>

See accompanying notes to financial statements

Gateway Pet Guardians
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

	Supporting Services				Total
	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 654,292	\$ 25,704	\$ 135,694	\$ 161,398	\$ 815,690
Benefits	96,217	6,123	20,535	26,658	122,875
Payroll taxes	58,118	2,350	11,752	14,102	72,220
Total Payroll and taxes	808,627	34,177	167,981	202,158	1,010,785
Supplies	257,324	3,556	4,592	8,148	265,472
Professional services	86,650	52,320	3,276	55,596	142,246
Occupancy	52,263	7,501	4,960	12,461	64,724
Depreciation expense	19,048	2,760	1,610	4,370	23,418
Bank and credit card fees	7,383	3,645	19,239	22,884	30,267
Information technology	21,780	2,806	6,509	9,315	31,095
Sales tax	13,114	-	-	-	13,114
Insurance	16,594	4,174	1,120	5,294	21,888
Marketing and advertising	10,455	651	3,597	4,248	14,703
Repairs and maintenance	9,024	581	339	920	9,944
Interest expense	5,408	2,365	433	2,798	8,206
Postage and shipping	50,163	27	3,564	3,591	53,754
Printing	1,037	1,041	4,211	5,252	6,289
Travel and meetings	3,206	4	3	7	3,213
Grantmaking	7,000	-	-	-	7,000
Miscellaneous	3,337	12,627	375	13,002	16,339
Total Expenses	\$ 1,372,413	\$ 128,235	\$ 221,809	\$ 350,044	\$ 1,722,457

See accompanying notes to financial statements
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Gateway Pet Guardians
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Gateway Pet Guardians (the “Organization”) is a non-profit organization founded in 2004 dedicated to ending homelessness for animals in the Metro East St. Louis Community through rescue, rehabilitation, adoption, community outreach, and education. During 2019, the Organization officially changed its name from PJ’s Pet Guardians to Gateway Pet Guardians, removing the “doing business as” designation, to better represent the purpose and mission.

In 2020, Gateway Pet Guardians opened a 54,000 sq ft. facility in East St. Louis, creating the first and largest pet resource center in the region. GPG established the first-ever vet clinic in East St. Louis, offering subsidized veterinary care to more than 500 pets since opening in August. GPG became the largest transfer partner for St. Clair County Animal Services and the Rescue Bank Affiliate partner for the St. Louis region. GPG earned the Points of Light Service Enterprise certification.

In 2021, Gateway Pet Guardians had their first full year of operating out of their new building, which meant growth in all programming as well as launching new programs and services, including an affordable pet spa, the Pet Supply Donation Marketplace, a free in-house spay/neuter program, walk-in public clinic hours and self-service low- cost bulk pet food, to name a few. With expanded staff capacity and the dedication of countless volunteers and fosters, they were able to set several lifetime organizational records, including the number of pets returned to owners and adopted by community members, as well as hours devoted to foster care, total volunteer hours, annual animal intake and adoption.

GPG provided medical care for 1,845 owned pets in their community. The organization took in 1139 cats and dogs, conducted 1,011 adoptions and returned 42 pets to their owners. These numbers were a 30% increase over 2020 thanks to length of stay before adoption dropping to 25 days (30%). The organization has a 97% save rate. GPG distributed 29 tons of food and cat litter to the communities in its service area through their pet food pantry and other pet food partnerships. GPG spayed and neutered 728 owned cats and dogs (including feral cats), preventing 1,533,896 future unwanted pets from being born and saving St. Clair County millions of dollars in animal care.

In 2022, GPG provided medical care for 2,088 owned pets in their community. The organization took in 1268 cats and dogs, conducted 1,069 adoptions and returned 58 pets to their owners. The organization is considered "no kill" organization by industry standards and has a 97% save rate. GPG distributed 33.8 tons of pet food and 6.8 tons of cat litter to the communities in its service area through their pet food pantry and other community partnerships. GPG spayed and neutered 937 owned cats and dogs (including feral cats), preventing an estimate of 1.8 million future unwanted pets from being born and saving St. Clair County millions of dollars in animal care.

Gateway Pet Guardians
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Nature of Activities (continued)

During COVID-19, GPG successfully moved all animals from the shelter and into foster homes. Staff worked remotely and two staff members were furloughed. By the end of 2020, all staff had been reinstated to their positions, and the organization was operating with animals and staff in the shelter. In December of 2020, the founding Executive Director, Jamie Case, announced her resignation and a new Executive Director, Emily Stuart, was hired with a start date of January 5th, 2021. Emily resigned effective February 14, 2022 and Alisha Vianello was promoted into the Executive Director role. Alisha started as a foster parent and volunteer with GPG in 2016 and has been employed by GPG since 2019. She has helped the organization earn a 100% score on Leadership and Adaptability ratings for Charity Navigator and graduated from the Best Friends Animal Society Executive Leadership Program in December 2022.

The organization saved \$335,500 in 2021 by utilizing volunteers and 31 volunteers qualified for the President's Volunteer Service Award by giving over 100 hours of service in 2021.

The organization saved around \$300,000 in 2022 by utilizing volunteers and 32 volunteers qualified for the President's Volunteer Service Award by giving over 100 hours of service in 2021. GPG also received the 2022 Platinum Transparency rating from GuideStar.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, prepaids, accounts payable, and other liabilities.

Basis of Presentation

The Organization presents its financial statements in conformity with generally accepted accounting principles. Under these principles, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Gateway Pet Guardians
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

The Organization considers cash on hand, cash in banks, certificates of deposit, time deposits, and U.S. government and other short-term securities with maturities of three months or less when purchased as cash and cash equivalents.

Property and Equipment

Property and equipment is reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All equipment with a cost of \$5,000 or more is capitalized. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

	<u>Years</u>
Equipment	3 - 10
Vehicles	5
Building and improvements	10 - 39

Property and equipment is reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Gifts-in-Kind Contributions

If the organization receives a contribution of land, buildings, equipment, or supplies, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the organization's capitalization policy. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed.

The organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the organization's program operations and in its fund-raising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in financial statements. GAAP allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Such services are assigned a value based on rates commensurate with the type of services performed.

Gateway Pet Guardians
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board (“FASB”). In accordance with FASB guidance, contributions received are recorded as funds without donor restrictions or funds with donor restrictions, depending on the existence or nature of any donor restrictions. As of December 31, 2022, and 2021, the Organization does not have any funds with donor restrictions that will not expire due to expiration of time or for meeting the purpose of the donor.

Contributions are recognized when the donor makes a promise to give the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions, if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years’ experience and management’s analysis of specific promises made. The Organization considers grants receivable at December 31, 2022, and 2021, to be fully collectible.

Income from adoption, clinic, retail, rescue bank, and other program are major revenue streams in which the revenue is earned and the performance obligation is performed at the time goods or services are provided. Revenue is recognized in the accounting records as goods and services are provided. There are no contract assets or liabilities at year end. These types of revenues are not considered variable consideration. The Organization does not have any significant financing component.

Special events consist of a number of events throughout the year. While there are some ticket sales, the major source of revenue from this activity is considered contributions.

Expense Recognition and Allocation

The cost of providing the organization’s programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited based on time spent by staff. The allocation is reviewed annually by the Executive Director and outsourced accounting consultant.

Gateway Pet Guardians
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Recognition and Allocation (continued)

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising.

Advertising Expense

Costs of advertising are expensed in the period incurred.

Income Taxes

The Organization is a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code and similar provisions of the state code. Therefore, no provision for income taxes has been made.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Organization's management believes that the estimates and assumptions are reasonable in the circumstances, however, the actual results could differ from those estimates.

Gateway Pet Guardians
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2022 and 2021

NOTE B – PROPERTY AND EQUIPMENT

The fair value of equipment costs and the related accumulated depreciation consisted of the following at December 31,:

	<u>2022</u>	<u>2021</u>
Equipment	\$ 71,063	\$ 55,263
Vehicles	35,619	35,619
Building and improvements	<u>570,757</u>	<u>456,229</u>
Total	677,439	495,866
Less accumulated depreciation	<u>(89,515)</u>	<u>(62,196)</u>
Net property and equipment	<u>\$ 587,924</u>	<u>\$ 536,979</u>

Depreciation expense for the year ended December 31, 2022, and 2021, was \$27,319 and \$23,418 respectively. Depreciation expense is reported as a functional expense under the appropriate program or supporting service.

NOTE C – RESERVE AND LIQUIDITY

The Organization is substantially supported by program income, grants, and contributions. The Organization works to maintain a reserve to ensure the stability of the mission, programs, employment, and ongoing operations of the organization. The Organization’s goal is to maintain a reserve of three months cash on hand. During 2020, the Organization moved into the new building and expanded programming which required investing in staff, supplies, building maintenance in 2020 and 2021 so that the Organization was not able to build a reserve. There are no new planned construction on the building or program expansions so that finances are stable and the Organization is working on a strategic plan to grow the reserve. As of December 31, 2022, the Organizations assets available within one year are comprised of the following:

Financial assets, at year end	\$1,019,277
Less those unavailable for general expenditures, within one year:	
Invested in capital assets, net	(587,924)
Funds with donor restrictions	<u>(100,000)</u>
Available for operations within one year	<u>\$ 331,353</u>

Gateway Pet Guardians
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2022 and 2021

NOTE D – NET ASSETS WITH DONOR RESTRICTIONS

Grants of cash are reported as funds with donor restrictions support if they are received with donor stipulations that limit the use of the funds. When the restriction’s purpose is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions. Net assets with donor restrictions consisted of the following at December 31,:

	<u>2022</u>	<u>2021</u>
Vet care for all	\$ -	\$ 26,667
Time restriction	<u>100,000</u>	<u>32,838</u>
Total net assets with donor restrictions	<u>\$ 100,000</u>	<u>\$ 59,505</u>

NOTE E – SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 15, 2023, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

NOTE F – LONG-TERM DEBT

July 15, 2020, the Organization received a \$24,800 unsecured loan from the Small Business Administration due to COVID-19, Economic Injury Disaster Loan. Interest is 2.75% annually with minimum payments of \$106 due monthly beginning twelve months after the date of the loan and the principal balance with all accrued interest is due by July 15, 2050.

The Organization finances the building it uses for operations. Effective September 7, 2021, the Organization entered into a loan agreement with a maturity date of August 20, 2024 and an interest rate of 4.75% per annum. Regular monthly payments of \$2,253.75 started September 20, 2021 through July 20, 2024. There was one irregular last payment of approximately \$100,470 due on August 20, 2024.

September 2, 2022, the above mortgage was refinanced. The maturity date is September 2, 2027 and carries an interest rate of 5.92% per annum and regular monthly payments of \$2,136 starting October 2, 2022 and one irregular last payment of approximately \$148,097 due on September 2, 2027.

Gateway Pet Guardians
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE F – LONG-TERM DEBT (continued)

The following minimum principal and interest payments are due for the following future periods as of December 31,:

2023	\$ 25,634
2024	25,634
2025	25,634
2026	25,634
2027	148,097

Interest expense for the year ending December 31, 2022, and 2021, was \$8,806, and \$8,206, respectively.

NOTE G – PAYCHECK PROTECTION PROGRAM

January 26, 2021, the Organization received a second PPP loan in the amount of \$95,139.50. All stipulations of the agreement were met and the loan was forgiven effective August 6, 2021 and the amount is appropriately recorded on the Statement of Activities.