HUMANE ANIMAL RESCUE OF PITTSBURGH AND SUBSIDIARY
Pittsburgh, Pennsylvania

Consolidated Financial Statements
For the years ended December 31, 2021 and 2020

and Independent Auditor’s Report Thereon
C O N T E N T S

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INDEPENDENT AUDITOR’S REPORT

To the Board of Directors of
Humane Animal Rescue of Pittsburgh and Subsidiary
Pittsburgh, Pennsylvania

Opinion

We have audited the accompanying consolidated financial statements of Humane Animal Rescue of Pittsburgh and Subsidiary (HARP) (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020 and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of HARP as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Consolidated Financial Statements section of our report. We are required to be independent of HARP 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 HARP’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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HARP’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

Schneider Downs & Co., Inc.

Pittsburgh, Pennsylvania
August 11, 2022
### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,871,581</td>
<td>$624,954</td>
</tr>
<tr>
<td>Accounts and contributions receivable</td>
<td>144,825</td>
<td>401,725</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>60,000</td>
<td>94,964</td>
</tr>
<tr>
<td>Note receivable (Note 14)</td>
<td>5,348,000</td>
<td>5,348,000</td>
</tr>
<tr>
<td>Inventory</td>
<td>109,987</td>
<td>143,303</td>
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<tr>
<td>Prepaid and other assets</td>
<td>60,900</td>
<td>51,468</td>
</tr>
<tr>
<td>Investments (Notes 4 and 5)</td>
<td>11,325,543</td>
<td>9,748,588</td>
</tr>
<tr>
<td>Interests in charitable trusts (Note 6)</td>
<td>4,339,443</td>
<td>4,019,261</td>
</tr>
<tr>
<td>Property and equipment, net (Note 7)</td>
<td>17,206,992</td>
<td>17,846,460</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$40,467,271</td>
<td>$38,278,723</td>
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</tbody>
</table>

### LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$194,925</td>
<td>$70,061</td>
</tr>
<tr>
<td>Accrued pension liability - nonqualified (Note 12)</td>
<td>70,142</td>
<td>78,881</td>
</tr>
<tr>
<td>Accrued pension liability - qualified (Note 12)</td>
<td>312,373</td>
<td>522,676</td>
</tr>
<tr>
<td>Other accrued liabilities</td>
<td>307,699</td>
<td>388,426</td>
</tr>
<tr>
<td>Notes payable, net (Note 14)</td>
<td>7,700,724</td>
<td>7,653,297</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>8,585,863</td>
<td>8,713,341</td>
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</tbody>
</table>

### NET ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without donor restrictions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undesignated (Note 3)</td>
<td>26,022,326</td>
<td>24,099,138</td>
</tr>
<tr>
<td>With donor restrictions (Note 8)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perpetual in nature</td>
<td>5,840,292</td>
<td>5,401,812</td>
</tr>
<tr>
<td>Purpose restrictions</td>
<td>18,790</td>
<td>64,432</td>
</tr>
<tr>
<td>Total Net Assets</td>
<td>5,859,082</td>
<td>5,466,244</td>
</tr>
<tr>
<td></td>
<td>31,881,408</td>
<td>29,565,382</td>
</tr>
<tr>
<td>Total Liabilities And Net Assets</td>
<td>$40,467,271</td>
<td>$38,278,723</td>
</tr>
</tbody>
</table>

See notes to consolidated financial statements.
## HUMANE ANIMAL RESCUE OF PITTSBURGH AND SUBSIDIARY

### CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

<table>
<thead>
<tr>
<th></th>
<th>2021 Without Donor Restrictions</th>
<th>2021 With Donor Restrictions</th>
<th>2021 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING SUPPORT AND REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holding and adoption fees</td>
<td>$834,068</td>
<td>-</td>
<td>$834,068</td>
</tr>
<tr>
<td>Veterinary services</td>
<td>1,199,709</td>
<td>-</td>
<td>1,199,709</td>
</tr>
<tr>
<td>Behavior and training</td>
<td>91,045</td>
<td>-</td>
<td>91,045</td>
</tr>
<tr>
<td>Merchandise sales</td>
<td>45,572</td>
<td>-</td>
<td>45,572</td>
</tr>
<tr>
<td>Memberships</td>
<td>225</td>
<td>-</td>
<td>225</td>
</tr>
<tr>
<td>Contributions and grants</td>
<td>5,271,639</td>
<td>$104,148</td>
<td>5,375,787</td>
</tr>
<tr>
<td>Direct mail fundraising</td>
<td>998,496</td>
<td>-</td>
<td>998,496</td>
</tr>
<tr>
<td>Special events fundraising:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gala</td>
<td>698,335</td>
<td>-</td>
<td>698,335</td>
</tr>
<tr>
<td>Marathon</td>
<td>5,626</td>
<td>-</td>
<td>5,626</td>
</tr>
<tr>
<td>Other</td>
<td>46,794</td>
<td>-</td>
<td>46,794</td>
</tr>
<tr>
<td><strong>Net assets released from restrictions:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction of purpose restrictions</td>
<td>149,790</td>
<td>(149,790)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Operating Support And Revenues</strong></td>
<td>9,341,299</td>
<td>(45,642)</td>
<td>9,295,657</td>
</tr>
</tbody>
</table>

| **EXPENSES**                      |                                 |                              |            |
| Programs                          | 7,065,536                       | -                            | 7,065,536  |
| Fundraising                       | 749,031                         | -                            | 749,031    |
| Management and general            | 833,472                         | -                            | 833,472    |
| **Total Operating Expenses**      | 8,648,039                       | -                            | 8,648,039  |

| Increase (Decrease) In Net Assets From Operations | 693,260 | (45,642) | 647,618 |

| **NON-OPERATING INCOME**          |                                 |                              |            |
| Other income, net                 | 56,875                          | -                            | 56,875     |
| Interest expense                  | (55,882)                        | -                            | (55,882)   |
| Net investment return             | 1,053,458                       | 118,298                      | 1,171,756  |
| Increase in interests in charitable trusts | -              | 320,182                      | 320,182    |
| **Increase In Net Assets Before Change In Unrecognized Pension Costs** | 1,054,451 | 438,480 | 1,492,931 |

| **CHANGE IN UNRECOGNIZED PENSION COSTS** | 175,477 | - | 175,477 |

| **Total Change In Net Assets**     | 1,923,188 | 392,838 | 2,316,026 |

<p>| <strong>NET ASSETS</strong>                     |                                 |                              |            |
| Beginning of year                  | 24,099,138 | 5,466,244 | 29,565,382 |
| End of year                        | $26,022,326 | $5,859,082 | $31,881,408 |</p>
<table>
<thead>
<tr>
<th>Total</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 734,631</td>
<td>-</td>
<td>$ 734,631</td>
<td></td>
</tr>
<tr>
<td>1,380,605</td>
<td>-</td>
<td>1,380,605</td>
<td></td>
</tr>
<tr>
<td>86,678</td>
<td>-</td>
<td>86,678</td>
<td></td>
</tr>
<tr>
<td>44,861</td>
<td>-</td>
<td>44,861</td>
<td></td>
</tr>
<tr>
<td>18,145</td>
<td>-</td>
<td>18,145</td>
<td></td>
</tr>
<tr>
<td>3,847,294</td>
<td>$ 40,982</td>
<td>3,888,276</td>
<td></td>
</tr>
<tr>
<td>1,138,605</td>
<td>-</td>
<td>1,138,605</td>
<td></td>
</tr>
<tr>
<td>466,636</td>
<td>-</td>
<td>466,636</td>
<td></td>
</tr>
<tr>
<td>9,133</td>
<td>-</td>
<td>9,133</td>
<td></td>
</tr>
<tr>
<td>74,929</td>
<td>-</td>
<td>74,929</td>
<td></td>
</tr>
<tr>
<td>136,084</td>
<td>(136,084)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>7,937,601</td>
<td>(95,102)</td>
<td>7,842,499</td>
<td></td>
</tr>
<tr>
<td>7,367,383</td>
<td>-</td>
<td>7,367,383</td>
<td></td>
</tr>
<tr>
<td>649,368</td>
<td>-</td>
<td>649,368</td>
<td></td>
</tr>
<tr>
<td>366,987</td>
<td>-</td>
<td>366,987</td>
<td></td>
</tr>
<tr>
<td>8,383,738</td>
<td>-</td>
<td>8,383,738</td>
<td></td>
</tr>
<tr>
<td>(446,137)</td>
<td>(95,102)</td>
<td>(541,239)</td>
<td></td>
</tr>
<tr>
<td>121</td>
<td>-</td>
<td>121</td>
<td></td>
</tr>
<tr>
<td>(55,882)</td>
<td>-</td>
<td>(55,882)</td>
<td></td>
</tr>
<tr>
<td>1,203,002</td>
<td>-</td>
<td>1,203,002</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>296,247</td>
<td>296,247</td>
<td></td>
</tr>
<tr>
<td>1,147,241</td>
<td>296,247</td>
<td>1,443,488</td>
<td></td>
</tr>
<tr>
<td>701,104</td>
<td>201,145</td>
<td>902,249</td>
<td></td>
</tr>
<tr>
<td>(58,405)</td>
<td>-</td>
<td>(58,405)</td>
<td></td>
</tr>
<tr>
<td>642,699</td>
<td>201,145</td>
<td>843,844</td>
<td></td>
</tr>
<tr>
<td>23,456,439</td>
<td>5,265,099</td>
<td>28,721,538</td>
<td></td>
</tr>
<tr>
<td>$ 24,099,138</td>
<td>$ 5,466,244</td>
<td>$ 29,565,382</td>
<td></td>
</tr>
</tbody>
</table>

See notes to consolidated financial statements.
**HUMANE ANIMAL RESCUE OF PITTSBURGH AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**
FOR THE YEAR ENDED DECEMBER 31, 2021

<table>
<thead>
<tr>
<th></th>
<th>Shelter</th>
<th>Clinic</th>
<th>Humane Education</th>
<th>Investigation</th>
<th>Wildlife Center</th>
<th>Total Program Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll and related expenses</td>
<td>$3,070,698</td>
<td>$678,744</td>
<td>$86,669</td>
<td>$52,205</td>
<td>$401,829</td>
<td>$4,290,145</td>
</tr>
<tr>
<td>Supplies</td>
<td>384,517</td>
<td>429,347</td>
<td>18,348</td>
<td>5,541</td>
<td>71,712</td>
<td>909,465</td>
</tr>
<tr>
<td>Utilities</td>
<td>281,824</td>
<td>34,789</td>
<td>3,589</td>
<td>4,100</td>
<td>42,343</td>
<td>366,645</td>
</tr>
<tr>
<td>Direct mail</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gala expense</td>
<td>132,840</td>
<td>33,737</td>
<td>10,543</td>
<td>-</td>
<td>10,543</td>
<td>187,663</td>
</tr>
<tr>
<td>Consultants</td>
<td>34,061</td>
<td>30,495</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>64,556</td>
</tr>
<tr>
<td>Professional fees</td>
<td>67,355</td>
<td>34,822</td>
<td>1,465</td>
<td>560</td>
<td>5,037</td>
<td>109,239</td>
</tr>
<tr>
<td>IT costs</td>
<td>69,681</td>
<td>19,385</td>
<td>1,753</td>
<td>805</td>
<td>4,561</td>
<td>96,185</td>
</tr>
<tr>
<td>Insurance</td>
<td>64,222</td>
<td>12,944</td>
<td>3,564</td>
<td>1,967</td>
<td>9,596</td>
<td>92,293</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>63,478</td>
<td>9,968</td>
<td>742</td>
<td>742</td>
<td>9,547</td>
<td>84,477</td>
</tr>
<tr>
<td>Pension</td>
<td>47,395</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>47,395</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>10,490</td>
<td>3,944</td>
<td>310</td>
<td>13,587</td>
<td>1,400</td>
<td>29,731</td>
</tr>
<tr>
<td>Outside medical services</td>
<td>33,709</td>
<td>(71)</td>
<td>-</td>
<td>16,907</td>
<td>-</td>
<td>50,545</td>
</tr>
<tr>
<td>Community outreach</td>
<td>18,318</td>
<td>4,652</td>
<td>1,454</td>
<td>-</td>
<td>1,454</td>
<td>25,878</td>
</tr>
<tr>
<td>Transportation and fuel</td>
<td>18,079</td>
<td>2,361</td>
<td>670</td>
<td>545</td>
<td>1,879</td>
<td>23,534</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fundraisers</td>
<td>515</td>
<td>131</td>
<td>41</td>
<td>-</td>
<td>130</td>
<td>817</td>
</tr>
<tr>
<td>Bank fees</td>
<td>-</td>
<td>15</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15</td>
</tr>
<tr>
<td>Facilities costs</td>
<td>3,390</td>
<td>534</td>
<td>99</td>
<td>31</td>
<td>550</td>
<td>4,604</td>
</tr>
<tr>
<td>Marathon expense</td>
<td>3,150</td>
<td>800</td>
<td>250</td>
<td>-</td>
<td>250</td>
<td>4,450</td>
</tr>
<tr>
<td>Taxes and licenses</td>
<td>3,122</td>
<td>39</td>
<td>4</td>
<td>4</td>
<td>53</td>
<td>3,222</td>
</tr>
</tbody>
</table>

Program Services

<table>
<thead>
<tr>
<th></th>
<th>4,306,844</th>
<th>1,296,636</th>
<th>129,501</th>
<th>96,994</th>
<th>560,884</th>
<th>6,390,859</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>544,893</td>
<td>64,660</td>
<td>6,466</td>
<td>6,466</td>
<td>52,192</td>
<td>674,677</td>
</tr>
</tbody>
</table>

|                      | $4,851,737 | $1,361,296 | $135,967 | $103,460 | $613,076 | $7,065,536 |

6
## Management and Total Expenses

<table>
<thead>
<tr>
<th>Fundraising</th>
<th>Management and General</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>$479,031</td>
<td>$833,472</td>
<td>$8,648,039</td>
</tr>
<tr>
<td>$729,633</td>
<td>814,074</td>
<td>7,934,566</td>
</tr>
<tr>
<td>19,398</td>
<td>19,398</td>
<td>713,473</td>
</tr>
<tr>
<td>$358,382</td>
<td>$593,358</td>
<td>$5,241,885</td>
</tr>
<tr>
<td>39,961</td>
<td>10,819</td>
<td>960,245</td>
</tr>
<tr>
<td>10,292</td>
<td>12,691</td>
<td>389,628</td>
</tr>
<tr>
<td>211,998</td>
<td>-</td>
<td>211,998</td>
</tr>
<tr>
<td>23,194</td>
<td>-</td>
<td>210,857</td>
</tr>
<tr>
<td>-</td>
<td>97,806</td>
<td>162,362</td>
</tr>
<tr>
<td>31,721</td>
<td>21,401</td>
<td>162,361</td>
</tr>
<tr>
<td>28,511</td>
<td>8,723</td>
<td>133,419</td>
</tr>
<tr>
<td>5,209</td>
<td>6,220</td>
<td>103,722</td>
</tr>
<tr>
<td>2,226</td>
<td>2,226</td>
<td>88,929</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>47,395</td>
</tr>
<tr>
<td>5,380</td>
<td>16,965</td>
<td>52,076</td>
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<tr>
<td>-</td>
<td>-</td>
<td>50,545</td>
</tr>
<tr>
<td>4,978</td>
<td>17,286</td>
<td>48,142</td>
</tr>
<tr>
<td>1,283</td>
<td>1,329</td>
<td>26,146</td>
</tr>
<tr>
<td>-</td>
<td>19,263</td>
<td>19,263</td>
</tr>
<tr>
<td>5,605</td>
<td>-</td>
<td>6,422</td>
</tr>
<tr>
<td>-</td>
<td>5,804</td>
<td>5,819</td>
</tr>
<tr>
<td>331</td>
<td>92</td>
<td>5,027</td>
</tr>
<tr>
<td>550</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>12</td>
<td>91</td>
<td>3,325</td>
</tr>
</tbody>
</table>

See notes to consolidated financial statements.
## HUMANE ANIMAL RESCUE OF PITTSBURGH AND SUBSIDIARY

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

<table>
<thead>
<tr>
<th>Program Services</th>
<th>Shelter</th>
<th>Clinic</th>
<th>Humane Education</th>
<th>Investigation</th>
<th>Wildlife Center</th>
<th>Total Program Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll and related expenses</td>
<td>$ 3,225,584</td>
<td>$ 875,404</td>
<td>$ 157,431</td>
<td>$ 90,717</td>
<td>$ 422,182</td>
<td>$ 4,771,318</td>
</tr>
<tr>
<td>Supplies</td>
<td>347,234</td>
<td>422,968</td>
<td>18,213</td>
<td>2,433</td>
<td>38,466</td>
<td>829,314</td>
</tr>
<tr>
<td>Utilities</td>
<td>266,733</td>
<td>33,083</td>
<td>3,440</td>
<td>4,036</td>
<td>38,927</td>
<td>346,219</td>
</tr>
<tr>
<td>Professional fees</td>
<td>110,788</td>
<td>33,187</td>
<td>2,695</td>
<td>1,596</td>
<td>11,105</td>
<td>159,371</td>
</tr>
<tr>
<td>Direct mail</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>IT costs</td>
<td>62,169</td>
<td>19,233</td>
<td>1,498</td>
<td>843</td>
<td>3,199</td>
<td>86,942</td>
</tr>
<tr>
<td>Insurance</td>
<td>69,959</td>
<td>16,857</td>
<td>4,412</td>
<td>260</td>
<td>9,556</td>
<td>101,044</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>79,868</td>
<td>12,176</td>
<td>946</td>
<td>946</td>
<td>9,684</td>
<td>103,620</td>
</tr>
<tr>
<td>Consultants</td>
<td>50,179</td>
<td>45,797</td>
<td>709</td>
<td>474</td>
<td>2,366</td>
<td>99,525</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pension</td>
<td>65,234</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>65,234</td>
</tr>
<tr>
<td>Community outreach</td>
<td>27,890</td>
<td>6,829</td>
<td>2,134</td>
<td>-</td>
<td>2,134</td>
<td>38,987</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>34,274</td>
<td>2,897</td>
<td>374</td>
<td>390</td>
<td>1,098</td>
<td>39,033</td>
</tr>
<tr>
<td>Gala expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transportation and fuel</td>
<td>19,388</td>
<td>1,766</td>
<td>516</td>
<td>591</td>
<td>1,376</td>
<td>23,637</td>
</tr>
<tr>
<td>Outside medical services</td>
<td>17,413</td>
<td>1,467</td>
<td>-</td>
<td>-</td>
<td>50</td>
<td>18,930</td>
</tr>
<tr>
<td>Fundraisers</td>
<td>984</td>
<td>268</td>
<td>36</td>
<td>25</td>
<td>95</td>
<td>1,408</td>
</tr>
<tr>
<td>Marathon expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bank fees</td>
<td>-</td>
<td>15</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15</td>
</tr>
<tr>
<td>Facilities costs</td>
<td>752</td>
<td>92</td>
<td>9</td>
<td>9</td>
<td>-</td>
<td>862</td>
</tr>
<tr>
<td>Taxes and licenses</td>
<td>317</td>
<td>39</td>
<td>4</td>
<td>4</td>
<td>53</td>
<td>417</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>550,534</td>
<td>65,348</td>
<td>6,535</td>
<td>6,535</td>
<td>52,555</td>
<td>681,507</td>
</tr>
</tbody>
</table>

<p>| <strong>Total</strong>                  | <strong>4,929,300</strong> | <strong>1,537,426</strong> | <strong>198,952</strong> | <strong>108,859</strong> | <strong>592,846</strong> | <strong>7,367,383</strong> |</p>
<table>
<thead>
<tr>
<th>Fund-raising</th>
<th>Management and General</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 322,341</td>
<td>$ 222,510</td>
<td>$ 5,316,169</td>
</tr>
<tr>
<td>23,291</td>
<td>8,343</td>
<td>860,948</td>
</tr>
<tr>
<td>9,756</td>
<td>11,254</td>
<td>367,229</td>
</tr>
<tr>
<td>24,011</td>
<td>3,031</td>
<td>186,413</td>
</tr>
<tr>
<td>133,173</td>
<td>-</td>
<td>133,173</td>
</tr>
<tr>
<td>37,276</td>
<td>5,599</td>
<td>129,817</td>
</tr>
<tr>
<td>5,121</td>
<td>6,889</td>
<td>113,054</td>
</tr>
<tr>
<td>2,838</td>
<td>2,838</td>
<td>109,296</td>
</tr>
<tr>
<td>709</td>
<td>1,420</td>
<td>101,654</td>
</tr>
<tr>
<td>-</td>
<td>76,121</td>
<td>76,121</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>65,234</td>
</tr>
<tr>
<td>4,695</td>
<td>-</td>
<td>43,682</td>
</tr>
<tr>
<td>1,638</td>
<td>2,419</td>
<td>43,090</td>
</tr>
<tr>
<td>36,527</td>
<td>-</td>
<td>36,527</td>
</tr>
<tr>
<td>1,038</td>
<td>351</td>
<td>25,026</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>18,930</td>
</tr>
<tr>
<td>16,048</td>
<td>2</td>
<td>17,458</td>
</tr>
<tr>
<td>11,213</td>
<td>-</td>
<td>11,213</td>
</tr>
<tr>
<td>-</td>
<td>6,505</td>
<td>6,520</td>
</tr>
<tr>
<td>78</td>
<td>27</td>
<td>967</td>
</tr>
<tr>
<td>11</td>
<td>74</td>
<td>502</td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>629,764</td>
<td>347,383</td>
<td>7,663,023</td>
</tr>
<tr>
<td>19,604</td>
<td>19,604</td>
<td>720,715</td>
</tr>
<tr>
<td>$ 649,368</td>
<td>$ 366,987</td>
<td>$ 8,383,738</td>
</tr>
</tbody>
</table>

See notes to consolidated financial statements.
CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$ 2,316,026</td>
<td>$ 843,844</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net realized and unrealized gain on investments (Note 4)</td>
<td>(1,030,202)</td>
<td>(1,105,992)</td>
</tr>
<tr>
<td>Net change in charitable trusts</td>
<td>(320,182)</td>
<td>(296,247)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>713,473</td>
<td>720,715</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>19,263</td>
<td>76,121</td>
</tr>
<tr>
<td>Amortization of deferred financing costs through interest expense</td>
<td>55,870</td>
<td>55,870</td>
</tr>
<tr>
<td>Net pension benefit cost</td>
<td>(210,303)</td>
<td>36,407</td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts, contributions and pledges receivable</td>
<td>272,601</td>
<td>(287,690)</td>
</tr>
<tr>
<td>Inventory</td>
<td>33,316</td>
<td>61,610</td>
</tr>
<tr>
<td>Prepaid and other assets</td>
<td>(9,432)</td>
<td>7,811</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>124,864</td>
<td>(10,541)</td>
</tr>
<tr>
<td>Accrued pension and other liabilities</td>
<td>(89,466)</td>
<td>(222,882)</td>
</tr>
<tr>
<td>Net Cash Provided By (Used In) Operating Activities</td>
<td>1,875,828</td>
<td>(120,974)</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases of property and equipment</td>
<td>(74,005)</td>
<td>(44,550)</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(546,753)</td>
<td>(1,032,986)</td>
</tr>
<tr>
<td>Proceeds from sales of investments</td>
<td></td>
<td>1,034,187</td>
</tr>
<tr>
<td>Net Cash Used In Investing Activities</td>
<td>(620,758)</td>
<td>(43,349)</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net principles payments on debt</td>
<td>(8,443)</td>
<td>-</td>
</tr>
<tr>
<td>Net Cash Used In Financing Activities</td>
<td>(8,443)</td>
<td>-</td>
</tr>
<tr>
<td>Net Increase (Decrease) In Cash And Cash Equivalents</td>
<td>1,246,627</td>
<td>(164,323)</td>
</tr>
</tbody>
</table>

CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year</td>
<td>624,954</td>
<td>789,277</td>
</tr>
<tr>
<td>End of year</td>
<td>$ 1,871,581</td>
<td>$ 624,954</td>
</tr>
</tbody>
</table>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash paid during the year for interest</td>
<td>$ 55,882</td>
<td>$ 55,882</td>
</tr>
</tbody>
</table>

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred pension cost</td>
<td>$ (175,477)</td>
<td>$ 58,405</td>
</tr>
</tbody>
</table>

During the year ended December 31, 2020, HARP financed a vehicle addition for approximately $46,000.

See notes to consolidated financial statements.
NOTE 1 - ORGANIZATION

On September 29, 2016, the governing bodies of the Animal Rescue League of Western Pennsylvania, Inc. (ARL) and the Western Pennsylvania Humane Society (WPHS) each approved a plan of merger between ARL and WPHS. Effective December 31, 2016, the merger formed one of the largest open-door shelters in Pennsylvania. The merged organization now provides greater efficiency in animal care processes and staff training, and is bringing best practices to one organization, which is now able to save and serve more animals. On May 16, 2017, the governing board filed documents to change the name of the organization to Humane Animal Rescue. In March 2021, the name of the organization was amended by the governing board to become Humane Animal Rescue of Pittsburgh (HARP).

HARP operates facilities that provide humane care for stray animals and animals turned in by the public. Primary services provided include domestic animal holding, adoption and veterinary care. Low-cost veterinary services, kennel services, animal burial services and education support are also provided to the general public. HARP also operates the HARP Wildlife Center, which treats and later releases injured wildlife and provides educational services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant account policies consistently applied by management in the preparation of the accompanying financial statements follows:

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of HARP and its subsidiary, ARL Forever Home, Inc. (Forever Home), collectively known as HARP (the Organization). Forever Home is a 501 supporting organization under the control of HARP established in relation to the new markets tax credit transactions described in Note 14. Intercompany transactions and balances have been eliminated during consolidation.

Basis of Presentation - The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with U.S. GAAP. The activities of HARP are separated into operating and nonoperating categories in the consolidated statements of activities and changes in net assets. The nonoperating category includes interest expense, net investment return and changes in interests in charitable trusts.

Use of Estimates - The preparation of consolidated financial statements in conformity with U.S. GAAP 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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 - Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions.
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets With Donor Restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. HARP reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or a purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

Contract Revenue and Cost Recognition - Revenue, including holding and adoption fees and veterinary services, is recognized when earned. Contract revenue, primarily from the City of Pittsburgh (Note 11), is recognized when earned under terms of the contract. The Organization generally enters into contracts with customers to provide clinical and veterinary services, as well as adoption services and behavioral training classes. Within these contracts, there can sometimes be multiple services provided. Since the organization provides such ancillary services simultaneously, these services are not considered to be distinct within the context of the contract and do not represent separate performance obligations.

A performance obligation is satisfied when the Organization transfers control of the underlying good or service to its client. For certain services, the Organization requires up-front payments before the service is completed. For other services, the Organization charges the customer at the time of check-out after providing the service. In either circumstance, the Organization is considered to have transferred a service at a point in time, and therefore recognizes revenue at the point in time at which the performance obligation is considered to be satisfied.

Contributions - Contributions are recognized when cash, securities or other assets, an unconditional promise to give or notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Conditional contributions for which donor-imposed conditions and restrictions are met within the same reporting period are presented as net assets without donor restrictions. As of December 31, 2021 and 2020, HARP did not have any conditional promises to give outstanding for which the conditions had not yet been met.

Donated Services - Contributed services are measured at fair value and consist primarily of donated professional services. In addition, many individuals volunteer time and perform a variety of tasks that assist HARP, including working independently with the animals, working hands-on with under-socialized pets and helping to successfully place them in adoptive homes, as well as helping to keep the animals’ living quarters clean. These services do not meet the criteria for recognition in the consolidated statements of activities and changes in net assets.

Cash and Cash Equivalents - HARP considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Certificates of deposit held for investments that are not debt securities are included in investments. HARP maintains its cash in bank deposit accounts, which at times may be in excess of the Federal Deposit Insurance Corporation insurance limit. HARP does not believe that it is exposed to any significant credit risk on cash.
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts and Contributions Receivable - Accounts and contributions receivable consist primarily of contract revenue, unconditional promises to give and capital campaign pledges receivable. Management assesses the need for an allowance for doubtful accounts based on review of outstanding receivables and collection history. No allowance was considered necessary at December 31, 2021 or 2020.

Pledges receivable are due as follows as of December 31:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivable in less than one year</td>
<td>$50,000</td>
<td>$74,964</td>
</tr>
<tr>
<td>Receivable in one to five years</td>
<td>$10,000</td>
<td>$20,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$60,000</td>
<td>$94,964</td>
</tr>
</tbody>
</table>

Management assesses the net present value of future pledges receivable on an annual basis. No discount was applied for the years ended December 31, 2021 and 2020 because HARP believes that a discount is immaterial to the consolidated financial statements.

Inventory - Inventory is stated at the lower of cost or net realizable value, with cost determined by the first-in, first-out method, and consists principally of gift shop items held for sale and supplies used in the operation of the kennel and veterinary clinic.

Investments - Investments are reported at their fair values. The fair values of money market funds and real estate approximate their cost. Investments in common stocks, government/corporate obligations, mutual funds and real assets with readily determinable fair values are stated at fair value, primarily based on quoted market prices.

Interests in charitable trusts are reported at the fair value of HARP’s beneficial interest in the underlying trust assets. Management determines and monitors the fair value of the trust interests based on the fair value of underlying trust assets as provided by the trustees.

Net investment return is reported in the consolidated statements of activities and changes in net assets and consists of interest and dividend income and realized and unrealized gains and losses, less external investment expenses.

Risks and Uncertainties - HARP’s investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with these investments and the level of uncertainty related to changes in the value of these investments, it is at least reasonably possible that changes in the near term could materially affect the amounts reported in the consolidated financial statements.

Property and Equipment - Property and equipment are recorded at cost. Depreciation is provided on the straight-line method based on the estimated useful lives ranging from three years for certain equipment to 40 years for buildings and improvements. Maintenance and repairs not considered to extend the useful lives of assets are charged to expense as incurred. Expenditures for additions and improvements are capitalized. The cost of property sold or retired and the related accumulated depreciation are eliminated from the accounts and the resulting gain or loss is reflected in non-operating income.
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. No impairment charge was recorded during the years ended December 31, 2021 or 2020.

Allocation of Functional Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. The consolidated 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 occupancy, depreciation and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

Tax-Exempt Status - HARP and Forever Home have been classified as tax-exempt nonprofit organizations under Section 501(c)(3) of the Internal Revenue Code; however, certain activities of the Organization are deemed to be taxable. These activities generated losses in 2021 and 2020; accordingly, no provision for federal income tax is required.

At December 31, 2021 and 2020, HARP has federal net operating loss carryforwards of approximately $4,878,000 available to offset any future taxable income through 2037, and $6,000 available to offset any future taxable income indefinitely. A valuation allowance has been recorded for the full amount of the benefit of net operating losses because of uncertainty about generating future taxable income.

The Financial Accounting Standards Board (FASB) Accounting Standards Codification on Income Taxes clarifies recognition, measurement, presentation and disclosure relating to uncertain tax positions. HARP evaluates uncertain tax positions for recognition by determining whether evidence indicates it is more likely than not that a position will be sustained if examined by taxing authorities. As of December 31, 2021 and 2020, HARP is unaware of any uncertain tax positions. HARP and Forever Home are no longer subject to Internal Revenue Service examinations of their respective tax returns for years before 2018.

Recently Issued Accounting Pronouncements - In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02 Leases (Topic 842) (ASU 2016-02), the result of a joint project of the FASB and the International Accounting Standards Board (IASB) to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The amendments require a lessee to recognize a liability to make lease payments (lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term initially measured at the present value of the lease payments. The lessee should also include payments to be made on an optional lease extension if the company is reasonably certain that the extension will be exercised when measuring the asset and liability. Organizations will be permitted to make an accounting policy election to not recognize leases with a term of 12 months or less. In July 2018, the FASB issued ASU 2018-11 Leases (Topic 842): Targeted Improvements, which provides for an additional optional transition method, allowing the initial application of the guidance with recognition of a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. This ASU is effective for annual reporting periods beginning after December 15, 2021, with early application permitted. HARP is assessing the impact that ASU 2016-02 will have on its consolidated financial statements and related disclosures.
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In September 2020, the FASB issued ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (ASU 2020-07), which provides for certain changes to the presentation and disclosure of nonfinancial assets for not-for-profit entities. The standard will require separate presentation of contributed nonfinancial assets, apart from contributed cash and other financial assets, and will require additional disclosures about the nature, type, fair value measurement, usage, and donor-imposed restrictions for any contributed nonfinancial assets. ASU 2020-07 is effective for fiscal years beginning after June 15, 2021, to be applied on a retrospective basis with early adoption permitted. HARP is assessing the impact that ASU 2020-07 will have on its consolidated financial statements and related disclosures.

Recently Adopted Accountings Pronouncements - In August 2018, the FASB issued ASU 2018-14, Compensation-Retirement Benefits-Defined Benefit Plans-General (Topic 715-20): Disclosure Framework-Changes to the Disclosure Requirements for Defined Benefit Plans (ASU 2018-14), which provided for modifications to the disclosure requirements for defined benefit pension plans and other postretirement plans. HARP adopted ASU 2018-14 for the year ended December 31, 2021, and as a result, removed certain information previously disclosed in Note 12 which is no longer required by the amendments to this standard.

NOTE 3 - AVAILABILITY AND LIQUIDITY

HARP’s cash flows have seasonal variations during the year attributable to the timing of contributions, events and animal population. HARP receives a significant amount of contributions restricted by donors to be used in accordance with the associated time or purpose restriction. For the years ended December 31, 2021 and 2020, restricted contributions of approximately $104,000 and $27,000, respectively, were received, which were included in financial assets available to meet cash needs for general expenditures within one year, as the donor restrictions are expected to be met.

HARP considers contributions without donor restrictions and contributions with donor restrictions due to time payable in the next year to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses and program expenses to be paid in the following year. HARP manages its cash available to meet general expenditures by forecasting future needs and activities, and proactively anticipates future funds needed. HARP holds short-term liquid investments in mutual funds to assist in maintaining sufficient funds to provide reasonable assurance that obligations will continue to be met and ensure the stability of HARP. HARP holds a line of credit totaling $300,000, of which the entire amount was available as of December 31, 2021 and 2020, respectively, to draw upon in the event of a liquidity need.
NOTE 3 - AVAILABILITY AND LIQUIDITY (Continued)

Financial assets available for general expenditures within one year of the consolidated statements of financial position date are comprised of the following at December 31:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,852,791</td>
<td>$560,522</td>
</tr>
<tr>
<td>Accounts and contributions receivable</td>
<td>$144,825</td>
<td>$401,725</td>
</tr>
<tr>
<td>Pledges receivable</td>
<td>$50,000</td>
<td>$74,964</td>
</tr>
<tr>
<td>Investments</td>
<td>$9,824,694</td>
<td>$8,366,037</td>
</tr>
<tr>
<td>Distributions from beneficial interests</td>
<td>$323,257</td>
<td>$210,949</td>
</tr>
<tr>
<td><strong>Total financial assets available within one year</strong></td>
<td><strong>$12,195,567</strong></td>
<td><strong>$9,614,197</strong></td>
</tr>
</tbody>
</table>

NOTE 4 - INVESTMENTS

Investments consist of the following at December 31:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Fair Value</td>
</tr>
<tr>
<td>Money market funds</td>
<td>$74,018</td>
<td>$66,816</td>
</tr>
<tr>
<td>Common stocks</td>
<td>4,959,718</td>
<td>6,956,894</td>
</tr>
<tr>
<td>Fixed-income security funds</td>
<td>3,945,945</td>
<td>3,958,274</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>124,589</td>
<td>130,646</td>
</tr>
<tr>
<td>Real assets</td>
<td>187,413</td>
<td>208,913</td>
</tr>
<tr>
<td>Real estate</td>
<td>4,000</td>
<td>4,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$9,295,683</td>
<td>$11,325,543</td>
</tr>
</tbody>
</table>

Net investment return for the years ended December 31 consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividend income</td>
<td>$196,812</td>
<td>$144,229</td>
</tr>
<tr>
<td>Realized gains</td>
<td>522,663</td>
<td>71,806</td>
</tr>
<tr>
<td>Investment expenses</td>
<td>(55,258)</td>
<td>(47,219)</td>
</tr>
<tr>
<td><strong>Change in unrealized appreciation in fair value of investments</strong></td>
<td>664,217</td>
<td>168,816</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,171,756</td>
<td>$1,203,002</td>
</tr>
</tbody>
</table>
NOTE 5 - FAIR VALUE MEASUREMENT

Investments measured and reported at fair value are classified and disclosed in one of the following categories based on the extent of market price observability:

Level 1 - Valuations are based on unadjusted quoted prices in an active market for identical assets or liabilities.

Level 2 - Valuations are based on quoted prices for similar assets or liabilities in active markets, or quoted prices in markets that are not active for which significant inputs are observable, either directly or indirectly.

Level 3 - Valuations are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs reflect management’s best estimate of what market participants would use in valuing the asset or liability at the measurement date.

The valuation of HARP’s investments by the above fair value hierarchy levels are as follows as of December 31:

<table>
<thead>
<tr>
<th>2021</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market funds</td>
<td>$66,816</td>
<td>-</td>
<td>-</td>
<td>$66,816</td>
</tr>
<tr>
<td>Common stocks</td>
<td>6,956,894</td>
<td>-</td>
<td>-</td>
<td>6,956,894</td>
</tr>
<tr>
<td>Fixed-income security funds</td>
<td>3,958,274</td>
<td>-</td>
<td>-</td>
<td>3,958,274</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>130,646</td>
<td>-</td>
<td>-</td>
<td>130,646</td>
</tr>
<tr>
<td>Real assets</td>
<td>208,913</td>
<td>-</td>
<td>-</td>
<td>208,913</td>
</tr>
<tr>
<td>Real estate</td>
<td>-</td>
<td>-</td>
<td>$4,000</td>
<td>4,000</td>
</tr>
<tr>
<td></td>
<td>11,321,543</td>
<td>-</td>
<td>$4,000</td>
<td>11,325,543</td>
</tr>
<tr>
<td>Interests in charitable trusts</td>
<td>-</td>
<td>-</td>
<td>4,339,443</td>
<td>4,339,443</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$11,321,543</td>
<td>-</td>
<td>$4,343,443</td>
<td>$15,664,986</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2020</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market funds</td>
<td>$48,192</td>
<td>-</td>
<td>-</td>
<td>$48,192</td>
</tr>
<tr>
<td>Common stocks</td>
<td>6,799,470</td>
<td>-</td>
<td>-</td>
<td>6,799,470</td>
</tr>
<tr>
<td>Fixed-income security funds</td>
<td>2,666,135</td>
<td>-</td>
<td>-</td>
<td>2,666,135</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>105,671</td>
<td>-</td>
<td>-</td>
<td>105,671</td>
</tr>
<tr>
<td>Real assets</td>
<td>125,120</td>
<td>-</td>
<td>-</td>
<td>125,120</td>
</tr>
<tr>
<td>Real estate</td>
<td>-</td>
<td>-</td>
<td>$4,000</td>
<td>4,000</td>
</tr>
<tr>
<td></td>
<td>9,744,588</td>
<td>-</td>
<td>$4,000</td>
<td>9,748,588</td>
</tr>
<tr>
<td>Interests in charitable trusts</td>
<td>-</td>
<td>-</td>
<td>4,019,261</td>
<td>4,019,261</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$9,744,588</td>
<td>-</td>
<td>$4,023,261</td>
<td>$13,767,849</td>
</tr>
</tbody>
</table>
NOTE 6 - INTERESTS IN CHARITABLE TRUSTS

HARP is a beneficiary of perpetual charitable trusts. Under the trust agreements, HARP has the irrevocable right to receive its share of the income earned on trust assets in perpetuity, but has no right or control over the corpus of the trusts. The beneficial interests in the trusts were recorded originally as net assets with donor restrictions at the fair market value of the assets in the trusts. Changes in fair value of the trust assets are recorded in net assets with donor restrictions based on HARP’s beneficial interest in the trusts’ underlying assets. Interest and dividend income is available for HARP’s use and is reflected as an increase in net assets without donor restrictions.

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and improvements</td>
<td>$1,216,578</td>
<td>$1,216,578</td>
</tr>
<tr>
<td>Buildings</td>
<td>19,782,003</td>
<td>19,770,959</td>
</tr>
<tr>
<td>Automobiles and equipment</td>
<td>2,934,299</td>
<td>2,871,338</td>
</tr>
<tr>
<td></td>
<td>23,932,880</td>
<td>23,858,875</td>
</tr>
<tr>
<td>Less - Accumulated depreciation</td>
<td>6,725,888</td>
<td>6,012,415</td>
</tr>
<tr>
<td></td>
<td>$17,206,992</td>
<td>$17,846,460</td>
</tr>
</tbody>
</table>

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available at December 31 for the following purposes:

<table>
<thead>
<tr>
<th>Net Assets With Donor Restrictions</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject to expenditure for specified purpose:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer program</td>
<td>$18,790</td>
<td>$64,432</td>
</tr>
<tr>
<td>Perpetual in nature:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interests in charitable trusts</td>
<td>4,339,443</td>
<td>4,019,261</td>
</tr>
<tr>
<td>Verbofsky fund</td>
<td>816,295</td>
<td>741,891</td>
</tr>
<tr>
<td>Joan McKay Young fund</td>
<td>684,554</td>
<td>640,660</td>
</tr>
<tr>
<td>Total</td>
<td>5,840,292</td>
<td>5,401,812</td>
</tr>
<tr>
<td></td>
<td>$5,859,082</td>
<td>$5,466,244</td>
</tr>
</tbody>
</table>

Net assets were released from restrictions in 2021 and 2020 due to educational purposes and general and administrative expenses.
NOTE 9 - ENDOWMENT FUNDS

The endowment funds consist of funds with donor restrictions. Net assets associated with endowment funds are classified based on the existence or absence of donor-imposed restrictions as required by U.S. GAAP.

Changes in endowment fund net assets with donor restrictions perpetual in nature are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, December 31, 2019</td>
<td>$5,014,336</td>
</tr>
<tr>
<td>Net appreciation</td>
<td>387,476</td>
</tr>
<tr>
<td>Balance, December 31, 2020</td>
<td>$5,401,812</td>
</tr>
<tr>
<td>Net appreciation</td>
<td>438,480</td>
</tr>
<tr>
<td>Balance, December 31, 2021</td>
<td>$5,840,292</td>
</tr>
</tbody>
</table>

To satisfy long-term rate-of-return objectives, HARP relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). HARP established asset allocation percentages for its investment portfolio. Target asset allocations are based on the investment objective, time horizon and risk tolerance established for the portfolio.

HARP has interpreted Pennsylvania law as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds unless there are explicit donor stipulations to the contrary.

Based on this interpretation, HARP classifies as net assets with donor restrictions the original value of the gift, the original value of any subsequent gifts to the endowment, and accumulations made in accordance with the direction of the donor gift instrument. The remaining portion of the donor-restricted endowment funds is classified as net assets without donor restrictions or net assets with donor restrictions as required by the donor. A fund is considered to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund, and (b) any accumulations to the fund that are required to be maintained in perpetuity. Management believes there are no underwater endowment funds as of December 31, 2021 or 2020.

The Verbofsky agreement stipulated that all realized investment returns be utilized for animal care and are therefore classified as revenue without donor restrictions.

The Joan McKay Young Charitable Remainder Trust stipulates that 5% of the fund, as determined on December 31 of the prior year, be utilized to provide medical care and treatment to low-income pet owners.
NOTE 10 - OPERATING LEASES

HARP leases certain office equipment under operating lease agreements. Approximate future rental payments due under noncancelable leases are as follows for the years ending December 31:

<table>
<thead>
<tr>
<th>Year Ending December 31</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$119,000</td>
</tr>
<tr>
<td>2023</td>
<td>119,000</td>
</tr>
<tr>
<td>2024</td>
<td>59,000</td>
</tr>
<tr>
<td></td>
<td>$297,000</td>
</tr>
</tbody>
</table>

Rent expense totaled approximately $122,000 and $57,000 for the years ended December 31, 2021 and 2020, respectively.

NOTE 11 - CONTRACTUAL AGREEMENT

The City of Pittsburgh delivers stray animals to HARP under a contractual arrangement whereby a fee is received for each animal. Revenues related to this contract were approximately $249,000 and $195,000 in 2021 and 2020, respectively, which are included in holding and adoption fees in the consolidated statements of activities and changes in net assets. HARP had amounts receivable related to the contract of approximately $36,000 and $51,000 at December 31, 2021 and 2020, respectively.

NOTE 12 - RETIREMENT PLANS

Qualified Defined Benefit Plan

The qualified defined benefit pension plan (Pension Plan) covers substantially all former WPHS employees with five years of service. The benefits are based on years of service and an employee’s compensation during the last five years of employment. HARP uses a measurement date of January 1 for the plan. At December 31, 2003, the plan benefit accruals were frozen and all participants in the plan became fully vested.

In October 2021, the Organization elected to terminate the Pension Plan effective as of December 31, 2021. The Board of Directors of the Organization approved the termination and plan transfers on the recommendation of the Finance Committee. Following the Pension Plan termination, all annuity payments under the Pension Plan will continue to be paid by the Organization until such time as the annuity is purchased. Accrued benefits for participants under the Pension Plan will be unaffected by the termination. Termination proceeds will be provided to participants, who will have the option to select from multiple benefit payment options, including a lump-sum option. Any option selected by participants other than a lump-sum payment will result in an annuity purchased by the Plan to provide future benefits.
NOTE 12 - RETIREMENT PLANS (Continued)

Reconciliation of changes in projected benefit obligation and changes in plan assets are as follows for the years ended December 31:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated benefit obligation as of end of year</td>
<td>$ 1,884,520</td>
<td>$ 1,985,959</td>
</tr>
<tr>
<td>Change in benefit obligation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projected benefit obligation at beginning of year</td>
<td>$ 1,985,959</td>
<td>$ 1,844,823</td>
</tr>
<tr>
<td>Interest cost</td>
<td>44,457</td>
<td>55,664</td>
</tr>
<tr>
<td>Actuarial (gain) loss</td>
<td>(47,493)</td>
<td>178,057</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(98,403)</td>
<td>(92,585)</td>
</tr>
<tr>
<td>Projected benefit obligation at end of year</td>
<td>$ 1,884,520</td>
<td>$ 1,985,959</td>
</tr>
<tr>
<td>Change in plan assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value of plan assets at beginning of year</td>
<td>$ 1,463,283</td>
<td>$ 1,358,554</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Actual return on plan assets (net of expenses)</td>
<td>157,267</td>
<td>147,314</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(98,403)</td>
<td>(92,585)</td>
</tr>
<tr>
<td>Fair value of plan assets at end of year</td>
<td>$ 1,572,147</td>
<td>1,463,283</td>
</tr>
<tr>
<td>Funded status as of end of year</td>
<td>$ (312,373)</td>
<td>$ (522,676)</td>
</tr>
<tr>
<td>Amount included in unrecognized pension costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior service cost</td>
<td>$ 136,675</td>
<td>$ 182,081</td>
</tr>
<tr>
<td>Deferred actuarial gain</td>
<td>345,237</td>
<td>475,308</td>
</tr>
<tr>
<td>Net amount recognized</td>
<td>$ 481,912</td>
<td>$ 657,389</td>
</tr>
</tbody>
</table>

Net periodic benefit cost for the years ended December 31 included the following components:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest cost on projected benefit obligation</td>
<td>$ 44,457</td>
<td>$ 55,664</td>
</tr>
<tr>
<td>Prior services cost amortization</td>
<td>45,406</td>
<td>45,406</td>
</tr>
<tr>
<td>Prior losses</td>
<td>12,005</td>
<td>7,636</td>
</tr>
<tr>
<td>Expected return</td>
<td>(86,694)</td>
<td>(80,704)</td>
</tr>
<tr>
<td></td>
<td>$ 15,174</td>
<td>$ 28,002</td>
</tr>
</tbody>
</table>
The weighted-average assumptions as of December 31, 2021 and 2020 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted-average assumptions as of December 31:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For net periodic pension cost:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount rate</td>
<td>2.30 %</td>
<td>3.10 %</td>
</tr>
<tr>
<td>Expected return on assets</td>
<td>6.00</td>
<td>6.00</td>
</tr>
<tr>
<td>For benefit obligation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount rate</td>
<td>2.65 %</td>
<td>2.30 %</td>
</tr>
<tr>
<td>Expected long-term rate of return on plan assets</td>
<td>1.75</td>
<td>6.00</td>
</tr>
<tr>
<td>Rate of compensation increase</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

The Plan’s investments were transferred to cash in late 2021 in anticipation of termination payments during 2022. In prior years, the investment policy of the plan was to invest in securities that will provide both security and long-term stability with moderate growth commensurate with the anticipated retirement dates of participants. Investments other than “fixed-dollar” investments should be included among the plan’s investments to prevent erosion by inflation, but investments should be sufficiently liquid to enable the plan on short notice to make some distributions in the event of the death or disability of a participant.

The weighted-average asset allocation of Pension Plan assets as of the end of the plan year is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutual funds - equity securities</td>
<td>-</td>
<td>60 %</td>
</tr>
<tr>
<td>Mutual funds - fixed-income securities</td>
<td>-</td>
<td>35</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>100 %</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>100 %</td>
<td>100 %</td>
</tr>
</tbody>
</table>

The valuation of Pension Plan assets based upon the fair value measurement hierarchy are as follows as of December 31:

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,572,147</td>
<td>-</td>
<td>-</td>
<td>$1,572,147</td>
</tr>
</tbody>
</table>

$1,572,147
NOTE 12 - RETIREMENT PLANS (Continued)

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$76,409</td>
<td>-</td>
<td>-</td>
<td>$76,409</td>
</tr>
<tr>
<td>Mutual funds - equity securities</td>
<td>873,455</td>
<td>-</td>
<td>-</td>
<td>873,455</td>
</tr>
<tr>
<td>Mutual funds - fixed-income</td>
<td>513,419</td>
<td>-</td>
<td>-</td>
<td>513,419</td>
</tr>
<tr>
<td></td>
<td>$1,463,283</td>
<td>-</td>
<td>-</td>
<td>$1,463,283</td>
</tr>
</tbody>
</table>

Nonqualified Defined Benefit Plan

HARP also has a nonqualified pension plan whereby it makes monthly benefit payments to retired former WPHS employees based on years of service and prior earnings. HARP has agreed to make annual payments of $10,956 to the retired employees. U.S. GAAP requires HARP to record a liability for these obligations to equal the present value of the benefits to be paid. The present value of the future benefit for these retirees was approximately $70,000 and $79,000 as of December 31, 2021 and 2020, respectively.

401(k) Plans

HARP has two 401(k) retirement plans, the Humane Animal Rescue of Pittsburgh Retirement Plan and the Humane Animal Rescue of Pittsburgh 401(k) Profit Sharing Plan, covering substantially all employees under which eligible employees may contribute a portion of their eligible earnings to the plan, not to exceed $8,000 annually. All employees are eligible to participate in the plans upon reaching 18 years of age and 60 days of employment. HARP is required to make matching contributions equal to the amount of each participant’s elective deferrals up to 3% of compensation. Contributions by HARP totaled approximately $86,000 and $90,000 for 2021 and 2020, respectively.

NOTE 13 - LINE OF CREDIT

HARP established a $300,000 operating line of credit on August 2, 2018, that bears interest at Prime (3.25% as of December 31, 2021) and is due on demand. The operating line of credit is collateralized by all of HARP’s inventory. HARP had no borrowings outstanding against the operating line of credit as of December 31, 2021 and 2020.
NOTE 14 - NOTES PAYABLE/NOTE RECEIVABLE NEW MARKETS TAX CREDIT TRANSACTIONS

On March 31, 2016, HARP entered into a financial arrangement to provide additional funding for the construction of a new facility through the use of the New Markets Tax Credit (NMTC) program.

In connection with NMTC financing, HARP received a note receivable from an unrelated third party, Chase NMTC Animal Rescue League Investment Fund, LLC (IF), in the amount of $5,348,000. Interest accrues on the note at a fixed rate of 1.44% per annum. Interest-only payments are due in quarterly installments from June 2016 through March 2023. Commencing with the payment due in June 2023, quarterly payments of principal and interest in the amount of $86,591 are due through September 30, 2040. A final balloon payment of all unpaid principal, interest, and fees is due on October 1, 2040. The note is secured by a security interest in certain assets owned by IF.

In connection with the NMTC financing, HARP issued two notes payable to CNMC SUB-CDE 102, LLC, a subsidiary of IF, in the amounts of $668,500 and $331,500. The notes accrue interest at a fixed rate of 1.00% per annum. Interest-only payments are due in quarterly installments from June 2016 through March 2023. Commencing with the payment due in June 2023, quarterly payments of principal and interest in the amounts of $8,143 and $4,038 are due through March 31, 2046. A final balloon payment of all unpaid principal, interest and fees is due on March 31, 2046. The notes are secured by a mortgage on the Hamilton Avenue property.

In connection with the NMTC financing, HARP issued two notes payable to Pittsburgh Urban Initiatives Sub-CDE 18, LP, a subsidiary of IF, in the amounts of $4,679,500 and $2,040,500. The notes accrue interest at a fixed rate of 1.00% per annum. Interest-only payments are due in quarterly installments from June 2016 through March 2023. Commencing with the payment due in June 2023, quarterly payments of principal and interest in the amounts of $57,001 and $24,855 are due through March 31, 2046. A final balloon payment of all unpaid principal, interest and fees is due on March 31, 2046. The notes are secured by a mortgage on the Hamilton Avenue property.

In connection with the issuances of notes payable, HARP incurred debt issuance costs with remaining balances of approximately $56,000 and $112,000 as of December 31, 2021 and 2020, respectively.

Simultaneous with these transactions, HARP entered into an option agreement with Chase Community Equity, LLC (CCE), the federal tax credit investor, which is the sole member of IF. Under terms of the option agreement, CCE is expected to sell its ownership interest in IF to HARP for $1,000 during the three-month put period, commencing on March 31, 2023, the last day of the tax credit investment period. Exercise of this option will effectively extinguish HARP’s note receivable and notes payable described above. HARP will recognize a gain on the forgiveness of debt in an amount approximating the difference in the book value of the note receivable and the notes payable. If the put option is not exercised, HARP has a call option to purchase the interest in IF at fair value.

Pursuant to the transactions, HARP is required to comply with certain NMTC requirements as generally set forth in Internal Revenue Code Section 45D.

During 2020, HARP also financed property and equipment additions in the form of a five-year term note, of which approximately $37,000 and $45,000 was outstanding and included in notes payable at December 31, 2021 and 2020, respectively. The term note bears interest at a fixed rate of 3.89% and matures on November 12, 2025, and is required to be repaid in equal monthly installments of $854.
NOTE 15 - GOVERNMENT GRANT

In April 2020, the Organization entered into a term note with Dollar Bank with a principal amount of $984,500, pursuant to the Paycheck Protection Program (PPP Term Note) under the Coronavirus Aid Relief, and Economic Security Act (CARES Act). The PPP Term Note is evidenced by a promissory note. The PPP Term Note bears interest at a fixed annual rate of 1.00%, with the first six months of interest deferred. The PPP Term Note is unsecured and guaranteed by the United States Small Business Administration (SBA). In February 2021, the Organization received full forgiveness of the PPP Term Note from the SBA. On February 2, 2021, the Organization entered into a second PPP loan with the SBA for $986,152. In October 2021, the Organization received full forgiveness of the second PPP loan. As such, the Organization has recorded the full amount of $986,152 and $984,500 in contributions and grants on the accompanying consolidated statements of activities and changes in net assets for the years ended December 31, 2021 and 2020, respectively.

NOTE 16 - COMMITMENTS AND CONTINGENCIES

HARP is, from time to time, subject to claims and suits arising in the ordinary course of its business. Management believes at this time that the ultimate resolution of these matters, if any, will not have a material impact on the consolidated financial position, results of activities or cash flows of HARP.

NOTE 17 - SUBSEQUENT EVENTS

Management evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through August 11, 2022, the date the consolidated financial statements were approved and authorized for issuance and determined that there have been no events that have occurred that would require adjustments to disclosures in the consolidated financial statements.