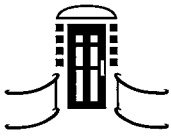


FURKIDS, INC.
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

BULL & BULL, CPA'S PC
GAINESVILLE, GEORGIA



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Furkids, Inc.
Cumming, Georgia

Opinion

We have audited the accompanying financial statements of the Furkids, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Furkids, Inc. as of December 31, 2024, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Furkids, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

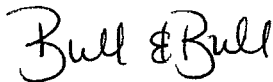
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Furkids, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Furkids, Inc.'s ability to continue as a going concern for a reasonable period of time.

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



Bull & Bull, CPA's P.C.

Gainesville, Georgia

March 4, 2026

Financial Statements

FURKIDS, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 5,550,926
Total Current Assets	<u>5,550,926</u>

Fixed Assets

Property and Equipment	10,199,704
Less: Accumulated Depreciation	(1,365,954)
Right of Use Assets, Net of Accumulated Amortization	806,253
Total Property and Equipment	<u>9,640,003</u>

Other Assets

Unrealized Gain on Investment	-
Investment	90,637
Deposits	4,500
Total Other Assets	<u>95,137</u>

Total Assets	<u>\$ 15,286,066</u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$ 91,822
Payroll Taxes Payable	20,770
Sales Tax Payable	15,195
Tractor Loan	6,863
2020 Ford Transit Loan	3,131
Tandem Bank Loan	31,486
Tandem Bank LOC	624,128
Lease Liability Current	201,036
Total Current Liabilities	<u>994,431</u>

Long Term Liabilities

Tractor Loan	6,769
Tandem Bank LOC	899,232
Lease Liability	677,574
Total Long Term Liabilities	<u>1,583,575</u>

Net Assets

Without Donor Restrictions	11,062,876
With Donor Restrictions	1,645,184
Total Net Assets	<u>12,708,060</u>
Total Liabilities and Net Assets	<u>\$ 15,286,066</u>

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

FURKIDS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Revenues			
Contributions	\$ 3,180,503	\$ 3,366,482	\$ 6,546,985
Special Events (net)	788,427	-	788,427
Shipping Income	1,500	-	1,500
Investment Income	114,855	-	114,855
Gain on Sale of Investment	25,164	-	-
Services	512,206	-	512,206
Thrift Store (net)	2,124,581	-	2,124,581
Net assets released from restrictions			
Satisfaction of program restrictions	3,306,055	(3,306,055)	-
Total Revenues and Other Support	10,053,291	60,427	10,113,718
EXPENSES			
Program Services	5,654,137	-	5,654,137
Supporting Services			
Development and fundraising	443,980	-	443,980
Management and general	147,416	-	147,416
Total Supporting Services	591,396	-	591,396
Total Expenses	6,245,533	-	6,245,533
Change in Net Assets	3,807,758	60,427	3,868,185
Net assets beginning of year	7,255,118	1,584,757	8,839,875
Net assets end of year	\$ 11,062,876	\$ 1,645,184	\$ 12,708,060

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

FURKIDS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 3,868,185
Adjustment to reconcile change in net assets to net cash provided by operating activities:	
Amortization	226,100
Depreciation	326,634
Decrease(Increase) in operating assets:	
Deposits	-
Unrealized Gain	(9,377)
(Decrease)Increase in operating liabilities:	
Payroll Taxes Payable	6,045
Accounts Payable	38,213
Sales Tax Payable	2,025
Lease Liability	(68,979)
Net cash provided by operating activities	<u>4,388,846</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment in Raymond James	(78,057)
Purchases of fixed assets	(603,001)
Net cash (used) by investing activities	<u>(681,058)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Lease Liability	(138,261)
Payments of loan	(427,515)
Net cash (used) by financing activities	<u>(565,776)</u>

Net increase in cash and cash equivalents	3,142,012
Cash and cash equivalents beginning of year	2,408,914
Cash and cash equivalents end of year	<u>\$ 5,550,926</u>

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

FURKIDS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Supporting Services			
	Program Services	Development and Fundraising	Management and General	Total
Accounting Fees	\$ -	\$ -	\$ 10,250	\$ 10,250
Legal Fees	56,762	-	14,125	70,887
Bankcard & Paypal Fees	7,771	69,938	-	77,709
Depreciation	326,634	-	-	326,634
Lease Amortization Expense	226,100	-	-	226,100
Facilities	299,669	-	-	299,669
Insurance	130,940	-	-	130,940
Interest	159,933	-	-	159,933
Postage and Printing	485	47,520	8,479	56,484
Salaries and benefits	1,904,758	12,923	60,310	1,977,991
Taxes	113,796	-	-	113,796
Travel	24,715	-	-	24,715
Veterinary expenses	1,341,475	-	-	1,341,475
Advertising	34,692	15,397	-	50,089
Programs and office supplies	2,552	1,701	12,761	17,014
Information Technology	1,245	6,061	-	7,306
Shelter Supplies & Food	317,256	-	-	317,256
Other Expenses	705,354	290,440	41,491	1,037,285
Total Expenses	\$ 5,654,137	\$ 443,980	\$ 147,416	\$ 6,245,533

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

FURKIDS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A-NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Furkids is a 501(c)(3), charitable, non-profit animal shelter in Atlanta, Georgia. The mission of Furkids is to:

- provide a cage-free, no-kill shelter for our rescued animals where they can experience the best care in a loving environment until they are adopted;
- find permanent, loving, homes for our rescued animals;
- and inform the public about pet overpopulation, promote sterilization and provide information for low-cost, high-quality spay/neuter organizations.

Basis of Presentation

The financial records of the organization are maintained on the accrual basis of accounting. The financial statements have been prepared under generally accepted accounting principles. Financial statement presentation follows the recommendations of the Financial Accounting Standards board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Fixed Assets

Fixed assets are reported at cost, or if donated, the organization uses the estimated fair market value. Furkids, Inc. capitalizes assets with a value of \$500 or more and a useful life of more than one year. Depreciation expense is computed over the estimated useful lives of the fixed assets using the straight-line method. Upon sale or retirement of depreciable assets, the related cost and accumulated depreciation or amortization are removed from the accounts. Any gain or loss on the sale or retirement is recognized in current operations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could vary from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and savings accounts. The carrying value of cash and cash equivalents approximate fair value because of the short maturities of these financial instruments.

FURKIDS, INC.
NOTES TO FINANCIAL STATEMENTS

Expense Allocation

The Organization allocates common costs, such as salaries, postage, supplies, telephone and other expenses between program services and supporting services depending on the estimated activities of the organization. The resulting allocations are reviewed periodically, and the allocations revised, if necessary, to reflect changes in the activities.

With Donor Restrictions & Without Donor Restrictions

Contributions received are recorded as increases in Without Donor Restrictions or With Donor Restrictions net assets, depending on the existence and/or nature of any donor restrictions. Contributions that are With Donor Restrictions by the donor are reported as increases in Without Donor Restrictions net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in With Donor Restrictions net assets, depending on the nature of the restrictions. When a restriction expires, restricted net assets are reclassified to Without Donor Restrictions net assets and reported in the Statement of Activities as net assets released from restrictions.

Income Tax Status

The Organization is exempt from federal income taxes under Internal Revenue code section 501 c(3).

Donated Services

The Organization receives donated service from a variety of unpaid volunteers assisting the Organization in carrying out its activities. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under SFAS No. 116 have not been satisfied.

Contributions

The Organization accounts for contributions and grants in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS No. 116, contributions received are recorded as increases in without donor restriction and with donor restrictions support depending on the existence and/ or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in with donor restrictions net assets depending on the nature of the restriction. When a restriction expires, with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the statement of activities as net assets released from restrictions.

FURKIDS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE B – NOTE PAYABLE-BRANSON TRACTOR

In November of 2019, the Organization purchased a 2019 Branson Tractor financing \$45,271 at an interest rate of 5.65%. As of December 31, 2024 \$13,632 was still owed.

NOTE C – NOTE PAYABLE-FORD VAN

In August of 2020, the Organization purchased a 2020 Ford Transit Van financing \$21,419 at an interest rate of 6.95%. As of December 31, 2024 \$3,131 was still owed.

NOTE D – NOTE PAYABLE-TANDEM BANK

In September of 2022, the Organization financed building renovations of \$1,000,000 through Tandem Bank at an interest rate of 5.00%. As of December 31, 2024 \$930,719 was still owed.

NOTE E – NOTE PAYABLE-TANDEM BANK LINE OF CREDIT

In November of 2022, the Organization opened a line of credit of \$864,128 through Tandem Bank at an interest rate of 5.25%. As of December 31, 2024 \$624,128 was still owed.

NOTE F – COMPENSATED ABSENCES

Employees of Furkids, Inc. are entitled to paid vacation, sick, and personal leave, depending on length of service and other factors. Employees and management have contracts or agreements that provide for compensated absences. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The current policy is to recognize the costs of compensated absences when actually paid to employees.

FURKIDS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE G – PPP LOAN

As a response to the coronavirus disease (COVID-19) outbreak, the U.S. Government has responded with relief legislation. Certain legislation called the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), as amended and expanded under later legislation, among other things, authorized emergency loans to Nonprofit Organizations by establishing, and providing funding for, forgivable bridge loans under the Paycheck Protection Program (PPP). In May 2020 and February of 2021, the Organization received \$428,000 and \$261,524 under the PPP. As of December 31, 2020 and 2021 the entire amount of the loans has been forgiven. The SBA will have the right to audit the Company's compliance with the PPP for a period up to six years.

**NOTE H – CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH
DEPOSITS IN EXCESS OF INSURED LIMITS**

The Organization maintains cash balances at Ameris Bank and Tandem Bank. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2024, the company had \$4,420,537 uninsured.

FURKIDS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE I – INVESTMENTS

Furkids, Inc. held investments through Raymond James. Investments are stated at fair value. Fair values and unrealized appreciation (depreciation) at December 31, 2024 are summarized as follows:

	<u>Cost Plus Reinvested Inc.</u>	<u>Unrealized Fair Value</u>	<u>Unrealized Gain(Loss)</u>
2024	\$ 11,629	\$ 90,613	\$ 78,687

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest & Dividends	\$ 336	\$ -	\$ 336
Net Realized & Unrealized Gain	<u>78,687</u>	<u>-</u>	<u>78,687</u>
Total Investment Return	<u>\$ 79,023</u>	<u>\$ -</u>	<u>\$ 79,023</u>

NOTE J – LEASES

The Department has recorded 3 Right of Use leased assets. The assets are Right of Use assets for leased real estate. The Right of Use lease assets are amortized on a straight-line basis over the terms of the related leases.

	Beginning Balance	Increase	Decrease	Ending Balance
Non-profit activities:				
Leased Building	\$ 1,523,043	-	-	\$ 1,523,043
Amortization - Building	(490,690)	(226,100)	-	(716,790)
	<u>\$ 1,032,353</u>	<u>\$ (226,100)</u>	<u>\$ -</u>	<u>\$ 806,253</u>

FURKIDS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE J – LEASES (CONT.)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2024, were as follows:

Year Ending June 30	Total
2025	\$ 194,974
2026	116,600
2027	129,886
2028	100,271
2029	65,498
2030	72,404
2031	79,907
2032	88,023
2033	31,047
	<u>\$878,610</u>

NOTE K – CAPITAL CAMPAIGN

During the 2023 year, the Organization began a capital campaign to fund building improvements. Donors were given campaign commitment forms and asked to fill in the amount they intended to pledge and the specified period in which the payments would be made. Since these pledges do not meet the criteria for revenue recognition, they are not reflected as contributions in the statement of activities until the pledges are collected. Total intentions to give as of December 31, 2024 totaled \$2,829,705 with \$1,615,000 being received by December 31, 2024.

NOTE L – CONTINGENT LEGAL LIABILITIES

The arbitration arises out of a contract between Furkids, Inc. (“Company”) and Huck Construction & Development Corp., Inc. (“Huck”), wherein Huck was to serve as general contractor on a construction project known as the Furkids, Inc. Rescue, Shelter And Sanctuary Project (the “Project”). Huck has asserted claims against the Company for design delays as well as delays in Huck’s roof scupper and landscaping work, seeking a total claim of approximately \$106,859.24. Company will be asserting a counterclaim against Huck for, *inter alia*, breach of contract, as Huck has failed to fully pay its subcontractors and suppliers in the approximate amount of \$142,221.00. At this juncture, we believe it is reasonably likely the company will have minimal exposure, as the delay claim lacks factual and legal support and the amount unpaid to subcontractors exceeds the claim presented.

FURKIDS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE M – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through March 4, 2026, the date which the financial statements were available to be issued.