



**Financial Statements  
(Together with Independent Auditors' Report)  
Years Ended September 30, 2021 and 2020**

**M A R K S P A N E T H**

ACCOUNTANTS & ADVISORS

**BIDEAWEE, INC.**

**FINANCIAL STATEMENTS  
(Together with Independent Auditors' Report)**

**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Bideawee, Inc.

We have audited the accompanying financial statements of Bideawee, Inc., ("Bideawee") which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bideawee as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Marks Paneth LLP*

New York, NY  
January 28, 2022

**BIDEAWEE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF SEPTEMBER 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents (Notes 2B and 11)	\$ 1,756,048	\$ 3,151,030
Bequests, legacies, contributions and other receivables, net (Notes 2C and 4)	129,854	303,979
Inventory (Note 2D)	145,753	143,158
Investments (Notes 2E, 2F, 5 and 10)	20,380,339	19,230,246
Prepaid expenses and other assets	155,403	187,869
Property and equipment, net (Notes 2H and 6)	15,897,746	5,771,192
Beneficial interest in trusts (Notes 2L, 9 and 10)	805,252	928,183
<b>TOTAL ASSETS</b>	<b>\$ 39,270,395</b>	<b>\$ 29,715,657</b>
<b>LIABILITIES</b>		
Accounts payable, accrued expenses and other liabilities	\$ 1,470,133	\$ 685,973
Annuity payment liability (Note 2M)	44,383	46,459
Deferred revenue (Note 2C)	-	100,000
Capital lease obligations payable (Note 7)	26,285	7,090
Loan payable, net (Note 13)	7,641,099	-
<b>TOTAL LIABILITIES</b>	<b>9,181,900</b>	<b>839,522</b>
<b>COMMITMENTS AND CONTINGENCIES</b> (Notes 7 and 12)		
<b>NET ASSETS</b> (Notes 2I and 9)		
Without Donor Restrictions		
Available for operations	5,339,664	9,124,905
Net investment in property and equipment	8,230,362	5,764,102
Total without donor restrictions	13,570,026	14,889,007
With Donor Restrictions (Note 9)	16,518,469	13,987,128
<b>TOTAL NET ASSETS</b>	<b>30,088,495</b>	<b>28,876,135</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 39,270,395</b>	<b>\$ 29,715,657</b>

**BIDEAWEE, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	For the Year Ended September 30, 2021			For the Year Ended September 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total 2021	Without Donor Restrictions	With Donor Restrictions	Total 2020
<b>REVENUES, GAINS AND OTHER SUPPORT:</b>						
Special events revenue	\$ 484,856	\$ -	\$ 484,856	\$ 319,127	\$ -	\$ 319,127
Less: costs of direct benefits to donors	(96,605)	-	(96,605)	-	-	-
Special events, net	388,251	-	388,251	319,127	-	319,127
Bequests and legacies (Note 2C)	5,046,315	-	5,046,315	6,433,977	-	6,433,977
Contributions (Notes 2C and 14)	2,301,376	356,260	2,657,636	3,221,673	241,623	3,463,296
In-kind contributions (Note 2C)	61,635	-	61,635	60,229	-	60,229
Adoption Centers, Animal Hospitals, Loving Legacy and other fees (Note 2K)	1,151,250	-	1,151,250	1,086,675	-	1,086,675
Cemetery maintenance fees (Notes 2J and 2K)	144,484	268,457	412,941	152,820	243,079	395,899
Miscellaneous income	62,161	-	62,161	61,690	-	61,690
Investment income, net of investment fees (Notes 5 and 9)	364,501	2,757,126	3,121,627	282,510	1,140,733	1,423,243
Change in value of beneficial interest in trusts (Note 2L)	-	(122,931)	(122,931)	-	(89,737)	(89,737)
Change in value of beneficial interest in split interest agreements (Note 2M)	9,135	-	9,135	(6,659)	-	(6,659)
Net assets released from restrictions (Note 9)	727,571	(727,571)	-	752,878	(752,878)	-
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	<b>10,256,679</b>	<b>2,531,341</b>	<b>12,788,020</b>	<b>12,364,920</b>	<b>782,820</b>	<b>13,147,740</b>
<b>EXPENSES:</b>						
Program Services						
Adoption Centers	4,754,568	-	4,754,568	4,509,843	-	4,509,843
Animal Hospitals	785,928	-	785,928	880,148	-	880,148
Behavior, learning and volunteers	516,062	-	516,062	500,121	-	500,121
Feral Cat Initiative	447,827	-	447,827	358,834	-	358,834
Memorial parks	1,186,216	-	1,186,216	1,066,692	-	1,066,692
Loving Legacy	72,601	-	72,601	69,281	-	69,281
Total program services	7,763,202	-	7,763,202	7,384,919	-	7,384,919
Supporting Services:						
Management and general	1,486,898	-	1,486,898	1,290,296	-	1,290,296
Fundraising	2,325,560	-	2,325,560	2,084,214	-	2,084,214
Total supporting services	3,812,458	-	3,812,458	3,374,510	-	3,374,510
<b>TOTAL EXPENSES</b>	<b>11,575,660</b>	<b>-</b>	<b>11,575,660</b>	<b>10,759,429</b>	<b>-</b>	<b>10,759,429</b>
<b>CHANGE IN NET ASSETS</b>	<b>(1,318,981)</b>	<b>2,531,341</b>	<b>1,212,360</b>	<b>1,605,491</b>	<b>782,820</b>	<b>2,388,311</b>
<b>Net assets - beginning of year</b>	<b>14,889,007</b>	<b>13,987,128</b>	<b>28,876,135</b>	<b>13,283,516</b>	<b>13,204,308</b>	<b>26,487,824</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 13,570,026</b>	<b>\$ 16,518,469</b>	<b>\$ 30,088,495</b>	<b>\$ 14,889,007</b>	<b>\$ 13,987,128</b>	<b>\$ 28,876,135</b>

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

**BIDEAWEE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**  
(With Comparative Totals for 2020)

	For the Year Ended September 30, 2021											
	Program Services						Supporting Services					
	Adoption Centers	Animal Hospitals	Behavior, Learning, Volunteers	Feral Cat Initiative	Memorial Parks	Loving Legacy Program	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2021	Total 2020
Salaries	\$ 2,240,681	\$ 409,057	\$ 267,791	\$ 228,372	\$ 563,949	\$ 2,335	\$ 3,712,185	\$ 720,021	\$ 685,661	\$ 1,405,682	\$ 5,117,867	\$ 4,816,583
Payroll taxes and employee benefits (Note 8)	647,707	99,978	69,362	46,286	171,642	577	1,035,552	139,155	135,117	274,272	1,309,824	1,189,228
<b>Salaries and Related Costs</b>	<b>2,888,388</b>	<b>509,035</b>	<b>337,153</b>	<b>274,658</b>	<b>735,591</b>	<b>2,912</b>	<b>4,747,737</b>	<b>859,176</b>	<b>820,778</b>	<b>1,679,954</b>	<b>6,427,691</b>	<b>6,005,811</b>
Professional fees (Note 2C)	173,427	19,571	5,160	93,218	10,297	243	301,916	205,325	230,758	436,083	737,999	840,478
Medical supplies	189,895	99,836	-	83	-	-	289,814	-	-	-	289,814	352,710
Pet memorial park supplies	-	-	-	-	121,687	-	121,687	-	-	-	121,687	89,433
Pet supplies (Note 2C)	106,444	846	69	-	-	-	107,359	-	822	822	108,181	117,568
Occupancy	226,767	14,519	18,237	26,189	44,730	6,408	336,850	22,242	24,925	47,167	384,017	440,668
Repairs and maintenance (Note 2C)	420,611	26,651	46,244	22,623	125,322	5,252	646,703	38,919	47,834	86,753	733,456	430,809
Non-cap software and hardware	12,742	2,693	3,964	2,086	4,991	36	26,512	5,569	2,272	7,841	34,353	31,758
Insurance	99,229	16,319	15,845	2,518	22,402	9,139	165,452	16,134	16,130	32,264	197,716	174,199
Staff development and dues	4,737	4,880	899	181	2,723	-	13,420	7,576	17,794	25,370	38,790	29,392
Travel	25,359	3,863	935	6,450	18,678	14	55,299	4,398	7,913	12,311	67,610	41,875
Telephone and network management	44,486	24,541	11,013	8,801	11,869	442	101,152	16,650	19,480	36,130	137,282	148,277
Meetings and seminars	3,673	427	400	196	238	-	4,934	3,203	2,397	5,600	10,534	27,052
Postage	1,202	555	177	3,480	1,395	3	6,812	855	160,777	161,632	168,444	158,611
Miscellaneous	105,559	10,440	2,347	667	17,485	34	136,532	3,067	16,153	19,220	155,752	153,015
Bank charges (Note 13)	62,995	17,990	8,860	3,581	19,093	-	112,519	138,634	78,225	216,859	329,378	71,860
Marketing, newsletter and publications	92,193	2,006	8,746	-	13,633	1,200	117,778	60,773	699,739	760,512	878,290	1,019,352
Catering and entertainment (Note 2C)	-	-	-	-	-	-	-	-	201,862	201,862	201,862	19,294
Bad debt expense	-	-	-	-	-	-	-	72,171	-	72,171	72,171	36,126
Depreciation (Note 6)	296,861	31,756	56,013	3,096	36,082	46,918	470,726	32,206	74,306	106,512	577,238	571,141
<b>Subtotal</b>	<b>4,754,568</b>	<b>785,928</b>	<b>516,062</b>	<b>447,827</b>	<b>1,186,216</b>	<b>72,601</b>	<b>7,763,202</b>	<b>1,486,898</b>	<b>2,422,165</b>	<b>3,909,063</b>	<b>11,672,265</b>	<b>10,759,429</b>
Less: Cost of Direct Benefits to Donors	-	-	-	-	-	-	-	-	(96,605)	(96,605)	(96,605)	-
<b>TOTAL EXPENSES</b>	<b>\$ 4,754,568</b>	<b>\$ 785,928</b>	<b>\$ 516,062</b>	<b>\$ 447,827</b>	<b>\$ 1,186,216</b>	<b>\$ 72,601</b>	<b>\$ 7,763,202</b>	<b>\$ 1,486,898</b>	<b>\$ 2,325,560</b>	<b>\$ 3,812,458</b>	<b>\$ 11,575,660</b>	<b>\$ 10,759,429</b>

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

**BIDEAWEE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	For the Year Ended September 30, 2020										
	Program Services						Supporting Services				
	Adoption Centers	Animal Hospitals	Behavior, Learning, Volunteers	Feral Cat Initiative	Memorial Parks	Loving Legacy Program	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2020
Salaries	\$ 2,076,415	\$ 451,436	\$ 231,859	\$ 151,675	\$ 531,784	\$ 2,574	\$ 3,445,743	\$ 712,390	\$ 658,450	\$ 1,370,840	\$ 4,816,583
Payroll taxes and employee benefits (Note 8)	623,926	96,477	51,934	35,573	147,020	382	955,312	111,699	122,217	233,916	1,189,228
<b>Salaries and Related Costs</b>	2,700,341	547,913	283,793	187,248	678,804	2,956	4,401,055	824,089	780,667	1,604,756	6,005,811
Professional fees (Note 2C)	191,233	30,274	34,290	106,777	8,875	-	371,449	255,313	213,716	469,029	840,478
Medical supplies	221,402	131,209	-	99	-	-	352,710	-	-	-	352,710
Pet memorial park supplies	-	-	-	-	89,433	-	89,433	-	-	-	89,433
Pet supplies (Note 2C)	116,465	1,103	-	-	-	-	117,568	-	-	-	117,568
Occupancy	268,414	15,971	20,102	34,184	37,294	4,782	380,747	27,878	32,043	59,921	440,668
Repairs and maintenance (Note 2C)	240,196	23,753	19,657	6,367	89,282	4,165	383,420	25,697	21,692	47,389	430,809
Non-cap software and hardware	6,062	1,104	2,527	1,289	9,045	7	20,034	1,918	9,806	11,724	31,758
Insurance	93,272	15,041	14,009	603	20,446	8,728	152,099	8,794	13,306	22,100	174,199
Staff development and dues	3,425	4,911	774	353	244	-	9,707	5,202	14,483	19,685	29,392
Travel	15,701	3,882	603	3,535	13,043	5	36,769	2,764	2,342	5,106	41,875
Telephone and network management	49,378	33,029	10,213	7,180	14,112	445	114,357	15,235	18,685	33,920	148,277
Meetings and seminars	7,781	1,289	2,693	986	1,100	1	13,850	7,681	5,521	13,202	27,052
Postage	1,458	333	674	3,747	2,313	4	8,529	598	149,484	150,082	158,611
Miscellaneous	100,526	15,224	6,085	1,890	19,540	-	143,265	4,461	5,289	9,750	153,015
Bank charges	9,281	10,951	44	-	12,561	-	32,837	11,126	27,897	39,023	71,860
Marketing, newsletter and publications	169,263	18,111	53,848	-	39,749	412	281,383	38,517	699,452	737,969	1,019,352
Catering and entertainment (Note 2C)	-	-	-	-	-	-	-	-	19,294	19,294	19,294
Bad debt expense	-	-	-	-	-	-	-	36,126	-	36,126	36,126
Depreciation (Note 6)	315,645	26,050	50,809	4,576	30,851	47,776	475,707	24,897	70,537	95,434	571,141
<b>TOTAL EXPENSES</b>	<b>\$ 4,509,843</b>	<b>\$ 880,148</b>	<b>\$ 500,121</b>	<b>\$ 358,834</b>	<b>\$ 1,066,692</b>	<b>\$ 69,281</b>	<b>\$ 7,384,919</b>	<b>\$ 1,290,296</b>	<b>\$ 2,084,214</b>	<b>\$ 3,374,510</b>	<b>\$ 10,759,429</b>

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

**BIDEAWEE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 1,212,360	\$ 2,388,311
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	577,238	571,141
Bad debt expense	72,171	36,126
Restricted cemetery maintenance fees held to perpetuity	(268,457)	(243,079)
Restricted contributions held to perpetuity	(2,830)	(5,595)
Loss on disposal of property and equipment	-	2,500
Change in value of beneficial interest in trusts	122,931	89,737
Change in value of split interest agreements	(9,135)	6,659
Unrealized gain on investments	(2,167,594)	(838,203)
Realized gain on investments	(306,869)	(35,773)
Subtotal	(770,185)	1,971,824
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Bequests, legacies, contributions and other receivables	101,954	720,341
Inventory	(2,595)	(2,715)
Prepaid expenses and other assets	32,466	(43,304)
Increase (decrease) in liabilities:		
Accounts payable, accrued expenses and other liabilities	784,160	20,064
Annuity payment liability	(2,076)	43,393
Deferred revenue	(100,000)	100,000
<b>Net Cash Provided by Operating Activities</b>	<b>43,724</b>	<b>2,809,603</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	(7,533,569)	(3,733,663)
Proceeds from investment sales	8,867,074	3,105,270
Purchases of property and equipment	(10,679,647)	(323,573)
<b>Net Cash Used in Investing Activities</b>	<b>(9,346,142)</b>	<b>(951,966)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Cemetery maintenance fees held to perpetuity	268,457	243,079
Contributions held to perpetuity	2,830	5,595
Principal repayments on capital lease obligations payable	(4,950)	(3,717)
Proceeds from loan payable	14,619,915	-
Principal repayments on loan payable	(6,978,816)	-
<b>Net Cash Provided by Financing Activities</b>	<b>7,907,436</b>	<b>244,957</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(1,394,982)	2,102,594
Cash and cash equivalents - beginning of year	3,151,030	1,048,436
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 1,756,048</b>	<b>\$ 3,151,030</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during the year for interest	\$ 242,109	\$ 720
<b>Supplemental Disclosure of Noncash Investing and Financing Activities:</b>		
Assets acquired through capital lease	\$ 24,145	\$ -

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



**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Bideawee, Inc. (“Bideawee”), founded in 1903 by Flora D’Auby Jenkins Kibbe, was established to provide temporary shelter and medical services to animals. Bideawee’s mission is to cultivate and support the lifelong relationships between pets and the people who love them by providing a continuum of services and programs that are innovative, personalized and of high quality. Accordingly, at its sites in Manhattan, Wantagh and Westhampton, Bideawee administers various programs including: adoption centers; animal hospitals; animal training and behavior services; pet memorial parks; free or low-cost medical services for pets of owners in economic need; public educational programs; pet therapy to hospitalized children and elder adults in nursing homes and bereavement counseling to individuals who have lost pets.

Bideawee has been determined to be a public charity as defined in Section 501(c)(3) of the Internal Revenue Code, and as such, is exempt from federal income taxes under Section 501(a) and state taxes under similar provisions. Accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. **Basis of Accounting** – Bideawee’s financial statements have been prepared on the accrual basis of accounting. Bideawee adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”).
- B. **Cash and Cash Equivalents** – Bideawee considers highly liquid investments acquired with an original maturity of three months or less to be cash and cash equivalents except for any cash and equivalents that are maintained in Bideawee’s investment portfolio.
- C. **Support and Receivables** – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, if material. The discounts on those amounts are computed using risk adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution income. Donated securities acquired by gift or bequest are recorded at their fair market value on the date received and it is Bideawee’s policy to sell upon receipt. Conditional promises to give are not included as support until the conditions are substantially met. Bideawee is the beneficiary of bequests and legacies under various wills, the ultimate realization of which is not always readily determinable. Such amounts are recorded by Bideawee when the proceeds are measurable and an irrevocable right to the proceeds has been established by Bideawee.

As of September 30, 2021, Bideawee had no conditional grants and contracts from foundations that have not been recorded in the accompanying financial statements. As of September 30, 2020, Bideawee received a conditional contribution from a foundation in the amount of \$100,000 that was deferred, as it had not been earned. The grant requires Bideawee to provide qualifying expenses to conduct certain services during the time frame as specified in the contract. If such services are not provided, the foundation is not obligated to expend the funds allotted under the contract and Bideawee may be required to return the funds already remitted.

As of September 30, 2021 and 2020, Bideawee determined that an allowance for uncollectible accounts of \$330,532 and \$327,386 respectively, was necessary. This determination was based on a combination of factors such as the aged basis of the receivables, review of individual accounts outstanding as well as review of any current available information.

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

During the years ended September 30, 2021 and 2020, Bideawee received \$61,635 and \$60,229, respectively, of contributions in-kind that are reported as in-kind contributions and expenses in the accompanying statements of activities and functional expenses. Donated services are recognized at their estimated fair value when they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. Bideawee receives donated services from a variety of unpaid volunteers assisting Bideawee in its charitable programs. No amounts have been recognized for these services in the accompanying statements of activities because the criteria for recognition of such volunteer efforts have not been satisfied.

- D. **Inventory** – Inventory consists of food, prescription drugs and other pet supplies. Inventory is valued at the lower of cost or net realizable value.
- E. **Investments** – Investments are reported at fair value. Investment income, including realized and unrealized gains and losses, is classified as an increase in net assets without donor restrictions, unless there are restrictions that have been imposed by donors or other outside parties.
- F. **Fair Value** – Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as reported in Note 10.
- G. **Memorial Parks** – Bideawee is the owner of land designated for use as memorial parks. Under agreements, patrons have been granted a perpetual right to use the land, provided certain conditions are met. These memorial parks are subject to the State of New York guidelines for operation of pet cemeteries.
- H. **Property and Equipment** – Property and equipment is stated at cost less accumulated depreciation. These amounts do not purport to represent replacement or realizable values. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Bideawee capitalizes property and equipment with a cost basis of \$2,500 or higher and a useful life of greater than three years.
- I. **Net Assets** – Bideawee maintains its net assets under the following two classes:
- Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.
- Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that will be met either by actions of Bideawee or the passage of time; stipulations that they be maintained in perpetuity by Bideawee and unappropriated endowment earnings.
- J. **Memorial Park Maintenance Fees** – The one-time perpetual maintenance fee is maintained in perpetuity as net assets with donor restrictions in accordance with applicable State of New York legislation. The regular maintenance special care fees received during the year are reflected as memorial park maintenance fees in the accompanying statements of activities classified as net assets without donor restrictions.
- K. **Program Service Fees** – Program service revenue is accounted for under Accounting Standards Update (“ASU”) 2014-09, “*Revenue from Contracts with Customers*” (Topic 606). Revenue for performance obligations satisfied over time is recognized as the services are provided. Receivables are due in full when billed and revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by Bideawee in accordance with the contract.

Revenue for performance obligations satisfied over time is recognized as the services are provided. This method depicts the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

All performance obligations relate to contracts with a duration of less than one year, therefore, there are no performance obligations or contract balances that are unsatisfied as of September 30, 2021. The performance obligations for these contracts are completed when the service is completed. Bideawee determines the transaction price based on established rates for services provided. Program service revenue consists of revenues for the following programs:

	2021	2020
Memorial Parks	\$ 747,728	\$ 677,595
Animal Hospitals	396,081	467,689
Adoption Centers	416,769	334,080
Learning Centers	3,613	3,210
	\$ 1,564,191	\$ 1,482,574

- L. **Beneficial Interest in Trusts** – Bideawee is a beneficiary in perpetual trusts and irrevocable charitable remainder unitrusts held by third parties. Under the terms of the perpetual trusts, Bideawee has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in trust. Charitable remainder unitrust gifts are time-restricted contributions not available to Bideawee until after the death of the donor and other beneficiaries, who, while living, receive payouts from the trust based on a fixed percentage of the market value of the invested funds each year as stated in the trust agreements. The trust agreements, in certain instances, allow for the beneficiaries to receive additional distributions, which may substantially reduce the value of expected future cash receipts.

Bideawee recognizes as assets and contributions to net assets with donor restrictions, the fair value of the trusts based on the present value of the estimated expected future cash receipts from the trusts' assets. The carrying value of the assets is adjusted to fair value at the end of the year. Distributions received by Bideawee are either available for general purposes or restricted based upon donor imposed stipulations.

- M. **Split-Interest Agreements** – Bideawee has entered into Charitable Gift Annuities with donors. These are agreements between a donor and Bideawee in which the donor contributes an asset in exchange for an obligation for Bideawee to pay a fixed amount to the donor or other designated beneficiaries for a specific period of time.

At the time these agreements are entered into, a liability is recognized for the present value of the annuity obligation, the assets are recorded at fair market value and a contribution is recognized for the difference. The liability is re-calculated annually and the adjustment is recorded as changes in value of split-interest agreements in the statements of activities. The split-interest agreements had a gain (loss) of \$9,135 and \$(6,659) for the years ended September 30, 2021 and 2020, respectively. The discount rate and actuarial assumptions used in calculating the annuity obligation are those provided in Internal Revenue Service guidelines and actuarial tables. Bideawee invests, manages, and administers the annuities. The portfolio of assets meets all requirements concerning permissible investments and mandated reserves as required by law.

- N. **Functional Allocation of Expenses** – The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include 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.

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

O. **Use of Estimates** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 3 – LIQUIDITY AND AVAILABILITY**

Bideawee regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. As of September 30, 2021 and 2020, financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, included the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,756,048	\$ 3,151,030
Bequests, legacies, contributions and other receivables, net	129,854	303,979
Investments	<u>20,380,339</u>	<u>19,230,246</u>
Total	22,266,241	22,685,255
Less: Investments held for endowments	<u>(11,235,865)</u>	<u>(10,967,407)</u>
Total	<u>\$ 11,030,376</u>	<u>\$ 11,717,848</u>

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Bideawee considers all expenditures related to its ongoing activities of Bideawee's programs as well as the conduct of services undertaken to support those activities to be general expenditures. Donor restricted funds for various programs are considered available for the general expenditures to conduct those programs. Bideawee's endowment funds consist of donor-restricted endowments. The endowment is subject to an annual spending rate of up to 7% as described in Note 9.

**NOTE 4 – BEQUESTS, LEGACIES, CONTRIBUTIONS AND OTHER RECEIVABLES, NET**

Bequests, legacies, contributions and other receivables consist of the following as of September 30:

	<u>2021</u>	<u>2020</u>
Amount due in less than one year:		
Bequests, legacies and contributions	\$ 119,136	\$ 279,834
Other receivables	<u>341,250</u>	<u>351,531</u>
	460,386	631,365
Less: allowance for uncollectible amounts	<u>(330,532)</u>	<u>(327,386)</u>
	<u>\$ 129,854</u>	<u>\$ 303,979</u>

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 5 - INVESTMENTS**

Investments consist of the following as of September 30:

	<u>2021</u>	<u>2020</u>
Money market funds	\$ 437,658	\$ 1,189,103
Equity securities	7,106,325	7,027,122
Mutual funds	<u>12,836,356</u>	<u>11,014,021</u>
	<u>\$ 20,380,339</u>	<u>\$ 19,230,246</u>

Investments are subject to market volatility that could change their carrying value in the near term. Investment decisions are made in accordance with Bideawee's investment policy. The investment managers are also the custodians of these accounts. Bideawee records investment transactions based on the trade date.

Investment income consists of the following for the years ended September 30:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 704,190	\$ 591,920
Realized gain on investments	306,869	35,773
Unrealized gain on investments	2,167,594	838,203
Investment fees	<u>(57,026)</u>	<u>(42,653)</u>
	<u>\$ 3,121,627</u>	<u>\$ 1,423,243</u>

**NOTE 6 – PROPERTY AND EQUIPMENT, NET**

Property and equipment consists of the following as of September 30:

	<u>2021</u>	<u>2020</u>	Estimated Useful Lives
Land	\$ 126,080	\$ 126,080	
Buildings and improvements	16,811,561	16,780,741	10-40 years
Office equipment, furniture and vehicles	1,810,782	1,813,468	5-20 years
Construction in progress	<u>10,711,870</u>	<u>127,336</u>	
	29,460,293	18,847,625	
Less: accumulated depreciation	<u>(13,562,547)</u>	<u>(13,076,433)</u>	
	<u>\$ 15,897,746</u>	<u>\$ 5,771,192</u>	

Depreciation expense amounted to \$577,238 and \$571,141 (including \$6,534 and \$3,717, respectively, on capital leased equipment) for the years ended September 30, 2021 and 2020, respectively. During the years ended September 30, 2021 and 2020, Bideawee disposed of certain fixed assets no longer in use amounting to \$91,124 and \$178,729, respectively, resulting in a loss from disposal of \$0 and \$2,500, respectively.

Construction in progress amounted to \$11,170,458 as of September 30, 2021 and includes purchase price of a new Manhattan facility at 152 W 24th Street for \$7,680,000. The facility is under construction and is expected to be completed in November 2022. Estimated cost of renovation amounts to \$11.3M with remaining \$7.8M cost to complete. Bideawee's current Manhattan facility at 410 E 38th Street is being marketed for sale.

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 7 – CAPITAL LEASE OBLIGATIONS PAYABLE**

Certain long-term leases for office equipment are classified as capital leases. Accordingly, such equipment is capitalized and depreciated on a straight-line basis over the life of the lease. The corresponding obligation under the capital leases represents the present value of the rental payments discounted by the interest rate implicit in the lease agreements. The interest rate on these lease agreements is 7.50%. Minimum future lease payments subsequent to September 30, 2021 are as follows:

2022	\$ 9,301
2023	5,691
2024	5,691
2025	5,691
2026	<u>3,794</u>
Total minimum lease payments	30,168
Less: amounts representing interest	<u>3,883</u>
	<u>\$ 26,285</u>

**NOTE 8 – RETIREMENT PLAN**

Bideawee maintains a defined contribution retirement plan covering all eligible employees. Under the retirement plan, each employee who is regularly scheduled to perform services for Bideawee, on at least a part-time basis, may participate on the first entry date after six months of service. Participants may contribute up to 5% of their salaries, on a pre-tax basis, which will be matched by Bideawee. Participants can make additional contributions, which cannot exceed the Internal Revenue Service limit as defined in the regulations and which are unmatched by Bideawee.

Each participant is fully vested after five years in all contributions made on that participant's behalf. Bideawee's expenses related to the employee retirement plan amounted to \$147,416 and \$154,512 for the years ended September 30, 2021 and 2020, respectively.

**NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets of \$727,571 and \$752,878 were released from restrictions during the years ended September 30, 2021 and 2020, respectively, by incurring program expenses.

Net assets with donor restrictions for specific purposes are restricted by donors for the following purposes as of September 30:

	<u>2021</u>	<u>2020</u>
Purpose restricted:		
Veterinary Medical Assistance Fund	\$ 2,769	\$ 7,940
Adoption Center	20,944	27,723
Joe Garrison Memorial	1,276	1,427
Restricted for future operations	1,000	1,000
Unappropriated endowment earnings	4,283,811	2,022,976
FCI	10,000	28,750
Wiederhold Hospital	585	585
Capital campaign for capital improvements	150,000	-
Other	<u>6,967</u>	<u>1,136</u>
	<u>\$ 4,477,352</u>	<u>\$ 2,091,537</u>

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Net assets with donor restrictions held to perpetuity consisted of the following as of September 30:

Endowment funds – restricted as to principal, with current income available for general purposes of Bideawee. The funds are as follows:

	<u>2021</u>	<u>2020</u>
A.T. Jones	\$ 880,000	\$ 880,000
M.B. Scanion	179,795	179,795
J.B. Merrill	30,000	30,000
E. Blashfield	10,875	10,875
A. Allen	5,474	5,474
T. Richter	299,125	299,125
Vandivert	<u>140,000</u>	<u>140,000</u>
	1,545,269	1,545,269
Cemetery, perpetual care and maintenance fund – restricted as to principal, with current income available for the general purpose of Bideawee after deducting for the costs of the perpetual care and maintenance	<u>9,690,596</u> 11,235,865	<u>9,422,139</u> 10,967,408
Beneficial interest in perpetual trust	804,215	871,184
Beneficial interest in charitable remainder trusts	<u>1,037</u>	<u>56,999</u>
	<u>\$ 12,041,117</u>	<u>\$ 11,895,591</u>

Bideawee recognizes that New York State adopted as law the New York Prudent Management of Institutional Funds Act (“NYPMIFA”) on September 17, 2010. NYPMIFA replaced the prior law, which was the Uniform Management of Institutional Funds Act (“UMIFA”). In addition, NYPMIFA created a rebuttable presumption of imprudence if an organization appropriates more than 7% of a donor-restricted permanent endowment fund’s fair value (averaged over a period of not less than the preceding five years) in any year. Any unappropriated earnings that would otherwise be considered without donor restrictions will be reflected as donor restricted until appropriated.

Bideawee’s Board has interpreted NYPMIFA as allowing Bideawee to appropriate for expenditure or accumulate so much of an endowment fund as Bideawee determines is prudent for the uses, benefits, purposes and duration for which the endowment fund was established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise, the assets in a donor-restricted endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board.

Funds functioning as endowments include perpetual care funds. These funds are invested for long-term appreciation and current income. Perpetual care funds are reported as net assets with donor restrictions, and investment earnings on these funds are reported as net assets with donor restrictions for the perpetual care and maintenance of the pet cemetery.

In accordance with U.S. GAAP, organizations are required to disclose any deterioration of the fair value of assets associated with donor restricted funds that fall below the level the donor requires Bideawee to retain in perpetuity. The deficiencies may result from unfavorable market fluctuations that occurred in the economy as a whole that may have affected the donor restricted fund where the fair value of the donor restricted fund fell below the amount that is required to be retained permanently.

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Any deterioration of the fair value of assets associated with donor-restricted endowment funds that falls below the level the donor requires Bideawee to retain in perpetuity is to be reported in net assets with donor restrictions. As of September 30, 2021 and 2020, Bideawee had not incurred a deficiency in its donor-restricted endowment funds.

Bideawee's endowment investment policy is to invest primarily in a mix of equities and fixed-income securities based on an asset allocation to satisfy its overall endowment financial and investment objectives, such as to preserve the principal, protect against inflation, receive stable returns and achieve long-term growth. Bideawee 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).

The following table summarizes donor-restricted endowment activities of Bideawee for the year ended September 30, 2021:

	Donor-Restricted Endowment Funds		
	Endowment Earnings	Endowment Corpus	Total
Investment earnings	\$ 356,367	\$ -	\$ 356,367
Appropriation for expenditure	(64,147)	-	(64,147)
Total endowment activity	292,220	-	292,220
Endowment net assets, beginning of year	261,476	1,545,269	1,806,745
Endowment net assets, end of year	\$ 553,696	\$ 1,545,269	\$ 2,098,965

The following table summarizes donor-restricted endowment activities of Bideawee for the year ended September 30, 2020:

	Donor-Restricted Endowment Funds		
	Endowment Earnings	Endowment Corpus	Total
Investment earnings	\$ 147,443	\$ -	\$ 147,443
Appropriation for expenditure	(54,617)	-	(54,617)
Total endowment activity	92,826	-	92,826
Endowment net assets, beginning of year	168,650	1,545,269	1,713,919
Endowment net assets, end of year	\$ 261,476	\$ 1,545,269	\$ 1,806,745



**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

The following table summarizes funds functioning as endowment activities of Bideawee for the year ended September 30, 2021:

	<u>Funds Functioning as Endowments</u>		
	<u>Endowment Earnings</u>	<u>Endowment Corpus</u>	<u>Total</u>
Investment earnings	\$ 2,400,759	\$ -	\$ 2,400,759
Cemetery maintenance fees received	-	268,457	268,457
Appropriation for expenditure	<u>(432,144)</u>	<u>-</u>	<u>(432,144)</u>
Total endowment activity	1,968,615	268,457	2,237,072
Endowment net assets, beginning of year	<u>1,761,500</u>	<u>9,422,139</u>	<u>11,183,639</u>
Endowment net assets, end of year	<u>\$ 3,730,115</u>	<u>\$ 9,690,596</u>	<u>\$ 13,420,711</u>

The following table summarizes funds functioning as endowment activities of Bideawee for the year ended September 30, 2020:

	<u>Funds Functioning as Endowments</u>		
	<u>Endowment Earnings</u>	<u>Endowment Corpus</u>	<u>Total</u>
Investment earnings	\$ 993,290	\$ -	\$ 993,290
Cemetery maintenance fees received	-	243,079	243,079
Appropriation for expenditure	<u>(367,943)</u>	<u>-</u>	<u>(367,943)</u>
Total endowment activity	625,347	243,079	868,426
Endowment net assets, beginning of year	<u>1,136,153</u>	<u>9,179,060</u>	<u>10,315,213</u>
Endowment net assets, end of year	<u>\$ 1,761,500</u>	<u>\$ 9,422,139</u>	<u>\$ 11,183,639</u>

Endowment net assets are included with investments on the accompanying statements of financial position as of September 30, 2021 and 2020.

**NOTE 10 – FAIR VALUE MEASUREMENT**

The fair value hierarchy defines three levels as follows:

- Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.
- Level 3 – Valuations for assets and liabilities based on unobservable inputs that are significant to the fair value measurement. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 10 – FAIR VALUE MEASUREMENT (Continued)**

In determining fair value, Bideawee utilizes valuation techniques that maximize the use of observable inputs, such as prices and other relevant information generated by market transactions involving identical or comparable assets (“market approach”), and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

Following is a description of the valuation methodologies used for assets measured at fair value at September 30, 2021 and 2020.

**Money market funds:** Money market funds are valued at the net asset value (“NAV”) at a constant \$1.00 per share, of which, only the yield goes up and down.

**Equity securities:** Equity securities are valued at quoted market prices determined in an active market.

**Mutual funds:** Mutual funds are valued at quoted market prices determined in an active market.

**Beneficial interest in trusts:** Beneficial interest in trusts are valued based on three methods:

- Bideawee’s percentage interest in the trust, using the most recent valuation available as of year-end.
- Bideawee’s percentage interest in the trust, using the most recent valuation available as of year-end, less a 50% reduction based on management’s estimates due to allowed invasions within the trust.
- A weighted average calculation based on the five-year historical income from the trust, less a 25% reduction for uncertainty in future earnings based on management’s estimate.

Financial assets measured at fair value on a recurring basis as of September 30, 2021 are presented in the table by fair value hierarchy as follows:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total 2021</u>
Money market funds	\$ 437,658	\$ -	\$ 437,658
Equity securities	7,106,325	-	7,106,325
Mutual funds	12,836,356	-	12,836,356
Beneficial interest in trusts	<u>-</u>	<u>805,252</u>	<u>805,252</u>
Investments at Fair Value	<u>\$20,380,339</u>	<u>\$ 805,252</u>	<u>\$ 21,185,591</u>

Financial assets measured at fair value on a recurring basis as of September 30, 2020 are presented in the table by fair value hierarchy as follows:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total 2020</u>
Money market funds	\$ 1,189,103	\$ -	\$ 1,189,103
Equity securities	7,027,122	-	7,027,122
Mutual funds	11,014,021	-	11,014,021
Beneficial interest in trusts	<u>-</u>	<u>928,183</u>	<u>928,183</u>
Investments at Fair Value	<u>\$19,230,246</u>	<u>\$ 928,183</u>	<u>\$ 20,158,429</u>

Bideawee recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10 – FAIR VALUE MEASUREMENT (Continued)**

Fair value for the beneficial interest in trusts is measured using the fair value of the assets held in trusts as reported by the trustee as of September 30, 2021 and 2020. Bideawee considers the measurement of its beneficial interest in trusts to be a Level 3 measurement within the fair value hierarchy because even though that measurement is based on the unadjusted fair values of the trust assets reported by the trustee, Bideawee will have the ability to direct the trustee to redeem them.

The table below presents information about fair value measurements that use significant unobservable inputs (level 3):

Balance - October 1, 2019	\$ 1,017,920
Total gains or losses recognized in the change in net assets with donor restrictions – change in value of perpetual trusts	<u>(89,737)</u>
Balance - October 1, 2020	928,183
Total gains or losses recognized in the change in net assets with donor restrictions – change in value of perpetual trusts	<u>(122,931)</u>
Balance – September 30, 2021	\$ <u>805,252</u>

The Board of Directors reviews and approves Bideawee’s fair value measurement policies and procedures annually. At least annually, the audit committee and the Board determine if the valuation techniques used in fair value measurements are still appropriate.

**NOTE 11 – CONCENTRATIONS**

Cash and cash equivalents that potentially subject Bideawee to a concentration of credit risk include cash accounts with various financial institutions that exceeded the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. Cash accounts are insured up to \$250,000 per depositor. As of September 30, 2021 and 2020, there was approximately \$971,000 and \$2,538,000, respectively, of cash and cash equivalents held by two banks that exceeded FDIC limits. Such excess includes outstanding checks.

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

- A. Bideawee believes it has no uncertain tax positions as of September 30, 2021 and 2020 in accordance with Accounting Standards Codification (“ASC”) Topic 740 “Income Taxes,” which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- B. From time to time, Bideawee may have certain commitment and contingent liabilities that arise in the ordinary course of its business. Bideawee accrues contingent liabilities when it is probable that future expenditures will be made and such expenditures can be reasonably estimated. In the opinion of management, there are no pending claims of which the outcome is expected to result in a material adverse effect on the financial statements of Bideawee.
- C. In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a pandemic. COVID-19 disrupted activities of Bideawee during the years ended September 30, 2021 and 2020. The extent of the overall impact of any epidemic, pandemic, or other health crisis on Bideawee’s mission, financial condition, and results of operations will depend on future developments, and accordingly, Bideawee cannot predict the extent to which both its financial condition and results of operations will be affected. Management continues to monitor both evolving economic and business conditions and both the actual and potential impacts of COVID-19 on Bideawee.

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 – LOAN PAYABLE, NET**

On November 6, 2020, Bideawee purchased a building intended to be its new Manhattan location in the amount of \$7,680,000 (Note 6). The purchase was financed on a short-term basis with a Goldman Sachs' Margin Loan for \$6,978,816 with an annual interest rate of 190 basis points. The loan was repaid during the year ended September 30, 2021.

On March 1, 2021, Bideawee entered into a building loan agreement with the Build NYC Resource Corporation and TD Bank for the purchase and renovation of Bideawee's new Manhattan facility, located at 152 W 24th Street. The loan was through issuance of \$12,100,000 of tax-exempt revenue bonds series 2021 by the Build NYC Resource Corporation. TD Bank is the registered holder for the 100% of the outstanding bond. The Bond's stated maturity date is February 1, 2046 and bears interest of 2.98%. The loan is then provided to Bideawee by TD Bank for 10 years and bears interest of 2.98%. The loan is amortized over 25 years. There is no prepayment penalty. The loan is secured by the property located at 410 East 38<sup>th</sup> Street, New York and 152 West 24<sup>th</sup> Street, New York. Bideawee is subject to Debt Service Coverage Ratio, Liquidity Covenant and Reporting Requirements. As of September 30, 2021, Bideawee was in compliance with all compliance and reporting covenants.

As of September 30, 2021, Bideawee has drawn down \$8,099,687 from TD Bank. The remaining available balance of \$4,000,313 will be released to Bideawee as construction expenses are incurred. There was \$9,785,435 drawn down from the loan as of January 28, 2022.

Net loan payable consists of the following as of September 30, 2021:

Loan payable	\$ 8,099,687
Unamortized debt issuance costs	<u>(458,588)</u>
Loan payable, net	<u>\$ 7,641,099</u>

The required principal payments by Bideawee on the above obligations, in each of the five fiscal years subsequent to September 30, 2021 and thereafter, are as follows:

2022	\$ -
2023	-
2024	172,299
2025	299,451
2026	308,625
Thereafter	<u>7,319,312</u>
	<u>\$ 8,099,687</u>

Interest expense amounted to \$242,109 for the year ended September 30, 2021 and is included in bank charges in the accompanying statement of functional expenses.

**NOTE 14 – PAYCHECK PROTECTION PROGRAM**

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program ("PPP"). Participating in the PPP enables the business to obtain a loan from the Small Business Administration (SBA) sector of the government. If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven. Bideawee applied for this loan through an SBA authorized lender. The loan, amounting to \$950,000 was approved on April 29, 2020 and received on May 5, 2020.

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021 AND 2020**

**NOTE 14 – PAYCHECK PROTECTION PROGRAM (Continued)**

In accounting for the terms of the PPP loan, Bideawee is guided by ASC 470 *Debt*, and ASC 958-605 *Contribution*. Accordingly, Bideawee has accounted for this under ASC 958-605 as a conditional contribution. As of September 30, 2020, Bideawee has met the performance obligations and recorded contribution income of \$950,000 in the accompanying September 30, 2020 statement of activities.

**NOTE 15 – SUBSEQUENT EVENTS**

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through January 28, 2022 the date the financial statements were available to be issued.

In September 2021, Bideawee entered into a contract with the Town of Southampton for the sale of vacant land for \$1,500,000. The sale is not yet final as it is still pending the approval of the Suffolk County Department of Health.

In September 2021, Bideawee entered into a contract with the Beachwood Organization for the sale of Bideawee's Pine Barren Credits for \$935,000. The Pine Barren Credits are not a sale of real property owned by Bideawee. These credits were issued to Bideawee by the Pine Barrens Commission pursuant to the Long Island Pine Barrens Protection Act and the Central Pine Barrens Comprehensive Land Use for Bideawee's land located in Westhampton, NY. The sale was subsequently closed on November 5, 2021 and Bideawee received \$935,000 from the sale.