ANIMAL HAVEN, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018
# TABLE OF CONTENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDEPENDENT AUDITOR'S REPORT</td>
<td>1-2</td>
</tr>
<tr>
<td>STATEMENT OF FINANCIAL POSITION</td>
<td>3</td>
</tr>
<tr>
<td>STATEMENT OF NET ASSETS</td>
<td>4</td>
</tr>
<tr>
<td>STATEMENT OF FUNCTIONAL EXPENSES</td>
<td>5</td>
</tr>
<tr>
<td>STATEMENT OF CASH FLOWS</td>
<td>6</td>
</tr>
<tr>
<td>NOTES TO FINANCIAL STATEMENTS</td>
<td>7-12</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Animal Haven, Inc.
New York, New York

Report on the Financial Statements

I have audited the accompanying financial statements of Animal Haven, Inc., (the "Organization"), which comprise the statement of financial position as of December 31, 2019 and 2018 and the related statements of net assets and of 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the 2019 and 2018 financial statements referred to above present fairly, in all material respects, the financial position of Animal Haven, Inc. as of December 31, 2019 and 2018 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles accepted in the United States of America.

Don J. Slavensky  
Certified Public Accountant

Lake Success, New York  
November 6, 2020
ANIMAL HAVEN, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,880,619</td>
<td>$791,213</td>
</tr>
<tr>
<td>Investments - marketable securities</td>
<td>130,085</td>
<td>21,225</td>
</tr>
<tr>
<td>Prepaid insurance</td>
<td>13,489</td>
<td>17,775</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>53,913</td>
<td>39,567</td>
</tr>
<tr>
<td>Security Deposit - 200 Centre Street</td>
<td>224,000</td>
<td>224,000</td>
</tr>
<tr>
<td>Security deposit - Con Edison</td>
<td>-</td>
<td>1,405</td>
</tr>
<tr>
<td>Property and equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>net of accumulated depreciation</td>
<td>4,434,740</td>
<td>4,857,096</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$6,736,846</td>
<td>$5,952,281</td>
</tr>
</tbody>
</table>

| LIABILITIES:                   |           |           |
| Accounts payable               | $89,258   | $71,185   |
| TOTAL LIABILITIES              | 89,258    | 71,185    |

| NET ASSETS:                    |           |           |
| Without donor restrictions     | 6,502,749 | 5,327,225 |
| With donor restrictions        | 144,839   | 553,871   |
| TOTAL NET ASSETS               | 6,647,588 | 5,881,096 |

| TOTAL LIABILITIES AND NET ASSETS| $6,736,846| $5,952,281|

The accompanying notes to financial statements are an integral part of these statements.
## Statement of Net Assets

**For the Years Ended December 31, 2019 and 2018**

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUPPORT AND REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate and business grants</td>
<td>$40,000</td>
<td>$95,500</td>
<td>$135,500</td>
<td>$343,133</td>
</tr>
<tr>
<td>Bequests</td>
<td>1,181,410</td>
<td>1,181,410</td>
<td>80,000</td>
<td></td>
</tr>
<tr>
<td>General contributions</td>
<td>1,239,282</td>
<td>1,239,282</td>
<td>1,144,311</td>
<td></td>
</tr>
<tr>
<td>Adoption center</td>
<td>230,416</td>
<td>230,416</td>
<td>365,388</td>
<td></td>
</tr>
<tr>
<td>Mailings</td>
<td>122,440</td>
<td>122,440</td>
<td>184,125</td>
<td></td>
</tr>
<tr>
<td>Relocation and relief fund</td>
<td>-</td>
<td>-</td>
<td>3,580</td>
<td></td>
</tr>
<tr>
<td>Recovery road fund</td>
<td>3,717</td>
<td>3,717</td>
<td>46,340</td>
<td></td>
</tr>
<tr>
<td>Special events</td>
<td>20,480</td>
<td>20,480</td>
<td>25,598</td>
<td></td>
</tr>
<tr>
<td>Spring benefit:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support</td>
<td>808,880</td>
<td>808,880</td>
<td>742,538</td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td>(129,234)</td>
<td>(129,234)</td>
<td>(124,796)</td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>1,022</td>
<td>1,022</td>
<td>295</td>
<td></td>
</tr>
<tr>
<td>Net change in unrealized gain on securities</td>
<td>27,298</td>
<td>27,298</td>
<td>1,593</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL SUPPORT AND REVENUE</strong></td>
<td>3,545,711</td>
<td>95,500</td>
<td>3,641,211</td>
<td>2,812,085</td>
</tr>
</tbody>
</table>

**EXPENSES**

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>2,036,615</td>
<td>2,024,952</td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>135,397</td>
<td>117,152</td>
<td></td>
</tr>
<tr>
<td>Fund-raising</td>
<td>198,175</td>
<td>164,918</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>2,370,187</td>
<td>2,307,022</td>
<td></td>
</tr>
</tbody>
</table>

**CHANGE IN NET ASSETS**

|                      |                            |                         |          |
|----------------------|----------------------------|                         |          |
| Net assets at beginning of year | 5,327,225            | 5,376,033               |          |
| **NET ASSETS AT END OF YEAR** | $6,502,749            | $144,839                | $6,647,588|

The accompanying notes to financial statements are an integral part of these statements.
ANIMAL HAVEN, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Program</td>
<td>Management</td>
<td>Fund-</td>
<td></td>
</tr>
<tr>
<td>Payroll (X)</td>
<td>$537,565</td>
<td>$35,059</td>
<td>$11,686</td>
<td>$584,310</td>
</tr>
<tr>
<td>Payroll taxes (X)</td>
<td>42,125</td>
<td>2,747</td>
<td>916</td>
<td>45,788</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>53,754</td>
<td>3,506</td>
<td>1,169</td>
<td>58,429</td>
</tr>
<tr>
<td>Occupancy expenses</td>
<td>441,761</td>
<td>4,463</td>
<td>-</td>
<td>446,224</td>
</tr>
<tr>
<td>Office supplies and maintenance</td>
<td>113,664</td>
<td>12,629</td>
<td>-</td>
<td>126,293</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>-</td>
<td>4,170</td>
<td>-</td>
<td>4,170</td>
</tr>
<tr>
<td>Telephone</td>
<td>1,684</td>
<td>602</td>
<td>120</td>
<td>2,406</td>
</tr>
<tr>
<td>Fund-raising expenses</td>
<td>-</td>
<td>-</td>
<td>184,284</td>
<td>184,284</td>
</tr>
<tr>
<td>Adoption expenses</td>
<td>24,786</td>
<td>-</td>
<td>-</td>
<td>24,786</td>
</tr>
<tr>
<td>Animal food costs</td>
<td>42,820</td>
<td>-</td>
<td>-</td>
<td>42,820</td>
</tr>
<tr>
<td>Animal training (X)</td>
<td>38,359</td>
<td>-</td>
<td>-</td>
<td>38,359</td>
</tr>
<tr>
<td>Animal boarding</td>
<td>12,496</td>
<td>-</td>
<td>-</td>
<td>12,496</td>
</tr>
<tr>
<td>Veterinary and medical supply (X)</td>
<td>530,207</td>
<td>-</td>
<td>-</td>
<td>530,207</td>
</tr>
<tr>
<td>Event expenses</td>
<td>4,831</td>
<td>-</td>
<td>-</td>
<td>4,831</td>
</tr>
<tr>
<td>Credit card and payroll process fees</td>
<td>-</td>
<td>39,131</td>
<td>-</td>
<td>39,131</td>
</tr>
<tr>
<td>Tech expenses</td>
<td>100,773</td>
<td>8,763</td>
<td>-</td>
<td>109,536</td>
</tr>
<tr>
<td>Other program related expenses (X)</td>
<td>26,240</td>
<td>-</td>
<td>-</td>
<td>26,240</td>
</tr>
<tr>
<td>Insurance</td>
<td>17,779</td>
<td>2,802</td>
<td>-</td>
<td>20,581</td>
</tr>
<tr>
<td>Professional fees - consultants</td>
<td>47,771</td>
<td>-</td>
<td>-</td>
<td>47,771</td>
</tr>
<tr>
<td>Accounting and bookkeeping</td>
<td>-</td>
<td>21,525</td>
<td>-</td>
<td>21,525</td>
</tr>
</tbody>
</table>

With Donor Restrictions Fund

|                      | 2019          | 2018          | Total          | Total          |
| Veterinary and medical expenses | 30,000 | -             | -              | 30,000         | 45,738         |
| Animal training        | -             | -             | -              | -              | 38,525         |
| Other program related expenses | 5,000 | -             | -              | 5,000          | -              |
| Payroll & taxes - community outreach | 34,427 | -             | -              | 34,427         | 32,683         |
| New location expenses  | 2,749         | -             | -              | 2,749          | 8,931          |
| Depreciation           | 422,356       | -             | -              | 422,356        | 211,178        |
| Adoption expenses      | 10,000        | -             | -              | 10,000         | 20,737         |

$2,541,147 $135,397 $198,175 $2,874,719 $2,307,022

(X) - The balance of these expenses are included under “with donor restrictions” fund expenditures.

The accompanying notes to financial statements are an integral part of these statements.
ANIMAL HAVEN, INC.

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>$ 766,492</td>
<td>$ 505,063</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>422,356</td>
<td>211,178</td>
</tr>
<tr>
<td>Net change in unrealized (gain) of securities</td>
<td>(27,298)</td>
<td>(1,593)</td>
</tr>
<tr>
<td>Changes in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid insurance</td>
<td>4,286</td>
<td>(3,591)</td>
</tr>
<tr>
<td>Prepaid expenses and deposits</td>
<td>(12,941)</td>
<td>(11,148)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>18,073</td>
<td>1,024</td>
</tr>
<tr>
<td><strong>TOTAL ADJUSTMENTS</strong></td>
<td>404,476</td>
<td>195,870</td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY OPERATING ACTIVITIES</strong></td>
<td>1,170,968</td>
<td>700,933</td>
</tr>
</tbody>
</table>

| CASH FLOWS FROM INVESTING ACTIVITIES: |          |          |
| Purchase of securities             | (81,562) | (1,112)  |
| Loan payable                       | -        | (200,000) |
| Purchase of property and equipment | -        | (17,500)  |
| **NET CASH (USED IN)**             | (81,562) | (218,612) |
| **INVESTING ACTIVITIES**           |          |          |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS** | 1,089,406| 482,321  |

<table>
<thead>
<tr>
<th>CASH AND CASH EQUIVALENTS- BEGINNING OF YEAR</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>791,213</td>
<td>308,892</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH AND CASH EQUIVALENTS- END OF YEAR</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 1,880,619</td>
<td>$ 791,213</td>
</tr>
</tbody>
</table>

The accompanying notes to financial statements are an integral part of these statements.
NOTE 1 - NATURE OF ORGANIZATION

Animal Haven, Inc. (the organization) is a not-for-profit organization that finds homes for abandoned cats and dogs throughout the Tri-State area. Founded in 1987, it operated a no-kill shelter in Flushing, Queens, New York (which was permanently closed in March 2009) and an animal sanctuary and rehabilitation center (Animal Haven Acres) in Delaware County, New York for special needs and hard-to-place animals (which was permanently closed in March 2009). Through its Mobil Adoption Program, it brings animals in need of homes to community events throughout the Tri-State area. During October 2007, Animal Haven opened an adoption center in lower Manhattan which has facilities for dog training and grooming as part of the adoption program. The Organization only operates out of the lower Manhattan facility with the closure of its Flushing and upstate facilities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements reflect the assets, liabilities, revenue and expenditures for the Organization on the accrual basis of accounting. To ensure observance of limitations and restrictions on the use of financial resources, the organization maintains its accounts using fund accounting.

Contributions are considered to be available for unrestricted use unless they are specifically restricted by the donor.

Revenue, including adoption fees, is recognized when earned.

(b) Basis of presentation

Restrictions on Net Assets:
The Organization has adopted various required accounting standards for financial statement presentation of not-for-profit organizations. Under these standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net assets with donor restrictions:
Net assets with donor restrictions are net assets of which the use has been restricted by donors to specific purposes and/or the passage of time. When a donor-imposed restriction expires, that is, when a stipulated time restriction ends or a purpose is accomplished, those restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of net assets as net asset released from restrictions. As of December 31, 2019 and 2018 there were net assets with donor restrictions.

Net assets without donor restrictions:
The Organization has designated the remaining funds as net assets without donor restrictions and they represent resources that are available for general support of the Organization’s operations over which the Board has discretionary control.

(Continued)
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of Presentation (Continued)

All contributions are considered to be without donor restrictions unless specifically restricted by the donor.

(c) Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donations.

(d) Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

(e) Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Organization have been summarized on a functional and object classification basis in the statement of functional expenses. Certain costs have been allocated among the program and supporting services benefited.

(f) Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation.

The Organization recognizes the effects of income tax positions only if those positions are more likely than not of being sustained. No provisions for income taxes was required for 2019.

(g) Donated Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with various programs. There is no objective measurement for these services and therefore do not fit the criteria for recognition.

(Continued)
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Cash and Cash Equivalent

For the purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At times, balances in these accounts may exceed FDIC insurance or SIPC (Securities Investor's Protection Corporation) limits.

(i) Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and loses are included in the change in net assets in the accompanying Statement of Activities.

(j) Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the double declining method based on the estimated useful lives ranging from five to seven years for certain furniture and equipment and to fifteen years for improvements. Maintenance and repairs which are not to extend the useful lives of assets are charged to expense as incurred. Expenditures for additions and improvements are capitalized.

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination.

(k) Use of Estimates in Financial Statement Presentation

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from estimates.

(l) Allocation of Functional Expenses

Expenses are presented according to the programs for which they were incurred and are summarized in the accompanying statements of functional expenses. The various programs and supporting services of the Organization are as follows:

Program expenses - Includes expenses that directly relate to carrying out the Organization's mission and result in goods or services being provided for the veterinary care of abused or abandoned dogs as part of the adoption program.

(Continued)
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Allocation of Functional Expenses (Continued)

*Management and general* - Includes the direction of the overall affairs of the Organization such as portions of accounting, human resources, administration and related areas.

*Fundraising* - Includes costs for publicizing and conducting fundraising campaigns, maintain mailing lists and conducting fundraising events and any other activities that involve soliciting contributions.

NOTE 3 - CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash in bank accounts that, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk to cash.

NOTE 4 - INVESTMENTS - MARKETABLE SECURITIES

Investments - Marketable Securities at December 31, 2019 and 2018, consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Fair Value</td>
</tr>
<tr>
<td>Mutual Funds and equities</td>
<td>$93,022</td>
<td>$130,085</td>
</tr>
<tr>
<td></td>
<td>$93,022</td>
<td>$130,085</td>
</tr>
</tbody>
</table>

NOTE 5 - DONOR RESTRICTED FUNDS

During 2018, Animal Haven received the following donor restricted grants: $25,000 from Elephant Rock Foundation earmarked for veterinary expenses; $40,000 from Kinder World earmarked for community outreach; $80,000 from Regina Bauer Franklin Foundation earmarked for training and rehabilitation, veterinary costs and adoption costs.

Of the total of donor restricted funds available ($911,663), as of December 31, 2018, $357,792 was used, leaving a balance of $553,871.

(Continued)
NOTE 5 - DONOR RESTRICTED FUNDS (Continued)

During 2019 Animal Haven received the following donor restricted grants: $30,000 from Elephant Rock Foundation earmarked for veterinary expenses; $10,500 from Goldman Sachs earmarked for community outreach; $5,000 from Mary Alice Foundation earmarked for program expenses; $40,000 from Kinder World earmarked for community outreach; $10,000 from Regina Bauer Franklin Foundation earmarked for adoption costs.

Of the total of donor restricted funds available ($649,371), as of December 31, 2019, $504,532 was used, leaving a balance of $144,839.

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment, at cost, and accumulated depreciation as of December 31, 2019 and 2018 consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvement - 200 Centre Street</td>
<td>$ 5,068,275</td>
<td>$ 5,068,275</td>
</tr>
<tr>
<td>Equipment and vehicles</td>
<td>-</td>
<td>7,450</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>-</td>
<td>2,400</td>
</tr>
<tr>
<td>TOTAL</td>
<td>5,068,275</td>
<td>5,078,125</td>
</tr>
<tr>
<td>LESS: ACCUMULATED DEPRECIATION</td>
<td>633,535</td>
<td>221,029</td>
</tr>
<tr>
<td></td>
<td>$ 4,434,740</td>
<td>$ 4,857,096</td>
</tr>
</tbody>
</table>

NOTE 7 - COMMITMENTS

The Organization entered into a commercial lease with Grand Machinery Exchange, Inc. for the lease of a basement and ground floor at 196-200 Centre Street in lower Manhattan.

The lease commenced February 1, 2015 and expires May 31, 2027. A security deposit in the amount of $224,000 (non interest bearing) was given at the signing of the lease as well as the first month's rent of $28,000. As agreed upon between the Organization and the landlord, rent payments did not commence until January 1, 2016 at which time the monthly payment of $28,000 was applied. The annual rent will increase 2.5% each year on the anniversary date of the lease. In addition, there is a real estate tax escalator clause as part of the lease and water usage payment as part of the monthly rent billing. The Organization uses this location for the adoption center (see Notes 1 and 6). As of December 31, 2019 and 2018 total costs for leasehold improvements were $5,068,275 for each year.

As of December 31, 2019 and 2018 the rent expense for 200 Centre Street was $370,127 and $361,099, respectively.
NOTE 8 - RELATED PARTY TRANSACTION

On February 13, 2017, Chairman of the Board of the Organization, Robert Flanagan, lent the Organization the sum of $200,000 interest free in order to cover some immediate costs of the Organization regarding the new location improvements.

On June 27, 2018 the Organization repaid the loan in full.

NOTE 9 - SUBSEQUENT EVENTS

Animal Haven Inc. has evaluated subsequent events after December 31, 2019 through November 6, 2020 the date that the financial statements are considered available to be issued.

The COVID-19 pandemic and the related economic impact continue to develop with long-term effects unknown. At this time, there is no known adverse impact to the financial condition of the Organization. The continued economic disruption, including rising unemployment, could adversely impact the financial condition of the Organization.

No other disclosures for subsequent events were deemed necessary.