



**Bideawee, Inc.**

**Financial Statements**

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

**Years Ended September 30, 2024 and 2023**

**BIDEAWEE, INC.**  
**FINANCIAL STATEMENTS**  
**(Together with Independent Auditors' Report)**  
**YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

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CBIZ CPAs P.C.

685 Third Avenue  
New York, NY 10017

P: 212.503.8800 | F: 212.370.3759

## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Bideawee, Inc.  
New York, NY

### ***Opinion***

We have audited the financial statements of Bideawee, Inc. ("Bideawee"), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Bideawee as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Bideawee and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the 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 Bideawee's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***Auditors' 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 auditors' 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 GAAS 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 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Bideawee'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 Bideawee'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.

*CBIZ CPAs P.C.*

New York, NY  
February 12, 2025

**BIDEAWEE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF SEPTEMBER 30, 2024 AND 2023**

|                                                                                   | <u>2024</u>          | <u>2023</u>          |
|-----------------------------------------------------------------------------------|----------------------|----------------------|
| <b>ASSETS</b>                                                                     |                      |                      |
| Cash and cash equivalents (Notes 2B and 11)                                       | \$ 429,540           | \$ 1,173,777         |
| Bequests, legacies, contributions and other receivables, net (Notes 2C, 2Q and 4) | 77,154               | 119,357              |
| Inventory (Note 2D)                                                               | 213,012              | 138,680              |
| Investments (Notes 2E, 2F, 5, 10 and 13)                                          | 17,835,707           | 17,120,421           |
| Beneficial interest in trusts (Notes 2M, 9 and 10)                                | 688,507              | 749,937              |
| Prepaid expenses and other assets                                                 | 154,908              | 127,154              |
| Finance lease right-of-use assets (Note 7)                                        | 10,297               | 17,430               |
| Asset held for sale, net (Notes 2H and 6)                                         | -                    | 1,284,983            |
| Property and equipment, net (Notes 2H and 6)                                      | 24,025,080           | 24,438,737           |
| Restricted cash (Notes 2B, 11 and 13)                                             | 5,875,000            | -                    |
| Restricted cash - funds held by Trustee (Notes 2B and 13)                         | 16,476               | 16,476               |
| <b>TOTAL ASSETS</b>                                                               | <u>\$ 49,325,681</u> | <u>\$ 45,186,952</u> |
| <b>LIABILITIES</b>                                                                |                      |                      |
| Accounts payable, accrued expenses and other liabilities                          | \$ 690,812           | \$ 1,352,400         |
| Annuity payment liability (Note 2N)                                               | 38,656               | 40,275               |
| Finance lease liabilities (Note 7)                                                | 11,788               | 19,090               |
| Loans payable - Margin Loan (Note 13)                                             | 3,500,000            | 1,500,000            |
| Loans payable                                                                     | 11,927,701           | 12,100,000           |
| Less: Unamortized debt issuance costs                                             | (402,644)            | (421,444)            |
| Loans payable, net (Note 13)                                                      | 11,525,057           | 11,678,556           |
| <b>TOTAL LIABILITIES</b>                                                          | <u>15,766,313</u>    | <u>14,590,321</u>    |
| <b>COMMITMENTS AND CONTINGENCIES</b> (Notes 7 and 12)                             |                      |                      |
| <b>NET ASSETS</b> (Notes 2I and 9)                                                |                      |                      |
| Without Donor Restrictions                                                        |                      |                      |
| Available for operations                                                          | 2,791,634            | 2,799,833            |
| Net investment in property and equipment                                          | 12,498,532           | 12,758,521           |
| Total Without Donor Restrictions                                                  | 15,290,166           | 15,558,354           |
| With Donor Restrictions (Note 9)                                                  | 18,269,202           | 15,038,277           |
| <b>TOTAL NET ASSETS</b>                                                           | <u>33,559,368</u>    | <u>30,596,631</u>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>                                           | <u>\$ 49,325,681</u> | <u>\$ 45,186,952</u> |

**BIDEAWEE, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

|                                                                               | For the Year Ended September 30, 2024 |                            |                      | For the Year Ended September 30, 2023 |                            |                      |
|-------------------------------------------------------------------------------|---------------------------------------|----------------------------|----------------------|---------------------------------------|----------------------------|----------------------|
|                                                                               | Without Donor<br>Restrictions         | With Donor<br>Restrictions | Total<br>2024        | Without Donor<br>Restrictions         | With Donor<br>Restrictions | Total<br>2023        |
| <b>REVENUES, GAINS AND OTHER SUPPORT:</b>                                     |                                       |                            |                      |                                       |                            |                      |
| Special events revenue                                                        | \$ 938,875                            | \$ -                       | \$ 938,875           | \$ 910,178                            | \$ -                       | \$ 910,178           |
| Less: costs of direct benefits to donors                                      | (257,240)                             | -                          | (257,240)            | (284,257)                             | -                          | (284,257)            |
| Special events, net (Note 2J)                                                 | 681,635                               | -                          | 681,635              | 625,921                               | -                          | 625,921              |
| Bequests and legacies (Note 2C)                                               | 5,730,286                             | -                          | 5,730,286            | 6,942,340                             | -                          | 6,942,340            |
| Contributions (Note 2C)                                                       | 1,632,669                             | 824,499                    | 2,457,168            | 1,737,643                             | 634,747                    | 2,372,390            |
| In-kind contributions (Notes 2C and 14)                                       | 110,864                               | -                          | 110,864              | 107,774                               | -                          | 107,774              |
| Adoption Centers, Animal Hospitals, Loving Legacy and other fees (Note 2L)    | 977,533                               | -                          | 977,533              | 1,014,215                             | -                          | 1,014,215            |
| Cemetery maintenance fees (Notes 2K and 2L)                                   | 143,520                               | 263,403                    | 406,923              | 150,006                               | 254,320                    | 404,326              |
| Gain on sale of property (Note 6)                                             | 2,536,475                             | -                          | 2,536,475            | -                                     | -                          | -                    |
| Miscellaneous income                                                          | 45,047                                | -                          | 45,047               | 7,843                                 | -                          | 7,843                |
| Investment income, net of investment fees (Notes 5 and 9)                     | 127,923                               | 3,516,480                  | 3,644,403            | 84,836                                | 1,725,993                  | 1,810,829            |
| Change in value of beneficial interest in trusts (Note 2M)                    | -                                     | (61,430)                   | (61,430)             | -                                     | (25,669)                   | (25,669)             |
| Change in value of beneficial interest in split-interest agreements (Note 2N) | 13,752                                | -                          | 13,752               | (5,194)                               | -                          | (5,194)              |
| Net assets released from restrictions (Note 9)                                | 1,312,027                             | (1,312,027)                | -                    | 1,357,713                             | (1,357,713)                | -                    |
| <b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>                                | <b>13,311,731</b>                     | <b>3,230,925</b>           | <b>16,542,656</b>    | <b>12,023,097</b>                     | <b>1,231,678</b>           | <b>13,254,775</b>    |
| <b>EXPENSES:</b>                                                              |                                       |                            |                      |                                       |                            |                      |
| Program Services:                                                             |                                       |                            |                      |                                       |                            |                      |
| Adoption Centers                                                              | 6,211,233                             | -                          | 6,211,233            | 5,202,216                             | -                          | 5,202,216            |
| Animal Hospitals                                                              | 834,077                               | -                          | 834,077              | 744,734                               | -                          | 744,734              |
| Behavior, Learning and Volunteers                                             | 656,178                               | -                          | 656,178              | 612,040                               | -                          | 612,040              |
| Community Initiatives                                                         | 695,487                               | -                          | 695,487              | 637,596                               | -                          | 637,596              |
| Memorial Parks                                                                | 1,272,190                             | -                          | 1,272,190            | 1,207,254                             | -                          | 1,207,254            |
| Loving Legacy                                                                 | 75,940                                | -                          | 75,940               | 72,803                                | -                          | 72,803               |
| Total program services                                                        | 9,745,105                             | -                          | 9,745,105            | 8,476,643                             | -                          | 8,476,643            |
| Supporting Services:                                                          |                                       |                            |                      |                                       |                            |                      |
| Management and general                                                        | 1,515,968                             | -                          | 1,515,968            | 1,652,627                             | -                          | 1,652,627            |
| Fundraising                                                                   | 2,318,846                             | -                          | 2,318,846            | 2,249,467                             | -                          | 2,249,467            |
| Total supporting services                                                     | 3,834,814                             | -                          | 3,834,814            | 3,902,094                             | -                          | 3,902,094            |
| <b>TOTAL EXPENSES</b>                                                         | <b>13,579,919</b>                     | <b>-</b>                   | <b>13,579,919</b>    | <b>12,378,737</b>                     | <b>-</b>                   | <b>12,378,737</b>    |
| <b>CHANGE IN NET ASSETS</b>                                                   | <b>(268,188)</b>                      | <b>3,230,925</b>           | <b>2,962,737</b>     | <b>(355,640)</b>                      | <b>1,231,678</b>           | <b>876,038</b>       |
| <b>Net assets - beginning of year</b>                                         | <b>15,558,354</b>                     | <b>15,038,277</b>          | <b>30,596,631</b>    | <b>15,913,994</b>                     | <b>13,806,599</b>          | <b>29,720,593</b>    |
| <b>NET ASSETS - END OF YEAR</b>                                               | <b>\$ 15,290,166</b>                  | <b>\$ 18,269,202</b>       | <b>\$ 33,559,368</b> | <b>\$ 15,558,354</b>                  | <b>\$ 15,038,277</b>       | <b>\$ 30,596,631</b> |

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

**BIDEAWEE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**  
**(With Comparative Totals for 2023)**

|                                              | For the Year Ended September 30, 2024 |                     |                                         |                          |                     |                  |                              |                           |                     |                                 |                      |                      |
|----------------------------------------------|---------------------------------------|---------------------|-----------------------------------------|--------------------------|---------------------|------------------|------------------------------|---------------------------|---------------------|---------------------------------|----------------------|----------------------|
|                                              | Program Services                      |                     |                                         |                          |                     |                  |                              | Supporting Services       |                     |                                 |                      |                      |
|                                              | Adoption<br>Centers                   | Animal<br>Hospitals | Behavior,<br>Learning and<br>Volunteers | Community<br>Initiatives | Memorial<br>Parks   | Loving<br>Legacy | Total<br>Program<br>Services | Management<br>and General | Fundraising         | Total<br>Supporting<br>Services | Total 2024           | Total 2023           |
| Salaries                                     | \$ 2,711,855                          | \$ 448,429          | \$ 348,810                              | \$ 484,592               | \$ 651,693          | \$ 3,347         | \$ 4,648,726                 | \$ 879,192                | \$ 784,475          | \$ 1,663,667                    | \$ 6,312,393         | \$ 5,847,904         |
| Payroll taxes and employee benefits (Note 8) | 781,440                               | 104,868             | 93,236                                  | 95,296                   | 221,794             | 859              | 1,297,493                    | 169,165                   | 168,046             | 337,211                         | 1,634,704            | 1,433,544            |
| <b>Total Salaries and Related Costs</b>      | 3,493,295                             | 553,297             | 442,046                                 | 579,888                  | 873,487             | 4,206            | 5,946,219                    | 1,048,357                 | 952,521             | 2,000,878                       | 7,947,097            | 7,281,448            |
| Professional fees (Note 2C)                  | 80,087                                | 5,309               | 24,299                                  | 5,681                    | 18,683              | -                | 134,059                      | 176,478                   | 89,011              | 265,489                         | 399,548              | 418,602              |
| Medical supplies                             | 316,784                               | 131,478             | -                                       | 43,038                   | -                   | -                | 491,300                      | -                         | -                   | -                               | 491,300              | 419,197              |
| Pet memorial park supplies                   | -                                     | -                   | -                                       | -                        | 92,545              | -                | 92,545                       | -                         | -                   | -                               | 92,545               | 124,036              |
| Pet supplies (Note 2C)                       | 233,169                               | 1,472               | 289                                     | -                        | -                   | -                | 234,930                      | -                         | 68                  | 68                              | 234,998              | 223,610              |
| Occupancy                                    | 239,579                               | 14,779              | 17,666                                  | 16,096                   | 38,976              | 6,919            | 334,015                      | 24,476                    | 24,195              | 48,671                          | 382,686              | 475,921              |
| Repairs and maintenance                      | 255,251                               | 16,143              | 21,527                                  | 6,114                    | 103,798             | 3,813            | 406,646                      | 20,722                    | 19,548              | 40,270                          | 446,916              | 396,545              |
| Non-cap software and hardware                | 17,792                                | 6,580               | 11,611                                  | 6,286                    | 10,728              | 142              | 53,139                       | 12,403                    | 7,488               | 19,891                          | 73,030               | 56,829               |
| Insurance                                    | 112,745                               | 16,817              | 16,784                                  | 7,684                    | 29,603              | 10,039           | 193,672                      | 10,959                    | 13,656              | 24,615                          | 218,287              | 188,033              |
| Staff development and dues                   | 7,654                                 | 4,114               | 1,371                                   | 1,356                    | 639                 | -                | 15,134                       | 6,106                     | 18,651              | 24,757                          | 39,891               | 30,435               |
| Travel                                       | 26,980                                | 1,174               | 4,095                                   | 4,632                    | 10,271              | 41               | 47,193                       | 7,550                     | 10,761              | 18,311                          | 65,504               | 57,483               |
| Telephone and network management             | 31,197                                | 7,179               | 11,493                                  | 4,780                    | 9,786               | 406              | 64,841                       | 10,872                    | 11,830              | 22,702                          | 87,543               | 127,439              |
| Meetings and seminars                        | 11,571                                | 3,803               | 2,912                                   | 445                      | 1,861               | 10               | 20,602                       | 6,755                     | 5,563               | 12,318                          | 32,920               | 31,387               |
| Postage                                      | 1,038                                 | 299                 | 179                                     | 27                       | 4,243               | 4                | 5,790                        | 590                       | 159,878             | 160,468                         | 166,258              | 142,727              |
| Miscellaneous                                | 32,755                                | 9,180               | 15,459                                  | 184                      | 8,937               | 406              | 66,921                       | 1,807                     | 8,856               | 10,663                          | 77,584               | 146,491              |
| Interest (Note 13)                           | 465,657                               | 81                  | 112                                     | 8                        | 262                 | 4                | 466,124                      | 327                       | 80                  | 407                             | 466,531              | 385,387              |
| Bank charges                                 | 24,970                                | 10,250              | -                                       | -                        | 23,227              | -                | 58,447                       | 3,808                     | 47,891              | 51,699                          | 110,146              | 99,264               |
| Marketing, newsletter and publications       | 52,228                                | 909                 | 4,415                                   | 1,130                    | 5,598               | -                | 64,280                       | 128,975                   | 845,531             | 974,506                         | 1,038,786            | 1,070,378            |
| Catering and entertainment                   | -                                     | -                   | -                                       | -                        | -                   | -                | -                            | -                         | 257,240             | 257,240                         | 257,240              | 453,399              |
| Bad debt expense                             | 1,473                                 | 371                 | -                                       | -                        | 38                  | -                | 1,882                        | -                         | 20,530              | 20,530                          | 22,412               | 29,901               |
| Depreciation (Note 6)                        | 807,008                               | 50,842              | 81,920                                  | 18,138                   | 39,508              | 49,950           | 1,047,366                    | 55,783                    | 82,788              | 138,571                         | 1,185,937            | 504,482              |
| <b>Subtotal</b>                              | 6,211,233                             | 834,077             | 656,178                                 | 695,487                  | 1,272,190           | 75,940           | 9,745,105                    | 1,515,968                 | 2,576,086           | 4,092,054                       | 13,837,159           | 12,662,994           |
| Less: Cost of Direct Benefits to Donors      | -                                     | -                   | -                                       | -                        | -                   | -                | -                            | -                         | (257,240)           | (257,240)                       | (257,240)            | (284,257)            |
| <b>TOTAL EXPENSES</b>                        | <b>\$ 6,211,233</b>                   | <b>\$ 834,077</b>   | <b>\$ 656,178</b>                       | <b>\$ 695,487</b>        | <b>\$ 1,272,190</b> | <b>\$ 75,940</b> | <b>\$ 9,745,105</b>          | <b>\$ 1,515,968</b>       | <b>\$ 2,318,846</b> | <b>\$ 3,834,814</b>             | <b>\$ 13,579,919</b> | <b>\$ 12,378,737</b> |

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

**BIDEAWEE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

|                                              | For the Year Ended September 30, 2023 |                     |                                         |                          |                   |                  |                           |                           |              |                                 |               |
|----------------------------------------------|---------------------------------------|---------------------|-----------------------------------------|--------------------------|-------------------|------------------|---------------------------|---------------------------|--------------|---------------------------------|---------------|
|                                              | Program Services                      |                     |                                         |                          |                   |                  |                           | Supporting Services       |              |                                 |               |
|                                              | Adoption<br>Centers                   | Animal<br>Hospitals | Behavior,<br>Learning and<br>Volunteers | Community<br>Initiatives | Memorial<br>Parks | Loving<br>Legacy | Total Program<br>Services | Management<br>and General | Fundraising  | Total<br>Supporting<br>Services | Total 2023    |
| Salaries                                     | \$ 2,512,305                          | \$ 415,432          | \$ 323,144                              | \$ 448,934               | \$ 603,739        | \$ 3,101         | \$ 4,306,655              | \$ 814,498                | \$ 726,751   | \$ 1,541,249                    | \$ 5,847,904  |
| Payroll taxes and employee benefits (Note 8) | 686,243                               | 91,995              | 81,779                                  | 83,588                   | 194,807           | 755              | 1,139,167                 | 147,116                   | 147,261      | 294,377                         | 1,433,544     |
| <b>Total Salaries and Related Costs</b>      | 3,198,548                             | 507,427             | 404,923                                 | 532,522                  | 798,546           | 3,856            | 5,445,822                 | 961,614                   | 874,012      | 1,835,626                       | 7,281,448     |
| Professional fees (Note 2C)                  | 83,908                                | 5,562               | 25,458                                  | 5,952                    | 19,574            | -                | 140,454                   | 184,893                   | 93,255       | 278,148                         | 418,602       |
| Medical supplies                             | 270,293                               | 112,182             | -                                       | 36,722                   | -                 | -                | 419,197                   | -                         | -            | -                               | 419,197       |
| Pet memorial park supplies                   | 381                                   | -                   | -                                       | -                        | 123,655           | -                | 124,036                   | -                         | -            | -                               | 124,036       |
| Pet supplies (Note 2C)                       | 221,934                               | 1,401               | 275                                     | -                        | -                 | -                | 223,610                   | -                         | -            | -                               | 223,610       |
| Occupancy                                    | 297,949                               | 18,379              | 21,970                                  | 20,018                   | 48,472            | 8,604            | 415,392                   | 30,439                    | 30,090       | 60,529                          | 475,921       |
| Repairs and maintenance                      | 226,167                               | 14,441              | 19,257                                  | 5,469                    | 92,851            | 3,411            | 361,596                   | 17,463                    | 17,486       | 34,949                          | 396,545       |
| Non-cap software and hardware                | 13,843                                | 5,120               | 9,036                                   | 4,892                    | 8,348             | 111              | 41,350                    | 9,652                     | 5,827        | 15,479                          | 56,829        |
| Insurance                                    | 97,119                                | 14,486              | 14,458                                  | 6,619                    | 25,500            | 8,648            | 166,830                   | 9,440                     | 11,763       | 21,203                          | 188,033       |
| Staff development and dues                   | 5,839                                 | 3,139               | 1,046                                   | 1,035                    | 488               | -                | 11,547                    | 4,658                     | 14,230       | 18,888                          | 30,435        |
| Travel                                       | 23,511                                | 1,048               | 3,517                                   | 4,134                    | 9,166             | 37               | 41,413                    | 6,467                     | 9,603        | 16,070                          | 57,483        |
| Telephone and network management             | 45,592                                | 10,492              | 16,797                                  | 6,986                    | 14,301            | 594              | 94,762                    | 15,387                    | 17,290       | 32,677                          | 127,439       |
| Meetings and seminars                        | 10,940                                | 3,596               | 2,751                                   | 420                      | 1,760             | 9                | 19,476                    | 6,387                     | 5,524        | 11,911                          | 31,387        |
| Postage                                      | 891                                   | 257                 | 154                                     | 23                       | 3,643             | 3                | 4,971                     | 507                       | 137,249      | 137,756                         | 142,727       |
| Miscellaneous                                | 50,830                                | 14,246              | 23,990                                  | 286                      | 13,869            | 631              | 103,852                   | 28,895                    | 13,744       | 42,639                          | 146,491       |
| Interest (Note 13)                           | 384,700                               | 63                  | 88                                      | 6                        | 206               | 4                | 385,067                   | 257                       | 63           | 320                             | 385,387       |
| Bank charges                                 | -                                     | -                   | -                                       | -                        | -                 | -                | -                         | 53,297                    | 45,967       | 99,264                          | 99,264        |
| Marketing, newsletter and publications       | 53,814                                | 937                 | 4,550                                   | 1,164                    | 5,769             | -                | 66,234                    | 132,897                   | 871,247      | 1,004,144                       | 1,070,378     |
| Catering and entertainment                   | -                                     | -                   | -                                       | -                        | -                 | -                | -                         | 169,142                   | 284,257      | 453,399                         | 453,399       |
| Bad debt expense                             | 592                                   | 147                 | -                                       | -                        | 3,872             | -                | 4,611                     | -                         | 25,290       | 25,290                          | 29,901        |
| Depreciation (Note 6)                        | 215,365                               | 31,811              | 63,770                                  | 11,348                   | 37,234            | 46,895           | 406,423                   | 21,232                    | 76,827       | 98,059                          | 504,482       |
| <b>Subtotal</b>                              | 5,202,216                             | 744,734             | 612,040                                 | 637,596                  | 1,207,254         | 72,803           | 8,476,643                 | 1,652,627                 | 2,533,724    | 4,186,351                       | 12,662,994    |
| Less: Cost of Direct Benefits to Donors      | -                                     | -                   | -                                       | -                        | -                 | -                | -                         | -                         | (284,257)    | (284,257)                       | (284,257)     |
| <b>TOTAL EXPENSES</b>                        | \$ 5,202,216                          | \$ 744,734          | \$ 612,040                              | \$ 637,596               | \$ 1,207,254      | \$ 72,803        | \$ 8,476,643              | \$ 1,652,627              | \$ 2,249,467 | \$ 3,902,094                    | \$ 12,378,737 |

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



**BIDEAWEE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

|                                                                                                       | <u>2024</u>         | <u>2023</u>         |
|-------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                                          |                     |                     |
| Change in net assets                                                                                  | \$ 2,962,737        | \$ 876,038          |
| Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities: |                     |                     |
| Depreciation                                                                                          | 1,185,937           | 504,482             |
| Bad debt expense                                                                                      | 22,412              | 29,901              |
| Restricted cemetery maintenance fees held to perpetuity                                               | (263,403)           | (254,320)           |
| Loss on disposal of property and equipment                                                            | 14,937              | 35,670              |
| Gain on sale of property                                                                              | (2,536,475)         | -                   |
| Finance lease right-of-use assets amortization                                                        | 7,133               | 6,727               |
| Non-cash interest expense                                                                             | 18,800              | 18,800              |
| Change in value of beneficial interest in trusts                                                      | 61,430              | 25,669              |
| Change in value of split-interest agreements                                                          | (13,752)            | 5,194               |
| Unrealized gain on investments                                                                        | (2,346,666)         | (1,335,431)         |
| Realized gain on investments                                                                          | (791,521)           | (131,674)           |
| Subtotal                                                                                              | (1,678,431)         | (218,944)           |
| Changes in operating assets and liabilities:                                                          |                     |                     |
| (Increase) decrease in assets:                                                                        |                     |                     |
| Bequests, legacies, contributions and other receivables                                               | 19,791              | 281,619             |
| Inventory                                                                                             | (74,332)            | 27,678              |
| Prepaid expenses and other assets                                                                     | (27,754)            | 147,788             |
| (Decrease) increase in liabilities:                                                                   |                     |                     |
| Accounts payable, accrued expenses and other liabilities                                              | (661,588)           | 401,356             |
| Annuity payment liability                                                                             | (1,619)             | (2,044)             |
| Deferred revenue                                                                                      | -                   | (3,440)             |
| <b>Net Cash (Used in) Provided by Operating Activities</b>                                            | <u>(2,423,933)</u>  | <u>634,013</u>      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                                          |                     |                     |
| Purchases of investments                                                                              | (6,678,596)         | (7,910,483)         |
| Proceeds from investment sales                                                                        | 9,115,249           | 6,913,936           |
| Proceeds from sale of property                                                                        | 3,821,458           | -                   |
| Purchases of property and equipment                                                                   | (787,217)           | (3,147,905)         |
| <b>Net Cash Provided by (Used in) Investing Activities</b>                                            | <u>5,470,894</u>    | <u>(4,144,452)</u>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                                                          |                     |                     |
| Cemetery maintenance fees held to perpetuity                                                          | 263,403             | 254,320             |
| Payment of finance lease liabilities                                                                  | (7,302)             | (23,397)            |
| Repayment of loan payable                                                                             | (1,672,299)         | -                   |
| Proceeds from loan payable - margin loan                                                              | 3,500,000           | 1,500,000           |
| <b>Net Cash Provided by Financing Activities</b>                                                      | <u>2,083,802</u>    | <u>1,730,923</u>    |
| <b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>                          | 5,130,763           | (1,779,516)         |
| Cash, cash equivalents and restricted cash - beginning of year                                        | <u>1,190,253</u>    | <u>2,969,769</u>    |
| <b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR</b>                                       | <u>\$ 6,321,016</u> | <u>\$ 1,190,253</u> |
| <b>Supplemental Disclosure of Cash Flow Information:</b>                                              |                     |                     |
| Cash paid during the year for interest                                                                | <u>\$ 447,731</u>   | <u>\$ 366,587</u>   |
| <b>Supplemental Disclosure of Non-cash Investing and Financing Activities:</b>                        |                     |                     |
| Restricted cash - funds held by Trustee                                                               | <u>\$ 16,476</u>    | <u>\$ 16,476</u>    |
| Assets acquired through finance leases                                                                | <u>\$ -</u>         | <u>\$ 7,487</u>     |

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

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**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, Cash Equivalents and Restricted Cash** – 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.

Restricted cash represents cash held as collateral in connection with the loan from TD Bank (Note 13). Restricted cash - funds held by Trustee represents funds held by Trustee that will be released to Bideawee as construction expenses are incurred.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows as of September 30:

|                                         | <u>2024</u>         | <u>2023</u>         |
|-----------------------------------------|---------------------|---------------------|
| Cash and cash equivalents               | \$ 429,540          | \$ 1,173,777        |
| Restricted cash                         | 5,875,000           | -                   |
| Restricted cash – funds held by Trustee | <u>16,476</u>       | <u>16,476</u>       |
| Total                                   | <u>\$ 6,321,016</u> | <u>\$ 1,190,253</u> |

- 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, 2024 and 2023, Bideawee had no conditional grants and contracts from foundations that have not been recorded in the accompanying financial statements.

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

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

As of September 30, 2024 and 2023, Bideawee determined that an allowance for credit loss of \$294,916 and \$277,491 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, reasonable and supportable forecasts, as well as review of any current available information.

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 (See Note 14). 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 (decrease) 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. **Special Events** – Bideawee conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. All proceeds received are recorded as special events revenue in the accompanying statement of activities.
- K. **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 Cemetery maintenance fees in the accompanying statements of activities and classified as net assets without donor restrictions.

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

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

- L. **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.

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, 2024. 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:

|                  | <u>2024</u>         | <u>2023</u>         |
|------------------|---------------------|---------------------|
| Memorial Parks   | \$ 760,260          | \$ 771,791          |
| Animal Hospitals | 396,330             | 321,305             |
| Adoption Centers | 222,415             | 318,602             |
| Learning Centers | <u>5,451</u>        | <u>6,843</u>        |
|                  | <u>\$ 1,384,456</u> | <u>\$ 1,418,541</u> |

- M. **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.

- N. **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 change in value of beneficial interest in split-interest agreements in the statements of activities. The split-interest agreements had a gain (loss) of \$13,752 and (\$5,194) for the years ended September 30, 2024 and 2023, 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.

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

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

- O. **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.

- P. **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 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 period. Actual results could differ from those estimates.

- Q. **Recent Accounting Pronouncements** – On October 1, 2023, Bideawee adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2016-03, *Financial Instruments – Credit Losses*, (Topic 326), *Measurement of Credit Losses on Financial Instruments* (Accounting Standards Codification “ASC” 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. CECL requires an estimate of the credit losses for the remaining estimated life of the financial asset using historical experience, current condition, and reasonable and supportable forecasts, and generally applies to financial assets measured at amortized cost which will be presented at the net amount expected to be collected by using an allowance for credit losses.

Bideawee adopted ASC 326 and all related subsequent amendments thereto effective October 1, 2023, using the modified retrospective approach for all financial assets measured at amortized costs. The adoption had no effect on the change in net assets as previously reported.

- R. **Reclassifications** – Certain line items in the September 30, 2023 financial statements have been reclassified to conform to the September 30, 2024 presentation. These changes had no impact on the change in net assets for the year ended September 30, 2023.

**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, 2024 and 2023, 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>2024</u>         | <u>2023</u>         |
|--------------------------------------------------------------|---------------------|---------------------|
| Cash and cash equivalents                                    | \$ 429,540          | \$ 1,173,777        |
| Bequests, legacies, contributions and other receivables, net | 77,154              | 119,357             |
| Investments                                                  | <u>17,835,707</u>   | <u>17,120,421</u>   |
| Total                                                        | 18,342,401          | 18,413,555          |
| Less: Investments collateralized for margin loan             | (3,500,000)         | (1,500,000)         |
| Less: Investments held for endowments                        | <u>(12,007,774)</u> | <u>(11,744,371)</u> |
| Total                                                        | <u>\$ 2,834,627</u> | <u>\$ 5,169,184</u> |

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

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

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.

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

|                                      | <u>2024</u>      | <u>2023</u>       |
|--------------------------------------|------------------|-------------------|
| Amounts due in less than one year:   |                  |                   |
| Bequests, legacies and contributions | \$ 101,723       | \$ 115,309        |
| Other receivables                    | <u>270,347</u>   | <u>281,539</u>    |
|                                      | 372,070          | 396,848           |
| Less: allowance for credit losses    | (251,554)        | (256,387)         |
| Less: other reserves                 | <u>(43,362)</u>  | <u>(21,104)</u>   |
|                                      | <u>\$ 77,154</u> | <u>\$ 119,357</u> |

The following table summarizes the activity related to the allowance for credit losses for accounts receivable under CECL, however, the comparative information for 2023 is reported under the old model and is not comparable to the information presented for 2024:

|                                | <u>2024</u>       | <u>2023</u>       |
|--------------------------------|-------------------|-------------------|
| Balances Beginning of the year | \$ 256,387        | \$ 256,655        |
| Write-offs                     | (27,245)          | (30,169)          |
| Bad debt expense               | <u>22,412</u>     | <u>29,901</u>     |
| Ending Balance                 | <u>\$ 251,554</u> | <u>\$ 256,387</u> |

**NOTE 5 – INVESTMENTS**

Investments consist of the following as of September 30:

|                    | <u>2024</u>          | <u>2023</u>          |
|--------------------|----------------------|----------------------|
| Money market funds | \$ 1,732,790         | \$ 2,172,963         |
| Mutual funds       | <u>16,102,917</u>    | <u>14,947,458</u>    |
|                    | <u>\$ 17,835,707</u> | <u>\$ 17,120,421</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>2024</u>         | <u>2023</u>         |
|--------------------------------|---------------------|---------------------|
| Interest and dividends         | \$ 563,905          | \$ 405,551          |
| Realized gain on investments   | 791,521             | 131,674             |
| Unrealized gain on investments | 2,346,666           | 1,335,431           |
| Investment fees                | <u>(57,689)</u>     | <u>(61,827)</u>     |
|                                | <u>\$ 3,644,403</u> | <u>\$ 1,810,829</u> |

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

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

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

|                                          | <u>2024</u>          | <u>2023</u>          | <u>Estimated Useful<br/>Lives</u> |
|------------------------------------------|----------------------|----------------------|-----------------------------------|
| Land                                     | \$ 2,797,079         | \$ 2,826,079         |                                   |
| Air rights                               | 300,000              | 300,000              |                                   |
| Building and improvements                | 27,693,419           | 27,068,255           | 10-40 years                       |
| Office equipment, furniture and vehicles | 2,139,773            | 2,210,741            | 5-20 years                        |
| Construction in progress                 | <u>122,075</u>       | <u>40,750</u>        |                                   |
|                                          | 33,052,346           | 32,445,825           |                                   |
| Less: accumulated depreciation           | <u>(9,027,266)</u>   | <u>(8,007,088)</u>   |                                   |
|                                          | <u>\$ 24,025,080</u> | <u>\$ 24,438,737</u> |                                   |

Depreciation expense amounted to \$1,185,937 and \$504,482 for the years ended September 30, 2024 and 2023, respectively. During the years ended September 30, 2024 and 2023, Bideawee disposed of certain fixed assets no longer in use amounting to \$180,696 and \$370,564, and accumulated depreciation amounting to \$165,759 and \$334,894, respectively. This resulted in a loss from disposal of \$14,937 and \$35,670 for the years ended September 30, 2024 and 2023, respectively.

Buildings and improvements amounted to \$27,693,419 as of September 30, 2024, and includes the purchase price of a new Manhattan facility purchased November 6, 2020 at 152 West 24th Street for \$7,680,000, which is Bideawee's operating facility as of August 1, 2023. The purchase of 152 West 24th Street includes land and air rights totaling \$3 million that are not depreciated.

Bideawee's Manhattan facility at 410 East 38th Street, which was previously marketed for sale and shown separately as asset held for sale, net, on the financial statement of financial position has been sold during the fiscal year ended September 30, 2023:

|                                |                     |
|--------------------------------|---------------------|
| Asset held for sale            | \$ 7,555,270        |
| Less: accumulated depreciation | <u>(6,270,287)</u>  |
|                                | <u>\$ 1,284,983</u> |

During the year ended September 30, 2024, the Manhattan facility was sold for \$4.1 million. A net gain of \$2,536,475, net of \$278,542 related expenses, was recognized from the sale during the year ended September 30, 2024.

**NOTE 7 – FINANCE LEASES**

Bideawee leases office equipment under long-term non-cancelable finance lease agreements through May 2026 for which expense is recognized on a straight-line basis over the lease term. Bideawee includes in the determination of the ROU assets and lease liabilities any renewal options when the options are reasonably certain to be exercised.

As of September 30, 2024 and 2023, the finance lease ROU assets amounted to \$10,297 and \$17,430, respectively, and the finance lease liabilities amounted to \$11,788 and \$19,090, respectively. The weighted average of the remaining lease term for finance leases is 1.62 years and the weighted average discount rate for finance leases is 5.55%.

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 7 – FINANCE LEASES (Continued)**

The following summarizes the line items in the statement of functional expenses which include the components of lease expense for the year ended September 30, 2024:

|                               |    |              |
|-------------------------------|----|--------------|
| Finance lease costs:          |    |              |
| Amortization of lease assets  | \$ | 7,133        |
| Interest on lease liabilities |    | <u>991</u>   |
| Total finance lease costs     | \$ | <u>8,124</u> |

The following summarizes cash flow information related to leases for the year ended September 30, 2024:

|                                                                         |    |              |
|-------------------------------------------------------------------------|----|--------------|
| Cash paid for amounts included in the measurement of lease liabilities: |    |              |
| Operating cash flows from finance leases                                | \$ | 991          |
| Financing cash flows from finance leases                                | \$ | <u>7,302</u> |

Minimum future lease payments subsequent to September 30, 2024 are as follows:

|                                    |    |                |
|------------------------------------|----|----------------|
| 2025                               | \$ | 8,294          |
| 2026                               |    | <u>5,095</u>   |
| Total minimum lease payments       |    | 13,389         |
| Less: amount representing interest |    | <u>(1,601)</u> |
|                                    | \$ | <u>11,788</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 \$174,829 and \$156,410 for the years ended September 30, 2024 and 2023, respectively.

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

Net assets of \$1,312,027 and \$1,357,713 were released from restrictions during the years ended September 30, 2024 and 2023, respectively, by incurring the restricted program expenses.

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

|                                    | <u>2024</u>      | <u>2023</u>      |
|------------------------------------|------------------|------------------|
| Veterinary Medical Assistance Fund | \$ -             | \$ 1,614         |
| Adoption Center                    | 18,418           | 42,918           |
| Joe Garrison Memorial              | 1,277            | 1,277            |
| Restricted for future operations   | 1,000            | 1,000            |
| Unappropriated endowment earnings  | 5,542,642        | 2,479,421        |
| Wiederhold Hospital                | 585              | 585              |
| Other                              | <u>8,999</u>     | <u>17,154</u>    |
|                                    | <u>5,572,921</u> | <u>2,543,969</u> |



**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

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

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

Donor Restricted Endowment funds – restricted as to principal, with current income available for general purposes of Bideawee. The funds as of September 30 are as follows:

|               | <u>2024</u>      | <u>2023</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>   |
|               | <u>1,545,269</u> | <u>1,545,269</u> |

Funds Functioning as Endowments –

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>\$ 10,462,505</u> | <u>\$ 10,199,102</u> |
| Total endowments | 12,007,774           | 11,744,371           |

|                                                    |                      |                      |
|----------------------------------------------------|----------------------|----------------------|
| Beneficial interest in perpetual trust             | 687,470              | 748,900              |
| Beneficial interest in charitable remainder trusts | <u>1,037</u>         | <u>1,037</u>         |
|                                                    | <u>12,696,281</u>    | <u>12,494,308</u>    |
| Total net assets with donor restrictions           | <u>\$ 18,269,202</u> | <u>\$ 15,038,277</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**  
**SEPTEMBER 30, 2024 AND 2023**

**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, 2024 and 2023, 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, 2024:

|                                            | <u>Donor-Restricted Endowment Funds</u> |                             |                     |
|--------------------------------------------|-----------------------------------------|-----------------------------|---------------------|
|                                            | <u>Endowment<br/>Earnings</u>           | <u>Endowment<br/>Corpus</u> | <u>Total</u>        |
| Investment earnings                        | \$ 454,518                              | \$ -                        | \$ 454,518          |
| Appropriation for expenditure              | <u>(58,585)</u>                         | <u>-</u>                    | <u>(58,585)</u>     |
| Total endowment activity                   | 395,933                                 | -                           | 395,933             |
| Endowment net assets,<br>beginning of year | <u>320,474</u>                          | <u>1,545,269</u>            | <u>1,865,743</u>    |
| Endowment net assets, end of year          | <u>\$ 716,407</u>                       | <u>\$ 1,545,269</u>         | <u>\$ 2,261,676</u> |

The following table summarizes donor-restricted endowment activities of Bideawee for the year ended September 30, 2023:

|                                            | <u>Donor-Restricted Endowment Funds</u> |                             |                     |
|--------------------------------------------|-----------------------------------------|-----------------------------|---------------------|
|                                            | <u>Endowment<br/>Earnings</u>           | <u>Endowment<br/>Corpus</u> | <u>Total</u>        |
| Investment earnings                        | \$ 223,091                              | \$ -                        | \$ 223,091          |
| Appropriation for expenditure              | <u>(76,206)</u>                         | <u>-</u>                    | <u>(76,206)</u>     |
| Total endowment activity                   | 146,885                                 | -                           | 146,885             |
| Endowment net assets,<br>beginning of year | <u>173,589</u>                          | <u>1,545,269</u>            | <u>1,718,858</u>    |
| Endowment net assets, end of year          | <u>\$ 320,474</u>                       | <u>\$ 1,545,269</u>         | <u>\$ 1,865,743</u> |

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**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, 2024:

|                                         | Funds Functioning as Endowments |                      |                      |
|-----------------------------------------|---------------------------------|----------------------|----------------------|
|                                         | Endowment Earnings              | Endowment Corpus     | Total                |
| Investment earnings                     | \$ 3,061,962                    | \$ -                 | \$ 3,061,962         |
| Cemetery maintenance fees received      | -                               | 263,403              | 263,403              |
| Appropriation for expenditure           | (394,674)                       | -                    | (394,674)            |
| Total endowment activity                | 2,667,288                       | 263,403              | 2,930,691            |
| Endowment net assets, beginning of year | 2,158,947                       | 10,199,102           | 12,358,049           |
| Endowment net assets, end of year       | <u>\$ 4,826,235</u>             | <u>\$ 10,462,505</u> | <u>\$ 15,288,740</u> |

The following table summarizes funds functioning as endowment activities of Bideawee for the year ended September 30, 2023:

|                                         | Funds Functioning as Endowments |                      |                      |
|-----------------------------------------|---------------------------------|----------------------|----------------------|
|                                         | Endowment Earnings              | Endowment Corpus     | Total                |
| Investment earnings                     | \$ 1,502,902                    | \$ -                 | \$ 1,502,902         |
| Cemetery maintenance fees received      | -                               | 254,320              | 254,320              |
| Appropriation for expenditure           | (513,377)                       | -                    | (513,377)            |
| Total endowment activity                | 989,525                         | 254,320              | 1,243,845            |
| Endowment net assets, beginning of year | 1,169,422                       | 9,944,782            | 11,114,204           |
| Endowment net assets, end of year       | <u>\$ 2,158,947</u>             | <u>\$ 10,199,102</u> | <u>\$ 12,358,049</u> |

Endowment net assets are included with investments on the accompanying statements of financial position as of September 30, 2024 and 2023.

**NOTE 10 – FAIR VALUE MEASUREMENTS**

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, 2024 AND 2023**

**NOTE 10 – FAIR VALUE MEASUREMENTS (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, 2024 and 2023.

**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.

**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, 2024 are presented in the table by fair value hierarchy as follows:

|                               | <u>Level 1</u>      | <u>Level 3</u>    | <u>Total</u>         |
|-------------------------------|---------------------|-------------------|----------------------|
| Money market funds            | \$ 1,732,790        | \$ -              | \$ 1,732,790         |
| Mutual funds                  | 16,102,917          | -                 | 16,102,917           |
| Beneficial interest in trusts | -                   | 688,507           | 688,507              |
| Investments at Fair Value     | <u>\$17,835,707</u> | <u>\$ 688,507</u> | <u>\$ 18,524,214</u> |

Financial assets measured at fair value on a recurring basis as of September 30, 2023 are presented in the table by fair value hierarchy as follows:

|                               | <u>Level 1</u>      | <u>Level 3</u>    | <u>Total</u>         |
|-------------------------------|---------------------|-------------------|----------------------|
| Money market funds            | \$ 2,172,963        | \$ -              | \$ 2,172,963         |
| Mutual funds                  | 14,947,458          | -                 | 14,947,458           |
| Beneficial interest in trusts | -                   | 749,937           | 749,937              |
| Investments at Fair Value     | <u>\$17,120,421</u> | <u>\$ 749,937</u> | <u>\$ 17,870,358</u> |

As of September 30, 2024 and 2023, Bideawee borrowed \$3,500,000 and \$1,500,000 of margin loans against the above investment portfolio (Note 13).

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

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 10 – FAIR VALUE MEASUREMENTS (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, 2024 and 2023. 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, 2022                                                                                            | \$ 775,606        |
| Total losses recognized in the change in net assets<br>with donor restrictions – change in value of perpetual trusts | <u>(25,669)</u>   |
| Balance - October 1, 2023                                                                                            | 749,937           |
| Total losses recognized in the change in net assets<br>with donor restrictions – change in value of perpetual trusts | <u>(61,430)</u>   |
| Balance – September 30, 2024                                                                                         | <u>\$ 688,507</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, per insured financial institution. As of September 30, 2024 and 2023, there was approximately \$5,933,000 and \$739,000, 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, 2024 and 2023 in accordance with 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.

**NOTE 13 – DEBT**

On November 6, 2020, Bideawee purchased a building in the amount of \$7,680,000 (Note 6,) and as of August 1, 2024, this is Bideawee's new Manhattan facility located at 152 W 24th Street. The purchase was financed on a short-term basis with a Goldman Sachs' Margin Loan (the "Margin Loan") for \$6,978,816 with an annual interest rate of 190 basis points. The Margin Loan was repaid during the year ended September 30, 2021. The Margin Loan agreement is a continuing lending vehicle with Goldman Sachs and remains available whenever Bideawee needs to add to their liquidity to be borrowed against Bideawee's investment portfolio. The Margin Loan was used during the years ended September 30, 2024 and 2023 to provide short-term operating reserves in the amount of \$3,500,000 and \$1,500,000, respectively.

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 13 – DEBT (Continued)**

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 the issuance of \$12,100,000 of tax-exempt revenue bonds series 2021 (the "Bonds") by the Build NYC Resource Corporation. TD Bank is the registered holder for 100% of the outstanding Bonds. The Bonds' stated maturity date is February 1, 2046, and bear interest of 2.98%. The loan provided to Bideawee by TD Bank is for 10 years and bears interest of 2.98%. The loan is being amortized over 25 years. There is no prepayment penalty. The entire loan proceeds were disbursed to and held by The Bank of New York Mellon as Trustee ("BNY Mellon" or "Trustee"). Bideawee draws down the loan proceeds as construction expenses are incurred and approved by TD Bank for disbursement. The loan was secured by Bideawee's facility located at 410 East 38th Street, New York, and the new facility located at 152 West 24th Street, New York. Upon sale of this property in May 2024, Bideawee was required to deposit the sales proceeds as well as additional collateral with TD Bank. The restricted cash held as collateral amounted to \$5,875,000 as of September 30, 2024.

Bideawee is subject to a Debt Service Coverage Ratio. As of September 30, 2024 and 2023, Bideawee was in compliance with all compliance and reporting covenants.

As of September 30, 2024 and 2023, Bideawee has drawn down \$11,911,225 and \$12,083,524, respectively, from BNY Mellon. The remaining available balance of \$16,476 as of both September 30, 2024 and 2023, was held by the Trustee and will be released to Bideawee as construction expenses are incurred. No additional funds have been drawn down since September 30, 2023.

Net loans payable consists of the following as of September 30:

|                                       | <u>2024</u>          | <u>2023</u>          |
|---------------------------------------|----------------------|----------------------|
| Loan payable                          | \$ 11,927,701        | \$ 12,100,000        |
| Less: Unamortized debt issuance costs | (402,644)            | (421,444)            |
| Loan payable, net                     | <u>\$ 11,525,057</u> | <u>\$ 11,678,556</u> |

The required principal payments by Bideawee on the above obligations, in each of the five fiscal years subsequent to September 30, 2024 and thereafter, are as follows:

|            |                      |
|------------|----------------------|
| 2025       | \$ 299,451           |
| 2026       | 308,625              |
| 2027       | 318,080              |
| 2028       | 326,911              |
| 2029       | 337,839              |
| Thereafter | <u>10,336,795</u>    |
|            | <u>\$ 11,927,701</u> |

Interest expense, including amortization of debt issuance costs, amounted to \$466,531 and \$385,387 for the years ended September 30, 2024 and 2023, respectively.

**NOTE 14 – IN-KIND CONTRIBUTIONS**

For the years ended September 30, 2024 and 2023, contributed nonfinancial assets recognized within the statements of activities included the following:

|          | <u>2024</u>       | <u>2023</u>       |
|----------|-------------------|-------------------|
| Dog food | \$ 42,715         | \$ 50,443         |
| Cat food | <u>68,149</u>     | <u>57,331</u>     |
|          | <u>\$ 110,864</u> | <u>\$ 107,774</u> |

**BIDEAWEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 14 – IN-KIND CONTRIBUTIONS (Continued)**

These contributions comprised primarily of pet food and supplies dedicated to the feeding and well-being of cats and dogs under Bideawee's care. The contributions were directly utilized for operational purposes, specifically in supporting their mission to care for animals at Bideawee's Adoption Center and Animal Hospital. The valuation of these in-kind contributions has been determined based on the fair market value of the goods received at the time of the donation. In valuing food, Bideawee estimated the fair value based on an estimate of the wholesale that would be received for selling the similar product in the United States.

**NOTE 15 – SUBSEQUENT EVENTS**

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through February 12, 2025, the date the financial statements were available to be issued.

As of the date of this disclosure, Bideawee finalized the sale of vacant land located in Westhampton, New York, on December 11, 2024, for \$1,500,000. The terms of the sale were previously discussed and agreed upon in principle, with the transaction finalized upon the execution of signed contracts between the parties involved.