

**PEACEFUL VALLEY DONKEY RESCUE, INC.**

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FINANCIAL STATEMENTS  
and  
INDEPENDENT AUDITORS' REPORT

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YEARS ENDED DECEMBER 31, 2022 and 2021

**PEACEFUL VALLEY DONKEY RESCUE, INC.**

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# Merritt, McLane & Hamby, P.C.

500 Chestnut Street, Suite 1645  
Abilene, TX 79602

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
**Peaceful Valley Donkey Rescue, Inc.**  
Miles, Texas

### **Opinion**

We have audited the accompanying financial statements of Peaceful Valley Donkey Rescue, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, 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 financial statements referred to above present fairly, in all material respects, the financial position of Peaceful Valley Donkey Rescue, Inc. as of December 31, 2022 and 2021, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are required to be independent of Peaceful Valley Donkey Rescue, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 Peaceful Valley Donkey Rescue, Inc.'s ability to continue as a going concern within 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Peaceful Valley Donkey Rescue, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Peaceful Valley Donkey Rescue, Inc.'s ability to continue as a going concern for a reasonable period of time.

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



**MERRITT, MCLANE & HAMBY, P.C.**

Abilene, Texas  
April 19, 2023

## **FINANCIAL STATEMENTS**

**PEACEFUL VALLEY DONKEY RESCUE, INC.**

STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

<b>ASSETS</b>	<u>2022</u>	<u>2021</u>
Current assets:		
Cash	\$ 2,832,410	\$ 2,944,782
Notes receivable - current	12,000	
Inventory	103,057	42,583
Investments	3,072,018	3,279,612
Total current assets	<u>6,019,485</u>	<u>6,266,977</u>
Non-current assets:		
Notes receivable - noncurrent	50,974	
Property and equipment, net of accumulated depreciation	2,553,161	2,455,041
Total non-current assets	<u>2,604,135</u>	<u>2,455,041</u>
<b>Total Assets</b>	<u><u>\$ 8,623,620</u></u>	<u><u>\$ 8,722,018</u></u>
 <b>LIABILITIES AND NET ASSETS</b> 		
Current liabilities:		
Accounts payable	\$ 174,503	\$ 171,813
Other liabilities	13,379	17,848
Notes payable - current	103,219	116,881
Total current liabilities	<u>291,101</u>	<u>306,542</u>
Non-current liabilities:		
Notes payable - non-current	50,201	161,416
	<u>50,201</u>	<u>161,416</u>
Total liabilities	<u>341,302</u>	<u>467,958</u>
Net assets:		
Without donor restrictions	8,282,318	8,254,060
Total net assets	<u>8,282,318</u>	<u>8,254,060</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 8,623,620</u></u>	<u><u>\$ 8,722,018</u></u>

*The accompanying notes are an integral part of the financial statements.*

**PEACEFUL VALLEY DONKEY RESCUE, INC.**

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Support</b>		
Contributions	\$ 1,088,717	\$ 1,676,628
Bequests	1,282,207	812,683
Merchandise sales	50,262	42,980
Adoption fee income	92,634	37,486
Fund raising	7,952,478	7,466,107
Total support	<u>10,466,298</u>	<u>10,035,884</u>
<b>Expenses</b>		
Program Services	7,394,871	6,163,239
Supporting Services:		
Management and general	603,332	612,058
Fund-raising	2,043,914	2,134,685
Total Expenses	<u>10,042,117</u>	<u>8,909,982</u>
Net Income from Operations	424,181	1,125,902
<b>Other Income (Expense)</b>		
Interest expense	(14,557)	(15,979)
Donation to others	(148,741)	
Unrealized gain on investments	(232,625)	250,284
Total other income (expense)	<u>(395,923)</u>	<u>234,305</u>
<b>Change in Net Assets</b>	28,258	1,360,207
Net Assets, Beginning of Year	<u>8,254,060</u>	<u>6,893,853</u>
<b>Net Assets, End of Year</b>	<u>\$ 8,282,318</u>	<u>\$ 8,254,060</u>

*The accompanying notes are an integral part of the financial statements.*

**PEACEFUL VALLEY DONKEY RESCUE**

STATEMENTS OF FUNCTIONAL EXPENSES  
For the Years Ended December 31, 2022 and 2021

	2022				
	Supporting Services				Combined Total
	Program Services	Management and General	Fund Raising	Total Supporting Services	
Salaries and wages	\$ 1,467,287	\$ 216,563	\$ 40,550	\$ 257,113	
Payroll taxes	115,725	17,080	3,198	20,278	136,003
Employee benefits	176,996	26,124	4,891	31,015	208,011
Total payroll expenses	1,760,008	259,767	48,639	308,406	2,068,414
Animal care	3,809,852				3,809,852
Bank fees	17,947	23,830	37,075	60,905	78,852
Depreciation	304,787				304,787
Direct mail	947,909	64,552	1,958,200	2,022,752	2,970,661
Gift shop		41,298		41,298	41,298
Insurance		90,381		90,381	90,381
Miscellaneous		2,524		2,524	2,524
Office expense		64,673		64,673	64,673
Permits, fees, and taxes		36		36	36
Postage and printing		3,907		3,907	3,907
Professional fees		49,711		49,711	49,711
Public awareness	36,944				36,944
Repair and maintenance	409,395				409,395
Taxes	1,421	2,653		2,653	4,074
Utilities	106,608				106,608
Total Expenses	\$ 7,394,871	\$ 603,332	\$ 2,043,914	\$ 2,647,246	\$ 10,042,117

*The accompanying notes are an integral part of the financial statements.*



2021

Supporting Services				
Program Services	Management and General	Fund Raising	Total Supporting Services	Combined Total
\$ 1,217,880	\$ 227,671	\$ 37,322	\$ 264,993	\$ 1,482,873
94,531	17,672	2,896	20,568	115,099
106,150	19,844	3,253	23,097	129,247
<u>1,418,561</u>	<u>265,187</u>	<u>43,471</u>	<u>308,658</u>	<u>1,727,219</u>
2,899,337				2,899,337
14,412	26,582	28,293	54,875	69,287
291,010				291,010
1,050,810	95,044	2,062,921	2,157,965	3,208,775
	30,421		30,421	30,421
	87,153		87,153	87,153
	792		792	792
	53,847		53,847	53,847
	9,397		9,397	9,397
	41,356		41,356	41,356
42,846				42,846
387,274				387,274
533	2,279		2,279	2,812
<u>58,456</u>				<u>58,456</u>
<u>\$ 6,163,239</u>	<u>\$ 612,058</u>	<u>\$ 2,134,685</u>	<u>\$ 2,746,743</u>	<u>\$ 8,909,982</u>

**PEACEFUL VALLEY DONKEY RESCUE, INC.**

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities</b>		
Change in net assets from operations	\$ 424,181	\$ 1,125,902
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributions restricted for long-term investments	(25,031)	
Depreciation	304,787	291,010
(Increase) Decrease in operating assets		
Inventory	(60,474)	
Notes receivable	(62,974)	
Other assets		
Increase (Decrease) in operating liabilities		
Accounts payable	2,690	(149,161)
Other liabilities	(4,469)	16,621
	<u>578,710</u>	<u>1,284,372</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(475,702)	(403,509)
Disposal of property	72,795	
Donations to others	(148,741)	
Purchase of investments		(102,591)
	<u>(551,648)</u>	<u>(506,100)</u>
<b>Cash flows from financing activities</b>		
Interest expense	(14,557)	(15,979)
Proceeds from note payable		153,747
Payment on note payable	(124,877)	(239,104)
	<u>(139,434)</u>	<u>(101,336)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(112,372)	676,936
Cash and cash equivalents at beginning of year	<u>2,944,782</u>	<u>2,267,846</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 2,832,410</u>	<u>\$ 2,944,782</u>
Supplemental items		
Interest paid	\$ <u>14,557</u>	\$ <u>15,979</u>

*The accompanying notes are an integral part of the financial statements.*

**PEACEFUL VALLEY DONKEY RESCUE, INC.**

NOTES TO FINANCIAL STATEMENTS

**NOTE 1: ORGANIZATION AND PURPOSE**

Peaceful Valley Donkey Rescue, Inc. (the Organization) is a not-for-profit organization with its primary office location in Miles, Texas as well as volunteer operated facilities in California, Oregon, Arizona, Oklahoma, Iowa, Virginia, North Carolina, South Carolina, Florida, Tennessee, and Washington. The Organization provides rescue services and/or seeks out and obtains unwanted and abused donkeys. Once the donkeys are rescued, they are given medical treatment and training. When the donkeys are deemed ready, they are made available for adoption.

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

The financial statements of Peaceful Valley Donkey Rescue, Inc. have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation

Financial statement presentation follows the recommendations of Financial Accounting Standards Board, *FASB ASC 958-205, Financial Statements of Not-for-profit Organizations*. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. In addition, the Organization is required to present a statement of cash flows.

Use of Estimates

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

Land, Buildings and Equipment

Land, buildings and equipment are recorded at cost when purchased or at fair market value when contributed. Depreciation and amortization are computed by the straight-line method over the estimated useful life of the asset as follows:

	<u>Years</u>
Office Equipment	5-7
Machinery and Equipment	5-7
Improvements	15-40

The Organization has not formally adopted a capitalization policy; however, the Organization generally capitalizes individual items with a useful life of more than five years.

Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as support with donor restrictions. Absent donor stipulation regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

**PEACEFUL VALLEY DONKEY RESCUE, INC.**

NOTES TO FINANCIAL STATEMENTS

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Revenue Recognition

Contributions received are recorded as support with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as contributions without donor restrictions.

All donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. There were no contributions with donor restrictions in 2022 or 2021.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the State of California Revenue and Taxation Code. The Organization has no income from unrelated business; therefore, no amounts are recorded in the financial statements. The Organization is not considered a private foundation.

The Organization files the informational Federal Form 990 with the Internal Revenue Service and the State Form 199 in the State of California. The Federal Form 990 is generally no longer open for review by the Internal Revenue Service for years prior to 2018.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Inventory

Inventory is valued at market. The difference between cost and market is not considered material.

Functional Expenses/Joint Costs

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

**PEACEFUL VALLEY DONKEY RESCUE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2: *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued***

**Source of Revenue**

The Organization receives its revenue from public donation, grants and fundraising. The grants have no spending stipulations.

**Fundraising**

During 2022 and 2021 the Organization used the services of a direct mail organization, Eberle Communications Group. The annual cost expended was \$2,970,661 and \$3,208,775, which was allocated between program services, administration and fundraising as shown on the statements of functional expenses. Gross revenue raised was \$7,952,478 and \$7,466,107 for the years ended December 31, 2022 and 2021, respectively.

**NOTE 3: *LIQUIDITY***

On December 31, 2022, the Organization has \$6,019,485 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures, consisting of cash of \$2,832,410, current portion of notes receivable of \$12,000, investments of \$3,072,018, and inventory of \$103,057.

On December 31, 2021, the Organization has \$6,266,977 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures, consisting of cash of \$2,944,782, investments of \$3,279,612, and inventory of \$42,583.

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The accounts receivable are subject to implied time restrictions with the majority expected to be collected within 30 days. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE 4: *CASH AND CASH EQUIVALENTS***

All material cash and certificates of deposit, when applicable, are deposited into institutions that are insured or collateralized by the Federal Deposit Insurance Corporation (FDIC). Under FDIC guidelines, each depositor's accounts are insured to an aggregate of \$250,000 per financial institution. As of December 31, 2022, the Organization had deposits which exceeded the FDIC limit by a total of \$1,685,904 at First Financial Bank and \$499,679 at Woodsboro Bank, but the Organization feels the risk of loss is minimal. As of December 31, 2021, the Organization had deposits which exceeded the FDIC limit by a total of \$1,612,467 at First Financial Bank and \$482,409 at Middletown Valley Bank.

**NOTE 5: *INVESTMENTS***

The Organization has adopted SFAS ASC 958-320-50 *Accounting for Certain Investments held by Not-for-Profit Organizations*. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. The following shows the cost and market value of the investments.

**PEACEFUL VALLEY DONKEY RESCUE, INC.**

NOTES TO FINANCIAL STATEMENTS

**NOTE 5: INVESTMENTS - continued**

December 31, 2022	Cost	Market Value
Investments		
Equities and cash	\$ 1,894,827	\$ 3,072,018
December 31, 2021		
Equities and cash	1,385,536	\$ 3,279,612

**NOTE 6: NOTE RECEIVABLE**

During the year ended December 31, 2022, the organization entered into a note agreement with a former employee in the amount of \$72,974. Payments of \$1,000 are due monthly. The balance owed to the organization on December 31, 2022, is \$62,974.

**NOTE 7: LAND, BUILDINGS AND EQUIPMENT**

Property and equipment consisted of the following on December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Land	\$ 954,365	\$ 700,000
Buildings	681,312	681,312
Leasehold improvements	441,001	425,716
Automotive equipment	623,206	672,892
Machinery and equipment	773,110	797,444
Furniture and equipment	133,525	1,488
Office equipment	1,691	1,691
	<u>3,608,210</u>	<u>3,280,543</u>
Less: Accumulated Depreciation	<u>1,055,049</u>	<u>825,502</u>
Net Property and equipment	<u>\$ 2,553,161</u>	<u>\$ 2,455,041</u>

Depreciation expense for the year ended December 31, 2022 and 2021 was \$304,787 and \$291,010, respectively.

**NOTE 8: DEBT**

	<u>2022</u>	<u>2021</u>
Note payable to John Deere Financial, secured by 2 tractors, payable at \$631 per month. The note is a 0% interest note. The note matures in July of 2025.	\$ 19,552	\$ 27,121
Note payable to John Deere Financial, secured by a tractor, payable at \$267 per month. The note is a 0% interest note. This loan was transferred to Lost Meadows Mule Refuge in August 2022. The note matures in June of 2025.		11,197

**PEACEFUL VALLEY DONKEY RESCUE, INC.**

NOTES TO FINANCIAL STATEMENTS

**NOTE 8: DEBT - continued**

	<u>2022</u>	<u>2021</u>
Capital Lease with Enterprise Fleet Management, secured by trucks, payable at \$1,060-\$1,507 per month. The interest rate ranges from 1.54-6.2%. The notes mature from August to October 2025.	133,868	239,979
	155,442	280,318
Less current payable	103,219	116,881
Long-term payable	\$ <u>52,223</u>	\$ <u>163,437</u>

The following is a schedule of maturities as of December 31, 2022:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 103,219	\$ 6,946	\$ 110,165
2024	45,786	1,429	47,215
2025	<u>4,415</u>	<u>          </u>	<u>4,415</u>
	\$ <u>153,420</u>	\$ <u>8,375</u>	\$ <u>161,795</u>

**NOTE 9: RETIREMENT**

During the years ended December 31, 2022 and 2021, the Organization contributed \$18,049 and \$12,126, respectively, to the simple IRA defined contribution retirement account for employees. The Organization matches up to 3% of employee's salary toward this plan each year for all employees who are reasonably expected to receive at least \$5,000 in compensation for the year.

**NOTE 10: HEALTH INSURANCE**

The Organization spent \$116,275 and \$75,861 toward health insurance for employees for the year ended December 31, 2022 and 2021, respectively.

**NOTE 11: FINANCIAL INSTRUMENTS**

Fair Value Measurements

Accounting principles generally accepted in the United States of America require the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses valuation to convert future amounts, such as cash flows or earnings, to a single present amount on a discounted basis. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost). Valuation techniques should be consistently applied. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

**PEACEFUL VALLEY DONKEY RESCUE, INC.**

NOTES TO FINANCIAL STATEMENTS

**NOTE 11: FINANCIAL INSTRUMENTS - continued**

A fair value hierarchy exists for valuation inputs that give the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (for example: interest rates, volatilities, prepayment speeds, loss severities, credit risks and default rates) or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Significant unobservable inputs that reflect an entity’s own assumptions that market participants would use in pricing the assets or liabilities.

A description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below:

In general, fair value is based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value.

While management believes the Corporation’s valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Cash and cash equivalents – The carrying amount reported in the statement of financial position approximates fair value because of the short maturity of those instruments.

Investments – The fair value of investments in equities approximates fair value because of the active market for the equities. Investments are reported at fair value utilizing Level I inputs (market value) as reported by Edward Jones.

Inventory – The carrying amount reported in the statement of financial position approximates fair value due to the short-term nature of the inventory.

Accounts payable – The carrying amount reported in the statement of financial position approximates fair value due to the short-term nature of the liability.

The estimated fair values of the Corporation’s financial instruments are as follows:



**PEACEFUL VALLEY DONKEY RESCUE, INC.**

NOTES TO FINANCIAL STATEMENTS

**NOTE 11: FINANCIAL INSTRUMENTS - continued**

December 31, 2022	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 2,832,410	\$ 2,832,410
Investments	3,072,018	3,072,018
Inventory	103,057	103,057
Accounts payable	174,503	174,503
December 31, 2021	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 2,944,782	\$ 2,944,782
Investments	3,279,612	3,279,612
Inventory	42,583	42,583
Accounts payable	171,813	171,813

**NOTE 12: DATE OF MANAGEMENT'S REVIEW**

Subsequent events were evaluated through April 19, 2023, the financial statements issuance date.