

MT. PLEASANT ANIMAL SHELTER, INC.

**FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**



CURCHIN

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mt. Pleasant Animal Shelter, Inc.
East Hanover, New Jersey

We have audited the accompanying financial statements of Mt. Pleasant Animal Shelter, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

THE CURCHIN GROUP LLC

TAX :: ADVISORY :: AUDIT

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mt. Pleasant Animal Shelter, Inc. as of June 30, 2019 and 2018, 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.

The Curchin Group

THE CURCHIN GROUP, LLC

Red Bank, New Jersey
February 5, 2020

MT. PLEASANT ANIMAL SHELTER, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

	2019	2018
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 80,163	\$ 163,128
Cash and cash equivalents - with restrictions	-	30,052
Total cash and cash equivalents	80,163	193,180
Investments	1,229,407	1,243,111
Prepaid expenses	6,193	6,464
Grants receivable	6,250	6,250
Bequests receivable	64,427	119,945
Total Current Assets	1,386,440	1,568,950
OTHER ASSETS:		
Grantor trust	633,034	636,183
Deposits	3,800	200
Property and equipment, net	184,906	162,014
Total Other Assets	821,740	798,397
	\$ 2,208,180	\$ 2,367,347
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 67,160	\$ 86,162
Capital lease payable - current portion	3,264	3,149
Total Current Liabilities	70,424	89,311
Capital lease payable - long term portion	6,891	10,155
Total Liabilities	77,315	99,466
NET ASSETS:		
Without donor restrictions	1,460,399	1,595,466
With donor restrictions	670,466	672,415
Total Net Assets	2,130,865	2,267,881
	\$ 2,208,180	\$ 2,367,347

See accompanying notes to financial statements.

MT. PLEASANT ANIMAL SHELTER, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT:			
Bequests	\$ 78,760	\$ -	\$ 78,760
Contributions	663,512	1,200	664,712
Pet adoption revenue	179,715	-	179,715
Membership dues	36,459	-	36,459
Special event revenue - net of expenses of \$52,790	70,412	-	70,412
In-kind donations	96,346	-	96,346
Interest and dividends	52,036	-	52,036
Unrealized net gains on investments	19,577	-	19,577
Change in value of grantor trust	-	(3,149)	(3,149)
Miscellaneous income	14,659	-	14,659
	<u>1,211,476</u>	<u>(1,949)</u>	<u>1,209,527</u>
Total revenues and other support			
EXPENSES:			
Program services - Animal Shelter and Care	1,035,997	-	1,035,997
Supporting services:			
Management and general	118,880	-	118,880
Fundraising	191,666	-	191,666
	<u>1,346,543</u>	<u>-</u>	<u>1,346,543</u>
Total expenses			
NET ASSETS RELEASED FROM RESTRICTION	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	(135,067)	(1,949)	(137,016)
NET ASSETS - BEGINNING OF YEAR	<u>1,595,466</u>	<u>672,415</u>	<u>2,267,881</u>
NET ASSETS - END OF YEAR	<u>\$ 1,460,399</u>	<u>\$ 670,466</u>	<u>\$ 2,130,865</u>

See accompanying notes to financial statements.

MT. PLEASANT ANIMAL SHELTER, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT:			
Bequest	\$ 123,690	\$ -	\$ 123,690
Contributions	858,929	12,500	871,429
Pet adoption revenue	204,826	-	204,826
Membership dues	34,750	-	34,750
Special event revenue - net of expenses of \$48,868	88,164	-	88,164
In-kind donations	166,364	-	166,364
Interest and dividends	41,308	30	41,338
Realized net gain on investments	134,478	-	134,478
Unrealized net loss on investments	(87,570)	-	(87,570)
Change in value of grantor trust	-	23,024	23,024
Miscellaneous income	10,508	-	10,508
Total revenues and other support	<u>1,575,447</u>	<u>35,554</u>	<u>1,611,001</u>
EXPENSES:			
Program services - Animal Shelter and Care	980,540	-	980,540
Supporting services:			
Management and general	124,170	-	124,170
Fundraising	246,258	-	246,258
Total expenses	<u>1,350,968</u>	<u>-</u>	<u>1,350,968</u>
NET ASSETS RELEASED FROM RESTRICTION	<u>6,250</u>	<u>(6,250)</u>	<u>-</u>
CHANGE IN NET ASSETS	230,729	29,304	260,033
NET ASSETS - BEGINNING OF YEAR	<u>1,364,737</u>	<u>643,111</u>	<u>2,007,848</u>
NET ASSETS - END OF YEAR	<u>\$ 1,595,466</u>	<u>\$ 672,415</u>	<u>\$ 2,267,881</u>

See accompanying notes to financial statements.

MT. PLEASANT ANIMAL SHELTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Services	Management and General	Fundraising	Total
Salaries, payroll taxes and benefits	\$ 548,801	\$ 46,027	\$ 38,150	\$ 632,978
Veterinary fees	139,363	-	-	139,363
Program costs	116,201	-	-	116,201
Accounting fees	-	26,303	-	26,303
Advertising and promotion	1,663	-	-	1,663
Bank and investment fees	10,620	1,115	-	11,735
Computer expenses	-	12,849	-	12,849
Conferences	-	3,442	-	3,442
Consultants	-	15,350	31,970	47,320
Depreciation	20,611	-	-	20,611
Dues and subscriptions	-	15	-	15
Fundraising costs	-	-	82,427	82,427
Insurance	55,679	-	-	55,679
In-kind donation expense	90,866	2,480	21,675	115,021
Membership	-	-	17,444	17,444
Miscellaneous	734	332	-	1,066
Occupancy	47,612	-	-	47,612
Postage and shipping	-	2,571	-	2,571
Printing and publications	-	738	-	738
Supplies	-	7,231	-	7,231
Interest	-	427	-	427
Telephone	3,847	-	-	3,847
	<u>\$ 1,035,997</u>	<u>\$ 118,880</u>	<u>\$ 191,666</u>	<u>\$ 1,346,543</u>
	<u>77%</u>	<u>9%</u>	<u>14%</u>	<u>100%</u>

See accompanying notes to financial statements.

**MT. PLEASANT ANIMAL SHELTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018**

	Program Services	Management and General	Fundraising	Total
Salaries, payroll taxes and benefits	\$ 440,255	\$ 81,342	\$ 91,181	\$ 612,778
Veterinary fees	130,455	-	-	130,455
Program costs	111,372	-	-	111,372
Accounting fees	-	21,331	-	21,331
Advertising and promotion	1,480	-	-	1,480
Bank and investment fees	10,925	801	-	11,726
Computer expenses	-	4,983	-	4,983
Conferences	-	1,576	-	1,576
Consultants	-	2,726	-	2,726
Depreciation	23,221	-	-	23,221
Dues and subscriptions	-	695	-	695
Fundraising costs	-	-	127,799	127,799
Insurance	57,727	-	-	57,727
In-kind donation expense	159,031	1,895	21,833	182,759
Membership	-	-	5,445	5,445
Miscellaneous	915	1,122	-	2,037
Occupancy	41,636	-	-	41,636
Postage and shipping	-	2,982	-	2,982
Printing and publications	-	2,161	-	2,161
Supplies	-	2,067	-	2,067
Interest	-	489	-	489
Telephone	3,523	-	-	3,523
	<u>\$ 980,540</u>	<u>\$ 124,170</u>	<u>\$ 246,258</u>	<u>\$ 1,350,968</u>
	<u>73%</u>	<u>9%</u>	<u>18%</u>	<u>100%</u>

See accompanying notes to financial statements.

MT. PLEASANT ANIMAL SHELTER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30,

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (137,016)	\$ 260,033
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Stock donations	(4,846)	(3,550)
In-kind contributions of property and equipment	(3,000)	(5,438)
Realized gain on investments	-	(134,478)
Unrealized (gain) loss on investments	(19,577)	87,570
Change in value of grantor trust	3,149	(23,024)
Depreciation	20,611	23,221
Changes in operating assets and liabilities:		
Prepaid expenses	271	-
Grants receivable	-	(6,250)
Bequests receivable	55,518	40,829
Deposits	(3,600)	-
Accounts payable and accrued expenses	<u>(19,002)</u>	<u>(13,569)</u>
Net cash flows from operating activities	<u>(107,492)</u>	<u>225,344</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(40,503)	(4,109)
Purchases of investments	(45,719)	(511,574)
Sales of investments	<u>83,846</u>	<u>375,014</u>
Net cash flows from investing activities	<u>(2,376)</u>	<u>(140,669)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on capital lease	<u>(3,149)</u>	<u>(3,086)</u>
Net cash flows from financing activities	<u>(3,149)</u>	<u>(3,086)</u>
NET CHANGE IN CASH AND EQUIVALENTS	(113,017)	81,589
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>193,180</u>	<u>111,591</u>
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 80,163</u>	<u>\$ 193,180</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid:		
Interest	<u>\$ 427</u>	<u>\$ 489</u>
Non-cash acquisition of assets	<u>\$ 3,000</u>	<u>\$ -</u>

See accompanying notes to financial statements.

MT. PLEASANT ANIMAL SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Organization - Mt. Pleasant Animal Shelter, Inc. (the "Shelter") was incorporated under the laws of New Jersey as a nonprofit organization. The Shelter owns and operates an animal shelter in northern New Jersey and was formed to provide care to homeless animals while trying to have them adopted by people wishing to own a pet.

Classification of Net Assets - The Shelter is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Shelter's management and the board of directors.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Shelter and/or the passage of time are classified as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. When net assets with donor restrictions are received and the restriction expires in the same reporting period, these assets are classified as net assets without donor restrictions.

Basis of Presentation - The accompanying financial statements are presented on the accrual basis of accounting which reflects income when earned and expenses when incurred. Assets and liabilities are recognized when the assets are acquired or liabilities are incurred.

Cash and Cash Equivalents - Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less when acquired.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires estimates and assumptions to be made 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 reported period. Actual results could differ from those estimates.

Property and Equipment - The Shelter capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions 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 assets or contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Shelter reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Shelter reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to forty years. Expenditures for maintenance, repairs, and minor renewals are charged to expense as incurred; additions and major renewals considered to be betterments are capitalized.

MT. PLEASANT ANIMAL SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Impairment of Long-Lived Assets - The Shelter reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized during the years ended June 30, 2019 and 2018.

Income Taxes - Mt. Pleasant Animal Shelter, Inc. is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and therefore no provision for Federal and State income taxes is necessary. There was no unrelated business income for the fiscal years ended June 30, 2019 and 2018.

The Shelter follows the accounting guidance for uncertain income tax positions, which clarifies the accounting and recognition for tax positions taken or expected to be taken in its income tax returns. The Shelter recognizes the tax benefits from uncertain tax positions only if it is more likely than not that a tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Shelter has not incurred any interest or penalties related to income tax expense during the years ended June 30, 2019 and 2018.

Support and Revenue Recognition - Bequests, foundation grants, and contributions are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires or is satisfied in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when stipulated time restriction ends or purpose restriction is accomplished) net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Membership dues, a form of contribution, are recorded as net assets without donor restrictions revenue when received.

Pet adoption revenue is recorded when the adoption occurs.

New Accounting Pronouncement - On August 18, 2016, FASB issued ASU 2016-14 - *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. ASU 2016-14 reduces the required number of classes of net assets from three to two; net assets with donor restrictions and net assets without donor restrictions. ASU 2016-14 also requires not-for-profit entities to provide enhanced disclosures about the amounts and purposes of governing board designations and appropriations. ASU 2016-14 requires expenses to be reported by nature, in addition to function, and to include an analysis of expenses by both nature and function. The methods used by not-for-profit entities to allocate costs among programs and support functions also needs to be disclosed. ASU 2016-14 requires not-for-profit entities to provide both qualitative and quantitative information on management of liquid available resources and their ability to cover short-term cash needs within one year of the balance sheet date. ASU 2016-14 is effective for annual reporting periods beginning after December 15, 2017. The Corporation has adopted the provisions of ASU 2016-14 and has retrospectively applied this standard to the financial statements as of and for the year ending June 30, 2018.

**MT. PLEASANT ANIMAL SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

**NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)**

Functional Allocation of Expenses - The costs of providing the Shelter programs and supporting services in the accompanying statement of functional expenses are based on management's estimates of the proportion of time spent providing those services.

Advertising and Promotion - The Shelter expenses the cost of advertising as incurred. Advertising expense amounted to approximately \$1,660 and \$1,480 for the years ended June 30, 2019 and 2018, respectively.

Date of Management's Review - In preparing the financial statements, the Shelter has evaluated events and transactions for potential recognition or disclosure through February 5, 2020, the date the financial statements were available to be issued.

NOTE 2 - BEQUESTS RECEIVABLE:

Bequests receivable amounting to \$64,427 and 119,945 as of June 30, 2019 and 2018, respectively, represent unconditional promises to give and are receivable in less than one year.

Uncollectible amounts for bequests receivable are expected to be insignificant. Accordingly, no provision is made for uncollectible amounts.

NOTE 3 - INVESTMENTS:

The portfolio of investments is carried at fair value. For donated investments, cost is determined to be fair market value at the date of gift.

Fair values and unrealized gains and losses pertaining to the investment portfolio as of June 30, 2019 and 2018 are as follows:

	<u>Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>
June 30, 2019				
Exchange traded funds	\$ 379,618	\$ 24,947	\$ 4,372	\$ 400,193
Money market funds	829,214	-	-	829,214
	<u>\$1,208,832</u>	<u>\$ 24,947</u>	<u>\$ 4,372</u>	<u>\$1,229,407</u>
June 30, 2018				
Exchange traded funds	\$ 372,112	\$ 3,499	\$ 2,501	\$ 373,111
Money market funds	870,000	-	-	870,000
	<u>\$1,242,112</u>	<u>\$ 3,499</u>	<u>\$ 2,501</u>	<u>\$1,243,111</u>

NOTE 4 - GRANTOR TRUST:

The Serenne Everett Trust is a restricted trust and is considered by PNC, the Trustee Bank, to be a private foundation. Therefore, the annual benefit to the shelter is generally limited to investment income. Specifically, the shelter receives annually the Required Minimum Distribution of approximately 5% of the average market value. However, the Trustee may distribute limited amounts of the principal as the Trustee, in its sole discretion, determines appropriate for the purpose of acquiring or making improvements to land or other capital assets. The required minimum distribution is recorded as an unrestricted contribution, since there were no restrictions set by the grantor.

The value of the trust as of June 30, 2019 and 2018 was \$633,034 and \$636,183, respectively.

**MT. PLEASANT ANIMAL SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 5 - AVAILABILITY AND LIQUIDITY:

The Shelter's financial assets available for general expenditure within one year of the statement of financial position at June 30, 2019 are as follows:

Cash and equivalents	\$ 80,163
Investments	1,229,407
Bequests and other receivables expected to be collected within one year	70,677
Grantor trust	<u>633,034</u>
Total financial assets	<u>2,013,281</u>
Contractual or donor-imposed restrictions	
Grantor trust	(633,034)
Donor restricted	<u>(31,182)</u>
	<u>(664,216)</u>
Financial assets available to meet general expenditures in the next twelve months	<u>\$ 1,349,065</u>

The Shelter had no amounts unavailable for general expenditures due within the next twelve months. The Shelter's goal is to maintain financial assets to meet at least 180 days of operating expenditures.

NOTE 6 - FAIR VALUE MEASUREMENT:

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Shelter has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Shelter's own data).

**MT. PLEASANT ANIMAL SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 6 - FAIR VALUE MEASUREMENT (Continued):

The following tables set forth by level, within the fair value hierarchy, the Shelter's assets at fair value as of June 30, 2019 and 2018:

	Fair Value	Fair Value Measurement Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>June 30, 2019:</u>				
Investments:				
Exchange traded funds	\$ 400,193	\$ 400,193	\$ -	\$ -
Money market	829,214	829,214	-	-
	<u>\$ 1,229,407</u>	<u>\$ 1,229,407</u>	<u>\$ -</u>	<u>\$ -</u>
Grantor trust	\$ 633,034	\$ 633,034	\$ -	\$ -
<u>June 30, 2018:</u>				
Investments:				
Exchange traded funds	\$ 373,111	\$ 373,111	\$ -	\$ -
Money market	870,000	870,000	-	-
	<u>\$ 1,243,111</u>	<u>\$ 1,243,111</u>	<u>\$ -</u>	<u>\$ -</u>
Grantor trust	\$ 636,183	\$ 636,183	\$ -	\$ -

NOTE 7 - PROPERTY AND EQUIPMENT:

Property and equipment are stated at cost and are summarized as follows:

	June 30,	
	2019	2018
Land	\$ 7,895	\$ 7,895
Building	341,476	341,476
Furniture and fixtures	21,297	18,297
Improvements	313,108	278,505
Machinery and equipment	86,950	81,050
Vehicle	20,438	20,438
	<u>791,164</u>	<u>747,661</u>
Less: accumulated depreciation	<u>606,258</u>	<u>585,647</u>
	<u>\$184,906</u>	<u>\$162,014</u>

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	June 30,	
	2019	2018
Capital improvements	\$638,104	\$640,053
Low-Cost Spay/Neuter Clinic	26,112	26,112
Time or other restriction	<u>6,250</u>	<u>6,250</u>
	<u>\$670,466</u>	<u>\$672,415</u>

**MT. PLEASANT ANIMAL SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 9 - LEASE COMMITMENTS:

The Shelter leases office equipment under a capital lease. Amortization of the asset under the capital lease is included in depreciation expense for the years ended June 30, 2019 and 2018.

	June 30,	
	2019	2018
Equipment	\$16,390	\$16,390
Less accumulated amortization	(6,556)	(3,086)
	<u>\$ 9,834</u>	<u>\$13,304</u>

The following is a schedule by years of future minimum lease payments under the capitalized lease together with the present value of the net minimum lease payments at June 30, 2019:

Year Ended June 30,	
2020	\$ 3,576
2021	3,576
2022	3,576
Total minimum lease payments	10,728
Less: amount representing imputed interest at 3.60%	(573)
Present value of net minimum lease payment under capital lease	<u>\$10,155</u>

NOTE 10 - CONCENTRATIONS OF CREDIT RISK:

Financial instruments that potentially subject the Shelter to significant concentrations of credit risk consist principally of cash and cash equivalents. The Shelter places its excess cash with high credit quality financial institutions. At times, amounts may exceed federally insured limits.

Approximately 15% of total revenues and other support for the year ending June 30, 2018 was generated from bequests.

For the year ending June 30, 2018 approximately, 13% of total revenues and other support was generated from a contribution from an individual donor.

NOTE 11 - RELATED PARTY TRANSACTIONS:

Payments of \$25,000 to members of the Shelter's Board of Directors for management and fundraising services performed on behalf of the organization are included in consultants expenses in the Statement of Functional Expenses for the year ended June 30, 2019. Such expenses were conducted in the ordinary course of business at prevailing rates.