

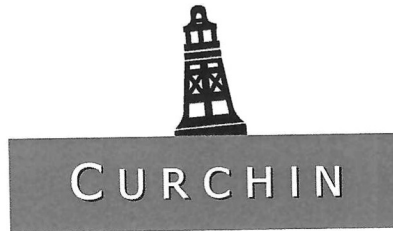
MT. PLEASANT ANIMAL SHELTER, INC.

**FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

MT. PLEASANT ANIMAL SHELTER, INC.

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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, 2020 and 2019, 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.

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, 2020 and 2019, 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
May 13, 2021

THE CURCHIN GROUP LLC

TAX :: ADVISORY :: AUDIT

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

	2020	2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 286,484	\$ 80,163
Investments	1,181,500	1,229,407
Prepaid expenses	6,193	6,193
Grants receivable	-	6,250
Bequests receivable	40,578	64,427
Total Current Assets	1,514,755	1,386,440
OTHER ASSETS:		
Grantor trust	576,457	633,034
Deposits	3,800	3,800
Property and equipment, net	164,147	184,906
Total Other Assets	744,404	821,740
	\$ 2,259,159	\$ 2,208,180
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 43,020	\$ 67,160
Capital lease payable - current portion	3,383	3,264
Total Current Liabilities	46,403	70,424
PPP loan payable	138,465	-
Capital lease payable - long term portion	3,508	6,891
Total Liabilities	188,376	77,315
NET ASSETS:		
Without donor restrictions	1,464,344	1,460,399
With donor restrictions	606,439	670,466
Total Net Assets	2,070,783	2,130,865
	\$ 2,259,159	\$ 2,208,180

See accompanying notes to financial statements.

MT. PLEASANT ANIMAL SHELTER, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT:			
Bequests	\$ 138,309	\$ -	\$ 138,309
Contributions	651,180	-	651,180
Pet adoption revenue	136,968	-	136,968
Special event revenue - net of expenses of \$19,735	43,261	-	43,261
In-kind donations	106,832	-	106,832
Interest and dividends	49,519	-	49,519
Realized net loss on investments	(27,159)	-	(27,159)
Unrealized net gains on investments	16,419	-	16,419
Change in value of grantor trust	-	(56,577)	(56,577)
Miscellaneous income	7,576	-	7,576
	<u>1,122,905</u>	<u>(56,577)</u>	<u>1,066,328</u>
Total revenues and other support			
EXPENSES:			
Program services - Animal Shelter and Care	771,681	-	771,681
Supporting services:			
Management and general	187,932	-	187,932
Fundraising	166,797	-	166,797
	<u>1,126,410</u>	<u>-</u>	<u>1,126,410</u>
Total expenses			
NET ASSETS RELEASED FROM RESTRICTION	<u>7,450</u>	<u>(7,450)</u>	<u>-</u>
CHANGE IN NET ASSETS	3,945	(64,027)	(60,082)
NET ASSETS - BEGINNING OF YEAR	<u>1,460,399</u>	<u>670,466</u>	<u>2,130,865</u>
NET ASSETS - END OF YEAR	<u>\$ 1,464,344</u>	<u>\$ 606,439</u>	<u>\$ 2,070,783</u>

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:			
Bequest	\$ 78,760	\$ -	\$ 78,760
Contributions	699,971	1,200	701,171
Pet adoption revenue	179,715	-	179,715
Special event revenue - net of expenses of \$48,868	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
Total revenues and other support	1,211,476	(1,949)	1,209,527
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
Total expenses	1,346,543	-	1,346,543
NET ASSETS RELEASED FROM RESTRICTION	-	-	-
CHANGE IN NET ASSETS	(135,067)	(1,949)	(137,016)
NET ASSETS - BEGINNING OF YEAR	1,595,466	672,415	2,267,881
NET ASSETS - END OF YEAR	\$ 1,460,399	\$ 670,466	\$ 2,130,865

See accompanying notes to financial statements.

MT. PLEASANT ANIMAL SHELTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, payroll taxes and benefits	\$ 418,931	\$ 123,026	\$ 38,426	\$ 580,383
Veterinary fees	44,657	-	-	44,657
Program costs	73,568	-	-	73,568
Accounting fees	-	30,901	-	30,901
Advertising and promotion	-	-	-	-
Bank and investment fees	10,154	-	-	10,154
Computer expenses	-	9,492	-	9,492
Conferences	-	3,416	-	3,416
Consultants	-	5,563	9,270	14,833
Depreciation	23,784	-	-	23,784
Dues and subscriptions	-	427	-	427
Fundraising costs	-	-	102,146	102,146
Insurance	51,283	-	-	51,283
In-kind donation expense	105,387	1,445	16,955	123,787
Miscellaneous	150	485	-	635
Occupancy	39,691	-	-	39,691
Postage and shipping	-	2,503	-	2,503
Printing and publications	-	852	-	852
Supplies	-	9,510	-	9,510
Interest	-	312	-	312
Telephone	4,076	-	-	4,076
	<u>\$ 771,681</u>	<u>\$ 187,932</u>	<u>\$ 166,797</u>	<u>\$ 1,126,410</u>
	<u>69%</u>	<u>16%</u>	<u>15%</u>	<u>100%</u>

See accompanying notes to financial statements.

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

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
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.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30,

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (60,082)	\$ (137,016)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Stock donations	(44,396)	(4,846)
In-kind contributions of property and equipment	-	(3,000)
Realized loss on investments	27,159	-
Unrealized net gain on investments	(16,419)	(19,577)
Change in value of grantor trust	56,577	3,149
Depreciation	23,783	20,611
Changes in operating assets and liabilities:		
Prepaid expenses	-	271
Grants receivable	6,250	-
Bequests receivable	23,849	55,518
Deposits	-	(3,600)
Accounts payable and accrued expenses	<u>(24,140)</u>	<u>(19,002)</u>
Net cash flows from operating activities	<u>(7,419)</u>	<u>(107,492)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(3,024)	(40,503)
Purchases of investments	(231,789)	(45,719)
Sales of investments	<u>313,352</u>	<u>83,846</u>
Net cash flows from investing activities	<u>78,539</u>	<u>(2,376)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
PPP loan proceeds	138,465	-
Payments on capital lease	<u>(3,264)</u>	<u>(3,149)</u>
Net cash flows from financing activities	<u>135,201</u>	<u>(3,149)</u>
NET CHANGE IN CASH AND EQUIVALENTS	206,321	(113,017)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>80,163</u>	<u>193,180</u>
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 286,484</u>	<u>\$ 80,163</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid:		
Interest	<u>\$ 312</u>	<u>\$ 427</u>
Non-cash acquisition of assets	<u>\$ -</u>	<u>\$ 3,000</u>

See accompanying notes to financial statements.

MT. PLEASANT ANIMAL SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

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, 2020 AND 2019

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, 2020 and 2019.

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, 2020 and 2019.

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, 2020 and 2019.

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.

Pet adoption revenue is recognized in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, as amended. The performance obligation is the delivery of the merchandise ("Pet") to the customer, and revenue is recorded at that point in time. Pets are adopted with a right of return, for a fee ("Surrender"). As such, the Shelter does not record an estimate in its financial statements for a liability for such returns. Surrender fees are included in Pet adoption revenues when recorded at that point in time.

New Accounting Pronouncements - As of July 1, 2020, the Shelter adopted the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Update 2014-09 ("ASU 2014-09"), *Revenue from Contracts with Customers (Topic 606)*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Results of operations for the years ending June 30, 2020 and 2019 are presented in accordance with FASB ASC Topic 606.

Contributions and bequests are subject to other U.S. Generally Accepted Accounting Principles. Revenue generating activities that are within the scope of this standard include pet adoption fees. The related performance obligation for such transactions is generally fulfilled, and revenue is recognized, at the point in time that the transaction is completed and the fee is charged. ASU 2014-09 has been applied retrospectively to all periods presented, with no material effect on net assets or previously issued financial statements.

**MT. PLEASANT ANIMAL SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

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

Reclassifications - Certain reclassifications have been made to prior year financial statements to conform to classifications used in the current year. These reclassifications had no impact on net assets as previously reported.

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 \$4,763 and \$1,660 for the years ended June 30, 2020 and 2019, respectively. The Shelter receives web-advertising which is recorded as an in-kind donation for the value of the advertising as incurred. See Note 12 for the value of these expenses.

Date of Management's Review - In preparing the financial statements, the Shelter has evaluated events and transactions for potential recognition or disclosure through May 13, 2021, the date the financial statements were available to be issued.

NOTE 2 - BEQUESTS RECEIVABLE:

Bequests receivable amounting to \$40,578 and \$64,427 as of June 30, 2020 and 2019, 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, 2020 and 2019 are as follows:

	<u>Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>
June 30, 2020				
Exchange traded funds	\$ 355,416	\$ 37,733	\$ 738	\$ 392,411
Money market funds	<u>789,089</u>	<u>-</u>	<u>-</u>	<u>789,089</u>
	<u>\$1,144,505</u>	<u>\$ 37,733</u>	<u>\$ 738</u>	<u>\$1,181,500</u>
June 30, 2019				
Exchange traded funds	\$ 379,618	\$ 24,947	\$ 4,372	\$ 400,193
Money market funds	<u>829,214</u>	<u>-</u>	<u>-</u>	<u>829,214</u>
	<u>\$1,208,832</u>	<u>\$ 24,947</u>	<u>\$ 4,372</u>	<u>\$1,229,407</u>

**MT. PLEASANT ANIMAL SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

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, 2020 and 2019 was \$576,457 and \$633,034, respectively.

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, 2020 are as follows:

Cash and equivalents	\$ 286,484
Investments	1,181,500
Bequests and other receivables expected to be collected within one year	40,578
Grantor trust	<u>576,457</u>
Total financial assets	<u>2,085,019</u>
Contractual or donor-imposed restrictions	
Grantor trust	(576,457)
Donor restricted	<u>(29,982)</u>
	<u>(606,439)</u>
Financial assets available to meet general expenditures in the next twelve months	<u>\$ 1,478,580</u>

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.

**MT. PLEASANT ANIMAL SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 6 - FAIR VALUE MEASUREMENT: (Continued)

- 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).

The following tables set forth by level, within the fair value hierarchy, the Shelter's assets at fair value as of June 30, 2020 and 2019:

	<u>Fair Value</u>	<u>Fair Value Measurement Using:</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>June 30, 2020:</u>				
Investments:				
Exchange traded funds	\$ 392,411	\$ 392,411	\$ -	\$ -
Money market	789,089	789,089	-	-
	<u>\$ 1,181,500</u>	<u>\$ 1,181,500</u>	<u>\$ -</u>	<u>\$ -</u>
Grantor trust	<u>\$ 576,457</u>	<u>\$ 576,457</u>	<u>\$ -</u>	<u>\$ -</u>
<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	<u>\$ 633,034</u>	<u>\$ 633,034</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 7 - PROPERTY AND EQUIPMENT:

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

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Land	\$ 7,895	\$ 7,895
Building	341,476	341,476
Furniture and fixtures	21,297	21,297
Improvements	313,108	313,108
Machinery and equipment	89,974	86,950
Vehicle	<u>20,438</u>	<u>20,438</u>
	794,188	791,164
Less: accumulated depreciation	<u>630,041</u>	<u>606,258</u>
	<u>\$164,147</u>	<u>\$184,906</u>

**MT. PLEASANT ANIMAL SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

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

	June 30,	
	2020	2019
Capital improvements	\$580,327	\$638,104
Low-Cost Spay/Neuter Clinic	26,112	26,112
Time or other restriction	-	6,250
	\$606,439	\$670,466

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, 2020 and 2019.

	June 30,	
	2020	2019
Equipment	\$ 16,390	\$ 16,390
Less: accumulated amortization	(9,834)	(6,556)
	\$ 6,556	\$ 9,834

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, 2020:

<u>Year Ended June 30,</u>	
2021	\$ 3,576
2022	3,576
Total minimum lease payments	7,152
Less: amount representing imputed interest at 3.60%	(261)
Present value of net minimum lease payment under capital lease	\$ 6,891

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.

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 incurred in the ordinary course of business at prevailing rates. Members of the Board of Directors were not paid for services during the year ended June 30, 2020.

**MT. PLEASANT ANIMAL SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 12 - IN-KIND DONATIONS:

Donated Goods - The Shelter received in-kind donations of pet food and supplies from various supporters. The estimated average retail fair value of these donations, included as revenue without donor restrictions and expenses, was \$106,832 and \$93,346 for the years ended June 30, 2020 and 2019, respectively. During the years ended June 30, 2020 and 2019, donations in-kind included:

	June 30,	
	2020	2019
Advertising	\$ 40,428	\$ 20,232
Dog and cat food	36,400	36,090
Holiday fair	16,955	21,680
Supplies	13,049	15,349
	<u>\$ 106,832</u>	<u>\$ 93,346</u>

Donated Property and Equipment - The shelter receives in-kind donations of property and equipment from various supporters. These donations are capitalized at the fair market value as of the date of gift. The Shelter received no donations of in-kind property and equipment for the year ended June 30, 2020. During the year ended June 30, 2019, donations of in-kind property and equipment amounted to \$3,000.

Donated Services - No amounts have been reflected in the financial statements for donated services since no objective basis is available to measure the value of such service; however, a substantial number of volunteers have donated significant amounts of their time in the Shelter's program services and in its fundraising. The Shelter receives more than 8,000 volunteer hours per year.

NOTE 13 - PAYCHECK PROTECTION PROGRAM LOAN AND THE IMPACT OF THE CORONAVIRUS PANDEMIC:

During the year ended June 30, 2020, a novel coronavirus emerged and became a global pandemic ("the pandemic"). The impact to the Shelter's future operations and financial results depends on numerous factors including, but not limited to, the magnitude and duration of the pandemic, the speed of the anticipated recovery, and governmental and business reactions to the pandemic. Contingency plans were implemented. The Shelter received a \$138,465 loan in April 2020, as part of the Paycheck Protection Program ("the Program") from the U.S. Small Business Administration ("SBA"). The Shelter intends to use these funds to support payroll costs and other permissible expenses as defined in the Program as part of the Coronavirus Aid, Relief and Economic Securities (CARES) Act ("the Act"). The loan matures in April 2022 and accrues interest at 1%, with loan payments being deferred as outlined in the Act. As part of this government program, the loan is eligible for forgiveness if certain criteria are met by the Shelter. As of the date the financial statements were available to be issued the Shelter has applied for forgiveness and is awaiting response from the SBA.

The Shelter assessed certain accounting matters in context with the information reasonably available including the potential effect and the carrying value of receivables, securities and long-lived-assets as of June 30, 2020. As of the date the financial statements were available to be issued, the effects of the pandemic on future reporting periods remains uncertain. It is reasonably possible that a change in estimates may occur in the near term as a result of the pandemic. As disclosed in Note 5, as needs arise that are not funded by current operations, the Organization has funds of approximately \$1,500,000 that are available for general use.