



**FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

MT. PLEASANT ANIMAL SHELTER, INC.

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CURCHIN

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

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, 2023 and 2022, 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 Mt. Pleasant Animal Shelter, Inc. as of June 30, 2023 and 2022, 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 Mt. Pleasant Animal Shelter, Inc. 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 Mt. Pleasant Animal Shelter, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

THE CURCHIN GROUP LLC

TAX :: ADVISORY :: AUDIT

Auditor's 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 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.
- Obtain 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 Mt. Pleasant Animal Shelter, 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 Mt. Pleasant Animal Shelter, 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.



THE CURCHIN GROUP, LLC

Red Bank, New Jersey
May 7, 2024

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

	2023	2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 111,922	\$ 368,039
Investments	797,835	850,928
Prepaid expenses	15,751	7,183
Contributions receivable	10,000	6,424
Bequests receivable	143,276	63,151
Total Current Assets	1,078,784	1,295,725
PROPERTY AND EQUIPMENT, net	181,268	189,319
OTHER ASSETS:		
Grantor trust	584,976	559,874
	\$ 1,845,028	\$ 2,044,918
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 155,996	\$ 75,935
Deferred event revenue	18,807	5,068
Total Current Liabilities	174,803	81,003
COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Without donor restrictions	1,033,939	1,349,059
With donor restrictions	636,286	614,856
Total Net Assets	1,670,225	1,963,915
	\$ 1,845,028	\$ 2,044,918

See accompanying notes to financial statements.

MT. PLEASANT ANIMAL SHELTER, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT:			
Bequests	\$ 111,950	\$ -	\$ 111,950
Contributions	798,001	19,000	817,001
Pet adoption revenue	190,492	-	190,492
Special event revenue - net of expenses of \$4,990	28,258	-	28,258
Contributions of nonfinancial assets	55,281	-	55,281
Investment return	182,971	-	182,971
Change in value of grantor trust	-	25,102	25,102
Gain on disposal of property and equipment	5,400	-	5,400
Miscellaneous income	<u>1,447</u>	<u>-</u>	<u>1,447</u>
Total revenue and other support	<u>1,373,800</u>	<u>44,102</u>	<u>1,417,902</u>
EXPENSES:			
Program services - Animal Shelter and Care	1,177,641	-	1,177,641
Supporting services:			
Management and general	222,802	-	222,802
Fundraising	<u>311,149</u>	<u>-</u>	<u>311,149</u>
Total expenses	<u>1,711,592</u>	<u>-</u>	<u>1,711,592</u>
NET ASSETS RELEASED FROM RESTRICTION	<u>22,672</u>	<u>(22,672)</u>	<u>-</u>
CHANGE IN NET ASSETS	(315,120)	21,430	(293,690)
NET ASSETS, BEGINNING OF YEAR	<u>1,349,059</u>	<u>614,856</u>	<u>1,963,915</u>
NET ASSETS, END OF YEAR	<u>\$ 1,033,939</u>	<u>\$ 636,286</u>	<u>\$ 1,670,225</u>

See accompanying notes to financial statements.

MT. PLEASANT ANIMAL SHELTER, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND OTHER SUPPORT:			
Bequests	\$ 73,151	\$ -	\$ 73,151
Contributions	864,324	15,000	879,324
Pet adoption revenue	127,840	-	127,840
Special event revenue - net of expenses of \$9,923	22,596	-	22,596
Contributions of nonfinancial assets	37,875	-	37,875
Investment return	(187,543)	-	(187,543)
Change in value of grantor trust	-	(148,476)	(148,476)
Gain on extinguishment of debt	111,817	-	111,817
Miscellaneous income	<u>1,621</u>	<u>-</u>	<u>1,621</u>
Total revenue and other support	<u>1,051,681</u>	<u>(133,476)</u>	<u>918,205</u>
EXPENSES:			
Program services - Animal Shelter and Care	910,234	-	910,234
Supporting services:			
Management and general	249,959	-	249,959
Fundraising	<u>214,530</u>	<u>-</u>	<u>214,530</u>
Total expenses	<u>1,374,723</u>	<u>-</u>	<u>1,374,723</u>
NET ASSETS RELEASED FROM RESTRICTION	<u>21,058</u>	<u>(21,058)</u>	<u>-</u>
CHANGE IN NET ASSETS	(301,984)	(154,534)	(456,518)
NET ASSETS, BEGINNING OF YEAR	<u>1,651,043</u>	<u>769,390</u>	<u>2,420,433</u>
NET ASSETS, END OF YEAR	<u>\$ 1,349,059</u>	<u>\$ 614,856</u>	<u>\$ 1,963,915</u>

See accompanying notes to financial statements.

**MT. PLEASANT ANIMAL SHELTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023**

	Program Services	Management and General	Fundraising	Total
Salaries, payroll taxes, and benefits	\$ 721,989	\$ 158,640	\$ 152,291	\$ 1,032,920
Veterinary fees	128,532	-	-	128,532
Program costs - animal care and supplies	123,254	-	-	123,254
Accounting fees	-	31,429	-	31,429
Advertising and promotion	2,525	-	-	2,525
Bank and processing fees	13,818	-	-	13,818
Capital campaign	-	3,870	-	3,870
Computer expenses	-	6,530	-	6,530
Conferences	-	225	-	225
Consultants	-	4,699	-	4,699
Contributed nonfinancial asset expense	49,004	-	-	49,004
Depreciation	23,428	-	-	23,428
Dues and subscriptions	-	1,257	-	1,257
Fundraising costs	-	-	158,858	158,858
Insurance	61,837	-	-	61,837
Miscellaneous	-	250	-	250
Occupancy	49,616	-	-	49,616
Postage and shipping	-	3,934	-	3,934
Printing and publications	-	1,158	-	1,158
Supplies	-	10,810	-	10,810
Telephone	3,638	-	-	3,638
	<u>\$ 1,177,641</u>	<u>\$ 222,802</u>	<u>\$ 311,149</u>	<u>\$ 1,711,592</u>
	<u>69%</u>	<u>13%</u>	<u>18%</u>	<u>100%</u>

See accompanying notes to financial statements.

**MT. PLEASANT ANIMAL SHELTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022**

	Program Services	Management and General	Fundraising	Total
Salaries, payroll taxes, and benefits	\$ 513,620	\$ 179,141	\$ 92,243	\$ 785,004
Veterinary fees	117,906	-	-	117,906
Program costs - animal care and supplies	91,889	-	-	91,889
Accounting fees	-	33,786	-	33,786
Advertising and promotion	3,501	-	-	3,501
Bank and processing fees	12,265	-	-	12,265
Computer expenses	-	8,127	-	8,127
Conferences	-	16	-	16
Consultants	-	3,945	-	3,945
Contributed nonfinancial asset expense	37,875	-	-	37,875
Depreciation	26,911	-	-	26,911
Dues and subscriptions	-	418	-	418
Fundraising costs	-	-	122,287	122,287
Insurance	41,795	-	-	41,795
Interest	-	68	-	68
Miscellaneous	-	225	-	225
Occupancy	60,434	-	-	60,434
Postage and shipping	-	3,833	-	3,833
Printing and publications	-	791	-	791
Professional Fees	-	10,000	-	10,000
Supplies	-	9,609	-	9,609
Telephone	4,038	-	-	4,038
	<u>\$ 910,234</u>	<u>\$ 249,959</u>	<u>\$ 214,530</u>	<u>\$ 1,374,723</u>
	<u>66%</u>	<u>18%</u>	<u>16%</u>	<u>100%</u>

See accompanying notes to financial statements.

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

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (293,690)	\$ (456,518)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
In-kind contributions of property and equipment	(6,277)	-
Realized gain on investments	(4,176)	(7,352)
Unrealized (gain) loss on investments	(133,422)	236,014
Change in value of grantor trust	(25,102)	148,476
Gain on disposal of property and equipment	(5,400)	-
Gain on extinguishment of debt	-	(111,817)
Depreciation	23,428	26,911
Changes in operating assets and liabilities:		
Prepaid expenses	(8,568)	(2,346)
Contributions receivable	(3,576)	(6,424)
Bequests receivable	(80,125)	316,867
Deposits	-	200
Accounts payable and accrued expenses	80,061	21,930
Deferred event revenue	<u>13,739</u>	<u>5,068</u>
Net cash flows from operating activities	<u>(443,108)</u>	<u>171,009</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(9,100)	(30,773)
Proceeds on disposal of property and equipment	5,400	-
Purchases of investments	(14,691)	(581,587)
Sales of investments	<u>205,382</u>	<u>82,218</u>
Net cash flows from investing activities	<u>186,991</u>	<u>(530,142)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on capital lease	<u>-</u>	<u>(3,508)</u>
Net cash flows from financing activities	<u>-</u>	<u>(3,508)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(256,117)	(362,641)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>368,039</u>	<u>730,680</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 111,922</u>	<u>\$ 368,039</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	<u>\$ -</u>	<u>\$ 68</u>
Non-cash investing activities		
Disposal of property and equipment		
Cost	\$ 53,991	\$ -
Accumulated depreciation	<u>53,991</u>	<u>-</u>
Net book value	<u>\$ -</u>	<u>\$ -</u>
Non-cash acquisition of assets	<u>\$ 6,277</u>	<u>\$ -</u>

See accompanying notes to financial statements.

MT. PLEASANT ANIMAL SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022

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.

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.

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.

Revenue and Other Support Recognition - Bequests, foundation grants, and contributions are recorded as support without donor restrictions or support 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 the 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 *Revenue from Contracts with Customers (Topic 606)*, 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.

Contributed Services and Materials - The Shelter reports the fair value of donated goods over which it has control (i.e., variance power) as support, without donor restrictions, and immediately thereafter, as expense when donated to the Shelter. The Shelter did not monetize any contributed nonfinancial assets and unless otherwise noted, contributed nonfinancial assets did not have donor restrictions. The value of contributed services and materials meeting the requirements for recognition has been recorded in the financial statements (see Note 9). Additionally, a number of volunteers have donated a significant number of hours to the Organization. Although these services do not meet the criteria for recognition under generally accepted accounting principles, they are integral to the Organization's mission.

**MT. PLEASANT ANIMAL SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

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

Impairment Losses - The Organization had no impairment losses on contributions or bequests receivable for the years ended June 30, 2023 and 2022.

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.

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 on the date of donation. 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.

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, 2023 and 2022.

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, 2023 and 2022.

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. Management has determined that there are no unrecognized tax benefits that will significantly increase or decrease over the next twelve months. The Shelter has not incurred any interest or penalties related to income tax expense during the years ended June 30, 2023 and 2022.

Functional Allocation of Expenses - The costs of providing the Shelter's programs and supporting services in the accompanying statements 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. The cost of paid advertising expensed was \$2,525 and \$3,501 for the years ended June 30, 2023 and 2022, respectively. The Shelter receives web-advertising which is recorded as a contributed nonfinancial asset for the value of the advertising received. See Note 9 for the value of the donated advertising.

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

**MT. PLEASANT ANIMAL SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

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

Use of Estimates (Continued) - date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Date of Management's Review - In preparing the financial statements, the Shelter has evaluated events and transactions for potential recognition or disclosure through May 7, 2024, the date the financial statements were available to be issued.

NOTE 2 - 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, 2023 and 2022, are as follows:

	<u>Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>
June 30, 2023				
Exchange traded funds	\$ 693,079	\$ 22,491	\$ 9,059	\$ 706,511
Publicly traded equity securities	<u>182,380</u>	<u>-</u>	<u>91,056</u>	<u>91,324</u>
	<u>\$ 875,459</u>	<u>\$ 22,491</u>	<u>\$ 100,115</u>	<u>\$ 797,835</u>
June 30, 2022				
Exchange traded funds	\$ 778,059	\$ -	\$ 123,908	\$ 654,151
Publicly traded equity securities	<u>283,915</u>	<u>2,849</u>	<u>89,987</u>	<u>196,777</u>
	<u>\$1,061,974</u>	<u>\$ 2,849</u>	<u>\$ 213,895</u>	<u>\$ 850,928</u>

NOTE 3 - BEQUESTS RECEIVABLE:

Bequests receivable amounting to \$143,276 and \$63,151 as of June 30, 2023 and 2022, 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 4 - PROPERTY AND EQUIPMENT:

Property and equipment are stated at cost and are summarized as follows at June 30,:

	<u>2023</u>	<u>2022</u>
Land	\$ 7,895	\$ 7,895
Building	341,476	341,476
Furniture and fixtures	21,297	21,297
Improvements	357,515	357,980
Machinery and equipment	76,937	106,363
Vehicle	<u>11,715</u>	<u>20,438</u>
	816,835	855,449
Less: accumulated depreciation	<u>635,567</u>	<u>666,130</u>
	<u>\$181,268</u>	<u>\$189,319</u>

**MT. PLEASANT ANIMAL SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 5 - 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 what is 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, 2023 and 2022 was \$584,976 and \$559,874, respectively.

NOTE 6 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Shelter's financial assets, reduced by amounts not available for general use within one year of the statement of financial position date, because of contractual or donor-imposed restrictions, at June 30,:

	2023	2022
Cash and equivalents	\$ 111,922	\$ 368,039
Investments	797,835	850,928
Bequests and other receivables expected to be collected within one year	153,276	69,575
Grantor trust	584,976	559,874
Total financial assets	1,648,009	1,848,416
Contractual or donor-imposed restrictions		
Grantor trust	(584,976)	(559,874)
Donor restricted	(51,310)	(54,982)
	(636,286)	(614,856)
Financial assets available to meet general expenditures in the next twelve months	\$1,011,723	\$1,233,560

The Shelter's goal is to maintain financial assets to meet at least 180 days of operating expenditures.

NOTE 7 - 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, 2023 AND 2022**

NOTE 7 - 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 on a recurring basis as of June 30, 2023 and 2022:

	<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, 2023:</u>				
Investments:				
Exchange traded funds	\$ 706,511	\$ 706,511	\$ -	\$ -
Publicly traded equity securities	<u>91,324</u>	<u>91,324</u>	<u>-</u>	<u>-</u>
	<u>\$ 797,835</u>	<u>\$ 797,835</u>	<u>\$ -</u>	<u>\$ -</u>
Grantor trust	<u>\$ 584,976</u>	<u>\$ 584,976</u>	<u>\$ -</u>	<u>\$ -</u>
<u>June 30, 2022:</u>				
Investments:				
Exchange traded funds	\$ 654,151	\$ 654,151	\$ -	\$ -
Publicly traded equity securities	<u>196,777</u>	<u>196,777</u>	<u>-</u>	<u>-</u>
	<u>\$ 850,928</u>	<u>\$ 850,928</u>	<u>\$ -</u>	<u>\$ -</u>
Grantor trust	<u>\$ 559,874</u>	<u>\$ 559,874</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are available for the following purposes at June 30,:

	<u>2023</u>	<u>2022</u>
Capital improvements	\$610,174	\$588,744
Low-Cost Spay/Neuter clinic	<u>26,112</u>	<u>26,112</u>
	<u>\$636,286</u>	<u>\$614,856</u>

Net assets released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by the donors are as follows for the years ended June 30,:

	<u>2023</u>	<u>2022</u>
Capital improvements	\$ 12,672	\$ 2,940
Pavers for Paws	-	9,558
Release of restriction	10,000	-
Salaries	-	4,000
Supplies	<u>-</u>	<u>4,560</u>
	<u>\$ 22,672</u>	<u>\$ 21,058</u>

**MT. PLEASANT ANIMAL SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 9 - CONTRIBUTIONS OF NONFINANCIAL ASSETS:

The Shelter records donated materials and equipment as contributed nonfinancial assets in the statements of activities. Contributed nonfinancial assets recognized within the statements of activities are summarized as follows for the years ended June 30,:

	2023	2022
Advertising	\$ 5,865	\$ 7,376
Dog and cat food	9,000	14,000
Equipment	6,277	-
Supplies	34,139	16,499
	\$ 55,281	\$ 37,875

The Shelter recognizes contributed nonfinancial assets including contributed advertising, dog and cat food, and supplies within revenue with a corresponding expense. Contributed equipment is capitalized and included within property and equipment in the statements of financial position, if material. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

It is the Shelter's policy to utilize contributed dog and cat food, supplies, and equipment in its program to provide care for homeless dogs and cats until they are placed into permanent homes. In valuing food, supplies, and equipment, the Shelter estimates the fair value on the basis of the cost that would be incurred to purchase similar products on the date of donation.

The Shelter receives a grant covering the cost of web search advertising from a search engine provider. The value of this contributed advertising is provided by the provider based on the value the provider would have otherwise charged the Shelter if it was not part of the grant program.

Contributed services are recognized as contributed nonfinancial revenues at their estimated fair value if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. The Shelter also receives a significant amount of donated services from unpaid volunteers who assist in the Shelter's program services and fundraising. No amounts have been recognized in the statements of activities for these program and fundraising services because the criteria for recognition have not been satisfied. The Shelter received more than 15,000 and 10,000 volunteer hours for the years ended June 30, 2023 and 2022, respectively, that are not recognized in the accompanying statements of activities, as they do not meet the requirements for recognition.

NOTE 10 - INVESTMENT RETURN:

The following schedule summarizes the investment return in the statements of activities for the years ended June 30,:

	2023	2022
Interest and dividends	\$ 45,373	\$ 41,119
Realized gain on investments	4,176	7,352
Unrealized gain (loss) on investments	133,422	(236,014)
	\$182,971	\$(187,543)

**MT. PLEASANT ANIMAL SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 11 - COMMITMENTS AND CONTINGENCIES:

The Shelter was named as a defendant in a lawsuit filed in the Superior Court of New Jersey in January 2022. As of the date the financial statements were available to be issued, discovery has been completed. The trial is expected to begin in late July 2024. The financial impact to the Shelter from the lawsuit is currently unknown.

NOTE 12 - 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.