

**MONTGOMERY COUNTY HUMANE  
SOCIETY, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

**MONTGOMERY COUNTY HUMANE SOCIETY, INC.**  
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**JUNE 30, 2021 AND 2020**

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## **INDEPENDENT AUDITOR'S REPORT**

To The Board of Directors  
Montgomery County Humane Society, Inc.

We have audited the accompanying financial statements of Montgomery County Humane Society, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, net assets, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 Montgomery County Humane Society, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited the Montgomery County Humane Society, Inc.'s June 30, 2020 financial statements, and we expressed an unqualified opinion on those audited financial statements in our report dated November 5, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



GLASS JACOBSON, P.A.

Rockville, Maryland

January 4, 2022

**MONTGOMERY COUNTY HUMANE SOCIETY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 807,477	\$ 585,854
Investments	4,384,260	3,222,255
Accounts and contributions receivable	46,812	43,345
Inventory - thrift shop	46,483	30,116
Prepaid expenses	10,177	12,501
Assets restricted to investment in land, buildings, furniture and equipment (Note 2)	3,067,044	3,102,808
Deposits	<u>10,390</u>	<u>10,390</u>
Total current assets	<u>8,372,643</u>	<u>7,007,269</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 8,372,643</u></u>	<u><u>\$ 7,007,269</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 15,695	\$ 41,591
Accrued expenses	70,675	67,125
Deferred revenue - dog walk	-	17,800
Deferred Revenue - PPP	-	61,219
Lease obligation liability	<u>10,401</u>	<u>25,735</u>
Total current liabilities	<u>96,771</u>	<u>213,470</u>
<b>NET ASSETS</b>		
Without donor restrictions (note 4)	8,275,872	6,739,278
With donor restrictions	<u>-</u>	<u>54,521</u>
Total net assets	<u>8,275,872</u>	<u>6,793,799</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 8,372,643</u></u>	<u><u>\$ 7,007,269</u></u>

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

**MONTGOMERY COUNTY HUMANE SOCIETY, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021 NET ASSETS WITHOUT DONOR RESTRICTIONS	2021 NET ASSETS WITH DONOR RESTRICTIONS	2021 TOTAL	2020 TOTAL
<b>SUPPORT AND REVENUE</b>				
Contributions & grants	\$ 1,368,357	\$ 65,000	\$ 1,433,357	\$ 1,146,890
Grant - PPP	54,044	-	54,044	154,018
Contributions - in-kind	10	-	10	6,250
Contributions (loss) - wagging tails (net of expenses of \$459,053)	73,737	-	73,737	(66,979)
Special events	42,143	-	42,143	20,868
Program service fees	125,253	-	125,253	70,595
Investment income, net	809,083	-	809,083	54,619
Miscellaneous	15,171	-	15,171	2,730
United Way / CFC	49,288	-	49,288	45,987
Gain on sale of fixed asset	500	-	500	-
Net assets released from restrictions satisfied by payments	119,521	(119,521)	-	-
Total support and revenue	<u>2,657,107</u>	<u>(54,521)</u>	<u>2,602,586</u>	<u>1,434,978</u>
<b>EXPENSES</b>				
Program services				
Society	775,720	-	775,720	756,188
Aspin Hill	87,010	-	87,010	78,966
Total program services	<u>862,730</u>	<u>-</u>	<u>862,730</u>	<u>835,154</u>
Supporting services				
Management and general	73,835	-	73,835	92,094
Fundraising	183,948	-	183,948	185,055
Total supporting services	<u>257,783</u>	<u>-</u>	<u>257,783</u>	<u>277,149</u>
Total expenses	<u>1,120,513</u>	<u>-</u>	<u>1,120,513</u>	<u>1,112,303</u>
<b>CHANGE IN NET ASSETS</b>	1,536,594	(54,521)	1,482,073	322,675
<b>NET ASSETS - BEGINNING</b>	<u>6,739,278</u>	<u>54,521</u>	<u>6,793,799</u>	<u>6,471,124</u>
<b>NET ASSETS - ENDING</b>	<u>\$ 8,275,872</u>	<u>\$ -</u>	<u>\$ 8,275,872</u>	<u>\$ 6,793,799</u>

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

**MONTGOMERY COUNTY HUMANE SOCIETY, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021						2020
	SOCIETY	ASPIN HILL	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND-RAISING	TOTAL SUPPORTING SERVICES	TOTAL EXPENSES
Advertising and marketing	\$ 2,354	\$ -	\$ 2,354	\$ -	\$ 63	\$ 63	\$ 2,417
Animal Care and treatment	45,142	850	45,992	-	-	-	45,992
Auto and truck expense	11,607	-	11,607	-	-	-	11,607
Communications	10,220	-	10,220	-	-	-	10,220
Depreciation	51,196	8,791	59,987	134	-	134	60,121
Employee benefits	20,895	2,044	22,939	-	4,202	4,202	27,141
Fund drive	-	-	-	-	4,790	4,790	4,790
Insurance	16,189	1,716	17,905	-	22	22	17,927
Merchandise	-	-	-	-	175	175	175
Office supply and expense	17,830	112	17,942	3,603	11,344	14,947	32,889
Other taxes	2,020	5,288	7,308	-	-	-	7,308
Payroll taxes	43,303	3,377	46,681	717	7,750	8,467	55,148
Permits and repairs	16,790	22,653	39,443	-	-	-	39,443
Postage and shipping	217	-	217	-	19,769	19,769	19,986
Printing	456	-	456	-	35,539	35,539	35,995
Professional fees/legal	-	-	-	60,006	-	60,006	60,006
Rent and utilities	20,492	381	20,873	-	-	-	20,873
Salaries	514,154	41,798	555,952	9,375	100,294	109,669	665,621
Web costs	2,854	-	2,854	-	-	-	2,854
<b>TOTAL EXPENSES</b>	<b>\$ 775,720</b>	<b>\$ 87,010</b>	<b>\$ 862,730</b>	<b>\$ 73,835</b>	<b>\$ 183,948</b>	<b>\$ 257,783</b>	<b>\$ 1,120,513</b>

**TOTAL EXPENSES**

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

**MONTGOMERY COUNTY HUMANE SOCIETY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,482,073	\$ 322,675
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities:		
Depreciation	60,121	60,157
Realized (gain) / loss on investments	(97,298)	(10,913)
Unrealized (gain) / loss on investments	(667,011)	45,471
(Gain) / loss on disposal of equipment	(500)	-
Forgiveness of Cares Act/PPP Loan	(61,219)	(144,018)
(Increase) decrease in assets:		
Accounts and contributions receivable	(3,466)	640
Inventory	(16,367)	25,005
Prepaid expenses	2,324	(798)
Increase (decrease) in liabilities:		
Accounts payable	(25,896)	11,672
Accrued expenses	3,550	18,749
Deferred income	(17,800)	17,800
Lease liability	(15,334)	(11,130)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>643,177</u>	<u>335,310</u>
<b>NET CASH FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(24,357)	(95,480)
Purchase of investments	(1,318,572)	(779,526)
Contribution of investments	(715)	(1,707)
Sale of investments	922,090	459,269
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(421,554)</u>	<u>(417,444)</u>
<b>NET CASH FROM FINANCING ACTIVITIES</b>		
Loans received	-	205,237
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>-</u>	<u>205,237</u>
<b>NET INCREASE IN CASH</b>	221,623	123,103
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>585,854</u>	<u>462,751</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 807,477</u>	<u>\$ 585,854</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Interest Expense	<u>-</u>	<u>-</u>

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



**MONTGOMERY COUNTY HUMANE SOCIETY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES AND FINANCIAL POLICIES**

**Organization**

The Montgomery County Humane Society, Inc. (the Society) was incorporated in 1958 to serve the community with animal welfare services. Its mission is "Ending animal homelessness through education, outreach and adoption, while saving lives and supporting the bond between pets and their families."

**Basis of presentation**

Financial statement presentation complies with FASB ASC 958-205. Under FASB ASC 958-205, the Society 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 Society is required to present a statement of cash flows.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended June 30, 2020, from which the summarized information was derived. In addition, some account groupings have been changed to conform to the current year presentation.

**Revenue recognition**

Contributions, grants and other revenues are recognized when earned. Contributions and grants without donor restrictions are reported as revenue in the year in which payments are received and/or unconditional promises are made. The Society reports gifts of cash and other assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the accompanying statement of activities as net assets released from restrictions. Contributions and grants with donor restrictions whose restrictions are met in the same reporting period are reported as contributions or grants without donor restrictions in the accompanying statement of activities.

Noncash contributions which have a readily determinable market value or which are intended for internal use by the Society (such as equipment or supplies) are recorded as revenue based upon their market value at the date of donation. Noncash contributions, which do not have a readily determinable market value or are not intended for internal use by the Society (such as clothing and furniture donations to be sold at the thrift store) are not recorded as revenue until a reliable estimate of fair value is determined or they are converted to cash.

**MONTGOMERY COUNTY HUMANE SOCIETY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES AND FINANCIAL POLICIES (CONTINUED)**

**Classification of net assets**

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

- With Donor Restrictions: Net assets subject to donor-imposed stipulations that specifically restrict funds for use of various purposes or time periods.
- Without Donor Restrictions: Net assets not subject to donor-imposed stipulations are available for support of the Society's operations.

**Cash and cash equivalents**

The Society considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

**Investments**

The Society carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities and changes in net assets.

**Property and equipment**

Property and equipment are stated at cost. Items costing less than \$500 are charged to expense when acquired. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to forty years. Leasehold and capital improvements are amortized over the life of the asset. The costs of maintenance and repairs are recorded as expenses are incurred.

**Income taxes**

The Society is a not-for-profit organization as defined under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Society is not a private foundation.

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**MONTGOMERY COUNTY HUMANE SOCIETY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES AND FINANCIAL POLICIES (CONTINUED)**

**Functional allocation of expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include, but not limited to, depreciation, office and occupancy costs, salaries, and benefits. All of these shared costs are allocated based on salary percentages. Salary percentages are determined on the basis of estimates of time and effort.

**Thrift store inventory**

Inventory is stated at the lower of cost or net realizable value. All thrift store inventory is comprised of donated merchandise. The value at June 30, 2021 is based upon the subsequent month sales. Throughout the year, donated inventory items are valued upon sale.

**NOTE 2 - ASSETS RESTRICTED TO INVESTMENT IN LAND, BUILDING, FURNITURE AND EQUIPMENT**

Assets restricted to investment in land, building, furniture and equipment at June 30, 2021 consisted of:

Land	\$ 1,890,952
Buildings	1,374,816
Furniture and Equipment	171,608
Vehicles	31,757
Leasehold and Capital Improvements	381,936
Less: Accumulated Depreciation	( 784,025)
Assets restricted to investment in land, building, furniture and equipment	<u>\$ 3,067,044</u>

Depreciation of furniture and equipment for the year ended June 30, 2021 was \$60,122.

**NOTE 3 - INVESTMENTS**

The Society's investments at June 30, 2021 are recorded at fair market value and consist of the following:

	Adjusted Basis	Fair Market Value	Realized Gain/ (Loss)	Unrealized Gain/ (Loss)
Equities	\$ 4,761	\$ 3,310	\$ -	\$ 1,451
Equity Funds	<u>5,143,808</u>	<u>4,380,950</u>	<u>97,298</u>	<u>665,560</u>
Total	<u>\$ 5,148,569</u>	<u>\$ 4,384,260</u>	<u>\$ 97,298</u>	<u>\$ 667,011</u>

**MONTGOMERY COUNTY HUMANE SOCIETY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 4 - NET ASSETS RELEASED FROM RESTRICTIONS**

The Society's net assets without donor restrictions for the year ended June 30, 2021 are as follows:

Undesignated	\$ <u>8,275,872</u>
Total Net Assets without Donor Restrictions	\$ <u><u>8,275,872</u></u>

**NOTE 5 - LEASE COMMITMENTS**

At June 30, 2021, the Society was obligated under one lease agreement. The minimum rental payments over the life of the lease are as follows:

For the period ended January 31, 2022	\$ <u>85,683</u>
Total	\$ <u><u>85,683</u></u>

Total rent charged to operations for the year ended June 30, 2021 was \$183,653.

**NOTE 6 - DESCRIPTION OF PROGRAM SERVICES**

The following program services are included in the accompanying financial statements:

SOCIETY - The Society's programs provide services for more than one million Montgomery County residents and their pets. These programs are funded through individual donations, grants, fundraising events and program revenue. The services provided to animals and the Society's patrons include: Animal rescues from public shelters; veterinary and preventive care; spay and neuter; socialization, training and enrichment; pet adoptions and adoption counseling; volunteer recruitment, training and coordination; humane education for children, teens and adults; and community outreach programs. The Society also operates a low-cost spay/neuter and vaccination clinic as a community service, and offers a pet food pantry to help support local pet owners in need.

ASPIN HILL - The Aspin Hill Memorial Park is a historic property that was gifted to MCHS in the fiscal year ended June 30, 2007. It is believed to be the second-oldest pet cemetery in the United States. MCHS currently continues to operate the cemetery and provides limited interment services. In the future, the Society plans to rehabilitate and use the 7.79 acre parcel for animal rescue, care and adoption; humane education classes; a base for community outreach and other animal welfare programs and Society offices, in addition to operating the pet cemetery. The use of the Aspin Hill property is restricted by covenants.

**MONTGOMERY COUNTY HUMANE SOCIETY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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WAGGING TAILS - The Wagging Tails Thrifts and Gifts store was founded for the sole purpose of supporting the Society's many life-saving programs. All revenues generated from the store are shown as net of expenses on the statement of activities.

**NOTE 7 - CONCENTRATION**

For the fiscal year ended June 30, 2021, The Society received 64% of its income from contributions, and 36% from other sources.

**NOTE 8 - CONCENTRATION OF CREDIT RISK**

The Society maintains several bank accounts. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2021, none of The Society's cash balances exceeded federally insured limits.

**NOTE 9 - INCOME TAXES**

For the fiscal year ended June 30, 2021, the Society has documented its consideration of FASB ASC 740-10, *Income Taxes*, and determined that there are no material uncertain tax positions qualifying for either recognition or disclosure in the financial statements.

The Society's federal Exempt Organization Tax Returns (Form 990) for 2018, 2019 and 2020 are subject to examination by the IRS, generally for three years after they are filed.

**NOTE 10 - CONTINGENCY**

The Society and another similar, yet unrelated, not-for-profit organization were originally deeded 181 acres of land in Urbana, Maryland as joint custodians in 1989. All of the land was eventually sold, with the exception of a small parcel of wetlands property on which a billboard and large power lines are now standing. On the Society's books, the sale was recorded as a sale of the entire parcel. There is no deed in existence for the remaining land. Given the nature of the property, the legal restrictions on it, and the lack of a saleable deed, the value of the property has been unknown and has not been carried on the books of the Society. In November 2020, the Maryland Department of Transportation contacted the Society regarding acquiring rights to a portion of the property for bridge construction. Negotiations are ongoing regarding a potential purchase of part or all of the subject property.

**NOTE 11 - FAIR VALUE MEASUREMENTS**

The Society follows FASB ASC 820-10 for a single definition and framework for measuring fair value and expanded disclosures resulting in increased consistency and comparability in fair value measurements. At June 30, 2021, there were no items being carried at fair value on a recurring basis under FASB ASC 820-10. Items carried at fair

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value on a non-recurring basis generally consist of assets held for sale. The Society also uses fair value concepts to test various long-lived assets for impairment.

**NOTE 11 - FAIR VALUE MEASUREMENTS (CONTINUED)**

FASB ASC 820-10 requires that fair value be determined by providing a fair value hierarchy consisting of three levels, generally ranging from the most objective determination of fair value to the most subjective. The levels vary depending on the objectivity of the information used in valuation techniques to determine fair value. These levels are referred to as categories of input into those techniques. The three general valuation levels that may be used to measure fair value are as described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Society's has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair market value. They are the most subjective, are generally based on the entity's own assumptions on how knowledgeable parties would price assets or liabilities, and are developed using the best information available in the circumstances.

The following table sets forth, by level, within the fair value hierarchy, the Society's assets, liabilities, and fair value as of June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Equities	\$ 3,310	\$ -	\$ -	\$ 3,310
Equity funds	<u>4,380,950</u>	<u>-</u>	<u>-</u>	<u>4,380,950</u>
	<u>\$ 4,384,260</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,384,260</u>

Investments in marketable securities may be exposed to various risks such as interest rate, market, and credit risks and it is at least reasonably possible that the fair value of securities can significantly decline.

**MONTGOMERY COUNTY HUMANE SOCIETY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11 - FAIR VALUE MEASUREMENTS (CONTINUED)**

Interest and dividends	\$ 70,269
Realized gains	97,298
Unrealized gains (losses)	<u>667,011</u>
	834,578
Less: investment expense	<u>25,495</u>
Net return on investments	<u>\$ 809,083</u>

All assets have been valued using market approach. There have been no changes in valuation techniques and related inputs.

The carrying values of cash, trade assets and trade liabilities, such as accounts receivable and accounts payable and accrued expenses approximates fair value due to the relatively short maturity of these instruments.

**NOTE 12 - SUBSEQUENT EVENTS**

Subsequent events are defined as events or transactions that occur after the statement of financial position date through the date the financial statements are available to be issued. Management has performed an evaluation as of January 4, 2022, the date the financial statements were available to be issued, that there are no subsequent events requiring disclosure that have not been properly disclosed.

**NOTE 13 - LIQUIDITY**

The following reflects the Society's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Cash and cash equivalents	\$ 807,477
Investments	4,384,260
Accounts Receivable	<u>46,812</u>
Financial assets, at year-end	5,238,549
Less: Donor restricted funds	( <u>-</u> )
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 5,238,549</u>

**MONTGOMERY COUNTY HUMANE SOCIETY, INC.**  
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The Society is supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Society

**NOTE 13 - LIQUIDITY (CONTINUED)**

must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year.

As a part of the Society's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the society invests cash in excess of daily requirements in short-term investments.