

**MONTGOMERY COUNTY HUMANE
SOCIETY, INC.**

Rockville, Maryland

FINANCIAL REPORT

JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Montgomery County Humane Society, Inc.
Rockville, Maryland

Opinion

We have audited the financial statements of Montgomery County Humane Society, Inc. (the "Society"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of as of June 30, 2024, and the changes in its net assets, functional expenses and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Society and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 the Society's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

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 GAAS, 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 the Society'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 the Society'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.

Report on Summarized Comparative Information

We have previously audited the Society's June 30, 2023 financial statements and we expressed an unqualified audit opinion on those audited financial statements in our report dated January 9, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Yount, Hyde & Barbours, P.C.

Winchester, Virginia
May 1, 2025

MONTGOMERY COUNTY HUMANE SOCIETY, INC.

Statements of Financial Position

June 30, 2024 and 2023

Assets	2024	2023
Current Assets		
Cash and cash equivalents	\$ 1,696,385	\$ 1,110,427
Investments	6,003,275	5,214,223
Accounts and contributions receivable	194,944	37,802
Inventory - thrift store	56,571	54,665
Prepaid expenses	36,739	17,051
Property and equipment, net	3,264,907	3,032,403
Deposits	13,390	10,390
Total current assets	11,266,211	9,476,961
Other Assets , right-of-use assets - operating	615,675	747,297
Total assets	\$ 11,881,886	\$ 10,224,258
 Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 28,829	\$ 20,605
Accrued expenses	97,370	71,629
Deferred revenue	--	19,582
Current portion of operating lease liabilities	137,444	129,247
Total current liabilities	263,643	241,063
Operating Lease Liabilities , net of current portion	531,666	669,332
Net Assets		
Without donor restrictions	11,086,134	9,245,450
With donor restrictions	443	68,413
Total net assets	11,086,577	9,313,863
Total liabilities and net assets	\$ 11,881,886	\$ 10,224,258

See Notes to Financial Statements.

MONTGOMERY COUNTY HUMANE SOCIETY, INC.

Statements of Activities

For the Years Ended June 30, 2024 and 2023

	2024			2023
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Total
Support and Revenue				
Contributions and grants	\$ 1,682,797	\$ 301,259	\$ 1,984,056	\$ 1,501,321
Thrift store (net of expenses of \$533,431)	161,657	--	161,657	152,723
Special events	76,834	--	76,834	25,865
Program service fees	472,206	--	472,206	369,180
Investment return, net	625,357	--	625,357	411,734
Miscellaneous	944	--	944	8,989
United Way / CFC	48,790	--	48,790	50,337
Net assets released from restrictions	369,229	(369,229)	--	--
Total support and revenue	3,437,814	(67,970)	3,369,844	2,520,149
Expenses				
Program services				
Society	1,204,440	--	1,204,440	1,108,250
Aspin Hill	94,558	--	94,558	75,249
Total program services	1,298,998	--	1,298,998	1,183,499
Supporting services				
Management and general	63,294	--	63,294	54,162
Fundraising	234,838	--	234,838	211,162
Total supporting services	298,132	--	298,132	265,324
Total expenses	1,597,130	--	1,597,130	1,448,823
Change in net assets	1,840,684	(67,970)	1,772,714	1,071,326
Net Assets, beginning	9,245,450	68,413	9,313,863	8,242,537
Net Assets, ending	\$ 11,086,134	\$ 443	\$ 11,086,577	\$ 9,313,863

See Notes to Financial Statements.

MONTGOMERY COUNTY HUMANE SOCIETY, INC.

Statements of Functional Expenses
For the Years Ended June 30, 2024 and 2023

	2024					2023		
	Society	Aspin Hill	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
Advertising and marketing	\$ 753	\$ 218	\$ 971	\$ --	\$ 4,273	\$ 4,273	\$ 5,244	\$ 2,094
Animal care and treatment	126,148	827	126,975	--	--	--	126,975	115,115
Auto and truck expense	11,816	--	11,816	--	--	--	11,816	9,295
Communications	10,675	--	10,675	--	--	--	10,675	9,077
Depreciation	40,534	8,791	49,325	--	--	--	49,325	63,861
Employee benefits	18,826	1,044	19,870	474	4,020	4,494	24,364	23,824
Fund drive	--	--	--	--	5,188	5,188	5,188	5,838
Insurance	28,058	1,320	29,378	55	240	295	29,673	25,831
Merchandise	--	--	--	--	1,677	1,677	1,677	1,174
Office supply and expense	38,071	23	38,094	3,034	31,249	34,283	72,377	56,935
Other taxes	2,152	5,668	7,820	--	--	--	7,820	7,569
Payroll taxes	60,447	2,857	63,304	939	8,271	9,210	72,514	67,379
Permits and repairs	34,064	35,773	69,837	--	--	--	69,837	53,485
Postage and shipping	27	--	27	--	21,181	21,181	21,208	23,277
Printing	--	--	--	--	45,607	45,607	45,607	49,045
Professional fees/legal	--	--	--	46,660	--	46,660	46,660	37,410
Salaries	804,550	37,122	841,672	12,132	113,132	125,264	966,936	861,490
Utilities	25,373	915	26,288	--	--	--	26,288	30,934
Web costs	2,946	--	2,946	--	--	--	2,946	5,190
Total expenses	\$ 1,204,440	\$ 94,558	\$ 1,298,998	\$ 63,294	\$ 234,838	\$ 298,132	\$ 1,597,130	\$ 1,448,823

See Notes to Financial Statements.

MONTGOMERY COUNTY HUMANE SOCIETY, INC.

Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ 1,772,714	\$ 1,071,326
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	52,094	63,861
Unrealized (gain) on investments	(512,942)	(303,827)
Right-of-use asset amortization	131,622	128,002
(Increase) decrease in assets:		
Accounts and contributions receivable	(157,142)	(156)
Inventory	(1,906)	(2,795)
Prepaid expenses	(19,688)	(5,932)
Deposits	(3,000)	--
Increase (decrease) in liabilities:		
Accounts payable	8,224	(761)
Accrued expenses	25,741	(4,260)
Deferred revenue	(19,582)	19,582
Operating lease liabilities	(129,469)	(121,210)
Net cash provided by operating activities	1,146,666	843,830
Cash Flows from Investing Activities		
Purchase of fixed assets	(284,598)	(15,538)
Purchase of investments	(746,719)	(503,040)
Proceeds from sale of investments	470,609	29,694
Net cash (used in) investing activities	(560,708)	(488,884)
Net increase in cash	585,958	354,946
Cash and Cash Equivalents, at beginning of year	1,110,427	755,481
Cash and Cash Equivalents, at end of year	\$ 1,696,385	\$ 1,110,427
Supplemental Schedule of Noncash Operating Investing and Financing Activities, right-of-use assets and lease liabilities recognized with the adoption of ASC 842, <i>Leases</i>		
	\$ --	\$ 875,299

See Notes to Financial Statements.

MONTGOMERY COUNTY HUMANE SOCIETY, INC.

Notes to Financial Statements

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, 2023, from which the summarized information was derived. In addition, some account groupings have been changed to conform to the current year presentation.

Revenue Recognition

The Society recognizes revenue in accordance with ASC Topic 606. This standard provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

Nature of Products and Services

Program service fees include adoption, spay and neuter, vaccine and microchip fees. Program service fees, special event revenue and thrift store sales are exchange transactions and are recognized as revenue at the point in time the goods or services are provided.

Transaction Price

The transaction price is the amount of consideration to which the Society expects to be entitled in exchange for transferring goods and services to the customer.

Notes to Financial Statements

Contract Balances

Funds received by the Society relating to revenue generating activities of future reporting periods would be recorded as a contract liability (deferred revenue) on the statement of financial position. There was no deferred revenue as of June 30, 2024. Deferred revenue of \$19,582 was recorded at June 30, 2023. The Society does not recognize revenue in advance of the right to invoice and therefore has not recorded a contract asset as of June 30, 2024 and 2023.

Contributions and Grants

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.

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.

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.

Notes to Financial Statements

Accounts and contributions receivable

Accounts receivable are recorded at their net realizable value, which approximates fair value. The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the donor and customer. There was no allowance for doubtful accounts as of June 30, 2024.

Contributions receivable that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. The discounts on these accounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants and contributions revenue. There was no discount as of June 30, 2024.

Property and Equipment

Property and equipment are stated at cost. Items costing less than \$1,000 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 as 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.

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, 2024 and 2023 is based upon the subsequent month sales. Throughout the year, donated inventory items are valued upon sale.

Notes to Financial Statements

Leases

The Society determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Society also considers whether its service arrangements include the right to control the use of an asset.

The Society recognizes most leases on its statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the income statement.

The Society made an accounting policy election not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, the Society made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed-rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable, they will be incurred.

The Society has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate, vehicle and equipment asset classes. The non-lease components typically represent additional services transferred to the Society, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Recently Adopted Accounting Pronouncement

The Company adopted ASC 326, Financial Instruments--Credit Losses, as of July 1, 2023, with the cumulative-effect transition method with the required prospective approach. The measurement of expected credit losses under the current expected credit loss ("CECL") methodology is applicable to financial assets measured at amortized cost, which include accounts and contributions receivable. An allowance for credit losses under the CECL methodology is determined using the loss-rate approach and measured on a collective (pool) basis when similar risk characteristics exist. Where financial instruments do not share risk characteristics, they are evaluated on an individual basis. The CECL allowance is based on relevant available information, from internal and external sources, relating to past events, current conditions and reasonable and supportable forecasts. The allowance for credit losses as of June 30, 2024, and change in the allowance for credit losses during the year ended June 30, 2024, was not material to the financial statements.

Notes to Financial Statements

Note 2. Property and Equipment

Property and equipment at June 30, 2024 consisted of:

Land	\$	1,890,953
Buildings		1,409,184
Furniture and equipment		206,832
Vehicles		31,757
Leasehold and capital improvements		683,873
		4,222,599
Less: accumulated depreciation		(957,692)
		\$ 3,264,907

Depreciation of furniture and equipment for the year ended June 30, 2024 was \$52,094.

Note 3. Investments

The Society's investments at June 30, 2024 are recorded at fair market value and consist of the following:

	<u>Cost Basis</u>	<u>Fair Market Value</u>	<u>Unrealized Appreciation</u>
Cash and cash equivalents	\$ 3,310	\$ 3,310	\$ - -
Mutual funds	539,728	832,059	292,331
Exchange traded funds	4,107,316	5,167,906	1,060,590
Total	\$ 4,650,354	\$ 6,003,275	\$ 1,352,921

Note 4. Lease Commitments

At June 30, 2024, the Society was obligated under lease for building space in Rockville, Maryland. The office lease will expire in 2028.

Total rent expense recognized for the Society's lease, for the year ended June 30, 2024 was \$212,386. This amount is included as thrift store expenses on the statements of activities. As of June 30, 2024, the Society's weighted average discount rate was 2.78% and weighted average remaining lease term was 4.33 years. The lease requires monthly rent payments of \$11,834 with an annual escalation of 3-4%.

Notes to Financial Statements

The following table summarizes the maturity of the Society's lease liabilities on an undiscounted cash flow basis and a reconciliation to the lease liabilities recognized in the Society's statement of financial position.

Year Ending June 30,

2025	\$	154,317
2026		159,986
2027		166,385
2028		173,040
2029		<u>58,429</u>
Total lease payments		712,157
Less imputed interest		<u>(43,048)</u>
Total present value of lease liabilities		669,110
Less current portion		<u>(137,444)</u>
	\$	<u>531,666</u>

Note 5. 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 fundraising events, individual donations, grants 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 and enrichment; pet adoptions and adoption counseling; volunteer recruitment, training, and coordination; humane education for children, teens and adults; and community outreach programs.

Aspin Hill

The Aspin Hill Memorial Park is a historic property that was gifted to the Society in the fiscal year ended June 30, 2007. It is believed to be one of the oldest pet cemetery in the United States. The Society 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.

Thrift Store

The thrift 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.

Notes to Financial Statements

Note 6. Concentration

For the fiscal year ended June 30, 2024, The Society received 69% of its income from contributions, and 31% from other sources.

Note 7. Concentration Of Credit Risk

The Society considers cash in demand deposit, money market accounts, and other highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The balances in these accounts at times may exceed federally insured limits. However, the Society does not believe it is subject to any significant credit risk as a result of these deposits.

Note 8. Income Taxes

The Society is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code as a publicly supported organization. However, the Society is subject to tax on net income derived from any such unrelated business activities as provided for under the current tax law. To date, the Society has not engaged in any such activities.

The Society follows the provisions of FASB ASC 740-10-25, Accounting for Uncertainty in Income Taxes, which clarifies the accounting and recognition for income tax positions taken or expected to be taken in the Society's income tax returns. The Society's income tax filings are subject to audit by various taxing authorities within the three year open audit periods of 2020–2022. For the year ended June 30, 2024, the Society has documented its consideration of FASB ASC 740-10 and determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Note 9. 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, 2024, there were no items being carried at fair value on a recurring basis under FASB ASC 820-10. Items carried at fair 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.

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.

Notes to Financial Statements

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, 2024:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 3,310	\$ --	\$ --	\$ 3,310
Mutual funds	832,059	--	--	832,059
Exchange traded funds	<u>5,167,906</u>	<u>--</u>	<u>--</u>	<u>5,167,906</u>
	<u>\$ 6,003,275</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,003,275</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.

Interest and dividends	\$ 210,185
Realized (loss)	(62,062)
Unrealized gain	512,942
Investment fees	<u>(35,708)</u>
Net return on investments	<u>\$ 625,357</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.

Notes to Financial Statements

Note 10. Net Assets With Donor Restrictions

Net assets with donor restrictions include donor restricted funds which are only available for specific program activities or general support designated for future years. Net assets with donor restrictions at June 30, 2024 are as follows:

	Balance June 30, 2023	Additions	Expense Released	Balance June 30, 2024
Aspin Hill	\$ 67,916	\$ 183,611	\$251,527	\$ --
Spay/ Neuter Clinic	--	117,648	117,648	--
Society - Pet Food Pantry	497	--	54	443
Total	\$ 68,413	\$ 301,259	\$ 369,229	\$ 443

Note 11. Liquidity

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

Cash and cash equivalents	\$ 1,696,385
Investments	6,003,275
Accounts and contributions receivable	194,944
Financial assets, at year-end	7,894,604
Less: donor restricted funds not available	(443)
Financial assets available to meet cash needs for general expenditure within one year	\$ 7,894,161

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 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.

Note 12. Subsequent Events

Management has performed an evaluation as of May 1, 2025, the date the financial statements were available to be issued, that there are no subsequent events requiring disclosure that have not been properly disclosed.