

**MONTGOMERY COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS**

**FINANCIAL STATEMENTS**

*Years Ended December 31, 2021 and 2020*

**MONTGOMERY COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS**

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**YEARS ENDED DECEMBER 31, 2021 AND 2020**

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## ***Independent Auditors' Report***

To the Board of Directors  
Montgomery County Society for the  
Prevention of Cruelty to Animals  
Conshohocken, Pennsylvania

### ***Opinion***

We have audited the accompanying financial statements of the Montgomery County Society for the Prevention of Cruelty to Animals (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, 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 accompanying financial statements present fairly, in all material respects, the financial position of Montgomery County Society for the Prevention of Cruelty to Animals as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with the 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 (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 Montgomery County Society for the Prevention of Cruelty to Animals 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.

### ***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.

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 Montgomery County Society for the Prevention of Cruelty to Animals' ability to continue as a going concern for one year after the date that the financial statements are issued.

To the Board of Directors  
Montgomery County Society for the  
Prevention of Cruelty to Animals  
Conshohocken, Pennsylvania

### ***Auditors' Responsibility***

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 GAAS 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 in 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS we:

- Exercise professional judgement 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 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 Montgomery County Society for the Prevention of Cruelty to Animals' 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Montgomery County Society for the Prevention of Cruelty to Animals' 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.

### ***Emphasis of Matter***

As discussed in Note G, the spread of the COVID-19 coronavirus is affecting the United States and global economies and may have an impact on Montgomery County Society for the Prevention of Cruelty to Animals' operational and financial performance. At this point, Montgomery County Society for the Prevention of Cruelty to Animal cannot reasonably estimate the future impact on its operations or financial results. Our opinion is not modified with respect to this matter.



Limerick, Pennsylvania  
April 21, 2022

**MONTGOMERY COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS**

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,065,968	\$ 1,960,859
Investments	58,866,333	51,801,310
TOTAL CASH AND INVESTMENTS	<u>60,932,301</u>	<u>53,762,169</u>
Inventories	40,285	37,523
Prepaid expenses	32,686	33,583
Accrued income	72,686	5,560
Bequest receivable	172,500	250,000
TOTAL CURRENT ASSETS	<u>61,250,458</u>	<u>54,088,835</u>
LAND, BUILDINGS AND EQUIPMENT, net	<u>1,627,677</u>	<u>1,721,755</u>
TOTAL ASSETS	<u>\$ 62,878,135</u>	<u>\$ 55,810,590</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 37,349	\$ 40,909
Accrued payroll and payroll taxes	20,963	19,818
TOTAL CURRENT LIABILITIES	<u>58,312</u>	<u>60,727</u>
NET ASSETS		
Without donor restrictions	61,806,306	54,777,277
With donor restrictions	1,013,517	972,586
TOTAL NET ASSETS	<u>62,819,823</u>	<u>55,749,863</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 62,878,135</u>	<u>\$ 55,810,590</u>

See accompanying notes.

**MONTGOMERY COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS**

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and revenue		
Shelter operations		
Small animals	\$ 63,977	\$ 56,512
Adoptions	44,785	35,536
Resale items	17,091	13,084
Other operating revenue	469,246	339,609
Public support		
Memberships	132,633	129,920
Fall appeal	120,247	82,373
Miscellaneous donations	113,484	57,625
Estates and donations	1,078,709	1,458,042
Municipal appropriations	-	7,630
Net investment income	7,361,533	4,517,502
TOTAL SUPPORT AND REVENUE	<u>9,401,705</u>	<u>6,697,833</u>
Operating expenses		
Program services	1,872,820	1,880,962
Management and general	485,059	479,625
Fundraising	14,797	31,061
TOTAL OPERATING EXPENSES	<u>2,372,676</u>	<u>2,391,648</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>7,029,029</u>	<u>4,306,185</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Net investment income	<u>40,931</u>	<u>49,063</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>40,931</u>	<u>49,063</u>
CHANGE IN NET ASSETS	7,069,960	4,355,248
NET ASSETS AT BEGINNING OF YEAR	<u>55,749,863</u>	<u>51,394,615</u>
NET ASSETS AT END OF YEAR	<u>\$ 62,819,823</u>	<u>\$ 55,749,863</u>

See accompanying notes.

**MONTGOMERY COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS**

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			Totals
	Program Services	Management and General	Fundraising	
FUNCTIONAL EXPENSES				
Salaries, officers	\$ 6,736	\$ 217,793	\$ -	\$ 224,529
Salaries	930,438	103,382	-	1,033,820
Employee benefits	165,548	18,394	-	183,942
Payroll taxes	99,675	11,075	-	110,750
Accounting fees	-	24,691	-	24,691
Legal and professional fees	-	5,283	-	5,283
Office	7,107	7,108	-	14,215
Telephone	9,757	9,758	-	19,515
Occupancy	321,910	56,808	-	378,718
Training expenses	662	-	-	662
Depreciation	93,083	16,426	-	109,509
Shelter	68,870	-	-	68,870
Veterinarian	109,982	-	-	109,982
Residence and horse farm	13,339	-	-	13,339
Publicity and humane education	33,152	-	-	33,152
Miscellaneous	-	5,983	-	5,983
Fundraising expenses	-	-	14,797	14,797
Resale items	4,204	-	-	4,204
Vehicle expenses	8,357	8,358	-	16,715
TOTAL FUNCTIONAL EXPENSES	\$ <u>1,872,820</u>	\$ <u>485,059</u>	\$ <u>14,797</u>	\$ <u>2,372,676</u>

See accompanying notes.

2020

<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Totals</u>
\$ 6,678	\$ 215,900	\$ -	\$ 222,578
926,196	102,911	-	1,029,107
244,463	27,163	-	271,626
82,009	9,112	-	91,121
-	18,578	-	18,578
-	10,819	-	10,819
8,503	8,503	-	17,006
8,736	8,736	-	17,472
302,682	53,415	-	356,097
1,591	-	-	1,591
88,862	15,682	-	104,544
60,448	-	-	60,448
94,463	-	-	94,463
30,314	-	-	30,314
19,675	-	-	19,675
-	3,319	-	3,243
-	-	31,061	31,061
855	-	-	855
<u>5,487</u>	<u>5,487</u>	<u>-</u>	<u>10,974</u>
<u>\$ 1,880,962</u>	<u>\$ 479,625</u>	<u>\$ 31,061</u>	<u>\$ 2,391,648</u>



**MONTGOMERY COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS**

STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 7,069,960	\$ 4,355,248
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	109,509	104,544
Realized gain on investments	(3,636,786)	(824,181)
Unrealized gain on investments	(3,161,319)	(3,237,300)
(Increase) decrease in		
Inventories	(2,762)	(476)
Prepaid expenses	897	10,272
Accrued income	(67,126)	(5,560)
Bequest receivable	77,500	(250,000)
Increase (decrease) in		
Accounts payable	(3,560)	(27,798)
Accrued payroll and payroll taxes	1,145	(27,033)
<b>NET CASH PROVIDED BY     OPERATING ACTIVITIES</b>	<u>387,458</u>	<u>97,716</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(4,648,505)	(5,988,229)
Sale of investments	4,381,587	7,027,112
Sale of equipment and building improvements	(15,431)	(30,889)
<b>NET CASH PROVIDED (USED) BY     INVESTING ACTIVITIES</b>	<u>(282,349)</u>	<u>1,007,994</u>
NET INCREASE IN CASH	105,109	1,105,710
CASH AT BEGINNING OF YEAR	<u>1,960,859</u>	<u>855,149</u>
CASH AT END OF YEAR	<u>\$ 2,065,968</u>	<u>\$ 1,960,859</u>

See accompanying notes.

# **MONTGOMERY COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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## **NOTE A - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

### **Nature of Organization**

The Montgomery County Society for the Prevention of Cruelty to Animals (the "Society") is a nonprofit organization located in Montgomery County. The objectives of the Society are to support and maintain one or more shelters and staff for the humane housing of stray, unwanted, or abused animals; to procure safe and caring homes for the animals by all appropriate means; to promote humane education by all appropriate means; to maintain a clinic for the health of the animals and population control; to provide effective measures for the prevention of cruelty to animals; and for the enforcement of all laws enacted for the protection of all animals within its corporate limits.

### **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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Functional Allocation of Expenses**

Expenses are summarized and categorized based upon their functional allocation as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses 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 depreciation and occupancy costs, which are allocated on a square footage basis, as well as salaries and employee benefits which are allocated based on estimated time.

### **Basis of Accounting**

The financial statements are presented on an accrual basis, whereby revenues are recognized when earned and expenses when incurred.

### **Tax-Exempt Status**

The Society has been granted exemption from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Association takes the position that it has no net income derived from unrelated business activities and believes it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

# MONTGOMERY COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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## NOTE A - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Contributions

In accordance with FASB ASC 958-605, unconditional contributions are recognized immediately and classified as either net assets with donor restrictions or net assets without donor restrictions. Conditional contributions received are accounted for as a liability or are unrecognized initially, that is, until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with restrictions or net assets without restrictions.

### Revenue Recognition

Shelter and veterinary service fee revenues and retail sales are primarily recognized at the time products or services are delivered. Revenues are derived based on consideration specified in a contract with a customer. The Society's principal activities resulting in contracts with customers include retail operation sales, adoption fees, and benefits received from members and contributors.

- (i) **Retail Operation Sales**  
The performance obligation related to the retail operation sales is to provide the customer with the goods purchased. The transaction price is the stated retail price. The Society recognizes revenue from retail sales in the periods the goods or services are provided.
- (ii) **Adoption Fees**  
The performance obligation related to adoption fees is to provide the customer with the animal purchased. The transaction price is the set adoption fee based on the animal type. The Society recognizes revenue from adoption fees in the periods the animal is provided.
- (iii) **Memberships**  
Membership dues are based on fixed rate schedules at the beginning of the membership year and are nonrefundable. Membership dues comprise of an exchange element based upon the benefits provided to a member and a contribution element for the portion of the membership dues received in excess of the member benefits. The Society determines the value of the membership benefits based on the fair value of the benefits. The Society recognized revenue upon receipt or commitment of the entire value of the membership since there is not a significant variance in revenue recognized between recording membership revenue upon receipt as compared to recognizing revenues on a pro rata basis over the membership period. Because the benefits received from memberships have an original expected duration of one year or less, the Society has elected the practical expedient and not disclosed the value of unsatisfied performance obligations and expected timing for completion to these revenues.

**MONTGOMERY COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

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**NOTE A - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Disaggregation of Revenue**

A portion of the Society's revenue is from contracts with customers for membership dues and retail sales. In the following table, revenue is disaggregated by the timing transfer of goods and services.

	<u>2021</u>	<u>2020</u>
Goods and services transferred at a point in time	\$ 727,732	\$ 574,661
Goods and services transferred over time	<u>-</u>	<u>-</u>
	<u>\$ 727,732</u>	<u>\$ 574,661</u>

**Financial Statement Presentation**

Under Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958, the Society is required to report information regarding its financial position and activities according to two mutually exclusive classes according to the existence or absence of donor-imposed restrictions. See Net Assets with Donor Restrictions and Net Assets without Donor Restrictions.

**Net Assets with Donor Restrictions**

The part of net assets of the Society that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants). Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donors impose restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions.

When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the same reporting period in which the support is received and recognized.

**Net Assets without Donor Restrictions**

The part of net assets of the Society that is not subject to donor-imposed restrictions and may be used at the discretion of management and the board of directors.

# MONTGOMERY COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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## NOTE A - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Investments

Professional accounting standards require organizations to report investments at fair value and record unrealized gains and losses in the statements of activities.

### Cash

Cash includes cash in bank and cash invested in money market or equivalent-type investments.

### Custodial Credit Risk

The Society maintains its cash at various high-quality financial institutions. At times, such deposits may exceed federally insured limits and these amounts would be covered by other mechanisms such as private insurance. Management believes the credit risk related to these investments is minimal.

### Inventories

Inventories, which are carried at cost, consist of supplies held by the Society.

### Land, Buildings and Equipment

Land, buildings and equipment are carried at cost. Depreciation of buildings and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

The useful lives of property and equipment for purposes of computing depreciation and amortization are:

	<u>Years</u>
Land improvements	5-20
Buildings and improvements	5-39
Motorized equipment	5-7
Office equipment	5-7

### Recently Issued Pronouncement

During 2020, the Organization adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606) using the modified retrospective method. The core principle of ASU 2014-09 requires recognition of revenue to depict the transfer of goods or services to customers at an amount that reflects the consideration for what an organization expects it will receive in association with this exchange. The adoption of ASU 2014-09 did not impact the Organization's revenue recognition methodologies.

# MONTGOMERY COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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## NOTE A - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

### Date of Management's Review

Management has evaluated subsequent events through April 21, 2022, the date which the financial statements were available to be issued.

## NOTE B - INVESTMENTS AND FAIR VALUE MEASUREMENTS

Professional accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels.

*Level 1* inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the Society has the ability to access. *Level 2* inputs are other than quoted prices that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. *Level 3* inputs are unobservable inputs based on the assumptions used to measure assets and liabilities at fair value. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Society did not have Level 3 investments at December 31, 2021 and 2020.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgement, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Society's assessment of the quality, risk, or liquidity profile of the asset or liability.

A significant portion of the Society's investment assets are classified as Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values. The Society invests in CDs traded in the financial markets. Those CDs and U.S. government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2.

**MONTGOMERY COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

**NOTE B - INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

The following table presents assets and liabilities measured at fair value on a recurring basis, except those measured at cost at December 31, 2021:

Assets	Total	Fair Value Measures at 12/31/2021 Using Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)
Cash and money market funds (at cost)	\$ 1,930,710	\$ -		\$ -
Equities:				
Mutual funds - domestic	34,806,671	34,806,671		-
Mutual funds - international	3,680,905	3,680,905		-
Fixed Income:				
Mutual funds - U.S. Government obligations	358,276	358,276		-
U.S. Government obligations	441,589	-		441,589
Mutual funds - Corporate bonds	10,451,601	10,451,601		-
Corporate bonds	8,824,449	-		8,824,449
Certificates of deposit	302,842	302,842		-
	<u>\$ 60,797,043</u>	<u>\$ 49,600,295</u>		<u>\$ 9,266,038</u>

The following table presents assets and liabilities measured at fair value on a recurring basis, except those measured at cost at December 31, 2020:

Assets	Total	Fair Value Measures at 12/31/20 Using Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)
Cash and money market funds (at cost)	\$ 1,830,522	\$ -		\$ -
Equities:				
Mutual funds - domestic	29,746,317	29,746,317		-
Mutual funds - international	3,445,955	3,445,955		-
Fixed Income:				
Mutual funds - U.S. Government obligations	359,070	359,070		-
U.S. Government obligations	75,554	-		75,554
Mutual funds - Corporate bonds	9,211,055	9,211,055		-
Corporate bonds	8,651,840	-		8,651,840
Certificates of deposit	311,520	311,520		-
	<u>\$ 53,631,833</u>	<u>\$ 43,073,917</u>		<u>\$ 8,727,394</u>

Investment fees in 2021 and 2020 were \$325,730 and \$274,267, respectively.

**MONTGOMERY COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

**NOTE C - LAND, BUILDINGS AND EQUIPMENT**

Land, buildings and equipment consist of the following:

	<u>2021</u>	<u>2020</u>
Main shelter		
Land	\$ 19,100	\$ 19,100
Land improvements	121,387	121,387
Buildings and improvements	2,140,555	2,140,555
Motorized equipment	269,302	459,512
Office equipment	471,198	461,201
Branch shelter, Perkiomenville		
Land	22,500	22,500
Land improvements	102,176	102,176
Buildings and improvements	1,443,497	1,443,497
Motorized equipment	84,418	84,418
Office equipment	206,080	202,213
Branch shelter, Abington		
Land	48,750	48,750
Land improvements	16,312	16,312
Building and improvements	1,414,660	1,414,660
Office equipment	45,886	44,319
	<u>6,405,821</u>	<u>6,580,600</u>
Accumulated depreciation	<u>(4,778,144)</u>	<u>(4,858,845)</u>
	<u>\$ 1,627,677</u>	<u>\$ 1,721,755</u>

**NOTE D - NET ASSETS**

Net assets with donor restrictions for capital projects consist of the following:

	<u>2021</u>	<u>2020</u>
Mary S.T. Bush Restricted Fund	\$ 420,939	\$ 373,431
Fehr Fund	99,120	100,056
Mazer Fund	493,458	499,099
	<u>\$ 1,013,517</u>	<u>\$ 972,586</u>



# MONTGOMERY COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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### NOTE E - RETIREMENT PLAN

The Society maintains a 403(b) plan for its employees. A supplemental contribution of \$60,577 was made in June 2021 for 2020 payroll. A supplemental contribution of \$49,051 was made in June 2020 for 2019 payroll.

### NOTE F - LIQUIDITY

As 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. The Society has \$60,163,970 and \$53,045,143 in liquid assets at December 31, 2021 and 2020 not subject to donor restrictions. In addition, the Society has a significant amount of assets invested under active management.

	<u>2021</u>	<u>2020</u>
Cash	\$ 2,065,968	\$ 1,960,859
Investments, at fair market value	58,866,333	51,801,310
Accrued income	72,686	5,560
Bequest receivable	172,500	250,000
Less: net assets with donor restrictions	<u>(1,013,517)</u>	<u>(972,586)</u>
	<u>\$ 60,163,970</u>	<u>\$ 53,045,143</u>

### NOTE G - RISKS AND UNCERTAINTIES (COVID-19)

On March 11, 2020, the World Health Organization declared the novel coronavirus ("COVID-19") outbreak a pandemic which has impacted the global economy. As a result of the virus, the shelter was shut down for adoptions however, effective April 1, 2020, it reopened only by appointment for adoption. The COVID-19 pandemic is still on-going and the duration and extent of the related financial impact on the Company's financial position, operations and cash flows is uncertain and cannot be reasonably estimated at this time.