

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

FINANCIAL STATEMENTS

Years Ended December 31, 2022 and 2021

MONTGOMERY COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

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YEARS ENDED DECEMBER 31, 2022 AND 2021

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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, 2022 and 2021, 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, 2022 and 2021, 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 Auditors' 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 auditors' 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.



Limerick, Pennsylvania
August 14, 2023

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

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,316,109	\$ 2,065,968
Investments	53,013,793	58,866,333
TOTAL CASH AND INVESTMENTS	<u>55,329,902</u>	<u>60,932,301</u>
Inventories	35,671	40,285
Prepaid expenses	25,273	32,686
Accrued income	159,727	72,686
Deposits	87,500	-
Bequest receivable	108,857	172,500
TOTAL CURRENT ASSETS	<u>55,746,930</u>	<u>61,250,458</u>
LAND, BUILDINGS AND EQUIPMENT, net	<u>1,547,100</u>	<u>1,627,677</u>
TOTAL ASSETS	<u>\$ 57,294,030</u>	<u>\$ 62,878,135</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 16,697	\$ 37,349
Accrued payroll and payroll taxes	25,019	20,963
TOTAL CURRENT LIABILITIES	<u>41,716</u>	<u>58,312</u>
NET ASSETS		
Without donor restrictions	56,333,454	61,806,306
With donor restrictions	918,860	1,013,517
TOTAL NET ASSETS	<u>57,252,314</u>	<u>62,819,823</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 57,294,030</u>	<u>\$ 62,878,135</u>

See accompanying notes.

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

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and revenue		
Shelter operations		
Small animals	\$ 63,032	\$ 63,977
Adoptions	64,095	44,785
Resale items	17,067	17,091
Other operating revenue	443,734	469,246
Public support		
Memberships	105,510	132,633
Fall appeal	92,628	120,247
Miscellaneous donations	177,425	113,484
Estates and donations	1,698,037	1,078,709
Municipal appropriations	1,500	-
TOTAL SUPPORT AND REVENUE	<u>2,663,028</u>	<u>2,040,172</u>
Net investment income (loss)	<u>(5,479,838)</u>	<u>7,361,533</u>
Operating expenses		
Program services	2,117,473	1,872,820
Management and general	527,328	485,059
Fundraising	11,241	14,797
TOTAL OPERATING EXPENSES	<u>2,656,042</u>	<u>2,372,676</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(5,472,852)</u>	<u>7,029,029</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Net investment income (loss)	<u>(94,657)</u>	<u>40,931</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>(94,657)</u>	<u>40,931</u>
CHANGE IN NET ASSETS	(5,567,509)	7,069,960
NET ASSETS AT BEGINNING OF YEAR	<u>62,819,823</u>	<u>55,749,863</u>
NET ASSETS AT END OF YEAR	<u>\$ 57,252,314</u>	<u>\$ 62,819,823</u>

See accompanying notes.

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

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Totals</u>
FUNCTIONAL EXPENSES				
Salaries, officers	\$ 7,048	\$ 227,887	\$ -	\$ 234,935
Salaries	1,085,809	120,645	-	1,206,454
Employee benefits	189,250	21,028	-	210,278
Payroll taxes	100,063	11,118	-	111,181
Accounting fees	-	26,753	-	26,753
Legal and professional fees	-	16,782	-	16,782
Bank fees	-	119	-	119
Office	7,269	7,269	-	14,538
Telephone	11,634	11,635	-	23,269
Occupancy	329,464	58,141	-	387,605
Training expenses	242	-	-	242
Depreciation	93,107	16,431	-	109,538
Shelter	79,921	-	-	79,921
Veterinarian	145,791	-	-	145,791
Residence and horse farm	13,430	-	-	13,430
Publicity and humane education	42,993	-	-	42,993
Miscellaneous	-	1,357	-	1,357
Supplies	-	-	11,241	11,241
Resale items	3,290	-	-	3,290
Vehicle expenses	8,162	8,163	-	16,325
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 2,117,473</u>	<u>\$ 527,328</u>	<u>\$ 11,241</u>	<u>\$ 2,656,042</u>

See accompanying notes.

2021

<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Totals</u>
\$ 6,736	\$ 217,793	\$ -	\$ 224,529
930,438	103,382	-	1,033,820
165,548	18,394	-	183,942
99,675	11,075	-	110,750
-	24,691	-	24,691
-	5,283	-	5,283
-	-	-	-
7,107	7,108	-	14,215
9,757	9,758	-	19,515
321,910	56,808	-	378,718
662	-	-	662
93,083	16,426	-	109,509
68,870	-	-	68,870
109,982	-	-	109,982
13,339	-	-	13,339
33,152	-	-	33,152
-	5,983	-	5,983
-	-	14,797	14,797
4,204	-	-	4,204
8,357	8,358	-	16,715
<u>\$ 1,872,820</u>	<u>\$ 485,059</u>	<u>\$ 14,797</u>	<u>\$ 2,372,676</u>

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

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (5,567,509)	\$ 7,069,960
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	109,538	109,509
Realized gain on investments	(1,683,060)	(3,636,786)
Unrealized (gain) loss on investments	8,206,539	(3,161,319)
(Increase) decrease in		
Inventories	4,614	(2,762)
Prepaid expenses	7,413	897
Accrued income	(87,041)	(67,126)
Deposits	(87,500)	-
Bequest receivable	63,643	77,500
Increase (decrease) in		
Accounts payable	(20,652)	(3,560)
Accrued payroll and payroll taxes	4,056	1,145
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>950,041</u>	<u>387,458</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(3,823,753)	(4,648,505)
Sale of investments	3,152,814	4,381,587
Purchase of equipment and building improvements	<u>(28,961)</u>	<u>(15,431)</u>
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(699,900)</u>	<u>(282,349)</u>
NET INCREASE IN CASH	250,141	105,109
CASH AT BEGINNING OF YEAR	<u>2,065,968</u>	<u>1,960,859</u>
CASH AT END OF YEAR	<u>\$ 2,316,109</u>	<u>\$ 2,065,968</u>

See accompanying notes.

MONTGOMERY COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

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, 2022 AND 2021

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, 2022 AND 2021

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>2022</u>	<u>2021</u>
Goods and services transferred at a point in time	\$ <u>693,438</u>	\$ <u>727,732</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, 2022 AND 2021

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

The Society has a capitalization policy in which anything over \$2,500 is capitalized as a fixed asset.

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.

MONTGOMERY COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

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

Date of Management's Review

Management has evaluated subsequent events through August 14, 2023, 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, 2022 and 2021.

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 and corporate bonds 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, 2022 AND 2021

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, 2022:

Assets	Total	Fair Value Measures at 12/31/2022 Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Cash and money market funds (at cost)	\$ 2,072,963	\$ -	\$ -
Equities:			
Mutual funds - domestic	30,478,783	30,478,783	-
Mutual funds - international	3,339,356	3,339,356	-
Fixed Income:			
Mutual funds - U.S. Government obligations	352,646	352,646	-
U.S. Government obligations	1,177,974	-	1,177,974
Mutual funds - Corporate bonds	9,482,907	9,482,907	-
Corporate bonds	8,032,663	-	8,032,663
Certificates of deposit	149,464	-	149,464
	<u>\$ 55,086,756</u>	<u>\$ 43,653,692</u>	<u>\$ 9,360,101</u>

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>\$ 49,297,453</u>	<u>\$ 9,568,880</u>

Investment fees in 2022 and 2021 were \$345,824 and \$325,730, respectively.

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE C - LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment consist of the following:

	<u>2022</u>	<u>2021</u>
Main shelter		
Land	\$ 19,100	\$ 19,100
Land improvements	134,568	121,387
Buildings and improvements	2,140,555	2,140,555
Motorized equipment	272,882	269,302
Office equipment	474,276	471,198
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	208,991	206,080
Branch shelter, Abington		
Land	48,750	48,750
Land improvements	19,523	16,312
Building and improvements	1,417,660	1,414,660
Office equipment	45,886	45,886
	<u>6,434,782</u>	<u>6,405,821</u>
Accumulated depreciation	<u>(4,887,682)</u>	<u>(4,778,144)</u>
	<u>\$ 1,547,100</u>	<u>\$ 1,627,677</u>

In 2022, the Society made a \$85,000 deposit for a new roof project and a \$2,500 deposit for installation of a new generator that will be completed in 2023. The deposits are reported on the statement of financial position as of December 31, 2022.

NOTE D - NET ASSETS

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

	<u>2022</u>	<u>2021</u>
Mary S.T. Bush Restricted Fund	\$ 362,972	\$ 420,939
Fehr Fund	93,785	99,120
Mazer Fund	462,103	493,458
	<u>\$ 918,860</u>	<u>\$ 1,013,517</u>

MONTGOMERY COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

NOTE E - RETIREMENT PLAN

The Society maintains a 403(b) plan for its employees. A supplemental contribution of \$76,772 was made in June 2022 for 2021 payroll. A supplemental contribution of \$60,577 was made in June 2021 for 2020 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 \$54,679,594 and \$60,163,970 in liquid assets at December 31, 2022 and 2021 not subject to donor restrictions.

	<u>2022</u>	<u>2021</u>
Cash	\$ 2,316,109	\$ 2,065,968
Investments, at fair market value	53,013,793	58,866,333
Accrued income	159,727	72,686
Bequest receivable	108,857	172,500
Less: net assets with donor restrictions	<u>(918,860)</u>	<u>(1,013,517)</u>
	<u>\$ 54,679,626</u>	<u>\$ 60,163,970</u>

NOTE G - COMMITMENTS

In 2022, the Society contracted with a local roof contractor to replace the Perkiomenville roof at a cost of approximately \$210,000. A deposit of \$85,000 was paid and is reported as deposits on the statement of financial position as of December 31, 2022. The society expects to complete the project in 2023. Also in 2022, the Society contracted with a local electric company to install a new generator at a cost of approximately \$87,000. A deposit of \$2,500 was paid and is reported as deposits on the statement of financial position as of December 31, 2022. The Society expects the installation in 2023.