

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

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Monmouth County Society for the Prevention of Cruelty to Animals as of December 31, 2017 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.



ROGER K. STEIN  
Certified Public Accountant

July 26, 2018

MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues, gains, and other support:			
Program fees - Animal Services	\$ 759,009	\$ -	\$ 759,009
Program fees - Medical Clinic	719,949		719,949
Program fees - Community Services	15,924		15,924
Program fees and fines - Law Enforcement	22,155		22,155
Sales - Animal Supplies	102,372		102,372
Sales - Thrift Store	137,470		137,470
Animal control contracts	236,839		236,839
Donations	1,316,443	271,294	1,587,737
Fund-raisers - Gross revenues of \$699,785			
Less expenses of (117,304)	582,481		582,481
Bequests	451,562		451,562
Investment income	90,404		90,404
Net unrealized and realized gains on investments	108,078	-	108,078
	<u>4,542,686</u>	<u>271,294</u>	<u>4,813,980</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	339,964	(339,964)	-
Total revenues, gains, and other support	<u>4,882,650</u>	<u>(68,670)</u>	<u>4,813,980</u>
Expenses:			
Program services	4,140,387	-	4,140,387
Supporting services			
Management and general	334,174	-	334,174
Fund-raising	529,498	-	529,498
	<u>5,004,059</u>	<u>-</u>	<u>5,004,059</u>
<u>Change in net assets</u>	<u>(121,409)</u>	<u>(68,670)</u>	<u>(190,079)</u>
Net assets at beginning of year	6,454,512	283,943	6,738,455
Net assets at end of year	<u>\$ 6,333,103</u>	<u>\$ 215,273</u>	<u>\$ 6,548,376</u>

The accompanying notes are an integral  
part of these Financial Statements.

MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:

Decrease in net assets	\$ (190,079)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation and amortization	291,281
Net unrealized and realized gains on investments	(108,078)
Non cash contribution of assets	(27,401)
(Increase) decrease in operating assets:	
Cash restricted	25,630
Accounts receivable	(22,664)
Prepaid expenses	1,519
Increase (decrease) in operating liabilities:	
Accounts payable	8,813
Accrued expenses	<u>47,468</u>
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>26,489</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	(138,521)
Purchase of investments	(1,188,029)
Sale of investments	<u>1,219,453</u>
<u>NET CASH USED BY INVESTING ACTIVITIES</u>	<u>(107,097)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Reduction of mortgage payable	(56,329)
Reduction of line of credit	(100,000)
Proceeds from loan	<u>100,000</u>
<u>NET CASH USED BY FINANCING ACTIVITIES</u>	<u>(56,329)</u>

NET DECREASE IN CASH	(136,937)
CASH AT JANUARY 1, 2017	<u>1,192,090</u>
CASH AT DECEMBER 31, 2017	<u>\$ 1,055,153</u>

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part of these Financial Statements.

MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

Note 1 - (continued)

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Advertising - All advertising costs are expensed in the period they are incurred. For the year ended December 31, 2017, advertising expense totaled \$395.

Income Taxes - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization evaluates its uncertain tax positions and accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. As of December 31, 2017, the Organization recognized no liability on uncertain tax positions.

Investments - The Organization's investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Fair Value - The Organization has a number of financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at December 31, 2017 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined by the Organization using available market information and appropriate valuation methodologies. Marketable equity and U.S. government securities are valued at quoted prices in active markets for identical assets (Level I). Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

Note 5 - (continued)

Long-term debt at December 31, 2017, consisted of the following:

Note Payable	\$ 2,268,984
Less: Unamortized debt issuance costs	12,430
Long-term debt, less unamortized Debt issuance costs	2,256,554
Less: current portion	42,242
Total long-term debt, less current Portion	\$ 2,214,312

Maturity of long-term debt is as follows:

Year ending December 31,	Amount
2018	42,242
2019	44,657
2020	47,207
2021	49,901
2022	52,651
Thereafter	2,019,896
	\$ 2,256,554

Note 6 - Loan - In 2017, the Organization received a loan of \$100,000 from a long time donor. There is no repayment schedule.

Note 7 - Temporarily Restricted Net Assets - Activities related to temporarily restricted net assets in the current year are summarized as follows:

	Temporarily Restricted Net Assets- Beginning Of Year	Temporarily Restricted Donations Received During Year	Restrict- ions Satisfied by Payments	Temporarily Restricted Net Assets- End of Year
Animal Services	\$ 121,703	\$ 70,200	\$ 109,844	\$ 82,059
Medical Clinic	120,793	201,094	189,975	131,912
Pet Pantry	145	-	145	-
Law Enforcement	41,302	-	40,000	1,302
Total	\$ 283,943	\$ 271,294	\$ 339,964	\$ 215,273

Note 8 - Functional Allocation of Expenses - The costs of providing the various programs, fund-raising and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and fund-raising activities benefited.