

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

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**ROGER K. STEIN, CPA LLC**  
CERTIFIED PUBLIC ACCOUNTANT  
2300 STATE ROUTE 66, SUITE 202  
NEPTUNE, NEW JERSEY 07753

Phone: 732-869-1170  
Fax: 732-869-1130  
www.rogersteincpa.com

MEMBER:  
NEW JERSEY SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

LICENSED:  
NEW JERSEY & NEW YORK

Independent Auditor's Report

TO: THE BOARD OF TRUSTEES  
MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
EATONTOWN, NEW JERSEY

**Opinion**

I have audited the accompanying financial statements of the Monmouth County Society for the Prevention of Cruelty to Animals (a nonprofit organization) which comprise the statement of financial position as of December 31, 2022, 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 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, 2022, 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.

**Basis for Opinion**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Monmouth County Society for the Prevention of Cruelty to Animals and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Monmouth County Society for the Prevention of Cruelty to Animal's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 my 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 generally accepted auditing standards, I:

- 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 circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Monmouth County Society for the Prevention of Cruelty to Animal'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Monmouth County Society for the Prevention of Cruelty to Animal's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.



ROGER K. STEIN, CPA LLC

Neptune, New Jersey

July 12, 2023

MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2022

ASSETS

Current Assets:

Cash	\$ 5,390,786
Accounts receivable	201,709
Prepaid expenses	54,093
<u>Total Current Assets</u>	<u>5,646,588</u>

Property, Buildings and Equipment:

Operating lease right-of-use asset	72,704
Land	14,265
Buildings and improvements	8,517,125
Equipment and furniture	1,319,403
Transportation equipment	602,366
Leasehold improvements	213,896
Construction in Progress	449,511
	<u>11,189,270</u>
Less: Accumulated depreciation	<u>(4,697,509)</u>
<u>Net Property, Buildings and Equipment</u>	<u>6,491,761</u>

Other Assets:

Investments	<u>2,877,338</u>
<u>Total Assets</u>	<u>\$ 15,015,687</u>

LIABILITIES

Current Liabilities:

Accounts payable	\$ 308,645
Accrued expenses	302,455
Operating lease liability - current portion	23,036
Mortgage payable - current portion	57,696
<u>Total Current Liabilities</u>	<u>691,832</u>

Other Liabilities:

Operating lease liability - long term portion	49,668
Mortgage payable - long term portion	1,940,364
<u>Total Other Liabilities</u>	<u>1,990,032</u>
<u>Total Liabilities</u>	<u>2,681,864</u>

NET ASSETS

Without donor restrictions	11,689,722
With donor restrictions	644,101
<u>Total Net Assets</u>	<u>12,333,823</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 15,015,687</u>

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

MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support:			
Contributions of cash and other financial assets	\$ 2,220,613	\$ 736,622	\$ 2,957,235
Contributions of nonfinancial assets	38,566		38,566
Program fees - Animal Services	655,538		655,538
Program fees - Medical Clinic	1,485,780		1,485,780
Program fees - Community Services	1,200		1,200
Program fees and fines - Law Enforcement	1,451		1,451
Sales - Animal Supplies	16,025		16,025
Sales - Thrift Store	161,520		161,520
Animal control contracts	846,802		846,802
Fund-raisers - Gross revenues of \$ 1,291,558			
Less expenses of <u>(178,759)</u>	1,112,799		1,112,799
Bequests	1,924,338		1,924,338
Investment income, net	111,456		111,456
Net unrealized and realized losses on investments	(583,356)		(583,356)
Miscellaneous income	886	-	886
	<u>7,993,618</u>	<u>736,622</u>	<u>8,730,240</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	1,105,827	(1,105,827)	-
Total revenues, gains, and other support	<u>9,099,445</u>	<u>(369,205)</u>	<u>8,730,240</u>
Expenses:			
Program services	5,432,488		5,432,488
Supporting services			
Management and general	571,604		571,604
Fund-raising	655,838	-	655,838
	<u>6,659,930</u>	<u>-</u>	<u>6,659,930</u>
<u>Change in net assets</u>	<u>2,439,515</u>	<u>(369,205)</u>	<u>2,070,310</u>
Net assets at beginning of year	9,250,207	1,013,306	10,263,513
Net assets at end of year	<u>\$ 11,689,722</u>	<u>\$ 644,101</u>	<u>\$ 12,333,823</u>

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part of these Financial Statements.

MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Program Services</u>					<u>Supporting Services</u>			
	Animal Services	Medical Clinic	Community Services	Law Enforcement	Program Services Total	Management and General	Fund- raising	Supporting Services Total	Total
Salaries and wages	\$ 1,946,473	\$ 728,507	\$ 40,813	\$ 130,357	\$ 2,846,150	\$ 393,523	\$ 225,800	\$ 619,323	\$ 3,465,473
Payroll taxes	216,376	77,967	4,658	13,048	312,049	36,699	21,161	57,860	369,909
Employee benefits	128,853	50,343	6,624	234	186,054	16,663	13,254	29,917	215,971
Utilities	100,559	10,730	20,168	1,341	132,798	6,706	2,682	9,388	142,186
Supplies, drugs and food	410,973	353,326		871	765,170			-	765,170
Merchandise supplies	8,215				8,215			-	8,215
Professional fees					-	12,793		12,793	12,793
Medical assistance	76,626	13,714			90,340			-	90,340
Training and education			8,228		8,228			-	8,228
Insurance	160,059	59,614	3,690	21,666	245,029	24,129	6,053	30,182	275,211
Maintenance and repairs	63,859	15,454	10,657	873	90,843	4,367	1,747	6,114	96,957
Public relations and newsletter			21,602		21,602			-	21,602
Office and general	136,324	58,143	3,035	7,649	205,151	46,386	15,119	61,505	266,656
Operating lease cost	13,013	4,870	273		18,156	2,631	1,509	4,140	22,296
Credit card fees	12,331	28,607	5,476		46,414		26,450	26,450	72,864
Depreciation	258,798	28,361	38,997	3,545	329,701	17,726	7,090	24,816	354,517
Travel and conferences	16,750	693		70	17,513	3,831		3,831	21,344
Fundraising expense					-		332,434	332,434	332,434
Interest	85,404	9,954	12,578	1,139	109,075	6,150	2,539	8,689	117,764
Total	<u>\$ 3,634,613</u>	<u>\$ 1,440,283</u>	<u>\$ 176,799</u>	<u>\$ 180,793</u>	<u>\$ 5,432,488</u>	<u>\$ 571,604</u>	<u>\$ 655,838</u>	<u>\$ 1,227,442</u>	<u>\$ 6,659,930</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, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 2,070,310
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation and amortization	355,133
Net unrealized and realized losses on investments	583,356
Noncash contribution of assets	(3,966)
(Increase) decrease in operating assets:	
Accounts receivable	(54,295)
Prepaid expenses	(20,268)
Increase (decrease) in operating liabilities:	
Accounts payable	201,711
Accrued expenses	222,691
	<hr/>
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>3,354,672</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	(712,635)
Construction in progress	(344,511)
Purchase of investments	(1,416,475)
Sale of investments	1,356,538
	<hr/>
<u>NET CASH USED BY INVESTING ACTIVITIES</u>	<u>(1,117,083)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Reduction of mortgage payable	<hr/> (53,513)
NET INCREASE IN CASH	2,184,076
CASH AT JANUARY 1, 2022	<hr/> 3,206,710
CASH AT DECEMBER 31, 2022	<u><u>\$ 5,390,786</u></u>

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



MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

Note 1 - Summary of Significant Accounting Policies -

Nature of Activities - The Organization is a nonprofit corporation which provides shelter and care for animals, humane law enforcement, informational services to the community regarding animal care, a clinic that spays and neuters animals as well as providing other care.

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Without donor restrictions - Resources available to support operations and are not subject to donor restrictions.

With donor restrictions - Resources that are subject to donor-imposed restrictions. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Contributions - Unconditional promises to give are recognized as revenue when the underlying promises are received by the Organization. If there is no unconditional promise, the contribution is recognized when received. Contributions received are recorded as support without donor restrictions or support with donor restrictions according to donor stipulations that limit the use of these assets due to time or purpose restrictions. Grants and other contributions of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed Services - During the year ended December 31, 2022, the value of contributed services meeting the requirements for recognition in the financial statements totaled \$34,800 which was for professional medical services. No amounts have been reflected in the financial statements for other contributed services; however, a substantial number of volunteers have donated significant amounts of their time in relation to the Organization's program services and other activities.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation. Management believes that the estimates and assumptions are reasonable in the circumstances.



MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

Note 1 - (continued)

Accounts Receivable - The Organization has animal housing contracts with various towns in Monmouth County which are earned and billed monthly. On a periodic basis, the Organization evaluates its accounts receivable and, if necessary, establishes an allowance for credit losses. There was no allowance for credit losses at December 31, 2022.

Revenue Recognition - The Organization has adopted the guidance under Financial Accounting Standard Board's Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers, which requires the recognition of revenue when promised services are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those services.

Program Service Fees - The Organization charges fees for adoption, shelter, medical services, and animal supplies. The revenue is billed, collected and recognized when the service is rendered.

Gift Shop - The Organization recognizes revenue from its retail operations when the sale is made. The Organization collects sales tax on certain transactions and remits to the State of New Jersey. The Organization's accounting policy is to exclude the tax collected and remitted to the State from revenues and cost of sales.

Property and Equipment - Property and equipment are carried at cost. Depreciation and amortization are computed using the straight-line and accelerated methods over the estimated useful lives of the assets. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense, as incurred. Depreciation and amortization expense for the year was \$355,133.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restrictions 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 support with donor restrictions. 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 net assets with donor restrictions to net assets without donor restrictions at that time.

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.

MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

Note 1 - (continued)

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, 2022, 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 net assets without donor restrictions 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, 2022, 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.

Note 2 - Investments - In 2022, the Organization incurred investment expenses of \$30,523 which is reflected in investment income on the statement of activities. Cost and fair value of investments at December 31, 2022 are as follows:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Gross Fair Value
Available for sale				
Equity Securities (Level I)				
Industrials	\$ 3,966	\$ -	\$ ( 383)	\$ 3,583
Mutual Funds	2,058,343	-	( 287,491)	1,770,852
	<u>2,062,309</u>		<u>( 287,874)</u>	<u>1,774,435</u>
Exchange-Traded Funds (Level I)	1,267,646	19,470	( 184,213)	1,102,903
Corporate Debt (Level I)				
Financial	<u>98,282</u>	<u>-</u>	<u>( 98,282)</u>	<u>-</u>
Total Investments	<u>\$3,428,237</u>	<u>\$ 19,470</u>	<u>\$ ( 570,369)</u>	<u>\$ 2,877,338</u>

MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

- Note 3 - Line of Credit - The Organization has a \$250,000 line of credit with Lakeland Bank, of which none was outstanding as of December 31, 2022. The rate is the Wall Street Journal prime rate plus 1.0% floating, with a floor of 5.0%. The line of credit, secured by a mortgage on the Eatontown property, is due to expire October 2023.
- Note 4 - Mortgage Payable - The Organization has a mortgage note with Lakeland Bank of which \$2,007,408 was outstanding as of December 31, 2022. The mortgage note, secured by the Eatontown property, is payable in monthly installments including interest currently at 5.5%. The interest rate adjusts to the 5-year US Treasury Note rate in effect on April 1, 2021 plus 3% per year, with a floor of 5.5%. The rate adjusts every five years beginning May 1, 2024 and thereafter. The mortgage note is due April 2039.

The Organization has adopted the requirements in FASB ASC 835-30 to present debt issuance costs as a reduction of the carrying amount of the debt rather than as an asset. Amortization of the debt issuance costs is reported as interest expense in the statement of functional expenses.

Long-term debt at December 31, 2022, consisted of the following:

Mortgage Payable	\$ 2,007,408
Less: Unamortized debt issuance costs	( 9,348)
Long-term debt, less unamortized Debt issuance costs	1,998,060
Less: current portion	( 57,696)
Total long-term debt, less current Portion	<u>\$ 1,940,364</u>

Maturity of long-term debt is as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2023	\$ 57,696
2024	60,985
2025	64,460
2026	68,131
2027	72,008
Thereafter	1,674,780
	<u>\$ 1,998,060</u>

MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

Note 5 - Net Assets With Donor Restrictions - Activities related to net assets with donor restrictions in the year ended December 31, 2022 are summarized as follows:

	Net Assets With Donor Restrictions- Beginning Of Year	Restricted Donations Received During Year	Restrict- ions Satisfied by Payments	Net Assets With Donor Restrictions- End of Year
Animal Services	\$ 179,409	\$ 220,000	\$ 261,045	\$ 138,364
Medical Clinic	69,407	92,759	67,055	95,111
Payroll/Staffing	282,349	-	135,157	147,192
Building Improvements	<u>482,141</u>	<u>423,863</u>	<u>642,570</u>	<u>263,434</u>
Total	<u>\$ 1,013,306</u>	<u>\$ 736,622</u>	<u>\$ 1,105,827</u>	<u>\$ 644,101</u>

Note 6 - Liquidity - The following reflects the Organization's financial assets as of December 31, 2022, reduced by amounts not available for general use because of contractual, donor-imposed or board-imposed restrictions within one year of the statement of financial position date:

Financial assets at December 31, 2022:

Cash	\$ 5,390,786
Accounts receivable	201,709
Investments	<u>2,877,338</u>
	<u>\$ 8,469,833</u>

Less those unavailable for general  
expenditures within one year, due to:  
Contractual or donor-imposed restrictions:

Restricted for Animal Services program	( 138,364)
Restricted for Medical Clinic program	( 95,111)
Restricted for Payroll/Staffing	( 147,192)
Restricted for Building Improvements	( <u>263,434</u> )
	( <u>644,101</u> )

Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 7,825,732</u>
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As part of the Organization's liquidity management, the Organization structures its financial assets to be available as general expenditures and liabilities become due. The Organization also has a line of credit of \$250,000 with Lakeland Bank that is available for any expenditures.

MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

Note 7 - Functional Allocation of Expenses - The costs of providing programs 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 supporting services benefited. Directly identifiable expenses are charged to the programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Note 8 - Operating Lease - The Organization adopted ASC 842 under the modified retrospective method and has elected to apply the standard as of the beginning of the current period, January 1, 2022. The Organization leases office equipment over a five year period.

The following summarizes the line items in the statement of financial position which include amounts for the operating lease as of December 31, 2022:

Operating lease right-of-use asset	\$ <u>72,704</u>
Current portion of operating lease liability	\$ 23,036
Long-term operating lease liability	49,668
Total operating lease liability	\$ <u>72,704</u>

The components of operating lease expense that are included in the statement of functional expenses for the year ended December 31, 2022 are as follows:

Operating lease cost	\$ 22,296
Interest	3,852
	\$ <u>26,148</u>

Lease term and discount rate as of December 31, 2022 are as follows:

Remaining lease term	3 years
Discount rate	5.00%

The maturity of the operating lease liability as of December 31, 2022 is as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2023	\$ 26,148
2024	26,148
2025	26,148
Less: interest	( 5,740)
Present value of lease liability	\$ <u>72,704</u>

Note 9 - Cash Flows - For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Total interest paid for the year was \$113,296.

Note 10 - Professional Employer Service Agreement - The Organization has a professional employer service agreement with Insperity PEO Services, LP. All of the Organization's employees are leased from Insperity PEO Services, LP.

MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

- Note 11 - Concentrations of Credit Risk - The Organization maintains cash balances at financial institutions which are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2022, the Organization's uninsured cash balances totaled \$4,924,626.
- Note 12 - Thrift Store - The Organization operates a thrift store that sells clothing and other items with gross revenue of \$161,520 in 2022. Costs are reported under community services expense. Most of the labor was volunteers. No inventory was reported since management determined it was not material to the financial statements.
- Note 13 - Subsequent Events - The Organization has evaluated subsequent events through July 12, 2023, which is the date the financial statements were available to be issued. No subsequent events requiring recognition or disclosure in the financial statements were identified by management.