

FINANCIAL STATEMENTS

SAVE, A FRIEND TO HOMELESS ANIMALS

YEARS ENDED JUNE 30, 2023 AND 2022

SAVE, A FRIEND TO HOMELESS ANIMALS

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PISAURO, LEVY & PALUMBO PA
Certified Public Accountants and Consultants
34 Scotch Rd., 2nd Floor
Ewing, NJ 08628

Girard A Pisauro, III, CPA NJ & PA

Members of
American Institute of Certified Public Accountants
New Jersey Society of Certified Public Accountants

609/883-4404 (Telephone)
609/883-0030 (Fax)
girard@pisaurolevy.net

Mailing Address:
PO Box 7667
Trenton, NJ 08628

INDEPENDENT AUDITORS' REPORT

Board of Directors
SAVE, A Friend to Homeless Animals
Princeton, NJ

We have audited the accompanying financial statements of SAVE, A Friend to Homeless Animals (a non-profit corporation) which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statement.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SAVE, A Friend to Homeless Animals as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Board of Directors
SAVE, A Friend to Homeless Animals

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on page 11 is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


Certified Public Accountants

August 17, 2023

SAVE, A FRIEND TO HOMELESS ANIMALS

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

ASSETS

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>	<u>2022 Total</u>
Assets				
Cash and cash equivalents	\$ 326,415	\$ 0	\$ 326,415	\$ 167,763
Investments	2,002,317	212,952	2,215,269	2,208,017
Accounts receivable	79,435	0	79,435	77,303
Receivable	68,481	0	68,481	0
Prepaid expense	6,127	0	6,127	6,697
Property and Equipment	<u>5,208,964</u>	<u>0</u>	<u>5,208,964</u>	<u>5,317,813</u>
Total Assets	<u>\$ 7,691,739</u>	<u>\$ 212,952</u>	<u>\$ 7,904,691</u>	<u>\$ 7,777,593</u>

LIABILITIES AND NET ASSETS

Liabilities				
Accounts payable	\$ 117,623	\$ 0	\$ 117,623	\$ 58,623
Total liabilities	<u>117,623</u>	<u>0</u>	<u>117,623</u>	<u>58,623</u>
Net Assets				
Without donor restrictions	7,574,116	0	7,574,116	7,522,045
With donor restrictions	<u>0</u>	<u>212,952</u>	<u>212,952</u>	<u>196,925</u>
Total net assets	<u>7,574,116</u>	<u>212,952</u>	<u>7,787,068</u>	<u>7,718,970</u>
Total Liabilities and Net Assets	<u>\$ 7,691,739</u>	<u>\$ 212,952</u>	<u>\$ 7,904,691</u>	<u>\$ 7,777,593</u>

See Independent Auditors' Report and Notes to Financial Statements.

SAVE, A FRIEND TO HOMELESS ANIMALS

STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2023 AND 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>	<u>2022 Total</u>
Support and Revenue				
Contributions	\$ 690,203	\$ 3,200	\$ 693,403	\$ 789,030
Bequests	19,347	0	19,347	61,050
Trust income	27,450	0	27,450	24,286
Adoptions	104,304	0	104,304	88,284
Municipal Contracts	78,900	0	78,900	62,500
Special events	179,814	0	179,814	195,073
Government Grants	246,489	0	246,489	0
Foundation and Grants	37,200	0	37,200	47,500
Rental Income	2,820	0	2,820	2,820
Miscellaneous	13,177	0	13,177	14,693
Tributes	48,057	0	48,057	0
Sale of assets	8,000	0	8,000	0
Investment income	81,225	3,287	84,512	47,199
Net realized / unrealized gains (losses) on investments	153,591	10,953	164,544	(310,697)
Assets released from restriction - Restriction satisfied by payment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total support and revenue	<u>1,690,577</u>	<u>17,440</u>	<u>1,708,017</u>	<u>1,021,738</u>
Expenditures - Unrestricted				
Program services	1,204,686	0	1,204,686	1,144,165
Fundraising	68,383	0	68,383	124,371
Management and general	365,437	1,413	366,850	305,947
Total expenditures	<u>1,638,506</u>	<u>1,413</u>	<u>1,639,919</u>	<u>1,574,483</u>
Changes in Net Assets	52,071	16,027	68,098	(552,745)
Net Assets , beginning of	<u>7,522,045</u>	<u>196,925</u>	<u>7,718,970</u>	<u>8,271,715</u>
Net Assets , end of year	<u>\$ 7,574,116</u>	<u>\$ 212,952</u>	<u>\$ 7,787,068</u>	<u>\$ 7,718,970</u>

See Independent Auditors' Report and Notes to Financial Statements.

SAVE, A FRIEND TO HOMELESS ANIMALS

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 68,098	(\$ 552,745)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	210,560	202,930
Realized (gain) on investments	(5,880)	(6,550)
Unrealized loss (gain) on investments	(158,664)	317,247
Changes in:		
(Increase) decrease in accounts receivable	(2,132)	(69,032)
Increase (decrease) in other receivables	(68,481)	37,787
Increase (decrease) in prepaid expenses	570	(416)
Increase (decrease) in accounts payable	59,000	13,732
Net cash provided by (used in) operating activities	<u>103,071</u>	<u>(57,047)</u>
Cash Flows From Investing Activities		
Purchase of fixed assets	(102,155)	(24,818)
Purchase of investments	(692,134)	(708,531)
Proceeds from sales of investments	841,870	737,436
Proceeds from sale of fixed assets	8,000	0
Net cash provided by investing activities	<u>55,581</u>	<u>4,087</u>
Cash Flows From Financing Activities		
Proceeds of PPP loan payable	0	(5,428)
Net cash used in financing activities	<u>0</u>	<u>(5,428)</u>
Net Increase (Decrease) in Cash	158,652	(58,388)
Cash, beginning of year	<u>167,763</u>	<u>226,151</u>
Cash, end of year	<u>\$ 326,415</u>	<u>\$ 167,763</u>
Supplemental Disclosures		
Interest paid	<u>\$ 0</u>	<u>\$ 0</u>

See Independent Auditors' Report and Notes to Financial Statements.

SAVE, A FRIEND TO HOMELESS ANIMALS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 — ORGANIZATION:

SAVE, A Friend to Homeless Animals is a 501(c)(3) nonprofit shelter and animal welfare organization dedicated to protecting the health and well being of companion animals in the Greater Princeton Area. Through its six core programs of Rescue, Shelter, Health and Welfare, Spay/Neuter, Adoption and Humane Education, SAVE strives to substantially reduce animal overpopulation and the corresponding euthanasia of adoptable and treatable animals in our community. SAVE endeavors to build, foster, and strengthen the human-animal bond.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The financial statements of SAVE have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions.

Cash and cash equivalents:

SAVE considers all short term investments with an original maturity of three months or less to be cash equivalents.

Pledges and promises to give:

Contributions are recognized when the donor makes a promise to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restrictions expire in the calendar year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Donations of property and equipment are recorded as contributions at their estimated fair value on the date of donation. Such donations are reported as increases in unrestricted net assets 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 contributions 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.

Allowance for doubtful accounts:

On a periodic basis, SAVE evaluates its accounts and pledges receivable and establishes an allowance for doubtful accounts. Based on SAVE's analysis, there was no requirement for an allowance as of June 30, 2022 and 2021. It is the policy of SAVE not to charge interest on delinquent accounts.

Investments:

SAVE carries their investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets. 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 recognized.

SAVE, A FRIEND TO HOMELESS ANIMALS

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Property and equipment

Depreciable assets are valued at historical cost or estimated fair market value for donated assets. Depreciation is calculated based on the straight-line method over seven (7) to forty (40) years. Expenditures for maintenance, repairs and minor renewals are charged to expense as incurred; additions and major renewals considered to be betterments are capitalized.

Costs of \$500 or more are capitalized and depreciated over their life expectancy.

Advertising:

It is the policy of SAVE to expense advertising costs as they are incurred rather than capitalize and amortize over its expected period of future benefits. Advertising expenses were \$9,570 and \$5,504 the years ended June 30, 2023 and 2022.

Functional allocation of expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and services benefitted.

Income taxes:

SAVE is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. SAVE is also exempt from state income taxes and is registered with the State of New Jersey under the New Jersey Charitable Registration and Investigation Act (CRI) of 1994. No provision has been made for federal or state income taxes.

The Federal income tax returns for SAVE for June 30, 2023, 2022, and 2021 are subject to examination by the IRS, and the State of New Jersey, generally for three years after the returns have been filed.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Instruments:

The Organization's financial instruments are cash and cash equivalents, accounts receivable, investments and accounts payable. The recorded values of cash and cash equivalents, accounts receivable and accounts payable approximate fair values based on their short-term nature.

Reclassifications:

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

NOTE 3 — PROGRAM SERVICES:

SAVE is a private shelter that cares for lost, abandoned or injured animals in the Princeton area. These animals are then available for adoption for a fee after they have been spayed or neutered and given all the required vaccinations and medical treatment.

NOTE 4 — FAIR VALUE MEASUREMENTS:

The Organization's investments are stated at fair value in accordance with Accounting Standards Codification ASC 820. ASC 820 establishes a fair value hierarchy that prioritizes the inputs, which are summarized as follows:

Level 1

Valuation is based upon quoted prices for identical securities in active markets.

SAVE, A FRIEND TO HOMELESS ANIMALS

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 4 — FAIR VALUE MEASUREMENTS (CONTINUED):

Level 2

Valuation is based upon inputs other than quoted prices for similar securities in active markets and quoted prices for identical or similar securities in markets that are not active.

Level 3

Valuation is based upon inputs that are unobservable and significant to the fair value measurement.

The asset's 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. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. The Organization believes its valuation methods are appropriate and consistent. However, the use of different methodologies could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the fair value as of June 30, 2023 and 2022.

	<u>2023</u>			
	<u>Fair V</u>	Quoted Prices Active Markets (<u>Level 1</u>)	Significant Observable Input (<u>Level 2</u>)	Significant Unobservable Inputs (<u>Level 3</u>)
Investments	<u>\$ 2,215,269</u>	<u>\$ 2,215,269</u>	<u>\$ 0</u>	<u>\$ 0</u>
	<u>2022</u>			
Investments	<u>\$ 2,208,017</u>	<u>\$ 2,208,017</u>	<u>\$ 0</u>	<u>\$ 0</u>

NOTE 5 — RESTRICTIONS ON NET ASSETS

During the year, the organization created The Wetherill Veterinary Chair Fund (the "Veterinary Fund"). The primary purpose of the Veterinary Fund is to provide funds for veterinary programs, and services (including but not limited to those provided by a full time veterinarian, part-time veterinarian or other arrangement regarding such services) that are necessary to enable SAVE to fulfill its overall mission. As of June 30, 2023, net assets with donor restrictions total \$212,952

NOTE 6 — DEPRECIATION:

A summary of fixed assets at June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>	<u>Method</u>	<u>Life</u>
Leasehold improvements	<u>\$ 222,308</u>	\$ 206,412	SL	10 - 40 years
Building	<u>5,921,835</u>	5,921,835	SL	5 - 40 years
Fencing	<u>48,318</u>	48,318	SL	5 - 40 years
Vehicles	<u>58,220</u>	24,072	SL	5 years
Equipment	<u>459,112</u>	431,515	SL	5 - 7 years
Sub-total	<u>6,709,793</u>	6,632,152		
Less: accumulated depreciation	<u>1,500,829</u>	1,314,339		
Net Fixed Assets	<u>\$ 5,208,964</u>	<u>\$ 5,317,813</u>		

Depreciation expense was \$210,561 and \$202,930 for the fiscal years ended June 30, 2023 and 2022, respectively.

SAVE, A FRIEND TO HOMELESS ANIMALS

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 7 — ACCRUED SICK AND VACATION:

Employees of SAVE are permitted to accrue up to ten (10) days of vacation time per year, depending on length of service. This time is not permitted to be carried to the following year. The employee will not be compensated for any unused sick time and, therefore, no liability for compensated absences is included in the financial statements.

NOTE 8 — DONATED MATERIALS AND SERVICES:

A substantial number of unpaid volunteers have made significant contributions of their time to the operation of SAVE's programs as well as to fund raising activities. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under SFAS No. 116 have not been satisfied. The criteria states that these services shall be recognized if the services received (a) created or enhance non-financial assets or (b) require specialized skills, and are provided by individuals possessing those skills that would typically need to be purchased if not provided by donation.

SAVE also receives significant contributions of pet food, toys, and other animal related supplies throughout the year which helps in carrying out their mission.

NOTE 9 — PAYROLL TAXES AND SALES TAX:

As of June 30, 2023, SAVE is current with all payroll and sales tax related taxes and filings.

NOTE 10 — TRUST INCOME:

SAVE is the recipient of one-half of the net income earned on a trust established by Cornelia Jaynes in 1967. Income is received in semi-annual payments during the corporate life of SAVE, but only in the event that SAVE continues to be a charitable corporation exempt from the payment of taxes to the Internal Revenue Service. In accordance with the trust agreement, the remaining half of the trust income is paid to Princeton Township. The amount of trust income received during the fiscal years ended June 30, 2023 and 2022 was \$27,950 and \$24,286; respectively.

NOTE 11 — INVESTMENTS:

SAVE's investments as of June 30, 2023 and 2022 consist of various stocks, treasury notes and mortgage pools recorded at market value as summarized below.

	2023	Fair	Unrealized
	Cost	Market Value	Gain
Money Market Funds	\$ 212,952	\$ 212,952	\$ 0
Fixed income	828,830	750,900	(77,930)
Equities	423,626	771,979	348,353
Alternatives	424,063	479,438	55,375
Total investments	<u>\$ 1,889,471</u>	<u>\$ 2,215,269</u>	<u>\$ 325,798</u>

See Independent Auditors' Report.

SAVE, A FRIEND TO HOMELESS ANIMALS

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 11 — INVESTMENTS (CONTINUED):

	2022	Fair Market Value	Unrealized Gain
	<u>Cost</u>		
Money Market Funds	\$ 196,925	\$ 196,925	\$ 0
Fixed income	747,289	680,928	(66,361)
Equities	686,251	878,989	192,738
Alternatives	446,999	451,175	4,176
Total investments	<u>\$2,077,464</u>	<u>\$2,208,017</u>	<u>\$ 130,553</u>

The following schedule summarizes the investment return and its classification in the Statement of Activities for the years ended June 30, 2023 and 2022.

	2023		
	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Interest and dividends	\$ 81,225	\$ 3,287	\$ 84,512
Realized gain (loss) on investments	17,205	(11,325)	5,880
Unrealized (gains) on investments	136,386	22,278	158,664
Total net return on investments	<u>\$ 234,816</u>	<u>\$ 14,240</u>	<u>\$ 249,056</u>

	2022		
	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Interest and dividends	\$ 44,514	\$ 2,685	\$ 47,199
Realized gain (loss) on investments	1,598	4,952	6,550
Unrealized gains on investments	(284,658)	(32,589)	(317,247)
Total net return on investments	<u>(\$ 238,546)</u>	<u>(\$ 24,952)</u>	<u>(\$ 263,498)</u>

NOTE 13 — SUBSEQUENT EVENTS:

The organization has evaluated subsequent events through August 17 2023, the date which the financial statements were available to be issued.

SAVE, A FRIEND TO HOMELESS ANIMALS

SCHEDULES OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2023 AND 2022

	Program Services	Fund Raising	Management and General	Total 2023	Total 2022
Advertising	\$ 6,220	\$ 479	\$ 2,871	\$ 9,570	\$ 5,504
Animal welfare	120,014	0	0	120,014	148,129
Automobile	1,703	0	0	1,703	1,289
Depreciation	175,381	0	35,179	210,560	202,930
Insurance	93,147	1,094	39,920	134,161	118,309
Interest	0	0	0	0	80
Maintenance	19,523	0	20,317	39,840	49,669
Occupancy	34,025	0	14,582	48,607	40,650
Office	35,913	2,763	16,575	55,251	50,745
Special events	0	18,822	0	18,822	79,612
Payroll taxes	54,528	3,451	11,044	69,023	64,554
Payroll processing cost	8,871	562	1,797	11,230	14,131
Pension	0	0	10,168	10,168	8,340
Printing and postage	0	0	17,252	17,252	17,175
Professional fees	0	0	63,462	63,462	7,500
Salaries	651,154	41,212	131,880	824,246	760,241
Telephone	4,207	0	1,803	6,010	5,625
Total Functional Expenses	<u>\$1,204,686</u>	<u>\$ 68,383</u>	<u>\$ 366,850</u>	<u>\$1,639,919</u>	<u>\$1,574,483</u>