



**Keegan Linscott & Associates, PC**

Certified Public Accountants  
Certified Fraud Examiners  
Certified Insolvency & Restructuring Advisors

**THE ANIMAL LEAGUE OF GREEN VALLEY**

REVIEWED FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

## TABLE OF CONTENTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT.....	1
 <b>REVIEWED FINANCIAL STATEMENTS</b>	
STATEMENTS OF FINANCIAL POSITION .....	3
STATEMENTS OF ACTIVITIES .....	4
STATEMENT OF EXPENSES BY FUNCTION AND NATURE 2024.....	5
STATEMENT OF EXPENSES BY FUNCTION AND NATURE 2023.....	6
STATEMENTS OF CASH FLOWS .....	7
NOTES TO REVIEWED FINANCIAL STATEMENTS .....	8 – 19



## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
The Animal League of Green Valley  
Green Valley, Arizona

We have reviewed the accompanying financial statements of The Animal League of Green Valley (the "League"), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, expenses by function and nature, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an 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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the League and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

### **Accountant's Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Keegan Linscott & Associates, PC*

Tucson, Arizona  
June 23, 2025

REVIEWED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31,

	2024	2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,980,322	\$ 1,074,672
Investments	3,215,963	2,279,696
Investments - other	151,744	966,508
Other receivables	17,268	-
Prepaid expenses and other current assets	23,001	22,506
Total current assets	5,388,298	4,343,382
Property and equipment, net	2,357,877	2,328,938
Operating lease right of use assets	66,641	-
Total assets	<u>\$ 7,812,816</u>	<u>\$ 6,672,320</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 30,459	\$ 58,705
Operating lease liabilities, current portion	23,973	-
Total current liabilities	54,432	58,705
Operating lease liabilities	66,094	-
Total liabilities	120,526	58,705
<b>Net Assets</b>		
Without donor restrictions	7,692,290	6,613,615
Total net assets	7,692,290	6,613,615
Total liabilities and net assets	<u>\$ 7,812,816</u>	<u>\$ 6,672,320</u>

STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31,

	2024	2023
<b>Revenues and Other Support</b>		
Contributions, grants and bequests	\$ 1,363,948	\$ 1,007,790
Program fees	70,341	50,142
Thrift shop	229,938	229,013
In-kind thrift shop donations	227,387	221,162
In-kind donations	710,170	797,315
Investment income, net	357,319	316,342
Other income	26,434	24,027
Total revenues and other support	<u>2,985,537</u>	<u>2,645,791</u>
<b>Expenses</b>		
Program services	1,015,044	930,351
Management and general	367,027	500,773
Fundraising	524,791	501,324
Total expenses	<u>1,906,862</u>	<u>1,932,448</u>
Total change in net assets	1,078,675	713,343
Net assets, beginning of year	<u>6,613,615</u>	<u>5,900,272</u>
Net assets, end of year	<u><u>\$ 7,692,290</u></u>	<u><u>\$ 6,613,615</u></u>

STATEMENT OF EXPENSES BY FUNCTION AND NATURE  
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Donated services	\$ 248,560	\$ 262,762	\$ 198,848	\$ 710,170
Animal medical	492,009	-	-	492,009
Animal food, grooming and training	73,333	-	-	73,333
Fundraising expense	-	-	250	250
Materials and supplies	20,281	2,385	8,524	31,190
Occupancy	5,055	1,512	10,814	17,381
Repairs and maintenance	16,605	7,055	9,329	32,989
Depreciation	92,646	27,715	10,383	130,744
Advertising	13,564	-	22,078	35,642
Postage and printing	12,784	851	21,162	34,797
Professional fees	-	22,514	-	22,514
Insurance	-	19,924	-	19,924
Thrift store	-	-	5,463	5,463
In-kind cost of goods sold	-	-	227,387	227,387
Utilities	37,272	9,852	6,488	53,612
Miscellaneous	2,935	12,457	4,065	19,457
Total expenses	<u>\$ 1,015,044</u>	<u>\$ 367,027</u>	<u>\$ 524,791</u>	<u>\$ 1,906,862</u>

STATEMENT OF EXPENSES BY FUNCTION AND NATURE  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Donated services	\$ 223,248	\$ 390,685	\$ 183,382	\$ 797,315
Animal medical	452,705	-	-	452,705
Animal food, grooming and training	57,726	-	-	57,726
Fundraising expense	-	-	361	361
Materials and supplies	17,790	3,045	10,283	31,118
Occupancy	5,485	1,641	18,214	25,340
Repairs and maintenance	20,522	5,232	4,709	30,463
Depreciation	89,434	26,754	10,023	126,211
Advertising	13,844	-	23,088	36,932
Postage and printing	10,758	850	18,121	29,729
Professional fees	-	35,953	-	35,953
Insurance	-	14,851	-	14,851
Thrift store	-	-	1,767	1,767
In-kind cost of goods sold	-	-	221,162	221,162
Utilities	37,290	9,920	7,277	54,487
Miscellaneous	1,549	11,842	2,937	16,328
Total expenses	<u>\$ 930,351</u>	<u>\$ 500,773</u>	<u>\$ 501,324</u>	<u>\$ 1,932,448</u>

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31,**

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 1,078,675	\$ 713,343
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	130,744	126,211
Loss on disposal of property and equipment	415	-
Reduction in the carrying amount of right-of-use asset	13,633	-
Lease incentives on right-of-use assets obtained	23,024	-
Net realized and unrealized gain on investments	(213,680)	(242,501)
Noncash contributions of stock	(1,187)	(16,082)
Changes in operating assets and liabilities		
Other receivables	(17,268)	-
Prepaid expenses and other current assets	(495)	(14,733)
Accounts payable and accrued liabilities	(28,246)	22,575
Operating lease liability	(13,231)	-
Net cash provided by operating activities	<u>972,384</u>	<u>588,813</u>
<b>Cash Flows from Investing Activities</b>		
Sale of investments	709,698	164,705
Purchases of investments	(616,334)	(1,181,314)
Purchases of property and equipment	(160,098)	(38,011)
Net cash used in investing activities	<u>(66,734)</u>	<u>(1,054,620)</u>
Net change in cash and cash equivalents	905,650	(465,807)
Cash and cash equivalents, beginning of year	<u>1,074,672</u>	<u>1,540,479</u>
Cash and cash equivalents, end of year	<u>\$ 1,980,322</u>	<u>\$ 1,074,672</u>
<b>Supplemental Schedule of Non-Cash Operating and Investing Activities</b>		
Donated services	<u>\$ 710,170</u>	<u>\$ 797,315</u>
Noncash contributions of stock	<u>\$ 1,187</u>	<u>\$ 16,082</u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid for amounts included in measurement of lease liabilities		
Operating cash outflows - payments on operating leases	<u>\$ 15,224</u>	<u>\$ -</u>
Right of use assets obtained in exchange for new lease obligations		
Operating leases	<u>\$ 80,274</u>	<u>\$ -</u>

## NOTES TO REVIEWED FINANCIAL STATEMENTS

### 1. Organization

The Animal League of Green Valley (the "League") was incorporated under the laws of the State of Arizona on April 25, 1984 and was granted tax exempt status on October 15, 1985 as a nonprofit organization. The League was established for the purpose of providing compassionate care, shelter, training, adoption opportunities, emotional support, and medical care, including spaying and neutering, for the needy and homeless cats and dogs in Green Valley, Arizona and surrounding areas.

### 2. Significant Accounting Policies

#### ***Basis of Presentation***

The League follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("U.S. GAAP") that the League follows to ensure the consistent reporting of its financial condition, changes in net assets and cash flows. References to U.S. GAAP issued by the FASB are to the FASB Accounting Standards Codification ("ASC").

The League's financial statements have been prepared on the accrual basis of accounting in accordance with ASC 958, *Not-for-Profit Entities*. Under this authoritative guidance, the League is required to provide financial statements which are prepared to focus on the League as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into similar categories as follows:

- **Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. All contributions are considered to be available for use without restriction unless specifically restricted by the donor.
- **With Donor Restrictions** – Net assets whose use by the League is subject to donor-imposed stipulations that can be fulfilled by actions of the League pursuant to those stipulations or that expire through the passage of time. Net assets with donor restrictions also includes net assets that are subject to donor-imposed stipulations such that assets must be maintained permanently by the League. The donors of these assets permit the League to use all or part of the investment return of these assets on continuing operations which may be subject to certain restrictions.

Expenses are generally reported as decreases in net assets without donor restrictions. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction. However, if a restriction is fulfilled in the same time period in which the contribution is received, the League reports the support as increases in net assets without donor restrictions. The League had no net assets with donor restrictions as of December 31, 2024, and 2023.

## NOTES TO REVIEWED FINANCIAL STATEMENTS

### Significant Accounting Policies (continued)

#### ***Cash and Cash Equivalents***

The League considers all highly liquid instruments purchased with original maturities of three months or less to be cash equivalents. Cash equivalents include money market accounts. The League places its cash and cash equivalents with high credit quality institutions. At times, such deposits may be in excess of the Federal Deposit Insurance Corporation ("FDIC") limit (see Note 9); however, the League has not experienced any losses and does not believe it is exposed to any significant credit risk on cash and cash equivalents. All such cash accounts are monitored by management to mitigate risk.

#### ***Investments***

- **Debt and Equity Securities** – Investments are accounted for in accordance with ASC 958-320, *Investments – Debt and Equity Securities*. Investments in debt and equity securities are valued at their fair values in the accompanying statements of financial position. Investment income, gains and losses are reported net of related investment fees in the statements of activities as increases or decreases in net assets. Gains and investment income limited to specific uses by donor-imposed restrictions are reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the gains and income are recognized. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis. Donated investments are recorded at fair value at the date of donation.

The League invests in professionally managed portfolios that contain equity and fixed income securities. Such investments are exposed to various risks such as market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

Investments are considered to be impaired when a decline in fair value is judged to be other than temporary. The League employs a systematic methodology on an annual basis that considers available quantitative and qualitative evidence in evaluating potential impairment of investments. If the cost of an investment exceeds its fair value, management evaluates, among other factors, general market conditions, the duration and extent to which the fair value is less than cost, and the intent and ability to hold the investment. The League also considers specific adverse conditions related to the financial health of and business outlook for the investee, including industry and sector performance, changes in technology, operational and financing cash flow factors, and rating agency actions. Once a decline in fair value is determined to be other-than-temporary, an impairment charge is recorded and a new cost basis in the investment is established. Through December 31, 2024, the League had not experienced other-than-temporary impairment losses on its investments.

- **Other** – Certificates of deposit held for investment that are not debt securities are included in other investments.

## NOTES TO REVIEWED FINANCIAL STATEMENTS

**Significant Accounting Policies (continued)*****Inventory***

The League carries inventory for the thrift store, The Attic, at no value. All items in the thrift store are donated and are handled by volunteers, resulting in no cost basis. The League has no repair facility, so no costs are incurred to bring the items to saleable condition. A fair market value is not reported since donated items do not have a readily available market or comparable price structure. Furthermore, items not sold within a short time are discarded as having no value. As the value of donated items is not readily determinable until the merchandise is sold, donations and costs of sales are recorded after inventory is sold.

***Property and Equipment, Net***

Property and equipment are stated at cost if purchased, or fair value, if donated. Depreciation is calculated using the straight-line method over the estimated useful life of the assets as follows:

Buildings and improvements	39 years
Furniture and fixtures	3-7 years
Vehicles	5-7 years

Acquisitions of property and equipment and repairs or betterments that materially prolong the useful lives of assets in excess of \$2,500 are capitalized. Repairs and maintenance for normal upkeep are charged to expense as incurred. When property and equipment are retired or disposed of, the cost and accumulated depreciation are removed from the accounts and any gain or loss is reported in the statements of activities. Amortization of leasehold improvements is computed using the straight-line method over estimated useful lives based upon the lesser of the related lease term or the estimated useful life of the improvement.

In accordance with ASC 360-10, *Property, Plant and Equipment*, the League periodically reviews the carrying value of long-lived assets held and used, and assets to be disposed of, for possible impairment when events and circumstances warrant such a review. Through December 31, 2024, the League had not experienced impairment losses on its long-lived assets.

***Leases***

The League determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The League also considers whether its service arrangement includes the right to control the use of an asset.

The League recognizes most leases on its statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance lease or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the statements of activities.

## NOTES TO REVIEWED FINANCIAL STATEMENTS

### Significant Accounting Policies (continued)

#### *Leases (continued)*

The League made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or January 1, 2022, for existing leases upon the adoption of ASU Topic 842, *Leases*). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the League made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The League has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate and equipment asset classes. The non-lease components typically represent additional services transferred to the League, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

#### *Revenue Recognition*

##### **Contributions**

*Contributions, Grants and Bequests* – Contributions are classified based on the existence or absence of donor-imposed restrictions as either conditional or unconditional as follows:

- **Conditional** – Includes all contributions with donor-imposed conditions or stipulations representing a barrier that must be overcome before the recipient is entitled to the assets being transferred or promised. A failure to overcome the barrier gives the contributor a right of return of the assets it has transferred or the ability to rescind an obligation to transfer.
- **Unconditional** – Includes all contributions that do not contain a barrier to use and therefore are recorded as revenue once cash or a contribution is received. Donor imposed restrictions for time and/or purpose are not considered a significant barrier and thus these contributions are recorded as unconditional.

Contribution revenue is recorded when the unconditional promise to give is received. Under this method, the recognition of support for financial statement purposes bears no relation to the period in which the expenses are incurred. Revenue related to conditional contributions is recognized once the relevant barriers of each contribution are met. If the funds are received from the donor before the relevant barriers are met, deferred revenue is recorded on the statements of financial position for the amount of funds provided by the donor.

## NOTES TO REVIEWED FINANCIAL STATEMENTS

### Significant Accounting Policies (continued)

#### *Revenue Recognition (continued)*

##### **Contributions (continued)**

*Donated Goods, Property and Services* – Contributions of donated non-cash assets including goods and property are recorded at their fair values on the date the asset is donated. Absent explicit donor stipulations, contributions of long-lived assets or cash or other assets to be used to acquire or construct long-lived assets are reported as net assets without donor restrictions when placed in service. Donated services are recognized in the financial statements at their fair value. Donated services are recognized when the services are received and (a) create or enhance non-financial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the years ended December 31, 2024 and 2023, respectively, the League recognized \$710,170 and \$797,315, respectively, in donated services rendered by members of management and staff (see Note 8). In addition, the League utilizes the services of many outside volunteers to perform a variety of tasks that assist the League with shelter operations and administration. During the years ended December 31, 2024 and 2023, volunteers whose services were not recorded as donated services worked approximately 121,000 and 123,000 hours, respectively. The fair value of these services is not reflected in the accompanying financial statements because the above criteria were not met.

##### **Exchange Transactions**

The League recognizes program fees and thrift shop revenues in accordance with ASC 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

*Program Fees* – The League charges standard fees for the adoption of animals. These fees are required to be paid in full upon the acceptance of the adoption application and the customer accepting the animal being adopted. The League does not refund fees for returned animals and does not extend credit; therefore, no contract receivables related to the adoption activity are recorded. For the years ended December 31, 2024 and 2023, program fees revenues totaled \$70,341 and \$50,142, respectively.

*Thrift Shop Revenues* – The League operates The Attic, a thrift shop, which sells items that are donated to the League by the public. Thrift shop revenue is recognized as items are sold to customers. The thrift shop does not offer returns or refunds on items sold and does not extend credit, therefore, no contract receivables related to the thrift shop are recorded. For the years ended December 31, 2024 and 2023, thrift shop revenues totaled \$229,938 and \$229,013, respectively.

## NOTES TO REVIEWED FINANCIAL STATEMENTS

### Significant Accounting Policies (continued)

#### ***Advertising Expense***

Costs incurred for producing and communicating non-direct advertising are expensed when incurred. Costs incurred for direct response advertising is capitalized and amortized over its estimated useful life. No advertising costs were capitalized as of December 31, 2024 and 2023, respectively. Advertising costs for the years ended December 31, 2024 and 2023 were \$35,642 and \$36,932, respectively.

#### ***Functional Allocation of Expenses***

The cost of providing the various program services and supporting activities of the League have been summarized on a functional basis in the statement of activities. Accordingly, costs are allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program are allocated directly according to their natural classification. Other expenses that are common to several functions are allocated based on management's estimate of the efforts expended, which may include by full-time equivalent or square footage depending on what is considered the most appropriate cost driver.

#### ***Tax Exempt Status***

The League is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code, as an organization described in Section 501(c)(3), which qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under Sections 509(a)(1) and (3), respectively. Accordingly, no provision for federal or state income taxes is recorded in the accompanying financial statements. Income from certain activities not directly related to the League's tax-exempt purpose, however, may be subject to taxation as unrelated business income.

Management has considered its tax positions in accordance with the accounting standard for uncertainty in income taxes and believes that all positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. In addition, Management is not aware of any matters which would cause the League to lose its tax-exempt status. The League's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

Should the League ever be subject to interest and penalties related to unrecognized tax benefits, they would be classified in management and general expenses in its accompanying financial statements. During the years ended December 31, 2024 and 2023, the League did not recognize any interest and penalties.

#### ***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP 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.

## NOTES TO REVIEWED FINANCIAL STATEMENTS

**3. Liquidity and Availability of Resources**

The following table shows a determination of the League's financial assets that are available to meet cash needs for general expenditures within one year as of December 31:

	2024	2023
Cash and cash equivalents	\$ 1,980,322	\$ 1,074,672
Investments	3,367,707	3,246,204
Other receivables	17,268	-
Total financial assets	<u>5,365,297</u>	<u>4,320,876</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,365,297</u>	<u>\$ 4,320,876</u>

The League is substantially supported by contributions, grants and bequests as well as thrift shop sales, which are somewhat predictable. As part of the League'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 League manages liquidity by maintaining adequate working capital and monitoring liquid assets on a monthly basis. In the event of financial distress, the League would be able to liquidate investments for short-term cash needs.

**4. Investments**

Investments consist of the following as of December 31:

	2024	2023
Mutual funds	\$ 2,931,259	\$ 2,229,976
Common stocks	250,117	49,720
Exchange traded products	34,587	-
	<u>\$ 3,215,963</u>	<u>\$ 2,279,696</u>

Other investments consist of the following as of December 31:

	2024	2023
Certificates of deposit	<u>\$ 151,744</u>	<u>\$ 966,508</u>

Investment income, net consists of the following for the years ended December 31:

	2024	2023
Interest and dividend income	\$ 164,308	\$ 88,909
Realized and unrealized gain, net	213,680	242,501
Investment fees	(20,669)	(15,068)
Total investment income, net	<u>\$ 357,319</u>	<u>\$ 316,342</u>

## NOTES TO REVIEWED FINANCIAL STATEMENTS

**5. Fair Value Measurements**

The League utilizes the fair value hierarchy required by ASC 820 which prioritizes the inputs to valuation techniques used to measure fair value into three levels:

- Level 1: Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the League has the ability to access at the measurement date.
- Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.
- Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The League defines active markets for equity instruments based on the average daily trading volume both in absolute terms and relative to the market capitalization for the instrument. The League defines active markets for debt instruments based on both the average daily trading volume and the number of days with trading activity.

The League's investments are classified within Level 1 or Level 2 of the fair value hierarchy because they are valued using readily determinable fair values or alternative pricing sources with reasonable levels of price transparency. The types of instruments valued based on readily determinable fair values in active markets include common stocks and mutual funds. Such instruments are classified within Level 1 of the fair value hierarchy.

The following table represents the League's financial assets that are measured at fair value on a recurring basis as of December 31, 2024:

Description	12/31/2024	Level 1	Level 2	Level 3
Mutual funds				
Stock funds	\$ 1,864,838	\$ 1,864,838	\$ -	\$ -
Bond funds	716,332	716,332	-	-
Short-term funds	77,282	77,282	-	-
Large Blend	32,536	32,536	-	-
Small Cap	32,538	32,538	-	-
Intermediate Core Bond	88,488	88,488	-	-
Multisector Bond	39,244	39,244	-	-
Large Value	10,640	10,640	-	-
Mid Growth	15,985	15,985	-	-
High Yield Bond	21,415	21,415	-	-
Bank Loan	17,218	17,218	-	-
Mid Cap Value	14,743	14,743	-	-
	2,931,259	2,931,259	-	-
Common stocks (a)	250,117	250,117	-	-
Exchange traded products	34,587	34,587	-	-
Total	\$ 3,215,963	\$ 3,215,963	\$ -	\$ -

## NOTES TO REVIEWED FINANCIAL STATEMENTS

**Fair Value Measurements (continued)**

The following table represents the League's financial assets that are measured at fair value on a recurring basis as of December 31, 2023:

Description	12/31/2023	Level 1	Level 2	Level 3
Mutual funds				
Stock funds	\$ 1,285,346	\$ 1,285,346	\$ -	\$ -
Bond funds	853,750	853,750	-	-
Short-term funds	90,880	90,880	-	-
	2,229,976	2,229,976	-	-
Common stocks (a)	49,720	49,720	-	-
Total	\$ 2,279,696	\$ 2,279,696	\$ -	\$ -

(a) On the basis of its analysis of the nature, characteristics, and risks of the investments, the League has determined that presenting common stocks as a single class is appropriate.

**6. Property and Equipment, Net**

Property and equipment consist of the following as of December 31:

	2024	2023
Land	\$ 111,692	\$ 111,692
Buildings and improvements	3,526,749	3,467,494
Furniture and fixtures	164,996	154,783
Vehicles	93,403	82,107
	3,896,840	3,816,076
Less accumulated depreciation	(1,538,963)	(1,487,138)
	\$ 2,357,877	\$ 2,328,938

**7. Leases**

The League leases storage space and various small equipment under operating lease agreements that have initial terms of 3 and 5 years, respectively. The leases contain termination options, where the rights to terminate are held by either the League, the lessor or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that the League will exercise those options. The League's operating leases generally do not contain any material restrictive covenants or residual value guarantees. Operating lease cost is recognized on a straight-line basis over the lease term.

## NOTES TO REVIEWED FINANCIAL STATEMENTS

**Leases (continued)**

The components of lease expense are as follows for the years ended December 31:

	2024	2023
Operating lease cost	\$ 15,540	\$ -
Short term lease cost	-	8,140
Total lease cost	<u>\$ 15,540</u>	<u>\$ 8,140</u>

Supplemental balance sheet information related to leases is as follows as of December 31:

	2024	2023
Operating lease:		
Operating lease, right-of-use assets	\$ <u>66,641</u>	\$ -
Operating lease liability, current	\$ 23,973	\$ -
Operating lease liability, non-current	66,094	-
Total operating lease liabilities	<u>\$ 90,067</u>	<u>\$ -</u>

Weighted-average remaining lease term:

Operating leases 4.09 years N/A

Weighted-average discount rate:

Operating leases 3.72% N/A

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liabilities recognized on the balance sheet are as follows as of December 31, 2024:

Year Ending December 31,	Operating Leases
2025	\$ 26,812
2026	25,532
2027	16,632
2028	16,632
2029	11,088
Thereafter	-
Total lease payments	<u>96,696</u>
Less imputed interest	<u>(6,629)</u>
Total present value of lease liabilities	<u>90,067</u>
Less lease liability, current	<u>(23,973)</u>
Lease liability, long-term	<u>\$ 66,094</u>

## NOTES TO REVIEWED FINANCIAL STATEMENTS

**8. In-kind Donations**

In-kind donations consisted of the following for the years ended June 30:

	2024	2023
In-kind thrift shop donations	\$ 227,387	\$ 221,162
Donated services	710,170	797,315
	<u>\$ 937,557</u>	<u>\$ 1,018,477</u>

For the years ended December 31, 2024 and 2023, the League recognized contributed nonfinancial assets within revenue, including donated goods for resale at the League's thrift shop and donated services. Unless otherwise noted, contributed nonfinancial assets were not monetized and did not have donor-imposed restrictions.

***In-Kind Thrift Shop Donations*** – The League receives donated household goods, clothing, appliances and furniture from individual donors. The League then sells these items to the general public as a fundraising activity. The fair market value of these items is not readily determinable until the items are sold; therefore, the value is determined by the selling price of the item.

***Donated Services*** – The League receives donated services rendered by members of the League's management and staff. For the years ended December 31, 2024 and 2023, the League received 12,937 and 11,391, respectively in donated hours from the League's management and staff. For the year ended December 31, 2024, \$248,560 of donated services were related to the League's animal care and medical program, \$262,762 were related to general and administrative activities, and \$198,848 were related to fundraising activities. For the year ended December 31, 2023, \$223,248 donated services were related to the League's animal care and medical program, \$390,685 were related to general and administrative activities, and \$183,382 were related to fundraising activities. Donated services are valued based on management's estimation of the gross salaries for volunteers with similar positions at other organizations or the market cost of equivalent contract services.

**9. Concentrations of Credit Risk*****Cash Deposits at Banks***

Financial instruments that potentially subject the League to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the FDIC up to \$250,000. As of December 31, 2024 and 2023, the League had approximately \$1,427,000 and \$559,000 in excess of FDIC insured limits, respectively.

***Investments***

Investments held by other institutions are insured up to \$500,000, including up to \$250,000 for cash balances per institution, by the Securities Investor Protection Corporation ("SIPC). As of December 31, 2024 and 2023, the League had approximately \$2,242,000 and \$1,779,000, respectively, in excess of SIPC insured limits.

## NOTES TO REVIEWED FINANCIAL STATEMENTS

### **Concentrations of Credit Risk (continued)**

#### ***Contributions, Grants and Bequests***

During the years ended December 31, 2024 and 2023, 33% and 21%, respectively, of contributions, grants and bequests revenue in the accompanying statement of activities were received from 2 donors, respectively.

#### ***Donated Services***

The League is a substantially volunteer run organization. In the event the League is unable to retain and recruit volunteers in the future, they would be required to hire and pay their workforce, which could significantly increase the League's salary and wage expense.

### **10. Commitments and Contingencies**

The League may offer to pay for veterinary care for life for adopted animals that meet Board-approved age criteria. The purpose is to encourage people to adopt older animals by supporting the cost of the animal's veterinary care. The League expenses those costs as incurred as part of animal medical expenses on the statement of functional expenses. These costs were \$83,773 and \$72,328, for the years ended December 31, 2024 and 2023, respectively.

### **11. Evaluation of Subsequent Events**

The League evaluated subsequent events through June 23, 2025, which represents the date the financial statements were available to be issued, and concluded that no additional disclosures are required.