



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

LENAWEE HUMANE SOCIETY

Financial Statements

December 31, 2023 and 2022

with Independent Auditors' Report

TABLE OF CONTENTS

Independent Auditors' Report1-2

Financial Statements:

 Statements of Financial Position3

 Statements of Activities4

 Statements of Functional Expenses5

 Statements of Cash Flows6

 Notes to the Financial Statements7-15

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Lenawee Humane Society
705 W Beecher Street
Adrian, MI 49221

Opinion

We have audited the accompanying financial statements of Lenawee Humane Society (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lenawee Humane Society as of December 31, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Lenawee Humane Society and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Lenawee Humane Society's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Clark, Schaefer Hackett & Co.

Maumee, Ohio
May 9, 2024

Lenawee Humane Society
Statements of Financial Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current assets:		
Cash	\$ 1,484,819	904,004
Accounts receivable, net of allowance for credit losses	17,910	10,170
Pledges receivable - current, net of allowance for credit losses	309,881	312,866
Investments	612,521	364,477
Inventory	2,556	2,370
Prepaid expense	<u>2,375</u>	<u>1,149</u>
Total current assets	2,430,062	1,595,036
Property and equipment, net of accumulated Depreciation	392,048	302,975
Other assets:		
Pledges receivable, non-current net of current portion	<u>1,323,649</u>	<u>1,036,233</u>
Total assets	\$ <u>4,145,759</u>	<u>2,934,244</u>
Liabilities and Net assets		
Current liabilities:		
Accounts payable	\$ 10,736	41,026
Accrued liabilities	<u>15,592</u>	<u>15,592</u>
Total current liabilities	<u>26,328</u>	<u>56,618</u>
Net assets:		
Without donor restrictions	2,127,528	875,838
With donor restrictions	<u>1,991,903</u>	<u>2,001,788</u>
Total net assets	<u>4,119,431</u>	<u>2,877,626</u>
Total liabilities and net assets	\$ <u>4,145,759</u>	<u>2,934,244</u>

See accompanying notes to the financial statements.

Lenawee Humane Society
Statements of Activities
Years Ended December 31, 2023 and 2022

	2023			2022		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Public support and revenue:						
Contributions	\$ 1,790,391	200	1,790,591	285,221	657,110	942,331
Special events/fundraising	244,562	-	244,562	261,226	-	261,226
In-kind contributions	102,662	-	102,662	33,740	-	33,740
Shelter services	85,276	-	85,276	117,312	-	117,312
Grants	61,085	-	61,085	17,900	-	17,900
Investment income (loss),net	48,158	-	48,158	(65,515)	-	(65,515)
Clinic services	46,653	-	46,653	155,149	-	155,149
Merchandise	10,226	-	10,226	8,440	-	8,440
Other income	6,426	-	6,426	3,120	-	3,120
Net assets released from restrictions	<u>10,085</u>	<u>(10,085)</u>	<u>-</u>	<u>132,808</u>	<u>(132,808)</u>	<u>-</u>
Total public support and revenue	<u>2,405,524</u>	<u>(9,885)</u>	<u>2,395,639</u>	<u>949,401</u>	<u>524,302</u>	<u>1,473,703</u>
Expenses:						
Program services	846,673	-	846,673	798,947	-	798,947
General and administrative	55,322	-	55,322	43,268	-	43,268
Fundraising	<u>251,839</u>	<u>-</u>	<u>251,839</u>	<u>243,437</u>	<u>-</u>	<u>243,437</u>
Total expenses	<u>1,153,834</u>	<u>-</u>	<u>1,153,834</u>	<u>1,085,652</u>	<u>-</u>	<u>1,085,652</u>
Change in net assets	<u>1,251,690</u>	<u>(9,885)</u>	<u>1,241,805</u>	<u>(136,251)</u>	<u>524,302</u>	<u>388,051</u>
Net assets, beginning of year	<u>875,838</u>	<u>2,001,788</u>	<u>2,877,626</u>	<u>1,012,089</u>	<u>1,477,486</u>	<u>2,489,575</u>
Net assets, end of year	\$ <u>2,127,528</u>	<u>1,991,903</u>	<u>4,119,431</u>	<u>875,838</u>	<u>2,001,788</u>	<u>2,877,626</u>

See accompanying notes to the financial statements.

Lenawee Humane Society
Statements of Functional Expenses
Years Ended December 31, 2023 and 2022

	2023				2022			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Personnel:								
Salaries and wages	\$ 539,238	25,318	90,836	655,392	520,504	25,318	90,836	636,658
Payroll taxes	40,660	1,930	6,926	49,516	39,686	1,930	6,926	48,542
Directors' liability insurance	-	698	-	698	-	698	-	698
Insurance	12,004	511	1,834	14,349	10,507	511	1,834	12,852
Total personnel expenses	591,902	28,457	99,596	719,955	570,697	28,457	99,596	698,750
In-kind expense	74,574	9,819	18,269	102,662	27,666	1,350	4,724	33,740
Professional fees	-	8,717	63,922	72,639	-	7,100	54,440	61,540
Special events/fundraising	-	-	51,893	51,893	-	-	61,736	61,736
Shelter expense	41,634	-	-	41,634	66,220	-	-	66,220
Provision for credit losses	29,885	-	-	29,885	-	-	-	-
Utilities	20,807	1,015	3,552	25,374	23,033	1,120	4,019	28,171
Office expense	19,341	943	3,302	23,586	14,229	692	2,484	17,405
Depreciation	15,895	775	2,714	19,384	16,140	785	2,817	19,742
Telephone	8,777	428	1,498	10,703	7,146	348	1,247	8,741
Bank charges	7,595	371	1,297	9,263	9,241	450	1,613	11,304
Supplies	6,348	308	1,143	7,799	19,379	940	3,489	23,808
Repairs and maintenance	6,230	304	1,064	7,598	19,896	968	3,472	24,336
Automobile expense	4,912	240	839	5,991	889	43	155	1,087
Advertising	4,671	228	797	5,696	4,645	225	811	5,681
Payroll fees	3,531	172	603	4,306	4,130	201	721	5,052
Dues and subscriptions	2,670	130	456	3,256	1,146	56	200	1,402
Loss on disposal of fixed assets	-	3,159	-	3,159	-	-	-	-
Merchandise expense	2,657	-	-	2,657	3,526	-	-	3,526
Meetings and conferences	1,920	94	327	2,341	1,030	50	180	1,261
Postage	1,875	91	320	2,286	2,837	138	495	3,470
Equipment	1,449	71	247	1,767	7,097	345	1,238	8,680
Total expenses	\$ <u>846,673</u>	<u>55,322</u>	<u>251,839</u>	<u>1,153,834</u>	<u>798,947</u>	<u>43,268</u>	<u>243,437</u>	<u>1,085,652</u>

See accompanying notes to the financial statements.

Lenawee Humane Society
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,241,805	388,051
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	19,384	19,742
Loss on disposal of equipment	3,159	-
Discount on pledges receivable	11,589	(5,497)
Provision for credit losses	29,885	-
In-kind contributions	(102,662)	(33,740)
In-kind expenses	102,662	33,740
Investment (income) loss - unrealized and realized	(33,836)	65,712
Changes in current assets and liabilities:		
Accounts receivable	(37,625)	3,875
Pledges receivable	(296,020)	39,278
Inventory	(186)	1,459
Prepaid expenses	(1,226)	(170)
Accounts payable	(30,290)	30,823
Accrued liabilities	-	4,940
Net cash provided by operating activities	<u>892,317</u>	<u>548,213</u>
Cash flows from investing activities:		
Purchase of property and equipment	(111,616)	(45,810)
Sale of investments	707,860	-
Purchase of investments	(907,746)	-
Net cash used in investing activities	<u>(311,502)</u>	<u>(45,810)</u>
Net change in cash	580,815	502,403
Cash at beginning of year	<u>904,004</u>	<u>401,601</u>
Cash at end of year	\$ <u>1,484,819</u>	<u>904,004</u>

See accompanying notes to the financial statements.

1. ORGANIZATION:

Lenawee Humane Society (the “Society” or “LHS”) is a not-for-profit organization incorporated in the State of Michigan in 1921 serving Lenawee County and the surrounding area.

The Society’s mission is to save the lives of animals while enriching the lives of humans. The Society is dedicated to caring for unwanted animals and providing them with necessary medical treatment, food and shelter until permanent homes are found. The Society’s major sources of revenue are contributions and program fees from adoptions and clinic services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of accounting

The financial statements of the Society have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The accrual basis provides for the recognition of revenues when earned and the recognition of expense when incurred.

Adoption of new accounting standard

On January 1, 2023, the Society adopted Accounting Standards Update (ASU) 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities. It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor in accordance with Topic 842 on leases. In addition, Accounting Standards Codification (ASC) 326 made changes to the accounting for available-for-sale debt securities. One such change is to require credit losses to be presented as an allowance rather than as a write-down on available-for-sale debt securities management does not intend to sell or believes that it is more likely than not they will be required to sell.

The Society does not hold any debt securities classified as held-to-maturity, available for sale, or maintain off-balance sheet credit exposures. The adoption of ASC 326 did not result in an adjustment to net assets as of January 1, 2023.

Financial statements presentation

The financial statement preparation of the Society is in accordance with the requirements of the Financial Accounting Standards Board (FASB) ASC topic *Not-for Profit Entities*. Under this topic, the Society is required to report information regarding its financial position and activities by program categorized under two classes of net assets:

- Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Society. These net assets may be used at the discretion of the Society’s management and the Board.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Financial statements presentation (continued):

- Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Society or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, 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 restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions support.

Revenue recognition

The Society accounts for contributions as required by the Not-For-Profit Topic of the Financial Accounting Standards Board Accounting Standards Codification. In accordance with this guidance, unconditional contributions are recognized when pledged. Conditional promises to give are recognized when the conditions on which they depend are met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

The Society recognizes program fees revenue from merchandise sales, adoptions, and clinic services at the time of the sale, adoption, or service performed.

In-kind contributions

Contributions of noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial 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.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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. Accordingly, actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Fair value of financial instruments

The carrying value of cash, current receivables, investments, prepaid expenses, accounts payable, and accrued liabilities approximate fair value because of the short maturities of these instruments. Financial instruments with a carrying value different from the fair value include long-term pledges receivable.

The Society applies generally accepted accounting principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

Long-term pledges receivable has been adjusted to net present value by discounting the value based upon estimated future cash flows. Investments have been reported at fair value per market information available at year-end.

Functional expense allocation

The financial statements report certain categories of expense that are attributable to one or more programs or supporting functions of the Society. The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis either based on estimates of time and effort or a square footage calculation.

Cash

For purposes of the Statements of Cash Flows, cash includes demand deposits held at banks. As of December 31, 2023 and 2022, the Society held approximately \$1,219,384 and \$645,921 in excess of FDIC insured limits, respectively.

Receivables and credit losses

The Society's receivables consist primarily of contribution receivables (pledges, i.e. promises to give) and amounts due for services rendered. Pledges are recorded as revenues with donor restrictions in the year the pledge is received and released into net assets without donor restrictions as the pledge is paid unless restricted for a future specific use. Contribution's receivable expected to be collected in future years are initially recorded at fair value using present value techniques. In subsequent years, amortization of the discount is included in contribution revenue. An allowance for credit losses, if any, is recorded as estimated based upon management's valuation of related historical data and current economic conditions. An allowance for credit losses on pledges receivable of \$29,000 and \$- has been recorded, at December 31, 2023 and 2022, respectively. An allowance for credit losses on accounts receivable of \$29,885 and \$- has been recorded, at December 31, 2023 and 2022, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Property and equipment

Capital assets are recorded at cost if purchased. Donated assets are recorded at their fair market value when received. Expenditures for major repairs that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The Society has not adopted a policy for implying time restrictions on contributions of long-lived assets or related subsidies.

Depreciation of property and equipment is provided using the straight-line method at rates based on the following estimated useful lives:

	<u>Years</u>
Land improvements	10
Building and improvements	5 - 39
Computer and equipment	5 - 10
Furniture and fixtures	5 - 10
Vehicles	5

Inventory

Inventory consists of Pawpourri Store items available for resale. Inventories are stated at the lower of cost (purchase price) or net realizable value, on a first-in, first-out basis.

Investments

Investments are stated at fair value for all debt and equity securities. Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) of those investments, is presented in the Statements of Activities in accordance with donor restrictions. Investment income or loss is presented net of investment fees. Donor-restricted investment income or loss where restrictions are met in the same reporting period are reported as net assets without donor restrictions income.

Advertising

Lenawee Humane Society uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred.

Tax-exempt status

Lenawee Humane Society is an organization recognized as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

Professional standards require an analysis of uncertain tax positions for the purpose of determining whether benefits associated with those positions may be recognized for financial statement purposes. Based on this analysis, the Society has determined it has no material uncertain tax positions for which the associated benefits may not be recognized nor for which disclosure is required. Federal tax returns generally, remain open for examination by the taxing authorities for a period of three years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Subsequent events

The Society has evaluated subsequent events through May 9, 2024, the date the financial statements were available to be issued. There were no subsequent events that would require adjustment or disclosure to the December 31, 2023 financial statements.

3. PLEDGES RECEIVABLE:

The Society has received promises to give, some with multiple year terms. Pledges receivable at December 31, 2023 and 2022 totaled \$1,633,530 and \$1,349,099, respectively. This is a net balance reduced by an allowance for credit losses and a discount to reduce the carrying value to net present value as follows:

	2023	2022
Current pledges receivable (less than one year) \$	309,881	312,866
Pledges receivable (one to five years):		
Pledges receivable	1,364,238	1,059,736
Change in discount to net present value	(11,589)	5,497
Allowance for credit losses	(29,000)	(29,000)
Pledges receivable, non-current	1,323,649	1,036,233
 Total pledges receivable, net	 \$ 1,633,530	 1,349,099

4. PROPERTY AND EQUIPMENT:

Property and equipment at each reported year-end are summarized as follows at December 31:

	2023	2022
Land	\$ 15,081	15,081
Land improvements	21,625	21,625
Building and improvements	277,432	277,432
Computers and equipment	123,610	132,588
Furniture and fixtures	14,322	14,322
Vehicles	18,337	18,337
Construction in progress	276,397	168,717
	746,804	648,102
Less: accumulated depreciation	(354,756)	(345,127)
Property and equipment - net	\$ 392,048	302,975

5. FAIR VALUE MEASUREMENT OF INVESTMENTS:

FASB Codification Topic, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1 Fair Value Measurements: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Society has the ability to access.

Level 2 Fair Value Measurements: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Fair Value Measurements: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability 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. Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds/exchange traded funds: Valued at the market price as provided by the brokerage.

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. Furthermore, although the Society believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents Level 1 assets that are measured at fair value on a recurring basis at December 31:

	2023	2022
Mutual funds/exchanged traded funds \$	612,521	364,477

6. CONCENTRATIONS:

For the year ended December 31, 2023, the Society had one major contributor that represented approximately 42% of total public support and revenues. This same contributor represented approximately 15% of gross pledge receivables at year end.

For the year ended December 31, 2022, the Society had one major contributor that represented approximately 17% of total public support and revenues. This same contributor represented approximately 19% of gross pledge receivables at year end.

7. RESTRICTIONS ON NET ASSETS:

Net assets with donor restrictions at each reported year-end are restricted for the following purposes at December 31:

	2023	2022
Subject to expenditure for specified purpose:		
Reina Day Fund	\$ 12,331	25,949
Restricted Grants	-	1,162
Capital Campaign (including pledges receivable)	1,979,572	1,974,677
Total net assets with donor restrictions	\$ 1,991,903	2,001,788

8. CAPITAL CAMPAIGN FUNDRAISING:

The Society expended \$54,000 in both 2023 and 2022 for services provided by a professional fundraiser. The expense was incurred as the Society began a capital campaign to raise funds for a new facility.

9. IN-KIND CONTRIBUTIONS:

During the reported periods, contributed goods and services meeting the requirements for recognition in the financial statements for the years ended December 31:

	<u>Revenue Recognized</u>		<u>Utilization in Programs/Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
	<u>2023</u>	<u>2022</u>			
Animal supplies	\$ 74,574	22,567	Animal supplies and food assistance for the shelter	No associated donor restrictions	Fair market value on the basis of comparable sales prices
Fundraising material	18,269	9,851	Fundraising material	Restricted to fundraising efforts	Estimated fair value on the basis of comparable sales prices
Discounts received on repairs services	<u>9,819</u>	<u>1,322</u>	Various animal care services	Restricted to the specific service performed	Estimated fair value on the basis of comparable sales prices
Total in-kind contributions	\$ <u>102,662</u>	<u>33,740</u>			

Also, volunteers provided services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. These services primarily related to the care of animals and the related programs. Volunteer hours were over 10,274 and 41,418 hours annually for the years ended December 31, 2023 and 2022, respectively.

10. LIQUIDITY:

The Society’s cash management policy is to ensure adequate balances are maintained in order to meet the cash obligations of the Society.

The following table represents the financials assets available to meet cash needs for general expenditures within one year at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash	\$ 1,484,819	904,004
Accounts receivable, net of allowance for credit losses	17,910	10,170
Investments	612,521	364,477
Pledges receivable	<u>1,633,530</u>	<u>1,349,099</u>
Financial assets available at year-end	3,748,780	2,627,750
Less those unavailable for general expenditures within one year:		
Net assets with donor restrictions	<u>(1,991,903)</u>	<u>(2,001,788)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>1,756,877</u>	<u>625,962</u>