

**Animal Welfare Association, Inc.
Financial Statements for the Year Ended
June 30, 2023, and
Independent Auditor's Report**

Ditmars, Perazza & Co.

CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report

**To the Board of Directors of the Animal Welfare
Association, Inc.:**

November 27, 2023

Opinion

We have audited the accompanying financial statements of the Animal Welfare Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities of functional expenses and of cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Animal Welfare Association, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

auditor's 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, including omissions, 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 Animal Welfare Association, Inc.'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 Animal Welfare Association Inc.'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.

Report on Summarized Comparative Information

We have previously audited the Animal Welfare Association Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 9, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Ditmars, Perazza & Co.

Animal Welfare Association, Inc.
Statement of Financial Position
June 30, 2023
(With Summarized Totals for 2022)

ASSETS:	2023	2022
Cash and cash equivalents	\$ 1,939,849	\$ 2,730,833
Investments	4,150,316	3,502,209
Accounts receivable	30,390	18,000
Promises to give - net of discount	69,902	120,596
Property and equipment, net	8,924,083	8,522,939
Other assets	9,216	13,344
TOTAL ASSETS	\$ 15,123,756	\$ 14,907,921
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 269,658	\$ 734,826
Accrued expenses	158,774	154,270
Retainage payable	166,007	332,621
Refundable advances	419,018	-
Mortgage/construction loan	903,320	1,854,267
EIDL loan	1,975,347	2,000,000
Total Liabilities	3,892,124	5,075,984
Net Assets:		
Without donor restrictions		
Undesignated	3,140,967	3,042,669
Invested in property and equipment	8,020,763	6,668,672
Total without donor restrictions	11,161,730	9,711,341
With donor restrictions	69,902	120,596
Total net assets	11,231,632	9,831,937
TOTAL LIABILITIES AND NET ASSETS	\$ 15,123,756	\$ 14,907,921

The accompanying footnotes are an integral part of the financial statements.

Animal Welfare Association, Inc.
Statement of Activities
For the Year Ended June 30, 2023

(With summarized totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	Totals 2023	Totals 2022
Revenue and Support				
Contributions and donations	\$ 979,910		\$ 979,910	\$ 1,108,463
Bequests	1,911,174		1,911,174	1,376,561
Foundations and grants	258,542	\$ 25,000	283,542	108,700
Program income	1,697,400		1,697,400	1,086,856
Fundraising income - event driven	309,301		309,301	418,150
Payroll protection program grant			-	58,329
Investment income	665,613		665,613	(571,075)
Other income	1,224		1,224	3,213
Net assets released from restrictions	63,061	(63,061)	-	-
Total Revenue and Support	<u>5,886,225</u>	<u>(38,061)</u>	<u>5,848,164</u>	<u>3,589,197</u>
EXPENSES:				
Program services:				
Shelter	2,298,696		2,298,696	1,508,874
Clinic	1,248,806		1,248,806	948,100
Education and outreach	161,880		161,880	62,185
Total Program services	<u>3,709,382</u>	<u>-</u>	<u>3,709,382</u>	<u>2,519,159</u>
Fundraising and development	567,578		567,578	774,220
Administrative	158,876		158,876	183,484
TOTAL EXPENSES	<u>4,435,836</u>		<u>4,435,836</u>	<u>3,476,863</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>1,450,389</u>	<u>(38,061)</u>	<u>1,412,328</u>	<u>112,334</u>
CAPITAL CAMPAIGN:				
Contributions and promises to give			-	265,819
Campaign expenses		(12,633)	(12,633)	(107,301)
TOTAL CAPITAL CAMPAIGN		<u>(12,633)</u>	<u>(12,633)</u>	<u>158,518</u>
CHANGE IN NET ASSETS	1,450,389	(50,694)	1,399,695	270,852
NET ASSETS - BEGINNING	9,711,341	120,596	9,831,937	9,561,085
NET ASSETS - ENDING	<u>\$ 11,161,730</u>	<u>\$ 69,902</u>	<u>\$ 11,231,632</u>	<u>\$ 9,831,937</u>

The accompanying footnotes are an integral part of the financial statements.

Animal Welfare Association, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2023

	2023	2022
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ 1,399,695	\$ 270,852
Adjustments to reconcile change in net assets to net cash used in operations:		
Depreciation	361,890	177,387
Realized and unrealized (gain) loss on investments	(385,108)	594,315
Total After Non Cash Adjustments	1,376,477	1,042,554
(Increase) Decrease in:		
Accounts receivable	(12,390)	(1,500)
Investments	(38,555)	(17,379)
Promises to give	50,694	205,575
Other assets	4,128	4,918
Increase (Decrease) in:		
Accounts payable	(465,168)	276,579
Accrued expenses	4,504	59,190
Retainage payable	(166,614)	65,947
Refundable advances	419,018	(58,329)
Total From Operating Activities	1,172,094	1,577,555
<u>Cash Flows From Investing Activities:</u>		
Property acquisitions & capital additions	(763,034)	(3,790,884)
Purchase of investments net of proceeds	(224,494)	(505,403)
Total Used in Investing Activities	(987,528)	(4,296,287)
<u>Cash Flow From Financing Activities:</u>		
Proceeds from EDIL loan	-	1,850,000
Proceeds from construction/mortgage loan	1,145,733	1,854,267
Payments of principal on construction/mortgage loan	(2,096,680)	-
Payments of principal on EDL loan	(24,653)	-
Total From Financing Activities	(975,600)	3,704,267
Change in Cash Balances	(791,034)	985,535
Cash & Equivalents, Beginning	2,730,883	1,745,298
Cash & Equivalents, Ending	\$ 1,939,849	\$ 2,730,833
Supplemental Information:		
Interest Paid	\$ 187,366	\$ -

The accompanying footnotes are an integral part of the financial statements.

Animal Welfare Association, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2023
(With Summarized Totals for 2022)

	***** PROGRAM SERVICES *****				**SUPPORTING SERVICES**		TOTAL	TOTAL
	Shelter	Clinic	Outreach	Education & Fundraising & Development	Administrative		2023	2022
Salaries	\$ 1,253,245	\$ 551,569	\$ 93,900	\$ 237,300	\$ 78,385	\$	\$ 2,214,399	\$ 1,663,804
Payroll taxes	138,297	48,359	8,384	21,445	13,318		230,803	169,892
Employee benefits	186,876	76,150	12,169	30,685	25,088		330,988	246,752
Advertising				2,526			2,526	2,330
Bank, credit card & investment fees	15,573	25,778	59	20,512	-		61,922	54,735
Events	1,665	1,560	2,376				5,601	8,995
Depreciation	191,977	131,377	13,763	16,517	8,256		361,880	177,389
Drugs and medicines	41,606	83,682					125,298	66,803
Dues and Subscriptions	867	1,064	210	961	186		3,288	3,115
Education			11,143				11,143	18,722
Equipment	13,877	12,053	639	3,793			30,362	26,192
Food	4,491	1,356	266	993	1,008		8,114	36,783
Insurance	19,856	18,125	2,565	2,662	7,637		50,845	1,626
Licenses and Permit	2,857	2,008	18	91	849		5,823	
Loan Expense	167,108	12,662	2,532	3,545	1,519		187,366	
Maintenance	9,506	6,600	118		630		16,854	10,158
Merchandise	34,371						34,371	
New building equipment and supplies	2,525	1,725		1,384	18		5,652	58,487
Office supplies and expenses	12,801	10,010	1,670	10,420	1,108		36,009	35,334
Other expenses	4,527	965	191		1,875		7,658	4,527
Outside services	10,935	34,552					45,487	28,983
Payroll Fees	3,641	1,202	244	474	477		6,038	5,267
Postage	153	119	7	10,016	271		10,566	13,936
Professional fees	71	71			9,450		9,592	38,484
Rent/Storage				3,087			3,087	28,185
Security	842	255	58	161	69		1,385	
Supplies	65,543	167,579	484	1,370	468		235,444	231,576
Technology	21,323	21,202	5,493	40,832	2,495		91,345	88,072
Telephone	8,192	2,979	517	1,106	418		13,212	13,364
Training	4,756	576					5,331	
Trash	9,362	6,349	317	317	159		16,504	14,490
Travel	805						805	
Utilities	64,412	21,763	5,041	10,674	5,185		107,075	42,443
Vehicle expenses & travel	5,537	281	25	36	7		5,888	10,257
Veterinarian fees		6,825					6,825	88,675
Total	2,298,696	1,248,806	161,880	421,216	158,876		4,289,474	3,189,376
Direct fundraising expense				146,362			146,362	287,487
Total Expenses	\$ 2,298,696	\$ 1,248,806	\$ 161,880	\$ 567,578	\$ 158,876		\$ 4,435,836	\$ 3,476,863

The accompanying footnotes are an integral part of the financial statements.

Animal Welfare Association, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies of the Animal Welfare Association, Inc. (AWA), a New Jersey not-for-profit corporation.

Organization

For seven decades, AWA has been dedicated to animal welfare in the South Jersey region. The vision AWA was founded on was a community where no animal was homeless or suffered. AWA is exempt from federal and state income taxes under Section 501 (c) (3) of the Internal Revenue Code and similar state provisions.

Today, AWA's varied programs improve the lives of pets and people and make South Jersey a national leader in companion animal welfare. AWA provides sheltering and adoption services for local displaced and homeless animals as well as for dogs and cats from out-of-state shelters that still euthanize for space. AWA's pet retention and home-to-home adoptions work with people to keep their pets and when that's not possible, help owners directly find their pets' next home. AWA's Pet Clinic opened in the 1970s as the first regional spay/neuter clinic and over the next forty years, has performed nearly a third of a million spay/neuters. As pet owners and their pets' needs changed, AWA's clinic services also changed. Today, AWA provides the public with access to affordable veterinary care. AWA is the only veterinary provider in the City of Camden, NJ, which was once named "America's poorest and most violent city".

AWA is considered a "no-kill" shelter yet many of AWA's programs directly improve the lives of pets living in the community. AWA defines "no-kill" by not only what happens within the shelter, but by how many animals are saved and safe within all the community shelters. AWA wants South Jersey to be a "no-kill" community. This means, continuing to provide veterinary care to pets in need, operating a pet food pantry, working with pet owners to keep their pets, transporting pets from other shelters so they can get veterinary care and a chance at adoption, and providing humane education activities to tomorrow's pet owners.

AWA receives no local, state, or federal funding and is not affiliated with the Humane Society of the United States (HSUS) or with the American Society for the Prevention of Cruelty to Animals (ASCPA). Each dollar raised by AWA is used to help the pets in South Jersey.

Animal Welfare Association, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

Basis of Accounting

The financial statements of AWA are presented on the accrual basis of accounting.

Basis of Presentation

In a prior year AWA adopted the new standards issued in August 2016 relating to the Presentation of Financial Statements of Not-for-Profit entities. These new standards are intended to improve the presentation of financial statements of not-for-profit (NFP) entities. The ASU eliminates the distinction between resources with permanent restrictions and those with temporary restrictions from the face of NFP financial statements by reducing the current three net asset classes (unrestricted, temporarily restricted, and permanently restricted) to two classes (net assets with donor restrictions and net assets without donor restrictions). The ASU also requires additional information to be disclosed about expense classifications and liquidity and availability of resources.

New Accounting Pronouncements – Leases

In February 2016, Accounting Standards Update (ASU) No. 2016-02 requires lessees to recognize right-of-use assets and lease liabilities on the balance sheet for the rights and obligations created by all leases with terms of more than 12 months. This new accounting will apply to both types of leases-capital (or finance) leases and operating leases. Previously, accounting principles generally accepted in the United State of America has required only capital leases to be recognized on lessee balance sheets.

Revenue and Revenue Recognition

Program Income - AWA recognizes income for all program services performed at a point in time when the service has been provided.

Fundraising Income - AWA records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

Contributions and Grants – Contributions are recognized when an unconditional promise to give, or notification of a beneficial interest is received in cash, securities, or other assets. Conditional promises to give, such as bequests, are not recognized until the condition on which they depend has been substantially met. Grants, received are recognized as revenue when AWA has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position.

Animal Welfare Association, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

Donor Imposed Restrictions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions in the statement of activities as net assets released from restrictions. AWA follows the policy of showing donor contributions whose restrictions are met in the same reporting period as donations without donor restrictions..

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

AWA considers all liquid investments with a maturity of three months or less to be cash equivalents. Cash equivalents at June 30, 2023 consisted of checking accounts, money market accounts, and savings accounts (including accounts held with the investment advisor).

Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Donated Services

In accordance with generally accepted accounting principles, no amounts have been reflected in the financial statements relating to those donated services. AWA pays for services requiring specific expertise. However, many individuals provided more than 23,000 hours to perform a variety of tasks that assist AWA with various programs and special events.

Investments

Investments that are purchased are recorded at cost, or if donated at fair value at the date of the donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return (loss) is reported in the statements of activities and consist of interest and dividend income, realized and unrealized capital gains and losses, less external expenses.

Animal Welfare Association, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

Functional Allocation of Expenses

The costs of providing the programs and activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses are allocated on a reasonable basis this is consistently applied based on effort or time or usage.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation of buildings and equipment is provided over the estimated useful lives of the assets, ranging from five to thirty years, on a straight-line basis.

Income Taxes

ASC Topic 740 prescribes how an entity should measure, recognize, present and disclose in its financial statements tax positions that an organization has taken or expects to take on its information returns.

AWA regularly reviews and evaluates its tax positions taken in previously filed information returns with regard to issues affecting its tax exempt status, unrelated business income and related matters. Based on AWA's evaluation of their positions relating to any relevant matters no tax benefits or liabilities are required to be recognized

Income Taxes (continued)

in accordance with ASC Topic 740. AWA is subject to routine audits by taxing jurisdictions however, there are currently no audits for any tax periods in progress. AWA believes it is no longer subject to income tax examinations for years prior to 2018. Should there be an assessment of penalties and interest it is AWA's policy to recognize them as current year expenses. There have been no tax related interest or penalties for periods presented in these financial statements.

Advertising

AWA uses advertising to promote its programs and services within the communities it serves. The advertising costs are expensed as incurred.

Animal Welfare Association, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles.

Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2022 from which the summarized information was derived.

Subsequent Events

The Financial Accounting Standards Board has issued a standard that applies to annual financial periods ending after June 15, 2009. These standards establishes principles setting forth the period after the balance sheet date during which management shall evaluate events and transactions that may occur for potential recognition or disclosure in the financial statements. For the purposes of this accounting standard, AWA has evaluated subsequent events through November 27, 2023.

2. Investments

Investments are presented in the financial statement at fair value and consist of:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gain</u>
Common stock equities	\$ 3,767,445	\$ 4,129,228	\$ 361,783
Money market funds	<u>21,088</u>	<u>21,088</u>	
	<u>\$3,788,533</u>	<u>\$ 4,150,316</u>	<u>\$ 361,783</u>

Investment return is summarized as follows:

Interest and dividend income	\$ 85,359
Investment fees	(29,298)
Realized losses	(224,494)
Current year unrealized gain adjust.	<u>834,046</u>
Investment income - net	<u>\$ 665,613</u>

Animal Welfare Association, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

3. Property and Equipment

Property and equipment consists of the following at June 30:

	<u>2023</u>	<u>2022</u>
Land	\$ 6,500	\$6,500
Building and improvements	9,662,003	8,992,793
Furniture, equipment and vehicles	<u>514,271</u>	<u>420,447</u>
	10,182,774	9,419,740
Less accumulated depreciation	<u>1,258,691</u>	<u>896,801</u>
	<u>\$ 8,924,083</u>	<u>\$ 8,522,939</u>

Depreciation for 2023 was \$ 361,890.

4. Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2023 consisted of funds raised for the construction of a new Adoption and Education Center. See Note 7. During the year funds were released, in the amount of \$ 38,061 for construction costs for the new Center and \$ 25,000 for funds released from a donor restricted grant.

5. Cash in Banks

AWA maintains its checking accounts in one financial institution in Voorhees, New Jersey. At June 30 the balances were insured by the Federal Deposit Insurance Corporation up to \$250,000. At times throughout the year the Association's cash balances may exceed the insured limit. AWA believes that there is no significant risk with respect to these deposits.

6. Fair Value Measurements

Fair value is the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A three-level disclosure hierarchy has been established to indicate the level of judgment used to estimate fair value measurements.

Level 1 – Uses unadjusted quoted prices that are available in active markets for identical assets or liabilities as of the reporting date.

Animal Welfare Association, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

Level 2 – Uses inputs other than Level 1 that are either directly or indirectly observable as of the reporting date through correlation with market data, including quoted prices for similar assets and liabilities in active markets and quoted prices in markets that are not active. Level 2 also includes assets and liabilities valued using models or other pricing methodologies that do not require significant judgment because the input assumptions used in the models, such as interest rates and volatility factors, are corroborated by readily observable data.

Level 3 - Uses inputs that are unobservable, supported by little or no market activity and reflect significant management judgment. These values are generally determined using pricing models that utilize management’s estimates of market participant assumptions.

In general and where applicable, AWA uses quoted prices in active market for identical assets or liabilities to determine fair value. This pricing methodology applies to Level 1 investments such as domestic and international equities, U.S. treasuries, exchange-traded mutual funds, and agency securities. If quoted prices in active markets for identical assets or liabilities are not available to determine fair value, then AWA uses quoted prices for similar assets and liabilities or inputs other than the quoted prices that are observable either directly or indirectly. These investments are including in Level 2 and consist primarily of corporate notes and bonds, foreign government bonds, mortgage-backed securities, commercial paper, and certain agency securities.

The table below sets forth AWA’s financial assets that were accounted for at fair value as of June 30, 2023 and 2022. The table does not include either cash on hand or assets that are measured at historical cost or any basis other than fair value.

<u>Level 1:</u>	<u>2023</u>	<u>2022</u>
Common stock equities	\$ 4,129,228	\$ 3,466,792
Fixed income:		
Money Market Funds	<u>21,088</u>	<u>35,417</u>
Total Investments	<u>\$ 4,150,316</u>	<u>\$ 3,502,209</u>

Animal Welfare Association, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

7. Building a Place Where Happiness Begins Capital Campaign

In 2018, AWA’s 70th year in existence, concluded with the Organization looking ahead and committing to tomorrow’s hurt and homeless animals by launching, “Building a Place Where Happiness Begins” capital campaign to construct a new Adoption and Education Center to serve as the “home base” for AWA’s unique animal-and-people-centered programs by the end of 2021.

As part of the capital campaign AWA is asking for promises to give that are restricted to use for the cost of the construction of the Adoption and Education Center. The promises to give are due in years thru 2026. Promises to receive are discounted at 4 %. The unamortized discount on the promises to give is \$ 259 as of June 30, 2023. The promises to give are due as follows:

June 30, 2024	\$ 64,161
June 30, 3025	2,913
June 30, 2026	<u>2,828</u>
Total Promises to Give	<u>\$ 69,902</u>

8. Liquidity and Availability

Financial assets available for general expenditures within one year of the statement of financial position date comprise the following:

Cash and cash equivalents	\$ 1,939,849
Grants and accounts receivable	30,390
Investments	4,150,316
Promises to give	64,161
Less - net assets with donor restrictions	(69,902)
Total Financial Assets Available for General Expenditures	<u>\$ 6,114,814</u>

AWA regularly monitors liquidity to meet its operating needs. AWA has various sources of liquidity at its disposal, including cash and cash equivalents, grants and accounts receivable and investments

Animal Welfare Association, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

9. EIDL Loan

During the prior year AWA applied for and received a loan from the Small Business Administration (SBA) to be used for working capital to alleviate economic injury caused by the pandemic in the amount of \$ 150,000. During the current year AWA received an additional \$ 1,850,000 under this SBA program for a total of \$ 2,000,000. The loan is payable in monthly instalments of principal and interest, computed at the rate of 2.75%, of \$ 8,164.82 commencing in January 2023 for a period of 30 years. The principal maturities for the loan for the next five years are as follows:

June 30, 2024	\$44,025
June 30, 2025	45,250
June 30, 2026	46,512
June 30, 2027	47,807
June 30, 2028	49,137

10. Construction Loan and Permanent Mortgage

During a prior AWA was approved for a construction loan in the amount of \$3,000,000 to be used to fund the construction of the new Adoption and Education Center. Advances can be applied for in accordance with the terms of the Loan Agreement. When the construction is complete and the requirements of the construction loan satisfied, AWA will convert the loan to a permanent mortgage. The property at 509 Centennial Boulevard is security for the loan. During the current and prior year draws in the full amount of \$ 3,000,000 were taken from the construction loan. During the current year AWA received the final CO and the loan was converted from a construction loan to a permanent loan. The loan is payable in monthly instalments of principal and interest in the amount of \$ 17,507.19. Interest is calculated, using a term of 360 months, at the rate of 5.75% thru August of 2027 at which time it will be adjusted in accordance with the terms of the mortgage. During the year AWA made additional principle payments in the amount of \$ 2,050,000. The principal maturities for the loan for the next five years are as follows:

June 30, 2024	\$ 161,925
June 30, 2025	171,485
June 30, 2026	181,609
June 30, 2027	192,332
June 30, 2028	195,969