

ARIZONA ANIMAL WELFARE LEAGUE

FINANCIAL STATEMENTS

Year Ended December 31, 2022

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ARIZONA ANIMAL WELFARE LEAGUE

STATEMENT OF FINANCIAL POSITION

December 31, 2022

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 2,436,903
Bequests receivable	578,919
Pledges receivable	143,679
Accounts receivable	5,870
Inventories	101,252
Prepaid expenses and other current assets	<u>91,121</u>
TOTAL CURRENT ASSETS	3,357,744
PROPERTY AND EQUIPMENT, net	5,584,194
OPERATING LEASE RIGHT-OF-USE ASSET	335,218
INVESTMENTS	5,462,459
ASSETS HELD BY OTHERS FOR BOARD DESIGNATED - QUASI ENDOWMENT	241,291
BENEFICIAL INTERESTS IN PERPETUAL TRUSTS	<u>3,807,000</u>
TOTAL ASSETS	<u>\$ 18,787,906</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	\$ 62,969
Accrued liabilities	192,518
Deferred revenue	29,226
Current portion of operating lease liability	<u>141,021</u>
TOTAL CURRENT LIABILITIES	425,734
OPERATING LEASE LIABILITY, net of current portion	<u>194,136</u>
TOTAL LIABILITIES	<u>619,870</u>
NET ASSETS	
Without donor restrictions	
Board designated (Note 7)	241,291
Undesignated	<u>13,853,445</u>
Total net assets without donor restrictions	14,094,736
With donor restrictions	<u>4,073,300</u>
TOTAL NET ASSETS	<u>18,168,036</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 18,787,906</u>

See Notes to Financial Statements

ARIZONA ANIMAL WELFARE LEAGUE

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions and bequests	\$ 3,056,710	\$ 392,044	\$ 3,448,754
Donated materials and services	197,087	-	197,087
Clinic operations	318,071	-	318,071
Adoption fees	981,087	-	981,087
Education	1,790	-	1,790
Special events revenues	285,610	-	285,610
Investment income (loss)	(776,339)	-	(776,339)
Income from beneficial interests in perpetual trusts	208,248	-	208,248
Change in value of beneficial interests in perpetual trusts	-	(1,045,000)	(1,045,000)
Other	25,733	-	25,733
Total support and revenues before retail store sales and net assets released from restrictions	4,297,997	(652,956)	3,645,041
Retail store sales	154,512	-	154,512
Less related costs of sales	(72,086)	-	(72,086)
Gross profit on retail store sales	82,426	-	82,426
Net assets released from restrictions	415,946	(415,946)	-
TOTAL SUPPORT AND REVENUES	4,796,369	(1,068,902)	3,727,467
EXPENSES			
Program services			
Shelter - Chandler	493,948	-	493,948
Shelter - Phoenix	3,701,732	-	3,701,732
Education	242,802	-	242,802
Clinic services	610,646	-	610,646
Total program services	5,049,128	-	5,049,128
Supporting services			
Management and general	301,944	-	301,944
Fundraising and development	742,374	-	742,374
Total supporting services	1,044,318	-	1,044,318
TOTAL EXPENSES	6,093,446	-	6,093,446
LOSS ON DISPOSAL OF PROPERTY AND EQUIPMENT	(2,240)	-	(2,240)
CHANGE IN NET ASSETS	(1,299,317)	(1,068,902)	(2,368,219)
NET ASSETS, BEGINNING OF YEAR	15,394,053	5,142,202	20,536,255
NET ASSETS, END OF YEAR	\$ 14,094,736	\$ 4,073,300	\$ 18,168,036

See Notes to Financial Statements

ARIZONA ANIMAL WELFARE LEAGUE
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2022

	Program Services				Supporting Services			Total	
	Shelter - Chandler	Shelter - Phoenix	Education	Clinic Services	Program Total	Management and General	Fundraising and Development		Support Total
Salaries	\$ 299,916	\$ 1,719,154	\$ 180,433	\$ 212,408	\$ 2,411,911	\$ 207,819	\$ 315,961	\$ 523,780	\$ 2,935,691
Employee insurance and benefits	6,264	139,606	18,342	21,960	186,172	15,705	18,464	34,169	220,341
Supplies/medical expenses	16,094	1,262,993	42,532	346,512	1,668,131	132	12,325	12,457	1,680,588
Occupancy	114,607	299,022	302	1,638	415,569	13,236	8,744	21,980	437,549
Travel and related expenses	7,732	51,159	125	976	59,992	-	2,050	2,050	62,042
Office supplies and small equipment	4,332	32,154	976	736	38,198	4,022	7,561	11,583	49,781
Outside services	17,372	14,713	92	8,809	40,986	50,479	362,102	412,581	453,567
Depreciation	27,631	182,931	-	17,607	228,169	10,551	15,167	25,718	253,887
Total expenses	493,948	3,701,732	242,802	610,646	5,049,128	301,944	742,374	1,044,318	6,093,446
Special events direct donor benefits	-	-	-	-	-	-	-	-	-
Retail store costs of sales	43,904	28,182	-	-	72,086	-	-	-	72,086
Total functional expenses	\$ 537,852	\$ 3,729,914	\$ 242,802	\$ 610,646	\$ 5,121,214	\$ 301,944	\$ 742,374	\$ 1,044,318	\$ 6,165,532

See Notes to Financial Statements

ARIZONA ANIMAL WELFARE LEAGUE

STATEMENT OF CASH FLOWS

Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (2,368,219)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	253,887
Loss on disposal of property and equipment	2,240
Realized and unrealized losses on investments	962,701
Change in value of beneficial interests in perpetual trusts	1,045,000
Non-cash lease expense	142,809
Changes in operating assets and liabilities:	
(Increase) decrease in:	
Bequests receivable	(440,266)
Pledges receivable	(143,679)
Accounts receivable	(1,072)
Inventories	76,347
Prepaid expenses and other current assets	11,933
Increase (decrease) in:	
Accounts payable	25,008
Accrued liabilities	70,635
Deferred revenue	9,226
Operating lease liabilities	<u>(142,870)</u>
Net cash used in operating activities	<u>(496,320)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of investments	1,045,882
Purchases of investments	(1,479,577)
Purchases of property and equipment	<u>(131,975)</u>
Net cash used in investing activities	<u>(565,670)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Collection of contributions restricted to investment in long-lived assets	<u>10,000</u>
Net cash provided by financing activities	<u>10,000</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH AND CASH EQUIVALENTS	(1,051,990)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,488,893</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,436,903</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES	
Right of use assets acquired through operating leases upon adoption of Topic 842	<u>\$ 372,113</u>

See Notes to Financial Statements