

BLUE RIDGE HUMANE SOCIETY, INC.

INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024



CORLISS &
SOLOMON
PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Blue Ridge Humane Society, Inc.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Blue Ridge Humane Society, Inc.
Hendersonville, NC

Opinion

We have audited the accompanying financial statements of Blue Ridge Humane Society, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related disclosures to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Blue Ridge Humane Society, Inc as of June 30, 2024, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Blue Ridge Humane Society, 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 Blue Ridge Humane Society, Inc'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 Blue Ridge Humane Society, 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 Blue Ridge Humane Society, 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 Blue Ridge Humane Society's 2023 financial statements, and our report dated March 18, 2024, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Carliss & Solomon, PLLC

Asheville, North Carolina
February 10, 2025

Blue Ridge Humane Society, Inc.

Statement of Financial Position

As of June 30, 2024

(With summarized comparative totals as of June 30, 2023)

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 1,095,852	\$ 1,005,592
Investments	1,791,820	1,077,838
Contributions Receivable	80,660	5,000
Grant Receivable	6,804	6,119
Thrift Store Inventory	91,967	80,082
Prepaid Expenses	16,151	16,304
Other Asset	4,097	3,587
Total Current Assets	<u>3,087,351</u>	<u>2,194,522</u>
<u>Long-Term Assets</u>		
Right-of-Use Operating Lease Asset	33,543	59,520
Property and Equipment, Net	<u>3,821,743</u>	<u>3,908,498</u>
Total Long-Term Assets	<u>3,855,286</u>	<u>3,968,018</u>
Total Assets	<u>\$ 6,942,637</u>	<u>\$ 6,162,540</u>
<u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 48,869	\$ 37,736
Accrued Vacation	39,274	12,709
Accrued Wages	62,003	51,232
Operating Lease - Current Portion	<u>25,555</u>	<u>25,363</u>
Total Current Liabilities	<u>175,701</u>	<u>127,040</u>
<u>Long-Term Liabilities</u>		
Operating Lease- Long Term Portion	<u>8,748</u>	<u>34,837</u>
Total Long-Term Liabilities	<u>8,748</u>	<u>34,837</u>
Total Liabilities	<u>184,449</u>	<u>161,877</u>
<u>Net Assets</u>		
Without Donor Restrictions	6,250,629	5,561,983
With Donor Restrictions	<u>507,559</u>	<u>438,680</u>
Total Net Assets	<u>6,758,188</u>	<u>6,000,663</u>
Total Liabilities and Net Assets	<u>\$ 6,942,637</u>	<u>\$ 6,162,540</u>

The accompanying disclosures are an integral part of these financial statements.

Blue Ridge Humane Society, Inc.

Statement of Activities

Year Ended June 30, 2024

(With summarized comparative totals for the prior year)

	Without Donor Restrictions	With Donor Restrictions	Total 2024	Total 2023
Support and Revenue				
Contributions	\$ 1,769,688	\$ 140,471	\$ 1,910,159	\$ 1,107,113
Grants	186,455	15,000	201,455	568,954
Spay and Neuter Fees	41,561	-	41,561	29,194
Adoption Fees	76,380	-	76,380	58,684
Special Events	50,666	-	50,666	70,133
Thrift Store	1,103,601	-	1,103,601	960,982
In-Kind Contributions	27,126	-	27,126	13,690
Thrift Store Donated Goods	1,168,932	-	1,168,932	998,682
Investment Activity, Net	31,853	13,228	45,081	3,551
Interest Income	20,015	-	20,015	8,400
Other Income	-	-	-	10,163
Net Assets Released from Restrictions	99,820	(99,820)	-	-
Total Support and Revenue	4,576,097	68,879	4,644,976	3,829,546
Expenses				
Program Services	2,381,523	-	2,381,523	2,057,238
Management and General	1,312,982	-	1,312,982	1,125,229
Fundraising	192,946	-	192,946	196,628
Total Expenses	3,887,451	-	3,887,451	3,379,095
Change in Net Assets	688,646	68,879	757,525	450,451
Net Assets Beginning of Year:				
As Previously Reported	5,675,971	324,692	6,000,663	5,550,212
Prior Period Adjustment (See Disclosure 9)	(113,988)	113,988	-	-
Net Assets Beginning of Year	5,561,983	438,680	6,000,663	5,550,212
Net Assets, End of Year	\$ 6,250,629	\$ 507,559	\$ 6,758,188	\$ 6,000,663

The accompanying disclosures are an integral part of these financial statements.

Blue Ridge Humane Society, Inc.
Statement of Functional Expenses

Year Ended June 30, 2024

(With summarized comparative totals for the prior year)

	Program Services	Management and General	Fundraising	Total 2024	Total 2023
Personnel					
Salaries and Wages	\$ 1,442,353	\$ 79,900	\$ 79,900	\$ 1,602,153	\$ 1,350,444
Payroll Taxes	112,285	6,238	6,238	124,761	107,076
Health Insurance	117,167	6,467	6,467	130,101	110,678
Retirement	15,956	887	887	17,730	15,106
Subtotal Personnel	<u>1,687,761</u>	<u>93,492</u>	<u>93,492</u>	<u>1,874,745</u>	<u>1,583,304</u>
Program Operations					
Adoption Center Expense	90,178	-	-	90,178	79,975
Community Programs	77,069	-	-	77,069	74,646
Spay and Neuter Program	94,896	-	-	94,896	106,909
Veterinary Services	95,384	-	-	95,384	88,163
Bank Fees	16,207	5,167	11,440	32,814	30,230
Dues and Subscriptions	890	847	381	2,118	2,398
Event Expense	-	-	5,566	5,566	5,214
Insurance	31,698	1,642	1,346	34,686	32,203
Miscellaneous Expense	434	26	1,089	1,549	11,849
Office and Computer Supplies	14,822	8,826	6,997	30,645	33,081
Printing and Postage	16,787	2,636	36,212	55,635	64,426
Professional Fees	17,657	21,501	981	40,139	19,178
Professional Development	17,086	1,206	1,628	19,920	12,626
Program Advertising	373	-	5,837	6,210	11,638
Rent and Storage	10,780	7,701	7,189	25,670	26,622
Repairs and Maintenance	32,928	-	-	32,928	32,580
Telephone and Internet	7,567	967	264	8,798	8,468
Travel and Vehicle	18,314	-	-	18,314	29,676
Utilities	38,630	4,941	1,348	44,919	39,240
Volunteer Program	3,986	-	-	3,986	6,719
Subtotal Expenses	<u>2,273,447</u>	<u>148,952</u>	<u>173,770</u>	<u>2,596,169</u>	<u>2,299,145</u>
Depreciation	95,327	5,355	6,427	107,109	86,428
Cost of Sales Donated	-	1,157,047	-	1,157,047	979,832
In-Kind Contributions Utilized	12,749	1,628	12,749	27,126	13,690
Total Expenses	<u>\$ 2,381,523</u>	<u>\$ 1,312,982</u>	<u>\$ 192,946</u>	<u>\$ 3,887,451</u>	<u>\$ 3,379,095</u>

The accompanying disclosures are an integral part of these financial statements.

Blue Ridge Humane Society, Inc.

Statement of Cash Flows

Year Ended June 30, 2024

(With summarized comparative totals for the prior year)

	<u>2024</u>	<u>2023</u>
<u>Cash Flows from Operating Activities</u>		
Change in Net Assets	\$ 757,525	\$ 450,451
Adjustments to reconcile change in net assets to net cash provided or used by operating activities:		
Depreciation	107,109	86,428
Investment Activity, Net	(45,081)	(3,551)
Right of Use Operating Lease Asset	80	680
(Increase)/Decrease in Operating Assets		
Contribution Receivable	(75,660)	(5,000)
Grants Receivable	(685)	(523)
Thrift Store Inventory	(11,885)	(18,850)
Prepaid Expenses	153	720
Other Asset	(510)	3,167
Increase/(Decrease) in Operating Liabilities		
Accounts Payable	11,133	(495)
Accrued Vacation	26,565	2,872
Accrued Wages	10,771	10,062
Net Cash Provided by Operating Activities	<u>779,515</u>	<u>525,961</u>
<u>Cash Flows from Investing Activities</u>		
Investment Purchases	(668,901)	(1,074,287)
Property and Equipment Purchases	(20,354)	(170,447)
Net Cash Used in Investing Activities	<u>(689,255)</u>	<u>(1,244,734)</u>
Net Change in Cash and Cash Equivalents	90,260	(718,773)
Cash and Cash Equivalents, Beginning of Year	<u>1,005,592</u>	<u>1,724,365</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,095,852</u>	<u>\$ 1,005,592</u>
Supplementary Information		
Right-of-Use Asset	<u>\$ -</u>	<u>\$ 59,520</u>

The accompanying disclosures are an integral part of these financial statements.

Blue Ridge Humane Society, Inc.
Disclosures to the Financial Statements

For the Year Ended June 30, 2024

1. Description of the Organization, Corporate and Tax-Exempt Status

Blue Ridge Humane Society, Inc., (the Society) is an animal welfare organization dedicated to ensuring the highest quality of life for animals in Henderson County and our neighboring communities. BRHS cares for pets awaiting adoption at the Adoption Center; offers low-cost vaccine clinics, animal education programs, pet training classes, and youth education and projects; coordinates community pet food assistance, emergency vet assistance, and the Spay Neuter Incentive Program (SNIP), which is a collaboration with Henderson County, the City of Hendersonville, and the Henderson County Animal Services Center. The organization is supported primarily by contributions and grants.

Blue Ridge Humane Society, Inc. was established in 1950 as a nonprofit corporation under the laws of the State of North Carolina. It qualifies for exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue code. In addition, it qualifies as a publicly supported organization under Section 509(a)(2).

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on an accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (U.S. GAAP), as applicable to not-for-profit organizations.

Financial Statement Presentation

The classification of the organization's net assets, and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of two classes of net assets – without donor restrictions and with donor restrictions – be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

The classes of net assets are defined as follows:

Net Assets Without Donor Restrictions – Includes net assets that are not subject to donor-imposed restrictions and that may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the organization's management and board of directors.

Net Assets With Donor Restrictions - Includes net assets that are subject to restrictions imposed by donors or grantors. Some donor and grantor restrictions are temporary in nature, such as those with a specified purpose or a timeframe for expenditure established by the donor or grantor. Other donor-imposed restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

The organization's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

Concentration of Credit Risk

Financial assets that potentially subject the organization to concentrations of credit risk consist principally of cash and cash equivalents. The organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed FDIC federally insured limits. The organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Investments

The organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income and realized and unrealized capital gains and losses, net of investment expenses.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. Certain valuation techniques are used to measure fair value. There are three broad levels as follows:

Level 1 – (the highest level) inputs are based on quoted prices in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date. For example, securities traded in an active market are valued using Level 1 inputs.

Level 2 – inputs are observable inputs other than quoted prices, either directly or indirectly through corroboration with observable market data. If the asset or liability has a specified term, the Level 2 input must be observable for substantially the full term.

Level 3 – inputs are unobservable inputs for the asset or liability, meaning the inputs reflect the Organization's own assumptions about the assumptions market participants would use in pricing the asset or liability, including inputs related to risk, which have been developed based on the best information available in the circumstances.

Inventory

Inventory consists of the year end remaining balance of clothing, household items and furniture in the organization's thrift store. It is valued using estimates that approximate the fair value of the items.

Accounts Receivable

Accounts receivable consist of amounts billed and recognized as program income. Accounts receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The organization separates accounts receivable into risk pools to help determine the amount of the allowance as of the statement of financial position date. This loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions.

Contributions and Grants Receivable

Contributions and grants receivable, without conditions, and expected to be collected within one year are recorded at net realizable value; those expected to be collected in more than one year are recorded at the present value of their future cash flows, using a risk adjusted interest rate. Any provision for uncollectible receivables is estimated by management based on historical collection experience.

Property and Equipment

Property and equipment purchases are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. The organization has adopted a capitalization threshold of \$5,000 per item. Expenses for repairs and maintenance that do not improve or extend the life of an asset are expensed as incurred.

Revenue Recognition

In accordance with U.S. GAAP, the organization follows ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), which requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. BRHS has several sources of revenue that are accounted for as exchange transactions under the new standard. These include adoption fees, spay/neuter fees and thrift store revenue.

Adoption and spay/neuter fees are recognized in full in the month the services are performed. These agreements have a single performance obligation, which is met upon the client's receiving the adopted pet or the spay/neuter service for their pet. Similarly, thrift store sales revenue is recognized at the time of sale, when ownership, risks, and rewards have been transferred to the customer.

Contributions and Grants

Contributions and grants are recognized in support: (1) when the organization receives cash, securities or other assets from a donor or grantor, (2) when a donor conveys a promise to make a donation in the future, on an unconditional basis, and (3) when a grantor awards a grant to be paid in the future, on an unconditional basis. Contributions and grants with conditions, such as performance requirements, are not recognized until the conditions on which they depend have been substantially met.

Leases

The Organization follows (ASU) *No. 2016-02 Leases* (Topic 842) as management believes the standard improves the usefulness and understandability of the organization's financial reporting. The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases, except for short-term leases less than 12 months. The adoption can have a material impact on the Organization's statement of financial position but does not have a material impact on the statement of activities and cash flows.

In-Kind Contributions

The organization recognizes contributed goods and the use of facilities at estimated fair value on the date of receipt. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. When recognized, contributed services are reported at fair value.

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 period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of program and supporting services 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.

Certain categories of expenses that are attributable to more than one program or supporting function require management's allocation on a reasonable basis that is consistently applied. The primary allocation basis used by management for personnel expenses and applicable overhead expenses is estimated based on employee time and effort.

Income Taxes/Uncertain Tax Positions

BRHS is exempt from federal income taxes under 501(c)(3) of the Internal Revenue Code. Under the Code, however, income from certain activities not related to the organization's tax-exempt purpose may be subject to taxation as unrelated business income. The organization had no income from unrelated business activities in 2024 and was, therefore, not required to file Federal Form 990-T (Exempt Organization Business Income Tax Return). The organization believes that it has appropriate support for all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Summarized Comparative Data

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the organization's audited financial statements for the year end June 30, 2023, from which the summarized information was derived. Certain amounts in the prior-year financial statements have been reclassified to conform to the current year presentation.

3. *Liquidity and Availability*

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

<u>As of June 30:</u>	<u>2024</u>	<u>2023</u>
Financial Assets at year end:		
Cash and Cash Equivalents	\$ 1,095,852	\$ 1,005,592
Investments	1,791,820	1,077,838
Contributions Receivable	80,660	5,000
Grant Receivable	6,804	6,119
Total Financial Assets	<u>2,975,136</u>	<u>2,094,549</u>
Less amounts not available to be used in one year:		
Net Assets With Donor Restrictions	<u>507,559</u>	<u>438,680</u>
Total not available to be used in one year	<u>507,559</u>	<u>438,680</u>
Financial assets available to meet general expenditures over the following year	<u>\$ 2,467,577</u>	<u>\$ 1,655,869</u>

4. *Cash and Cash Equivalents*

Cash and cash equivalent amounts are shown in the list below.

<u>As of June 30</u>	<u>2024</u>	<u>2023</u>
Checking Accounts	\$ 300,470	\$ 314,462
Money Market Account	795,382	691,130
Total Cash and Cash Equivalents	<u>\$ 1,095,852</u>	<u>\$ 1,005,592</u>

As of June 30, 2024, the organization had exceeded the FDIC federally insured limit in cash accounts by \$213,437. Management believes the organization is not exposed to any significant credit risk on its cash balances.

5. Investments

Blue Ridge Humane Society holds short-term investments ranging from one to seven-month Certificate of Deposits with an Financial Institution. Activity during the year consist of the following:

	<u>2024</u>	<u>2023</u>
Balance as of June 30, 2023	\$ 1,077,838	\$ 186,128
Transfers	668,901	888,159
Investment Income	45,231	3,551
Management Fees	(150)	-
Balance as of June 30, 2024	<u>\$ 1,791,820</u>	<u>\$ 1,077,838</u>

This account contains \$199,836 and \$800,084 of Certificate of Deposit Securities as of June 30, 2024 and 2023, respectively.

6. Property and Equipment

Property and equipment consists of the following:

<u>As of June 30</u>	<u>2024</u>	<u>2023</u>
Buildings	\$ 1,277,768	\$ 1,277,768
Construction in Progress	61,603	65,463
Furniture and Equipment	59,164	51,444
Furniture and Equipment - Thrift Store	19,214	19,214
Improvements and Renovations	605,659	590,088
Land	2,599,149	2,599,149
Vehicles	308,424	307,502
Less: Accumulated Depreciation	(1,109,238)	(1,002,130)
Total Property and Equipment, Net	<u>\$ 3,821,743</u>	<u>\$ 3,908,498</u>

Depreciation expense was \$107,109 and 86,428 for the years ended June 30, 2024 and June 30, 2023.

7. Construction in Progress

In 2023, Blue Ridge Humane Society began a construction project to construct a new facility building. As of June 30, 2024 and 2023, the organization's capitalized costs were \$61,603 and \$65,463, respectively.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes:

<u>As June 30</u>	<u>2024</u>	<u>2023</u>
Building	\$ 136,358	\$ 113,988
Pet Fund	326,068	322,150
Spay/Neuter	45,133	2,542
Total Net Assets with Donor Restrictions	<u>\$ 507,559</u>	<u>\$ 438,680</u>

9. Prior Period Adjustment

During the audit, it was determined the prior year's net assets with donor restrictions excluded the building fund and were understated by \$113,988 in the Building Fund category, and the net assets without donor restrictions were overstated by the same amount. A prior period adjustment is reflected in the financial statements as an increase in net assets with donor restrictions and an equal decrease in net assets without donor restrictions on the statement of financial position and statement of activities. There was no impact to the total net assets as presented in 2023, however GAAP requires a prior period adjustment when net asset classes are misstated.

10. Operating Lease

The organization began leasing an office in November 2020 under the previous standard and implemented lease standard *ASU 2016-02* for Operating Leases starting July 1, 2022. The lease agreements are reflected as a right-of-use asset and an operating lease liability on the statement of financial position.

The present value of the right-of-use asset and lease liability uses an accepted risk-free discount rate and accounts for lease and non-lease components as a single lease component. The assets and liabilities reflected on the financial statements for the right-of-use asset for \$33,543 and operating lease liability was \$34,303 as of June 30, 2024. Average lease payments recorded for the lease term are \$2,135 per month. The weighted average remaining lease term is 16 months, and the weighted average discount rate was 2.85%. Required lease liability by year for the remainder of the lease term is as follows:

Years ending June 30:

2025	\$	26,140
2026		8,780
Total Undiscounted Cash Flows		<u>34,920</u>
Less: Present Value Discount		<u>(617)</u>
Total	\$	<u>34,303</u>

11. In Kind Contributions

The organization received the following in-kind contributions:

For the Year Ended June 30:

	2024	2023
Advertisement	\$ 2,007	\$ -
Fundraising Goods and Materials	18,499	6,772
Telephone	6,620	6,918
Total In-Kind Contributions	<u>\$ 27,126</u>	<u>\$ 13,690</u>

Goods for BRHS events and programs were utilized, and the estimated fair values is based on comparable sales price in the market.

Contributed program services were utilized and the estimated fair value is based on current rates for similar services.

BRHS makes extensive use of volunteers to carry out its programs. For the year ended June 30, 2024 volunteers contributed 21,794 hours, with a total value of \$729,881 based on a rate of \$33.49 per hour, a rate provided annually by the organization Independent Sector. The services contributed by volunteers did not meet the requirements of U.S. GAAP for recognition in income.

12. Thrift Store Inventory

The balance in inventory consists of items sold in its Thrift Store operations; in addition to this balance, the activity within the account is shown as follows:

	<u>2024</u>
Thrift Store Inventory as of July 1	\$ 80,082
Thrift Store Donated Goods	1,168,932
Less: Cost of Sales Donated	<u>(1,157,047)</u>
Thrift Store Inventory as of June 30	<u>\$ 91,967</u>

13. Fair Value Measurement

Fair values of assets measured on a recurring basis at June 30, 2024 are as follows:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
Thrift Store Inventory	\$ 91,967	\$ -	\$ -	\$ 91,967
Investments	1,791,820	1,791,820	-	-
Totals	<u>\$ 1,883,787</u>	<u>\$ 1,791,820</u>	<u>\$ -</u>	<u>\$ 91,967</u>

Level 3 financial assets measured at fair value on a recurring basis using significant unobservable inputs:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) <u>Thrift Store Inventory</u>
July 1, 2023	\$ 80,082
Additions	1,157,047
Sales	<u>(1,145,162)</u>
June 30, 2024	<u>\$ 91,967</u>

14. Subsequent Events

Subsequent events have been evaluated through February 10, 2025, which is the date the financial statements were available to be issued.