



**ANIMAL CARE AND CONTROL
OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE**

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1-2
 FINANCIAL STATEMENTS:	
Consolidated Statements of Financial Position as of June 30, 2025 and 2024	3
Consolidated Statement of Activities and Change in Net Assets Year Ended June 30, 2025, With Comparative Summarized Totals for the Year Ended 2024	4
Consolidated Statement of Functional Expenses Year Ended June 30, 2025, With Comparative Summarized Totals for the Year Ended 2024	5
Consolidated Statements of Cash Flows Years Ended of June 30, 2025 and 2024	6
Notes to Consolidated Financial Statements	7-23
 SUPPLEMENTARY SCHEDULES:	
Independent Auditor’s Report on Supplementary Information	24
SCHEDULE I: Consolidating Statement of Financial Position at June 30, 2025	25
SCHEDULE II: Consolidating Statement of Activities Year Ended June 30, 2025	26
SCHEDULE III: Consolidating Statement of Financial Position at June 30, 2024	27
SCHEDULE IV: Consolidating Statement of Activities Year Ended June 30, 2024	28



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Animal Care and Control of New York City, Inc.
DBA Animal Care Centers of NYC and Affiliate
New York, New York

Opinion

We have audited the accompanying consolidated financial statements of Animal Care and Control of New York City, Inc. DBA Animal Care Centers of NYC (a nonprofit organization) and Affiliate (a limited liability company), which comprise the statement of consolidated financial position as of June 30, 2025, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Animal Care and Control of New York City, Inc. DBA Animal Care Centers of NYC and Affiliate as of June 30, 2025, 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 Consolidated Financial Statements section of our report. We are required to be independent of Animal Care and Control of New York City, Inc. DBA Animal Care Centers of NYC and Affiliate 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Animal Care and Control of New York City, Inc. DBA Animal Care Centers of NYC and Affiliate's ability to continue as a going concern within one year after the date that consolidated financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

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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 consolidated 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 consolidated 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 Animal Care and Control of New York City, Inc. DBA Animal Care Centers of NYC and Affiliate'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Animal Care and Control of New York City, Inc. DBA Animal Care Centers of NYC and Affiliate'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 Animal Care and Control of New York City, Inc. DBA Animal Care Centers of NYC and Affiliate's June 30, 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated April 3, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Reid CPAs, LLP

New York, New York
April 29, 2026

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024**

	2025	2024
ASSETS		
ASSETS		
Cash and Cash Equivalents	\$ 5,716,623	\$ 2,886,786
Restricted - Cash and Cash Equivalents	3,939,658	5,919,844
Marketable Securities	629,029	558,475
Accounts Receivable - The City of New York	4,412,969	3,799,730
Contributions Receivable	554,761	628,514
Other Accounts Receivable, Net	9,164	106,748
Prepaid Expenses	483,531	496,390
Land	13,026,750	13,026,750
Property and Equipment, Net	64,955,114	1,499,929
Construction in Progress	-	61,930,886
Loan Acquisition Costs, Net	2,841,067	2,909,407
Deposits on Leased and Other Property	78,758	78,758
Operating Lease Right of Use Assets	153,145	276,886
TOTAL ASSETS	\$ 96,800,569	\$ 94,119,103
LIABILITIES, NET ASSETS AND MEMBER'S EQUITY		
LIABILITIES		
Accounts Payable	\$ 248,788	\$ 592,885
Accrued Expenses	299,313	2,023,663
Credit Cards Payable	70,992	169,155
Accounts Payable - The City of New York	47,312	46,177
Salaries, Payroll Taxes and Benefits Payable	643,109	418,151
Vacation and Sick Time Accrual	703,523	491,827
Mortgage Interest Payable	129,544	131,980
Customer Deposits Payable	8,046	21,328
Mortgage Payable	71,156,394	72,494,647
Operating Lease Liability	153,145	276,886
TOTAL LIABILITIES	73,460,166	76,666,699
NET ASSETS AND MEMBER'S EQUITY		
Without Donor Restrictions	21,123,430	15,872,648
With Donor Restrictions	2,216,973	1,579,756
TOTAL NET ASSETS AND MEMBER'S EQUITY	23,340,403	17,452,404
TOTAL LIABILITIES, NET ASSETS AND MEMBER'S EQUITY	\$ 96,800,569	\$ 94,119,103

See Accompanying Notes to Consolidated Financial Statements

ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
YEAR ENDED JUNE 30, 2025
(With Comparative Summarized Totals for the Year Ended June 30, 2024)

	JUNE 30, 2025			JUNE 30, 2024
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	TOTAL
REVENUES, GAINS, AND OTHER SUPPORT				
Support from Operations:				
Revenue - The City of New York	\$ 34,098,942	\$ -	\$ 34,098,942	\$ 25,625,923
Shelter Revenue	625,932	-	625,932	562,637
Contributions	1,655,812	2,337,574	3,993,386	2,944,772
In-Kind Contributions	412,892	-	412,892	603,491
Benefit Plan Contributions	1,718,230	-	1,718,230	1,445,593
Donated Use of Facilities and Utilities	924,185	-	924,185	1,383,130
Benefits and Special Events	731,377	-	731,377	329,283
Other Miscellaneous Income	7,828	-	7,828	88
Interest Income	132,482	-	132,482	173,452
Investment Income/(Loss)	7,376	-	7,376	8,476
Unrealized Gain/(Loss)	59,397	-	59,397	128,561
Total Revenues, Gains and Other Support Before the Release of Restricted Net Assets	40,374,453	2,337,574	42,712,027	33,205,406
Net Assets Released From Restrictions:				
Satisfaction of Time and Program Restrictions	1,700,357	(1,700,357)	-	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	42,074,810	637,217	42,712,027	33,205,406
EXPENSES				
Program Services:				
Health and Welfare of Animals	32,030,431	-	32,030,431	24,617,559
Total Program Service Expenses	32,030,431	-	32,030,431	24,617,559
Supporting Services:				
Management and General	4,184,573	-	4,184,573	3,948,024
Fundraising	609,024	-	609,024	558,583
Total Supporting Services	4,793,597	-	4,793,597	4,506,607
TOTAL EXPENSES	36,824,028	-	36,824,028	29,124,166
CHANGE IN NET ASSETS	5,250,782	637,217	5,887,999	4,081,240
NET ASSETS AND MEMBER'S EQUITY, BEGINNING OF YEAR	15,872,648	1,579,756	17,452,404	13,371,164
NET ASSETS AND MEMBER'S EQUITY, END OF YEAR	\$ 21,123,430	\$ 2,216,973	\$ 23,340,403	\$ 17,452,404

ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

(With Comparative Summarized Totals for the Year Ended June 30, 2024)

	JUNE 30, 2025				JUNE 30, 2024
	Health and Welfare of Animals	Management and General	Fundraising	Total	Total
Salaries	\$ 16,417,729	\$ 2,020,641	\$ 252,560	\$ 18,690,930	\$ 14,544,773
Payroll Taxes and Fringe Benefits	5,217,075	642,101	80,256	5,939,432	4,830,245
Total Personnel Service Expenses	21,634,804	2,662,742	332,816	24,630,362	19,375,018
Vehicle Expenses	433,625	31,425	-	465,050	482,287
Communications	4,057	45,975	18,777	68,809	98,629
Depreciation	1,704,368	209,768	26,219	1,940,355	113,311
Amortization	65,672	8,083	1,010	74,765	-
Facility Expenses	636,507	78,339	9,792	724,638	616,011
Human Resource	19,040	51,170	1,077	71,287	68,323
Insurance	1,112,681	136,945	17,117	1,266,743	1,005,746
Interest and Bank Charges	-	113,421	-	113,421	75,090
Supplies and Services, Medical	2,374,671	-	-	2,374,671	2,360,609
Occupancy	1,265,673	60,025	10,099	1,335,797	1,610,617
Other Expenses	16,618	71,170	1,979	89,767	68,839
Professional Fees	-	432,489	69,382	501,871	900,338
Special Events	-	-	108,049	108,049	130,382
Supplies and Services, Operations	1,822,256	178,133	1,102	2,001,491	1,210,899
Telecommunications	194,831	23,979	2,997	221,807	243,203
Technology and Equipment	559,578	68,871	8,608	637,057	603,959
First Alert Stipends	186,050	-	-	186,050	160,905
Credit Loss Expense	-	12,038	-	12,038	-
Total Expenses	\$ 32,030,431	\$ 4,184,573	\$ 609,024	\$ 36,824,028	\$ 29,124,166

See Accompanying Notes to Consolidated Financial Statements

ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 5,887,999	\$ 4,081,240
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	2,015,120	113,311
Amortization of Operating Lease Right of Use Assets	-	(800)
Decrease (Increase) in:		
Accounts Receivable - The City of New York	(613,239)	(2,025,199)
Contributions Receivable	73,753	(113,277)
Other Accounts Receivables	97,584	(60,576)
Prepaid Expenses	12,859	186,599
Increase (Decrease) in:		
Accounts Payable	(344,097)	534,302
Accrued Expenses	(1,724,350)	(1,878,443)
Credit Cards Payable	(98,163)	165,207
Accounts Payable - The City of New York	1,135	459
Salaries, Payroll Taxes and Benefits Payable	224,958	52,024
Vacation and Sick Time Accrual	211,696	112,166
Customer Deposits Payable	(13,282)	11,796
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>5,731,973</u>	<u>1,178,809</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(65,470,305)	(1,352,184)
Construction in Progress	61,930,886	(11,490,734)
Loan Acquisition Costs, Net	68,340	-
(Gain)/Loss on Investments	(70,554)	(203,851)
NET CASH USED IN INVESTING ACTIVITIES	<u>(3,541,633)</u>	<u>(13,046,769)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Mortgage Interest Payable	(2,436)	(31,132)
Reduction in Mortgage Principal	(1,338,253)	(1,280,368)
NET CASH USED IN FINANCING ACTIVITIES	<u>(1,340,689)</u>	<u>(1,311,500)</u>
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	849,651	(13,179,460)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	<u>8,806,630</u>	<u>21,986,090</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	<u>\$ 9,656,281</u>	<u>\$ 8,806,630</u>
SUPPLEMENTAL DISCLOSURE:		
Interest Paid	<u><u>\$ 3,297,826</u></u>	<u><u>\$ 3,267,125</u></u>
Taxes Paid	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Accompanying Notes to Consolidated Financial Statements

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 - NATURE AND PURPOSE OF ORGANIZATION

Established in 1995, Animal Care and Control of New York City, Inc., DBA Animal Care Centers of NYC ("ACC"), is a non-profit organization with a mission to end animal homelessness in New York City. ACC is a model of a public/private partnership and receives support from the private sector to complement the services it provides pursuant to its 34-year contract with the City of New York and the NYC Department of Health and Mental Hygiene. Under this contract, ACC provides animal related services to over nine million residents within the five boroughs of New York City. ACC's services to the community include pet adoption, animal rescue, veterinary care including spay/neuter, lost and found pet assistance and surrender prevention programs. With full-service care centers in 2025 in Queens, Manhattan and Staten Island, and a resource center in the Bronx, ACC provides shelter and care for over 20,000 animals every year, and thousands of additional animals throughout the city as part of our community outreach programs. In the Fall of 2024, ACC opened a 50,000 square foot state of the art animal care center in the borough of Queens and is planning to operate a similarly newly constructed facility in the Bronx by 2026, and Brooklyn soon after. ACC's mission is premised on community engagement and collaboration as key tools in ending animal homelessness. Through a network of hundreds of animal rescue partners, volunteers, animal fosters, support from local and national businesses and foundations, and a robust community outreach program (including wellness clinics, humane education, pet food pantries and free vaccine clinics), ACC is regarded as a national leader in animal welfare. ACC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The contract for services with the city of New York is ACC's primary source of funding for staff salaries and other administrative expenses associated with contract services. Under this public/private funding approach, ACC uses donor contributions primarily for programs and services that are not funded by the city contract in an effort to enhance animal care and further ACC's mission to end animal homelessness in NYC.

1906 Flushing LLC ("1906 Flushing" or "Affiliate") is a limited liability company that owns property situated at 1906 Flushing Avenue in Ridgewood Queens, New York. In 2019, property development for a full-service animal care center began at the site and construction of a state-of-the-art animal care center was completed in July 2024. ACC leases the entire facility from 1906 Flushing LLC in accordance with the terms of the lease agreement.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation and Basis of Accounting

ACC's policy is to prepare its consolidated financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Under this method, revenues are recognized in the period in which they are earned. Expenses are recognized in the period in which the related liability is incurred. The consolidated statements of financial position and of activities focus on the Organization as a whole and report total assets, liabilities, net assets, and changes in net assets in accordance with the FASB ASC 958-205, *Financial Statements of Not-for-Profit Organizations*.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of ACC and its wholly owned subsidiary, 1906 Flushing. Collectively, the aforementioned entities are referred to as the "Organization" hereafter. All significant intercompany transactions and balances have been eliminated in consolidation.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the consolidated financial statements and revenues and expenses recognized during the reporting period. Significant estimates made in the preparation of the consolidated financial statements include the net realizable value of contributions and grants receivable, donated use of facilities, accrued expenses, prepaid expenses, depreciation and amortization expenses, and functional expense allocations. Actual results could differ from those estimates.

Financial Instruments

The Organization determines the fair values of its financial instruments valued on a recurring basis, which include municipal bonds and stock, based on inputs or assumptions that market participants would use in pricing an asset or a liability. The Organization categorizes its instruments using a valuation hierarchy for disclosure of the inputs used to measure fair value.

The Organization's financial instruments valued on a non-recurring basis are cash and cash equivalents, contributions receivable, and accounts receivable. The recorded values of cash and cash equivalents, contributions receivable, and accounts receivable approximate fair values based on their short-term and long-term nature.

Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less and time deposit accounts with no withdrawal restrictions other than loss of end of term interest to be cash equivalents. At June 30, 2025 and 2024, there was \$3,939,658 and \$5,919,844, respectively, in restricted cash for the property development of the new Queens Full Service Shelter.

Marketable Securities

Marketable securities are reported at fair value. Unrealized and realized gains and losses are included in the statement of activities. Investment transactions are accounted for on the dates the purchases or sales are executed (trade date). Dividend income is recorded on the ex-dividend date; interest income is recorded as earned on the accrual basis. Investment returns are presented net of external investment expenses/fees.

Other Accounts Receivable and Allowance for Credit Losses

Other accounts receivable consists of various shelter service fees. Other accounts receivable are stated at the amount for services provided to customers for which the Organization has an unconditional right to payment. The Organization records accounts receivable net of an allowance for credit losses. This allowance for credit losses is estimated based on management's evaluation of the contracts/agreements involved and the financial condition of its clients. The factors management considers in their evaluation include, but are not limited to, client type, historical contract performance, historical collection and delinquency trends, client credit worthiness, general economic conditions and future forecasts expected. Management specifically analyzes historical bad debts, current funding trends and changes in payment terms and rates when evaluating the allowance for credit losses. As of June 30, 2025 and 2024, there was an allowance recorded of \$12,038 and \$0, respectively.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions Receivable and Allowance for Doubtful Accounts

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until conditions are substantially met.

The Organization determines whether an allowance for doubtful accounts should be provided for contributions receivable. Such estimates are based on management's assessment of the aged basis of its sources, current economic conditions, subsequent receipts, historical information, and future projections. Contributions receivable are written off against the allowance for doubtful accounts when all reasonable efforts have been exhausted. Based on management's assessment, they have concluded that realization losses on contribution balances outstanding at year-end will be immaterial. Management believes that no allowance for doubtful accounts was deemed necessary as of June 30, 2025 and 2024.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$4,000; lesser amounts are expensed. Fixed assets are recorded at cost. Maintenance and repairs are charged to expenses as incurred; major betterments are capitalized. When items or property and equipment are sold or retired, the related cost and accumulated depreciation is removed from the accounts and any gain or loss is included in the results of operations. Management reviews property and equipment for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Property and equipment are written off to operations when considered impaired.

Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is provided on the straight-line method over the remaining term of the lease or the useful life of the improvements, whichever is shorter.

Building and Leasehold Improvements	39 years
Furniture and Fixtures	7 years
Machinery and Equipment	3 to 7 years
Vehicles	7 years
Software	3 to 5 years

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as without donor restriction contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent of donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization releases net assets with donor restrictions to net assets without donor restrictions at that time.

Certain property and equipment used by the Organization is owned by New York City under a funding agreement. The Organization is responsible for acquiring items needed in order to run the facility; however, title will not pass to the Organization upon termination of the funding agreement. Therefore, most capital items are expensed within the year that the City funds the purchase.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Medical Supplies, Medications and Products

Medical supplies, medications and products are purchased on an as needed basis and are expensed upon purchase. The dollar value of the supplies on hand at any given time is not material. It is the Organization's decision not to maintain inventory on its consolidated statements of financial position.

Accrued Vacation and Sick Time

Employees accrue vacation based on tenure. Unused vacation time expires on an employee's work anniversary; any remaining balance is forfeited and won't carry over. As of June 30, 2025 and 2024, accrued vacation and sick time obligations were approximately \$703,523 and \$491,827, respectively.

The Organization's obligation for accrued vacation is included as a liability in the accompanying consolidated statements of financial position and represents the cost of unused employee vacation time and sick time payable.

Construction in Progress

As of June 30, 2025, construction of the new Queens Full-Service Shelter was completed and the facility was placed into service. Accordingly, the total accumulated costs previously held in construction in progress were reclassified to building. The building is being amortized on a straight-line basis over the shorter of their estimated useful lives or the remaining term of the underlying lease.

Leases

Right-of-use ("ROU") assets are recognized at the lease commencement date and represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. The present value of lease payments is discounted based on the risk-free rate selected that corresponds to the term of the lease.

The Organization's ROU assets are initially measured based on the corresponding lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred and (iii) lease incentives under the lease. Options to renew or terminate the lease are recognized as part of our ROU assets and lease liabilities when it is reasonably certain the options will be exercised. ROU assets are also assessed for impairment consistent with long-lived asset guidance. Operating lease expense for fixed lease payments is recognized on a straight-line basis over the lease term.

For the years ended June 30, 2025 and 2024, the Organization recognized operating lease right-of-use assets of \$153,145 and \$276,886, respectively, operating lease liability, current of \$122,400 and \$120,000, respectively, and operating lease liability, noncurrent of \$30,745 and \$156,886, respectively. During the years ended June 30, 2025 and 2024 the Organization also had effective leases that were each shorter than 12 months. The Organization elected not to apply the recognition requirements in ASC 842 to such short-term leases and instead recognized the related lease payments as expenses on a straight-line basis over the respective lease term in the period in which the obligation for those payments is incurred.

For a majority of all classes of underlying assets, the Organization has elected to not separate lease from non-lease components. For leases in which the lease and non-lease components have been

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

combined, the variable lease expense includes expenses such as common area maintenance, utilities, and repairs and maintenance. Lease term is defined as the non-cancelable period of the lease plus any options to extend or terminate the lease when it is reasonably certain that the Company will exercise the option. The Company has elected not to recognize ROU asset and lease obligations for its short-term leases, which are defined as leases with an initial term of twelve months or less.

Net Assets

Net assets of the Organization, and changes therein, are classified and reported as follows:

(1) 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 Organization. These net assets are available for use at the discretion of the Board of Directors and management. The Board can designate a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

(2) Net Assets With Donor Restrictions:

Net assets subject to stipulations imposed by donors, and grantors. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the consolidated statements of activities as net assets released from restrictions. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. As of June 30, 2025 and 2024, the Organization did not have any donor-restricted contributions that were perpetual in nature.

Revenue Recognition

The Organization recognizes revenue from contributions in accordance with Accounting Standards Update ("ASU") 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. In accordance with ASU 2018-08, the Organization evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Organization records the transactions as allowable costs are incurred in accordance with ASC 958-605. If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Shelter Services fee revenues are primarily recognized at the time services are delivered. The performance obligations in these contracts are distinct and revenue is recognized when the performance obligations are satisfied. Customers are charged based on the corresponding standalone prices. For the years ended June 30, 2025 and 2024, shelter revenue totaled \$625,932 and \$562,637.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

The Organization recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenues with donor restrictions and are reclassified as net assets released from the same year. Promises to give that stipulate conditions to be met before the contributions are made are not recorded until the conditions are met. For the years ended June 30, 2025 and 2024, there were no conditional contributions.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require special skills and are performed by people with those skills and would otherwise be purchased by the Organization.

A number of volunteers have contributed their time to the Organization to perform a variety of tasks that assist the Organization at the shelter facilities and at fundraising events. The value of this contributed time is not reflected in these consolidated financial statements since it does not meet the criteria for recognition under Financial Accounting Standards Board (FASB) ASC 958. The Organization received approximately 38,414 and 35,449 volunteer hours for the fiscal year ending June 30, 2025 and 2024, respectively.

Functional Allocation of Expenses

The consolidated financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. These include depreciation, amortization, vehicle expense, communications, human resource and training, insurance, technology, telecommunications, facility expenses and occupancy. Depreciation, amortization, facility expenses and occupancy costs are allocated on a units of service basis. Costs of other categories were allocated on estimates of time and effort.

Expenses are presented according to the services for which they were incurred and are summarized on a functional basis in the accompanying consolidated statements of activities and change in net assets and functional expenses.

The program services and supporting activities of the Organization are as follows:

Health and Welfare of Animals - Include ensuring public safety, medical care, community resources, promoting humane treatment, preventing cruelty, and fostering responsible pet ownership through services like shelter, adoption, education, and law enforcement.

Fundraising - Involves the direction of the overall fundraising affairs of the Organization, which includes engaging individuals and organizations to support our mission through cause partnerships and events, philanthropy, and other development efforts.

Management and General Operations - Includes the direction of the overall affairs and management of the Organization, including finance functions, facilities operations, real estate and capital projects, process improvement, information technology, legal operations, people management and development, and strategy and research.

Loan Acquisition Costs

Loan acquisition costs are amortized on a straight-line method over the life of the underlying debt, which will began in fiscal year ending 2025 when the building was put in service.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Costs

Advertising costs, including donated advertising, are generally charged to operations in the year incurred. For the years ended June 30, 2025 and 2024, total advertising costs were \$33,947 and \$41,598, respectively. Advertising costs are reflected in communications on the consolidated statement of functional expenses.

Pensions and Benefits

The Organization provides a range of benefits to eligible employees, including pensions, 401(k) Savings, and Group Life and Welfare Benefits. The Organization records annual amounts relating to these plans based on calculations, which include various actuarial assumptions such as discount rates, expected rates of return on plan assets, compensation increases, and turnover rates.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. 1906 Flushing is a single member limited liability company that has elected to be treated as a disregarded entity. As such, 1906 Flushing is not subject to Federal and State income tax, but rather, its income or loss inures to the Organization.

The Organization is subject to routine audits by various federal, state, and local taxing authorities; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2022.

The consolidated financial statements effect of a tax position taken or expected to be taken are recognized in the consolidated financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the consolidated statement of activities. Management does not believe its consolidated financial statements include any uncertain tax positions.

Measure of Operations

The consolidated statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing program services. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature. For the years ending June 30, 2025 and 2024, the Organization's nonoperating activities included interest, investment income/(losses) and unrealized gains/(losses). During the years ending June 30, 2025 and 2024, nonoperating activities totaled \$199,255 and \$310,489, respectively.

Reclassifications

It is the Organization's policy to reclassify, where appropriate, prior year financial statements to conform to the current year presentation.

Comparative Information

The consolidated financial statements include certain 2024 comparative information. With respect to the consolidated statement of activities, such prior year information is not presented by net asset class and, in the consolidated statement of functional expenses, 2024 expenses by natural classification are presented in total rather than by functional category. Accordingly, such information should be read in conjunction with the Organization's 2024 financial statements from which the summarized information was derived.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 3 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents in financial institutions, which from time to time may exceed the Federal Depository Insurance Coverage limit. In assessing their risk, the Organization's policy is to maintain funds only with reputable financial institutions and management believes the risk of loss is minimal. At June 30, 2025 and 2024, cash and cash equivalents exceeding federally insured limits totaled approximately \$9,130,000 and \$8,347,000, respectively.

The Organization maintains investment accounts with licensed brokers valued at \$629,029, plus \$38,788 in cash, as of June 30, 2025 and \$558,475, plus \$31,519 in cash, as of June 30, 2024. Customer accounts are protected by SIPC up to \$500,000 per customer, including a \$250,000 limit for cash. In addition, the broker maintains private excess insurance coverage that applies after SIPC limits are exhausted, subject to policy limits. This coverage protects against the loss of cash or securities in the event of broker insolvency and does not protect against market losses. Although created by Congress, SIPC is not a government agency. It is a non-profit membership corporation, which receives its revenue from those brokers and dealers that are required by law to be SIPC members and from its own investments.

For the years ended June 30, 2025 and 2024, support from the City of New York accounted for more than 86% and 85% of the Organization's revenues, respectively.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

The contract with the City of New York is subject to audit by the City (See Note 12).

Certain grants and contracts may be subject to audit by funding sources. Such audits may result in disallowance of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying consolidated financial statements. Accordingly, no amounts have been provided in the accompanying consolidated financial statements for such potential claims.

The Organization may be involved in legal actions arising in the ordinary course of its business. It is the opinion of management that such actions will be resolved without material effect on the Organization's financial position.

NOTE 5 - FAIR VALUE MEASUREMENT

The following methods and assumptions were used by the Organization in estimating the fair value of other financial instruments, which consist of pooled investments and certificates of deposit. As defined in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, Fair Value Measurements, fair value is 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 (exit price). The Organization utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The Organization primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best available information.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 5 - FAIR VALUE MEASUREMENT (CONTINUED)

FASB ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The Organization held no financial instruments that were valued using Level 3 measurements as of June 30, 2025 and 2024. The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2025.

Municipal Bonds: Fair value estimates are based on observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Common Stock and Exchange-Traded Funds: Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization 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. All marketable securities are short-term in nature.

The following table sets forth by level, within the fair value hierarchy, the Organization's securities at fair value as of June 30, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total Level 3</u>	<u>Investment</u>
Municipal Bonds	\$ --	\$ 129,135	\$ --	\$ 129,135
Exchange Traded	93,761	--	--	93,761
Mutual Funds	2,746	--	--	2,746
Common Stocks	403,387	--	--	403,387
Total	<u>\$ 499,894</u>	<u>\$ 129,135</u>	<u>\$ --</u>	<u>\$ 629,029</u>

The total cost of the securities listed in the above fair value hierarchy is \$314,666. For the year ended June 30, 2025, the Organization reported \$59,397 in unrealized gains.

The following table sets forth by level, within the fair value hierarchy, the Organization's securities at fair value as of June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total Level 3</u>	<u>Investment</u>
Municipal Bonds	\$ --	\$ 112,831	\$ --	\$ 112,831
Exchange Traded	72,235	--	--	72,235
Mutual Funds	1,181	--	--	1,181
Common Stocks	372,228	--	--	372,228
Total	<u>\$ 445,644</u>	<u>\$ 112,831</u>	<u>\$ --</u>	<u>\$ 558,475</u>

The total cost of the securities listed in the above fair value hierarchy is \$303,509. For the year ended June 30, 2025, the Organization reported \$128,561 in unrealized gains.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 5 - FAIR VALUE MEASUREMENT (CONTINUED)

The objective of the Organization's spending policy is to allocate in a reasonable and balanced manner the total earnings from the investment portfolio between current spending and reinvestment for future earnings and expenditures in order for the purchasing power of the investment portfolio to be maintained or enhanced.

NOTE 6 - CONTRIBUTIONS AND ACCOUNTS RECEIVABLE

Receivables consist of shelter service fees, grants and contributions from the government, foundations, institutions, corporations, and individuals, including multi-year commitments that were discounted to net present value using a discount rate of approximately 4%. For the years ended June 30, 2025 and 2024, receivables consisted of the following:

	<u>2025</u>	<u>2024</u>
Amount Due In:		
Less Than One Year	\$ 4,693,913	\$ 4,274,267
One to Five Years	<u>287,969</u>	<u>275,000</u>
Total	4,981,882	4,549,267
Less: Discount to Present Value	<u>4,988</u>	<u>14,275</u>
Total Receivables, Net	<u>\$ 4,976,894</u>	<u>\$ 4,534,992</u>

NOTE 7 - PROPERTY AND EQUIPMENT, NET

At June 30, 2025 and 2024, property and equipment by major classification is summarized as follows:

	<u>2025</u>	<u>2024</u>
Land	\$ 13,026,750	\$ 13,026,750
Building	65,367,271	--
Leasehold Improvements	407,055	407,055
Furniture and Fixtures	974,469	974,469
Machinery and Equipment	1,303,022	1,281,034
Vehicles	488,641	482,361
Software	<u>78,327</u>	<u>78,327</u>
	81,645,535	16,249,996
Accumulated Depreciation	<u>3,663,671</u>	<u>1,723,317</u>
Property and Equipment, Net	<u>\$ 77,981,864</u>	<u>\$ 14,526,679</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$1,940,355 and \$113,311, respectively.

The cost of certain equipment and facilities, which are used by the Organization in connection with its Shelter Operations, are not reflected in the consolidated statements of financial position because the assets' titles remain with the City of New York.

Land, included in the above schedule, represents the site for the Queens Full Service Shelter. As of June 30, 2025, the construction of the Queens Full Service Shelter has been completed and the facility has been placed into service. The costs previously recorded under Construction in Progress (CIP), as of June 30, 2024 totaling \$61,930,886 have been reclassified to leasehold improvements in the consolidated statement of financial position as of June 30, 2025. These leasehold

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 7 - PROPERTY AND EQUIPMENT, NET (CONTINUED)

improvements are being amortized on a straight-line basis over the shorter of their estimated useful lives or the remaining term of the underlying lease.

NOTE 8 - ACCRUED EXPENSES AND CREDIT CARDS PAYABLE

Accrued expenses include audit fees and construction expenses. At June 30, 2025 and 2024, accrued expenses aggregated \$299,313 and \$2,023,663, respectively.

At June 30, 2025 and 2024, the Organization had drawn down \$70,992 and \$169,155, respectively, on various open unsecured credit accounts.

NOTE 9 - LINE OF CREDIT

Pursuant to an agreement with their Financial Institution, the Organization may borrow up to \$3,000,000 under a renewable line of credit. The interest on such borrowings is payable monthly at an annual rate equal to the Secured Overnight Financing Rate (SOFR) rate plus 3.00%. The line is secured by substantially all of the Organization's assets. As of June 30, 2025 and 2024, the Organization had not drawn down on its available line of credit. This credit facility matured on January 8, 2026. Subsequent to the date of these financial statements, the Company entered into underwriting with the lender to renew this credit facility. Management expects the renewal to be finalized under substantially similar terms. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 10 - LOANS

On June 21, 2019, 1906 Flushing acquired property located in Queens, New York, which was developed for the new Queens Full-Service Shelter (the "Project"). On that same date, the following notes were executed:

	Loan Amount	Monthly Interest	Interest Rate
Acquisition Loan	\$ 12,233,503	\$ 45,162	4.43%
Building Loan	33,882,687	125,084	4.43%
Project Loan	<u>28,883,810</u>	<u>106,629</u>	4.43%
Total Loans	<u>\$ 75,000,000</u>	<u>\$ 276,875</u>	

Interest on all three loans are due monthly at a rate of 4.43% until the completion of the project. The amortization, principal and interest, of \$376,901 is payable monthly. The interest rate of 4.43% is in effect throughout the life of the loan, and all three property loans matured July 15, 2052. The loans are secured by, among other things, (i) a Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing from Company for the benefit of Purchaser, creating a valid and perfected first mortgage lien on the Mortgaged Property, including, without limitation, the buildings, structures and improvements now or hereafter located thereon, and assigning Company's right, title and interest in and to the Lease therein described, (ii) an Assignment of Leases and Rents dated as of the date hereof from Company to Purchaser assigning Company's right, title and interest in and to the Lease and any other leases and rents, (iii) a lien on all funds held pursuant to the Cash Management Agreement and the Construction Escrow Agreement, (iv) the Collateral Assignment of Contracts, and (v) the Surety Bond.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 10 - LOANS (CONTINUED)

Aggregate maturities of debt are summarized as follows:

June 30, 2026	\$ 1,398,757
June 30, 2027	1,461,995
June 30, 2028	1,528,093
June 30, 2029	1,597,179
June 30, 2030	1,669,389
June 30, 2031 and Thereafter	<u>63,500,981</u>
Total Long-Term Debt	<u>\$ 71,156,394</u>

During the year ended June 30, 2025, the construction of 1906 Flushing animal care center was completed and capitalized costs in construction in process were transferred to property and equipment. As of June 30, 2025 and 2024, total interest of \$19,766,498 and \$16,584,377, respectively, had been capitalized to construction in progress prior to the transfer to property and equipment. As of June 30, 2025 and 2024, amortization expense of loan acquisition costs totaled \$74,766 and \$-, respectively.

NOTE 11 - DONATIONS IN-KIND

The Organization receives donations in-kind from various individuals and organizations. These donations are comprised predominantly of supplies, such as food, blankets, leashes, and toys used in shelter operations, as well as legal and media services. For the years ended June 30, 2025 and 2024, management estimated the value of these items received to be \$412,892 and \$603,491, respectively.

NOTE 12 - NEW YORK CITY FUNDING

The Organization has a cost reimbursement contract with the City of New York (the "City"), which runs through June 30, 2052, which engages the Organization to assist the City in fulfilling its animal and care control responsibilities. The total maximum amount for all payments shall not exceed \$1,487,966,471 for the entire term of the agreement. Under the agreement, the Organization has a license to use and occupy three City owned buildings as animal care facilities: Manhattan Animal Care Facility, Brooklyn Animal Care Facility and Staten Island Animal Care Facility and two resource centers in the Bronx, respectively.

In addition, the City provided funds to allow the Organization to acquire land, build, develop, and operate a new full service Queens Animal Care Center, financed and equipped as provided for under the agreement (See Note 10). The City can terminate the contract with or without cause with no less than ten days from the date of notice personally delivered or fifteen days from the date of the notice via mail. Upon the opening of the new Queens Animal Care Center in July 2024, the Organization ceased to utilize the Queens Resource Center that is currently provided by the City of New York. During the fiscal years ending June 30, 2025 and 2024, rental contributions for the Queens Animal Center provided by the City, which is included in the accompanying consolidated financial statements in revenue from the City of New York, totaled approximately \$4,529,000 each year.

For the years ended June 30, 2025 and 2024, the value of the donated use of facilities by the City on behalf of the Organization has been included in the consolidated statement of activities in donated use of facilities and utilities in the amounts of approximately \$651,000 and \$1,136,000, respectively.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 12 - NEW YORK CITY FUNDING (CONTINUED)

To the extent funding is provided for in the agreement, the Organization is responsible for general repairs, insurance, and maintenance of the premises. Effective July 1, 2006, the City assumed responsibility for the payment of the Organization's utilities, for locations owned or leased by the City. Accordingly, for the years ended June 30, 2025 and 2024, the value of the utilities paid by the City on behalf of the Organization has been included in the consolidated statement of activities in donated use of facilities and utilities in the amounts of approximately \$273,000 and \$247,000, respectively.

For the years ended June 30, 2025 and 2024, benefit plan contributions and expenses made on behalf of the Organization totaled approximately \$1,718,000 and \$1,446,000, respectively. In addition to the above, for the years ended June 30, 2025 and 2024, revenue recognized under the City contract was approximately \$29,570,000 and \$21,097,000, respectively.

At June 30, 2025 and 2024, the Organization was due from the City approximately \$4,413,000 and \$3,800,000, respectively. At June 30, 2025 and 2024, the Organization owes the City under the current contract approximately \$47,000 and \$46,000, respectively, in interest.

NOTE 13 - LEASE COMMITMENTS AND RENTAL EXPENSE

The Organization leases office space and equipment. The Organization's lease costs recognized in the consolidated statement of functional expense consist of the following operating lease costs totaling \$163,600 and \$283,600, respectively. For the years ended June 30, 2025 and 2024 rentals (including amounts applicable to taxes, insurance, maintenance, other operating expenses and contingent rentals) under operating leases and other short-term rental arrangements were approximately \$1,155,000 and \$1,700,000, respectively.

The aggregate minimum annual lease rentals as of June 30, 2025 for the remaining contractual term of non-cancelable leases were as follows:

2026	122,400
2027	<u>41,200</u>
Total Undiscounted Lease Obligations	163,600
Less: Imputed Interest	<u>10,455</u>
Net Operating Lease Obligation	<u>\$ 153,145</u>

The above represents minimum contractual obligation for non-cancelable leases with initial or remaining terms greater than twelve months.

Other lease information is as follows:

Operating Cash Flows from Operating Leases	\$ 163,600
Assets Obtained in Exchange for Operating Lease Obligations	\$ -
Weighted-Average Remaining Lease Term – Operating Leases	1.99
Weighted-Average Discount Rate – Operating Leases	3.30%

NOTE 14 - CREDIT LOSSES

At June 30, 2025 and 2024, there was \$12,038 and \$- in credit loss expense, respectively.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 15 - EMPLOYEE BENEFIT PLANS

All eligible employees of the Organization are members of the Cultural Institutions Retirement System's (CIRS) Pension, Savings Plan and Group Life and Welfare Benefits plans. The CIRS Pension Plan is a multiemployer defined benefit plan. Pension and Group Life and Welfare Benefit contributions are funded by the City of New York in accordance with their contract with the Organization. The employer match to the Savings Plan, in accordance with the Collective Bargaining Agreement, remains suspended.

The risk of participating in these multiemployer plans is different from single-employer plans in the following aspects:

- a) Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- b) If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- c) If the Organization chooses to stop participating in some of its multiemployer plans, the Organization may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Organization's participation in this plan for the fiscal year ended June 30, 2025 and 2024 is outlined in the table below. The "EIN/Pension Plan number" column provides the Employer Identification Number (EIN) and the three-digit plan number, if applicable. The zone status is based on information that the Organization received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded. A plan is in the green zone if it has a current funded percentage greater than 80 percent. Unless otherwise noted, the most recent PPA zone status available in 2025 and 2024 is for the plan's year-end at June 30, 2024 and 2023, respectively. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration dates(s) of the collective bargaining agreements(s) to which the plans are subject. The period-to-period comparability fluctuates based upon the Organization's growth. The Organization was not identified in its plan's 2024 Forms 5500 as providing more than 5% of total plan contributions.

The Organization currently has no intention of withdrawing from the multiemployer pension plan in which is participates.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status	Contributions of Organization			Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
		2025	2024		2025	2024	2023		
(1) CIRS	11-2001170	Green	Green	NA	\$1.51m	\$1.26m	\$1.14m	No	4/16/2028

(1) Cultural Institutions Retirement System ("CIRS")

Group Life and Welfare Benefits plans and administrative fees for the years ended June 30, 2025 and 2024 were as follows:

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 15 - EMPLOYEE BENEFIT PLANS (CONTINUED)

	<u>2025</u>	<u>2024</u>
Group Life and Welfare Benefits	\$ 30,001	\$ 24,963
Administration Fees	<u>174,550</u>	<u>161,126</u>
	<u>\$ 204,551</u>	<u>\$ 186,089</u>

For the years ending June 30, 2025 and 2024, the Organization made no contributions to the 401(k) Savings Plan.

NOTE 16 - NET ASSETS WITHOUT DONOR RESTRICTIONS

The Organization's net assets without donor restrictions is comprised of undesignated and board designated amounts for the following purposes for the years ending June 30, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
Undesignated	<u>\$ 21,123,430</u>	<u>\$ 15,872,648</u>

For the years ending June 30, 2025 and 2024, the undesignated amounts above include \$12,113,530 and \$9,918,513 in member equity from 1906 Flushing Avenue LLC, respectively.

NOTE 17 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following as of June 30, 2025:

<u>Restriction Type</u>	<u>Beginning of Fiscal Year</u>	<u>Contributions</u>	<u>Released</u>	<u>End of Fiscal Year</u>
Time and Purpose Restricted	\$ 324,491	\$ 20,000	(\$ 211,753)	\$ 132,738
Time Restricted	401,761	44,287	(290,032)	156,016
Purpose Restricted	867,779	2,278,285	(1,198,572)	1,947,492
Less: Net Present Value Discount	(14,275)	(4,998)	--	(19,273)
Total	<u>\$ 1,579,756</u>	<u>\$ 2,337,574</u>	<u>(\$ 1,700,357)</u>	<u>\$ 2,216,973</u>

Net assets with donor restrictions are restricted for the following as of June 30, 2024:

<u>Restriction Type</u>	<u>Beginning of Fiscal Year</u>	<u>Contributions</u>	<u>Released</u>	<u>End of Fiscal Year</u>
Time and Purpose Restricted	\$ 153,799	\$ 379,300	(\$ 208,608)	\$ 324,491
Time Restricted	484,636	50,833	(133,708)	401,761
Purpose Restricted	1,402,278	1,243,301	(1,777,800)	867,779
Less: Net Present Value Discount	(11,390)	(2,885)	--	(14,275)
Total	<u>\$ 2,029,323</u>	<u>\$ 1,670,549</u>	<u>(\$ 2,120,116)</u>	<u>\$ 1,579,756</u>

Net assets with donor restrictions are available as follows:

	<u>2025</u>	<u>2024</u>
June 30, 2025	\$ --	\$ 1,319,030
June 30, 2026	2,121,961	168,270
June 30, 2027	95,012	92,456
June 30, 2028	--	--
June 30, 2029	--	--
	<u>\$ 2,216,973</u>	<u>\$ 1,579,756</u>

Purpose restrictions are expected to be released from restrictions within one year.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 18 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the consolidated statements of financial position date for general expenditure for the years ending June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	\$ 9,656,281	\$ 8,806,630
Marketable Securities	629,029	558,475
Receivables	<u>4,976,894</u>	<u>4,534,992</u>
Total Financial Assets Available	<u>15,262,204</u>	<u>13,900,097</u>
Less:		
Amounts Unavailable for General Expenditures Within One Year, at Net Present Value, Due To:		
Restricted Cash	3,939,658	5,919,844
Purpose Restricted by Donors	1,947,492	867,778
Time Restricted by Donor	95,012	260,725
Time and Purpose Restricted by Donors	<u>132,738</u>	<u>324,491</u>
Total Amounts Unavailable for General Expenditures Within One Year	<u>6,114,900</u>	<u>7,372,838</u>
Total Financial Assets Available to Management for General Expenditure Within One Year	<u>\$ 9,147,304</u>	<u>\$ 6,527,259</u>

The Organization's goal is generally to maintain financial assets to meet four to six months of supporting service expenses (approximately \$2.4 million) and one to two months of total expenses (approximately \$3 million to \$6 million). As part of its liquidity plan, the Organization has a line of credit for \$3,000,000 and has the ability to scale-back and reduce non-essential support services.

NOTE 19 - RELATED PARTIES

During the years ended June 30, 2025 and 2024, various members of the board of directors pledged donations totaling approximately \$29,000 and \$41,000, respectively.

On July 21, 2019, a lease agreement between ACC and 1906 Flushing was executed for the new Queens Full-Service Shelter. Construction on the Queens Shelter was substantially completed and operational in July 2024. The lease is due to expire no earlier than July 1, 2052. Under the lease agreement, the lease payments are tied directly to the monthly loan amortization payments of \$376,901 a month (See Note 10). Any differences from the lease agreement payments and the lease's fair market value will be adjusted accordingly. Lease payments will be paid directly by the City, in accordance with their agreement with ACC (See Note 12).

For the years ended June 30, 2025 and 2024, ACC held an investment of approximately \$805,000 in 1906 Flushing, a payable due to 1906 Flushing of approximately \$67,756 and \$269,000, respectively. During the years ended June 30, 2025 and 2024, ACC was reimbursed approximately \$401,000 and \$1,424,000, respectively, from 1906 Flushing for work performed in conjunction with the New Queens Service Shelter and ACC paid rent to 1906 Flushing of approximately \$4,529,000 each year. Upon consolidation, these balances were eliminated.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 20 - SUBSEQUENT EVENTS

On January 20, 2025, President Donald Trump signed several executive orders pausing several federal funding streams while the Trump Administration evaluates whether covered government financial assistance aligns with the administration's policy goals. The following week, the Office of Management and Budget ("OMB") issued Memo M-25-13, which paused the obligation or disbursement of all federal financial assistance and other activities that may be implicated by the President's executive orders. The issuance of Memo M-25-13 caused uncertainty with respect to what federal financial assistance is subject to a pause. Although the Organization does not receive funds directly from the federal government, their donors, including the City of New York, do receive federal financial assistance. Therefore, the Organization is concerned that their future funding by various donors may be affected by the pause in federal funding assistance. The Organization is closely monitoring the progress and determination of this pause and is working to minimize the potential impact on its operations. The extent of the impact of this federal funding pause on the Organization's operational and financial performance will depend on certain developments, including the duration and final determination of the funding pause, and its impacts on the Organization's donors and vendors, all of which at present, cannot be determined. Accordingly, the extent to which the federal funding pause may impact the Organization's financial position and results of its operations and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this federal funding pause.

Management has evaluated subsequent events through April 29, 2026, which is the date the consolidated financial statements were available. The Organization is not aware of any other subsequent events that would require recognition or disclosure in the accompanying consolidated financial statements.

**ANIMAL CARE AND CONTROL
OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
AND AFFILIATE
SUPPLEMENARTY SCHEDULES
JUNE 30, 2025 AND 2024**



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Animal Care and Control of New York City, Inc.
DBA Animal Care Centers of NYC
New York, New York

We have audited the consolidated financial statements of Animal Care and Control of New York City, Inc., DBA Animal Care Centers of NYC and Affiliate, (the "Organization") as of and for the year ended June 30, 2025, and have issued our report thereon dated April 29, 2026, which expressed an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities are presented for the purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

We have previously audited Animal Care and Control of New York City, Inc. DBA Animal Care Centers of NYC and Affiliate's June 30, 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated April 3, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Reid CPAs, LLP

New York, NY
April 29, 2026

ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
SCHEDULE I: CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2025

	ANIMAL CARE & CONTROL OF NEW YORK CITY, INC.	1906 FLUSHING AVE LLC	ELIMINATIONS	TOTAL
ASSETS				
ASSETS				
Cash and Cash Equivalents	\$ 5,695,891	\$ 20,732	\$ -	\$ 5,716,623
Restricted - Cash and Cash Equivalents	-	3,939,658	-	3,939,658
Marketable Securities	629,029	-	-	629,029
Accounts Receivable - The City of New York	4,412,969	-	-	4,412,969
Contributions Receivable	554,761	-	-	554,761
Other Accounts Receivable	9,164	67,756	(67,756)	9,164
Prepaid Expenses	483,531	-	-	483,531
Land	-	13,026,750	-	13,026,750
Property and Equipment, Net	114,475	64,840,639	-	64,955,114
Loan Acquisition Costs, Net	-	2,841,067	-	2,841,067
Investment in Subsidiary	805,251	-	(805,251)	-
Deposits on Leased and Other Property	78,758	-	-	78,758
Operating Lease Right of Use Assets	153,145	-	-	153,145
TOTAL ASSETS	\$ 12,936,974	\$ 84,736,602	\$ (873,007)	\$ 96,800,569
LIABILITIES, NET ASSETS AND MEMBER'S EQUITY				
LIABILITIES				
Accounts Payable	\$ 18,465	\$ 230,323	\$ -	\$ 248,788
Accrued Expenses	126,974	240,095	(67,756)	299,313
Credit Cards Payable	9,527	61,465	-	70,992
Accounts Payable - The City of New York	47,312	-	-	47,312
Salaries, Payroll Taxes and Benefits Payable	643,109	-	-	643,109
Vacation and Sick Time Accrual	703,523	-	-	703,523
Mortgage Interest Payable	-	129,544	-	129,544
Customer Deposits Payable	8,046	-	-	8,046
Mortgage Payable	-	71,156,394	-	71,156,394
Operating Lease Liability	153,145	-	-	153,145
TOTAL LIABILITIES	1,710,101	71,817,821	(67,756)	73,460,166
NET ASSETS AND MEMBER'S EQUITY				
Without Donor Restrictions - Other	9,009,900	-	-	9,009,900
Without Donor Restrictions - Member's Equity	-	12,918,781	(805,251)	12,113,530
With Donor Restrictions	2,216,973	-	-	2,216,973
TOTAL NET ASSETS AND MEMBER'S EQUITY	11,226,873	12,918,781	(805,251)	23,340,403
TOTAL LIABILITIES, NET ASSETS AND MEMBER'S EQUITY	\$ 12,936,974	\$ 84,736,602	\$ (873,007)	\$ 96,800,569

See Accompanying Notes to Consolidated Financial Statements

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
SCHEDULE II: CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

	ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.	1906 FLUSHING AVE LLC	ELIMINATIONS	TOTAL
REVENUES, GAINS, AND OTHER SUPPORT				
Support from Operations:				
Revenue - The City of New York	\$ 34,098,942	\$ -	\$ -	\$ 34,098,942
Shelter Revenue	625,932	-	-	625,932
Contributions	3,993,386	-	-	3,993,386
In-Kind Contributions	412,892	-	-	412,892
Benefit Plan Contributions	1,718,230	-	-	1,718,230
Donated Use of Facilities and Utilities	924,185	-	-	924,185
Benefits and Special Events	731,377	-	-	731,377
Rental Income	-	4,528,811	(4,528,811)	-
Other Miscellaneous Income	7,828	-	-	7,828
Developer Fee Income	400,705	-	(400,705)	-
Interest Income	70,917	61,565	-	132,482
Investment Income/(Loss)	7,376	-	-	7,376
Unrealized Gain/(Loss)	59,397	-	-	59,397
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	43,051,167	4,590,376	(4,929,516)	42,712,027
EXPENSES				
Salaries	18,690,930	-	-	18,690,930
Payroll Taxes and Fringe Benefits	5,939,432	-	-	5,939,432
Vehicle Expenses	465,050	-	-	465,050
Communications	68,809	-	-	68,809
Depreciation	64,060	1,876,295	-	1,940,355
Amortization	-	74,765	-	74,765
Facility Expenses	724,638	-	-	724,638
Human Resource	71,287	-	-	71,287
Insurance	1,266,743	-	-	1,266,743
Interest and Bank Charges	101,626	11,795	-	113,421
Supplies and Services, Medical	2,374,671	-	-	2,374,671
Occupancy	5,864,608	-	(4,528,811)	1,335,797
Other Expenses	58,960	30,807	-	89,767
Professional Fees	501,871	-	-	501,871
Special Events	108,049	-	-	108,049
Supplies and Services, Operations	2,009,519	(8,028)	-	2,001,491
Telecommunications	221,807	-	-	221,807
Technology and Equipment	628,037	9,020	-	637,057
First Alert Stipends	186,050	-	-	186,050
Credit Loss Expense	12,038	-	-	12,038
Developer Fee Expense	-	400,705	(400,705)	-
TOTAL EXPENSES	39,358,185	2,395,359	(4,929,516)	36,824,028
CHANGE IN NET ASSETS	3,692,982	2,195,017	-	5,887,999
NET ASSETS AND MEMBER'S EQUITY, BEGINNING OF YEAR	7,533,891	9,918,513	-	17,452,404
NET ASSETS AND MEMBER'S EQUITY, END OF YEAR	\$ 11,226,873	\$ 12,113,530	\$ -	\$ 23,340,403

See Accompanying Notes to Consolidated Financial Statements

ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
SCHEDULE III: CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2024

	ANIMAL CARE & CONTROL OF NEW YORK CITY, INC.	1906 FLUSHING AVE LLC	ELIMINATIONS	TOTAL
ASSETS				
ASSETS				
Cash and Cash Equivalents	\$ 2,614,968	\$ 271,818		\$ 2,886,786
Restricted - Cash and Cash Equivalents	-	5,919,844	-	5,919,844
Marketable Securities	558,475	-	-	558,475
Accounts Receivable - The City of New York	3,799,730	-	-	3,799,730
Contributions Receivable	628,514	-	-	628,514
Other Accounts Receivable	106,748	269,052	(269,052)	106,748
Prepaid Expenses	496,390	-	-	496,390
Property and Equipment, Net	110,266	14,416,413	-	14,526,679
Construction in Progress	-	61,930,886	-	61,930,886
Loan Acquisition Costs, Net	-	2,909,407	-	2,909,407
Investment in Subsidiary	805,251	-	(805,251)	-
Deposits on Leased and Other Property	78,758	-	-	78,758
Operating Lease Right of Use Assets	276,886	-	-	276,886
TOTAL ASSETS	\$ 9,475,986	\$ 85,717,420	\$ (1,074,303)	\$ 94,119,103
LIABILITIES, NET ASSETS AND MEMBER'S EQUITY				
LIABILITIES				
Accounts Payable	\$ 258,426	\$ 334,459	\$ -	\$ 592,885
Accrued Expenses	328,270	1,964,445	(269,052)	2,023,663
Credit Cards Payable	101,030	68,125	-	169,155
Accounts Payable - The City of New York	46,177	-	-	46,177
Salaries, Payroll Taxes and Benefits Payable	418,151	-	-	418,151
Vacation and Sick Time Accrual	491,827	-	-	491,827
Mortgage Interest Payable	-	131,980	-	131,980
Customer Deposits Payable	21,328	-	-	21,328
Mortgage Payable	-	72,494,647	-	72,494,647
Operating Lease Liability	276,886	-	-	276,886
TOTAL LIABILITIES	1,942,095	74,993,656	(269,052)	76,666,699
NET ASSETS AND MEMBER'S EQUITY				
Without Donor Restrictions - Other	5,954,135	-	-	5,954,135
Without Donor Restrictions - Member's Equity	-	10,723,764	(805,251)	9,918,513
With Donor Restrictions	1,579,756	-	-	1,579,756
TOTAL NET ASSETS AND MEMBER'S EQUITY	7,533,891	10,723,764	(805,251)	17,452,404
TOTAL LIABILITIES, NET ASSETS AND MEMBER'S EQUITY	\$ 9,475,986	\$ 85,717,420	(1,074,303)	\$ 94,119,103

See Accompanying Notes to Consolidated Financial Statements

ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
SCHEDULE IV: CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.	1906 FLUSHING AVE LLC	ELIMINATIONS	TOTAL
REVENUES, GAINS, AND OTHER SUPPORT				
Support from Operations:				
Revenue - The City of New York	\$ 25,625,923	\$ -	\$ -	\$ 25,625,923
Shelter Revenue	562,637	-	-	562,637
Contributions	2,944,772	-	-	2,944,772
In-Kind Contributions	603,491	-	-	603,491
Benefit Plan Contributions	1,445,593	-	-	1,445,593
Donated Use of Facilities and Utilities	1,383,130	-	-	1,383,130
Benefits and Special Events	329,283	-	-	329,283
Rental Income	-	4,528,810	(4,528,810)	-
Other Miscellaneous Income	88	-	-	88
Developer Fee Income	1,423,515	-	(1,423,515)	-
Interest Income	98	173,354	-	173,452
Investment Income/(Loss)	8,476	-	-	8,476
Unrealized Gain/(Loss)	128,561	-	-	128,561
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	34,455,567	4,702,164	(5,952,325)	33,205,406
EXPENSES				
Salaries	14,544,773	-	-	14,544,773
Payroll Taxes and Fringe Benefits	4,830,245	-	-	4,830,245
Vehicle Expenses	482,287	-	-	482,287
Communications	98,629	-	-	98,629
Depreciation	113,311	-	-	113,311
Facility Expenses	616,011	-	-	616,011
Human Resource	68,323	-	-	68,323
Insurance	1,005,746	-	-	1,005,746
Interest and Bank Charges	63,160	11,930	-	75,090
Supplies and Services, Medical	2,360,609	-	-	2,360,609
Occupancy	6,139,427	-	(4,528,810)	1,610,617
Other Expenses	38,347	30,492	-	68,839
Professional Fees	845,338	55,000	-	900,338
Special Events	130,382	-	-	130,382
Supplies and Services, Operations	1,202,869	8,030	-	1,210,899
Telecommunications	237,439	5,764	-	243,203
Technology and Equipment	603,959	-	-	603,959
First Alert Stipends	160,905	-	-	160,905
Developer Fee Expense	-	1,423,515	(1,423,515)	-
TOTAL EXPENSES	33,541,760	1,534,731	(5,952,325)	29,124,166
CHANGE IN NET ASSETS	913,807	3,167,433	-	4,081,240
NET ASSETS AND MEMBER'S EQUITY, BEGINNING OF YEAR	6,620,084	6,751,080	-	13,371,164
NET ASSETS AND MEMBER'S EQUITY, END OF YEAR	\$ 7,533,891	\$ 9,918,513	\$ -	\$ 17,452,404

See Accompanying Notes to Consolidated Financial Statements