

ACORN ACRES WILDLIFE REHABILITATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2024
AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT

HAMILTON & MUSSER, P.C.
Certified Public Accountants

ACORN ACRES WILDLIFE REHABILITATION

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Acorn Acres Wildlife Rehabilitation
Lancaster, Pennsylvania

Report on the Financial Statements

We have reviewed the accompanying financial statements of Acorn Acres Wildlife Rehabilitation (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2024, and the related statements of support, revenues, and expenses – modified cash basis and functional expenses – modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. The procedures we performed were based on our professional judgement and consisted primarily of analytical procedures and inquiries. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Acorn Acres Wildlife Rehabilitation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Members of the American and Pennsylvania Institutes of CPAs

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Emphasis of Matter*Change in Basis of Accounting*

As further explained in Note 10, Acorn Acres Wildlife Rehabilitation changed its basis of accounting from the cash basis of accounting to the modified cash basis of accounting effective January 1, 2024. Our conclusion is not modified with respect to this matter.

June 4, 2025

Mechanicsburg, Pennsylvania



Certified Public Accountants

ACORN ACRES WILDLIFE REHABILITATION
Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis
December 31, 2024

Assets	
Cash and Cash Equivalents	\$ 22,453
Operating Lease Right-of-Use Asset, Net (Note 5)	150,917
Fixed Assets, Net (Note 4)	<u>18,876</u>
Total Assets	<u>\$ 192,246</u>
Liabilities	
Operating Lease Liability, Net (Note 5)	<u>154,823</u>
Total Liabilities	<u>\$ 154,823</u>
Net Assets	
Without Donor Restrictions	<u>37,423</u>
Total Net Assets	<u>37,423</u>
Total Liabilities and Net Assets	<u>\$ 192,246</u>

See Accompanying Notes and Independent Accountant's Review Report

ACORN ACRES WILDLIFE REHABILITATION
Statement of Support, Revenues, and Expenses – Modified Cash Basis
For the Year Ended December 31, 2024

Revenue	
Contributions	\$ 109,892
Program Fees	6,375
Interest	<u>17</u>
Total Revenue	<u>116,284</u>
Expenses	
Program Services	62,678
Supporting Services	
Management and General	16,531
Fundraising	<u>6,234</u>
Total Expenses	<u>85,443</u>
Change in Net Assets	30,841
Net Assets, Beginning of Year	5,333
Effects of Change in Accounting Basis (Note 10)	<u>1,249</u>
Net Assets, End of Year	<u><u>\$ 37,423</u></u>

See Accompanying Notes and Independent Accountant's Review Report

ACORN ACRES WILDLIFE REHABILITATION
Statement of Functional Expenses – Modified Cash Basis
For the Year Ended December 31, 2024

	<u>Supporting Services</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Advertising and Marketing	\$ -	\$ 6,836	\$ 4,381	\$ 11,217
Awards and Recognition	959	-	-	959
Bank Fees	-	146	-	146
Community Outreach	1,026	-	-	1,026
Depreciation	-	217	-	217
Dues and Subscriptions	-	1,586	-	1,586
Educational Programs	2,349	-	-	2,349
Education and Training	1,861	-	-	1,861
Equipment	4,096	-	-	4,096
Feed and Job Supplies	21,760	-	-	21,760
Insurance	-	1,172	-	1,172
Meals and Entertainment	305	-	386	691
Medical Expenses	1,431	-	-	1,431
Occupancy	12,885	-	-	12,885
Office Supplies	-	4,144	-	4,144
Printing and Postage	-	1,072	1,001	2,073
Professional Fees	-	1,358	-	1,358
Repairs and Maintenance	8,885	-	-	8,885
Taxes, Permits and Licenses	4,645	-	-	4,645
Travel	265	-	466	731
Utilities	<u>2,211</u>	<u>-</u>	<u>-</u>	<u>2,211</u>
 Total Expenses	 <u>\$ 62,678</u>	 <u>\$ 16,531</u>	 <u>\$ 6,234</u>	 <u>\$ 85,443</u>

See Accompanying Notes and Independent Accountant's Review Report

ACORN ACRES WILDLIFE REHABILITATION

Notes to Financial Statement
For the Year Ended December 31, 2024

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

Acorn Acres Wildlife Rehabilitation (the Organization) exists for the purpose of providing care for injured wildlife, specifically squirrels, bunnies and woodchucks, through rehabilitation. The Organization's significant activities include providing wildlife rehabilitation and education on Pennsylvania wildlife to the community. The Organization is primarily supported through the contributions of private individuals.

Basis of Accounting:

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis, certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligations are incurred. The Organization has elected to record fixed assets, operating lease right-of-use assets and operating lease liabilities.

On January 1, 2024, the Organization adopted the modified cash basis of accounting, which is a basis of accounting different than accounting principles generally accepted in the United States of America. Prior to January 1, 2024 the Organization prepared the financial statements on the cash basis of accounting. An adjustment of \$1,249 was necessary to adjust the beginning net asset balance for construction in progress to conform with the modified cash basis of accounting, as further described in Note 10.

Basis of Presentation:

Financial statement presentation follows the Not-for-Profit Entities topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) which requires the Organization to report information regarding its assets, liabilities, and net assets and its support, revenue, and expenses according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The Organization has no net assets with donor restrictions.

Contributions:

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Support, Revenues, and Expenses – Modified Cash Basis as net assets released from restrictions. However, if restrictions expire for net assets with donor restrictions in the same year that the contribution is received, then the contribution is recorded without donor restriction on the Statement of Support, Revenues, and Expenses - Modified Cash Basis. The Organization has no net assets with donor restrictions.

Program Income:

The Organization presents programs to educate the community on the importance of the care of wildlife and conducts summer camps for children to learn about wildlife and the environment. Fees for this community service are recorded as program income.

Taxation:

The Organization is exempt from federal income tax as provided by Code Section 501(c)(3) of the Internal Revenue Code. Accordingly, no income tax is incurred unless the Organization earns income considered to be unrelated business income. No income tax was incurred for the year ended December 31, 2024.

ACORN ACRES WILDLIFE REHABILITATION

Notes to Financial Statement
For the Year Ended December 31, 2024

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued):

Management evaluated the tax positions taken and concluded that the Organization had taken no uncertain tax positions that require recognition or disclosure in the financial statement. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before December 31, 2021.

Cash and Cash Equivalents:

Cash and cash equivalents include all highly liquid investments with an initial maturity of three months or less.

Fixed Assets:

It is the policy of the Organization to record purchased fixed assets at cost and donated assets at their fair value at the date of donation. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. New acquisitions of fixed assets having a low cost, or which are not expected to last for more than a year, are expensed in the year of acquisition. Repairs and maintenance charges are capitalized and depreciated when they materially extend the useful life of the related assets.

Functional Allocation of Expenses:

The cost of providing various programs and activities has been summarized on a functional basis in the Statement of Support, Revenues, and Expenses – Modified Cash Basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates:

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Right-of-Use Assets and Liabilities:

The Organization determines if an arrangement is or contains a lease at inception of the contract. The right-of-use (ROU) assets represent the right to use the underlying assets for the lease term, and the lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. As the Organization's leases generally do not provide an implicit rate, the Organization's incremental borrowing rate or a risk-free borrowing rate at the commencement date is used to determine the present value of future payments. Operating leases are recorded at the present value of future lease payments. The operating ROU asset is reduced based on the lease amortization schedule. Lease terms may include options to extend the lease, terminate the lease, or purchase the leased asset. The value of a lease option is reflected in the valuation if it is reasonably certain management will exercise the option. The Organization has one asset class for leases: property. For all asset classes, the Organization has elected to not separate lease and nonlease components. Leases with a term of 12 months or less are considered short-term, and no asset or liability needs to be recognized.

ACORN ACRES WILDLIFE REHABILITATION

Notes to Financial Statement
For the Year Ended December 31, 2024

NOTE 2 – AVAILABILITY AND LIQUIDITY

The following represents the Organization’s financial assets at December 31, 2024:

Financial Assets:	
Cash and Cash Equivalents	\$ <u>22,453</u>
Total Financial Assets	<u>22,453</u>
Financial Assets Available to Meet Expenses Over the Next Year	<u>\$ 22,453</u>

The Organization’s plan is generally to maintain financial assets to meet 90 days of operating expenses.

NOTE 3 – OPERATIONS

The continuation of the Organization’s operations is usually assumed in financial accounting in the absence of evidence to the contrary. However, an operation which depends primarily on contributions is always subject to the uncertainty as to amounts of future support.

NOTE 4 – FIXED ASSETS

Fixed assets at December 31, 2024 are summarized as follows:

Construction in Progress	\$ 8,115
Building and Improvements	3,102
Equipment and Furniture	<u>7,876</u>
	19,093
Less: Accumulated Depreciation	<u>(217)</u>
Fixed Assets, Net	<u>\$ 18,876</u>

The useful lives for purposes of computing depreciation are as follows:

Building and Improvement	10-25 Years
Equipment and Furniture	5-10 Years

Depreciation expense was \$217 for the year ended December 31, 2024.

NOTE 5 – OPERATING LEASES

On September 1, 2024, the Organization began leasing property located at 2100 Stone Mill Road, Lancaster, Pennsylvania. The lease term is five years and requires monthly payments of \$2,000 for the first year with a 20% annual increase for each subsequent year. The Organization recognized a right-of-use asset of \$161,383 and a lease liability of \$161,383 as of September 1, 2024.

During the year ended December 31, 2024, the Organization recognized lease costs associated with the leases as follows:

Property Lease	\$ 11,907
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The right-of-use lease asset net of accumulated amortization was \$150,917 at December 31, 2024.

ACORN ACRES WILDLIFE REHABILITATION

Notes to Financial Statement
For the Year Ended December 31, 2024

NOTE 5 – OPERATING LEASES (CONTINUED)

During the year ended December 31, 2024, the Organization had the following cash and non-cash activities associated with the operating leases:

Operating cash flows for operating leases	\$	8,000
Right-of-use asset obtained in exchange for new operating lease liability	\$	161,383
Weighted average remaining lease term for operating leases (years)		4.67
Weighted average discount rate		3.65%

The future minimum lease payments due under operating leases as of December 31, 2024, are as follows:

2025	\$	25,600
2026		30,720
2027		36,864
2028		44,237
2029		<u>33,177</u>
Total Lease Payments		170,598
Imputed Interest		<u>(15,775)</u>
Total Lease Liability	\$	<u>154,823</u>

NOTE 6 – ADVERTISING

The Organization expenses advertising costs as incurred. Advertising costs were \$11,217 for the year ended December 31, 2024.

NOTE 7 – RELATED PARTY

During the year ended December 31, 2024, the Organization repaid \$2,692 to the Board President for program supplies and promotional fundraising items used as donor gifts for the year ended December 31, 2021.

NOTE 8 – CONCENTRATION OF CREDIT RISK

The Organization maintains its bank deposits in local financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution. The Organization's bank balances may periodically exceed these limits, which management considers to be a normal business risk. There were no amounts in excess of the FDIC limit as of December 31, 2024.

NOTE 9 – CONCENTRATION OF CONTRIBUTIONS

During the year ended December 31, 2024, the Organization received contributions from three donors accounting for a significant portion of revenue. These three donors contributed 54% of total contributions. The loss of these donors could impact the operation of the Organization.

NOTE 10 – CHANGE IN BASIS OF ACCOUNTING

On January 1, 2024, the Organization changed the basis of accounting on which the financial statements were prepared to the modified cash basis of accounting. Prior to January 1, 2024, the Organization prepared the financial statements on the cash basis of accounting. The change in basis of accounting resulted in an adjustment to net assets without donor restrictions in the amount of \$1,249, detailed below.

ACORN ACRES WILDLIFE REHABILITATION

Notes to Financial Statement
For the Year Ended December 31, 2024

NOTE 10 – CHANGE IN BASIS OF ACCOUNTING (CONTINUED)

Net Assets as of December 31, 2023 – Cash Basis	\$ 5,333
Construction in Progress as of December 31, 2023 – Modified Cash Basis	<u>1,249</u>
Net Assets as of January 1, 2024 - Modified Cash Basis	<u>\$ 6,582</u>

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 4, 2025, which is the date the financial statements were available to be issued.