

Cache Humane Society

Reviewed Financial Statements

For the Years Ended December 31, 2020 and 2019

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of
Cache Humane Society
Logan, UT

I have reviewed the accompanying financial statements of Cache Humane Society (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 company 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, I 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 accounting principles generally accepted in the United States of America; this includes 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

My 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 me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Matthew Regen, CPA, PC



October 6, 2021

CACHE HUMANE SOCIETY
(A Nonprofit Corporation)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 332,899	324,716
Accounts receivable	<u>1,779</u>	<u>11,231</u>
Total current assets	<u>334,678</u>	<u>335,947</u>
Property and equipment, net	597,891	592,841
Other assets		
Restricted cash	<u>750,000</u>	<u>414,684</u>
Total assets	<u>\$ 1,682,569</u>	<u>1,343,472</u>
 <u>Liabilities</u> 		
Current liabilities:		
Accounts payable	\$ -	4,036
PPP forgivable loan	78,101	-
Accrued liabilities	<u>6,434</u>	<u>679</u>
Total current liabilities	<u>84,535</u>	<u>4,715</u>
Total liabilities	<u>84,535</u>	<u>4,715</u>
 <u>Net Assets</u> 		
Without donor restrictions	1,507,551	1,226,573
With donor restrictions	<u>90,483</u>	<u>112,184</u>
Total net assets	<u>1,598,034</u>	<u>1,338,757</u>
Total liabilities and net assets	<u>\$ 1,682,569</u>	<u>1,343,472</u>

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

CACHE HUMANE SOCIETY
(A Nonprofit Corporation)
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	Without donor restrictions		With donor restrictions		Totals	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Support, revenue and reclassifications:						
Contributions and sponsorships	\$ 535,265	503,174	148,050	70,753	683,315	573,927
Program revenues	111,288	169,043	-	-	111,288	169,043
Investment income	9,059	12,588	-	-	9,059	12,588
Net assets released from restrictions:						
Satisfaction of restrictions	169,751	90,269	(169,751)	(90,269)	-	-
Total support, revenue and reclassifications	825,363	775,074	(21,701)	(19,516)	803,662	755,558
Expenses:						
Program services	485,020	560,336	-	-	485,020	560,336
General and administrative	40,926	50,749	-	-	40,926	50,749
Fundraising	18,440	23,751	-	-	18,440	23,751
Total expenses	544,385	634,835	-	-	544,385	634,835
Change in net assets	280,978	140,239	(21,701)	(19,516)	259,277	120,723
Net assets - beginning of year	1,226,573	1,086,334	112,184	131,700	1,338,757	1,218,034
Net assets - end of year	<u>\$ 1,507,551</u>	<u>1,226,573</u>	<u>90,483</u>	<u>112,184</u>	<u>1,598,034</u>	<u>1,338,757</u>

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

CACHE HUMANE SOCIETY
(A Nonprofit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	Program Services		General and Administrative		Fundraising		Totals	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Expenses:								
Payroll:								
Salaries and wages	\$ 228,014	285,347	29,859	37,367	13,572	16,985	271,445	339,699
Payroll taxes	18,426	23,363	2,879	3,651	1,727	2,190	23,032	29,204
Total payroll expenses	<u>246,439</u>	<u>308,710</u>	<u>32,738</u>	<u>41,017</u>	<u>15,300</u>	<u>19,175</u>	<u>294,477</u>	<u>368,903</u>
Other expenses:								
Shelter supplies	83,358	69,181	4,387	3,641	-	-	87,745	72,822
Veterinary expenses	45,286	55,582	-	-	-	-	45,286	55,582
Depreciation and amortization	27,208	25,969	868	829	868	829	28,945	27,627
Repairs and maintenance	22,332	14,882	713	475	713	475	23,757	15,832
Education and volunteer expenses	23,037	18,905	-	-	-	-	23,037	18,905
Office expense	12,511	27,482	1,472	3,233	736	1,617	14,719	32,332
Utilities	12,984	14,809	414	473	414	473	13,813	15,754
Insurance	10,340	8,754	330	279	330	279	11,000	9,313
Dues and subscriptions	787	670	-	-	-	-	787	670
Advertising	682	919	-	-	76	102	758	1,021
Training and licensing	55	14,420	3	801	3	801	61	16,022
Travel	-	52	-	-	-	-	-	52
Total other expenses	<u>238,580</u>	<u>251,625</u>	<u>8,188</u>	<u>9,731</u>	<u>3,140</u>	<u>4,576</u>	<u>249,908</u>	<u>265,932</u>
Total expenses	<u>\$ 485,020</u>	<u>560,336</u>	<u>40,926</u>	<u>50,749</u>	<u>18,440</u>	<u>23,751</u>	<u>544,385</u>	<u>634,835</u>

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

CACHE HUMANE SOCIETY
(A Nonprofit Corporation)
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ 259,277	120,723
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	28,945	27,627
Decrease (increase) accounts receivable	9,452	(7,367)
Decrease in accounts payable	(4,036)	(3,723)
Increase in accrued liabilities	83,856	398
Net cash provided by operating activities	<u>377,494</u>	<u>137,658</u>
<u>Cash flows from investing activities:</u>		
Purchase of property and equipment	<u>(33,995)</u>	<u>(6,816)</u>
Net cash used in investing activities	<u>(33,995)</u>	<u>(6,816)</u>
<u>Cash flows from financing activities:</u>		
Payments on long-term debt	<u>-</u>	<u>-</u>
Net cash used in financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	343,499	130,842
Cash and cash equivalents at beginning of year	<u>739,400</u>	<u>608,558</u>
Cash and cash equivalents at end of year	<u>\$ 1,082,899</u>	<u>739,400</u>
<u>Supplemental cash flow information:</u>		
As reported on statement of financial condition:		
Cash and cash equivalents	\$ 332,899	324,716
Restricted cash	<u>750,000</u>	<u>414,684</u>
Total	<u>\$ 1,082,899</u>	<u>739,400</u>
Interest paid	<u>\$ -</u>	<u>-</u>

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

CACHE HUMANE SOCIETY
(A nonprofit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 1 – Summary of Significant Accounting Policies

Nature of Organization

Cache Humane Society (the Organization) is a non-profit corporation located in Logan, Utah, that serves as an animal shelter for most of Cache Valley, Utah, including Logan, North Logan, Providence, and surrounding areas. Services include affordable vaccinations, spays and neuters, animal adoptions, and community education. The Organization operates through support received from the federal and state governments, individuals, corporations, other societies, and program fees.

Basis of Presentation

Financial statement preparation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Foundations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed on the straight-line and accelerated methods over the following estimated useful lives:

Buildings	10 to 39 Years
Real property and land improvements	7 to 25 Years
Equipment and Vehicles	5 to 15 Years

Property and equipment whose value exceeds \$2,500 is capitalized. All other property and equipment is expensed when purchased. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

CACHE HUMANE SOCIETY
(A nonprofit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 1 – Summary of Significant Accounting Policies (continued)

Property and equipment consist of the following at December 31:

	2020	2019
Buildings & land improvements	\$ 644,305	\$ 614,210
Equipment	39,239	35,339
Vehicles	24,267	24,267
	707,811	673,816
Less: accumulated depreciation	(109,920)	(80,975)
	\$ 597,891	\$ 592,841

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designed for future periods or restricted by the donor for specific purposes are reported as with donor restrictions.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments. The carrying value of cash and cash equivalents approximates fair value because of the short maturities and liquidity of those financial instruments.

Restricted Cash

The Organization has placed internal restrictions on the use of their excess cash. This restricted cash is intended to be invested and the principal retained, similar to an endowment. Investment earnings on this cash will be used for long-term capital expansion.

CACHE HUMANE SOCIETY
(A nonprofit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 1 – Summary of Significant Accounting Policies (continued)

Income Taxes

The Organization is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for federal or state income taxes in the accompanying financial statements.

Advertising

The Organization capitalizes advertising costs for specific programs. Costs are expensed when the related program is presented. Advertising expense for the years ended 2020 and 2019 were \$758 and \$1,021, respectively.

Subsequent Events

The Organization has evaluated all subsequent events through October 6, 2021, the date the financial statements were available to be issued.

Note 2 – Donated Services and Materials

The Organization receives a significant amount of donated services from unpaid volunteers who assist in programs and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition of such volunteer effort under SFAS No. 116 have not been satisfied.

Advertising expenses and program supplies were donated to the Organization by various local businesses and are included in contributions and expenses in the statement of activities. The Organization has estimated the approximate fair value of the advertising expenses and program supplies to be \$15,322 and \$8,407 for the years 2020 and 2019, respectively.

Note 3 – Concentration of Credit Risk

The Organization maintains bank accounts at different financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The uninsured portion of the Organization's bank balances was \$671,224 on December 31, 2020. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

CACHE HUMANE SOCIETY
(A nonprofit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 4 – Net Assets with donor restrictions

Net assets with donor restrictions are subject to donor-imposed stipulations that they be used to sponsor specific future performances. When a restriction has been satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Net assets with donor restrictions total \$90,483 and \$112,184 on December 31, 2020 and 2019, respectively, and consist of cash and cash equivalents to be used for future operations.

Note 5 – Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 6 – Legal Matters

The Organization has not been the subject of lawsuits or claims arising in the ordinary course of business. Based upon present information, the Organization determined that there were no matters that required an accrual as of October 6, 2021 nor were there any asserted or unasserted claims for which material losses are reasonably possible.

Note 7 – Coronavirus Aid, Relief, and Economic Security (CARES) Act-- Paycheck Protection Program

As part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the organization received a loan in the amount of \$78,101.46 on April 16, 2020, under the Payroll Protection Program. The Organization has chosen to account for these funds under FASB ASC 470 where the organization is required to record the loan as a liability until the organization has received release (forgiveness) of the loan. Management expects this loan to be forgiven.