

Cache Humane Society

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Reviewed Financial Statements

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For the Years Ended December 31, 2022 and 2021

## TABLE OF CONTENTS

	Page Number
Independent Auditor's Review Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6

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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, 2022 and 2021, 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



August 15, 2023

CACHE HUMANE SOCIETY  
(A Nonprofit Corporation)  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2022 AND 2021

<u>Assets</u>	<u>2022</u>	<u>as restated 2021</u>
Current assets:		
Cash and cash equivalents	\$ 359,767	298,439
Accounts receivable	<u>2,459</u>	<u>1,848</u>
Total current assets	<u>362,226</u>	<u>300,287</u>
Property and equipment, net	711,507	682,553
Other assets		
Beneficial Interest in assets held at Community Foundation	895,458	1,013,666
Restricted cash	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,969,191</u>	<u>1,996,506</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	\$ 2,665	2,777
PPP forgivable loan	-	78,100
Accrued liabilities	<u>3,292</u>	<u>20,559</u>
Total current liabilities	<u>5,957</u>	<u>101,436</u>
Total liabilities	<u>5,957</u>	<u>101,436</u>
<u>Net Assets</u>		
Without donor restrictions	1,923,696	1,748,432
With donor restrictions	<u>39,538</u>	<u>146,638</u>
Total net assets	<u>1,963,234</u>	<u>1,895,070</u>
Total liabilities and net assets	<u>\$ 1,969,191</u>	<u>1,996,506</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, 2022 AND 2021

	Without donor restrictions		With donor restrictions		Totals	
	2022	as restated 2021	2022	as restated 2021	2022	as restated 2021
Support, revenue and reclassifications:						
Program revenues	\$ 399,402	396,285	-	-	399,402	396,285
Individual contributions	258,877	57,737	-	136,758	258,877	194,495
Corporate contributions	19,786	10,801	-	-	19,786	10,801
Grants received (public & private)	31,204	39,140	-	-	31,204	39,140
Fundraising revenue	27,738	21,550	-	-	27,738	21,550
PPP loan forgiveness	78,100	78,101	-	-	78,100	78,101
UDOT water project income	-	247,577	-	-	-	247,577
Employee Retention Credit	116,570	-	-	-	116,570	-
Gain (loss) on Beneficial Interest in assets held at Community Foundation	(114,718)	16,648	-	-	(114,718)	16,648
Net assets released from restrictions:						
Satisfaction of restrictions	107,100	80,603	(107,100)	(80,603)	-	-
Total support, revenue and reclassifications	924,059	948,442	(107,100)	56,155	816,959	1,004,597
Expenses:						
Program services	653,584	617,472	-	-	653,584	617,472
General and administrative	60,366	55,780	-	-	60,366	55,780
Fundraising	34,845	34,309	-	-	34,845	34,309
Total expenses	748,795	707,560	-	-	748,795	707,560
Change in net assets	175,264	240,882	(107,100)	56,155	68,164	297,037
Net assets - beginning of year	1,748,432	1,507,550	146,638	90,483	1,895,070	1,598,034
Net assets - end of year	\$ 1,923,696	1,748,432	39,538	146,638	1,963,233	1,895,070

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, 2022 AND 2021

	Program Services		General and Administrative		Fundraising		Totals	
	<u>2022</u>	as restated <u>2021</u>	<u>2022</u>	as restated <u>2021</u>	<u>2022</u>	as restated <u>2021</u>	<u>2022</u>	as restated <u>2021</u>
Expenses:								
Payroll:								
Salaries and wages	\$ 383,369	345,336	50,203	45,223	22,820	20,556	456,392	411,114
Payroll taxes	30,647	29,780	4,789	4,653	2,873	2,792	38,309	37,225
Total payroll expenses	<u>414,016</u>	<u>375,116</u>	<u>54,992</u>	<u>49,876</u>	<u>25,693</u>	<u>23,348</u>	<u>494,701</u>	<u>448,339</u>
Other expenses:								
Community clinic supplies & equip.	107,597	116,241	-	-	-	-	107,597	116,241
Depreciation and amortization	32,389	29,527	1,034	942	1,034	942	34,456	31,411
IT expense	19,710	9,569	629	306	629	305	20,968	10,180
Utilities	15,863	15,429	506	492	506	492	16,876	16,413
Office expense	13,894	14,941	1,635	2,914	817	1,046	16,346	18,901
Facility maintenance & improvements	13,630	15,065	435	481	435	481	14,500	16,027
Animal shelter supplies & equip.	10,046	11,892	-	-	-	-	10,046	11,892
Payment processing & accounting	9,231	11,727	295	375	295	374	9,820	12,476
Insurance	8,445	12,336	270	394	270	394	8,984	13,124
Education and outreach	8,543	5,584	-	-	-	-	8,543	5,584
Fundraising events expense	-	-	571	-	5,143	6,922	5,714	6,922
Advertising	220	45	-	-	24	5	244	50
Total other expenses	<u>239,567</u>	<u>242,356</u>	<u>5,374</u>	<u>5,904</u>	<u>9,152</u>	<u>10,961</u>	<u>254,094</u>	<u>259,221</u>
Total expenses	<u>\$ 653,584</u>	<u>617,472</u>	<u>60,366</u>	<u>55,780</u>	<u>34,845</u>	<u>34,309</u>	<u>748,795</u>	<u>707,560</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, 2022 AND 2021

	<u>2022</u>	as restated <u>2021</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ 68,164	297,037
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	34,456	31,412
Increase accounts receivable	(611)	(69)
Increase (decrease) in accounts payable	(112)	2,777
Increase (decrease) in accrued liabilities	<u>(95,367)</u>	<u>14,124</u>
Net cash provided by operating activities	<u>6,530</u>	<u>345,281</u>
<u>Cash flows from investing activities:</u>		
Purchase of property and equipment	(63,411)	(116,075)
Change in value of Beneficial Interest in assets held at Community Foundation	<u>118,209</u>	<u>(1,013,666)</u>
Net cash used in investing activities	<u>54,798</u>	<u>(1,129,741)</u>
Net (decrease) increase in cash and cash equivalents	61,328	(784,460)
Cash and cash equivalents at beginning of year	<u>298,439</u>	<u>1,082,899</u>
Cash and cash equivalents at end of year	<u>\$ 359,767</u>	<u>298,439</u>
<u>Supplemental cash flow information:</u>		
As reported on statement of financial condition:		
Cash and cash equivalents	\$ 359,767	298,439
Restricted cash	-	-
Total	<u>\$ 359,767</u>	<u>298,439</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, 2022 AND 2021

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, 2022 AND 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Property and equipment consist of the following at December 31:

	2022	2021
Buildings & land improvements	\$ 814,511	\$ 757,230
Equipment	48,517	42,387
Vehicles	24,267	24,267
	887,295	823,885
Less: accumulated depreciation	(175,788)	(141,332)
	\$ 711,507	\$ 682,553

*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, 2022 AND 2021

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 2022 and 2021 were \$244 and \$50, respectively.

*2021 Restatement*

The 2021 statement of financial position was restated to correct for revenues recognized in error in 2021 namely recognition of the second Paycheck Protection Program loan of \$78,100 being recognized as income in 2021 when forgiveness wasn't received until 2022 and revenues from UDOT related to the waste water project that were inadvertently recognized twice in the amount of \$43,564. The cumulative impact of these changes was as follows:

		Increase (decrease)
Total assets	\$	(43,564)
Total liabilities		78,100
Total net assets	\$	<u>(121,664)</u>

*Subsequent Events*

The Organization has evaluated all subsequent events through August 15, 2023, the date the financial statements were available to be issued.

CACHE HUMANE SOCIETY  
(A nonprofit corporation)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

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 \$22,045 and \$14,045 for the years 2022 and 2021, respectively.

Note 3 – 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 \$39,538 and \$146,638 on December 31, 2022 and 2021, respectively, and consist of cash and cash equivalents to be used for future operations.

Note 4 – 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. Forgiveness for the full amount of this loan was received prior to December 31, 2021. The proceeds received from the loan have been recognized as revenues on statement of activities for the year ended December 31, 2021.

The Organization received a second loan in the amount of \$78,100 in February 2021. Forgiveness of this loan was received in February 2022 and recorded as revenues on the statement of activities for the year ended December 31, 2022.

CACHE HUMANE SOCIETY  
(A nonprofit corporation)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

Note 5 – Beneficial Interest in assets held at Community Foundation

During the year 2021, the Organization transferred investment assets to Community Foundation (the “Foundation”) which is holding them as an endowment component fund (“Fund”) for the benefit of the Organization. The Organization reports the fair value of the Fund as Beneficial Interest in assets held at the Community Foundation in the statement of financial position. Changes in the value of the Fund are reported as gains or losses in the statement of activities. Fair value of the Fund was \$845,458 and \$1,013,666 on December 31, 2022 and 2021, respectively.

Note 6 – Fair Value Measurements

The Organization has adopted ASC Topic 820, *Fair Value Measurements and Disclosures* (formerly SFAS 157), which requires that fair value measurements be classified and disclosed in one of the following categories:

- Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges.
- Level 2: Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. The prices for the financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Financial instruments that are not actively traded on a market exchange. This category includes situations where there is little, if any, market activity for the financial instrument. The prices are determined using significant unobservable inputs or valuation techniques.

During the year ended December 31, 2022 the Organization had financial instruments, namely Beneficial Interest in assets held at Community Foundation that meet the Level 2 measurement category described in ASC Topic 820.