

Cache Humane Society

Reviewed Financial Statements

For the Years Ended December 31, 2023 and 2022

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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, 2023 and 2022, 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

September 13, 2024

CACHE HUMANE SOCIETY
(A Nonprofit Corporation)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 375,913	359,767
Accounts receivable	1,733	2,459
Total current assets	<u>377,646</u>	<u>362,226</u>
Property and equipment, net	705,536	711,507
Other assets		
Beneficial Interest in assets held at Community Foundation	983,733	895,458
Total assets	<u>\$ 2,066,915</u>	<u>1,969,191</u>
 <u>Liabilities</u> 		
Current liabilities:		
Accounts payable	\$ 4,765	2,665
Accrued liabilities	17,196	3,292
Total current liabilities	<u>21,961</u>	<u>5,957</u>
Total liabilities	<u>21,961</u>	<u>5,957</u>
 <u>Net Assets</u> 		
Without donor restrictions	2,039,954	1,923,696
With donor restrictions	5,000	39,538
Total net assets	<u>2,044,954</u>	<u>1,963,234</u>
Total liabilities and net assets	<u>\$ 2,066,915</u>	<u>1,969,191</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, 2023 AND 2022

	<u>Without donor restrictions</u>		<u>With donor restrictions</u>		<u>Totals</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Support, revenue and reclassifications:						
Program revenues	\$ 415,499	399,402	-	-	415,499	399,402
Individual contributions	295,047	258,877	-	-	295,047	258,877
Corporate contributions	12,489	19,786	-	-	12,489	19,786
Grants received (public & private)	42,228	31,204	-	-	42,228	31,204
Fundraising revenue	35,988	27,738	-	-	35,988	27,738
Other income including PPP loan forgiveness	11,137	78,100	-	-	11,137	78,100
Employee Retention Credit	-	116,570	-	-	-	116,570
Gain (loss) on Beneficial Interest in assets held at Community Foundation	84,213	(114,718)	-	-	84,213	(114,718)
Net assets released from restrictions:						
Satisfaction of restrictions	34,538	107,100	(34,538)	(107,100)	-	-
Total support, revenue and reclassifications	<u>931,139</u>	<u>924,059</u>	<u>(34,538)</u>	<u>(107,100)</u>	<u>896,601</u>	<u>816,959</u>
Expenses:						
Program services	677,551	653,584	-	-	677,551	653,584
General and administrative	64,235	60,366	-	-	64,235	60,366
Fundraising	73,095	34,845	-	-	73,095	34,845
Total expenses	<u>814,881</u>	<u>748,795</u>	<u>-</u>	<u>-</u>	<u>814,881</u>	<u>748,795</u>
Change in net assets	116,258	175,264	(34,538)	(107,100)	81,720	68,164
Net assets - beginning of year	<u>1,923,696</u>	<u>1,748,432</u>	<u>39,538</u>	<u>146,638</u>	<u>1,963,233</u>	<u>1,895,070</u>
Net assets - end of year	<u>\$ 2,039,954</u>	<u>1,923,696</u>	<u>5,000</u>	<u>39,538</u>	<u>2,044,952</u>	<u>1,963,233</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, 2023 AND 2022

	Program Services		General and Administrative		Fundraising		Totals	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Expenses:								
Payroll:								
Salaries and wages	\$ 399,178	383,369	54,164	50,203	25,436	22,820	478,778	456,392
Payroll taxes	33,269	30,647	5,198	4,789	3,119	2,873	41,586	38,309
Total payroll expenses	<u>432,447</u>	<u>414,016</u>	<u>59,362</u>	<u>54,992</u>	<u>28,555</u>	<u>25,693</u>	<u>520,364</u>	<u>494,701</u>
Other expenses:								
Community clinic supplies & equip.	109,985	107,597	-	-	-	-	109,985	107,597
Depreciation and amortization	32,360	32,389	1,033	1,034	1,033	1,034	34,425	34,456
IT expense	19,210	19,710	613	629	613	629	20,436	20,968
Utilities	18,229	15,863	582	506	582	506	19,393	16,876
Payment processing & accounting	15,887	9,231	507	295	507	295	16,901	9,820
Office expense	10,933	13,894	1,286	1,635	643	817	12,862	16,346
Animal shelter supplies & equip.	11,973	10,046	-	-	-	-	11,973	10,046
Insurance	11,173	8,445	357	270	357	270	11,886	8,984
Facility maintenance & improvements	8,768	13,630	280	435	280	435	9,328	14,500
Education and outreach	5,793	8,543	-	-	-	-	5,793	8,543
Fundraising events expense	-	-	215	571	40,438	5,143	40,653	5,714
Advertising	794	220	-	-	88	24	882	244
Total other expenses	<u>245,104</u>	<u>239,567</u>	<u>4,873</u>	<u>5,374</u>	<u>44,540</u>	<u>9,152</u>	<u>294,517</u>	<u>254,094</u>
Total expenses	<u>\$ 677,551</u>	<u>653,584</u>	<u>64,235</u>	<u>60,366</u>	<u>73,095</u>	<u>34,845</u>	<u>814,881</u>	<u>748,795</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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ 81,720	68,164
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	34,425	34,456
Decrease (increase) in accounts receivable	726	(611)
Increase (decrease) in accounts payable	2,100	(112)
Increase (decrease) in accrued liabilities	<u>13,904</u>	<u>(95,367)</u>
Net cash provided by operating activities	<u>132,875</u>	<u>6,530</u>
<u>Cash flows from investing activities:</u>		
Purchase of property and equipment	(28,454)	(63,411)
Change in value of Beneficial Interest in assets held at Community Foundation	<u>(88,275)</u>	<u>118,209</u>
Net cash used in investing activities	<u>(116,729)</u>	<u>54,798</u>
Net increase in cash and cash equivalents	16,146	61,328
Cash and cash equivalents at beginning of year	<u>359,767</u>	<u>298,439</u>
Cash and cash equivalents at end of year	<u>\$ 375,913</u>	<u>359,767</u>
<u>Supplemental cash flow information:</u>		
As reported on statement of financial condition:		
Cash and cash equivalents	\$ 375,913	359,767
Restricted cash	-	-
Total	<u>\$ 375,913</u>	<u>359,767</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, 2023 AND 2022

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, 2023 AND 2022

Note 1 – Summary of Significant Accounting Policies (continued)

Property and equipment consist of the following at December 31:

	2023	2022
Buildings & land improvements	\$ 842,965	\$ 814,511
Equipment	48,517	48,517
Vehicles	24,267	24,267
	915,749	887,295
Less: accumulated depreciation	(210,213)	(175,788)
	\$ 705,536	\$ 711,507

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, 2023 AND 2022

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 2023 and 2022 were \$882 and \$244, respectively.

Subsequent Events

The Organization has evaluated all subsequent events through September 13, 2024, 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 \$33,500 and \$22,045 for the years 2023 and 2022, 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 \$5,000 and \$39,538 on December 31, 2023 and 2022, respectively, and consist of cash and cash equivalents to be used for future operations.

CACHE HUMANE SOCIETY
(A nonprofit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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 \$78,100 in February 2021, 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 in February 2022. The proceeds received from the loan have been recognized as revenues on the statement of activities for the year ended December 31, 2022.

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 \$983,733 and \$895,458 on December 31, 2023 and 2022, respectively.

CACHE HUMANE SOCIETY
(A nonprofit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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, 2023 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.