

Finger Lakes SPCA, Inc.

FINANCIAL STATEMENTS

For The Year Ended December 31, 2021

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Finger Lakes SPCA, Inc.

We have reviewed the accompanying financial statements of Finger Lakes SPCA, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, functional expenditures, and cash flows 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 taken 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 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

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 accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

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 accounting principles generally accepted in the United States of America.



Kimberly Lattimer, CPA, PC
November 8, 2022

Finger Lakes SPCA, Inc.
STATEMENT OF FINANCIAL POSITION
December 31, 2021

	Without Donor Restrictions	Donor	With Restrictions	Total
	Operating	Katie's Fund	Building Fund	
ASSETS				
Cash and Cash Equivalents	\$ 63,658	3,635	28,710	\$ 96,003
Pledges Receivable	-	-	-	-
Fixed Assets - Net	1,992,343	-	-	1,992,343
TOTAL ASSETS	\$ 2,056,001	\$ 3,635	\$ 28,710	\$ 2,088,346
LIABILITIES				
Current Liabilities				
Accounts Payable/Accrued Payroll Taxes	\$ 20,888	\$ -	\$ -	\$ 20,888
Current Portion of Long Term Debt	11,953	-	-	11,953
Total Current Liabilities	32,841	-	-	32,841
Long Term Liabilities				
Long Term Debt - net of current portion	88,012	-	-	88,012
Total Liabilities	120,853	-	-	120,853
NET ASSETS				
Net Assets	1,935,148	3,635	28,710	1,967,493
Total Net Assets	1,935,148	3,635	28,710	1,967,493
TOTAL LIABILITIES AND NET ASSETS	\$ 2,056,001	\$ 3,635	\$ 28,710	\$ 2,088,346

See accompanying notes and accountant's independent review report.

Finger Lakes SPCA, Inc.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For The Year Ended December 31, 2021

	<u>Operating</u>	<u>Katie's Fund</u>	<u>Building Fund</u>	<u>Total</u>
SUPPORT AND REVENUE				
Program Revenue	\$ 88,072	\$ -	\$ -	\$ 88,072
Donations	237,800	2,140	1,528	241,468
Grants	81,336			81,336
Fundraising	49,793			49,793
Interest Income	19		5	24
Net Assets Released				
From Restricted Funds	14,521	(2,320)	(12,201)	-
	<u>471,541</u>	<u>(180)</u>	<u>(10,668)</u>	<u>460,693</u>
Total Support and Revenue				
EXPENDITURES				
Program	473,995	-	11,559	485,554
Management and General	31,710	-	-	31,710
	<u>505,706</u>	<u>-</u>	<u>11,559</u>	<u>517,265</u>
Total Expenditures				
Change in Net Assets	(34,165)	(180)	(22,227)	(56,572)
Net Assets - Beginning of Year	1,967,758	3,815	50,937	2,022,510
	<u>1,555</u>	<u>-</u>	<u>-</u>	<u>1,555</u>
Prior Period Adjustment				
Net Assets - End of Year	<u>\$ 1,935,148</u>	<u>\$ 3,635</u>	<u>\$ 28,710</u>	<u>\$ 1,967,493</u>

See accompanying notes and accountant's independent review report.

Finger Lakes SPCA, Inc.
STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2021

Cash Flows From Operating Activities:

Interest Income Collected	\$	24
Support Collected		460,669
Payments for Expenses		<u>(446,425)</u>
 Net Cash Flow from Operating Activities		 <u>14,268</u>

Cash Flows From Investing Activities:

(Purchase) of Fixed Assets		<u>-</u>
 Net Cash Flow from Investing Activities		 <u>-</u>

Cash Flows From Financing Activities:

(Payment) of Mortgage		<u>(11,258)</u>
 Net Cash Flow from Financing Activities		 <u>(11,258)</u>

Net Change in Cash and Cash Equivalents		3,010
Cash and Cash Equivalents - Beginning of Year		<u>92,993</u>
Cash and Cash Equivalents - End of Year	\$	<u><u>96,003</u></u>

**Reconciliation of (Decrease) Increase in Net Assets to
Net Cash Provided by Operating Activities**

Change in Net Assets		(56,572)
Adjustments to Reconcile (Decrease) Increase in Net Assets to Net Cash Provided by Operating Activities		
Depreciation		46,875
Change in Pledges Receivable		11,559
Change in Accounts Payable		10,851
Prior Period Adjustment		<u>1,555</u>
	\$	<u><u>14,268</u></u>

See accompanying notes and independent accountant's review report.

Finger Lakes SPCA, Inc.
STATEMENT OF FUNCTIONAL EXPENDITURES
For the Year Ended December 31, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Payroll Expenses	174,833	19,426	194,259
Professional Fees	12,155	1,351	13,506
Telephone	3,143	349	3,492
Office Expense	2,151	239	2,390
Bad Debts	11,559	-	11,559
Programs	180,270	-	180,270
Insurance	16,769	1,863	18,632
Fundraising	8,333	-	8,333
Miscellaneous	397	44	441
Advertising	2,649	294	2,943
Facilities and Equipment	25,471	2,830	28,301
Interest Expense	5,638	626	6,264
Depreciation	42,188	4,688	46,875
	<u>485,554</u>	<u>31,710</u>	<u>517,265</u>
Total Expenses	<u>\$ 485,554</u>	<u>\$ 31,710</u>	<u>\$ 517,265</u>

See accompanying notes and independent accountant's review report.

Finger Lakes SPCA, Inc.
Notes to Financial Statements
For the Year Ended
December 31, 2021
(See Independent Accountant's Review Report)

Note A – Summary of Significant Accounting Policies

Nature of Activities

Finger Lakes SPCA, Inc., (the Organization) is a New York nonprofit corporation formed under the laws of the State of New York. The Organization operates a shelter for homeless and abused animals. They provide adoption services for pets and education services to the public for humane, responsible animal care.

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting, recognizing revenue when earned, and expenditures when incurred.

Basis of Presentation

Under generally accepted accounting principles (GAAP) for not-for-profit organizations, the Organization is required to report information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions, which represent net assets that are not subject to or are no longer subject to donor-imposed restrictions; net assets with donor restrictions, which represent net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

The United States is presently coming out of a national health emergency related to a virus, commonly known as Novel Coronavirus (Covid-19). The overall consequences of Covid-19 on a national, regional, and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Organization and its future results and financial position is not presently determinable.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with maturities less than three months when purchased to be cash or cash equivalents.

Finger Lakes SPCA, Inc.
Notes to Financial Statements - Continued
For the Year Ended
December 31, 2021
(See Independent Accountant's Review Report)

Note A – Summary of Significant Accounting Policies

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentration risk consist principally of cash and cash equivalents in financial institutions. At December 31, 2021, there was no cash that exceeded federally insured limits.

Pledges Receivable

Pledges receivable are recorded at the amount the Organization expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off, as of year-end, all balances that are deemed uncollectible. Management also routinely assesses the financial strength of its creditors and, as a consequence, believes that its pledges receivable credit risk exposure is limited, and no reserve has been recorded.

Fixed Assets

Fixed assets are carried at cost. Depreciation of fixed assets, if needed, is provided using the straight-line or modified accelerated cost recovery system for financial reporting purposes. The range of estimated useful lives used by the Organization for each asset classification is as follows:

Shelter and Building	25-50 years
Equipment	7-10 years
Vehicle	5-7 years

In the case of donated fixed assets, they are recorded at estimated fair market value at the date of contribution. Such donations are reported as without donor restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with donor restrictions regarding their use are reported as contributions with donor restrictions. Absent donor stipulations regarding how long donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service.

At the time fixed assets are replaced, retired, or otherwise disposed of, the cost and related accumulated depreciation are removed from their respective accounts and any gain or loss is included in changes in net assets. Expenditures for repairs and maintenance are charged to operations as incurred.

Finger Lakes SPCA, Inc.
Notes to Financial Statements - Continued
For the Year Ended
December 31, 2021
(See Independent Accountant's Review Report)

Note A – Summary of Significant Accounting Policies – Continued

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.

Donated Services

Generally, no amounts are reflected in the financial statements for donated services. The Organization usually pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist with the Organization with specific programs, and with various committee assignments.

Advertising

The Organization expenses advertising costs, if any, as incurred. For 2021, advertising incurred was \$2,944.

Restricted and Unrestricted Revenue

Contributions and grants with donor restrictions are reported as income without donor restriction if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as income with donor restrictions. When a restriction expires, assets are reclassified to assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

As part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), the Organization applied for, and on May 4, 2020, received \$48,950 under the Payroll Protection Loan Program (PPP). This was recognized as grant income for 2020. All the funds were used for qualifying payroll expenses in 2020. The Organization applied for and received forgiveness of the Payroll Protection Loan.

Finger Lakes SPCA, Inc.
Notes to Financial Statements - Continued
For the Year Ended
December 31, 2021
(See Independent Accountant's Review Report)

Note A – Summary of Significant Accounting Policies – Continued

Functional Allocation of Expenses

The Organization classifies its expenses into functional categories of program services and management and general. Allocations of expenses to these functional categories are management's estimates of employee hours by task compared to the total employee hours of the Organization.

Note B – Assets With Donor Restrictions

Building Fund

The Organization is maintaining a building project fund for the purpose of making improvements and upgrades to its facility. Donations received with donor-imposed restrictions to be used for this fund are recorded as assets with donor restrictions. Assets released from restriction and used for the shelter upgrades consisted of cash in the amount of \$12,257.

Katie's Fund

A special fund was created to assist with the medical and other expenses of special needs animals. It was established by a donor in memory of a beloved pet. Donations noted for this fund are recorded as assets with donor restrictions. Assets released from restriction and used for this fund consisted of cash in the amount of \$2,000.

Note C – Fixed Assets

Fixed assets consist of:

Land	\$ 33,000
Shelter	1,835,063
Building	344,300
Equipment	39,835
Car	20,000
Less: Accumulated Depreciation	<u>(279,855)</u>
Net book value	<u>\$1,992,343</u>

Depreciation expense for the year ended December 31, 2021 totaled \$46,875.

Finger Lakes SPCA, Inc.
Notes to Financial Statements - Continued
For the Year Ended
December 31, 2021
(See Independent Accountant's Review Report)

Note D – Liquidity and Availability of Resources

The Organization has a policy to maintain its liquidity by following a strict budget and by maintaining various accounts for use for meeting current obligations. For the year ended December 31, 2021, the Organization had \$96,003 of financial assets available within one year of the balance sheet date less \$32,345 of financial assets with donor restrictions to meet cash needs for general expenditures. The financial assets available within one year consist of the operating cash of \$63,658 at December 31, 2021.

Note E – Long Term Debt

The Organization has a mortgage payable to Chemung Canal Trust Company, payable in monthly installments of \$1,460, including principal and interest at a rate of 5.88%. The rate of interest is fixed for 5 years. At the end of the five-year period, it is reviewed, and the note allows for interest rate modification. The interest rate was adjusted in January of 2019. The balance of the mortgage at December 31, 2021 was \$99,965.

Scheduled principal payments are as follows for the year ended December 31:

2022	11,953
2023	12,654
2024	13,396
2025	14,246
2026	15,127
Thereafter	<u>32,589</u>
	<u>\$99,965</u>

Cash paid for interest was \$6,264 for the year ended December 31, 2021.

Note F – Evaluation of Subsequent Events

The Organization has evaluated subsequent events through November 8, 2022, the date which the financial statements were available to be issued.