Central Texas Society for the Prevention of Cruelty to Animals

Financial Statements with Independent Auditor's Report

For the Year Ended December 31, 2021

P.O. Box 142482
Austin, Texas 78714-2482
(512) 535-7932 fax (512) 535-1170

DEMITRA ALEXANDER
CERTIFIED PUBLIC ACCOUNTANT

Board of Directors
The Central Texas Society for the Prevention
Of Cruelty to Animals
909 Bagdad Street
Leander, Texas 78641

INDEPENDENT AUDITOR'S REPORT

Opinion

I have audited the accompanying financial statements of The Central Texas Society for the Prevention of Cruelty to Animals (a nonprofit organization), which comprise the statement of financial assets, liabilities and net assets-cash basis as of December 31, 2021, and the related statement of support, revenue, and expenses-cash basis for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the net assets of Central Texas Society for the Prevention to Cruelty to Animals, as of December 31 2021, and its support, revenue, and expenses for the year then ended in accordance with the cash basis of accounting described in Note B.

Basis of Opinion

We conducted the audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am required to be independent of the Central Texas Society for the Prevention of Cruelty to Animals and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to the audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the audit opinion.

Basis of Accounting

I draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements are prepared in the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to this matter.

Responsivities of Management for the Financial Statements

Management is responsible for preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note B, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstance. 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.

P.O. Box 142482, Austin, Texas 78714 • www.dalexandercpa.com
PH 512.535.8932 • FAX 512.535.1170

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery ,intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and preform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Central Texas Society for the Prevention of Cruelty to Animals' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Central Texas Society for the Prevention of Cruelty to Animals' ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

June 18, 2023

P.O. Box 142482, Austin, Texas 78714 • www.dalexandercpa.com
PH 512.535.8932 • FAX 512.535.1170

Central Texas SPCA
Statement of Assets, Liabilites and Net Assets-Cash Basis
December 31, 2021

ASSETS	
Cash	$ 1,292,742
Unrestricted Donations Receivable	-
Restricted Donations Receivable	-
Investments	-
Prepaid Expenses	7,637
Fixed Assets (net)	81,760
TOTAL ASSETS	$ 1,382,139
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts Payable	988
Payroll Liabilities	$ 8,594
Total Liabilities	9,582
Net Assets	
Unrestricted	1,253,808
Temporarily Restricted	118,750
Permanently Restricted	
Total Net Assets	1,372,558
TOTAL LIABILITIES & NET ASSETS	$ 1,382,139

The accompanying notes are an integral part of this financial statement presentation.

Central Texas SPCA
Statement of Support, Revenue and Expenses-Cash Basis
Year Ended December 31, 2021

		Net Assets
Revenues, Gains & Support		
Contributions	$	669,106
Program Services	$	7,285
Investment Income	$	2,157
Total Revenues, Gains & Other Support	$	678,548
Expenses		
Program Services	$	54,051
General and Administrative	$	252,360
Fundraising	$	4,602
Total Expenses	$	311,013
Support and Revenue in Excess of Expenses	$	367,535
Net Assets at the Beginning of Year	$	1,005,023
Net Assets at the End of Year	$	1,372,558

The accompanying notes are an integral part of this financial statement presentation.

NOTES TO FINANCIAL STATEMENTS

NOTE A- ORGANIZATION

The mission of the Central Texas Society for the Prevention of Cruelty to Animals (CTSPCA) is to rescue neglected, unwanted, and homeless dogs and cats; nurture them and provide them shelter until united with a forever family through our adoption program; strive to reduce animal over population; prevent cruelty to animals; and teach responsible pet ownership through an outreach of humane education and a network of resources.

NOTE B- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Organization uses the cash basis of accounting. Revenues are recorded when cash is received and expenses are recognized when paid.

FINANCIAL STATEMENT PRESENTATION

Net assets are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

<u>Net Assets Without Donor Restrictions</u>: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

<u>Net Assets With Donor Restrictions:</u> Net assets subject to donor (or certain grantor) imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

NOTES TO FINANCIAL STATEMENTS

EXPENSE ALLOCATION

The financial statements report certain categories of expenses that re attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include conference fees, and operating expenses, which are allocated on the basis of estimates of time and effort.

FIXED ASSETS

Property and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful lives. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, CTSPCA reports expirations of donor restrictions when the donated or acquired assets are placed into service as instructed by the donor. CTSPCA reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Fixed Assets are depreciated over their useful lives of 5 – 40 years. Upon sale, retirement or disposition, the acquisition cost and related accumulated depreciation are removed from the balance sheet and any gain or loss is included in the statement of activities.

CONTRIBUTIONS

Contributions received are recorded as with or without donor restriction depending on the existence and/or nature of any restrictions. Restricted contributions whose restrictions are met in the same reporting period are shown as unrestricted contributions.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

TAX STATUS

The Organization is a nonprofit organization exempt from Federal income taxes under IRS Code Section 501(c) (3), except to the extent it has unrelated business activities. Therefore, no provision has been made for Federal income tax in the accompanying financial statements. The Organization's policy is to record interest and penalties related to income taxes as interest and other expense, respectively. At December 31, 2021, no interest or penalties have been or are required to be accrued.

SUBSEQUENT EVENTS

The Organization has evaluated subsequent events for disclosure through the date of the Independent Auditor's Report, the date the financial statements were available to be issued.

NOTE C: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date is the cash balance of $1,253,808. As part of the Organization's liquidity management, financial assets are structured to be available as general expenditures and other obligations come due. The policy is that monthly revenues are to cover monthly expenses. Monthly revenues and expenditures are deposited in and deducted from the organization's operating accounts.