

Love is a Pet Away



West Suburban Humane Society

AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

West Suburban Humane Society
Audit Report
For the Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
West Suburban Humane Society
Downers Grove, Illinois

We have audited the accompanying financial statements of **West Suburban Humane Society** 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.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of West Suburban Humane Society as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Selden Fox, Ltd.

June 23, 2021

West Suburban Humane Society
Statement of Financial Position
December 31,

Assets	2020	2019
Cash	\$ 280,817	\$ 408,906
Contributions receivable	6,075	319,011
Prepaid expenses	7,172	6,851
Investments	262,086	725,193
Property and equipment at cost less accumulated depreciation of \$66,422 in 2020 (\$248,659 in 2019)	4,411,663	535,888
Construction in progress - New Adoption Center	-	3,054,045
Other assets, less accumulated amortization of \$9,194 in 2020 and 2019	19,076	120,432
Beneficial interest in assets held by others	380,621	363,728
Total assets	\$ 5,367,510	\$ 5,534,054
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 67,897	\$ 240,520
Accrued expenses	15,005	10,039
Paycheck Protection Program loan	55,103	-
Total liabilities	138,005	250,559
Net assets:		
Without donor restrictions:		
Undesignated	4,424,907	926,614
Board designated	800,000	3,400,537
Total net assets without donor restrictions	5,224,907	4,327,151
With donor restrictions	4,598	956,344
Total net assets	5,229,505	5,283,495
Total liabilities and net assets	\$ 5,367,510	\$ 5,534,054

See accompanying notes.

West Suburban Humane Society
Statement of Activities
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Adoption fees	\$ 78,644	\$ -	\$ 78,644
Events	126,490	-	126,490
Newsletter and mail appeals	89,114	-	89,114
Contributions	414,809	45,635	460,444
Bequests	149,167	-	149,167
Interest income	189	-	189
Net investment income	33,884	-	33,884
	892,297	45,635	937,932
Net assets released from restrictions	997,381	(997,381)	-
Total revenues	1,889,678	(951,746)	937,932
Expenses:			
Program services	751,386	-	751,386
Management and general	59,790	-	59,790
Fund-raising	180,746	-	180,746
Total expenses	991,922	-	991,922
Change in net assets	897,756	(951,746)	(53,990)
Net assets, beginning of the year	4,327,151	956,344	5,283,495
Net assets, end of the year	\$ 5,224,907	\$ 4,598	\$ 5,229,505

See accompanying notes.

West Suburban Humane Society
Statement of Activities
For the Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:			
Adoption fees	\$ 65,712	\$ -	\$ 65,712
Events	162,996	-	162,996
Newsletter and mail appeals	55,887	-	55,887
Contributions	324,735	569,563	894,298
Bequests	42,276	-	42,276
Grants	-	15,000	15,000
Interest income	1,124	-	1,124
Net investment income	113,562	-	113,562
	<u>766,292</u>	<u>584,563</u>	<u>1,350,855</u>
Net assets released from restrictions	<u>90,946</u>	<u>(90,946)</u>	<u>-</u>
Total revenues	<u>857,238</u>	<u>493,617</u>	<u>1,350,855</u>
Expenses:			
Program services	681,889	-	681,889
Management and general	49,578	-	49,578
Fund-raising	188,479	-	188,479
Total expenses	<u>919,946</u>	<u>-</u>	<u>919,946</u>
Change in net assets	(62,708)	493,617	430,909
Net assets, beginning of the year	<u>4,389,859</u>	<u>462,727</u>	<u>4,852,586</u>
Net assets, end of the year	<u>\$ 4,327,151</u>	<u>\$ 956,344</u>	<u>\$ 5,283,495</u>

See accompanying notes.

**West Suburban Humane Society
Statement of Functional Expenses
For the Year Ended December 31, 2020**

	Program Services	Management and General	Fund-raising	Total
Expenses:				
Salaries	\$ 232,303	\$ 17,081	\$ 92,238	\$ 341,622
Payroll taxes	18,584	1,366	7,379	27,329
Benefits	6,619	1,375	2,063	10,057
Administration	13,313	1,499	3,122	17,934
Animal costs	8,434	-	-	8,434
Animal supplies	47,100	-	-	47,100
Animal training and boarding	2,388	-	-	2,388
Bad debt expense	-	-	15,755	15,755
Bank service fees	5,760	-	-	5,760
Depreciation and amortization	77,657	-	-	77,657
Dues and subscriptions	7,261	1,321	289	8,871
Events and newsletters	5,399	-	45,248	50,647
Food	53,985	-	-	53,985
Insurance	3,148	20,753	1,049	24,950
Medical supplies	59,783	-	-	59,783
Office and building maintenance	28,195	517	1,331	30,043
Office supplies	3,154	232	1,252	4,638
Postage	1,123	83	446	1,652
Professional fees	-	14,080	10,574	24,654
Sales tax	-	1,483	-	1,483
Spay and neuter	20,988	-	-	20,988
Utilities	41,971	-	-	41,971
Veterinary care	114,221	-	-	114,221
Total expenses	\$ 751,386	\$ 59,790	\$ 180,746	\$ 991,922

See accompanying notes.

West Suburban Humane Society
Statement of Functional Expenses
For the Year Ended December 31, 2019

	Program Services	Management and General	Fund-raising	Total
Expenses:				
Salaries	\$ 190,369	\$ 15,029	\$ 45,087	\$ 250,485
Payroll taxes	15,611	1,232	3,697	20,540
Benefits	13,225	1,323	1,984	16,532
Administration	11,747	1,637	7,416	20,800
Animal costs	12,851	-	-	12,851
Animal supplies	37,039	-	-	37,039
Animal training and boarding	2,170	-	-	2,170
Bank service fees	1,931	-	-	1,931
Depreciation and amortization	48,973	343	2,793	52,109
Dues and subscriptions	4,999	909	199	6,107
Events and newsletters	8,256	-	41,689	49,945
Food	69,650	-	-	69,650
Insurance	6,214	11,535	826	18,575
Medical supplies	60,647	-	-	60,647
Office and building maintenance	8,142	274	175	8,591
Office supplies	5,086	402	1,205	6,693
Postage	916	72	217	1,205
Professional fees	-	14,426	80,433	94,859
Sales tax	-	1,440	-	1,440
Spay and neuter	29,095	-	-	29,095
Utilities	27,703	956	2,758	31,417
Veterinary care	126,943	-	-	126,943
Volunteer education	322	-	-	322
Total expenses	\$ 681,889	\$ 49,578	\$ 188,479	\$ 919,946

See accompanying notes.

West Suburban Humane Society
Statement of Cash Flows
For the Year Ended December 31,

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ (53,990)	\$ 430,909
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net gain on investments	(1,660)	(57,829)
Donated stock	(20,163)	(45,606)
In-kind contributions to new building	(69,325)	-
Depreciation and amortization	77,657	52,109
Contributions receivable written off	15,755	-
Change in beneficial interest in assets held by others	(32,193)	(55,733)
Changes in operating assets and liabilities:		
Receivables	297,181	(52,579)
Prepaid expenses	(321)	1,145
Other assets	101,356	(120,432)
Accounts payable and accrued expenses	(7,613)	2,604
Net cash from operating activities	<u>306,684</u>	<u>154,588</u>
Cash flows from investing activities:		
Purchase of investments	(360,000)	(4,740,079)
Proceeds from the sale of investments	844,930	7,360,685
Distribution from assets held by others	15,300	14,700
Purchase of equipment	(19,722)	-
Construction in progress paid for new adoption center	(970,384)	(2,785,324)
Net cash from investing activities	<u>(489,876)</u>	<u>(150,018)</u>
Cash flows from financing activities - proceeds from Paycheck Protection Program loan	<u>55,103</u>	<u>-</u>
Net change in cash	(128,089)	4,570
Cash, beginning of the year	<u>408,906</u>	<u>404,336</u>
Cash, end of the year	<u>\$ 280,817</u>	<u>\$ 408,906</u>

See accompanying notes.

West Suburban Humane Society Notes to the Financial Statements

1. Summary of Significant Accounting Policies

Organization and Purpose – West Suburban Humane Society (WSHS) is an animal shelter, first incorporated in 1973, that provides animals with shelter, food and veterinary care. WSHS's purpose is to operate as a no-kill animal shelter that finds permanent homes for cats and dogs in its care. Within this role, it has programs that educate the public on spaying and neutering and encourage the charitable treatment and care of animals.

Basis of Accounting – WSHS maintains its accounts on the accrual basis in accordance with generally accepted accounting principles. WSHS classifies net assets and transactions into two classes:

Net Assets Without Donor Restrictions – Net assets not subject to donor imposed stipulations.

Net Assets With Donor Restrictions – Net assets restricted by donors to be maintained by the WSHS in perpetuity and net assets subject to donor imposed stipulations that may or will be met by actions of the WSHS or the passage of time.

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulation or by law. Expiration of donor restrictions on net assets (i.e., the donor imposed stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give are reported at fair value at the date the gift is received, or as soon as the promise becomes unconditional. Subsequent adjustments to the fair value are recognized as public support consistent with the initial recording of the gift. Bequests are considered unconditional when the probate court declares the testamentary instrument valid and the proceeds are measurable. Intentions to give which are not legally enforceable are recorded as contribution revenue when collected.

Contributions of exhaustible long-lived assets, or of cash or other assets used to acquire them, without donor-imposed stipulations concerning the use of such long-lived assets, are reported as revenues with donor restrictions. Unless donor stipulations limit the use of contributed assets for a period of time or for a particular purpose, the restrictions are considered to be released when the contributed asset is placed in service.

WSHS did not have any net assets with donor restrictions that must be maintained in perpetuity at December 31, 2020.

West Suburban Humane Society
Notes to the Financial Statements (cont'd)

1. Summary of Significant Accounting Policies (cont'd)

Use of Estimates – The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and activities at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

Certain significant estimates used in the preparation of these financial statements include investments being recorded at fair value, recording contributions receivable at fair value, with no allowance for losses at December 31, 2020 and 2019, and the determination of useful lives for property and equipment. The ultimate realization of investments and contributions receivable are based upon future economic factors. It is reasonably possible that the recorded amounts or related disclosures could significantly change in the near future as new information is available.

Fair Value Measurements – Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value is categorized in three levels based on the reliability of observable inputs as follows:

Level 1 – Valuations are based on quoted prices in active markets for identical assets or liabilities that WSHS has the ability to access at the measurement date.

Level 2 – Valuations are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and model-derived valuations whose significant inputs are observable.

Level 3 – Valuations are based on unobservable inputs for the asset or liability that reflect the reporting entity's own data and assumptions that market participants would use in pricing the asset or liability.

Following is a description of the valuation methodologies used for investments measured at fair value, including the beneficial interest in assets held by others, as well as the general classification of such investments pursuant to the valuation hierarchy.

Mutual funds are valued using quoted market prices. Accordingly, these assets are categorized in Level 1 of the fair value hierarchy, see Note 2.

The fair value of the beneficial interest in assets held by others is based on a percentage interest of the underlying assets held. Accordingly, these assets are categorized in Level 2 of the fair value hierarchy, see Note 4.

West Suburban Humane Society
Notes to the Financial Statements (cont'd)

1. Summary of Significant Accounting Policies (cont'd)

Cash – For the purpose of the statement of cash flows, the WSHS considers all cash on hand and in banks to be cash. Money market funds at brokerages are considered investments.

Contributions Receivable – Contributions receivable consist of unconditional promises to give recorded at fair value. Management believes all amounts will be collected within one year and, accordingly, no discount is present. Management determines the allowance for uncollectible contributions based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectible. No allowance was deemed necessary at December 31, 2020 or 2019.

Property and Equipment – Property and equipment are stated at cost if purchased or constructed and fair value for contributed items. Depreciation of buildings and equipment is provided by the straight-line method over the estimated useful life of the assets. Buildings at 40 years, land improvements at 15 years, and equipment at 3 – 7 years.

Paycheck Protection Program Loan – In April 2020, WSHS received \$55,103 of proceeds in the form of a potentially forgivable loan under the CARES Act's Paycheck Protection Program (PPP), which is administered by the U.S. Small Business Association (SBA). The loan and accrued interest are forgivable after an 8-week or a maximum 24-week timeframe beginning on the date of receipt of loan proceeds, as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, maintaining payroll levels on an employee-by-employee basis, and maintaining headcount, all within PPP parameters. The WSHS has elected to account for its potentially forgivable PPP loan payable under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 470 Debt. Under this guidance, extinguishment of the loan would be recognized when WSHS has been legally released as the primary obligor of the loan. This would occur if and when the SBA approves the WSHS's forgiveness application. As of December 31, 2020, the entire loan is recorded as a liability under the guidance in ASC 470. Subsequent to year end, WSHS filed an application to have the loan forgiven. The organization was notified in May 2021 that their forgiveness application was approved, and the entire \$55,103 loan was forgiven.

Revenue Recognition – The primary sources of program revenue streams are as follows:

The main purpose of the organization is to find permanent homes for cats and dogs in its care. Adoption fees for these animals fall under ASC 606 guidance. The performance obligation is satisfied when ownership of the animal transfers from the WSHS to the owner.

The WSHS holds various fund-raising events including a walk-a-thon and plant sale. For event fees, the performance obligation is satisfied after these events have occurred. Most of the revenue from these events are contributions, which are outside ASC 606 guidance.

The remaining revenue on the statement of activities include various contributions, donations and investment income. These revenues do not fall under ASC 606 guidance.

West Suburban Humane Society
Notes to the Financial Statements (cont'd)

1. Summary of Significant Accounting Policies (cont'd)

Donated Services – A substantial number of volunteers have donated significant amounts of time toward the program activities of the WSHS; however, no amount has been reflected in the financial statements. These services did not satisfy the criteria for recognition under generally accepted accounting principles.

Donated Items – The WSHS accepts gifts of tangible personal property to help fulfill their mission. Such items to be used by the WSHS are valued by type, based on an average fair market value. They are recorded in contribution revenue and are expensed, based on their natural classification. The value of donated items recorded in 2020 was \$66,308 (\$64,180 in 2019).

Income Taxes – WSHS is tax exempt under Section 501(c)(3) of the Internal Revenue Code, except for income not related to its exempt purpose. WSHS had no income unrelated to its exempt purpose. Accordingly, no provision for income taxes has been provided for in the financial statements. WSHS's federal and state tax returns for the years ended December 31, 2017 through 2019, remain subject to examination.

Concentration – The WSHS received total bequest revenue of \$100,000 from one donor in 2020. This amount represents 67% of total bequest revenue in 2020, and 11% of total revenue in 2020. In 2019, the WSHS received totaled revenue of \$220,000 from one donor, who is a member of the WSHS's board, which was 25% of total contribution revenue and 16% of total revenue in that year.

Functional Allocation of Expenses – Expenses have been summarized by function and nature on the statement of functional expenses. Salaries, payroll taxes and benefits are allocated based on estimates of time and effort incurred by each employee. The same allocation is used to allocate office supplies, postage and workers' compensation insurance. Newsletter and annual appeal costs are allocated based on the pages of those documents dedicated to each function.

Prior to 2020, office and building maintenance and utilities were allocated based on the square footage of the facility allocated to each function, and depreciation was allocated based on an estimate of each asset's use by the various functions. In 2020, these expenses were deemed to all relate to program services and no allocation was performed.

All other expenses can be specifically identified to a function and do not require allocation.

West Suburban Humane Society
Notes to the Financial Statements (cont'd)

2. Investments

Investments in mutual funds are held at a single investment brokerage firm. Fair values of investments measured on a recurring basis at December 31, 2020, are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds- money market	<u>\$ 262,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 262,086</u>

Fair values of investments measured on a recurring basis at December 31, 2019, are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds- money market	<u>\$ 725,193</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 725,193</u>

Net investment income for the years ended December 31, consists of the following:

	<u>2020</u>	<u>2019</u>
Interest and dividend income	\$ 7,842	\$ 66,311
Net realized and unrealized gains	30,550	51,207
Investment fees	<u>(4,508)</u>	<u>(3,956)</u>
Net investment income	<u>\$ 33,884</u>	<u>\$ 113,562</u>

3. Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Land	\$ 523,684	\$ 523,684
Building and improvements	3,835,529	245,904
Equipment	<u>118,872</u>	<u>14,959</u>
	4,478,085	784,547
Less accumulated depreciation	<u>(66,422)</u>	<u>(248,659)</u>
	<u>\$ 4,411,663</u>	<u>\$ 535,888</u>

Depreciation expense totaled \$77,657 for the year ended December 31, 2020 (\$50,578 for the year ended December 31, 2019).

West Suburban Humane Society
Notes to the Financial Statements (cont'd)

4. Beneficial Interest in Assets Held by Others – DuPage Foundation

WSHS established an Agency Fund (Fund) in 2013, with the DuPage Foundation (Foundation) to strengthen the future of the WSHS. The Fund was created with an original gift of \$300,000. The Board of Directors designates the use of the monies in the Fund. The intent of the Board is to maintain the original gift in perpetuity and only draw on earnings. WSHS understands that the Foundation's Board of Trustees shall have ultimate control over the assets deposited in the Fund, excepting and providing that if WSHS's Board determines that it is in the WSHS's best interest, it may elect to withdraw any funds transferred to the Foundation upon written notice, not less than three months in advance of the date needed.

The Fund had a balance of \$380,621 at December 31, 2020 (\$363,728 at December 31, 2019). Net gain on the Fund for 2020, was \$32,194, of which \$36,202 is included in the investment gain and \$4,008 was for investment fees. Net gain on the Fund for 2019, was \$55,733, of which \$59,689 is included in the investment gain and \$3,956 was for investment fees. The Foundation maintains an investment pool for all its funds which consists primarily of marketable equity securities (common stock and mutual funds), fixed income securities, funds of hedge funds, real estate funds and commodity funds. No specific securities are designated for a specific fund. Realized gains/losses, unrealized gains/losses, and dividend and interest income net of fees are divided monthly on a prorated basis across all funds of the Foundation.

5. Concentration of Credit Risk

The WSHS maintains cash and certificates of deposit with various financial institutions. WSHS periodically has deposits in excess of federally insured limits. WSHS has not experienced any loss in such accounts. At December 31, 2020, WSHS had \$44,817 of uninsured cash deposits. WSHS believes it is not exposed to any significant credit risk on its cash and deposits.

6. Board Designated Net Assets

At December 31, 2020, the Board has designated \$800,000 as an operating reserve from its net assets without donor restrictions. At December 31, 2019, the Board had designated \$2,600,537 for the new Adoption Center and \$800,000 designated as an operating reserve from its net assets without donor restrictions.

7. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following:

	2020	2019
Construction of new facility	\$ 4,598	\$ 941,344
Unspent grant funds	-	15,000
	\$ 4,598	\$ 956,344

West Suburban Humane Society
Notes to the Financial Statements (cont'd)

7. Net Assets With Donor Restrictions (cont'd)

During 2020, the new facility was placed into service and all amounts received that were restricted for that construction were released from restriction. The \$4,598 that is donor restricted at December 31, 2020, represents pledge receivables for the new facility that remain unpaid at year-end.

8. Liquidity and Availability

Assets available to meet cash needs for general expenditures within one year, without contractual or donor restrictions, consist of the following:

	2020	2019
Cash	\$ 280,817	\$ 408,906
Contributions receivable	6,075	319,011
Investments	262,086	725,193
Beneficial interest in assets held by others	380,621	363,728
	929,599	1,816,838
Less:		
Net assets with donor restrictions:		
Construction of new facility	(4,598)	(941,344)
Unspent grant funds	-	(15,000)
Board designated net assets:		
Building fund	-	(2,600,537)
Operating reserve	(800,000)	(800,000)
Plus:		
Board designated net assets invested in construction in progress	-	2,600,537
Net assets with donor restrictions that will be met when new building is placed in service	-	903,576
	\$ 125,001	\$ 964,070

Although it is not the Board's intention, the operating reserve Board designated net assets above could be used for general expenditures in the next year if the Board approved such an action.

As described in Note 14, WSHS applied for and received a loan through the Small Business Administration's Consolidated Appropriations Act's Paycheck Protection Program (PPP2) totaling \$55,102, which will be used for certain general expenditures in 2021.

As part of WSHS's liquidity management, it has a policy to place most of its financial assets in highly liquid, short-term investments. See Note 2.

West Suburban Humane Society
Notes to the Financial Statements (cont'd)

9. Contributed Services and In-kind Revenue

WSHS recognizes contribution revenue for certain services and in-kind property received at fair value at the date of receipt. For the year ended December 31, 2020, such contributed services and property included various construction related materials and services for the new building and paving services in the aggregate of \$69,325.

10. Operating Leases

WSHS has entered into various operating leases for office equipment payable in monthly installments of \$332 expiring in June 2023 and \$459 expiring in January 2023. Future minimum lease payments under the leases are as follows:

2021	\$	9,492
2022		9,492
2023		<u>2,451</u>
	\$	<u>21,435</u>

Rental expense under these agreements for the year ended December 31, 2020, was \$8,993 (\$4,148 for the year ended December 31, 2019).

11. Website

WSHS launched a new website in 2016, at a total cost of \$9,194. This cost is recorded as an other asset on the statement of financial position. The website costs were amortized over a three-year period, with the final amount of \$1,532 amortized in 2019.

12. Related Parties

WSHS incurred expenses of approximately \$27,000 for veterinary care received from an animal hospital owned by one member of the Board in 2020 (\$36,000 in 2019). These services were provided at a cost that was similar or below the cost of services obtained elsewhere.

13. Uncertainties

The COVID-19 outbreak in the United States has caused business disruption. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the disruption and impact on the economy. The related financial impact and duration cannot be reasonably estimated at this time.

West Suburban Humane Society
Notes to the Financial Statements (cont'd)

14. Subsequent Events

Subsequent events have been evaluated through June 23, 2021, which is the date the financial statements were available to be issued.

Subsequent to year-end, WSHS submitted a loan application through the Small Business Administration's Consolidated Appropriations Act's Paycheck Protection Program (PPP2). The loan application was approved, and proceeds of \$55,102 were received in March 2021.

15. Future Accounting Standards

Leases – During 2016, the Financial Accounting Standards Board issued new standards relating to lease accounting. The new standard will require WSHS to recognize on its balance sheet, the asset and liability of their leasing agreements relating to the rights and obligations created by the leases. The standard will be effective for 2022. WSHS has not determined the effect of adopting the new standard.