

**EQUINE VOICES RESCUE AND SANCTUARY
AMADO, ARIZONA**

**FINANCIAL STATEMENTS
December 31, 2020 and 2019**

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement 1 - Statements of Financial Position	3
2 - Statements of Activities	4
3 - Statements of Cash Flows	5
4 - Statements of Functional Expenses	6
Notes to Financial Statements	7-14

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Board of Directors
Equine Voices Rescue and Sanctuary

Independent Auditor's Report

Report on the Financial Statements

I have audited the accompanying financial statements of Equine Voices Rescue and Sanctuary, an Arizona nonprofit corporation, which comprise the statements of financial position as of December 31, 2020 and 2019 and the related statements of activities and changes in net assets, 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 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

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes 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 error or fraud. 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 the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Emphasis of a Matter

As discussed in Note 2 to the financial statements, the 2019 financial statements had been restated to correct a misstatement. My opinion is not modified with respect to this matter.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Equine Voices Rescue and Sanctuary as of December 31, 2020 and 2019 and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

David M. Meyer, CPA, P.C.

Tucson, Arizona

August 13, 2021

STATEMENT 1

EQUINE VOICES RESCUE AND SANCTUARY
STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

ASSETS

CURRENT ASSETS	<u>2020</u>	<u>2019</u>
Cash and cash equivalents- unrestricted	\$ 506,040	\$ 474,381
Cash and cash equivalents- restricted	52,030	160,359
Prepaid expenses and deposits	45,070	6,509
Investments	754,791	677,363
Merchandise inventories	18,106	19,105
Total current assets	<u>1,376,037</u>	<u>1,337,717</u>
PROPERTY AND EQUIPMENT , net of accumulated depreciation of \$260,414 and \$229,817, respectively	826,174	516,546
OTHER ASSETS		
Investments	43,734	42,811
Security deposit-Boutique	1,445	
Donated investment land	5,600	5,600
Total other assets	<u>50,779</u>	<u>48,411</u>
TOTAL ASSETS	<u><u>\$ 2,252,990</u></u>	<u><u>\$ 1,902,674</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 27,466	\$ 33,093
Payroll protection loan payable	39,620	
Total current liabilities	<u>67,086</u>	<u>33,093</u>
NET ASSETS		
Without donor restrictions	2,133,874	1,709,222
With donor restrictions- purpose restrictions	52,030	160,359
Total net assets	<u>2,185,904</u>	<u>1,869,581</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,252,990</u></u>	<u><u>\$ 1,902,674</u></u>

See Independent Auditor's Report. These financial statements
should be read only in connection with the accompanying notes.

STATEMENT 2

EQUINE VOICES RESCUE AND SANCTUARY
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2020 and 2019

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

	<u>2020</u>	<u>Restated 2019</u>
REVENUES AND SUPPORT		
Contributions and grants, net of professional fundraising firm's fees and expenses of \$369,416 and \$322,720, respectively	\$ 785,869	\$ 671,442
In-kind donations	1,678	3,813
Fundraising events, net of expenses of \$15,489 and \$21,750, respectively	27,021	87,171
Gift and resale boutique stores sales, net of cost of goods sold of \$6,392 and \$5,499, respectively and expenses of \$25,141 and \$30,172, respectively	16,981	14,219
Equine program income	5,585	5,333
Investment income	73,285	110,525
Revenues and Support Without Donor Restrictions	<u>910,419</u>	<u>892,503</u>
Net Assets Released From Restrictions- Restrictions Satisfied	158,829	26,990
Total Revenues and Support Without Donor Restrictions	<u>1,069,248</u>	<u>919,493</u>
EXPENSES		
Program services	545,569	577,021
General and administrative	58,885	57,303
Fundraising	40,142	40,357
Total expenses	<u>644,596</u>	<u>674,681</u>
Increase in Net Assets Without Donor Restrictions	<u>424,652</u>	<u>244,812</u>

CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS**REVENUES AND SUPPORT**

Contributions	50,500	40,000
Net assets released from restrictions	<u>(158,829)</u>	<u>(26,990)</u>
(Decrease) Increase in Net Assets With Donor Restrictions	<u>(108,329)</u>	<u>13,010</u>
Increase in Total Net Assets	316,323	257,822
NET ASSETS, BEGINNING OF YEAR	<u>1,869,581</u>	<u>1,611,759</u>
NET ASSETS, END OF YEAR	<u>\$ 2,185,904</u>	<u>\$ 1,869,581</u>

See Independent Auditor's Report. These financial statements should be read only in connection with the accompanying notes.

EQUINE VOICES RESCUE AND SANCTUARY
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

CASH FLOWS FROM OPERATING ACTIVITIES	2020	2019
Increase in total net assets	\$ 316,323	\$ 257,822
Adjustments to reconcile increase in total net assets to net cash provided by operating activities:		
Depreciation	34,221	31,241
Increase in fair market value of investments	(55,953)	(84,676)
Gain on sale of fixed asset	(625)	
Changes in operating assets and liabilities:		
Decrease (increase) in prepaid expenses and deposits	(38,561)	8,692
(Increase) decrease in merchandise inventories	999	(1,432)
Increase in security deposits	(1,445)	
(Decrease) in accounts payable and accrued expenses	(5,627)	(967)
Net cash provided by operating activities	<u>249,332</u>	<u>210,680</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowing of payroll protection program loan	39,620	
Net cash provided by financing activities	<u>39,620</u>	
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of fixed assets	12,000	
Purchases of investments	(22,398)	(32,891)
Purchases of fixed assets	(355,224)	(89,920)
Net cash (used in) investing activities	<u>(365,622)</u>	<u>(122,811)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(76,670)</u>	<u>87,869</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH BEGINNING OF YEAR	<u>634,740</u>	<u>546,871</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH \$ END OF YEAR	<u><u>558,070</u></u>	<u><u>\$ 634,740</u></u>
COMPONENTS OF CASH EQUIVALENTS AND RESTRICTED CASH		
Cash and cash equivalents- unrestricted	\$ 506,040	\$ 474,381
Cash and cash equivalents- restricted	52,030	160,359
	<u>\$ 558,070</u>	<u>\$ 634,740</u>
SUPPLEMENTAL DISCLOSURES		
Interest paid	-	-
Income taxes paid	-	-
Noncash transactions- Inkind donations	<u>\$1,678</u>	<u>\$3,813</u>

See Independent Auditor's report. These financial statements should be read only in connection with the accompanying notes.

STATEMENT 4

EQUINE VOICES RESCUE AND SANCTUARY
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2020 and 2019

<u>2020</u>	<u>Program</u>	<u>General and</u>	<u>Fundraising</u>	<u>Totals</u>
	<u>Services</u>	<u>Administrative</u>		
Payroll, benefits and taxes	\$ 141,370	\$ 30,293	\$ 30,293	\$ 201,956
Advertising and promotion			3,398	3,398
Depreciation	30,115	3,422	684	34,221
Animal care	132,275			132,275
Professional fees	17,255	3,235	1,078	21,568
Public awareness	149,549	7,871		157,420
Bank and credit card fees	6,259	1,173	391	7,823
Travel and meals	1,918	360	120	2,398
Office expenses	10,334	1,938	646	12,918
Occupancy	25,063	4,700	1,567	31,330
Insurance	10,520	1,973	658	13,151
Postage/printing	2,419	454	151	3,024
Volunteer expense	2,597	487	162	3,246
Vehicles operations	10,955	2,054	685	13,694
Website	648	121	40	809
Miscellaneous	4,292	805	268	5,365
TOTALS	\$ 545,569	\$ 58,885	\$ 40,142	\$ 644,596

<u>2019 Restated</u>	<u>Program</u>	<u>General and</u>	<u>Fundraising</u>	<u>Totals</u>
	<u>Services</u>	<u>Administrative</u>		
Payroll, benefits and taxes	\$ 135,377	\$ 29,009	\$ 29,009	\$ 193,396
Advertising and promotion			4,858	4,858
Depreciation	27,492	3,124	625	31,241
Animal care	162,786			162,786
Professional fees	19,414	3,640	1,213	24,267
Public awareness	157,074	7,574		164,648
Bank and credit card fees	6,226	1,167	389	7,782
Travel and meals	3,858	723	241	4,822
Office expenses	8,434	1,581	527	10,542
Occupancy	21,068	3,950	1,317	26,335
Insurance	8,674	1,626	542	10,842
Postage/printing	4,569	857	286	5,711
Volunteer expense	2,966	556	185	3,707
Vehicles operations	8,209	1,539	513	10,261
Website	6,439	1,207	402	8,049
Miscellaneous	4,437	748	249	5,434
TOTALS	\$ 577,021	\$ 57,303	\$ 40,357	\$ 674,681

See Independent Auditor's Report. These financial statements should be read only in connection with the accompanying notes.

EQUINE VOICES RESCUE AND SANCTUARY
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1- NATURE OF OPERATIONS

Equine Voices Rescue and Sanctuary (the Organization) is a nonprofit corporation located in Amado, Arizona and was incorporated August 8, 2004 under the laws of the State of Arizona. The Organization is dedicated to saving Premarin mares and foals from neglect, abuse and slaughter, as well as serving as a voice for all equines to end abuse, suffering and slaughter. The Organization conducts education and community awareness activities to enlighten the public about the horrors of the Premarin and horse slaughter industries. The Organization operates a ranch facility to care for these equines and accomplishes its purpose mainly through solicitation of grants and donations as well as the conduct of fundraising events.

The Organization operates a resale boutique store in Tubac, Arizona, generally selling donated items, as well as a small gift shop on its premises.

NOTE 2- CORRECTION OF PREVIOUSLY ISSUED 2019 FINANCIAL STATEMENTS

Subsequent to the original issuance of the 2019 financial statements new information was received regarding the functional allocation of expenses. As a result, reported program expenses were increased by \$157,074, reported general and administrative expenses were increased by \$7,574, and reported contributions and grants revenue, net of professional fundraising firm's expenses were increased by \$164,648, with no overall effect on reported changes in net assets.

NOTE 3-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities, in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, "Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities", and other applicable standards. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

RECENT NEW MAJOR ACCOUNTING PRONOUNCEMENT

In February 2016, the FASB issued ASU No. 2016-02, "Leases" (topic 842), requiring lessees to recognize most leases on their balance sheets as lease liabilities with corresponding right-of-use assets and to disclose key information about lease agreements. The guidance is effective for entities' fiscal years beginning after December 15, 2020 and early adoption is permitted. The Organization is currently evaluating the impact of the pronouncement but does not anticipate the adoption will have a material impact on the financial statements.

EQUINE VOICES RESCUE AND SANCTUARY
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 3- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, the Organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Organization's management believes that the estimates and assumptions are reasonable in the circumstances, however, the actual results could differ from those estimates.

CASH EQUIVALENTS

The Organization considers both unrestricted and restricted highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

INVESTMENTS

Investments are carried at fair market value, as determined by market quotations.

INVENTORIES

Inventories of purchased merchandise for the gift and thrift shops for resale are carried at the lower of cost or market, based on a first-in, first-out basis.

EQUIPMENT AND FURNITURE

Equipment and furniture are reported at cost, if purchased, and at their fair value at the date of the donation, if donated. Items purchased or donated under \$1,000 are expensed. Maintenance and repairs that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. Useful lives are generally 5 years for office equipment, 7 years for program equipment, 5-8 years for vehicles, 10-15 years for improvements, and 20 years for ranch buildings.

NET ASSETS

Net assets are classified into one of two classes of net assets based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from agreements with grantor agencies and others entered into in the course of its operations.

EQUINE VOICES RESCUE AND SANCTUARY
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET ASSETS (Continued)

Net Assets With Donor Restrictions

Net assets with donor restrictions include contributed net assets for which donors have imposed future time and particular purpose restrictions. The Organization's unspent contributions are classified in this class if the donor limited their use.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, 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.

ACCOUNTING FOR CONTRIBUTIONS

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless they are received with donor stipulations that limit the use of the donated assets. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

ACCOUNTING FOR GIFTS-IN-KIND CONTRIBUTIONS

The Organization periodically receives contributions in a form other than cash or investments. If the Organization receives a contribution of property or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of the gift, provided that the value of the asset and its estimated useful life meets the Organization's capitalization policy. Donated supplies are recorded as contributions at the date of the gift and as expenses when the donated items are placed into service or distributed.

The Organization benefits from personal services provided by a substantial number of volunteers that have donated significant amounts of time and services in the Organization's program operations and its fund-raising events. However, the majority of the contributed services do not meet the criteria for recognition in the financial statements. GAAP allows recognition of contributed services only if the donated services create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations. There were no such services recorded during the years ended December 31, 2020 and 2019.

EQUINE VOICES RESCUE AND SANCTUARY
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OTHER REVENUE AND EXPENSE RECOGNITION

Revenues from grants and special events are recognized as received. Expenses are recognized as incurred rather than paid.

ADVERTISING and PROMOTION COSTS

Advertising and promotion costs are expensed as incurred and totaled \$3,398 and \$4,858 for the years ended December 31, 2020 and 2019, respectively.

TAX STATUS

The Organization is incorporated exempt from federal and state income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and is not classified as a private foundation. Contributions to the Organization are tax deductible to donors under Section 170 of the IRC. Management believes that all tax positions the Organization has taken would be sustainable under audit by any taxing jurisdiction. The statute of limitations for tax examinations is three years for federal, four years for Arizona.

FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the programs and other activities are summarized on a functional basis. Accordingly, costs are allocated among programs and supporting services benefited. Management's estimate of the functional allocation of expenditures is based on actual expenditures and management's estimate of levels of service.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Payroll, benefits and taxes	Time and effort
Depreciation	Usage
Bank and credit card fees	Full time equivalent
Professional fees	Full time equivalent
Postage and printing	Full time equivalent
Travel and meals	Time and effort
Office expenses	Full time equivalent
Occupancy	Square footage and usage
Insurance	Full time equivalent
Volunteer expense	Time and effort
Vehicles operations	Usage
Website	Full time equivalent
Miscellaneous	Full time equivalent

EQUINE VOICES RESCUE AND SANCTUARY
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 3- INVESTMENTS AND FAIR VALUE MEASUREMENTS

GAAP requires that entities use a three-level hierarchy to prioritize the inputs used to measure fair value, and maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Level 1 of the hierarchy utilizes quoted prices for identical assets in active markets to which the Organization had access at the measurement date. Level 2 would utilize quoted prices for similar assets in active markets or identical assets in inactive markets. Level 3 utilizes unobservable inputs for an asset's fair value measurement. Since the Organization has ready access to quoted prices from an active market for its endowment investments, it utilizes level 1 inputs to measure their fair value.

Investments, all recorded at fair market value at level 1 fair value hierarchy except certificates of deposit which are level 2, were as follows as of December 31st:

	<u>2020</u>	<u>2019</u>
2,389.96 and 1,969.69 shs Russell Emerging Markets Fund	\$51,050	\$38,527
422.397 and 309.059 shs Russell Global Real Estate Secs Fund	13,521	10,653
4,115.64 and 3,351.586 shs Russell Global Opportunistic Credit	38,687	31,427
12,763.098 and 10,802 shs Russell Strategic Bond Fund	144,350	120,010
2,184.731 and 1,712.052 shs Russell Int'l Developed Markets	85,380	63,962
1,277.222 and 954.723 shs Russell Small Cap Equity Fund	40,207	26,835
10,522.473 and 9,635.932 shs Russell U.S. Strategic Equity	159,205	118,908
11,798.19 and 9,665.80 shs Russell Multiasset Growth Strategy	124,235	99,558
2,720.865 and 2,083.57 shs Russell Commodity Strategy Fund	13,795	10,753
Raymond James cash funds	10,931	11,590
Wells Fargo Advisors cash funds	43,440	21,924
29,990 shs Fidelity Government Portfolio Fund	29,990	29,990
Goldman Sachs Bank, 2.2% C.D., matured 12-28-20		20,106
Ally Bank, 2.9% C.D., matures 1-31-22	22,678	22,529
Morgan Stanley Bank 2.25% C.D., matures 7-5-23	21,056	20,282
249 shs Apple, Inc.		<u>73,120</u>
	<u>\$798,525</u>	<u>\$720,174</u>

The composition of the investment return reported in the statement of activities were as follows as of December 31st:

	<u>2020</u>	<u>2019</u>
Dividends and interest	\$17,000	\$18,836
Capital gains	332	7,013
Unrealized gains	<u>55,953</u>	<u>84,676</u>
	<u>\$73,285</u>	<u>\$110,525</u>

EQUINE VOICES RESCUE AND SANCTUARY
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 4 – CONCENTRATIONS OF RISK

At times the Organization has cash funds deposited at a single financial institution in excess of the \$250,000 FDIC insured limits. There was such an excess in the amounts of \$167,381 and \$94,288 as of June 30, 2020 and 2019, respectively. The investments are not FDIC insured.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31st:

	<u>2020</u>	<u>2019</u>
Vehicles	\$129,560	\$132,649
Buildings and ranch improvements	629,469	292,256
Land	274,500	274,500
Equipment	<u>53,059</u>	<u>46,958</u>
	1,086,588	746,363
Less accumulated depreciation	<u>260,414</u>	<u>229,817</u>
	<u>\$ 826,174</u>	<u>\$ 516,546</u>

Depreciation expense was \$34,221 and \$31,241 for the years ended December 31, 2020 and 2019, respectively.

NOTE 6- COVID-19 PANDEMIC; PAYROLL PROTECTION PROGRAM LOAN

During 2020 the world, including the United States, was hit with a severe outbreak of the novel coronavirus (COVID-19). The disease was declared a pandemic by the World Health Organization in March 2020 and the government imposed shelter in place orders in which only essential businesses remained open. The Organization's operations and services were significantly affected, including its thrift store being closed for a few months. To insure the Organization could continue to meet its payroll obligations to its staff it applied for and received a federal Payroll Protection Program loan in the amount of \$39,260. This newly created special loan program through the Small Business Administration has provisions in it that allows for the loan to be forgiven if the Organization met certain payroll and operating requirements, which it did. Therefore, the loan was formally forgiven on July 29, 2021.

NOTE 7 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 13, 2021, the date the report was made available for issuance. Events occurring after that date have not been evaluated to determine whether a change to the financial statements would be required.

EQUINE VOICES RESCUE AND SANCTUARY
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 8- LEASE AGREEMENTS; RELATED PARTY TRANSACTION

Through August 2020 the Organization had a month-to-month lease for its thrift shop location in Tubac, Arizona payable \$1,000 monthly, reduced from \$1,750 due to the pandemic. Effective September 1, 2020 the Organization moved its location within Tubac and entered into a one-year lease for \$1,400 monthly through August, 2021 at which time a one-year renewal option was exercised at the same rate.

The Organization entered into a lease agreement with the Board President for a portion of the ranch property. The lease requires monthly payments of \$833.33 to the Executive Director through January 2027. The Board President was paid \$10,000 of rents for both 2020 and 2019.

Future minimum lease commitments, are as follows:

<u>Years Ended</u>	
December 31, 2021	\$ 26,800
December 31, 2022	21,200
December 31, 2023	10,000
December 31, 2024	10,000
December 31, 2025	10,000
Thereafter	<u>10,833</u>
Total	<u>\$ 88,833</u>

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

The net assets with donor restrictions were restricted for the following purposes as of December 31st:

	<u>2020</u>	<u>2019</u>
Training/multi-purpose facility		\$158,829
New barn	\$50,000	
Nick's Legacy Fund- to provide funding for	<u>2,030</u>	<u>1,530</u>
special animals' need situations	<u>\$52,030</u>	<u>\$160,359</u>

NOTE 10- LIQUIDITY

Financial assets as of 12-31-20	\$ 1,401,665
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Property lease commitments	(26,800)
Subject to appropriation and satisfaction of donor restrictions	<u>(52,030)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$1,322,835</u>

EQUINE VOICES RESCUE AND SANCTUARY
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 10– LIQUIDITY (continued)

The Organization is partially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, the Organization invests cash in excess of immediate and very short-term projected requirements in short-term investments. These short-term, liquid investments may be used to fulfil needs resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. In the event of an unanticipated liquidity need, the Organization also could draw upon its investments or conduct an appeal.

These notes are an integral part of the accompanying financial statements.