

**United Poultry Concerns,  
Inc.**

**Compiled  
Financial Statements**

**For the Year Ended  
December 31, 2021**

**United Poultry Concerns, Inc.**  
**Table of Contents**

<u>Title</u>	<u>Page</u>
Accountants' Compilation Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5
Supplemental Schedules	
Statement of Functional Expenses	6

**Bourne, Painter, & Bradley, P.C.**  
**Certified Public Accountants**  
12069 Tech Road  
Silver Spring MD 20904

**Philip E. Bourne, CPA**  
**Harold W. Painter, CPA**  
**Kevin G. Bradley, CPA**

Phone: (301) 680-8900  
Fax: (301) 680-9102

The Board of Directors  
United Poultry Concerns, Inc.  
P.O. Box 150  
Machipongo, VA 23405

**Accountants' Compilation Report**

Management is responsible for the accompanying financial statements of United Poultry Concerns, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary information defined in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement. However, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information

We are not independent with respect to United Poultry Concerns, Inc. as of and for the year ended December 31, 2021 because the partner of the firm conducting the engagement has served as a financial advisor for United Poultry Concerns, Inc. with respect to a portion of its investment portfolio.

*Bourne, Painter & Bradley, P.C.*  
Bourne, Painter, & Bradley, P.C.  
Silver Spring, MD

July 11, 2022

**UNITED POULTRY CONCERNS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2021**

**ASSETS**

Current Assets	
Cash (Notes 4 and 7)	\$ 154,078
Short-term investments (Notes 4 and 5)	834,540
Contributions receivable (Note 4)	-
Inventory (Note 4)	2,261
Other assets	267
Total Current Assets	<u>991,146</u>
Property and Equipment (Notes 4 and 6)	229,550
Less: Accumulated depreciation (Notes 4 and 6)	<u>(90,929)</u>
Total Property and Equipment	<u>138,621</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$ 1,129,767</u></u></b>

**LIABILITIES AND EQUITY**

Current Liabilities	
Payroll tax liabilities	\$ (886)
Accrued liabilities	<u>12,528</u>
Total Current Liabilities	11,642
Total Liabilities	<u>11,642</u>
Equity	
Net assets without donor restrictions	1,090,995
Net assets with donor restrictions (Note 2)	<u>27,130</u>
Total Equity	<u>1,118,125</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u><u>\$ 1,129,767</u></u></b>

See accountants' compilation report and notes to the financial statements.

**UNITED POULTRY CONCERNS  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

	<b>Net assets without donor restrictions</b>	<b>Net assets with donor restrictions</b>	<b>Total</b>
<b>INCREASES IN NET ASSETS</b>			
Donations (Notes 2 and 4)	\$ 224,505	\$ 27,130	\$ 251,635
Merchandise sales, net (Note 4)	2,170		2,170
Cost of inventory sold (Note 4)	(1,085)		(1,085)
Interest & Dividends, investment gains and losses (Notes 4 and 5)	23,817		23,817
Assets released from restrictions	27,946	(27,946)	-
<b>TOTAL INCREASES IN NET ASSETS</b>	<u>277,353</u>	<u>(816)</u>	<u>276,537</u>
<b>DECREASES IN NET ASSETS</b>			
Program expenses (Note 2)	287,799		287,799
Operating expenses			
Management and general (Note 2)	44,686		44,686
Fundraising (Note 2)	27,037		27,037
Total operating expenses	<u>71,723</u>	-	<u>71,723</u>
<b>TOTAL DECREASES IN NET ASSETS</b>	<u>359,522</u>	<u>-</u>	<u>359,522</u>
Change in Net Assets	(82,169)	(816)	(82,985)
Net Assets at the Beginning of the Year	<u>1,173,164</u>	<u>27,946</u>	<u>1,201,110</u>
Adjusted net assets at the Beginning of the Year	1,173,164	27,946	1,201,110
Net Assets at the End of the Year	<u>\$ 1,090,995</u>	<u>\$ 27,130</u>	<u>\$ 1,118,125</u>

See accountants' compilation report and notes to financial statements.

**UNITED POULTRY CONCERNS  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2021**

Cash Flows From Operating Activities:	
(Decrease) in net assets	\$ (82,985)
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Depreciation (Note 6)	6,150
Net unrealized loss on investments (Note 5)	8,155
Changes in assets and liabilities:	
Decrease in contributions receivable	-
Increase in accrued liabilities	(5,769)
Increase in inventories	923
Net Cash Provided by Operating Activities:	<u>(73,526)</u>
Cash Flows From Investing Activities:	
Purchase of investments (Note 5)	(183)
Purchase of fixed assets	(0)
Net Cash Used in Investing Activities	<u>(183)</u>
Decrease in Cash	(73,709)
Cash at the Beginning of the Year	<u>227,786</u>
Cash at the End of the Year (Note 4)	<u>\$ 154,077</u>
Interest paid during the year	<u>\$ -</u>
Income taxes paid during the year (Note 4)	<u>\$ -</u>

See accountants' compilation report and notes to financial statements.

**United Poultry Concerns, Inc.**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

**INDEX**

<b>1. Organization</b>	<b>F-1</b>
<b>2. Donations</b>	<b>F-1</b>
<b>3. Expenditures</b>	<b>F-1</b>
<b>4. Summary of Significant Accounting Policies</b>	<b>F-1</b>
<b>5. Investments</b>	<b>F-4</b>
<b>6. Property and Equipment</b>	<b>F-5</b>
<b>7. Concentration of Credit Risk</b>	<b>F-5</b>
<b>8. Related Party Transactions</b>	<b>F-5</b>

See accompanying financial statements and Accountants' Compilation report.

**United Poultry Concerns, Inc.**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

- 1. Organization** – United Poultry Concerns, Inc. (UPC) was incorporated in Maryland in 1990 as a non-profit corporation that addresses the treatment of domestic fowl in food production, science, education, entertainment, and human companionship situations.

UPC seeks to make the public aware of how poultry are treated by our society and elsewhere in the world. UPC assists the public to see how treatment of these birds affects health, education, occupational safety, and the environment. UPC informs people about and actively promotes alternatives. UPC does this through extensive investigation, its chicken sanctuary, public talks, writings, mailings, conferences, information displays, and film presentations using such sources as public interest groups, animal advocacy organizations, poultry trade publications, government agencies, and scientific journals and proceedings.

- 2. Donations** – In 2021, UPC received \$277 thousand in donations, including \$157 thousand from seven different major donors. These donors included charitable trusts, estates, foundations, and gift funds. The remainder was received in federal grants, individual donors, foundations, gift funds, and charitable trusts.

Restricted Funds – UPC had \$27,130 restricted funds at December 31, 2021. The temporary restriction was made for the purpose of raising funds for a campaign to educate the public and end the use of ritualistic slaughter of fowl in a religious ritual known as Kaporos. This effort includes obtaining relief through the judicial system in New York State. All of these funds were invested in cash.

- 3. Expenditures** – Of the total costs incurred for the year ended December 31, 2021, UPC incurred 80% for program services, 12% for administrative operations and 8% for fundraising.

- 4. Summary of Significant Accounting Policies:**

Basis of Presentation – The accompanying financial statements have been prepared using the accrual basis of accounting.

See accompanying financial statements and Accountants' Compilation report.



**United Poultry Concerns, Inc.**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

**4. Summary of Significant Accounting Policies (Continued):**

Advertising – Advertising costs are expensed as incurred, as advertising campaigns generally are for periods of less than one year.

Donated Materials and Services – Donated materials and equipment are reflected as contributions in the accompanying financial statements at their estimated value at the date of receipt. The value of indirect expenses of volunteer services could not be estimated. Stock donated was valued at market value. There were no materials or equipment donated in the year ended December 31, 2021.

Revenues – Revenues from contributions without donor restrictions are recognized when paid by the donor. Pledges made are not enforceable promises – therefore, they are not accrued unless the contribution was disbursed during the year or actually received in the subsequent period. UPC reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, i.e., when a stipulated time restriction ends or purpose for the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted donations. Revenue from contracts is recognized as the related qualifying expenses are incurred. Revenue is deferred when funds are received but not yet expended for the contractual purpose.

Cash Equivalents – For purposes of the statement of cash flows, cash equivalents include money market, time deposits, certificates of deposit, and all highly liquid instruments with original maturities of three months or less. Cash and cash equivalents do not include temporary cash held in custodial accounts or restricted investments.

See accompanying financial statements and Accountants' Compilation report.

**United Poultry Concerns, Inc.**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

**4. Summary of Significant Accounting Policies (Continued):**

Fair Value of Financial Instruments – The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which that value is practical to estimate:

- Cash and cash equivalents – For those short-term instruments, the carrying amount is a reasonable estimate of fair value.
- Investments – Carrying amounts and fair values for mutual fund securities are based on quoted market prices. Certificates of deposit are reported at estimated fair value based on the principal balances invested, since due to their relatively short maturities their interest rates approximate current market rates.

Merchandise inventory – Inventories are stated at the lower of cost, determined by first-in, first-out basis, or market. They generally consist of books, educational materials for children, t-shirts, stickers, buttons, and other items. The balance on hand was \$2,261 at December 31, 2021.

Property and Equipment – Property and equipment are stated at historical cost. The cost of maintenance and repairs is recorded as expense when incurred. Depreciation is computed using the straight-line method over the estimated useful life of the assets, which range from five to 39 years. UPC, Inc.'s policy is to capitalize all property and equipment acquisitions in excess of \$500.

Income Taxes – United Poultry Concerns, Inc. is exempt from federal income tax on related income under Section 501(c)(3) of the Internal Revenue Code. The organization is classified as a public charity. UPC files a Form 990 annually, and taxable years 2018, 2019, and 2020 are all open tax years for purposes of Internal Revenue Service examinations.

Functional Allocation of Expenses – The costs of providing the programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been either directly charged to the programs and supporting services as incurred or allocated based on usage.

See accompanying financial statements and Accountants' Compilation report.

**United Poultry Concerns, Inc.**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

**4. Summary of Significant Accounting Policies (Continued):**

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain report amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events – The date through which subsequent events were evaluated for disclosure was July 11, 2022, the date the compiled financial statements were available for release. There were no subsequent events deemed material by management that required disclosure.

**5. Investments** – As of December 31, 2021, the aggregate cost and carrying amount of investments by major type is as follows:

	<b>Carrying value</b>	<b>Cost</b>	<b>Unrealized Gain</b>
Certificates of deposit	\$ 62,273	\$ 61,261	\$ 1,012
Mutual funds	<u>772,267</u>	<u>600,000</u>	<u>172,267</u>
 Total	 <u>\$834,540</u>	 <u>\$661,261</u>	 <u>\$173,279</u>

Realized and unrealized gains and losses are included in the statement of activities as part of investment and other income. For the year ended December 31, 2021, capital gains distributions totalled \$26,692. Net unrealized losses for the year ended December 31, 2021 were \$8,155.

UPC reports fair value measurements of financial assets and liabilities using a hierarchy for observable independent market inputs and unobservable market assumptions. Accordingly, the estimates presented above do not necessarily indicate the values that could be realized in a current market exchange. The use of different market assumptions and estimation methodologies may have a material effect on the estimated fair value. The three levels of the hierarchy are described below:

See accompanying financial statements and Accountants' Compilation report.

**United Poultry Concerns, Inc.**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2021**

**5. Investments (Continued):**

Level 1 – Quoted prices in active markets for identical investments.

Level 2 – Other significant observable inputs (including quoted market prices for similar investments, interest rates, credit risk, etc.).

Level 3 – Significant unobservable inputs (including UPC’s own assumptions in determining the fair value of investments.

As of December 31, 2021, mutual funds owned by UPC are measured at fair value using Level 1 inputs, and the certificates of deposit are value using Level 2 inputs.

**6. Property and Equipment –** Property and equipment at December 31, 2021 consists of the following:

Building and improvements	\$176,933
Land	30,000
Machinery and equipment	17,776
Software	4,841
Less: Accumulated depreciation	<u>(90,929)</u>
Total	<u>\$138,621</u>

Depreciation expense for the year ended December 31, 2021 totaled \$6,150.

**7. Concentration of Credit Risk –** UPC maintains bank accounts at two institutions that are insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000. No cash bank balances exceeded federally insured limits on deposits at December 31, 2021. UPC monitors risk, does not anticipate any credit losses and has not experienced any credit losses on any of these balances.

**8. Related Party Transactions—**UPC’s Board of Directors consists of five members, which are considered related parties. One of these individuals is the President and CEO of UPC who receives a salary as an employee. Another individual is Treasurer of UPC who is paid as a contractor for her services as Treasurer. There were no related party transactions other than these payments.

See accompanying financial statements and Accountants’ Compilation report.

## Supplemental Schedules

**UNITED POULTRY CONCERNS, INC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**DECEMBER 31, 2021**

<b>PROGRAM SERVICES EXPENSES (Note 3)</b>	
Advertising (Note 4)	\$ 68,295
Automobile Expense	101
Books	100
Payroll and payroll taxes	69,118
Kaporos Expense	150
Printing and Reproduction	28,053
Services	70,735
Photography expenses	433
Postage and Delivery	29,532
Professional fees	4,760
Depreciation Expense	-
Operating Supplies	4,494
Insurance	96
Internet Expenses	179
Utilities	4,870
Travel	104
Veterinarian fees	1,130
Telephone	2,182
Conference Expense	-
Paypal Fees	1,218
Repairs and maintenance	1,716
Sales Taxes Paid	2
Tax: Property Tax	468
Office Supplies	29
Contributions	35
<b>TOTAL PROGRAM SERVICES EXPENSES</b>	<b><u>287,799</u></b>
<b>MANAGEMENT AND GENERAL EXPENSES (Note 3)</b>	
Automobile Expense	13
Payroll and payroll taxes	12,960
Photography Expenses	48
Postage and Delivery	3,691
Repairs and maintenance	95
Utilities	2,248
Services	3,930
Tax: Property Tax	26
Travel	48
Professional Fees	10,585
Paypal Fees	68
Operating Supplies	793
Office Supplies	519
Licenses and Permits	55
Internet Expenses	22
Insurance	2,438
Depreciation Expense	6,150
Bank Service Charge	222
Computer Expenses	655
Telephone	121
<b>TOTAL MANAGEMENT AND GENERAL EXPENSES</b>	<b><u>44,686</u></b>
<b>FUNDRAISING EXPENSES (Note 3)</b>	
Advertising (Note 4)	7,588
Automobile Expense	13
Printing and Reproduction	4,951
Payroll and Payroll Taxes	4,320
Postage and Delivery	3,691
Services	3,930
Professional Fees	1,705
Insurance	96
Internet Expenses	22
Tax: Property Tax	26
Utilities	375
Office Supplies	29
Travel	8
Repairs and Maintenance	95
Paypal Fees	68
Telephone	121
<b>TOTAL FUNDRAISING EXPENSES</b>	<b><u>27,037</u></b>
<b>TOTAL EXPENSES</b>	<b><u>\$ 359,522</u></b>

See accountants' compilation report and notes to financial statements