

FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fort Collins Cat Rescue & Spay/Neuter Clinic
Fort Collins, Colorado

We have audited the accompanying financial statements of Fort Collins Cat Rescue & Spay/Neuter Clinic (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses and cash flows for the years then ended.

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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we 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 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 Fort Collins Cat Rescue & Spay/Neuter Clinic as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Dye + Whitcomb, LLC

Dye & Whitcomb, LLC
Certified Public Accountants

May 18, 2015

FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

ASSETS	2014	2013
Current Assets:		
Cash	\$ 210,340	\$ 162,494
Accounts Receivable (net)	2,663	733
Grants Receivable	4,500	8,000
Inventory	7,138	3,511
Prepaid Expenses and Other Assets	1,688	1,188
Total Current Assets	226,329	175,926
Other Assets:		
Furniture and Equipment	75,969	68,851
Less: Accumulated Depreciation	(48,931)	(41,471)
Net Furniture and Equipment	27,038	27,380
TOTAL ASSETS	\$ 253,367	\$ 203,306
LIABILITIES & NET ASSETS		
Current Liabilities:		
Accounts Payable	16,284	15,476
Accrued Payroll Liabilities	12,178	8,467
Deferred Event Income	16,150	6,510
Total Current Liabilities	44,612	30,453
TOTAL LIABILITIES	44,612	30,453
NET ASSETS:		
Unrestricted	61,304	86,922
Temporarily Restricted	147,451	85,931
TOTAL NET ASSETS	208,755	172,853
TOTAL LIABILITES AND NET ASSETS	\$ 253,367	\$ 203,306

FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31,

		2014		
		Unrestricted	Temporarily Restricted	Total
REVENUE:				
	Clinic Income	\$ 404,059	\$ -	\$ 404,059
	Shelter Income	126,936	-	126,936
	Merchandise sales, net	15,312	-	15,312
	TOTAL REVENUE:	546,307	-	546,307
PUBLIC SUPPORT:				
	Grants	15,625	114,740	130,365
	Contributions	259,668	18,273	277,941
	Fundraising income	125,471	-	125,471
	In-Kind donations	122,152	-	122,152
	Released from restrictions	71,493	(71,493)	-
	TOTAL PUBLIC SUPPORT:	594,409	61,520	655,929
	TOTAL PUBLIC SUPPORT AND REVENUE:	1,140,716	61,520	1,202,236
EXPENSES:				
	Program Services:			
	Animal Care	1,019,611	-	1,019,611
	Support Services:			
	Management and General	54,928	-	54,928
	Fundraising	91,795	-	91,795
	TOTAL EXPENSES:	1,166,334	-	1,166,334
	CHANGE IN NET ASSETS	(25,618)	61,520	35,902
NET ASSETS	Beginning of year	86,922	85,931	172,853
NET ASSETS	End of year	\$ 61,304	\$ 147,451	\$ 208,755

2013

Unrestricted	Temporarily Restricted	Total
\$ 368,843	\$ -	\$ 368,843
77,473	-	77,473
8,946	-	8,946
<u>455,262</u>	<u>-</u>	<u>455,262</u>
8,400	102,159	110,559
161,684	35,948	197,632
117,693	-	117,693
93,469	-	93,469
83,244	(83,244)	-
<u>464,490</u>	<u>54,863</u>	<u>519,353</u>
919,752	54,863	974,615
804,417	-	804,417
44,600	-	44,600
73,217	-	73,217
<u>922,234</u>	<u>-</u>	<u>922,234</u>
(2,482)	54,863	52,381
89,404	31,068	120,472
<u>\$ 86,922</u>	<u>\$ 85,931</u>	<u>\$ 172,853</u>

FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 35,902	\$ 52,381
Adjustments to reconcile change in net assets		
Depreciation (non-cash)	7,460	9,033
Decrease (increase) in accounts receivable	(6,430)	342
Decrease (increase) in grants receivable	8,000	(8,000)
Decrease (increase) in inventory	(3,627)	(1,489)
Decrease (increase) in prepaid expenses	(500)	1,059
Increase (decrease) in accounts payable	808	(741)
Increase (decrease) in accrued expenses	3,711	390
Increase (decrease) in deferred income	9,640	(9,405)
NET CASH FLOWS FROM OPERATING ACTIVITIES	54,964	43,570
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(7,118)	(8,621)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(7,118)	(8,621)
NET INCREASE IN CASH	47,846	34,949
CASH BALANCE Beginning	162,494	127,545
CASH BALANCE Ending	\$ 210,340	\$ 162,494
Interest Paid	\$ -	\$ -
Taxes Paid	\$ -	\$ -

FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2014

	<u>Program</u>	<u>Support Services</u>		<u>Total</u>
	<u>Animal Care</u>	<u>Management and General</u>	<u>Fund Raising</u>	
Accounting	\$ 6,179	\$ 5,767	\$ 8,651	\$ 20,597
Advertising	8,444	-	251	8,695
Bank charges	15,900	1,767	-	17,667
Depreciation	5,968	1,492	-	7,460
Donated services	35,309	150	1,500	36,959
Event expenses	1,250	-	-	1,250
Fundraising expenses	-	-	23,873	23,873
Insurance	17,298	564	564	18,426
Miscellaneous business expenses	12,523	1,565	1,565	15,653
Personnel: Salaries	485,652	28,450	42,257	556,359
Personnel: Payroll taxes & benefits	48,826	2,871	4,270	55,967
Postage & printing	1,761	1,013	6,367	9,141
Rent	36,895	4,099	-	40,994
Repairs & maintenance	4,354	354	177	4,885
Supplies: office	6,647	4,382	-	11,029
Supplies: medical	182,323	-	-	182,323
Supplies: clinic and shelter	83,706	487	1,000	85,193
Telephone and internet	4,204	1,320	1,320	6,844
Utilities	5,823	647	-	6,470
Veterinary care and services	56,549	-	-	56,549
Total Expenses	<u>\$ 1,019,611</u>	<u>\$ 54,928</u>	<u>\$ 91,795</u>	<u>\$ 1,166,334</u>

FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2013

	<u>Program</u>	<u>Support Services</u>		<u>Total</u>
	<u>Animal Care</u>	<u>Management and General</u>	<u>Fund Raising</u>	
Accounting	\$ 4,119	\$ 5,786	\$ 8,680	\$ 18,585
Advertising	7,354	-	251	7,605
Bank charges	9,601	1,067	-	10,668
Depreciation	7,226	1,807	-	9,033
Donated services	25,485	1,200	600	27,285
Event expenses	1,284	-	-	1,284
Fundraising expenses	-	-	16,727	16,727
Insurance	8,188	564	564	9,316
Miscellaneous business expenses	11,123	1,390	1,390	13,903
Personnel: Salaries	393,266	20,981	34,099	448,346
Personnel: Payroll taxes & benefits	39,062	2,080	3,394	44,536
Postage & printing	1,338	486	6,089	7,913
Rent	30,900	3,900	-	34,800
Repairs and maintenance	9,294	1,135	417	10,846
Supplies: office	4,178	2,949	-	7,127
Supplies: medical	133,662	-	-	133,662
Supplies: clinic and shelter	66,011	-	173	66,184
Telephone and internet	4,204	833	833	5,870
Utilities	3,796	422	-	4,218
Veterinary care and services	44,326	-	-	44,326
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	<u>\$ 804,417</u>	<u>\$ 44,600</u>	<u>\$ 73,217</u>	<u>\$ 922,234</u>

FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 – Organization and Nature of Activities

Fort Collins Cat Rescue & Spay/Neuter Clinic (the Organization) is a non-profit organization incorporated in 2006 dedicated to the well-being of all cats and dogs in our community. Their primary emphasis is two-fold: the prevention of pet overpopulation through low-cost spay and neutering services for dogs and cats, and the sheltering and placement of surrendered or abandoned cats into loving, permanent homes. The primary sources of funding for Fort Collins Cat Rescue & Spay/Neuter Clinic include spay, neuter and basic veterinary service fees, adoption fees, and contributions.

Fort Collins Cat Rescue & Spay/Neuter Clinic is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Accounting and Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with generally accepted accounting principles.

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification section 958-210-45. Under this section, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets are those assets currently available at the discretion of the Board of Directors for use in the Organization's operations.

Temporarily Restricted Net Assets are those assets restricted by donors specifically for certain time periods, purposes or programs. When the restriction stipulation ends or 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.

Permanently Restricted Net Assets are those assets that must be maintained permanently by the Organization as required by the donor; but the Organization is permitted to use or expend part or all of the income derived from those assets.

The Organization had no permanently restricted net assets at December 31, 2014 and 2013.

Cash

For purposes of balance sheet presentation and reporting of cash flows, the Organization considers all cash on hand and unrestricted demand deposits as cash. At times throughout the year, the Company's cash balance may exceed amounts insured by the Federal Deposit Insurance Corporation (FDIC).

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FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 2 - Summary of Significant Accounting Policies (continued)

Accounts Receivable

The Organization requires payment at the time services are rendered. Therefore, accounts receivable balances are historically very low and consist primarily of employee purchases and other rescue group receivables. They are recorded net of any allowance for bad debts, which is based on historical experience combined with a review of the current status of existing receivables. The allowance at December 31, 2014 and 2013 was \$0.

Inventory

Inventory is stated at cost, using procedures which approximate the first-in-first-out method of inventory valuation.

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. Donated equipment is reported as in-kind donations and capitalized at fair value on the date of donation. The policy for capitalization is any major asset with a value over \$500 and a remaining useful life of two years or more. Depreciation is provided using the straight-line method based upon the estimated useful lives of the assets, which range from three to seven years.

Fair Value of Financial Instruments

The Organization applies generally accepted accounting principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP defines fair value 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.

Support and Revenue

The Fort Collins Cat Rescue & Spay/Neuter Clinic receives contributions from individual contributors, corporate sponsors, grants and fundraising events. Support that is received with designations for future periods or restrictions for use by the donor (donor-imposed restrictions) is reported as temporarily restricted or permanently restricted support that increases those classes of net assets. Support that is received without restrictions is classified as unrestricted income. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Revenue from unconditional grants and contributions is recognized when received or pledged.

Revenue from fundraisers and service fees is recognized when received or earned.

(continued)

FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 2 - Summary of Significant Accounting Policies (continued)

Donated Services

Numerous volunteers donate significant time to program services and special events. Per ASC 958-605-30, only donated time that requires specific expertise and would have otherwise been purchased by the organization is reported in the financial statements.

Functional Expenses

Expenses which can be identified as directly related to a program or support service are charged to that service. All other expenses have been allocated among the programs and supporting services benefited.

Advertising Costs

The Organization expenses all advertising costs as incurred.

Management Estimates

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

Income Taxes

The Fort Collins Cat Rescue & Spay/Neuter Clinic is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable Colorado law. Therefore, no provision is made in the financial statements for income taxes.

NOTE 3 - Furniture and Equipment

Furniture and equipment, at December 31, consisted of:

	<u>2014</u>	<u>2013</u>
Office furniture and equipment	\$ 3,904	\$ 3,904
Vehicles	7,400	7,400
Program equipment	64,665	57,547
Total Furniture and Equipment	<u>\$ 75,969</u>	<u>\$ 68,851</u>
Less: Accumulated Depreciation	(49,035)	(41,471)
Net Furniture and Equipment	<u>\$ 26,934</u>	<u>\$ 27,380</u>

FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 4 – In-Kind Donations

For the years ended December 31, 2014 and 2013, the Organization received in-kind donations of pet food and supplies, in the amounts of \$85,193 and \$66,184, respectively, and \$36,959 and \$27,285 of donated services. These donations are reported as income under In-Kind Donations.

The value of these donated items, for the year ended December 31, 2014, is allocated among the functional expense categories as follows:

	<u>Program</u>	<u>Management</u>	<u>Fundraising</u>
Shelter Food and Supplies	\$ 83,706	\$ 487	\$ 1,000
Veterinary Care	33,314	-	-
Accounting, IT, Photography	1,995	150	1,500
	<u>\$ 119,015</u>	<u>\$ 637</u>	<u>\$ 2,500</u>

NOTE 5 – Special Events

The Fort Collins Cat Rescue & Spay/Neuter Clinic holds several fundraising events through-out the year, the purpose of which is to both raise funds and raise awareness. Gross revenue from these events is included in fundraising income in the Statement of Activities. The main income-generating fundraiser is the annual Whiskers & Wags Jubilee gala fundraiser. Net revenue generated from this annual event was \$76,583 in 2014 and \$60,240 in 2013.

NOTE 6 - Building Leases

The Organization had four separate leases for building space during 2014. The Loveland lease expired in August 2014 and was not renewed. All of the other leases are in Fort Collins and are one-year terms, with the possibility of renewal each year. The clinic lease is \$850 per month and currently expires on July 31, 2015. The shelter lease is \$1,500 per month and currently expires on July 31, 2015. The lease for office space is \$650 per month currently expires on May 31, 2015. Another lease was entered into in February 2015 (see NOTE 9) and is included in the future minimum lease payments.

Rent expense includes a nominal amount for rental of storage space.

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**FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 6 - Building Leases (continued)

Minimum future lease payments are as follows:

Year Ending <u>December 31,</u>	
2015	\$25,200
2016	3,500
Thereafter	<u> --</u>
	<u>\$28,700</u>

NOTE 7 - Temporarily Restricted Net Assets

At December 31, 2014 and 2013, temporarily restricted net assets consisted primarily of grants and donations received specifically for spay and neuter services, but had not yet been spent by year-end.

Temporarily restricted net assets consist of the following at year ended December 31,

	<u>2014</u>	<u>2013</u>
Petsmart Charities	\$ 32,020	\$ 22,230
Animal Assistance Foundation	15,000	8,000
AMG Charitable Gift Foundation	10,000	-
Best Friends Animal Society	4,500	-
PAL program	-	11,870
Ahimsa Foundation	-	5,000
Bernice Barbour Foundation	-	4,000
Miscellaneous	<u> -</u>	<u>3,863</u>
 Total	 <u>\$ 61,520</u>	 <u>\$ 54,863</u>

NOTE 8 - Related Party

The Organization's executive director is an owner of a company that the Organization has done business with. Total payments to this company by the Organization totaled \$4,402 in 2014 and \$8,834 in 2013. There were no outstanding balances due to the related party as of December 31, 2014.

**FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 9 - Subsequent Events

Management has evaluated subsequent events through May 18, 2015 the date the financial statements were available to be issued. An additional 18 month lease for office space was entered into beginning February 2015 in the building in which the Organization is currently located, in the amount of \$500 per month. It is management's opinion that no additional events have occurred subsequent to year-end which would require adjustment to financial statements or disclosure, except as included therein.