

**FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2013 AND 2012**



---

**Dye & Whitcomb, LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
A Limited Liability Company

---

## **CONTENTS**

	Page
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Statements of Functional Expenses	5-6
 <b>NOTES TO FINANCIAL STATEMENTS</b>	 7-11



## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of financial position of Fort Collins Cat Rescue & Spay/Neuter Clinic (a nonprofit organization), as of December 31, 2013 and 2012, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of Fort Collins Cat Rescue & Spay/Neuter Clinic's management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2013 and 2012, 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  
Certified Public Accountants

May 28, 2014

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

<b>ASSETS</b>	2013	2012
Current Assets:		
Cash	\$ 162,494	\$ 127,545
Accounts Receivable (net)	733	1,076
Grants Receivable	8,000	-
Inventory	3,511	2,022
Prepaid Expenses and Other Assets	1,188	2,247
<b>Total Current Assets</b>	175,926	132,890
Other Assets:		
Furniture and Equipment	68,851	60,230
Less: Accumulated Depreciation	(41,471)	(32,439)
Net Furniture and Equipment	27,380	27,791
<b>TOTAL ASSETS</b>	<b>\$ 203,306</b>	<b>\$ 160,681</b>
<b>LIABILITIES &amp; NET ASSETS</b>		
Current Liabilities:		
Accounts Payable	15,476	16,217
Accrued Payroll Liabilities	8,467	8,077
Deferred Event Income	6,510	15,915
<b>Total Current Liabilities</b>	30,453	40,209
<b>TOTAL LIABILITIES</b>	30,453	40,209
<b>NET ASSETS:</b>		
Unrestricted	86,922	89,404
Temporarily Restricted	85,931	31,068
<b>TOTAL NET ASSETS</b>	172,853	120,472
<b>TOTAL LIABILITES AND NET ASSETS</b>	<b>\$ 203,306</b>	<b>\$ 160,681</b>

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

		2013		
		Unrestricted	Temporarily Restricted	Total
<b>REVENUE:</b>				
	Clinic Income	\$ 368,843	\$ -	\$ 368,843
	Shelter Income	77,473	-	77,473
	Merchandise sales, net	8,946	-	8,946
	<b>TOTAL REVENUE:</b>	455,262	-	455,262
<b>PUBLIC SUPPORT:</b>				
	Grants	8,400	102,159	110,559
	Contributions	161,684	35,948	197,632
	Fundraising income	117,693	-	117,693
	In-Kind donations	93,469	-	93,469
	Released from restrictions	83,244	(83,244)	-
	<b>TOTAL PUBLIC SUPPORT:</b>	464,490	54,863	519,353
	<b>TOTAL PUBLIC SUPPORT AND REVENUE:</b>	919,752	54,863	974,615
<b>EXPENSES:</b>				
	Program Services:			
	Animal Care	804,417	-	804,417
	Support Services:			
	Management and General	44,600	-	44,600
	Fundraising	73,217	-	73,217
	<b>TOTAL EXPENSES:</b>	922,234	-	922,234
	<b>CHANGE IN NET ASSETS</b>	(2,482)	54,863	52,381
<b>NET ASSETS</b>	Beginning of year	89,404	31,068	120,472
<b>NET ASSETS</b>	End of year	\$ 86,922	\$ 85,931	\$ 172,853

2012

Unrestricted	Temporarily Restricted	Total
\$ 349,606	\$ -	\$ 349,606
52,698	-	52,698
5,888	-	5,888
<u>408,192</u>	<u>-</u>	<u>408,192</u>
34,589	53,020	87,609
120,506	17,076	137,582
125,788	-	125,788
60,628	-	60,628
64,058	(64,058)	-
<u>405,569</u>	<u>6,038</u>	<u>411,607</u>
813,761	6,038	819,799
708,772	-	708,772
28,634	-	28,634
69,450	-	69,450
<u>806,856</u>	<u>-</u>	<u>806,856</u>
6,905	6,038	12,943
<u>82,499</u>	<u>25,030</u>	<u>107,529</u>
<u>\$ 89,404</u>	<u>\$ 31,068</u>	<u>\$ 120,472</u>

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

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 52,381	\$ 12,943
Adjustments to reconcile change in net assets		
Depreciation (non-cash)	9,033	8,910
Decrease (increase) in accounts receivable	342	(608)
Decrease (increase) in grants receivable	(8,000)	-
Decrease (increase) in inventory	(1,489)	(688)
Decrease (increase) in prepaid expenses	1,059	1,653
Increase (decrease) in accounts payable	(741)	4,057
Increase (decrease) in accrued expenses	390	(6,727)
Increase (decrease) in deferred income	(9,405)	8,775
	43,570	28,315
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	43,570	28,315
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(8,621)	(10,263)
	(8,621)	(10,263)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	(8,621)	(10,263)
<b>NET INCREASE IN CASH</b>	34,949	18,052
<b>CASH BALANCE</b> Beginning	127,545	109,493
<b>CASH BALANCE</b> Ending	\$ 162,494	\$ 127,545
Interest Paid	\$ -	\$ -
Taxes Paid	\$ -	\$ -

**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>	
Advertising	\$ 7,354	\$ -	\$ 251	\$ 7,605
Accounting	4,119	5,786	8,680	18,585
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
<b>Total Expenses</b>	<b>\$ 804,417</b>	<b>\$ 44,600</b>	<b>\$ 73,217</b>	<b>\$ 922,234</b>



**FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2012**

	<u>Program</u>		<u>Support Services</u>		<u>Total</u>
	<u>Animal</u> <u>Care</u>	<u>Management</u> <u>and General</u>	<u>Fund</u> <u>Raising</u>		
Advertising	\$ 4,015	\$ -	\$ 903		\$ 4,918
Bank charges	9,487	1,054	-		10,541
Contracted services	6,680	3,373	5,059		15,112
Depreciation	7,128	1,782	-		8,910
Donated services	16,135	900	375		17,410
Event expenses	1,825	-	-		1,825
Fundraising expenses	-	-	30,095		30,095
Insurance	5,155	1,116	1,116		7,387
Miscellaneous business expenses	8,270	807	770		9,847
Personnel: Salaries	339,007	11,215	23,405		373,627
Personnel: Payroll taxes & benefits	35,281	1,166	2,451		38,898
Postage & printing	2,672	576	4,229		7,477
Rent	30,900	3,900	-		34,800
Repairs & maintenance	7,078	945	322		8,345
Supplies: office	8,423	1,157	82		9,662
Supplies: medical	133,482	-	-		133,482
Supplies: clinic and shelter	44,243	-	-		44,243
Telephone and internet	3,346	643	643		4,632
Utilities	4,420	-	-		4,420
Veterinary care and services	41,225	-	-		41,225
<b>Total Expenses</b>	<b>\$ 708,772</b>	<b>\$ 28,634</b>	<b>\$ 69,450</b>		<b>\$ 806,856</b>

**FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

**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, 2013 and 2012.

**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).

(continued)

**FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

**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. 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, 2013 and 2012 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, 2013 AND 2012**

**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>2013</u>	<u>2012</u>
Office furniture and equipment	\$ 3,904	\$ 3,904
Vehicles	7,400	7,400
Program equipment	57,547	48,926
Total Furniture and Equipment	<u>\$ 68,851</u>	<u>\$ 60,230</u>
Less: Accumulated Depreciation	(41,471)	(32,439)
Net Furniture and Equipment	<u>\$ 27,380</u>	<u>\$ 27,791</u>

**FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 4 – In-Kind Donations**

For the years ended December 31, 2013 and 2012, the Organization received in-kind donations of pet food and supplies, in the amounts of \$66,184 and \$43,218, respectively, and \$17,910 and \$17,410 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, 2013, is allocated among the functional expense categories as follows:

	<u>Program</u>	<u>Management</u>	<u>Fundraising</u>
Pet Food and Supplies	\$ 66,011	\$ -	\$ 173
Veterinary Care	25,485	-	-
Accounting, IT, Graphic Design	-	1,200	600
	<u>\$ 91,496</u>	<u>\$ 1,200</u>	<u>\$ 773</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 \$60,240 in 2013 and \$62,400 in 2012.

**NOTE 6 - Building Leases**

The Organization has four separate leases for building space. In October of 2013, they started leasing space in Loveland in response to the severe flooding Northern Colorado experienced which created an influx of animals needing rescue. This space is used just for adopting out animals. The lease is a four month lease at \$380 per month. The lease was renewed in February 2014 for another six months. All of the Fort Collins' leases are one-year terms, with the possibility of renewal each year. The clinic lease is \$850 per month and currently expires on July 31, 2014. The shelter lease is \$1400 per month and currently expires on July 31, 2014. The lease for office space is \$650 per month currently expires on May 31, 2014.

(continued)

**FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 6 - Building Leases (continued)**

Minimum future lease payments are as follows:

<u>Year Ending December 31,</u>	
2014	\$22,040
Thereafter	<u>          --</u>
	<u>\$22,040</u>

**NOTE 7 - Restricted Net Assets**

At December 31, 2013 and 2012, 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.

**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 \$8,834 in 2013 and \$8,300 in 2012. There were no outstanding balances due to the related party as of December 31, 2013.

**NOTE 9 - Subsequent Events**

Management has evaluated subsequent events through May 28, 2014 the date the financial statements were available to be issued. 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.