

FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

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

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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 statements of financial position of Fort Collins Cat Rescue & Spay/Neuter Clinic (a nonprofit organization), as of December 31, 2010, and the related statements of activities, cash flows and functional expenses for the year 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 audit.

We conducted our audit 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, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Dye & Whitcomb, LLC  
Certified Public Accountants

July 19, 2011

**FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2010**

**ASSETS**

Current Assets:

Cash	\$ 61,658
Accounts Receivable (net)	789
Prepaid Rent	2,300
	2,300

**Total Current Assets** 64,747

Other Assets:

Furniture and Equipment	36,302
Less: Accumulated Depreciation	(15,130)
Net Furniture and Equipment	21,172
	21,172

**TOTAL ASSETS** \$ 85,919

**LIABILITIES & NET ASSETS**

Current Liabilities:

Accounts Payable	1,535
Accrued Payroll	8,846
Deferred Event Income	16,390
	16,390

**Total Current Liabilities** 26,771

**TOTAL LIABILITIES** 26,771

**NET ASSETS:**

Unrestricted	50,099
Temporarily Restricted	9,049
	9,049

**TOTAL NET ASSETS** 59,148

**TOTAL LIABILITES AND NET ASSETS** \$ 85,919

**FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2010**

<b>REVENUE:</b>	Unrestricted	Temporarily Restricted	Total	
			\$ -	
Clinic Income	275,842		275,842	
Shelter Income	30,875		30,875	
Merchandise sales, net	5,962		5,962	
<b>TOTAL REVENUE:</b>	<b>312,679</b>	<b>-</b>	<b>312,679</b>	
<b>PUBLIC SUPPORT:</b>				
Grants	8,250	5,000	13,250	
Contributions	87,618	12,953	100,571	
Fundraising income	97,775		97,775	
In-Kind donations	15,345		15,345	
Released from restrictions	13,009	(13,009)	-	
<b>TOTAL PUBLIC SUPPORT:</b>	<b>221,997</b>	<b>4,944</b>	<b>226,941</b>	
<b>TOTAL PUBLIC SUPPORT AND REVENUE:</b>	<b>534,676</b>	<b>4,944</b>	<b>539,620</b>	
<b>EXPENSES:</b>				
Program Services:				
Animal Care	431,155		431,155	
Support Services:				
Management and General	29,525		29,525	
Fundraising	34,347		34,347	
<b>TOTAL EXPENSES:</b>	<b>495,027</b>	<b>-</b>	<b>495,027</b>	
<b>CHANGE IN NET ASSETS</b>	<b>39,649</b>	<b>4,944</b>	<b>44,593</b>	
<b>NET ASSETS</b>	Beginning of year	10,450	4,105	14,555
<b>NET ASSETS</b>	End of year	\$ 50,099	\$ 9,049	\$ 59,148

**FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2010**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in Net Assets	\$	44,593
Adjustments to reconcile change in net assets		
Depreciation (non-cash)		6,187
Loss on obsolete asset (non-cash)		12
Decrease (increase) in accounts receivable		(789)
Decrease (increase) in prepaid expenses		(2,300)
Increase (decrease) in accounts payable		(9,147)
Increase (decrease) in accrued expenses		(575)
Increase (decrease) in deferred income		(4,110)

**NET CASH FLOWS FROM OPERATING ACTIVITIES** 33,871

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchase of property and equipment		(12,088)
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**NET CASH FLOWS FROM INVESTING ACTIVITIES** (12,088)

**NET INCREASE IN CASH** 21,783

<b>CASH BALANCE</b>	Beginning		39,875
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<b>CASH BALANCE</b>	Ending		\$ 61,658
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Interest Paid	\$	104
Taxes Paid	\$	-

**FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2010**

	<u>Program</u>	<u>Support Services</u>		<u>Total</u>
	<u>Animal Care</u>	<u>Management and General</u>	<u>Fund Raising</u>	
Advertising	\$ 3,374	\$ -	\$ 622	\$ 3,996
Accounting	-	2,000	-	2,000
Bank charges	7,324	710	-	8,034
Depreciation	5,913	274	-	6,187
Fundraising expenses	-	-	26,187	26,187
Insurance	5,712	922	863	7,497
Interest	-	104	-	104
Miscellaneous	3,265	363	-	3,628
Personnel: Salaries	185,894	20,170	3,500	209,564
Personnel: Payroll taxes and benefit	15,730	1,613	280	17,623
Postage & printing	1,334	332	2,490	4,156
Rent	25,915	1,685	-	27,600
Staff uniforms and appreciation	998	-	-	998
Supplies: office	2,582	434	-	3,016
Supplies: medical	87,305	-	-	87,305
Supplies: clinic and shelter	13,116	-	-	13,116
Telephone and internet	3,238	404	405	4,047
Utilities	4,630	514	-	5,144
Veterinary care and services	64,825	-	-	64,825
<b>Total Expenses</b>	<b>\$ 431,155</b>	<b>\$ 29,525</b>	<b>\$ 34,347</b>	<b>\$ 495,027</b>

FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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. Our 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.

**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 Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS 117, 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.

As of December 31, 2010, The Fort Collins Cat Rescue & Spay/Neuter Clinic has \$9,049 in temporarily restricted net assets.



**FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2010**

**NOTE 1 - Summary of Significant Accounting Policies (continued)**

**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).

**Accounts Receivable**

The Organization requires payment at the time services are rendered. Therefore, accounts receivable balances are historically very low, and are recorded net of an allowance for bad debts, which is based on historical experience combined with a review of the current status of existing receivables. The receivables balance at December 31, 2010 consisted of coupon reimbursements the Organization is expecting from sponsoring organizations. The allowance at December 31, 2010 was \$0.

**Property and Equipment**

Property and equipment purchased by The Fort Collins Cat Rescue & Spay/Neuter Clinic is recorded at cost. Donated equipment is reflected as contributions 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 Fort Collins Cat Rescue 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. This support may be either restricted or unrestricted. Support that is received with donor-imposed restrictions that are met in the same year in which the support is received may be classified as unrestricted income. Support that is received with either time or purpose restrictions that are not yet met are classified as temporarily restricted support.

(continued)

**FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2010**

**NOTE 1 - Summary of Significant Accounting Policies (continued)**

**Support and Revenue (continued)**

Per SFAS 116, Accounting for Contributions Received or Made, revenue from unconditional grants and contributions is recognized when received or pledged. Revenue from fundraisers and service fees is recognized when received or earned.

**Donated Services**

Numerous volunteers donate significant time to program services and special events. Only donated time that requires specific expertise and would have otherwise been purchased by the organization is reportable in the financial statements. \$5,550 of donated services were recorded as of December 31, 2010.

**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 Fort Collins Cat Rescue expenses all advertising costs as incurred.

**Management Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosures at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

**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.

**FORT COLLINS CAT RESCUE & SPAY/NEUTER CLINIC**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2010**

**NOTE 2 - Furniture and Equipment**

	At December 31:	2010
Office furniture and equipment		\$ 2,738
Program equipment		33,565
Total Furniture and Equipment		36,303
Less: Accumulated Depreciation		(15,130)
Net Furniture and Equipment		\$ 21,172

**NOTE 3 - In-Kind Donations**

For the year ended December 31, 2010, the Organization received in-kind donations for pet food and supplies in the amounts of \$9,795, which was used for program services.

**NOTE 4 - 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. The main income-generating fundraiser is the annual gala fundraiser. Net revenue generated from the 2010 fundraisers was \$56,433.

**NOTE 5 - Building Lease**

The Organization has two (2) leases for building space. The Clinic lease was signed in August of 2009 for two (2) years at \$900 per month. The Clinic lease was renewed for one (1) year at \$850 per month. The Shelter lease was signed in August, 2010 for one (1) year at \$1400 per month. This lease was renewed for one (1) year at the same rate. Another lease for office space began June 1, 2011 for one (1) year at \$650 per month

Minimum future lease payments as of December 31, 2010 are as follows:

<u>Year Ending</u> <u>December 31,</u>	
2011	\$32,600
2012	<u>19,000</u>
	<u>\$51,600</u>

**NOTE 6 - Subsequent Events**

The date through which events occurring after December 31, 2010 have been evaluated for possible adjustment to the financial statements is July 19, 2011, which is the date on which financial statements were available to be issued.