

FRIENDS OF CHICAGO ANIMAL CARE AND CONTROL

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT**

For the year ended December 31, 2010



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Friends of Chicago Animal Care and Control

We have audited the accompanying statement of financial position-cash basis of Friends of Chicago Animal Care and Control (a nonprofit organization) as of December 31, 2010, and the related statement of activities and functional expenses-cash basis for the year then ended. These financial statements are the responsibility of the Organization'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.

As described in Note 1, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all materials respects, the financial position of Friends of Chicago Animal Care and Control as of December 31, 2010 and the changes in its net assets for the year then ended, on the basis of accounting described in Note 1.

David Castillo, CPA

Chicago, Illinois
September 30, 2011

Friends of Chicago Animal Care and Control
Statement of Financial Position-Cash Basis
December 31, 2010

	<u>2010</u>
ASSETS	
CURRENT ASSETS	
Cash	\$ 193,079.00
Investments	45,536.00
TOTAL CURRENT ASSETS	<u>238,615.00</u>
TOTAL ASSETS	<u>\$ 238,615.00</u>
LIABILITIES AND NET ASSETS	
NET ASSETS	
Unrestricted	\$ 238,615.00
TOTAL NET ASSETS	<u>238,615.00</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 238,615.00</u>

See accompanying notes and auditor's report

Friends of Chicago Animal Care and Control
Statement of Activities-Cash Basis
For The Year Ended December 31, 2010

	2010		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenues			
Direct Public Grants	\$ 4,986.00	\$ 1,260.00	\$ 6,246.00
Direct Public Support	35,967.00	975.00	36,942.00
Corporate Contributions	445.00	-	445.00
Gifts in Kind	7,465.00	-	7,465.00
Investment Income	60.00	-	60.00
Fundraising	82,395.00	-	82,395.00
Adoption Fees	13,745.00	-	13,745.00
Activity Sales	545.00	-	545.00
Net Assets Released from Restrictions	2,235.00	(2,235.00)	-
TOTAL SUPPORT AND REVENUES	<u>147,843.00</u>	<u>-</u>	<u>147,843.00</u>
Expenses			
Program Expenses			
Foster Program	126,445.00	-	-
Care and Control Program	28,995.00	-	28,995.00
TOTAL PROGRAM EXPENSES	<u>155,440.00</u>	<u>-</u>	<u>155,440.00</u>
Supporting Services			
Management and General	137,594.00	-	137,594.00
Fundraising	18,939.00	-	18,939.00
TOTAL SUPPORTING SERVICES	<u>156,533.00</u>	<u>-</u>	<u>156,533.00</u>
TOTAL EXPENSES	<u>311,973.00</u>	<u>-</u>	<u>311,973.00</u>
INCREASE (DECREASE) IN NET ASSETS	<u>(164,130.00)</u>	<u>-</u>	<u>(164,130.00)</u>
NET ASSETS - BEGINNING OF YEAR	<u>276,300.00</u>	<u>-</u>	<u>276,300.00</u>
NET ASSETS - END OF YEAR	<u>\$ 112,170.00</u>	<u>-</u>	<u>112,170.00</u>

See accompanying notes and auditor's report

Friends of Chicago Animal Care and Control
Statement of Functional Expenses-Cash Basis
For the Year Ended December 31, 2010

	2010				
	<u>Foster Program</u>	<u>Care and Control Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Coordinator	\$ 11,700.00	\$ 14,348.00	\$ -	\$ -	\$ 26,048.00
Medical	93,541.00	-	-	-	93,541.00
Medication	22.00	-	-	-	22.00
Photography	6,450.00	1,346.00	-	-	7,796.00
Advertising	-	3,100.00	-	-	3,100.00
Decoration & Supplies	-	221.00	-	-	221.00
Dog Training	1,800.00	-	-	-	1,800.00
Infant Formula	346.00	-	-	-	346.00
Licenses	1,850.00	-	-	-	1,850.00
Printing	1,498.00	370.00	275.00	3,534.00	5,677.00
Supplies	878.00	8,511.00	1,181.00	877.00	11,447.00
Supplies in Kind	7,275.00	-	-	-	7,275.00
Postage	845.00	-	339.00	2,252.00	3,436.00
Phone	240.00	-	100.00	313.00	653.00
Other	-	1,099.00	-	-	1,099.00
Space Rental	-	-	-	2,575.00	2,575.00
Catering	-	-	-	4,995.00	4,995.00
Food	-	-	-	188.00	188.00
Entertainment	-	-	-	500.00	500.00
Slide Show	-	-	-	275.00	275.00
In Kind Silent Auction	-	-	-	90.00	90.00
Parking	-	-	-	133.00	133.00
Web hosting	-	-	480.00	577.00	1,057.00
Computer Software	-	-	457.00	-	457.00
Holiday Expenses	-	-	-	861.00	861.00
Communications & Marketing	-	-	488.00	-	488.00
Credit Card Fees	-	-	-	1,769.00	1,769.00
Bank Fees	-	-	65.00	-	65.00
Table Fees	-	-	25.00	-	25.00
Business Registration Fees	-	-	15.00	-	15.00
Accounting Fees	-	-	4,550.00	-	4,550.00
Insurance	-	-	2,051.00	-	2,051.00
Conference, Convention and Meetings	-	-	1,123.00	-	1,123.00
	<u>\$ 126,445.00</u>	<u>\$ 28,995.00</u>	<u>\$ 11,149.00</u>	<u>\$ 18,939.00</u>	<u>\$ 185,528.00</u>

See accompanying notes and auditor's report

Friends of Chicago Animal Care and Control
Notes to Financial Statements
December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Friends of Chicago Animal Care and Control (FCACC) is a not-for-profit organization incorporated under the laws of Illinois. The Organization was founded to raise awareness of Chicago Animal Care and Control, provide extra care for the animals at the shelter beyond the City's resources, and help more animals find new homes. FCACC was created on July 11, 2000. The primary sources of revenues are public support and fundraising event revenue.

Basis of Accounting

The financial statements have been prepared using the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Revenues are recognized when received and expenses are recognized when disbursed.

Financial Statement Presentation

The net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor imposed-restrictions.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Organization and/or the passage of time.

Significant Programs

The Organization's significant program is as follows:

Foster Program – FCACC coordinates the Chicago Animal Care and Control shelter in Chicago, IL. FCACC transfers animals from the shelter that are too young for adoption, medically fragile, or animals that have special needs and places them in licensed foster homes until they are ready for adoption.

Cash and Cash Equivalents

FCACC considers cash on hand, demand deposits, money markets and investments with initial maturities of three months or less as cash and cash equivalents. The Organization considers all cash and equivalents held with the investment advisor to be investments.

Investments

Investments are stated at the readily determinable fair market value in accordance with the *Not-for-Profit Entities* topic of the FASB Accounting Standards Codification. All interest, dividends and realized and unrealized gains and losses are reported in the statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

Support and Revenue

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted. Otherwise, when a restriction expires (that is, when a stipulated time restriction ends or purpose 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.

Income Taxes

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Contributions to the organization are tax deductible to donors under section 170 to the Code. The Organization is not classified as a private foundation.

Functional Expenses

Expenses are charged directly to program, management and general, or fundraising based on a combination of specific identification and allocation by management.

Advertising Costs

The Organization expenses advertising costs are incurred. Expenses incurred were \$3,100 for 2010, respectively.

Concentrations of Risk

The majority of the Organization's contributions and fundraising revenues are received from corporations, foundations, and individuals located in Illinois. As such, the Organization's ability to generate resources via contributions and grants is dependent upon the economic health of that area. An economic downturn could cause a decrease in contributions and fundraising that coincides with an increase in demand for the Organization's services.

The Organization's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the Organization's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements.

FCACC maintains its cash and cash equivalents in financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2010 the Organization's total cash and cash equivalent balance was insured.

NOTE 2 – INVESTMENTS

Investments at December 31, 2010 were as follows:

<u>2010</u>	<u>Cost</u>	<u>Fair Market Value</u>	<u>Cumulative Unrealized Gain (Loss)</u>
Investments	\$ 45,536.00	\$ 45,536.00	\$ -
Total	<u>\$ 45,536.00</u>	<u>\$ 45,536.00</u>	<u>\$ -</u>

Investment Income for the year ended December 31, 2010 consisted of the following:

	<u>2010</u>
Realized Gains (Losses)	\$ -
Unrealized Gains (Losses)	-
Interest and Divident Income	90.00
Total Investment Income	<u>\$ 90.00</u>

NOTE 3 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were received and released for the following purpose as of December 31, 2010:

	<u>2010</u>
Foster Program	\$ 2,235.00
	<u>\$ 2,235.00</u>