

Friends of Chicago Animal Care and Control
Financial Statements
December 31, 2015 and 2014

Friends of Chicago Animal Care and Control

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building business value

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Friends of Chicago Animal Care
P.O. Box 4414
Chicago, IL 60680

We have audited the accompanying financial statements of Friends of Chicago Animal Care (a nonprofit organization), which comprise the statements of assets, liabilities and net assets - cash basis as of December 31, 2015 and 2014, and the related statements of support, revenue, and expenses - cash basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit 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 assets, liabilities, and net assets of Friends of Chicago Animal Care as of December 31, 2015 and 2014, and its support, revenue, and expenses for the years then ended in accordance with the cash basis of accounting as described in Note 2.

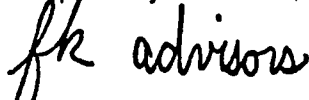
Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

A handwritten signature in cursive script that reads "EK Advisors".

EK Advisors
Northbrook, IL
May 20, 2016

Friends of Chicago Animal Care and Control
Statements of Assets, Liabilities and Net Assets
Cash Basis
As of December 31, 2015 and 2014

Assets

	<u>2015</u>	<u>2014</u>
Current Assets		
Cash and Cash Equivalents	\$ 193,135	\$ 229,302
Total Current Assets	<u>193,135</u>	<u>229,302</u>
Total Assets	<u>\$ 193,135</u>	<u>\$ 229,302</u>

Liabilities and Net Assets

Total Liabilities	\$ -	\$ -
Net Assets		
Unrestricted	<u>193,135</u>	<u>229,302</u>
Total Net Assets	<u>193,135</u>	<u>229,302</u>
Total Liabilities and Net Assets	<u>\$ 193,135</u>	<u>\$ 229,302</u>

Friends of Chicago Animal Care and Control
Statements of Support, Revenue, and Expenses
Cash Basis
For The Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>%</u>	<u>2014</u>	<u>%</u>
Support and Revenue				
Direct Public Grants	\$ 38,293	17.09	\$ 15,482	7.12
Direct Public Support	63,472	28.33	77,367	35.57
Adoption Fees	15,300	6.83	15,920	7.32
Special Events	93,856	41.89	107,099	49.24
In-Kind Donations	13,123	5.86	1,606	0.74
Interests and Dividends	15	0.01	18	0.01
	<u>224,059</u>	<u>100.00</u>	<u>217,492</u>	<u>100.00</u>
Total Support and Revenue				
Expenses				
Program Services	191,035	85.26	142,831	65.67
Management and General	24,888	11.11	21,812	10.03
Fundraising	44,303	19.77	33,493	15.40
	<u>260,226</u>	<u>116.14</u>	<u>198,136</u>	<u>91.10</u>
Total Expenses				
Changes in Net Assets	(36,167)	<u>(16.14)</u>	19,356	<u>8.90</u>
Net Assets at Beginning of Year	<u>229,302</u>		<u>209,946</u>	
Net Assets at End of Year	<u>\$ 193,135</u>		<u>\$ 229,302</u>	

See Accompanying Notes and Independent Auditor's Report.

Friends of Chicago Animal Care and Control
Notes to Financial Statements
December 31, 2015 and 2014

Note 1 - Nature of Operations

Friends of Chicago Animal Care and Control (the Organization) 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. The Organization was created on July 11, 2000. The Organization's most significant program is the Foster Program where the Organization coordinates with the Chicago Animal Care and Control shelter in Chicago, Illinois. The Organization 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. The primary sources of revenues are public support and fundraising events.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on the cash basis of accounting, a comprehensive basis of accounting other than generally accepted accounting principles (GAAP) therefore, it recognizes revenue when received rather than when earned and expenses when paid rather than when the obligation is incurred

Financial Statement Presentation

The Organization is required to report information regarding its assets, liabilities and net assets and revenue and expenses according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets and revenues are classified based on the absence or existence and nature of donor imposed restrictions as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.
- Temporary restricted net assets - Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time. The Organization has no temporarily restricted net assets.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that must be maintained permanently. The Organization has no permanently restricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents include funds deposited in checking, savings, money market funds and deposits with PayPal and Network for Good.

Use of Estimates

The preparation of financial statements requires the use of management's estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from those estimates.

Friends of Chicago Animal Care and Control
Notes to Financial Statements
December 31, 2015 and 2014

Income Tax Status

The Organization qualifies as a tax exempt organization under section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. It is also exempt from state income tax under the Illinois Charitable Trust Act.

All returns of the Organization for 2012, 2013, 2014 and 2015 are subject to examination by the Internal Revenue Service generally for three years after they were filed.

Functional Allocation of Expenses

In the schedules of functional expenses, direct expenses are charged to programs, management and general, or fundraising categories based upon the combination of specific identification and allocation by management. Costs, such as insurance, occupancy, telephone, supplies and professional fees are charged to management and general unless related to a specific program.

Contributed Services

The Organization received significant amounts of contributed services from board members and volunteers. Contributed services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. There were no contributed services recognized during the years ended December 31, 2015 and 2014.

Revenue

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All donor-restricted support are 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 statements of revenues and expenses as net assets released from restrictions.

Note 3 - Concentration of Risk

Cash and Cash Equivalents

The Organization maintains its cash in bank deposits, which, at times, may exceed federally insured limits of \$250,000. The Organization believes it is not exposed to any significant credit risk on cash at December 31, 2015 and 2014 and has not experienced any losses in such accounts.

Note 4 - Subsequent Events

Subsequent events were evaluated through May 20, 2016, which is the date of the financial statements.

Supplemental Information

Friends of Chicago Animal Care and Control
Schedules of Functional Expenses
Cash Basis
For the Years Ended December 31, 2015 and 2014

	2015					2014				
	<u>Foster Program</u>	<u>Care and Control Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>Foster Program</u>	<u>Care and Control Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Bank Charges	\$ -	\$ -	\$ 505	\$ 2,172	\$ 2,677	\$ -	\$ -	\$ 404	\$ 1,274	\$ 1,678
Communications and Marketing	-	3,380	3,576	-	6,956	-	-	777	2,870	3,647
Contract Services	23,188	5,530	5,800	-	34,518	27,545	-	5,557	-	33,102
Dog Boarding	246	-	-	-	246	563	-	-	-	563
Dog Training	2,832	-	-	-	2,832	8,015	-	-	-	8,015
Donations	-	2,500	-	-	2,500	-	-	-	-	-
Insurance	-	-	3,658	-	3,658	-	-	3,342	-	3,342
License and Fees	1,525	-	175	-	1,700	1,675	-	25	-	1,700
Medical Expenses	83,147	-	-	-	83,147	94,220	-	-	-	94,220
Photography	1,400	-	-	-	1,400	4,350	35	-	-	4,385
Postage and Delivery	-	-	888	6,199	7,087	-	-	1,069	3,854	4,923
Printing and Copying	350	-	464	8,575	9,389	-	-	1,569	8,276	9,845
Repairs and Maintenance	-	41,593	-	-	41,593	-	-	-	-	-
Storage	-	-	1,008	-	1,008	-	-	828	-	828
Supplies	9,805	14,999	6,025	1,720	32,549	2,787	3,071	6,327	30	12,215
Telephone	540	-	1,955	190	2,685	570	-	1,008	263	1,841
Travel, Meetings and Events	-	-	834	25,447	26,281	-	-	906	16,926	17,832
Total Functional Expenses	\$ 123,033	\$ 68,002	\$ 24,888	\$ 44,303	\$ 260,226	\$ 139,725	\$ 3,106	\$ 21,812	\$ 33,493	\$ 198,136