

Friends of Chicago Animal Care and Control
Financial Statements
December 31, 2017 and 2016

Friends of Chicago Animal Care and Control

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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, 2017 and 2016, 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, 2017 and 2016, and its support, revenue, and expenses for the years then ended in accordance with the cash basis of accounting as described in Note 2.

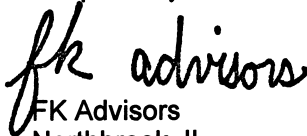
Basis of Accounting

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 black ink that reads "fk advisors". The "fk" is written in a stylized, cursive font, and "advisors" is written in a more legible, cursive script.

FK Advisors
Northbrook, IL
August 3, 2018

Friends of Chicago Animal Care and Control
Statements of Assets, Liabilities and Net Assets
Cash Basis
As of December 31, 2017 and 2016

	Assets	
	<u>2017</u>	<u>2016</u>
Current Assets		
Cash and Cash Equivalents	\$ 946,682	\$ 155,925
Total Current Assets	<u>946,682</u>	<u>155,925</u>
Total Assets	<u><u>\$ 946,682</u></u>	<u><u>\$ 155,925</u></u>
Liabilities and Net Assets		
Current Liabilities		
Total Liabilities	\$ -	\$ -
Net Assets		
Temporarily Restricted	50,281	50,000
Unrestricted	<u>896,401</u>	<u>105,925</u>
Total Net Assets	<u>946,682</u>	<u>155,925</u>
Total Liabilities and Net Assets	<u><u>\$ 946,682</u></u>	<u><u>\$ 155,925</u></u>

See Accompanying Notes and Independent Auditor's Report.

Friends of Chicago Animal Care and Control
Statements of Support, Revenue, and Expenses
Cash Basis
For The Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>%</u>	<u>2016</u>	<u>%</u>
Unrestricted Net Assets:				
Support and Revenue				
Bequests	\$ 698,093	66.05	\$ -	-
Direct Public Grants	29,031	2.75	20,042	6.03
Direct Public Support	77,684	7.35	62,228	18.72
Adoption Fees	16,503	1.56	18,736	5.64
Special Events	177,895	16.83	158,499	47.69
In-Kind Donations	-	-	21,728	6.54
Investment Income	7,502	0.71	1,142	0.34
Net Assets released from restrictions	<u>50,000</u>	<u>4.73</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>1,056,708</u>	<u>99.98</u>	<u>282,375</u>	<u>84.96</u>
Expenses				
Program Services	129,008	12.21	276,406	83.16
Management and General	77,756	7.36	18,946	5.70
Fundraising	<u>59,468</u>	<u>5.63</u>	<u>74,231</u>	<u>22.33</u>
Total Expenses	<u>266,232</u>	<u>25.19</u>	<u>369,583</u>	<u>111.19</u>
Increase (Decrease) in Unrestricted Net Assets	<u>790,476</u>	<u>74.79</u>	<u>(87,208)</u>	<u>(26.24)</u>
Temporarily Restricted Net Assets:				
Direct Public Grants	-	-	50,000	15.04
In-Kind Donation	50,281	4.76	-	-
Net Assets released from restrictions	<u>(50,000)</u>	<u>(4.73)</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>281</u>	<u>0.03</u>	<u>50,000</u>	<u>15.04</u>
Changes in Net Assets	<u>790,757</u>	<u>74.81</u>	<u>(37,208)</u>	<u>(11.19)</u>
Net Assets at Beginning of Year	<u>155,925</u>		<u>193,133</u>	
Net Assets at End of Year	<u><u>\$ 946,682</u></u>		<u><u>\$ 155,925</u></u>	

See Accompanying Notes and Independent Auditor's Report.

Friends of Chicago Animal Care and Control

Notes to Financial Statements

December 31, 2017 and 2016

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.
- 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.

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.

Friends of Chicago Animal Care and Control

Notes to Financial Statements

December 31, 2017 and 2016

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 and In-Kind

Contributed services are recognized as contributions if the services (1) create or enhance nonfinancial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the School. Volunteers provide services that are not recognized as contributions in the financial statements since the revenue recognition criteria were not met. There were no contributed services that met the revenue recognition criteria during the years ended December 31, 2017 and 2016.

The Organization also receives and records in-kind contributions for which the values are readily determinable. In-kind contributions include foster care supplies, silent auction and other fundraising related expenses. These contributions are reflected as revenue and expenses in the statements of support, revenue, and expenses – cash basis.

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 support, revenue, and expenses – cash basis as net assets released from restrictions.

Note 3 - Temporarily Restricted Net Assets

The Organization received \$50,000 from The Humane Society of the United States (“HSUS”) to be used for its Pets for Life Program (“PFL”) in Chicago which the Organization will oversee beginning January 1, 2017. The funds have been expended as of December 31, 2017.

Note 4 - 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, 2017 and 2016 and has not experienced any losses in such accounts.

Note 5 - Subsequent Events

Subsequent events were evaluated through August 3, 2018, 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, 2017 and 2016

	2017					2016				
	<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	\$ -	\$ -	\$ 24	\$ 1,967	\$ 1,991	\$ -	\$ -	\$ 60	\$ 2,582	\$ 2,642
Communications and Marketing	-	-	785	1,377	2,162	-	-	1,205	1,331	2,536
Contract Services	-	6,780	42,950	-	49,730	17,305	19,117	6,000	-	42,422
Dog Boarding	5,273	-	-	-	5,273	24,449	-	-	-	24,449
Dog Training	283	-	-	-	283	783	-	-	-	783
Donations	-	-	-	2,500	2,500	-	55,376	-	4,800	60,176
Insurance	-	-	3,880	-	3,880	-	-	3,849	-	3,849
License and Fees	750	-	112	-	862	1,100	-	127	-	1,227
Medical Expenses	94,481	-	8,272	-	102,753	119,134	-	-	-	119,134
Photography	2,500	-	-	-	2,500	700	-	-	-	700
Postage and Delivery	-	-	-	1,464	1,464	-	-	-	3,353	3,353
Printing and Copying	-	-	1,482	10,866	12,348	-	-	175	7,924	8,099
Storage	-	-	2,016	-	2,016	-	-	1,858	-	1,858
Supplies	523	18,384	9,929	4,344	33,180	10,530	27,429	5,059	4,520	47,538
Telephone	34	-	1,867	358	2,259	483	-	613	448	1,544
Travel, Meetings and Events	-	-	6,439	36,592	43,031	-	-	-	49,273	49,273
Total Functional Expenses	<u>\$ 103,844</u>	<u>\$ 25,164</u>	<u>\$ 77,756</u>	<u>\$ 59,468</u>	<u>\$ 266,232</u>	<u>\$ 174,484</u>	<u>\$ 101,922</u>	<u>\$ 18,946</u>	<u>\$ 74,231</u>	<u>\$ 369,583</u>