

**Friends of Chicago Animal Care and Control**  
Financial Statements  
December 31, 2013 and 2012

# 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 and Control  
P.O. Box 4414  
Chicago, IL 60680

We have audited the accompanying financial statements of Friends of Chicago Animal Care and Control (a nonprofit organization), which comprise the statements of assets, liabilities and net assets - cash basis as of December 31, 2013 and 2012, and the related statements of revenues and expenses and other changes in net assets - 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. The financial statements of Friends of Chicago Animal Care and Control as of and for the year ended December 31, 2012 included in the accompanying financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on those statements is based solely on the report of those auditors. 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 misstatements.

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 and Control as of December 31, 2013 and 2012, and its support, revenue, and expenses for the years then ended in accordance with the cash basis of accounting as described in Note 2.

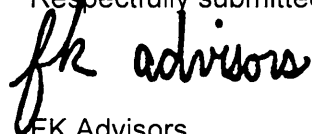
### **Basis of Accounting**

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 schedules of functional expenses - cash basis, 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 letters are cursive and lowercase.

FK Advisors  
Northbrook, IL  
May 12, 2014

**Friends of Chicago Animal Care**  
**Statements of Assets, Liabilities and Net Assets -**  
**Cash Basis**  
**As of December 31, 2013 and 2012**

	<b>Assets</b>	
	<u>2013</u>	<u>2012</u>
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 209,945	\$ 177,375
	<u>209,945</u>	<u>177,375</u>
<b>Total Current Assets</b>		
	<u>209,945</u>	<u>177,375</u>
<b>Total Assets</b>	<u>\$ 209,945</u>	<u>\$ 177,375</u>
 <b>Liabilities and Net Assets</b>		
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Assets</b>		
Unrestricted	<u>209,945</u>	<u>177,375</u>
<b>Total Net Assets</b>	<u>209,945</u>	<u>177,375</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 209,945</u>	<u>\$ 177,375</u>

See Accompanying Notes and Independent Accountant's Report.

**Friends of Chicago Animal Care and Control**  
**Statements of Revenues and Expenses**  
**and Other Changes in Net Assets - Cash Basis**  
**For The Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>%</u>	<u>2012</u>	<u>%</u>
<b>Support and Revenue</b>				
Direct Public Grants	\$ 28,965	11.12	\$ 75,503	27.50
Direct Public Support	86,014	33.02	80,385	29.28
Adoption Fees	24,935	9.57	32,335	11.78
Special Events	110,341	42.36	86,309	31.43
In-Kind Donations	10,231	3.93	-	-
Interests and Dividends	18	0.01	36	0.01
	<u>260,504</u>	<u>100.00</u>	<u>274,568</u>	<u>100.00</u>
<b>Total Support and Revenue</b>				
<b>Expenses</b>				
Program Services	174,030	66.81	226,894	82.64
Management and General	18,645	7.16	19,672	7.16
Fundraising	35,259	13.53	21,846	7.96
	<u>227,934</u>	<u>87.50</u>	<u>268,412</u>	<u>97.76</u>
<b>Total Expenses</b>				
	32,570	<u>12.50</u>	6,156	<u>2.24</u>
<b>Changes in Net Assets</b>				
	<u>177,375</u>		<u>171,219</u>	
<b>Net Assets at Beginning of Year</b>				
	<u>\$ 209,945</u>		<u>\$ 177,375</u>	
<b>Net Assets at End of Year</b>				

# **Friends of Chicago Animal Care and Control**

## **Notes to Financial Statements**

### **December 31, 2013 and 2012**

#### **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.

##### Use of Estimates

The preparation of financial statements in conformity with the cash basis of accounting 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, 2013 and 2012**

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.

The Organization files a United States return on organization exempt from income tax. All returns of the Organization for 2010, 2011, 2012 and 2013 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, 2013 and 2012.

**Note 3 - 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 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, 2013 and 2012 and has not experienced any losses in such accounts.

Contribution

A contribution from one donor representing approximately 18% of gross revenue was received during the year ended December 31, 2012.



**Friends of Chicago Animal Care and Control**  
**Notes to Financial Statements**  
**December 31, 2013 and 2012**

**Note 5 - Reclassifications**

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

**Note 6 - Subsequent Events**

Subsequent events were evaluated through May 12, 2014, 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, 2013 and December 31, 2012**

	2013					2012				
	Foster Program	Care and Control Program	Management and General	Fundraising	Total	Foster Program	Care and Control Program	Management and General	Fundraising	Total
Bank Charges	\$ -	\$ -	\$ 37	\$ 2,268	\$ 2,305	\$ -	\$ -	\$ 73	\$ 2,893	\$ 2,966
Communications and Marketing	-	-	2,696	1,638	4,334	-	-	3,320	3,550	6,870
Contract Services	21,425	-	6,304	-	27,729	21,000	18,376	7,563	-	46,939
Dog Boarding	-	-	-	-	-	16,965	-	-	-	16,965
Dog Training	2,080	-	-	-	2,080	1,746	-	-	-	1,746
Donations	-	959	-	-	959	-	7,975	-	-	7,975
Insurance	-	-	3,811	-	3,811	-	-	3,142	-	3,142
In-kind Expenses	10,231	-	-	-	10,231	-	-	-	-	-
License and Fees	1,775	-	130	-	1,905	2,575	-	25	-	2,600
Medical Expenses	90,654	-	-	-	90,654	141,205	-	-	-	141,205
Photography	5,300	-	-	-	5,300	6,900	-	-	-	6,900
Postage and Delivery	-	-	462	6,303	6,765	-	-	683	2,791	3,474
Printing and Copying	643	-	-	9,775	10,418	503	-	2,450	1,207	4,160
Repairs and Maintenance	-	22,111	-	-	22,111	-	716	-	-	716
Supplies	1,485	16,741	2,922	2,039	23,187	2,923	5,350	2,137	1,010	11,420
Telephone	626	-	867	973	2,466	660	-	80	584	1,324
Travel, Meetings and Events	-	-	1,416	12,263	13,679	-	-	199	9,811	10,010
<b>Total Functional Expenses</b>	<b>\$ 134,219</b>	<b>\$ 39,811</b>	<b>\$ 18,645</b>	<b>\$ 35,259</b>	<b>\$ 227,934</b>	<b>\$ 194,477</b>	<b>\$ 32,417</b>	<b>\$ 19,672</b>	<b>\$ 21,846</b>	<b>\$ 268,412</b>

See Accompanying Notes and Independent Accountant's Report.