

**SOCIETY FOR THE IMPROVEMENT OF  
CONDITIONS FOR STRAY ANIMALS**

**(SICSA)**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2015 AND 2014**

**GOLDSHOT, LAMB & HOBBS, INC.  
CERTIFIED PUBLIC ACCOUNTANTS  
3066 KETTERING BOULEVARD  
DAYTON, OHIO 45439**

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Certified Public Accountants

Business Advisors

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Society for the Improvement of Conditions for Stray Animals  
(SICSA)  
Kettering, Ohio

We have audited the accompanying financial statements of Society for the Improvement of Conditions for Stray Animals (SICSA) (a non-profit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses and cash flows 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 accounting principles generally accepted in the United States of America; this includes 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 financial position of Society for the Improvement of Conditions for Stray Animals (SICSA) as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Goldshot, Lamb &amp; Hobbs, Inc." in a cursive script.

November 11, 2016

**SOCIETY FOR THE IMPROVEMENT OF  
CONDITIONS FOR STRAY ANIMALS  
(SICSA)**

**STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2015 AND 2014**

	<u>ASSETS</u>	
	<u>2015</u>	<u>2014</u>
<b><u>CURRENT ASSETS</u></b>		
Cash and Cash Equivalents	\$ 214,791	\$ 442,972
Sponsorships Receivable (No Allowance)	7,250	6,250
Contributions Receivable (No Allowance)	985,142	-
Investments	1,388,452	1,521,181
Prepaid Expenses	3,805	9,867
Total Current Assets	<u>2,599,440</u>	<u>1,980,270</u>
<b><u>PROPERTY AND EQUIPMENT - NET</u></b>	<u>1,496,497</u>	<u>1,455,081</u>
<b><u>OTHER ASSETS</u></b>		
Contributions Receivable - Two to Five Years	<u>37,070</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 4,133,007</u></u>	<u><u>\$ 3,435,351</u></u>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Accounts Payable	\$ 39,817	\$ 75,928
Sales Tax Payable	572	703
Accrued Payroll and Payroll Taxes	24,406	20,341
Deferred Grant Income	20,469	60,486
Other Deferred Income	-	4,195
Total Current Liabilities	<u>85,264</u>	<u>161,653</u>
<b><u>NET ASSETS</u></b>		
Unrestricted	3,041,624	3,221,026
Temporarily Restricted	1,006,119	52,672
Total Net Assets	<u>4,047,743</u>	<u>3,273,698</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 4,133,007</u></u>	<u><u>\$ 3,435,351</u></u>

The accompanying notes are an integral part of these financial statements.

**SOCIETY FOR THE IMPROVEMENT OF  
CONDITIONS FOR STRAY ANIMALS  
(SICSA)**

**STATEMENTS OF ACTIVITIES**

**YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
<b><u>UNRESTRICTED NET ASSETS</u></b>		
Revenues, Gains and Other Support:		
Contributions	\$ 582,050	\$ 556,598
United Way and Combined Federal Campaign	27,251	20,439
Special Events		
(Net of Expenses of \$58,056 and \$50,010, respectively)	195,297	150,179
Program Service Fees	330,718	321,409
Investment Income	35,503	25,514
Net Realized and Unrealized Gain (Loss) on Investments	(80,747)	50,500
Miscellaneous	851	596
Net Assets Released from Restriction	121,546	160,375
Total Unrestricted Revenues, Gains and Other Support	1,212,469	1,285,610
<b><u>EXPENSES</u></b>		
Program Services	1,145,387	1,051,034
Supporting Services:		
Management and General	128,636	112,483
Fundraising	117,848	50,843
Total Unrestricted Expenses	1,391,871	1,214,360
<b><u>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</u></b>	(179,402)	71,250
<b><u>TEMPORARILY RESTRICTED NET ASSETS</u></b>		
Contributions	1,074,993	73,400
Net Assets Released from Restriction	(121,546)	(160,375)
<b><u>INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS</u></b>	953,447	(86,975)
<b><u>CHANGE IN NET ASSETS</u></b>	774,045	(15,725)
<b><u>NET ASSETS - BEGINNING OF YEAR</u></b>	3,273,698	3,289,423
<b><u>NET ASSETS - END OF YEAR</u></b>	\$ 4,047,743	\$ 3,273,698

The accompanying notes are an integral part of these financial statements.

**SOCIETY FOR THE IMPROVEMENT OF  
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(SICSA)**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2015**

	Program Services	Management and General	Fundraising	Total
Employee and Related Costs	\$ 663,575	\$ 78,068	\$ 39,034	\$ 780,677
Medical Supplies	53,929	-	-	53,929
Animal Supplies	18,053	-	-	18,053
Office Expenses	22,641	2,664	1,332	26,637
Veterinary Care	23,962	-	-	23,962
Spay/Neuter	165,632	-	-	165,632
Spay/Neuter - Depreciation	8,720	-	-	8,720
Maintenance	17,195	2,023	1,011	20,229
Utilities	30,387	3,575	1,787	35,749
Depreciation - Other	49,831	5,862	2,931	58,624
Volunteer Activity	1,510	-	79	1,589
Insurance	14,382	1,692	846	16,920
Miscellaneous	4,010	-	-	4,010
Postage	1,946	229	114	2,289
Strategic Planning and Professional Fundraising Fees	9,862	1,160	60,080	71,102
Newsletter	38,581	-	6,808	45,389
Advertising	9,127	-	2,282	11,409
Professional Fees and Dues	3,292	16,072	-	19,364
Bank Charges	8,752	-	1,544	10,296
Property Taxes	-	-	-	-
Investment Expense	-	17,291	-	17,291
Total	<u>\$ 1,145,387</u>	<u>\$ 128,636</u>	<u>\$ 117,848</u>	<u>\$ 1,391,871</u>

The accompanying notes are an integral part of these financial statements.

**SOCIETY FOR THE IMPROVEMENT OF  
CONDITIONS FOR STRAY ANIMALS  
(SICSA)**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2014**

	Program Services	Management and General	Fundraising	Total
Employee and Related Costs	\$ 574,386	\$ 67,575	\$ 33,787	\$ 675,748
Medical Supplies	58,168	-	-	58,168
Animal Supplies	26,003	-	-	26,003
Office Expenses	24,063	2,831	1,416	28,310
Veterinary Care	31,959	-	-	31,959
Spay/Neuter	157,536	-	-	157,536
Spay/Neuter - Depreciation	6,799	-	-	6,799
Maintenance	23,319	2,744	1,372	27,435
Utilities	31,243	3,676	1,838	36,757
Depreciation - Other	42,482	4,998	2,499	49,979
Volunteer Activity	4,555	-	240	4,795
Insurance	6,680	786	393	7,859
Miscellaneous	2,103	-	-	2,103
Postage	2,667	314	157	3,138
Strategic Planning and Professional Fundraising Fees	7,218	849	424	8,491
Newsletter	37,290	-	6,580	43,870
Advertising	3,738	-	935	4,673
Professional Fees and Dues	3,231	15,775	-	19,006
Bank Charges	6,418	-	1,133	7,551
Property Taxes	1,176	138	69	1,383
Investment Expense	-	12,797	-	12,797
Total	<u>\$ 1,051,034</u>	<u>\$ 112,483</u>	<u>\$ 50,843</u>	<u>\$ 1,214,360</u>

The accompanying notes are an integral part of these financial statements.

**SOCIETY FOR THE IMPROVEMENT OF  
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**STATEMENTS OF CASH FLOWS**

**YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Change in Net Assets	\$ 774,045	\$ (15,725)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used by) Operating Activities:		
Depreciation	67,344	56,778
Donated Stock	-	(33,218)
Donated Property and Equipment	(3,500)	-
Realized and Unrealized Loss (Gain) on Investments	80,747	(50,500)
	918,636	(42,665)
Changes in Operating Assets and Liabilities:		
Sponsorships Receivable	(1,000)	(3,688)
Contributions Receivable	(1,022,212)	-
Estate Receivable	-	1,115
Prepaid Expenses	6,062	(647)
Accounts Payable	(36,111)	43,722
Sales Tax Payable	(131)	254
Accrued Payroll and Payroll Taxes	4,065	5,311
Deferred Grant Income	(40,017)	21,695
Other Deferred Income	(4,195)	2,795
Net Cash Provided by (Used by) Operating Activities	(174,903)	27,892
<b><u>INVESTING ACTIVITIES</u></b>		
Purchases of Property and Equipment	(105,260)	(108,704)
Proceeds from Sales of Investments	819,830	1,669,942
Purchases of Investments	(767,848)	(1,692,020)
Net Cash Used by Investing Activities	(53,278)	(130,782)
<b><u>DECREASE IN CASH AND CASH EQUIVALENTS</u></b>	(228,181)	(102,890)
<b><u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u></b>	442,972	545,862
<b><u>CASH AND CASH EQUIVALENTS - END OF YEAR</u></b>	\$ 214,791	\$ 442,972

No cash was paid for interest or income taxes for the years ended December 31, 2015 and 2014.

The accompanying notes are an integral part of these financial statements.



**SOCIETY FOR THE IMPROVEMENT OF  
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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

This summary of significant accounting policies of SICSA (the "Organization") is presented to assist in understanding the Organization's financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

**Nature of Operations**

SICSA was organized and incorporated in 1974, and strives to help neglected cats and dogs. The Organization's mission is to promote the welfare of dogs and cats through a comprehensive effort to include: educating pet owners, advancing spaying/neutering, and placing companion animals in appropriate homes. In addition to the pet adoption program, the Organization offers the following community services: lost and found registry, cat ID program, dog training classes, pet facilitated therapy program, spay/neuter assistance program, pet bereavement support group, and public education. The Organization receives support in the form of contributions from the community, various program service fees such as spay/neuter fees, dog and cat placement fees, license sales, training fees and gift shop sales.

**Basis of Presentation**

The Organization is required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization does not have any permanently restricted net assets. The Organization has temporarily restricted net assets as of December 31, 2015 and 2014. In addition, the Organization is required to present a statement of cash flows.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**Cash and Cash Equivalents**

The Organization considers all checking and savings accounts to be cash equivalents.

**Sponsorships Receivable**

Due to the nature and aging of all sponsorships receivable, management believes that all amounts will be collectible. Therefore, no allowance for doubtful accounts is considered necessary.

**Contributions Receivable**

Contributions receivable consists of unconditional promises to give and are recorded in the year the promise is made. Conditional promises to give are not included as support until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows.

The discounts on those amounts are computed using a risk-adjusted interest rate applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. The interest rate used in computing the discount of the estimated future cash flows was 3%. The discount will be recognized as contributions revenue in future years as the discount is amortized over the duration of the contributions. An allowance for uncollectible contributions receivable is provided based on management's judgment, including such factors as prior collection history, type of contribution, and nature of the fund-raising activity.

**Investments**

Investments in equity securities with readily determinable fair market values and all investments in debt securities are measured at fair value in the statements of financial position.

Unrealized gains and losses on investments are reported in the statements 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.

**SOCIETY FOR THE IMPROVEMENT OF  
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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**Property and Equipment**

Property and equipment is recorded at cost when purchased, and at fair value when received as a donation. The Organization capitalizes all expenditures in excess of \$500 for property and equipment. Property and equipment is depreciated or amortized as follows:

	<u>Life (in Years)</u>	<u>Method</u>
Building	39	Straight-Line
Building Improvements	7 - 39	Straight-Line
Kennel and Other Equipment	3 - 7	MACRS/Straight-Line

The MACRS method of depreciation is not significantly different from accelerated depreciation in accordance with generally accepted accounting principles. Routine maintenance, repairs and renewals are charged to expense as incurred. Renewals and betterments which substantially increase the life of property and equipment are capitalized. At retirement or sale, the costs of the assets, less related accumulated depreciation or amortization, are removed from the accounts and the resulting gains and losses are included in income.

Depreciation expense for the years ended December 31, 2015 and 2014 was \$67,344 and \$56,778, respectively.

**Deferred Grant and Other Income**

Deferred grant income represents grant monies received in advance for spay/neuter services to be provided in a future period. Other deferred income includes sponsorship income from advertising sales for future SICSA calendars and sponsorship income for future fundraising events which are deferred and recognized in the period in which they relate.

**Income Taxes**

SICSA is a nonprofit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is presented in these financial statements.

**SOCIETY FOR THE IMPROVEMENT OF  
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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**Uncertainty in Income Taxes**

The Organization has evaluated the tax positions it has taken, or expects to take, in the course of preparing the Organization's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Generally accepted accounting principles require the benefit arising from an uncertain tax position to be recognized in the financial statements only when it is "more-likely-than-not" the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based upon the technical merits and consideration of all available information. Once the recognition threshold is met, the portion of the tax benefit that is recorded represents the largest amount of tax benefit that is greater than 50 percent likely to be realized upon settlement with a taxing authority. Based on its review, management does not believe the Organization has taken any material uncertain tax positions, including any position that would place the Organization's exempt status in jeopardy as of December 31, 2015.

The federal tax returns of the Organization for 2013, 2014 and 2015 are subject to examination by the taxing authority, generally for three years after the due date.

**Advertising Expense**

Advertising costs are expensed as incurred and totaled \$11,409 and \$4,673 for the years ended December 31, 2015 and 2014, respectively.

**Concentration of Contribution Revenue**

For the year ended December 31, 2015, approximately 46% of the Organization's contribution revenue came from one donor. The receivable from this donor was \$1,000,000 at December 31, 2015.

**Date of Management's Review**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 11, 2016, the date the financial statements were available to be issued.

**SOCIETY FOR THE IMPROVEMENT OF  
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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**2. INVESTMENTS:**

The investments consist of the following at December 31, 2015 and 2014:

	2015			Estimated Fair Value
	Cost	Net Unrealized Gains	Net Unrealized Losses	
Unrestricted:				
Exchange Traded Funds	\$ 1,081,704	\$ 0	\$ (91,377)	\$ 990,327
Corporate Equity Securities	259,312	15,818	0	275,130
Pooled Separate Accounts	<u>76,098</u>	<u>46,897</u>	<u>0</u>	<u>122,995</u>
	<u>\$ 1,417,114</u>	<u>\$ 62,715</u>	<u>\$ (91,377)</u>	<u>\$ 1,388,452</u>
	2014			
	Cost	Net Unrealized Gains	Net Unrealized Losses	Estimated Fair Value
Unrestricted:				
Exchange Traded Funds	\$ 1,144,728	\$ 1,732	\$ 0	\$ 1,146,460
Corporate Equity Securities	237,201	6,003	0	243,204
Pooled Separate Accounts	<u>80,534</u>	<u>50,983</u>	<u>0</u>	<u>131,517</u>
	<u>\$ 1,462,463</u>	<u>\$ 58,718</u>	<u>\$ 0</u>	<u>\$ 1,521,181</u>

**3. FAIR VALUE MEASUREMENTS:**

Accounting standards have a single definition of fair value and a framework for measuring fair value in accordance with generally accepted accounting principles. These standards apply whenever other authoritative literature requires (or permits) certain assets and liabilities to be measured at fair value. Items carried at fair value on a recurring basis consist of trading securities. The Organization also uses fair value concepts to test various long lived assets for impairment, in the event a triggering event has occurred.

**SOCIETY FOR THE IMPROVEMENT OF  
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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**3. FAIR MARKET MEASUREMENTS (CONTINUED):**

Fair value is defined 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 in the principal or most advantageous market. The Organization uses a fair value hierarchy that has three levels of inputs, both observable and unobservable, with use of the lowest possible level of input to determine fair value.

Level 1 inputs include quoted market prices in an active market or the price of an identical asset or liability. Level 2 inputs are market data, other than Level 1, that are observable either directly or indirectly. Level 2 inputs include quoted market prices for similar assets or liabilities, quoted market prices in an inactive market, and other observable information that can be corroborated by market data. Level 3 inputs are unobservable and corroborated by little or no market data. The Organization uses valuation techniques in a consistent manner from year-to-year.

Fair values of the Organizations financial assets measured on a recurring basis as December 31, 2015 and 2014 are as follows:

	2015			
	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Exchange Traded Funds	\$ 990,327	\$ 990,327	\$ 0	\$ 0
Corporate Equity				
Securities	275,130	275,130	0	0
Pooled Separate Accounts	<u>122,995</u>	<u>0</u>	<u>122,995</u>	<u>0</u>
	<u>\$ 1,388,452</u>	<u>\$ 1,265,457</u>	<u>\$ 122,995</u>	<u>\$ 0</u>

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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**3. FAIR MARKET MEASUREMENTS (CONTINUED):**

	<u>Fair Value</u>	<u>2014</u>		
		<u>Quoted Prices In Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments				
Exchange Traded Funds	\$ 1,146,460	\$ 1,146,460	\$ 0	\$ 0
Corporate Equity				
Securities	243,204	243,204	0	0
Pooled Separate Accounts	<u>131,517</u>	<u>0</u>	<u>131,517</u>	<u>0</u>
	<u>\$ 1,521,181</u>	<u>\$ 1,389,664</u>	<u>\$ 131,517</u>	<u>\$ 0</u>

**4. PROPERTY AND EQUIPMENT:**

	<u>2015</u>	<u>2014</u>
Land	\$ 79,817	\$ 79,817
Buildings	1,618,950	1,618,950
Building Improvements	157,217	153,015
Kennel Equipment	84,258	73,926
Other Equipment	<u>257,608</u>	<u>165,494</u>
	2,197,850	2,091,202
Less Accumulated Depreciation	<u>(701,353)</u>	<u>(636,121)</u>
Total	<u>\$1,496,497</u>	<u>\$1,455,081</u>

**SOCIETY FOR THE IMPROVEMENT OF  
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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**5. TEMPORARILY RESTRICTED NET ASSETS:**

Substantially all of the restrictions on net assets for the years ended December 31, 2015 and 2014 relate to funds raised through public support.

Temporarily restricted assets are available for the following purposes:

	2015	2014
Purpose Restrictions:		
Capital Campaign for New Building	\$1,001,636	\$ 0
ASCPA Foster Ambassador Program	1,627	0
Subsidized Adoptions, Spay/Neuter Services and Medical Animal Care	2,856	2,672
Building Renovation	0	50,000
Total	\$1,006,119	\$ 52,672

**6. CONTRIBUTIONS:**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

Donated items and services are reflected as contributions in the accompanying statements of activities at their estimated values at date of receipt. Donated items include dog and cat pet food, cabinets, and donated vehicles. Donated Services consist primarily of professional fees. A substantial number of volunteers have donated significant amounts of their time in the Organization's program services and its fund-raising campaigns. However, these amounts have not been recognized in the statements of activities because the criteria for recognition has not been met.

Donated items and services of \$15,219 and \$14,189 were recorded in the statement of activities for the years ended December 31, 2015 and 2014, respectively.



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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**7. PROMISES TO GIVE:**

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates (3% applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

**8. OPERATING LEASE:**

The Organization leased a copier under an operating lease that required monthly payments of \$652 and expired in May 2015. Lease expense, including copier maintenance and copying charges, was \$7,389 and \$11,307 for the years ended December 31, 2015 and 2014, respectively.

**9. CONCENTRATIONS OF CREDIT RISK:**

The Organization's cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization's uninsured cash balances totaled \$0 and \$146,658 at December 31, 2015 and 2014, respectively.

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Organization's financial statements.

**10. RETIREMENT PLAN:**

The Organization began offering a SIMPLE individual retirement account (IRA). The plan matches employee deferrals up to 3% of compensation for eligible participants. Match expense for the years ended December 31, 2015 and 2014 were \$7,160 and \$0, respectively.



Certified Public Accountants

Business Advisors

## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors  
Society for the Improvement of Conditions for Stray Animals  
(SICSA)  
Kettering, Ohio

We have audited the financial statements of the Society for the Improvement of Conditions for Stray Animals (SICSA) (a nonprofit organization) as of and for the years ended December 31, 2015 and 2014, and have issued our report thereon dated November 11, 2016. Our audits were performed for the purpose of forming an opinion of the financial statements as a whole. The schedules of revenues, gains, and other support for the years ended December 31, 2015 and 2014, are presented for the purpose of additional analysis and are 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 our audits 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.

*Goldshot, Lamb & Hobbs, Inc.*

November 11, 2016

**SOCIETY FOR THE IMPROVEMENT OF  
CONDITIONS FOR STRAY ANIMALS  
(SICSA)**

**SCHEDULES OF REVENUES, GAINS AND OTHER SUPPORT**

**YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b><u>CONTRIBUTIONS</u></b>		
General Donations	\$ 455,734	\$ 471,818
Capital Campaign Contributions	1,024,712	-
Grant Income	65,415	79,045
Estates and Trusts	111,182	79,135
Total Contributions (including restricted contributions of \$1,074,993 and \$73,400, respectively)	<u>\$ 1,657,043</u>	<u>\$ 629,998</u>
<b><u>UNITED WAY AND COMBINED FEDERAL CAMPAIGN</u></b>	<u>\$ 27,251</u>	<u>\$ 20,439</u>
<b><u>SPECIAL EVENTS</u></b>		
Calendar Sale Income	\$ 444	\$ 7,885
Calendar Sale Expense	-	(2,078)
Net Calendar Sales	<u>444</u>	<u>5,807</u>
Cat's Meow Auction Income	68,050	56,095
Cat's Meow Auction Expense	(21,306)	(19,725)
Net Cat's Meow Auction	<u>46,744</u>	<u>36,370</u>
Red Dog Racer Income	5,100	5,905
Red Dog Racer Expense	(538)	(488)
Net Red Dog Racer	<u>4,562</u>	<u>5,417</u>
Lift Your Leg Walk Income	65,750	52,149
Lift Your Leg Walk Expense	(22,287)	(15,408)
Net Lift Your Leg Walk	<u>43,463</u>	<u>36,741</u>
A Night to Remember Income	2,899	2,882
A Night to Remember Expense	(923)	(1,218)
Net A Night to Remember	<u>1,976</u>	<u>1,664</u>
Friends of SICSA Income	26,779	24,696
Friends of SICSA Expense	(3,656)	(2,413)
Net Friends of SICSA	<u>23,123</u>	<u>22,283</u>

See independent auditor's report on supplementary information.

**SOCIETY FOR THE IMPROVEMENT OF  
CONDITIONS FOR STRAY ANIMALS  
(SICSA)**

**SCHEDULES OF REVENUES, GAINS AND OTHER SUPPORT (CONTINUED)**

**YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
<b><u>SPECIAL EVENTS (Continued)</u></b>		
Kroger Gift Card Income	17,752	21,626
Kroger Gift Card Expense	-	-
Net Kroger Gift Card	17,752	21,626
Humane Education Income	40,771	23,252
Humane Education Expense	(6,934)	(6,159)
Net Humane Education	33,837	17,093
Other Events - Net	23,396	3,178
Total Special Events - Net	\$ 195,297	\$ 150,179
<b><u>PROGRAM SERVICE FEES</u></b>		
Spay/Neuter Income	\$ 112,569	\$ 132,814
Dog Placement	121,395	99,139
Cat Placement	47,327	45,814
Intake Fees	26,711	25,255
Microchip Fund	5,802	5,400
License Sales	3,154	2,912
Gift Shop	13,760	8,892
Dog Training Income	-	1,183
Total Program Service Fees	\$ 330,718	\$ 321,409
<b><u>OTHER INCOME</u></b>		
Investment Income	35,503	25,514
Net Realized and Unrealized Gain (Loss) on Investments	(80,747)	50,500
Miscellaneous	851	596
Total Other Income	\$ (44,393)	\$ 76,610
Total Revenues, Gains and Other Support	\$ 2,165,916	\$ 1,198,635

See independent auditor's report on supplementary information.