

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

(SICSA)

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

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, 2013 and 2012, 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, 2013 and 2012, 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.

Goldshot, Lamb & Hobbs, Inc.

June 2, 2014

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

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2013 AND 2012

	<u>ASSETS</u>	
	<u>2013</u>	<u>2012</u>
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents	\$ 545,862	\$ 916,393
Grants Receivable	2,562	6,546
Estate Receivable	1,115	1,156
Investments	1,415,385	676,525
Prepaid / Deferred Expenses	9,220	5,930
Total Current Assets	<u>1,974,144</u>	<u>1,606,550</u>
<u>PROPERTY AND EQUIPMENT - NET</u>	<u>1,403,155</u>	<u>1,432,370</u>
TOTAL ASSETS	<u><u>\$ 3,377,299</u></u>	<u><u>\$ 3,038,920</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 32,206	\$ 14,516
Sales Tax Payable	449	243
Accrued Payroll and Payroll Taxes	15,030	14,495
Deferred Calendar Income	1,400	1,500
Deferred Grant Income	38,791	46,036
Total Current Liabilities	<u>87,876</u>	<u>76,790</u>
<u>NET ASSETS</u>		
Unrestricted	3,149,776	2,825,399
Temporarily Restricted	139,647	136,731
Total Net Assets	<u>3,289,423</u>	<u>2,962,130</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,377,299</u></u>	<u><u>\$ 3,038,920</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, 2013 AND 2012

	2013	2012
<u>UNRESTRICTED NET ASSETS</u>		
Revenues, Gains and Other Support:		
Contributions	\$ 629,904	\$ 546,916
United Way and Combined Federal Campaign	30,547	20,905
Special Events		
(Net of Expenses of \$49,366 and \$56,502, respectively)	110,782	113,397
Program Service Fees	264,878	306,199
Investment Income	58,132	20,753
Unrealized Gain on Investments	84,009	50,246
Realized Gain on Sales of Investments	54,017	-
Gain (Loss) on Sale of Assets	(229)	593
Miscellaneous	492	181
Net Assets Released from Restriction	140,013	60,786
Total Unrestricted Revenues, Gains and Other Support	1,372,545	1,119,976
<u>EXPENSES</u>		
Program Services	913,041	822,982
Supporting Services:		
Management and General	88,871	82,436
Fundraising	46,256	42,790
Total Unrestricted Expenses	1,048,168	948,208
<u>INCREASE IN UNRESTRICTED NET ASSETS</u>	324,377	171,768
<u>TEMPORARILY RESTRICTED NET ASSETS</u>		
Contributions	142,929	192,517
Net Assets Released from Restriction	(140,013)	(60,786)
<u>INCREASE IN TEMPORARILY RESTRICTED NET ASSETS</u>	2,916	131,731
<u>INCREASE IN NET ASSETS</u>	327,293	303,499
<u>NET ASSETS - BEGINNING OF YEAR</u>	2,962,130	2,658,631
<u>NET ASSETS - END OF YEAR</u>	\$ 3,289,423	\$ 2,962,130

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, 2013

	Program Services	Management and General	Fundraising	Total
Employee and Related Costs	\$ 488,804	\$ 57,506	\$ 28,753	\$ 575,063
Medical Supplies	59,551	-	-	59,551
Animal Supplies	27,271	-	-	27,271
Office Expenses	16,477	1,939	969	19,385
Veterinary Care	12,324	-	-	12,324
Spay/Neuter	144,027	-	-	144,027
Spay/Neuter - Depreciation	7,264	-	-	7,264
Euthanasia and Burial	185	-	-	185
Maintenance	17,296	2,035	1,017	20,348
Utilities	27,150	3,194	1,597	31,941
Depreciation - Other	41,322	4,861	2,431	48,614
Volunteer Activity	1,793	-	94	1,887
Insurance	6,015	708	354	7,077
Education	1,716	-	-	1,716
Postage	3,801	447	224	4,472
Miscellaneous	223	16	8	247
Newsletter	35,646	-	6,291	41,937
Advertising	14,318	-	3,580	17,898
Professional Fees and Dues	1,766	8,621	-	10,387
Bank Charges	4,930	-	870	5,800
Property Taxes	1,162	137	68	1,367
Investment Expense	-	9,407	-	9,407
Total	\$ 913,041	\$ 88,871	\$ 46,256	\$ 1,048,168

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, 2012

	Program Services	Management and General	Fundraising	Total
Employee and Related Costs	\$ 466,380	\$ 54,868	\$ 27,434	\$ 548,682
Medical Supplies	56,907	-	-	56,907
Animal Supplies	19,798	-	-	19,798
Office Expenses	20,603	2,424	1,212	24,239
Veterinary Care	8,250	-	-	8,250
Spay/Neuter	93,359	-	-	93,359
Spay/Neuter - Depreciation	6,857	-	-	6,857
Euthanasia and Burial	300	-	-	300
Maintenance	20,107	2,366	1,183	23,656
Utilities	31,649	3,724	1,862	37,235
Depreciation - Other	39,007	4,589	2,295	45,891
Volunteer Activity	834	-	44	878
Insurance	6,310	742	371	7,423
Education	1,049	-	-	1,049
Postage	2,739	322	161	3,222
Miscellaneous	751	88	44	883
Newsletter	35,660	-	6,293	41,953
Advertising	3,515	-	879	4,394
Professional Fees and Dues	1,393	6,800	-	8,193
Bank Charges	4,842	-	855	5,697
Property Taxes	2,672	314	157	3,143
Investment Expense	-	6,199	-	6,199
Total	\$ 822,982	\$ 82,436	\$ 42,790	\$ 948,208

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

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

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ 327,293	\$ 303,499
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	55,878	52,748
Donated Stock	-	(4,249)
Loss on Disposal of Assets	229	-
Unrealized Gain on Investments	(161,274)	(41,587)
	222,126	310,411
Changes in Operating Assets and Liabilities:		
Grants Receivable	3,984	(6,546)
Estate Receivable	41	(1,156)
Prepaid Expenses	(3,290)	(231)
Deposits	-	466
Accounts Payable	17,690	(20,295)
Sales Tax Payable	206	195
Accrued Payroll and Payroll Taxes	535	5,396
Deferred Calendar Income	(100)	(2,900)
Deferred Grant Income	(7,245)	46,036
Net Cash Provided by Operating Activities	233,947	331,376
<u>INVESTING ACTIVITIES</u>		
Purchases of Property and Equipment	(26,892)	(65,290)
Proceeds from Sales and Investments	613,113	-
Purchases of Investments	(1,190,699)	(53,052)
Net Cash Used by Investing Activities	(604,478)	(118,342)
<u>NET CHANGE IN CASH AND CASH EQUIVALENTS</u>	(370,531)	213,034
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	916,393	703,359
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	\$ 545,862	\$ 916,393

No cash was paid for interest or income taxes for the years ended December 31, 2013 and 2012.

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

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. During 2003, the Organization opened a spay/neuter clinic. This program was expanded in 2004 to provide services to low income residents of the Miami Valley. 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, 2013 and 2012. 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.

**SOCIETY FOR THE IMPROVEMENT OF
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Cash and Cash Equivalents

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

Grant and Estate Receivable

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

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.

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	MACRS
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.

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Depreciation expense for the years ended December 31, 2013 and 2012 was \$55,878 and \$52,748, respectively.

Deferred Calendar and Grant Income

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

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.

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, 2013.

The federal tax returns of the Organization for 2011, 2012 and 2013 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 \$17,898 and \$4,394 for the years ended December 31, 2013 and 2012, respectively.

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Reclassifications

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

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 2, 2014, the date the financial statements were available to be issued.

2. INVESTMENTS:

Investments consist principally of marketable security investments in brokerage accounts. Gains of \$54,017 and \$0 were realized on the sale of investments for the years ended December 31, 2013 and 2012, respectively. Proceeds from the sale of investments for the years ended December 31, 2013 and 2012 totaled \$613,113 and \$0, respectively.

The investments consist of the following at December 31, 2013 and 2012:

	2013			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Unrestricted:				
Money Market Funds	\$ 1	\$ 0	\$ 0	\$ 1
Mutual Funds	1,145,938	109,203	0	1,255,141
Corporate Equity Securities	20,198	7,245	0	27,443
Pooled Separate Accounts	84,966	47,834	0	132,800
	<u>\$ 1,251,103</u>	<u>\$ 164,282</u>	<u>\$ 0</u>	<u>\$ 1,415,385</u>

**SOCIETY FOR THE IMPROVEMENT OF
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

2. INVESTMENTS (CONTINUED):

	2012			Estimated Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
Unrestricted:				
Money Market Funds	\$ 20,240	\$ 0	\$ 0	\$ 20,240
Mutual Funds	460,865	46,669	0	507,534
Corporate Equity Securities	25,828	3,584	0	29,412
Pooled Separate Accounts	<u>89,317</u>	<u>30,022</u>	<u>0</u>	<u>119,339</u>
	<u>\$ 596,250</u>	<u>\$ 80,275</u>	<u>\$ 0</u>	<u>\$ 676,525</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.

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.

**SOCIETY FOR THE IMPROVEMENT OF
CONDITIONS FOR STRAY ANIMALS
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

3. FAIR MARKET MEASUREMENTS (CONTINUED):

Fair values of the Organizations financial assets measured on a recurring basis as December 31, 2013 and 2012 are as follows:

	2013			
	<u>Fair Value</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				
Money Market Funds	\$ 1	\$ 1	\$ 0	\$ 0
Mutual Funds	1,255,141	1,255,141	0	0
Corporate Equity Securities	27,443	27,443	0	0
Pooled Separate Accounts	<u>132,800</u>	<u>0</u>	<u>132,800</u>	<u>0</u>
	<u>\$ 1,415,385</u>	<u>\$ 1,282,585</u>	<u>\$ 132,800</u>	<u>\$ 0</u>

	2012			
	<u>Fair Value</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				
Money Market Funds	\$ 20,240	\$ 20,240	\$ 0	\$ 0
Mutual Funds	507,534	507,534	0	0
Corporate Equity Securities	29,412	29,412	0	0
Pooled Separate Accounts	<u>119,339</u>	<u>0</u>	<u>119,339</u>	<u>0</u>
	<u>\$ 676,525</u>	<u>\$ 557,186</u>	<u>\$ 119,339</u>	<u>\$ 0</u>

**SOCIETY FOR THE IMPROVEMENT OF
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

4. PROPERTY AND EQUIPMENT:

	2013	2012
Land	\$ 79,817	\$ 79,817
Buildings	1,618,950	1,618,950
Building Improvements	49,391	36,143
Kennel Equipment	73,926	71,491
Other Equipment	<u>161,118</u>	<u>155,896</u>
	1,983,202	1,962,297
Less Accumulated Depreciation	<u>(580,047)</u>	<u>(529,927)</u>
Total	<u>\$1,403,155</u>	<u>\$1,432,370</u>

5. TEMPORARILY RESTRICTED NET ASSETS:

Substantially all of the restrictions on net assets for the years ended December 31, 2013 and 2012 relate to funds raised through public support.

Temporarily restricted assets are available for the following purposes:

	2013	2012
Purpose Restrictions:		
New Equipment and Furniture	\$ 1,600	\$ 4,031
Hiring Part-time Foster Coordinator and Part-time Behavior Trainer	2,007	10,976
Subsidized Adoptions, Spay/Neuter Services and Medical Animal Care	27,071	121,724
Pet-Facilitated Therapy Program	10,000	0
New Roof Replacement (Raise the Woof campaign)	<u>98,969</u>	<u>0</u>
Total	<u>\$ 139,647</u>	<u>\$ 136,731</u>

7. CONTRIBUTIONS:

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

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

7. CONTRIBUTIONS (CONTINUED):

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 reposting 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 materials and services are reflected as contributions in the accompanying statements of activities at their estimated values at date of receipt. Donated materials include dog and cat pet food and computer software. 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 materials and services of \$13,533 and \$2,746 were recorded in the statement of activities for the years ended December 31, 2013 and 2012, respectively.

8. OPERATING LEASE:

The Organization leases a copier under an operating lease requiring monthly payments of \$652 and expires in May 2015.

Future minimum lease payments are as follows:

2014	\$ 7,824
2015	<u>3,260</u>
Total	<u>\$ 11,084</u>

9. CONCENTRATIONS OF CREDIT RISK:

For the year ended December 31, 2012, two estates accounted for 27% of the Organization's revenues, gains and other support. There were no concentrations of revenues for the year ended December 31, 2013.

**SOCIETY FOR THE IMPROVEMENT OF
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

9. CONCENTRATIONS OF CREDIT RISK:

At December 31, 2013, the Organization's cash balances exceeded the FDIC limit by approximately \$238,000. At December 31, 2012, cash on deposit at the Organization's financial institution were not considered to be a credit risk as FDIC insurance was unlimited in amount for non-interest bearing accounts, while interest bearing accounts were insured up to \$250,000. The temporary unlimited FDIC insurance for non-interest bearing accounts expired December 31, 2012.

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.



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, 2013 and 2012, and have issued our report thereon dated June 2, 2014. 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, 2013 and 2012, 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.

June 2, 2014

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

SCHEDULES OF REVENUES, GAINS AND OTHER SUPPORT

YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
<u>CONTRIBUTIONS</u>		
General Donations	\$ 470,613	\$ 282,549
Memorial Donations	37,398	25,748
Grant Income	94,615	28,284
Estates and Trusts	170,207	402,852
Total Contributions (including restricted contributions of \$142,929 and \$192,517, respectively)	\$ 772,833	\$ 739,433
<u>UNITED WAY AND COMBINED FEDERAL CAMPAIGN</u>	\$ 30,547	\$ 20,905
<u>SPECIAL EVENTS</u>		
Calendar Sale Income	\$ 7,780	\$ 12,514
Calendar Sale Expense	(2,708)	(2,698)
Net Calendar Sales	5,072	9,816
Red Dog Auction Income	48,542	51,979
Red Dog Auction Expense	(9,847)	(11,880)
Net Red Dog Auction	38,695	40,099
Red Dog Racer Income	5,776	3,614
Red Dog Racer Expense	(599)	(368)
Net Red Dog Racer	5,177	3,246
Walk for Strays Income	28,223	32,346
Walk for Strays Expense	(11,024)	(9,430)
Net Walk for Strays	17,199	22,916
A Night to Remember Income	3,421	4,305
A Night to Remember Expense	(333)	(349)
Net A Night to Remember	3,088	3,956
Friends of SICSA Income	21,656	18,691
Friends of SICSA Expense	(21,785)	(6,158)
Net Friends of SICSA	(129)	12,533

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, 2013 AND 2012

	2013	2012
<u>SPECIAL EVENTS (Continued)</u>		
Kroger Gift Card Income	20,344	13,324
Kroger Gift Card Expense	-	(500)
Net Kroger Gift Card	20,344	12,824
Other Events - Net	21,336	8,007
Total Special Events - Net	\$ 110,782	\$ 113,397
<u>PROGRAM SERVICE FEES</u>		
Spay/Neuter Income	\$ 98,029	\$ 122,729
Dog Placement	84,970	107,620
Cat Placement	43,044	38,058
Intake Fees	23,134	23,165
Microchip Fund	7,496	4,200
License Sales	1,891	1,179
Gift Shop	5,096	7,981
Dog Training Income	1,218	1,267
Total Program Service Fees	\$ 264,878	\$ 306,199
<u>OTHER INCOME</u>		
Investment Income	58,132	20,753
Unrealized Gain on Investments	84,009	50,246
Realized Gain on Sales of Investments	54,017	-
Gain (Loss) on Sale of Assets	(229)	593
Miscellaneous	492	181
Total Other Income	\$ 196,421	\$ 71,773
Total Revenues, Gains and Other Support	\$ 1,375,461	\$ 1,251,707

See independent auditor's report on supplementary information.