

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

(SICSA)

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2012 AND 2011

**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, 2012 and 2011, 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, 2012 and 2011, 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, James Hobbs, Inc.

July 9, 2013

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

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2012 AND 2011

	<u>ASSETS</u>	
	<u>2012</u>	<u>2011</u>
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents	\$ 916,393	\$ 703,359
Grants Receivable	6,546	-
Estate Receivable	1,156	-
Investments	20,240	25,030
Prepaid / Deferred Expenses	5,930	5,699
Total Current Assets	<u>950,265</u>	<u>734,088</u>
<u>PROPERTY AND EQUIPMENT - NET</u>	1,432,370	1,419,828
<u>OTHER ASSETS</u>	<u>656,285</u>	<u>553,073</u>
TOTAL ASSETS	<u>\$ 3,038,920</u>	<u>\$ 2,706,989</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 14,516	\$ 34,811
Sales Tax Payable	243	48
Accrued Payroll and Payroll Taxes	14,495	9,099
Deferred Calendar Income	1,500	4,400
Deferred Grant Income	46,036	-
Total Current Liabilities	<u>76,790</u>	<u>48,358</u>
<u>NET ASSETS</u>		
Unrestricted	2,825,399	2,653,631
Temporarily Restricted	136,731	5,000
Total Net Assets	<u>2,962,130</u>	<u>2,658,631</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,038,920</u>	<u>\$ 2,706,989</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, 2012 AND 2011

	2012	2011
<u>UNRESTRICTED NET ASSETS</u>		
Revenues, Gains and Other Support:		
Contributions	\$ 546,916	\$ 536,616
United Way and Combined Federal Campaign	20,905	7,121
Special Events		
(Net of Expenses of \$51,978 and \$55,073, respectively)	113,397	114,489
Program Service Fees	306,068	268,389
Investment Income	20,753	14,496
Unrealized Gains (Losses) on Investments	50,246	(13,485)
Losses on Sales of Investments	-	(22,065)
Gain on Sale of Assets	593	-
Miscellaneous	312	2,658
Net Assets Released from Restriction	60,786	4,100
Total Unrestricted Revenues, Gains and Other Support	1,119,976	912,319
<u>EXPENSES</u>		
Program Services	821,954	794,659
Supporting Services:		
Management and General	83,122	81,703
Fundraising	43,132	43,360
Total Unrestricted Expenses	948,208	919,722
<u>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</u>	171,768	(7,403)
<u>TEMPORARILY RESTRICTED NET ASSETS</u>		
Contributions	192,517	5,000
Net Assets Released from Restriction	(60,786)	(4,100)
<u>INCREASE IN TEMPORARILY RESTRICTED NET ASSETS</u>	131,731	900
<u>INCREASE (DECREASE) IN NET ASSETS</u>	303,499	(6,503)
<u>NET ASSETS - BEGINNING OF YEAR</u>	2,658,631	2,665,134
<u>NET ASSETS - END OF YEAR</u>	\$ 2,962,130	\$ 2,658,631

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
Euthanasia and Burial	300	-	-	300
Maintenance	20,107	2,366	1,183	23,656
Utilities	31,649	3,724	1,862	37,235
Depreciation	44,836	5,275	2,637	52,748
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	<u>\$ 821,954</u>	<u>\$ 83,122</u>	<u>\$ 43,132</u>	<u>\$ 948,208</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, 2011

	Program Services	Management and General	Fundraising	Total
Employee and Related Costs	\$ 423,963	\$ 49,878	\$ 24,939	\$ 498,780
Medical Supplies	42,235	-	-	42,235
Animal Supplies	21,962	-	-	21,962
Office Expenses	22,761	2,678	1,339	26,778
Veterinary Care	2,103	-	-	2,103
Spay/Neuter	102,471	-	-	102,471
Euthanasia and Burial	505	-	-	505
Maintenance	32,957	3,877	1,939	38,773
Utilities	38,295	4,505	2,253	45,053
Depreciation	40,734	4,792	2,396	47,922
Volunteer Activity	1,271	-	67	1,338
Insurance	4,781	562	281	5,624
Education	1,396	-	-	1,396
Postage	2,913	343	171	3,427
Miscellaneous	173	20	10	203
Newsletter	41,700	-	7,359	49,059
Advertising	7,290	-	1,823	9,113
Professional Fees and Dues	1,824	8,904	-	10,728
Bank Charges	3,990	-	704	4,694
Property Taxes	1,335	157	79	1,571
Investment Expense	-	5,987	-	5,987
Total	\$ 794,659	\$ 81,703	\$ 43,360	\$ 919,722

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, 2012 AND 2011

	2012	2011
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ 303,499	\$ (6,503)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	52,748	47,922
Donated Stock	(4,249)	106
Unrealized (Gains) Losses on Investments	(41,587)	13,485
Losses on Sales of Investments	-	22,065
	310,411	77,075
Changes in Operating Assets and Liabilities:		
Grants Receivable	(6,546)	-
Estate Receivable	(1,156)	141,801
Prepaid Expenses	(231)	(4,638)
Deposits	466	-
Accounts Payable	(20,295)	20,572
Sales Tax Payable	195	4
Accrued Payroll and Payroll Taxes	5,396	(3,602)
Deferred Calendar Income	(2,900)	4,400
Deferred Grant Income	46,036	-
Net Cash Provided by Operating Activities	331,376	235,612
<u>INVESTING ACTIVITIES</u>		
Purchases of Property and Equipment	(65,290)	(44,842)
Proceeds from Sales and Investments	-	237,904
Purchases of Investments	(53,052)	(242,846)
Proceeds from Disposal of Assets	-	6,781
Net Cash Used by Investing Activities	(118,342)	(43,003)
<u>NET CHANGE IN CASH AND CASH EQUIVALENTS</u>	213,034	192,609
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	703,359	510,750
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	\$ 916,393	\$ 703,359

No cash was paid for interest or income taxes for the years ended December 31, 2012 and 2011.

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, 2012 AND 2011

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, public education, and grooming service. 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, 2012 and 2011. 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, 2012 AND 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Cash and Cash Equivalents

The Organization considers all savings accounts and money market bank 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
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Depreciation expense for the years ended December 31, 2012 and 2011 was \$52,748 and \$47,922, 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, 2012.

The federal tax returns of the Organization for 2009, 2010 and 2011 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 \$4,394 and \$9,113 for the years ended December 31, 2012 and 2011, respectively.

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 9, 2013, the date the financial statements were available to be issued.

2. INVESTMENTS:

Investments consist principally of marketable security investments in brokerage accounts. Losses of \$0 and \$22,065 were realized on the sale of investments for the years ended December 31, 2012 and 2011, respectively. Proceeds from the sale of investments for the years ended December 31, 2012 and 2011 totaled \$0 and \$237,904, respectively.

The investments consist of the following at December 31, 2012 and 2011:

	2012			Estimated Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
Unrestricted:				
Money Market Funds	\$ 20,240	\$ 0	\$ 0	\$ 20,240
Mutual Fund	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>
Short-term	<u>\$ 20,240</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 20,240</u>
Long-term	<u>\$ 486,693</u>	<u>\$ 50,253</u>	<u>\$ 0</u>	<u>\$ 536,946</u>
Long-term at the Dayton Foundation	<u>\$ 89,317</u>	<u>\$ 30,022</u>	<u>\$ 0</u>	<u>\$ 119,339</u>

**SOCIETY FOR THE IMPROVEMENT OF
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

2. INVESTMENTS (CONTINUED):

	2011			Estimated Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
Unrestricted:				
Money Market Funds	\$ 25,030	\$ 0	\$ 0	\$ 25,030
Mutual Fund	443,820	4,721	0	448,541
Corporate Equity Securities	21,466	3,379	0	24,485
Pooled Separate Accounts	<u>57,486</u>	<u>21,735</u>	<u>0</u>	<u>79,221</u>
	<u>\$ 547,802</u>	<u>\$ 29,835</u>	<u>\$ 0</u>	<u>\$ 577,637</u>
Short-term	<u>\$ 25,030</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 25,030</u>
Long-term	<u>\$ 465,286</u>	<u>\$ 8,100</u>	<u>\$ 0</u>	<u>\$ 473,386</u>
Long-term at the Dayton Foundation	<u>\$ 57,486</u>	<u>\$ 21,735</u>	<u>\$ 0</u>	<u>\$ 79,221</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.

**SOCIETY FOR THE IMPROVEMENT OF
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

3. FAIR MARKET MEASUREMENTS (CONTINUED):

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, 2012 and 2011 are as follows:

	2012			
	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
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>

	2011			
	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Money Market Funds	\$ 25,030	\$ 25,030	\$ 0	\$ 0
Mutual Funds	448,541	448,541	0	0
Corporate Equity				
Securities	24,845	24,845	0	0
Pooled Separate Accounts	<u>79,221</u>	<u>0</u>	<u>79,221</u>	<u>0</u>
	<u>\$ 577,637</u>	<u>\$ 498,416</u>	<u>\$ 79,221</u>	<u>\$ 0</u>

**SOCIETY FOR THE IMPROVEMENT OF
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

4. PROPERTY AND EQUIPMENT:

	2012	2011
Land	\$ 79,817	\$ 79,817
Buildings	1,618,950	1,574,042
Building Improvements	36,143	23,950
Kennel Equipment	71,491	71,491
Other Equipment	<u>155,896</u>	<u>147,707</u>
	1,962,297	1,897,007
Less Accumulated Depreciation	<u>(529,927)</u>	<u>(477,179)</u>
Total	<u>\$1,432,370</u>	<u>\$1,419,828</u>

5. OTHER ASSETS:

	2012	2011
Deposits	\$ 0	\$ 466
Investments	536,946	473,386
Investments at the Dayton Foundation	<u>119,339</u>	<u>79,221</u>
Total	<u>\$ 656,285</u>	<u>\$ 553,073</u>

6. TEMPORARILY RESTRICTED NET ASSETS:

Substantially all of the restrictions on net assets for the years ended December 31, 2012 and 2011 relate to funds raised through public support.

Temporarily restricted assets are available for the following purposes:

	2012	2011
Purpose Restrictions:		
New Equipment	\$ 4,031	\$ 0
Hiring Part-time Foster Coordinator and Part-time Behavior Trainer	10,976	0
Subsidized Adoptions, Spay/Neuter Services and Medical Animal Care	121,724	0
Building Sign and Event Tents	<u>0</u>	<u>5,000</u>
Total	<u>\$ 136,731</u>	<u>\$ 5,000</u>

**SOCIETY FOR THE IMPROVEMENT OF
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

7. 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 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 equipment are reflected as contributions in the accompanying statements at their estimated values at date of receipt. No amounts have been reflected in the statements for donated services as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services and its fund-raising campaigns.

Donated materials and equipment of \$2,746 and \$0 were recorded in the statement of activities for the years ended December 31, 2012 and 2011, 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:

2013	\$ 7,824
2014	7,824
2015	<u>3,260</u>
Total	<u>\$ 18,908</u>

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

DECEMBER 31, 2012 AND 2011

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.

At December 31, 2012 and 2011, cash on deposit at the Organization's financial institution is not considered to be a credit risk as FDIC insurance is unlimited in amount for non-interest bearing accounts, while interest bearing accounts are 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, 2012 and 2011, and have issued our report thereon dated July 9, 2013. 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, 2012 and 2011, 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.

July 9, 2013

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

SCHEDULES OF REVENUES, GAINS AND OTHER SUPPORT

YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>CONTRIBUTIONS</u>		
General Donations	\$ 282,549	\$ 286,562
Memorial Donations	25,748	36,451
Special Donations	28,284	10,000
Estates and Trusts	402,852	208,603
Total Contributions (including restricted contributions of \$192,517 and \$5,000, respectively)	<u>\$ 739,433</u>	<u>\$ 541,616</u>
<u>UNITED WAY AND COMBINED FEDERAL CAMPAIGN</u>	<u>\$ 20,905</u>	<u>\$ 7,121</u>
<u>SPECIAL EVENTS</u>		
Calendar Sale Income	\$ 12,514	\$ 8,597
Calendar Sale Expense	<u>(2,698)</u>	<u>(2,624)</u>
Net Calendar Sales	<u>9,816</u>	<u>5,973</u>
Red Dog Auction Income	51,979	62,848
Red Dog Auction Expense	<u>(11,880)</u>	<u>(10,986)</u>
Net Red Dog Auction	<u>40,099</u>	<u>51,862</u>
Red Dog Racer Income	3,614	4,234
Red Dog Racer Expense	<u>(368)</u>	<u>(461)</u>
Net Red Dog Racer	<u>3,246</u>	<u>3,773</u>
Walk for Strays Income	32,346	27,117
Walk for Strays Expense	<u>(9,430)</u>	<u>(9,199)</u>
Net Walk for Strays	<u>22,916</u>	<u>17,918</u>
A Night to Remember Income	4,305	3,050
A Night to Remember Expense	<u>(349)</u>	<u>(371)</u>
Net A Night to Remember	<u>3,956</u>	<u>2,679</u>
Friends of SICSA Income	18,691	17,913
Friends of SICSA Expense	<u>(6,158)</u>	<u>(20,753)</u>
Net Friends of SICSA	<u>12,533</u>	<u>(2,840)</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, 2012 AND 2011

	2012	2011
<u>SPECIAL EVENTS (Continued)</u>		
Kroger Gift Card Income	13,324	11,180
Kroger Gift Card Expense	(500)	(750)
Net Kroger Gift Card	12,824	10,430
Other Events - Net	6,269	18,048
Dog Wash - Net	1,738	5,709
Bow Wow Ween - Net	-	937
	8,007	24,694
 Total Special Events - Net	 \$ 113,397	 \$ 114,489
<u>PROGRAM SERVICE FEES</u>		
Spay/Neuter Income	\$ 122,729	\$ 117,450
Dog Placement	107,620	87,043
Cat Placement	38,058	37,534
Intake Fees	24,773	19,819
Microchip Fund	4,200	3,185
License Sales	1,179	1,460
Gift Shop	6,242	1,251
Dog Training Income	1,267	647
Total Program Service Fees	\$ 306,068	\$ 268,389
<u>OTHER INCOME</u>		
Investment Income	20,753	14,496
Unrealized Gains (Losses) on Investments	50,246	(13,485)
Losses on Sales of Investments	-	(22,065)
Gain on Sale of Assets	593	-
Miscellaneous	312	2,658
Total Other Income	\$ 71,904	\$ (18,396)
 Total Revenues, Gains and Other Support	 \$ 1,251,707	 \$ 913,219

See independent auditor's report on supplementary information.