

LAST CHANCE ANIMAL RESCUE FUND, INC.

Financial Statements

**For the Year Ended
December 31, 2011**

LAST CHANCE ANIMAL RESCUE FUND, INC.
Financial Statements
For the Year Ended December 31, 2011

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of
Last Chance Animal Rescue Fund, Inc.
Southampton, New York

We have audited the accompanying statement of assets, liabilities and net assets – modified cash basis of Last Chance Animal Rescue Fund, Inc. (a 501 (c)(3) organization) as of December 31, 2011, and the related statement of revenues, expenses and changes in net assets – modified cash basis for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of Last Chance Animal Rescue Fund, Inc. as of December 31, 2011, and its support, revenues, expenses and changes in net assets for the year then ended, on the basis of accounting as described in note 1.

Markowitz Fenelon & Bank LLP

Markowitz, Fenelon & Bank, LLP
Southampton, New York

January 19, 2013

LAST CHANCE ANIMAL RESCUE FUND, INC.

Statement of Assets, Liabilities and Net Assets

Modified Cash Basis

December 31, 2011

ASSETS

Current Assets

Cash

\$ 41,224

Total Assets

\$ 41,224

LIABILITIES AND NET ASSETS

Current Liabilities

Credit Card Payable

\$ 4,651

Total Liabilities

4,651

Net Assets

Unrestricted

Undesignated

36,573

Total Equity

36,573

Total Liabilities and Equity

\$ 41,224

LAST CHANCE ANIMAL RESCUE FUND, INC.
Statement of Revenues, Expenses and Changes in Net Assets
Modified Cash Basis
For the Year Ended December 31, 2011

REVENUES

Donations	\$ 529,168
Other Income	400
	529,568
Total Revenues	529,568

EXPENSES

Program Services	
Veterinary Expense	199,144
Boarding and Caretaking	180,488
Food and Supplies	24,861
Travel	30,757
Sponsor	10,121
Transportation	6,027
Advertising	4,565
	455,963
Total Program Services	455,963

Supporting Services

Management and General

Office	7,582
Credit Card Fees	7,452
Contributions	4,379
Insurance	3,476
Rent	2,252
Meals	2,046
Repairs	2,000
Legal	1,473
Gifts	1,164
Bookkeeping	700
Refuse	400
Bank Fees	334
Filing Fee	50
	33,308
Total Management and General	33,308

Fundraising

Special Events	13,352
Promotional	2,725
	16,077
Total Fundraising	16,077

Total Expenses	505,348
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Increase in Net Assets	24,220
Net Assets - Beginning of Year	12,353
	36,573
Net Assets - End of Year	\$ 36,573

LAST CHANCE ANIMAL RESCUE FUND, INC.

Notes to Financial Statements
For the Year Ended December 31, 2011

Note 1. Nature of Organization and Significant Accounting Policies

Nature of Organization

The Last Chance Animal Rescue Fund, Inc., doing business as Last Chance Animal Rescue, Inc. (the Organization), is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Organization uses revenues from fundraising activities and donations to save and better the lives of animals located in "kill" shelters.

Basis of Accounting

The accompanying financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The modified cash basis of accounting recognizes revenues in the accounting period in which revenues are received regardless of when the income is earned and recognizes expenses in the accounting period in which expenses are paid regardless of when they were incurred.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. For the year ended December 31, 2011 there were no temporarily or permanently restricted net assets.

Recognition of Donor Restricted Contributions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Cash and Cash Equivalents

The Organization's policy is to classify all liquid investments with original maturities of three months or less as cash equivalents. Cash is held in demand accounts with banks.

Donated Services

Donated services have not been reflected in the accompanying financial statements since they do not meet the criteria for recognition in accordance with the modified cash basis of accounting. The Organization pays for services requiring specific expertise. Nevertheless, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs and various committee assignments.

Estimates

The preparation of financial statements on the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising

The Organization expenses advertising costs as incurred. Advertising expense amounted to \$4,565 for the year ended December 31, 2011.

LAST CHANCE ANIMAL RESCUE FUND, INC.

Notes to Financial Statements
For the Year Ended December 31, 2011

Income Taxes

The Organization has been granted tax-exempt status under the Internal Revenue Service Code Section 501(c)(3). Accordingly, no provisions for federal or state income taxes has been recorded in the accompanying financial statements.

The Organization's federal and state returns for the years ended 2010, 2009 and 2008 could be subject to examination by the taxing authorities, generally for 3 years after they are filed.

Subsequent Events

Management has evaluated subsequent events through January 19, 2013, the date the financial statements were available to be issued.

Note 2. Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of revenues, expenses and changes in net assets - modified cash basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on the internal records and estimates made by the Organization's management.