

**LAST CHANCE ANIMAL RESCUE FUND, INC.**

**Financial Statements**

**For the Year Ended  
December 31, 2012**

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Financial Statements  
For the Year Ended December 31, 2012

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**Markowitz, Fenelon & Bank, LLP**

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Last Chance Animal Rescue Fund, Inc.

We have audited the accompanying financial statements of the Last Chance Animal Rescue Fund, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities and net assets – modified cash basis as of December 31, 2012, and the related statement of revenues, expenses and changes in net assets – modified cash basis for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of the Last Chance Animal Rescue Fund, Inc. as of December 31, 2012, and its support, revenue, and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

**Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Markowitz, Fenelon & Bank LLP*

Markowitz, Fenelon & Bank, LLP  
Southampton, New York

September 16, 2014

**LAST CHANCE ANIMAL RESCUE FUND, INC.**  
Statement of Assets, Liabilities and Net Assets  
Modified Cash Basis  
December 31, 2012

**ASSETS**

**Current Assets**

Cash	\$ 30,237
Total Current Assets	<u>30,237</u>

**Fixed Assets**

Vehicle	29,600
Accumulated Depreciation	<u>(5,920)</u>
Net Fixed Assets	<u>23,680</u>
Total Assets	<u><u>\$ 53,917</u></u>

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Credit Card Payable	\$ 3,506
Total Liabilities	<u>3,506</u>

**Net Assets**

Unrestricted Undesignated	<u>50,411</u>
Total Equity	<u>50,411</u>
Total Liabilities and Equity	<u><u>\$ 53,917</u></u>

**LAST CHANCE ANIMAL RESCUE FUND, INC.**  
Statement of Revenues, Expenses and Changes in Net Assets  
Modified Cash Basis  
For the Year Ended December 31, 2012

**REVENUES**

Donations	\$ 563,290
Other Income	100
	563,390
Total Revenues	563,390

**EXPENSES**

**Program Services**

Veterinary Expense	219,891
Boarding and Caretaking	96,239
Food and Supplies	9,655
Travel	6,158
Sponsor	56,868
Transportation	62,856
Dog Training	10,150
Advertising	4,076
	465,893
Total Program Services	465,893

**Supporting Services**

**Management and General**

Accounting	8,000
Office	6,942
Credit Card Fees	13,503
Depreciation	5,920
Contributions	6,667
Insurance	5,675
Rent	2,800
Meals	3,503
Repairs	1,203
Legal	2,294
Gifts	681
Bookkeeping	960
Licenses and Fees	962
Refuse	583
Interest	654
	60,347
Total Management and General	60,347

**Fundraising**

Special Events	14,976
Promotional	8,336
	23,312

Total Fundraising	23,312
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Total Expenses	549,552
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Change in Net Assets	13,838
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Net Assets - Beginning of Year	36,573
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Net Assets - End of Year	\$ 50,411
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## LAST CHANCE ANIMAL RESCUE FUND, INC.

Notes to Financial Statements

For the Year Ended December 31, 2012

### 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, 2012 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.

#### Fixed Assets

It is the Organization's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Fixed assets are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful life of the asset. The fixed assets have an estimated useful life of five years. Depreciation expense for the year ended December 31, 2012 was \$5,920.

#### 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.

**LAST CHANCE ANIMAL RESCUE FUND, INC.**  
Notes to Financial Statements  
For the Year Ended December 31, 2012

Advertising

The Organization expenses advertising costs as incurred. Advertising expense amounted to \$12,412 for the year ended December 31, 2012.

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 2012, 2011, and 2010 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 September 16, 2014, 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.