

Humane Organization for the Prevention of Euthanasia

H.O.P.E for Animals, Inc.

dba HOPE Low Cost Spay/Neuter Clinic

Fort Wayne, Indiana

Financial Statements

As of December 31, 2010

H.O.P.E. for Animals, Inc.

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December 31, 2010

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H.O.P.E. for Animals, Inc.

Notes to Financial Statements  
December 31, 2010

**Note 1. Nature of Activities**

H.O.P.E. for Animals, Inc (the Organization) is a nonprofit organization that promotes the prevention of euthanasia by providing education and outreach, adoption and foster homes, low cost spay/neuter programs for the community. The Organization receives its funding primarily from donations from the general public, grants and income for services provided at a low cost spay/neuter clinic.

**Note 2. Summary of Significant Accounting Policies**

Basis of Accounting

The financial statements for the Organization have been prepared on the accrual basis. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The financial statements have been prepared in accordance with Statement of Financial Accounting Standards No. 117 (FASB ASC 958-210), Financial Statement of Not-for Profit Organizations. FASB ASC 958-210 requires, among other things, that the financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are to be classified as unrestricted, temporarily restricted and permanently restricted.

The following classes of net assets are maintained:

**Unrestricted Net Assets**

The unrestricted net asset class includes general assets and liabilities of the Organization. The unrestricted net assets of the Organization may be

used at the discretion of management to support the Organization's purposes and operations.

### **Temporarily Restricted Funds**

The temporarily restricted net asset class includes assets of the Organization related to gifts with explicit donor-imposed restrictions that have not been met as to specified purpose, or to later periods of time or after specified dates. Unconditional promises to give that are due in future periods and are not permanently restricted are classified as unrestricted contributions.

### **Contributions**

The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, (FASB ASC 958-360), Accounting for Contributions Received and Contributions Made. In accordance with FASB ASC 958-360, contributions received are recorded as increases in unrestricted, temporarily restricted or permanently restricted net assets, depending on the existence or nature of any donor restrictions.

### **Fixed Assets**

Depreciation is computed over the estimated useful life of the assets using the straight-line method. Acquisitions of property and equipment in excess of \$500 are capitalized. Donated equipment is recorded at fair market value at the date of the donation. Purchased equipment is recorded at cost.

Expenditures for major additions and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

### **Concentration of Credit Risk**

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Organization maintains cash and cash equivalents with highly rated institutions.

### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with an original maturity of three months or less, when purchased, to be cash equivalents.

### **Income Tax Status**

H.O.P.E. for Animals, Inc., classified as a publicly supported organization, qualifies as a tax-exempt organization under 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for income taxes. The Organization files income tax returns in the U.S. federal jurisdiction and the State of Indiana.

### **Note 3. Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional income/expense. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The following program and supporting services are included in the accompanying financial statements:

#### **Programs**

Includes the functions necessary to provide adoption, outreach and education, and low cost spay/neuter and other low cost health & welfare services to animals and their owners.

#### **Grant Programs**

Includes unrestricted donations from the general public and unrestricted grant income.

#### **Fundraising**

Includes income and expenses related to fundraising efforts such as our annual golf tournament.

#### **Administration**

Includes the functions necessary for management and overall direction of the Organization.

### **Note 4. Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes at December 31:

	<u>2010</u>	<u>2009</u>
ASPCA Snap Grant	\$ 3000	\$ 0
Emilie Beard Foundation Fund	3755	0
Larry's Fund	460	0
Petsmart Charities Start-up	<u>6069</u>	<u>0</u>
Total	<u>\$ 13,284</u>	<u>0</u>

**Note 5. Fair Value of Assets and Liabilities**

The Organization has adopted Statement of Financial Accounting Standards No. 157, Fair Value Measurements (SFAS) (FASB ASC 820-10). FASB ASC 820-10 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. 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.

**Note 6. Concentrations**

The Organization receives a significant amount of support from grants and donations each year. A significant reduction in the level of this support, if it were to occur, may have an effect on the operations of the Organization.

**Note 7. Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 30, 2011, the date the financial statements were available to be issued.

H.O.P.E. for Animals, Inc  
Treasurer Affirmation Statement  
December 31, 2010

I, Melissa McKown, affirm the contents of the Financial Statements produced on April 30, 2011 for H.O.P.E. for Animals, Inc., are true and accurate to the best of my abilities and knowledge in accordance with Financial Accounting Standards.

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Melissa McKown, Board President and acting Treasurer

Date