

**ANIMAL SHELTER OF THE  
WOOD RIVER VALLEY**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
DECEMBER 31, 2014 AND 2013**

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**Independent Auditor's Report**

To the Board of Directors  
Animal Shelter of the  
Wood River Valley  
Hailey, ID 83333

We have audited the accompanying financial statements of Animal Shelter of the Wood River Valley (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014 and 2013, 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 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 from 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 Animal Shelter of the Wood River Valley as of December 31, 2014 and 2013, 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.

*Anderson Arritt Robins Waters*

Anderson Arritt Robins Waters, CPAs  
Burley, Idaho

February 16, 2015

# ANIMAL SHELTER OF THE WOOD RIVER VALLEY

## STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash & Cash Equivalents	792,739	799,831
Investments	2,446,302	2,163,233
Accounts Receivable	1,570	2,021
Prepaid Expenses	2,627	3,627
Inventory	47,250	40,500
Total Current Assets	<u>3,290,488</u>	<u>3,009,211</u>
<b>Property and Equipment</b>		
Land	629,641	344,300
Construction in Progress	16,754	-
Buildings & Improvements	797,106	790,054
Equipment	270,865	169,541
Less Accumulated Depreciation	<u>(565,057)</u>	<u>(510,489)</u>
Net Property and Equipment	1,149,308	793,405
<b>Non Current Assets</b>		
Investments	<u>201,491</u>	<u>260,408</u>
Total Assets	<u><u>4,641,287</u></u>	<u><u>4,063,024</u></u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities</b>		
Accounts Payable	60,937	48,368
Accrued Payroll Liabilities	38,782	43,827
Deferred Revenue	4,030	-
Total Current Liabilities	<u>103,749</u>	<u>92,195</u>
Total Liabilities	103,749	92,195
<b>Net Assets</b>		
Unrestricted		
Available for program and supporting activities	2,520,743	2,474,996
Net investment in fixed assets	<u>1,149,308</u>	<u>793,405</u>
Total Unrestricted	3,670,051	3,268,401
Temporarily restricted	<u>867,487</u>	<u>702,428</u>
Total Net Assets	<u>4,537,538</u>	<u>3,970,830</u>
Total Liabilities and Net Assets	<u><u>4,641,287</u></u>	<u><u>4,063,024</u></u>

See accompanying notes to the financial statements.

## ANIMAL SHELTER OF THE WOOD RIVER VALLEY

### STATEMENT OF ACTIVITIES AND CHANGE IN FINANCIAL POSITION FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014			2013		
	Unrestricted	Temp. Restricted	Total	Unrestricted	Temp. Restricted	Total
<b>Revenues</b>						
Monetary Contributions	658,024	87,417	745,440	687,915	54,915	742,830
Contributed Goods and Services	156,819	-	156,819	166,515	-	166,515
Non-Government Grants	16,300	571,734	588,034	14,500	152,200	166,700
Auction Revenue (Net of direct costs)	94,942	-	94,942	87,346	-	87,346
Sales - Thrift Store	273,069	-	273,069	317,596	-	317,596
Program Service Revenue	124,910	-	124,910	108,769	-	108,769
Investment Income	24,653	12,669	37,322	60,676	31,512	92,188
Other Revenue	-	-	-	25,659	-	25,659
<b>Total Revenues</b>	<b>1,348,716</b>	<b>671,820</b>	<b>2,020,535</b>	<b>1,468,976</b>	<b>238,627</b>	<b>1,707,603</b>
<b>Net Asset Restriction Transfers</b>						
Use for restricted purpose	516,197	(516,197)	-	55,789	(55,789)	-
<b>Expenses</b>						
Program Services	1,011,592	-	1,011,592	875,098	-	875,098
Supporting Services						
Thrift Store	263,258	-	263,258	288,086	-	288,086
Fund Raising	142,605	-	142,605	113,410	-	113,410
General & Administrative	100,869	-	100,869	93,015	-	93,015
Total Supporting Services	<u>506,732</u>	<u>-</u>	<u>506,732</u>	<u>494,511</u>	<u>-</u>	<u>494,511</u>
<b>Total Expenses</b>	<b>1,518,323</b>	<b>-</b>	<b>1,518,323</b>	<b>1,369,610</b>	<b>-</b>	<b>1,369,610</b>
<b>Change in Net Assets from Operations</b>	<b>346,589</b>	<b>155,623</b>	<b>502,212</b>	<b>155,155</b>	<b>182,838</b>	<b>337,993</b>
<b>Nonoperating Income</b>						
Gains(Losses) on Investments	55,061	9,436	64,497	168,173	-	168,173
<b>Total Change in Net Assets</b>	<b>401,650</b>	<b>165,059</b>	<b>566,709</b>	<b>323,328</b>	<b>182,838</b>	<b>506,166</b>
<b>Beginning Net Assets</b>	<b>3,268,401</b>	<b>702,428</b>	<b>3,970,830</b>	<b>2,945,073</b>	<b>519,590</b>	<b>3,464,663</b>
<b>Ending Net Assets</b>	<b>3,670,051</b>	<b>867,487</b>	<b>4,537,538</b>	<b>3,268,401</b>	<b>702,428</b>	<b>3,970,830</b>

See accompanying notes to the financial statements.

## ANIMAL SHELTER OF THE WOOD RIVER VALLEY

### STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

2014					
	Program Services	Supporting Services			Total
		Thrift Store	Fund Raising	General & Administrative	
Wages and Benefits	652,942	131,146	85,874	68,718	938,680
Contract Services	38,295	5,974	6,940	7,005	58,215
Marketing & Communications	36,050	3,763	25,739	320	65,872
Nonpersonnel Expenses	39,430	4,924	3,306	1,058	48,719
Facility & Equipment Expenses	35,964	39,931	6,728	5,789	88,413
Travel & Meeting	9,378	2,035	1,876	1,752	15,041
Other Client Specific Expenses	63,244	34	-	-	63,278
Other Expenses	22,623	4,776	1,751	6,319	35,469
In Kind Goods & Services	72,739	68,572	7,662	1,096	150,069
Depreciation Expense	40,926	2,102	2,728	8,812	54,568
Total	<u>1,011,592</u>	<u>263,258</u>	<u>142,605</u>	<u>100,869</u>	<u>1,518,323</u>
2013					
	Program Services	Supporting Services			Total
		Thrift Store	Fund Raising	General & Administrative	
Wages and Benefits	577,426	133,261	70,904	56,379	837,970
Contract Services	28,716	-	4,263	12,094	45,073
Marketing & Communications	38,268	5,994	23,511	1,487	69,260
Nonpersonnel Expenses	28,945	2,265	8,573	1,508	41,291
Facility & Equipment Expenses	36,515	32,799	-	5,383	74,697
Travel & Meeting	7,955	1,642	1,489	1,622	12,708
Other Client Specific Expenses	51,696	-	-	-	51,696
Other Expenses	23,667	1,104	1,840	2,242	28,853
In Kind Goods & Services	50,751	108,921	2,830	4,013	166,515
Depreciation Expense	31,160	2,099	-	8,288	41,546
Total	<u>875,099</u>	<u>288,085</u>	<u>113,410</u>	<u>93,015</u>	<u>1,369,610</u>

See accompanying notes to the financial statements.

## ANIMAL SHELTER OF THE WOOD RIVER VALLEY

### STATEMENT OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<b>Cash Flows From Operating Activities</b>		
Change in Net Assets	566,709	506,166
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	54,568	41,546
(Increase) Decrease in accounts receivable	451	(1,520)
(Increase) Decrease in inventory	(6,750)	-
(Increase) Decrease in prepaid expenses	1,000	398
Increase (Decrease) in deferred revenue	4,030	-
Increase (Decrease) in accounts payable	12,569	25,444
Increase (Decrease) in payroll liabilities	(5,044)	(8,383)
Cash Flows Provided (Used) By Operating Activities	<u>627,532</u>	<u>563,652</u>
<b>Cash Flows From Investing Activities</b>		
(Increase) Decrease in Investments	(224,152)	(372,772)
Acquisition of fixed assets	(410,471)	(80,065)
Cash Flows Provided (Used) By Investing Activities	<u>(634,623)</u>	<u>(452,837)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(7,092)	110,815
<b>Cash and Cash Equivalents at Beginning of Period</b>	<u>799,831</u>	<u>689,016</u>
<b>Cash and Cash Equivalents at Ending of Period</b>	<u><u>792,739</u></u>	<u><u>799,831</u></u>
<b>Supplemental disclosure</b>		
Interest paid in cash.	\$ -	\$ -

See accompanying notes to the financial statements.

# ANIMAL SHELTER OF THE WOOD RIVER VALLEY

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Business Activity** – Animal Shelter of the Wood River Valley, located in Hailey, Idaho, is a non-profit organization that provides temporary shelter for homeless pets and adoption to qualified homes. The Organization also promotes animal welfare through community education and spay/neuter services. The Shelter serves as the impound facility for the Blaine County Animal Control Program. The Organization also operates a thrift store (Barkin Basement) in Hailey to raise funds for its shelter operations.

The Shelter is governed by its board of directors, as dictated by its bylaws.

**Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents** – The Organization considers all highly liquid deposits with a maturity of three months or less to be cash and cash equivalents.

**Recognition of Donor Restrictions** – The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are shown on the financial statements as unrestricted contributions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

**Donated Goods and Services** – Donated goods and specialized services are recorded as in kind revenue and corresponding expense at their estimated market value. A number of volunteers have contributed their time to the activities of the Organization without compensation which has not been recorded on the financial statements.

**Inventory** – Consists of donated goods at the thrift store. Inventory is recorded at estimated market value.

**Property and Equipment and Depreciation** – Fixed assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of donated assets. Items under the Organization's capitalization threshold are expensed in the period of purchase or donation. Capitalized items are depreciated on a straight-line basis over their estimated useful lives.

**Income Taxes** - The Organization is a non-profit organization which is not a private foundation. Animal Shelter of the Wood River Valley has obtained exemption from federal and state income taxes under I.R.C. Section 501 (c)(3) and related Idaho State code provisions. Accordingly, no provision for income taxes has been made in the financial statements.

FASB ASC 740-10 requires disclosure of uncertain tax positions and their corresponding estimated values. As of period end, the Company had no reportable uncertain positions. Open tax years are calendar years 2011, 2012, 2013, and 2014.

**Subsequent Events** - Any subsequent events have been evaluated as of February 16, 2015, the date the audited financial statements were available to be issued.



**NOTE 2 - CASH**

Cash and cash equivalents at years end are summarized as follows:

	2014		2013	
	FDIC Insured	Uninsured	FDIC Insured	Uninsured
Wells Fargo Bank	111,584	-	111,474	-
Zions Bank	199,219	-	250,000	15,220
DL Evans Bank	189,077	-	150,000	-
Mountain West Bank	235,142	-	234,792	-
Cash on Hand/Undeposited Funds	57,717	-	38,344	-
Total Cash	<u>\$ 792,739</u>	<u>\$ -</u>	<u>\$ 784,611</u>	<u>\$ 15,220</u>

\$219,637 and \$69,535 of cash & cash equivalents were donor restricted to a specific purpose at 2014 and 2013 year end, respectively. See Note 6.

**NOTE 3 – INVESTMENTS**

Fair values, based on quoted market prices, of investments at years end were as follows:

	2014	2013
Common stocks and options	85,698	952,232
Corporate bonds	251,376	313,916
Mutual funds	-	792,818
Money market and other	2,310,720	364,676
	<u>\$ 2,647,794</u>	<u>\$ 2,423,641</u>

At year end 2014, the Organization was in the process of changing investment advisors and corresponding portfolio. Debt and equity securities had been liquidated to money market funds at that time.

Corporate bonds with maturities of greater than one year are classified as non-current.

Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is at least reasonably possible that changes in these risks could materially affect the fair value of investments reported in the statement of financial position. However, the diversification of the Organization's invested assets, as dictated by its written investment policy, should mitigate the impact of any dramatic change in market values.

Investment income includes interest, dividends and net gains and losses from sales of securities. The amount of net unrealized gains (losses) included in the value of investments was \$3,737 and \$165,492 at 2014 and 2013 years end, respectively. Investment income was reported net of \$17,992 and \$18,336 related investment expense, for years 2014 and 2013, respectively.

\$647,850 and \$632,893 of investments was donor restricted to animal medical/surgical care at 2014 and 2013 year end, respectively. See Note 6.

**NOTE 4 – ACCOUNTS RECEIVABLE**

Accounts receivable consist of impound contract booked, but not yet received in cash, at year end. The Organization has not accrued an allowance for doubtful accounts as it deems such allowance to be immaterial. Receivables will be written off as they are deemed uncollectible.

**NOTE 5 – PROPERTY AND EQUIPMENT**

Changes in property and equipment during 2013 and 2014 were as follows:

	<u>Beg Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>End Balance</u>
Land	344,300			
	<u>344,300</u>	<u>-</u>	<u>-</u>	<u>344,300</u>
Buildings	730,868			
improvements/reclassify		59,186		
	<u>730,868</u>	<u>59,186</u>	<u>-</u>	<u>790,054</u>
Equipment & Improvements	148,662			
equipment/software/reclass		20,878		
	<u>148,662</u>	<u>20,878</u>	<u>-</u>	<u>169,540</u>
Accumulated Depreciation	(468,943)			
2013 Depreciation		(41,546)		
	<u>(468,943)</u>	<u>(41,546)</u>	<u>-</u>	<u>(510,489)</u>
<b>At December 31, 2013</b>	<b><u>754,887</u></b>	<b><u>38,518</u></b>	<b><u>-</u></b>	<b><u>793,405</u></b>
Land	344,300			
land purchase - 20 acres		285,341		
	<u>344,300</u>	<u>285,341</u>	<u>-</u>	<u>629,641</u>
Construction in Progress	-			
feasibility study		16,754		
	<u>-</u>	<u>16,754</u>	<u>-</u>	<u>16,754</u>
Buildings	790,054			
improvements		7,052		
	<u>790,054</u>	<u>7,052</u>	<u>-</u>	<u>797,106</u>
Equipment & Improvements	169,540			
computer equipment		5,484		
software		10,941		
shelter equipment		3,370		
van		81,530		
	<u>169,540</u>	<u>101,325</u>	<u>-</u>	<u>270,865</u>
Accumulated Depreciation	(510,489)			
2014 Depreciation		(54,568)		
	<u>(510,489)</u>	<u>(54,568)</u>	<u>-</u>	<u>(565,057)</u>
<b>At December 31, 2014</b>	<b><u>793,405</u></b>	<b><u>355,903</u></b>	<b><u>-</u></b>	<b><u>1,149,308</u></b>

**NOTE 6 – RESTRICTED NET ASSETS**

Temporarily restricted net assets have been restricted by donors as follows:

	<u>2014</u>	<u>2013</u>
Animal medical/surgical care	\$ 565,610	\$ 557,016
Animal behavior	-	37,150
Animal feed	31,684	28,264
Adoption/Outreach	-	45,000
Capital - new facility	255,678	-
Other specific animal needs	14,515	34,998
	<b><u>\$ 867,487</u></b>	<b><u>\$ 702,428</u></b>