

**Quincy Animal Shelter Inc.  
Financial Statements  
And Supplemental Information  
December 31, 2017  
&  
December 31, 2016**

# DENNIS

& ASSOCIATES, P.C.  
Certified Public Accountants

## ACCOUNTANTS' REVIEW REPORT

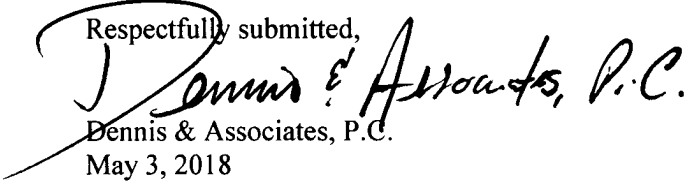
To the Board of Directors  
Quincy Animal Shelter, Inc.  
56 Broad Street  
Quincy, MA 02169

We have reviewed the accompanying balance sheets of Quincy Animal Shelter, Inc. as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets and cash flows for the years then ended, in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Quincy Animal Shelter, Inc.

A review consists principally of inquiries of Corporation personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Respectfully submitted,



*Dennis & Associates, P.C.*

Dennis & Associates, P.C.

May 3, 2018

QUINCY ANIMAL SHELTER, INC  
BALANCE SHEETS  
DECEMBER 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
Current assets:		
Cash (Note 2 and 3)	\$ 145,541.08	\$ 165,684.75
Inventory on hand	<u>1,947.80</u>	<u>1,647.75</u>
Total current assets	<u>147,488.88</u>	<u>167,332.50</u>
Fixed assets:		
Property and equipment, at cost (Note 2 and 5)	11,221.23	11,221.23
Less - accumulated depreciation	<u>10,076.78</u>	<u>9,413.22</u>
Total fixed assets	<u>1,144.45</u>	<u>1,808.01</u>
Other assets:		
Marketable securities (Note 4)	<u>218,175.85</u>	<u>167,770.21</u>
Total other assets	<u>218,175.85</u>	<u>167,770.21</u>
Total assets	<u>\$ 366,809.18</u>	<u>\$ 336,910.72</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Payroll liabilities	\$ -	\$ 1,180.00
Total current liabilities	<u>-</u>	<u>1,180.00</u>
Net assets	<u>366,809.18</u>	<u>335,730.72</u>
Total liabilities and net assets	<u>\$ 366,809.18</u>	<u>\$ 336,910.72</u>

See Accountants' Review Report.

QUINCY ANIMAL SHELTER, INC  
 STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
 FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

<u>SUPPORT AND REVENUE</u>	<u>2017</u>	<u>2016</u>
Adoption and surrender fees	\$ 63,182.00	\$ 73,728.00
Donations	84,751.49	102,905.30
Fundraising	59,094.37	86,410.62
Grants	5,000.00	5,000.00
Memberships	<u>3,265.00</u>	<u>2,480.00</u>
Total support and revenue	<u>215,292.86</u>	<u>270,523.92</u>
 <u>EXPENSES</u>		
Program services (see supplemental schedule I)	115,470.82	140,285.05
Support services (see supplemental schedule II)	<u>92,845.26</u>	<u>97,880.22</u>
Total expenses	208,316.08	238,165.27
 <u>OTHER INCOME (EXPENSES)</u>		
Interest income	108.50	46.74
Dividend income	3,236.04	2,560.26
Realized gains (loss) (Note 4)	-	-
Unrealized gains (loss) (Note 4)	<u>20,757.14</u>	<u>4,611.81</u>
Total other income (expenses)	<u>24,101.68</u>	<u>7,218.81</u>
 Change in net assets	 31,078.46	 39,577.46
Net assets at the beginning of the year	<u>335,730.72</u>	<u>296,153.26</u>
 Net assets at the end of year	 <u>\$ 366,809.18</u>	 <u>\$ 335,730.72</u>

See Accountants' Review Report.

QUINCY ANIMAL SHELTER, INC  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2017</u>	<u>2016</u>
Change in net assets	\$ 31,078.46	\$ 39,577.46
Adjustments to reconcile net income provided by operating activities:		
Depreciation	663.56	639.23
(Increase) decrease in:		
Inventory	(300.05)	1,027.25
Unrealized (gain) loss on investments	(20,757.14)	(4,611.81)
Increase (decrease) in:		
Payroll liabilities	<u>(1,180.00)</u>	<u>1,180.00</u>
Net cash provided (used) by operating activities	<u>9,504.83</u>	<u>37,812.13</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property and equipment	-	(1,459.94)
Investments in marketable securities	<u>(29,648.50)</u>	<u>(27,598.35)</u>
Net cash provided (used) by investing activities	<u>(29,648.50)</u>	<u>(29,058.29)</u>
 Net increase in cash and cash equivalents	(20,143.67)	8,753.84
Beginning cash balance	<u>165,684.75</u>	<u>156,930.91</u>
Ending cash balance	<u><u>\$ 145,541.08</u></u>	<u><u>\$165,684.75</u></u>

See Accountants' Review Report.

QUINCY ANIMAL SHELTER, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

NOTE 1 – NATURE OF ORGANIZATION:

Quincy Animal Shelter, Inc. (the Corporation) was organized as a public instrumentality in 2000 under Massachusetts General Laws, as a Massachusetts Public Charity. The Corporation's mission is to assist in the adoption of animals by caring families and to benefit the entire community and educate in animal awareness.

Specifically, the Corporation provides food, shelter and healthcare to rescued and adopted animals and provides assistance in the adoption of animals by local families.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of the Corporation are presented to facilitate the understanding of the financial information in the accompanying statement.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statements of Financial Accounting Standards (SFAS) Nos. 116 and 117, Accounting for Contributions Received and Contributions Made and Financial Statements of Not-for-Profit Organizations, respectively. Under SFAS No. 116, the Corporation is required to identify and account for contributions received or made based upon any donor-imposed conditions or restrictions. Under SFAS No. 117, the Corporation is required to report information regarding its financial position and activities according to three classes of net asset: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Accrual Basis

The Corporation follows the "accrual basis" in accounting for revenues and expenditures. This method recognizes revenues and expenditures when earned or due, rather than when received or paid.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less a reasonable estimate for accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful life of each asset. The cost and accumulated depreciation of assets sold or retired are removed for the respective amounts, and any gain or loss is recorded in earnings. Maintenance and repairs are charged to expenses when incurred.

Items having a cost of \$500 or more with a potential benefit to future years are capitalized at cost and subsequently depreciated using the straight-line method over varying estimated useful lives of five to twelve years. Items that do not meet this capitalization policy are charged to expenses as incurred.

In addition, donated materials and services related to the addition of property and equipment are recorded at the fair market value as of the date of the donation.

QUINCY ANIMAL SHELTER, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Contributions

All contributions and donations are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional.

Use of Restricted Support

Restricted support is considered to be spent first when both restricted and unrestricted sources of support are used in a particular program.

Corporate Taxes

The Corporation is generally exempt from federal taxes under section 501(c)(3) of the Internal Revenue code. The Corporation has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(VI).

Concentrations of Credit Risks

The Corporation maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Corporation has not experienced any losses in such accounts. The Corporation believed it is not exposed to any significant credit risk on cash.

Net Assets

Unrestricted

The Corporation reports contributions as unrestricted unless explicit donor stipulations specify how the contributions must be used.

Temporarily Restricted

The Corporation reports contributions as restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires or the purpose of the 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.

Permanently Restricted

Permanently restricted net assets consist of unexpended contributions to restricted funds.

QUINCY ANIMAL SHELTER, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Cash Equivalents

For purposes of the Statements of Cash Flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

NOTE 3 – CASH AND CASH EQUIVALENTS:

Cash and cash equivalents as of December 31, 2017 and 2016 consist of the following:

	2017	2016
Cash	\$ 145,541.08	\$ 165,684.75

Quincy Animal Shelter, Inc. maintains its cash and cash equivalents at Rockland Trust and Scottrade which is insured by the Federal Deposit Insurance Corporation (FDIC). The insured amounts by the FDIC were up to \$250,000.00 during the fiscal year ended December 31, 2017 and 2016. The Corporation's insured and uninsured amounts held at the institution are as follows:

	2017	2016
Rockland Trust	\$ 109,646.68	\$ 103,429.31
Scottrade	35,894.40	62,255.44
Amounts insured by FDIC	145,541.08	165,684.75
Uninsured cash and cash equivalents	\$ -	\$ -

The funds that are held at Scottrade are also insured by the Securities Investor Protection Corporation (SPIC).

NOTE 4 – INVESTMENT IN MARKETABLE SECURITIES:

The Company reports marketable securities in accordance with Statement of Financial Accounting Standards (SFAS) No. 115, Accounting for Certain Investments in Debt and Equity Securities (SFAS 115). The securities held by the Company at December 31, 2016 and 2015 are classified as debt and equity securities. Accordingly, amounts are reported at fair value, with unrealized gains and losses included in income. As of December 31, 2017 the fair market value of the marketable securities amounted to \$218,175.85. The Unrealized gain on these securities for the year ended December 31, 2017 was \$20,757.14. As of December 31, 2016 the fair market value of the marketable securities amounted to \$167,770.21. The Unrealized gain on these securities for the year ended December 31, 2016 was \$4,611.81.

QUINCY ANIMAL SHELTER, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2017 AND 2016

NOTE 5 – PROPERTY AND EQUIPMENT:

Property and equipment and related estimated useful lives as of December 31, 2017 and 2016 are summarized as follows:

	Life in years	2017	2016
Office Equipment	3-7	\$ 5,254.45	\$ 5,254.45
Shed	7-10	3,216.78	3,216.78
Signage	39	1,500.00	1,500.00
Improvements	5	<u>1,250.00</u>	<u>1,250.00</u>
		11,221.23	11,221.23
Less - accumulated depreciation		<u>(10,076.78)</u>	<u>(9,413.22)</u>
		<u>\$ 1,144.45</u>	<u>\$ 1,808.01</u>

The provisions for depreciation of \$663.56 and \$639.23 for the years ended December 31, 2017 and 2016, respectively, was calculated on the straight line method (Note 2).

NOTE 6 – REVENUE:

Revenue is derived from a variety of sources, primarily from events, grants and memberships. All donations were received without restrictions.

NOTE 7 – COMMITMENTS:

The Corporation has no lease and no rental expense. The City of Quincy owns the building the Corporation occupies and does not charge rent at this time.

NOTE 8 – PERMANENTLY RESTRICTED NET ASSETS:

The Corporation had no funds which are considered permanently restricted as of December 31, 2017 and 2016.

QUINCY ANIMAL SHELTER, INC  
SCHEDULES OF PROGRAM SERVICES  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

<u>SUPPLEMENTAL SCHEDULE I</u>	<u>2017</u>	<u>2016</u>
Animal care	\$ 21,095.76	\$ 26,224.90
Medical expenses	11,602.87	14,991.16
Veterinarian expenses	<u>82,772.19</u>	<u>99,068.99</u>
Total program services	<u>\$ 115,470.82</u>	<u>\$ 140,285.05</u>

See Accountants' Review Report.

QUINCY ANIMAL SHELTER, INC  
SCHEDULES OF SUPPORT SERVICES  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

<u>SUPPLEMENTAL SCHEDULE II</u>	<u>2017</u>	<u>2016</u>
Advertising	\$ 2,632.00	\$ 4,062.00
ASPCA Expo	2,467.20	-
Bank service charges	89.99	142.79
Computer and software	50.00	-
Depreciation expense	663.56	639.23
Dues and subscriptions	2,636.48	1,855.21
Entertainment	5,425.32	4,834.49
Fundraising	19,094.16	27,087.71
Gifts and awards	248.00	678.79
Insurance	4,460.80	4,641.80
Licenses and permits	-	295.00
Medical - incidental	1,193.84	-
Payroll taxes	3,455.70	3,303.04
Postage and delivery	1,835.87	2,851.90
Printing and reproduction	303.00	-
Professional fees	2,950.00	2,880.00
Repairs and maintenance	1,085.00	1,209.99
Salaries and wages	42,200.08	39,761.04
Storage	1,039.50	1,485.00
Taxes	140.00	255.00
Training and seminars	518.77	1,302.92
Website fees	355.99	594.31
	<u>                    </u>	<u>                    </u>
Total support services	<u>\$ 92,845.26</u>	<u>\$ 97,880.22</u>

See Accountants' Review Report.