

**MAYOR'S ALLIANCE FOR NYC'S ANIMALS, INC.**

***FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS***

**DECEMBER 31, 2015**

# MAYOR'S ALLIANCE FOR NYC'S ANIMALS, INC.

## ***TABLE OF CONTENTS***

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	<b><u>Page</u></b>
<b>REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS</b>	1-2
<b>FINANCIAL STATEMENTS</b>	
<i>Statements of Financial Position,</i> December 31, 2015 and 2014	3
<i>Statement of Activities and Changes in Net Assets,</i> Year ended December 31, 2015 with Summarized Information for 2014	4
<i>Statements of Cash Flows,</i> Years ended December 31, 2015 and 2014	5
<i>Notes to Financial Statements</i>	6-8
<b>SUPPLEMENTAL INFORMATION</b>	
<i>Functional Expenses,</i> Year ended December 31, 2015 with Summarized Information for 2014	9

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## **REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**Board of Directors**  
**Mayor's Alliance for NYC's Animals, Inc.**  
**New York, New York**

We have audited the accompanying financial statements of Mayor's Alliance for NYC's Animals, Inc. (the "*Alliance*"), which comprise the statement of financial position as of December 31, 2015 and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management 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 organization'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 organization'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 the Alliance as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Board of Directors  
Mayor's Alliance for NYC's Animals, Inc.  
New York, New York**

***Report on Summarized Comparative Information***

We have previously audited the Alliance's financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 17, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Matters – Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



**Philadelphia, Pennsylvania  
September 14, 2016**

# MAYOR'S ALLIANCE FOR NYC'S ANIMALS, INC.

## STATEMENTS OF FINANCIAL POSITION

December 31, 2015 And 2014

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	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 41,136	\$ 815,361
Contributions receivable	200,000	150,000
Security deposit and other assets	35,546	25,092
Fixed assets, net of accumulated depreciation of \$448,231 and \$364,013, respectively	<u>115,564</u>	<u>199,782</u>
<b>Total assets</b>	<b><u>\$ 392,246</u></b>	<b><u>\$ 1,190,235</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accrued expenses	<u>\$ 65,035</u>	<u>\$ 86,053</u>
Net assets		
Unrestricted	52,071	848,655
Temporarily restricted ( <i>Note 2</i> )	<u>275,140</u>	<u>255,527</u>
<b>Total net assets</b>	<b><u>327,211</u></b>	<b><u>1,104,182</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 392,246</u></b>	<b><u>\$ 1,190,235</u></b>

# MAYOR'S ALLIANCE FOR NYC'S ANIMALS, INC.

## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2015 With Summarized Information For 2014

	<u>Year Ended December 31, 2015</u>			<u>Year Ended</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>December 31, 2014</u>
				<u>Total</u>
<b>Support and Revenue</b>				
Contributions				
Foundations	\$ 281,650	\$ 2,724,867	\$ 3,006,517	\$ 6,133,439
Individuals and others	1,685,559	188,337	1,873,896	2,308,816
Other	1,394	-	1,394	7,825
Net assets released from restrictions (Note 2)	<u>2,893,591</u>	<u>(2,893,591)</u>	<u>-</u>	<u>-</u>
<b>Total support and revenue</b>	<u>4,862,194</u>	<u>19,613</u>	<u>4,881,807</u>	<u>8,450,080</u>
<b>Expenses</b>				
Program expense	5,100,848	-	5,100,848	7,998,455
Management and general	273,003	-	273,003	277,243
Fundraising	<u>284,927</u>	<u>-</u>	<u>284,927</u>	<u>284,377</u>
<b>Total expenses</b>	<u>5,658,778</u>	<u>-</u>	<u>5,658,778</u>	<u>8,560,075</u>
<b>Change in net assets</b>	(796,584)	19,613	(776,971)	(109,995)
<b>Net assets</b>				
Beginning of year	<u>848,655</u>	<u>255,527</u>	<u>1,104,182</u>	<u>1,214,177</u>
<b>End of year</b>	<u>\$ 52,071</u>	<u>\$ 275,140</u>	<u>\$ 327,211</u>	<u>\$ 1,104,182</u>

# MAYOR'S ALLIANCE FOR NYC'S ANIMALS, INC.

## STATEMENTS OF CASH FLOWS

Years Ended December 31, 2015 And 2014

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	<u>2015</u>	<u>2014</u>
<i>Cash flows from operating activities</i>		
<i>Change in net assets</i>	\$ (776,971)	\$ (109,995)
<i>Adjustments to reconcile net change in net assets to net cash used for operating activities</i>		
Depreciation	84,218	84,052
Increase in contribution receivable	(50,000)	-
Increase in security deposit and other assets	(10,454)	(731)
Increase (decrease) in accrued expense	<u>(21,018)</u>	<u>66,780</u>
<b>Net cash used for operating activities</b>	<u>(774,225)</u>	<u>40,106</u>
<i>Cash flows from investing activities</i>		
Purchase of fixed assets	<u>-</u>	<u>(53,549)</u>
<b>Decrease in cash</b>	(774,225)	(13,443)
<i>Cash and cash equivalents</i>		
Beginning of year	<u>815,361</u>	<u>828,804</u>
<b>End of year</b>	<u>\$ 41,136</u>	<u>\$ 815,361</u>

# MAYOR'S ALLIANCE FOR NYC'S ANIMALS, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

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### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **ORGANIZATION**

The Mayor's Alliance for NYC's Animals, Inc. (the "**Alliance**"), a 501(c)(3) non-profit charity, is the sole umbrella organization for animal welfare in New York City. Since 2003, the Alliance has been working with a coalition of 150+ rescue groups and shelters to find homes for thousands of New York City's dogs and cats. The Alliance's goal is to transform New York City into a no-kill community by 2015, where no dogs or cats of reasonable health or temperament are killed simply because they do not have homes.

While the Alliance works collaboratively with the City of New York, it is a 501(c)(3) charity and does not receive any government funding, nor is it a city agency.

#### **ACCOUNTING ESTIMATES**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

#### **CONCENTRATION OF CREDIT RISK**

The Alliance occasionally maintains deposits in excess of federally insured limits. Accounting Standards Codification ("**ASC**") 825, "**Financial Instruments**" identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

#### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include \$600,493 of money market funds as of December 31, 2014.

#### **FIXED ASSETS**

Fixed assets are recorded at cost less accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, generally three to seven years.

#### **CONTRIBUTIONS**

To ensure observation of limitations and restrictions placed on resources available to the Alliance, gifts of cash and other assets are reported 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 classified to unrestricted net assets and reported in the statement of activities as "**net assets released from restrictions.**"

#### **NET ASSETS**

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Alliance are classified and reported as follows:

**Unrestricted** – Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary mission of the Alliance.

**Temporarily Restricted** – Net assets that are subject to donor-imposed stipulations.



# MAYOR'S ALLIANCE FOR NYC'S ANIMALS, INC.

## NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2014

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### **ALLOCATION OF EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services.

### **TAXES**

The Alliance is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Internal Revenue Service has classified the Alliance as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code.

Management has reviewed the tax positions for each of the open tax years (2012 – 2014) or expected to be taken in the Alliance's 2015 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

### **PRIOR YEAR INFORMATION**

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Alliance's audited financial statements for the year ended December 31, 2014, from which the summarized information was derived.

## **(2) NET ASSETS**

Temporarily restricted net assets are available for the following purposes at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Community Cats	\$ -	\$ 29,057
Time restriction – use in future periods	200,000	150,000
Helping Pets & People / Other Projects	<u>75,140</u>	<u>76,470</u>
	<u>\$ 275,140</u>	<u>\$ 255,527</u>

During the year ended December 31, 2015, net assets released from restrictions were comprised of the following:

Maddie's Fund	
Pet Rescue Project	\$ 2,639,250
Community Cats	29,057
Picasso Fund	24,237
Broadway Barks	88,320
Wheels of Hope	2,751
Helping Pets & People / Homeless Project/Feral Cat Initiative	<u>109,976</u>
	<u>\$ 2,893,591</u>

# MAYOR'S ALLIANCE FOR NYC'S ANIMALS, INC.

## NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2015

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### (3) COMMITMENTS

The Alliance extended its lease for office space for an additional three years effective January 1, 2016 with monthly rent of \$5,958 for the first year and increasing each subsequent year. The lease terminates on December 31, 2019. Rent expense for the years ended December 31, 2015 and 2014 was \$92,676 and \$86,253, respectively.

Minimum annual rentals under the lease are as follows:

2016	\$ 71,498
2017	74,358
2018	77,332
2019	<u>77,332</u>
	<u>\$ 300,520</u>

### (4) RETIREMENT PLAN

The Alliance has a qualified 403(b) defined contribution retirement plan covering all full-time employees. Under the plan, employees may contribute up to the IRS elective deferral limit. The plan provides for discretionary contributions by the Alliance as a percentage of the elective deferrals. Total employer contributions to the plan in 2015 and 2014 were \$18,623 and \$16,340, respectively.

### (5) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date that the financial statements were available for issuance, September 14, 2016, have been evaluated in the preparation of the financial statements.

## **SUPPLEMENTAL INFORMATION**

# MAYOR'S ALLIANCE FOR NYC'S ANIMALS, INC.

## FUNCTIONAL EXPENSES

### Year Ended December 31, 2015 With Summarized Information For 2014

	<u>Year Ended December 31, 2015</u>			<u>Total Expenses</u>	<u>Year Ended</u>
	<u>Program</u>	<u>Management And General</u>	<u>Fund-Raising</u>		<u>December 31, 2014</u>
					<u>Total Expenses</u>
Salaries and benefits	\$ 496,267	\$ 110,951	\$157,882	\$ 765,100	\$ 653,809
Consultants	24,000	121,100	47,975	193,075	189,580
Insurance	3,021	2,539	961	6,521	6,349
Equipment and software	4,881	1,091	1,553	7,525	7,799
Printing and supplies	21,441	4,794	6,821	33,056	37,284
Telephone and communications	18,636	4,166	5,929	28,731	27,231
Postage and shipping	5,312	1,187	1,690	8,189	11,810
Travel and entertainment	20,844	4,661	6,631	32,136	40,380
Rent	60,113	13,440	19,124	92,677	86,253
Storage	10,362	2,316	3,297	15,975	10,918
Adoption/events	82,781	-	-	82,781	96,110
Vests	4,553	-	-	4,553	4,510
Grants	195,647	-	-	195,647	189,459
Adoption subsidies	2,558,823	-	-	2,558,823	5,384,000
Media expense	187,366	-	33,064	220,430	246,256
Emergency medical expense	232,593	-	-	232,593	342,824
Depreciation	81,742	2,476	-	84,218	84,052
Boarding	138,032	-	-	138,032	141,181
Spay/neuter program	10,310	-	-	10,310	9,663
Animal transport program	639,834	-	-	639,834	669,378
Feral cat initiative	200,202	-	-	200,202	193,833
Special projects	96,600	-	-	96,600	105,654
Miscellaneous	<u>7,488</u>	<u>4,282</u>	<u>-</u>	<u>11,770</u>	<u>21,742</u>
<b>Total expenses</b>	<b><u>\$ 5,100,848</u></b>	<b><u>\$ 273,003</u></b>	<b><u>\$284,927</u></b>	<b><u>\$ 5,658,778</u></b>	<b><u>\$ 8,560,075</u></b>