



Friends Mascot Eddie

## 2016 Annual Report

Dear Friends:

Friends of the Fairfax County Animal Shelter (Friends) is pleased to present its 2016 Annual Report. Our 2016 financial statements, were audited by Burdette Smith & Bish LLC, and the audited financial statements with footnotes are attached.

Friends is the nonprofit fundraising partner of the Fairfax County Animal Shelter. With the support of many animal-loving donors and volunteers, Friends funds important needs beyond what the Shelter's budget can provide. In addition to funding behavioral training for dogs both pre- and post-adoption, Friends helps animals throughout the shelter with dental procedures, surgeries, medical therapies, parasite prevention and more. With the help of our generous community, Friends joins in the shelter's effort to ensure every shelter pet is offered the best opportunity to find and remain in a loving forever home. A brief overview of our 2016 efforts follows.

Friends' Parasite Prevention Program, launched in late 2015, continues to be a game changer. Parasite prevention ensures the health of not only our pets, but that of the people in their lives. The Friends-funded program provides flea, tick and worm prevention to all dogs, cats and rabbits upon shelter intake. In 2016, Friends provided a total of \$49,605 in funding toward the treatment of 3,505 dogs, 1,318 cats and 218 rabbits.

Also in 2016, Friends partnered with the Shelter by funding the care and medical rehabilitation of 46 puppies seized from a local pet store. The store was selling sick puppies housed in deplorable conditions and that were not receiving proper medical care. Such a large intake was especially challenging for the Shelter because most of the puppies needed emergency medical care. Several puppies required extensive testing, further driving up costs. However, with the full financial backing of Friends, the Shelter's devoted staff and veterinary team rehabilitated each of the cuddly puppies. Friends also funded the spay/neuter of each, and at an adoption event which drew hundreds of local pet lovers, each puppy found a forever home. Throughout the year, Friends also sponsored four major adoption events helping hundreds of pets find a forever family!

Although still an all-volunteer organization throughout our tenth year, in 2016 we exceeded our fundraising goals. As Friends continues to grow, our contribution to the Shelter becomes indispensable, and therefore our sustainability more crucial. To ensure long-term support for the Shelter, we concluded it was time to take our organization to the next level. By the end of 2016 the process for hiring an Executive Director in 2017 was well underway.

We are extremely grateful for the support you have provided Friends over the past decade. Your donations and participation in events such as *Wine, Whiskers and Wags*, help to ensure that each shelter pet is provided the best opportunity to find and remain in a loving forever-home. Thank you for all that you do.

**Evelyn Grieve, President**  
**Friends of the Fairfax County Animal Shelter**

## 2016 Highlights

- Supported Fairfax County Animal Shelter (FCAS) operations and shelter pets with 95% of expenditures.
- Allocated 37% of expenses to provide veterinary care to shelter pets. Assistance with medical expenses continues to be the greatest need.
- Provided funding for more than 300 spay and neuter surgeries, comprising 10% of 2016 expenditures.
- To help reunite lost pets with their families more quickly, provided funding for collars and personalized I.D. tags for more than 2,250 adopted dogs and cats, comprising 6% of expenditures.
- Highlighted the Shelter's neediest animals through Friends' Shelter Pet Sponsorship Program, helping 280 pets find their forever homes.
- Provided funding to the FCAS which amounted to 22% of the Shelter's annual operating budget.

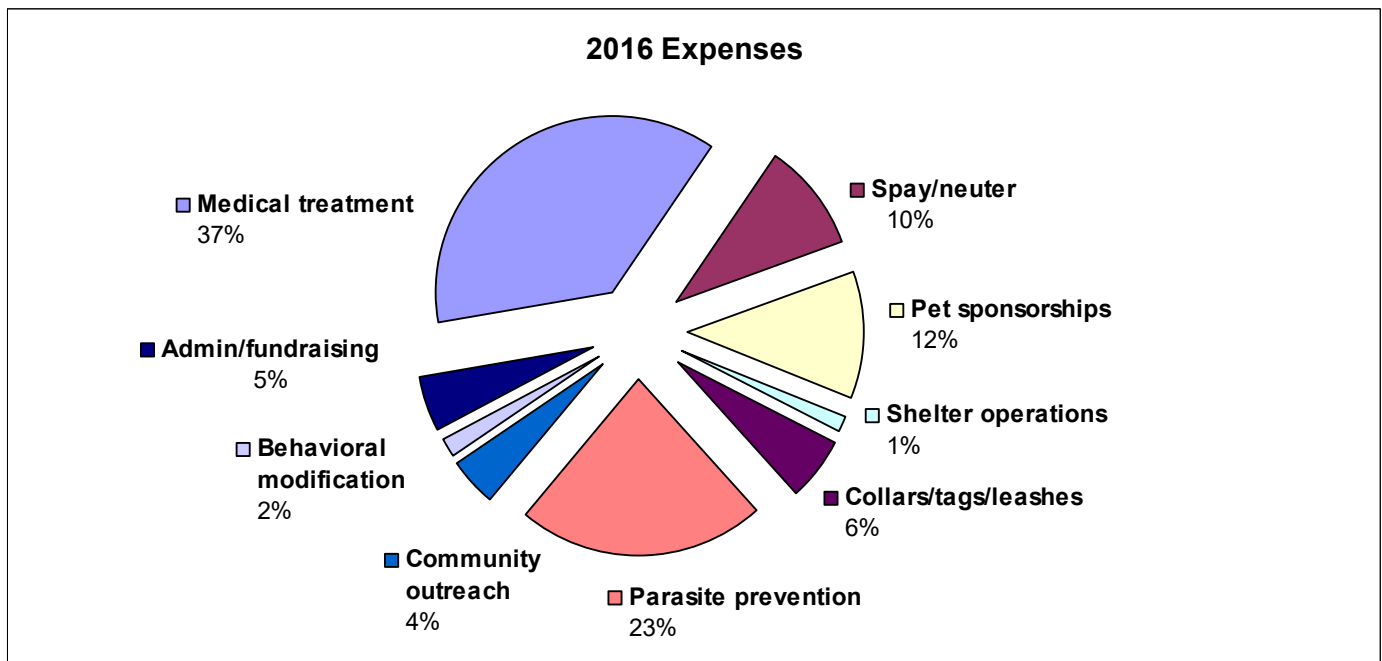
## 2016 Financial Summary

### Revenue:

Revenue continues to grow year-over-year as Friends pursues efforts to build support in the community through ongoing outreach activities and increasing recognition on social media.

### Expenses:

As an all-volunteer organization, Friends has historically kept administrative and fundraising expenses to a minimum. In 2016, Friends maintained its stellar record, expending 95% in direct support of shelter programs and shelter pets in Fairfax County, Virginia.



## Statements of Revenue and Expense

	<u>2016</u>	<u>2015</u>
<b>Net revenue</b>	<b>\$ 333,753</b>	<b>\$ 206,669</b>
Medical treatment for shelter animals	81,466	40,295
Parasite prevention program	49,605	8,928
Pet sponsorship program	25,808	15,426
Spay/neuter program	22,049	21,597
Collar, tag and leash program	12,826	10,027
Community outreach and education	9,753	7,456
Behavioral modification program	3,775	6,935
Shelter operations	3,304	5,037
Administrative and fundraising	10,979	9,315
<b>Total expense</b>	<b>219,565</b>	<b>125,016</b>
<b>Excess of revenue over expense</b>	<b>\$ 114,188</b>	<b>\$ 81,653</b>

## A Few Success Stories

### Shadow

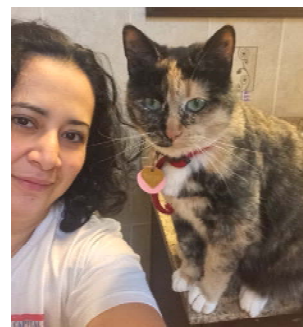
Shadow, a beautiful three-year old German shepherd with a sweet disposition, came to the Shelter in need of CCL surgery on both legs. He was clearly in pain, but the cost of surgeries was beyond what the Shelter's budget would allow. Eager to support Shadow's recovery, Friends posted Shadow's needs on Facebook. Behold! One generous donor offered to fully fund the surgery for one of Shadow's legs, and Friends funded the other. After recovering from surgery, Shadow completed his journey and is now living large with his new mom and dad!



### Margaret

Unbeknownst to the homeowners, a cat wandered in and delivered a litter of kittens in a one of their closets! After caring for the mama cat (which they had named Margaret) and her kittens for several weeks, the homeowners sought the help of the Shelter in finding each friendly feline a new home. But just days after surrendering the cats, the family so missed Margaret that they returned to adopt her. During her short Shelter stay, Margaret had received her vaccinations, been spayed, was provided Friends-funded parasite prevention, and was microchipped (a program piloted by Friends).

Though she seems to love returning to her home, Margaret – a very curious kitty – soon goes missing! But wait – just weeks later during the Shelter's Monday spay/neuter of trapped community cats, a routine scan identifies a microchip and reveals that Margaret was once again at the Shelter! Margaret had been trapped by a volunteer who supports the Shelter's TNR program. TNR (Trap Neuter Release) is a County funded program that is subsidized by Friends.



Margaret was happy to return, once again, to her fated family. Margaret keeps everyone on their toes, providing entertainment and enrichment to daily life. And, today, Margaret's new mom is volunteering with the Shelter's TNR program.

## Molly...Moxie!

As we shared in our 2015 report, after arriving at the Shelter, it was discovered that Molly had previously suffered a CCL injury that required surgery. With funds donated by our community, Friends was able to pay for the surgery. Since our last report, Molly has been adopted! Today, known as Moxie, she runs pain free and can fully enjoy the love of her active forever family. As you can see from the snuggles she's receiving, it was the right thing to do.



## Oso

Sometimes, even the best-intentioned pet owners overlook the fact that, just like us, pets need dental care.

Eight-year old Oso came to the Shelter needing extensive dental work including a mass removal, extractions and a good cleaning. Friends funded the procedures, and after recovering in foster care, he quickly found his forever home. Isn't he adorable!



## You Make It Happen!

Thank you to our amazing community of animal-lovers who make Friends' work possible! Donations from individual, families, civic groups, clubs and local businesses fund the work we do on behalf of shelter pets. Thank you also, to the many local veterinarians, trainers and other animal care businesses who support our efforts by extending free and discounted services for shelter pets.

*2016 Financial Statements Follow.*

**Friends of the Fairfax County Animal Shelter**  
P.O. Box 2321 Centreville, VA 20122

[www.ffcas.org](http://www.ffcas.org)

 <https://www.facebook.com/FFCAS>





**FRIENDS OF THE FAIRFAX COUNTY ANIMAL SHELTER**

**INDEPENDENT AUDITORS' REPORT  
AND FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 AND 2015**

BURDETTE SMITH & BISH LLC  
CPAS AND MANAGEMENT CONSULTANTS  
4035 RIDGE TOP ROAD SUITE 550  
FAIRFAX, VA 22030

# **FRIENDS OF THE FAIRFAX COUNTY ANIMAL SHELTER**

## **INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 AND 2015**

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**INDEPENDENT AUDITORS' REPORT**

Board of Directors of  
Friends of the Fairfax County Animal Shelter  
Centreville, VA

We have audited the accompanying financial statements of Friends of the Fairfax County Animal Shelter (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and cash flows 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 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 Friends of the Fairfax County Animal Shelter as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Prior Period Financial Statements**

The 2015 financial statements were reviewed by us, and our report thereon, dated June 22, 2016 stated we were not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements

*Burdette Smith & Bish, LLC*

Fairfax, Virginia  
June 29, 2017

# FRIENDS OF THE FAIRFAX COUNTY ANIMAL SHELTER

## STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2016 AND 2015

ASSETS	2016 Audited	2015 Reviewed
<b>CURRENT ASSETS</b>		
Cash and cash equivalents .....	\$ 457,854	\$ 346,425
Accounts receivable .....	-	5,720
<b>Total Current Assets</b> .....	<b>457,854</b>	<b>352,145</b>
	<b>\$ 457,854</b>	<b>\$ 352,145</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable .....	\$ 8,525	\$ 14,255
<b>Total Current Liabilities</b> .....	<b>8,525</b>	<b>14,255</b>
 <b>NET ASSETS</b>		
Unrestricted .....	442,727	328,539
Temporarily restricted .....	6,602	9,351
	<b>449,329</b>	<b>337,890</b>
	<b>\$ 457,854</b>	<b>\$ 352,145</b>

The accompanying notes are an integral part of these financial statements.



# FRIENDS OF THE FAIRFAX COUNTY ANIMAL SHELTER

## STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

UNRESTRICTED NET ASSETS	2016 Audited	2015 Reviewed
Revenue		
Contributions .....	\$ 279,801	\$ 150,787
Fundraising events, net of expenses .....	14,936	30,420
Interest income .....	2,988	1,386
Total Unrestricted Revenue .....	297,725	182,593
Net Assets released from restrictions .....	36,028	24,076
	333,753	206,669
Expenses		
Program:		
Behavioral modification program .....	3,775	6,935
Community outreach and education .....	5,253	5,456
Foster program .....	-	473
Medical treatment for shelter animals .....	77,910	34,784
Owner assist medical treatment .....	3,556	5,511
Parasite prevention program .....	49,605	8,928
Shelter support .....	3,304	4,564
Collar, tag and leash program .....	12,826	10,027
Pet sponsorship program expenses .....	25,808	15,426
Shelter spay neuter .....	22,049	21,597
Other.....	4,500	2,000
Total Program Expenses .....	208,586	115,701
General and administrative .....	10,594	8,930
Fundraising .....	385	385
	219,565	125,016
<b>CHANGE IN UNRESTRICTED NET ASSETS .....</b>	<b>114,188</b>	<b>81,653</b>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions .....	33,279	31,252
Net assets released from restrictions .....	(36,028)	(24,076)
<b>CHANGE IN TEMPORARILY RESTRICTED NET ASSETS .....</b>	<b>(2,749)</b>	<b>7,176</b>
<b>CHANGE IN NET ASSETS .....</b>	<b>111,439</b>	<b>88,829</b>
<b>NET ASSETS, BEGINNING OF YEAR .....</b>	<b>337,890</b>	<b>249,061</b>
<b>NET ASSETS, END OF YEAR .....</b>	<b>\$ 449,329</b>	<b>\$ 337,890</b>

The accompanying notes are an integral part of these financial statements.

# FRIENDS OF THE FAIRFAX COUNTY ANIMAL SHELTER

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016 Audited	2015 Reviewed
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from donors .....	\$ 333,736	\$ 216,739
Cash paid to suppliers .....	(225,295)	(113,051)
Interest income .....	2,988	1,386
<b>Net Cash Provided By (Used In) Operating Activities .....</b>	<b>111,429</b>	<b>105,074</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS .....</b>	<b>111,429</b>	<b>105,074</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR .....</b>	<b>346,425</b>	<b>241,351</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR .....</b>	<b>\$ 457,854</b>	<b>\$ 346,425</b>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets .....	\$ 111,439	\$ 88,829
<b>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:</b>		
(Increase) decrease in accounts receivable .....	5,720	4,280
Increase (decrease) in accounts payable .....	(5,730)	11,965
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES .....</b>	<b>\$ 111,429</b>	<b>\$ 105,074</b>

The accompanying notes are an integral part of these financial statements.

# FRIENDS OF THE FAIRFAX COUNTY ANIMAL SHELTER

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

### NOTE 1 – Summary of Significant Accounting Policies

Friends of the Fairfax County Animal Shelter (the Organization), is a not-for-profit charitable organization formed in 2006 in the Commonwealth of Virginia. The Organization supports the Fairfax County Animal Shelter by financing medical treatment, surgery, grooming and adoption support for shelter animals. It also supports spay and neuter efforts, assists with foster and rescue programs, purchases supplies for the shelter, and conducts outreach and education efforts related to companion animals.

#### Support and Expenses

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

#### Tax Exempt Status

The Organization has been granted exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended and is classified as other than a private foundation. However, income from certain activities not directly related to the organization's tax exempt purposes may be subject to taxation as unrelated business income. There was no unrelated business income in 2016 or 2015.

Management has evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to or disclosure in the financial statements. With few exceptions, federal and state information returns for the years prior to 2013 are no longer subject to examination by tax authorities.

#### Use of 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 Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted bank accounts and short term certificates of deposit to be cash and cash equivalents.

#### Accounts Receivable

Accounts receivable represent unconditional promises to give that are expected to be collected within one year and are reported at their net realizable value. The Organization uses the allowance method for recording bad debt expense. Management periodically reviews the aged receivables and adjusts the allowance to reflect the current estimate of future bad debt expense. Management believes all amounts are fully collectible at December 31, 2016 and 2015, respectively.

# FRIENDS OF THE FAIRFAX COUNTY ANIMAL SHELTER

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

### NOTE 1 – Summary of Significant Accounting Policies, continued

**Classes of Assets**

To ensure the observance of limitations and restrictions placed on the use of resources available to the Organization, resources for various purposes are classified for accounting purposes into the following classes established according to their nature and purpose.

**Unrestricted net assets** are the net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations and includes Board designated funds, i.e.: funds that have been segregated by the Board to be spent only on specified purposes.

**Temporarily restricted net assets** result from contributions whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to these stipulations. Net assets may be temporarily restricted for various purposes, such as use in future periods or use for specified purposes.

**Permanently restricted net assets** are contributions whose use is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by the Organization’s actions. The donor of these assets permits the Organization to use all of the income earned on related investments for unrestricted purposes. The Organization has no permanently restricted net assets.

**Subsequent Events**

The Organization evaluated its December 31, 2016 financial statements for subsequent events through June 29, 2017, the date the financial statements were available to be issued.

### NOTE 2 – Special Events

Special fundraising events are reflected net of costs in the statement of activities. Gross revenues and expenses for the years ended December 31, 2016 and 2015, respectively, are comprised of the following:

	2016	2015
	<u>Audited</u>	<u>Reviewed</u>
Revenues .....	\$ 21,476	\$ 41,378
Expenses .....	(6,540)	(10,958)
Net .....	<u>\$ 14,936</u>	<u>\$ 30,420</u>

# FRIENDS OF THE FAIRFAX COUNTY ANIMAL SHELTER

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

### NOTE 3 – Temporarily Restricted Net Assets

Temporarily restricted net asset activity for the years ended December 31, 2016 and 2015, respectively, is comprised of the following:

	<u>2015</u>	<u>Additions</u>	<u>Releases</u>	<u>2016</u>
Adoption Event Program .....	\$ 2,350	\$ 5,620	\$ (7,970)	\$ -
Pet Sponsorship Program .....	4,454	14,702	(14,380)	4,776
Pet Media Sponsorship Program ....	522	2,598	(2,797)	323
Program Specific Funding .....	<u>2,025</u>	<u>10,359</u>	<u>(10,881)</u>	<u>1,503</u>
	<u>\$ 9,351</u>	<u>\$ 33,279</u>	<u>\$ (36,028)</u>	<u>\$ 6,602</u>