

**Audited Financial Statements**  
***Dedication and Everlasting Love to Animals***  
***As of and for the Year ended December 31, 2015***  
***with Report of Independent Auditors***

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## **Report of Independent Auditors**

### **To the Board of Directors**

### **Dedication and Everlasting Love to Animals**

#### **Report on the Financial Statements**

I have audited the accompanying financial statements of Dedication and Everlasting Love to Animals (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses, 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**

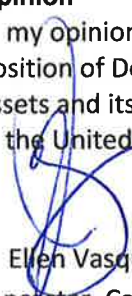
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dedication and Everlasting Love to Animals 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.



Jo Ellen Vasquez, CPA  
Lancaster, California  
May 28, 2016

**DEDICATION AND EVERLASTING LOVE TO ANIMALS**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2015**

ASSETS

CURRENTS ASSETS

Cash and cash equivalents	\$ 826,604
Short-term investments	<u>6,290,593</u>
TOTAL CURRENT ASSETS	<u>7,117,197</u>

PROPERTY AND EQUIPMENT

3,240,258

TOTAL ASSETS

\$ 10,357,455

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 4,282
TOTAL CURRENT LIABILITIES/TOTAL LIABILITIES	<u>4,282</u>

NET ASSETS

Unrestricted	<u>10,353,173</u>
TOTAL NET ASSETS	<u>10,353,173</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 10,357,455

See accompanying notes to financial statements.

**DEDICATION AND EVERLASTING LOVE TO ANIMALS  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2015**

REVENUES AND OTHER SUPPORT	
Contributions	\$ 8,807,430
Investment return	<u>96,614</u>
TOTAL REVENUES AND OTHER SUPPORT	8,904,044
EXPENSES	
Program services	7,434,565
Supporting services	
Management and general	55,087
Fund-raising	<u>415,623</u>
TOTAL EXPENSES	<u>7,905,275</u>
CHANGE IN NET ASSETS	998,769
NET ASSETS, beginning of year	<u>9,354,404</u>
NET ASSETS, end of year	<u>\$ 10,353,173</u>

See accompanying notes to financial statements.

**DEDICATION AND EVERLASTING LOVE TO ANIMALS**  
**STATEMENT OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2015**

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 998,769
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	131,700
Increase in operating liabilities	
Accounts payable	<u>(34,076)</u>
NET CASH USED BY OPERATING ACTIVITIES	1,096,393
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisitions of property and equipment	(24,462)
Short-term investments, net	<u>(427,637)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(452,099)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	644,294
BEGINNING CASH AND CASH EQUIVALENTS	<u>182,310</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>826,604</u></u>

See accompanying notes to financial statements.

## **DEDICATION AND EVERLASTING LOVE TO ANIMALS**

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

##### Nature of Activities

Dedication and Everlasting to Animals was incorporated under the laws of the State of California on July 7, 1982. The organization currently operates sanctuaries in Saugus, and Acton, California. Expansion plans include enlarging the existing facility for dogs and cats and taking a more active role in national education programs. Dedication and Everlasting Love to Animals is involved in the following:

- A. Searching for and rescuing animals that have been abandoned in the wilderness by their owners. Dedication and Everlasting to Animals is a no kill sanctuary and all the animals have a permanent home at one of the organizations facilities unless they are adopted by a Dedication and Everlasting Love to Animals member.
- B. Education of the public with regard to the plight of abandoned animals, responsibilities of pet ownership, as well as how to find homes for lost animals. This goal is met by both written material as well as television, film, dvds, and published material produced by Living Earth Productions, Inc. and funded by Dedication and Everlasting Love to Animals.

##### Basis of Accounting

The financial statements of the Organization have been prepared using the accrual basis of accounting.

##### Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

##### Investment Securities

Investment securities are stated at cost or, in the case of contributed securities, at their fair market value at date of receipt.

### Property and Equipment

The Organization capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to thirty years.

Contributions and Support – Dedication and Everlasting Love to Animals is primarily supported by a large number of small donations and some larger bequests.

### Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation and California Revenue and Taxation Code Section 23701(d).

### Functional Allocation of Expenses

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

### Allocation of Joint Costs

Dedication and Everlasting Love to Animals has allocated joint costs incurred for multipurpose activities as follows:

	<u>Program Services</u>	<u>Fundraising</u>	<u>Total Joint Costs</u>
Lettershop	\$ 25,816	\$ 17,212	\$ 43,028
Postage	106,996	81,038	188,034
Printing	<u>98,874</u>	<u>65,916</u>	<u>164,790</u>
Total	<u>\$ 231,686</u>	<u>\$ 164,166</u>	<u>\$ 395,852</u>

**DEDICATION AND EVERLASTING LOVE TO ANIMALS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2015**

	<u>PROGRAM SERVICES</u>		<u>SUPPORTING SERVICES</u>		
	<u>Shelters</u>	<u>Educational</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total</u>
Accounting			\$ 20,075		\$ 20,075
Advertising	\$ 143,829			\$ 25,382	\$ 169,211
Auto expense	38,036			2,002	\$ 40,038
Bank charges	-		2,385	150	\$ 2,535
Contract Services	296,493				\$ 296,493
Courier	11,775				\$ 11,775
Depreciation	131,700				\$ 131,700
Donations	217,597				\$ 217,597
Dues & Subscriptions			905	4,656	\$ 5,561
Educational		\$ 1,065,144			\$ 1,065,144
Equipment rental	30,892				\$ 30,892
Food	932,339				\$ 932,339
Grooming	27,288				\$ 27,288
Insurance	448,212		5,790		\$ 454,002
Legal	412,065			10,770	\$ 422,835
Lettershop	25,816			17,212	\$ 43,028
Licenses	-		3,539		\$ 3,539
Postage	102,836			68,557	\$ 171,393
Linen cleaning	156,443				\$ 156,443
Miscellaneous	-		14,373		\$ 14,373
Office	34,337		3,990	28,331	\$ 66,658
Postage	4,160			12,481	\$ 16,641
Printing	98,874			65,916	\$ 164,790
Repairs	71,361		3,630	6,521	\$ 81,512
RX	612,015				\$ 612,015
Salaries	757,282			92,489	\$ 849,771
Security	293,092				\$ 293,092
Staff Leasing				27,467	\$ 27,467
Supplies	687,093			27,489	\$ 714,582
Supplies - animals	134,666				\$ 134,666
Taxes	145,567		400	4,701	\$ 150,668
Telephone	23,283			7,819	\$ 31,102
Trash	69,739			2,675	\$ 72,414
Travel	12,872			5,957	\$ 18,829
Utilities	79,087			5,048	\$ 84,135
Veterinarians	370,672				\$ 370,672
<b>Total expense</b>	<b>\$ 6,369,421</b>	<b>\$ 1,065,144</b>	<b>\$ 55,087</b>	<b>\$ 415,623</b>	<b>\$ 7,905,275</b>

See accompanying notes to financial statements.