

Jo Ellen Vasquez, CPA

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Audited Financial Statements

Dedication and Everlasting Love to Animals

As of and for the Year ended December 31, 2017

with Report of Independent Auditors

JO ELLEN VASQUEZ, C.P.A.

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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, 2017, 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

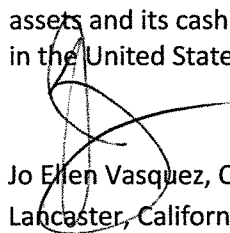
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether 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, 2017, 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 25, 2018

**DEDICATION AND EVERLASTING LOVE TO ANIMALS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017**

ASSETS

CURRENTS ASSETS

Cash and cash equivalents	\$ 967,007
Short-term investments	<u>9,178,337</u>
TOTAL CURRENT ASSETS	<u>10,145,344</u>

PROPERTY AND EQUIPMENT

3,280,525

TOTAL ASSETS

\$ 13,425,869

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 25,815
TOTAL CURRENT LIABILITIES/TOTAL LIABILITIES	<u>25,815</u>

NET ASSETS

Unrestricted	<u>13,400,054</u>
TOTAL NET ASSETS	<u>13,400,054</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 13,425,869

See accompanying notes to financial statements.

DEDICATION AND EVERLASTING LOVE TO ANIMALS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017

SUPPORT AND REVENUE	
Contributions	\$ 8,174,439
Investment return	<u>121,654</u>
TOTAL REVENUES AND OTHER SUPPORT	8,296,093
EXPENSES	
Program services	6,351,086
Supporting services	
Management and general	69,465
Fund-raising	<u>347,326</u>
TOTAL EXPENSES	<u>6,767,877</u>
CHANGE IN NET ASSETS	1,528,216
NET ASSETS, beginning of year	<u>11,871,838</u>
NET ASSETS, end of year	<u><u>\$ 13,400,054</u></u>

See accompanying notes to financial statements.

DEDICATION AND EVERLASTING LOVE TO ANIMALS
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 1,528,216
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	137,087
Increase in operating liabilities	
Accounts payable	<u>(9,091)</u>
 CASH PROVIDED BY OPERATING ACTIVITIES	 1,656,212
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>(163,150)</u>
 CASH USED for INVESTING ACTIVITIES	 <u>(163,150)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 1,493,062
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 <u>8,652,282</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u><u>10,145,344</u></u>

See accompanying notes to financial statements.

DEDICATION AND EVERLASTING LOVE TO ANIMALS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017

	<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			\$ 22,825		\$ 22,825
Advertising	\$ 86,718			\$ 13,175	\$ 99,893
Auto expense	30,872			1,624	\$ 32,496
Bank charges	-		634		\$ 634
Casual labor	1,044,807				\$ 1,044,807
Courier	8,527				\$ 8,527
Depreciation	137,087				\$ 137,087
Donations	168,985				\$ 168,985
Dues & Subscriptions			362	1,908	\$ 2,270
Educational		<u>\$ 707,897</u>			\$ 707,897
Equipment rental	27,485				\$ 27,485
Food	956,110				\$ 956,110
Grooming	39,620				\$ 39,620
Insurance	325,183		5,790		\$ 330,973
Legal	69,893		5,084	5,819	\$ 80,796
Lettershop	16,123			10,749	\$ 26,872
Licenses	-		2,069		\$ 2,069
Postage	40,800			27,200	\$ 68,000
Linen cleaning	109,713				\$ 109,713
Miscellaneous	-		25,968		\$ 25,968
Office	46,542		3,808	33,292	\$ 83,642
Postage	1,783			5,348	\$ 7,131
Printing	116,444			77,630	\$ 194,074
Repairs	70,716		2,225	7,418	\$ 80,359
RX	381,330				\$ 381,330
Salaries	588,574			78,146	\$ 666,720
Security	29,317				\$ 29,317
Staff Leasing	-			29,198	\$ 29,198
Supplies	688,634		300	24,048	\$ 712,982
Supplies - animals	94,850				\$ 94,850
Taxes	76,078		<u>400</u>	10,101	\$ 86,579
Telephone	21,596			7,588	\$ 29,184
Trash	63,456			1,963	\$ 65,419
Travel	15,693			7,051	\$ 22,744
Utilities	79,401			<u>5,068</u>	\$ 84,469
Veterinarians	<u>306,852</u>				\$ 306,852
Total expense	<u>\$ 5,643,189</u>	<u>\$ 707,897</u>	<u>\$ 69,465</u>	<u>\$ 347,326</u>	<u>\$ 6,767,877</u>

See accompanying notes to financial statements.

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DEDICATION AND EVERLASTING LOVE TO ANIMALS NOTES TO FINANCIAL STATEMENTS

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.

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.

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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	\$ 16,123	\$ 10,749	\$ 26,872
Postage	106,997	75,507	182,504
Printing	<u>153,644</u>	<u>102,430</u>	<u>256,074</u>
Total	<u>\$ 276,764</u>	<u>\$ 188,686</u>	<u>\$ 465,450</u>