



Stanley R. Greenberg
CERTIFIED PUBLIC ACCOUNTANT

3000 Marcus Ave. Suite 2E4
Lake Success, NY 11042-1005
Phone: (516) 470-6190
Fax: (516) 352-5216
Email: SRGCPA@hotmail.com

ANIMAL HAVEN, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014

ANIMAL HAVEN, INC.

TABLE OF CONTENTS
FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENT OF CASH FLOWS	6 - 7
NOTES TO FINANCIAL STATEMENTS	8 -11

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Animal Haven, Inc.
New York, New York

Report on the Financial Statements

I have audited the accompanying financial statements of Animal Haven, Inc., (the "Organization"), which comprise the balance sheets as of December 31, 2015 and 2014 and the related statements of income and of cash flows for the years 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 audits. I conducted my audits 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.



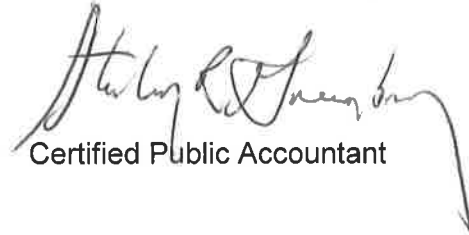
Other Information

3000 Marcus Ave. Suite 2E4
Lake Success, NY 11042-1005
Phone: (516) 470-6190
Fax: (516) 352-5216
Email: srgr@att.net

As discussed in Note 2(a), these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Opinion

In my opinion, the 2015 and 2014 financial statements referred to above present fairly, in all material respects, the financial position of Animal Haven, Inc. as of December 31, 2015 and 2014 and the results of their operations and their cash flows for the years then ended in conformity with accounting principles accepted in the United States of America.



Certified Public Accountant

Lake Success, New York
November 9, 2016

ANIMAL HAVEN, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS:		
Cash - non-interest bearing	\$ 1,570,564	\$ 1,947,992
Cash - interest bearing	5,254	3,498
Investments - marketable securities	351,431	354,985
Grant receivable	12,500	-
Prepaid insurance	10,186	10,904
Prepaid rent	28,000	-
Prepaid expenses	13,291	31,154
Security Deposit - 200 Centre Street	224,000	-
Security deposit - adoption center	1,305	8,305
Property and equipment net of accumulated depreciation	<u>2,633,992</u>	<u>306,494</u>
TOTAL ASSETS	<u><u>\$ 4,850,523</u></u>	<u><u>\$ 2,663,332</u></u>
LIABILITIES:		
Accounts payable	<u>\$ 75,696</u>	<u>\$ 115,672</u>
TOTAL LIABILITIES	<u>75,696</u>	<u>115,672</u>
NET ASSETS:		
Unrestricted	4,176,912	2,547,660
Temporarily restricted	<u>597,915</u>	<u>-</u>
TOTAL NET ASSETS	<u>4,774,827</u>	<u>2,547,660</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 4,850,523</u></u>	<u><u>\$ 2,663,332</u></u>

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

ANIMAL HAVEN, INC.

STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015		2014	
	Unrestricted	Temporarily Restricted	Total	Total
SUPPORT AND REVENUE				
Corporate and business grants	\$ 209,750	\$ 380,000	\$ 589,750	\$ 224,400
Bequests	1,607,750	-	1,607,750	525,003
General contributions	824,218	-	824,218	689,187
Adoption center	277,459	-	277,459	271,301
Mailings	156,473	-	156,473	165,869
Capital campaign	-	245,000	245,000	-
Special events	11,630	-	11,630	53,754
Spring benefit:				197,231
Support	372,965	-	372,965	-
Expenses	(108,849)	-	(108,849)	-
Investment income	14,344	-	14,344	18,273
Sale of securities	(1,817)	-	(1,817)	(725)
Net change in unrealized (loss)/gain on securities	(10,988)	-	(10,988)	(1,217)
TOTAL SUPPORT AND REVENUE	3,352,935	625,000	3,977,935	2,143,076
EXPENSES				
Program services	1,409,899	27,085	1,436,984	1,376,931
General and administrative	63,385	-	63,385	54,962
Fund-raising	250,399	-	250,399	199,034
TOTAL EXPENSES	1,723,683	27,085	1,750,768	1,630,927
CHANGE IN NET ASSETS	1,629,252	597,915	2,227,167	512,149
Net assets at beginning of year	2,547,660	-	2,547,660	2,035,511
NET ASSETS AT END OF YEAR	\$ 4,176,912	\$ 597,915	\$ 4,774,827	\$ 2,547,660

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

ANIMAL HAVEN, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015			2014	
	Program Services	Management and General	Fund-raising	Total	Total
Adoption Center Expenses:					
Payroll (X)	\$ 443,032	\$ 28,893	\$ 9,632	\$ 481,557	\$ 407,444
Payroll taxes	35,574	2,320	773	38,667	34,099
Employee benefits	67,118	4,377	1,459	72,954	71,300
Occupancy expenses	250,183	-	-	250,183	271,117
New location expenses (X)	-	-	-	-	44,789
Office supplies and maintenance	48,438	5,382	-	53,820	62,766
Administrative expenses	23,014	5,753	-	28,767	28,342
Telephone	2,868	1,024	205	4,097	3,705
Fund-raising expenses	-	-	238,330	238,330	170,914
Adoption expenses	16,122	-	-	16,122	17,623
Animal food costs	29,961	-	-	29,961	40,145
Merchandise for sale	29,545	-	-	29,545	48,107
Veterinary and medical supply (X)	224,440	-	-	224,440	145,928
Event expenses	621	-	-	621	19,660
Humane education	4,713	-	-	4,713	9,992
Tech expenses	106,099	-	-	106,099	74,706
Other program related expenses (X)	18,553	-	-	18,553	4,320
Insurance	17,466	7,486	-	24,952	14,059
Professional fees	8,150	8,150	-	16,300	17,909
Depreciation	84,002	-	-	84,002	84,002
Temporarily Restricted Fund					
Veterinary expenses	-	-	-	-	30,000
Volunteer expenses-payroll & expense	-	-	-	-	25,000
New location	27,085	-	-	27,085	5,000
	<u>\$ 1,436,984</u>	<u>\$ 63,385</u>	<u>\$250,399</u>	<u>\$ 1,750,768</u>	<u>\$ 1,630,927</u>

(X) - The balance of these expenses are included under temporarily restricted fund expenditures.

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

ANIMAL HAVEN, INC.

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 2,227,167	\$ 512,149
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	84,002	84,002
Net change in unrealized loss/(gain) of securities	10,988	1,217
Changes in:		
Prepaid insurance	717	488
Prepaid expenses and deposits	(227,137)	(23,987)
Grant receivable	(12,500)	-
Accounts payable	(39,976)	76,150
 TOTAL ADJUSTMENTS	 (183,906)	 137,870
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 2,043,261	 650,019
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of securities	(7,433)	(11,971)
Purchase of property and equipment	(2,411,500)	-
 NET CASH (USED IN) INVESTING ACTIVITIES	 (2,418,933)	 (11,971)
 NET (DECREASE) INCREASE IN CASH	 (375,672)	 638,048
CASH - BEGINNING OF YEAR	1,951,490	1,313,442
CASH - END OF YEAR	\$ 1,575,818	\$ 1,951,490

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

ANIMAL HAVEN, INC.

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

DISCLOSURE OF ACCOUNTING POLICY:

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

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

ANIMAL HAVEN, INC

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ORGANIZATION

Animal Haven, Inc. (the organization) is a not-for-profit organization that finds homes for abandoned cats and dogs throughout the Tri-State area and provides lifetime care to animals that cannot be placed for adoption. Founded in 1967, it operated a no-kill shelter in Flushing, Queens, New York (which was permanently closed in March 2009) and an animal sanctuary and rehabilitation center (Animal Haven Acres) in Delaware County, New York for special needs and hard-to-place animals (which was permanently closed in March 2009). Through its Mobil Adoption Program, it brings animals in need of homes to community events throughout the Tri-State area. During October 2007, Animal Haven opened an adoption center in lower Manhattan which has facilities for dog training, grooming and a retail operation for the purchase of pet supplies. The Organization only operates out of the lower Manhattan facility with the closure of its Flushing and upstate facilities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements reflect the assets, liabilities, revenue and expenditures for the Organization on the accrual basis of accounting. To ensure observance of limitations and restrictions on the use of financial resources, the organization maintains its accounts using fund accounting.

(b) Basis of Presentation

Financial statement presentation follows the recommendations of the *Financial Statements of Not-for-Profit Organizations* in which the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for a specific purpose are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

(c) Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donations.

(Continued)

ANIMAL HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

(e) Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Organization have been summarized on a functional and object classification basis in the statement of functional expenses. Certain costs have been allocated among the program and supporting services benefitted.

(f) Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation.

(g) Donated Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with various programs. There is no objective measurement for these services and therefore do not fit the criteria for recognition.

(h) Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

(i) Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method over the useful lives of the assets.

ANIMAL HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Use of Estimates in Financial Statement Presentation

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from estimates.

NOTE 3 - CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash in bank accounts that, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk to cash.

NOTE 4 - INVESTMENTS - MARKETABLE SECURITIES

Investments - Marketable Securities at December 31, 2015 and 2014, consisted of the following:

	<u>2015</u>		<u>2014</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Mutual Funds	<u>\$354,194</u>	<u>\$351,431</u>	<u>\$ 346,761</u>	<u>\$ 354,985</u>
	<u>\$354,194</u>	<u>\$351,431</u>	<u>\$ 346,761</u>	<u>\$ 354,985</u>

NOTE 5 - TEMPORARILY RESTRICTED FUNDS

During 2014 Animal Haven received the following restricted grants: \$30,000 grant from Elephant Rock Foundation towards veterinary medical expenses earmarked to prepare homeless animals for adoption; \$25,000 from American Express towards volunteer program expenses; \$5,000 from the capital campaign towards the new location expenses.

The total of temporary restricted funds available, as of December 31, 2014 were used for the various designated programs.

During 2015, Animal Haven received the following restricted grants towards improvement of 200 Centre Street: \$25,000 grant from Kinder World; \$5,000 grant from Mary Alice Fortin foundation; \$25,000 grant from Head Family Charitable Foundation; \$325,000 grant from Atlas Bass; \$245,000 from the capital campaign.

Of the total of temporary restricted funds available (\$625,000), as of December 31, 2015, \$27,085 was used.

ANIMAL HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment, at cost, and accumulated depreciation as of December 31, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Leasehold improvement - Adoption Center	\$ 820,321	\$ 820,321
Leasehold improvement - 200 Centre Street	2,411,500	-
Equipment and vehicles	42,274	42,274
Computer equipment	10,487	10,487
	<u>3,284,582</u>	<u>873,082</u>
TOTAL		
LESS: ACCUMULATED DEPRECIATION	<u>650,590</u>	<u>566,588</u>
	<u>\$ 2,633,992</u>	<u>\$ 306,494</u>

NOTE 7 - COMMITMENTS

The Organization entered into a commercial lease with A. Trenkmann Estate, Inc. for the lease of a basement, first and second floor at 407 Broome Street a/k/a 251 Centre Street in lower Manhattan. The lease commenced November 1, 2005 and expires October 31, 2015. A security deposit in the amount of \$7,000 (non interest bearing) was given at the signing of the lease as well as the first month's rent of \$14,000. As agreed upon between the Organization and the landlord, rent payments did not commence until March 1, 2006 at which time the monthly payment of \$14,000 was applied. The annual rent will increase 3% each year on the anniversary date of the lease. In addition, there is a real estate tax escalator clause as part of the lease and water usage payment as part of the monthly rent billing. The Organization uses this location for the adoption center (see Notes 1 and 6). As of December 31, 2015 and 2014 costs for leasehold improvements were \$820,321 for each year.

Rent expense for the years ended December 31, 2015 and 2014 was \$214,228 and \$238,185, respectively, for the 251 Centre Street location.

The Organization entered into a commercial lease with Grand Machinery Exchange, Inc. for the lease of a basement and ground floor at 196-200 Centre Street in lower Manhattan. The lease commenced February 1, 2015 and expires May 31, 2027. A security deposit in the amount of \$224,000 (non interest bearing) was given at the signing of the lease as well as the first month's rent of \$28,000. As agreed upon between the Organization and the landlord, rent payments did not commence until January 1, 2016 at which time the monthly payment of \$28,000 was applied. The annual rent will increase 2.5% each year on the anniversary date of the lease. In addition, there is a real estate tax escalator clause as part of the lease and water usage payment as part of the monthly rent billing. The Organization uses this location for the adoption center (see Notes 1 and 6). As of December 31, 2015 costs for leasehold improvements were \$2,411,500.

(Continued)

ANIMAL HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - COMMITMENTS (Continued)

The Organization vacated the premises at 251 Centre Street on October 31, 2015. Extensive improvements were being constructed at the new location and therefore not to be completed until approximately July 2016. In the interim, the Organization entered into a commercial lease with Grand Machinery Exchange, Inc. for a temporary office at 211-215 Centre Street. The monthly rent was \$3,050. As of December 31, 2015 the rent expense was \$6,100 at the 211-215 Centre Street location.

NOTE 8 - SUBSEQUENT EVENTS

Animal Haven Inc. has evaluated subsequent events after December 31, 2015 through November 9, 2016 the date that the financial statements are considered available to be issued.