

PEOPLE FOR ANIMALS
FINANCIAL STATEMENTS
For The Year Ended December 31, 2005

**PEOPLE FOR ANIMALS
FINANCIAL STATEMENTS
December 31, 2005**

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Adom, CPA Services

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Independent Auditor's Report

To the Board of Directors

People For Animals

We have audited the accompanying statement of assets and net assets of People For Animals (a nonprofit organization) as of December 31, 2005, and the related statement of activities for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and net assets of People for Animals as of December 31, 2005, and its receipts, disbursements and changes in net assets for the years then ended.

Fred Adom

July 17th, 2006

PEOPLE FOR ANIMALS, Inc

Statement of Assets and Net Assets

December 31, 2005

<u>ASSETS</u>	<u>2005</u>
<u>Current Assets</u>	
Cash	
PFA Primary Account	\$2,207.00
Grants receivable	\$3,225.00
<u>Other Assets</u>	
Restricted Cash	\$14,084.00
Total Assets	<u>\$19,516.00</u>
 <u>Net Assets</u>	
Unrestricted Assets	\$5,432.00
Restricted Assets	\$14,084.00
Total Net Assets	<u>\$19,516.00</u>

See accompanying notes to financial statements

PEOPLE FOR ANIMALS, Inc

Statement of Activities

For the the Year Ended December 31, 2005

Public Support and revenues	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
<u>Public Support:</u>			
Grants - State of Tennessee	\$3,225.00	\$ -	\$3,225.00
Grants - Community Foundation	\$2,500.00	\$ -	\$2,500.00
Donations	\$9,417.00	\$ 421.00	\$9,838.00
Total Public Support	<u>\$15,142.00</u>	<u>\$421.00</u>	<u>\$15,563.00</u>
<u>Revenues:</u>			
Fundraising	\$1,573.00	\$ -	\$1,573.00
Merchandise Sales	\$572.00	\$ -	\$572.00
Interest Income	\$0.00	\$ 9.00	\$ 9.00
Total revenue	<u>\$2,145.00</u>	<u>\$9.00</u>	<u>\$2,154.00</u>
Total Public Support and Revenues	<u>\$17,287.00</u>	<u>\$430.00</u>	<u>\$17,717.00</u>
Expenses:			
Program Services:			
PUPPY MILL		\$421.00	\$421.00
SNAP	\$6,977.00		\$6,977.00
PALS	\$3,970.00		\$3,970.00
Total Program Services	<u>\$10,947.00</u>	<u>\$421.00</u>	<u>\$11,368.00</u>
Supporting Services			
Management and General	\$3,320.00		\$3,320.00
Fundraising	\$1,483.00		\$1,483.00
Total Supporting Services	<u>\$4,803.00</u>	<u>\$0.00</u>	<u>\$4,803.00</u>
Total Expenses	<u>\$15,750.00</u>	<u>\$421.00</u>	<u>\$16,171.00</u>
Change in Net Assets	<u>\$1,537.00</u>	<u>\$9.00</u>	<u>\$1,546.00</u>
Net Assets at Beginning of Year	<u>\$3,895.00</u>	<u>\$14,075.00</u>	<u>\$17,970.00</u>
Net Assets at End of Year	<u>\$5,432.00</u>	<u>\$14,084.00</u>	<u>\$19,516.00</u>

See accompanying notes to financial statements

PEOPLE FOR ANIMALS, Inc
Statement of Functional Expenses
For the Year Ended December 31, 2005

	<u>2005</u>
Salaries	\$0.00
Employment benefits	\$0.00
Payroll taxes	\$0.00
Total Compensation	\$0.00
 <u>Other Expenses</u>	
SNAP Fees	\$6,970.63
PALS Fees	\$3,970.00
PUPPY Mill Fees	\$421.41
Telephone	\$527.38
Communications - Newsletters Mailings	\$960.04
Office supplies and misc printing	\$964.78
Postage and Handling	\$399.45
Bank Charges	\$20.00
Fundraising Expenses	\$1,483.43
Entertainment	\$433.88
Dues - State of Tennessee Annual Filing	\$20.00
Total Other Expenses	\$16,171.00
 Total Expenses	 \$16,171.00

See accompanying notes to financial statements

PEOPLE FOR ANIMALS, Inc

Statement of Cash Flows

For the the Year Ended December 31, 2005

	<u>2005</u>
<u>Cash Flows from Operating Activities:</u>	
Change in Net Assets	(1,679.00)
Adjustments to reconcile increase in net assts to net cash provided by operating activities:	
	\$0.00
Changes in Operating assets and Liabilities	
Grants recveivble	\$3,225.00
Net Cash provided by Operaing activites	<u>\$1,546.00</u>
<u>Cash Flows From Investing Activites</u>	
Purchases of property, equipment & improvements	<u>\$0.00</u>
Net Cash used in investing activities	<u>\$0.00</u>
<u>Cash Flows form Financing Activities</u>	
Net (payments) draws on line of credit	<u>\$0.00</u>
Net Cash Provided by Financialng Activities	<u>\$0.00</u>
Net (decerease) increase in cassh and cahs equivalents	\$1,546.00
Cash and cash equivalents at beginning of year	<u>\$17,970.00</u>
Cash and cash equivalents at end of year	<u>\$19,516.00</u>

See accompanying notes to financial statements

PEOPLE FOR ANIMALS
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

People for Animals is a nonprofit organization chartered in the State of Tennessee for the purpose of preventing intentional or unintentional harm to all animals in our community with a focus on dogs and cats. Its mission is to enhance pet quality of life and reduce the number of healthy pets euthanized in shelters by helping to reduce the birth rate of unwanted puppies and kittens; helping people make a lifetime commitment to responsible, caring guardianship of their pets; promoting adoption from shelters and supporting animal-friendly legislation. The Organization is supported primarily through public support from the Community Foundation of Middle Tennessee, Inc. and the State of Tennessee Department of Agriculture Animal Friendly Grant program.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets - net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Organization and/or the passage of time. Restrictions that are fulfilled in the same accounting period in which the contributions are received are reported in the statement of activities as unrestricted. When a restriction expires in a period after the contributions are received, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned and any related investments for general or specific purposes.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all cash funds, cash bank accounts and highly liquid debt instruments, with an original maturity when purchased of three months or less, to be cash and cash equivalents. At December 31, 2005, the Organization had no cash equivalents.

Donated Services

People for Animals is an all volunteer organization receiving donated services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying statements of activities related to volunteer services because the criteria for recognition of such volunteer effort under generally accepted accounting principles have not been satisfied.

Income Taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code, and the Organization is classified as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying financial statements.

Contributions

Under SPAS 116, Accounting for Contributions Received and Contributions Made, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions.

NOTE 2 - RESTRICTIONS ON NET ASSETS

Temporarily Restricted Net Assets at December 31, 2005 consists of the Puppy Mill funds. Puppy Mill funds are restricted for covering adoption fees and medical costs associated with animals involved in the Siliski animal cruelty case and those adopted through People For Animals and Williamson County Government.

NOTE 3- CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of grant funds and funds from the Tennessee Department of Agriculture, and the Community Foundation. A significant reduction in the levels of this support, if this were to occur, could have an adverse impact on the Organization's programs and activities.