

**PETS FOR PATRIOTS, INC.**  
**(A nonprofit organization)**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011**

**PETS FOR PATRIOTS, INC.**  
**(A nonprofit organization)**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011**

**CONTENTS**

**FINANCIAL STATEMENTS**

INDEPENDENT AUDITOR'S REPORT .....	3
STATEMENT OF FINANCIAL POSITION .....	4
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS .....	5
STATEMENT OF CASH FLOWS .....	6
NOTES TO FINANCIAL STATEMENTS.....	7-8

# RIFKIN & LUBCHER, LLP

CERTIFIED PUBLIC ACCOUNTANTS

424 MADISON AVENUE

NEW YORK, N.Y. 10017

(212) 888-8350

FAX (212) 888-5924

To the Board of Trustees of  
Pets For Patriots, Inc.

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of financial position of Pets For Patriots, Inc. (the "Organization") (a nonprofit organization) as of December 31, 2011, and related statements of activities and changes in net assets, and cash flows 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 provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pets For Patriots, Inc. as of December 31, 2011 and the changes in net assets, and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



January 7, 2013  
New York, New York

**PETS FOR PATRIOTS, INC.**  
**(A nonprofit organization)**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2011**

**Assets**

Cash	\$	16,262
Contributions receivable		13,000
Equipment, net		<u>12,246</u>
<b>Total assets</b>	<b>\$</b>	<b><u>41,508</u></b>

**Liabilities**

Credit card payable	\$	4,462
Accounts payable and other liabilities		<u>5,635</u>
		10,097

**Net assets - unrestricted**

		<u>31,411</u>
<b>Total liabilities and net assets</b>	<b>\$</b>	<b><u>41,508</u></b>

**PETS FOR PATRIOTS, INC.**  
**(A nonprofit organization)**

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**

**YEAR ENDED DECEMBER 31, 2011**

**Revenues**

Contributions	\$ 90,493
Special event income	7,210
Less direct costs of special event	(13,113)
Other income	<u>298</u>
Total revenues	<u>84,888</u>

**Expenses**

Veterans' pet food bank program	10,614
Officer payroll and payroll taxes	16,148
Printing and advertising	5,038
Office supplies and expenses	7,015
Travel and hotel	1,576
Computer and website	7,010
Professional fees	5,000
Depreciation and amortization	2,562
Miscellaneous expenses	<u>1,045</u>
Total expenses	<u>56,008</u>

**Change in net assets** 28,880

**Net assets - unrestricted, beginning of year** 2,531

**Net assets - unrestricted, end of year** \$ 31,411

**PETS FOR PATRIOTS, INC.**  
**(A nonprofit organization)**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2011**

**INCREASE IN CASH**

**Cash flows from operating activities**

Change in net assets	<u>\$ 28,880</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	2,562
Increase in contributions receivable	(13,000)
Increase in credit card payable	923
Increase in accounts payable and other liabilities	<u>1,842</u>
Total adjustments	<u>(7,673)</u>
Net cash provided by operating activities	21,207

**Cash flows (used in) investing activities**

Cash paid for equipment	<u>(14,808)</u>
-------------------------	-----------------

**Net increase in cash**

6,399

**Cash, beginning of year**

9,863

**Cash, end of year**

\$ 16,262

**PETS FOR PATRIOTS, INC.**  
**(A nonprofit organization)**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Pets For Patriots, Inc. (the "Organization") is a nonprofit organization exempt from income tax under Section 501(c) (3) of the U.S. Internal Revenue Code. The purpose of the Organization is to conduct activities, which are exclusively charitable and educational.

The Organization's mission is to transform the lives of our veterans by helping them save an at-risk shelter dog or cat. This will end animal homelessness in the U.S. and enrich the lives of the men and women who serve, and have served our country. The Organization also provides access to additional cost reductions for veterinary services and pet basics.

**Basis of accounting**

The financial statements are prepared on the accrual basis of accounting.

**Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions.

**Concentrations of credit risk**

Financial instruments that potentially subject the Organization to credit risk consist of cash in financial institutions.

**Use of estimates**

The preparation of financial statements in conformity with the accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Contributions receivable**

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. At December 31, 2011, there is no allowance for uncollectible receivables.

**Equipment**

Equipment in excess of \$500 is capitalized and stated at cost. Depreciation is computed using the straight line method at rates calculated to amortize the cost over the estimated useful lives of the assets.

**PETS FOR PATRIOTS, INC.**  
**(A nonprofit organization)**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Date of management's review**

Management has evaluated subsequent events through January 7, 2013, the date on which the financial statements were available to be issued.

**Uncertainty in income taxes**

The Organization complies with the provision pertaining to uncertain tax positions (ASC 740) and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2009 and subsequent remain subject to examination by applicable taxing authorities.

**2 DONATED SERVICES AND FACILITIES**

Unpaid volunteer officers and committees conduct a portion of the Organization's functions. The value of this contributed time is not reflected in the accompanying financial statements.

**3 RELATED PARTY TRANSACTIONS**

The Organization has significant interaction with its officers and directors.

**4 EQUIPMENT**

Equipment consists of the following at December 31, 2011:

Equipment	\$ 14,808	<u>Useful Life</u> 3 - 5 years
Less: Accumulated depreciation and amortization	<u>(2,562)</u>	
	<u>\$ 12,246</u>	

Depreciation and amortization expense for the year ended December 31, 2011 amounted to \$2,562.