

**THE ELLEN M. GIFFORD
SHELTERING HOME CORPORATION
FINANCIAL STATEMENTS
DECEMBER 31, 2015**

**THE ELLEN M. GIFFORD
SHELTERING HOME CORPORATION**

TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities and Change in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 9

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Trustees of
The Ellen M. Gifford Sheltering Home Corporation

We have reviewed the accompanying financial statements of The Ellen M. Gifford Sheltering Home Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and change in net assets and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Paresky Flitt & Company, LLP
PARESKY FLITT & COMPANY, LLP
Wayland, Massachusetts

August 9, 2016

THE ELLEN M. GIFFORD SHELTERING HOME CORPORATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Assets				
Current Assets				
Cash and cash equivalents	\$ 164,403	\$ -	\$ -	\$ 164,403
Other receivables	4,725	-	-	4,725
Total Current Assets	<u>169,128</u>	<u>-</u>	<u>-</u>	<u>169,128</u>
Property, Plant and Equipment				
Building and building improvements	474,581	-	-	474,581
Land	139,217	-	-	139,217
Furniture and equipment	44,107	-	-	44,107
	657,905	-	-	657,905
Accumulated depreciation	224,953	-	-	224,953
Net Property, Plant and Equipment	<u>432,952</u>	<u>-</u>	<u>-</u>	<u>432,952</u>
Other Asset				
Marketable securities	221,252	-	-	221,252
Total Assets	<u>\$ 823,332</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 823,332</u>
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued expenses	\$ 12,271	\$ -	\$ -	\$ 12,271
Long-Term Liability				
Security deposit	800	-	-	800
Total Liabilities	<u>13,071</u>	<u>-</u>	<u>-</u>	<u>13,071</u>
Net Assets				
Unrestricted	810,261	-	-	810,261
Temporarily restricted	-	-	-	-
Permanently restricted	-	-	-	-
Total Net Assets	<u>810,261</u>	<u>-</u>	<u>-</u>	<u>810,261</u>
Total Liabilities and Net Assets	<u>\$ 823,332</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 823,332</u>

See accompanying notes and independent accountants' review report.

THE ELLEN M. GIFFORD SHELTERING HOME CORPORATION
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue and Support				
Donations	\$ 237,836	\$ 20,513	\$ -	\$ 258,349
Investment loss	(1,740)	-	-	(1,740)
Rental income	9,575	-	-	9,575
Net assets released from restrictions	<u>2,723</u>	<u>(2,723)</u>	<u>-</u>	<u>-</u>
Total Revenue and Support	<u>248,394</u>	<u>17,790</u>	<u>-</u>	<u>266,184</u>
Expenses				
Program Services				
Programs and events	253,022	17,790	-	270,812
Supporting Services				
Management and general	<u>26,556</u>	<u>-</u>	<u>-</u>	<u>26,556</u>
Total Expenses	<u>279,578</u>	<u>17,790</u>	<u>-</u>	<u>297,368</u>
Change in Net Assets	(31,184)	-	-	(31,184)
Net Assets - Beginning of Year	<u>841,445</u>	<u>-</u>	<u>-</u>	<u>841,445</u>
Net Assets - End of Year	<u>\$ 810,261</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 810,261</u>

See accompanying notes and independent accountants' review report.

THE ELLEN M. GIFFORD SHELTERING HOME CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

Cash Flows from Operating Activities	
Change in net assets	\$ (31,184)
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:	
Depreciation	18,680
Unrealized loss on marketable securities	16,008
Changes in assets and liabilities:	
Accounts payable and accrued expenses	1,274
Security deposit	<u>800</u>
Net Cash and Cash Equivalents Provided by Operating Activities	<u>5,578</u>
Cash Flows from Investing Activities	
Acquisition of property, plant and equipment	(6,829)
Acquisition of marketable securities	<u>(14,233)</u>
Net Cash and Cash Equivalents Used for Investing Activities	<u>(21,062)</u>
Cash Flows from Financing Activities	<u>-</u>
Net Change in Cash and Cash Equivalents	(15,484)
Cash and Cash Equivalents - Beginning of Year	<u>179,887</u>
Cash and Cash Equivalents - End of Year	<u>\$ 164,403</u>

See accompanying notes and independent accountants' review report.

THE ELLEN M. GIFFORD SHELTERING HOME CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of The Ellen M. Gifford Sheltering Home Corporation ("the Company") is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Organization

The Company is incorporated in the Commonwealth of Massachusetts to provide a safe haven for abandoned, stray, abused, neglected, unwanted and injured cats with the goal of re-homing and ending the needless killing of community and companion cats.

Basis of Accounting

The financial statements of the Company have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

The Company places its cash with high credit quality financial institutions. Amounts over \$250,000 per depositor are in excess of Federal Deposit Insurance Corporation (FDIC) limits. At December 31, 2015, the Company had no cash deposits in excess of FDIC limits.

Cash equivalents held in investment broker accounts are not subject to the FDIC. At December 31, 2015, the Company had cash equivalents of \$88,193 in an investment account not insured by the FDIC.

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

Marketable Securities

Accounting standards require a fair value presentation of the Company's investment in marketable securities. Under this principle, any gain or loss in market value is recognized in the statement of activities and change in net assets as the market fluctuates.

THE ELLEN M. GIFFORD SHELTERING HOME CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Property, Plant and Equipment

Property, plant and equipment are recorded at cost, or if donated, at approximate fair value at the date of donation. It is the Company's policy to capitalize all items which management estimates to have a useful life of more than one year and was acquired or produced for a cost of \$2,500 or more. Costs for repairs and maintenance are expensed as incurred against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Contributions

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

Income Taxes

The Company is a nonprofit Company that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Governing authorities generally can operate with a three year statute of limitations to examine previously filed income tax returns. The Company has filed its' income tax returns timely, and management believes any potential change due to audit would not have a material effect on the financial statements.

Financial Statement Presentation

Current accounting standards require the Company 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.

Unrestricted net assets - All net assets that are not subject to donor-imposed stipulations and includes all revenues and expenses associated with the principal mission of the Company. The executive board of directors has discretionary control over all of these assets. The board may elect to designate such resources for specific purposes. This designation may be removed at the board's discretion.

Temporarily restricted net assets - Net assets that are subject to donor-imposed stipulations for specific operating or capital purposes. These assets will become unrestricted when the requirements of the donor or grantor have been satisfied either by the expenditure for the specific purpose or through the passage of time.

Permanently restricted net assets - Net assets that are subject to donor-imposed stipulations that they be maintained permanently by the Company.

See independent accountants' review report.

THE ELLEN M. GIFFORD SHELTERING HOME CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Contributed Services

During the year ended December 31, 2015, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Company, but these services do not meet the criteria for recognition as contributed services.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated the effect of subsequent events through August 9, 2016, which is the date the financial statements were available to be issued.

NOTE 2 - MARKETABLE SECURITIES

At December 31, 2015, marketable securities consists of investments in mutual funds carried at their fair market value of \$221,252. The unrealized holding loss for the year ended December 31, 2015 was \$16,008. This amount is included in 'Investment Loss' in the 'Revenue and Support' section of the statement of activities and change in net assets. During the year ended December 31, 2015, no mutual funds were sold resulting in no realized gain or loss.

As it is the board's intention to hold these investments as part of the Company's future business plan, the investments have been classified in the 'Other Asset' section of the balance sheet as of December 31, 2015.

Marketable securities is comprised of the following at December 31, 2015:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Mutual funds	\$ 223,908	\$ 12,797	\$ (15,453)	\$ 221,252

See independent accountants' review report.

THE ELLEN M. GIFFORD SHELTERING HOME CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 2 - MARKETABLE SECURITIES (Cont.)

The investment return and its classification in the statement of activities and change in net assets for the year ended December 31, 2015 is as follows:

	Interest and Dividend Income	Net Unrealized Loss on Market- able Securities	Net Investment Loss
Unrestricted	\$ 14,268	\$ (16,008)	\$ (1,740)
Temporarily restricted	-	-	-
Permanently restricted	-	-	-
	<u>\$ 14,268</u>	<u>\$ (16,008)</u>	<u>\$ (1,740)</u>

NOTE 3 - FAIR VALUE MEASUREMENTS

Current accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurement

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

THE ELLEN M. GIFFORD SHELTERING HOME CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 3 - FAIR VALUE MEASUREMENTS (Cont.)

The following table presents by level, within the fair value hierarchy, the Company's investment assets at fair value as of December 31, 2015. As required by current accounting standards, investment assets are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement.

		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 12,797	\$ 12,797	\$ -	\$ -

NOTE 4 - RENTAL INCOME

The building occupied by the Company has a residential apartment unit attached to it, which the Company rented out on a tenant at-will basis to an unrelated party from January to October 2015. In December 2015, the Company's Shelter Director began renting the apartment on a tenant-at-will basis for \$800 a month. For the year ended December 31, 2015, rental income received from tenants totaled \$9,575.

NOTE 5 - SUPPLEMENTAL DISCLOSURES TO THE STATEMENT OF CASH FLOWS

Cash paid for interest and income taxes for the year ended December 31, 2015 are as follows:

Interest	\$ -
Income taxes	\$ -

See independent accountants' review report.