

**ANIMAL CARE AND CONTROL
OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015
(With Comparative Totals for 2014)**

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
ANIMAL CARE CENTERS OF NYC**

**FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015
(With Comparative Totals for 2014)**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Animal Care and Control of New York City, Inc.
DBA Animal Care Centers of NYC
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Animal Care and Control of New York City, Inc., which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, cash flows and statements of functional expenses 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

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 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Animal Care and Control of New York City, Inc. as of June 30, 2015, 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.

Board of Directors
Animal Care and Control of New York City, Inc.
DBA Animal Care Centers of NYC
New York, New York

Report on Summarized Comparative Information

We have previously audited the Animal Care and Control of New York City, Inc.'s June 30, 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 23, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Rosenberg and Manente
Certified Public Accountants, PLLC
New York, New York

January 8, 2016

ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
STATEMENTS OF FINANCIAL POSITION
AT JUNE 30, 2015 AND JUNE 30, 2014

	JUNE 30, 2015	JUNE 30, 2014
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 717,767	\$ 762,930
Accounts Receivable - The City of New York	308,491	286,288
Unconditional Promises to Give	19,109	12,105
Grant Receivables	283,417	-
Prepaid Expenses	291,719	180,022
Deposits on Leased and Other Property	79,375	79,296
Other Accounts Receivables	16,800	11,745
TOTAL CURRENT ASSETS	1,716,678	1,332,386
PROPERTY AND EQUIPMENT		
Leasehold Improvements, Furniture and Fixtures, Machinery, Equipment and Vehicles	1,009,444	925,552
Less: Accumulated Depreciation	591,891	557,526
NET PROPERTY AND EQUIPMENT	417,553	368,026
TOTAL ASSETS	\$ 2,134,231	\$ 1,700,412
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 134,610	\$ 200,321
Accrued Expenses	284,107	139,811
Accounts Payable - The City of New York	41,234	39,910
Salaries and Payroll Taxes Payable	296,673	207,073
Vacation and Sick Time Accrual	151,939	180,386
Deferred Rent Payable	470	2,351
Customer Deposits Payable	69	4,525
Other Liabilities	3,750	22,490
TOTAL CURRENT LIABILITIES	912,852	796,867
NET ASSETS		
Unrestricted	646,882	678,011
Temporarily Restricted	574,497	225,534
TOTAL NET ASSETS	1,221,379	903,545
TOTAL LIABILITIES AND NET ASSETS	\$ 2,134,231	\$ 1,700,412

See Accompanying Notes to Financial Statements

ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
 DBA ANIMAL CARE CENTERS OF NYC
 STATEMENTS OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2015
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED FUNDS</u>	<u>TOTAL JUNE 30, 2015</u>	<u>TOTAL JUNE 30, 2014</u>
REVENUES, GAINS, AND OTHER SUPPORT:				
Support from Operations:				
Revenue - The City of New York	\$ 13,073,540	\$ 232,500	\$ 13,306,040	\$ 13,284,790
Shelter Revenue	806,812	-	806,812	907,633
Contributions	674,519	901,685	1,576,204	863,914
In-Kind Contributions	371,290	-	371,290	623,678
Benefit Plan Contributions	679,843	-	679,843	556,481
Investment Income	347	-	347	450
Other Miscellaneous Income	80,415	-	80,415	243,322
Total Revenues, Gains and Other Support Before the Release of Restricted Net Assets	15,686,766	1,134,185	16,820,951	16,480,268
Net Assets Released From Restrictions:				
Satisfaction of Time and Program Restrictions	785,222	(785,222)	-	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	\$ 16,471,988	\$ 348,963	\$ 16,820,951	\$ 16,480,268
EXPENSES				
Program:				
Health and Welfare of Animals	\$ 14,606,768	\$ -	\$ 14,606,768	\$ 14,757,331
Total Program Expenses	14,606,768	-	14,606,768	14,757,331
Supporting Services:				
Administration	1,530,876	-	1,530,876	1,498,994
Fundraising	365,173	-	365,173	308,108
Total Supporting Services	1,896,049	-	1,896,049	1,807,102
Other Revenue and (Expenses)				
Claims Income / (Expense), Net	(300)	-	(300)	1,236
Total Other Revenue and (Expenses)	(300)	-	(300)	1,236
TOTAL EXPENSES	\$ 16,503,117	\$ -	\$ 16,503,117	\$ 16,563,197
CHANGE IN NET ASSETS	(31,129)	348,963	317,834	(82,929)
NET ASSETS AT BEGINNING OF YEAR	678,011	225,534	903,545	986,474
TOTAL NET ASSETS	\$ 646,882	\$ 574,497	\$ 1,221,379	\$ 903,545

See Accompanying Notes to Financial Statements

ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND JUNE 30, 2014

	JUNE 30, 2015	JUNE 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 317,834	\$ (82,929)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	34,365	28,730
Decrease (Increase) in:		
Accounts Receivable - The City of New York	(7,004)	(49,961)
Unconditional Promises to Give	(22,203)	68,285
Grant Receivables	(283,417)	-
Prepaid Expenses	(111,697)	202,589
Deposits on Leased and Other Property	(79)	(80)
Other Accounts Receivables	(5,055)	24,924
Increase (Decrease) in:		
Accounts Payable	(65,711)	(57,283)
Accrued Expenses	144,296	(98,582)
Accounts Payable - The City of New York	1,324	1,358
Salaries and Payroll Taxes Payable	89,600	30,331
Vacation and Sick Time Accrual	(28,447)	78,156
Deferred Rent Payable	(1,881)	1,047
Customer Deposits Payable	(4,456)	(21,559)
Other Liabilities	(18,740)	(22,252)
NET CASH PROVIDED BY OPERATING ACTIVITIES	38,729	102,774
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(83,892)	(294,429)
NET CASH USED FROM INVESTING ACTIVITIES	(83,892)	(294,429)
CASH FLOWS FROM FINANCING ACTIVITIES		
Line of Credit-Chase	-	(300,000)
NET CASH USED FROM BY FINANCING ACTIVITIES	-	(300,000)
NET DECREASE IN CASH	(45,163)	(491,655)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	762,930	1,254,585
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 717,767	\$ 762,930
SUPPLEMENTAL DISCLOSURE:		
Interest Paid	\$ 47	\$ 5,299
Taxes Paid	\$ -	\$ -

See Accompanying Notes to Financial Statements

ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	Program Service			Total All Funds	Total All Funds
	Operations	Administration	Fundraising	June 30, 2015	June 30, 2014
Salaries	\$ 7,722,125	\$ 666,599	\$ 133,759	\$ 8,522,483	\$ 7,887,679
Payroll Taxes and Fringe Benefits	2,605,919	225,518	49,257	2,880,694	2,750,329
Total Personal Service Expenses	10,328,044	892,117	183,016	11,403,177	10,638,008
Vehicle Expenses	333,592	14,707	3,677	351,976	929,111
Communications	161,588	-	47,620	209,208	427,240
Depreciation	31,138	2,688	539	34,365	28,730
Facility Expenses	251,123	21,678	4,350	277,151	454,455
Human Resource	48,129	4,155	834	53,118	20,148
Insurance	361,308	31,189	6,258	398,755	300,600
Interest and Bank Charges	42,245	3,647	732	46,624	51,443
Supplies and Services, Medical	1,106,357	-	-	1,106,357	1,073,062
Occupancy	520,482	14,953	3,489	538,924	568,396
Other Expenses	30,811	2,660	534	34,005	26,390
Professional Fees	27,099	504,341	-	531,440	582,716
Special Events	-	-	105,357	105,357	83,272
Supplies and Services, Operations	916,063	-	994	917,057	861,312
Telecommunications	142,955	12,340	2,476	157,771	140,787
Technology and Equipment	305,834	26,401	5,297	337,532	378,763
Total Expenses	\$ 14,606,768	\$ 1,530,876	\$ 365,173	\$ 16,502,817	\$ 16,564,433
Percentage of Total Expenses	88.51%	9.28%	2.21%	100.00%	100.00%

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015 AND 2014**

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

Animal Care and Control of New York City, Inc., doing business as Animal Care Centers of NYC ("the Organization"), a corporation organized "not for profit", is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The Organization was created for the charitable purposes of providing animal care and control services in the City of New York. The Organization began operations on January 1, 1995 as the sole organization responsible by law for the care of New York City's entire homeless and unwanted animal population. The Organization is committed to providing the most humane care possible for the hundreds of animals that are brought to the shelters each day. The mission of the Organization is to promote and protect the health, safety and welfare of pets and people in New York City.

B. Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

C. Contributed Services

During the year ended June 30, 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 Organization at the shelter facilities and at fundraising events, but these services do not meet the criteria for recognition as contributed services. The Organization receives approximately 2,500 volunteer hours per month.

D. Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and revenues and expenses recognized during the reporting period. Significant estimates made in the preparation of the financial statements include the net realizable value of the contributions and grants receivable and functional expense allocations. Actual results could differ from those estimates.

E. Comparative Information

The financial statements include certain 2014 comparative information. With respect to the statement of activities, such prior year information is not presented by net asset class and, in the statement of functional expenses, 2014 expenses by natural classification are presented in total rather than by functional category. Accordingly, such information should be read in conjunction with the Organization's 2014 financial statements from which the summarized information was derived.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015 AND 2014**

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent of donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclasses temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated utilizing both the straight-line and accelerated method over the estimated useful life of the assets.

Certain property and equipment used by the Organization is owned by New York City under a funding Agreement. The Organization is responsible for acquiring items needed in order to run the facility; however, title will not pass to the Organization upon termination of the Funding Agreement. Therefore, most capital items are expensed within the year that the City funds the purchase.

G. Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Unrestricted Net Assets – Net Assets that are either not subject to donor-imposed stipulations, or have been reclassified from temporarily restricted net assets because donor restrictions have either expired or been met.

Temporarily Restricted Net Assets – Net assets that carry donor-imposed restrictions that expire upon the passage of time or upon occurrence of a stated event as specified by the donor. Net assets released from restrictions represent the satisfaction of the restricted purpose.

H. 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. The Organization is subject to routine audits by various federal, state and local taxing authorities; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2011.

The Organization accounts for uncertain tax position in accordance with Financial Accounting Standards Board (FASB) ASC 740. FASB ASC 740 prescribes a recognition threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. The interpretation also provides guidance on recognition, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Organization adopted the provisions of FASB ASC 740 on January 1, 2009. There was no impact on the total net assets as a result of the adoption of FASB ASC 740. The Organization does not believe its financial statements include any uncertain tax positions.

ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015 AND 2014

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Contributions

Under Accounting Standards Board (FASB) ASC 958 contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

J. Cash Equivalents

For purposes of the statement 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.

K. Rent Expense

The Organization records rent expense associated with its office lease on a straight-line basis over the life of the lease. The difference between the straight-line amount and the amount actually paid during the year is recorded as a liability and an expense in the accompanying financial statements.

L. Advertising Costs

Advertising costs are generally charged to operations in the year incurred. For the years ended June 30, 2015 and 2014 advertising was \$109,893 and \$276,737, respectively. Advertising expenses for the years ended June 30, 2015 and 2014, includes approximately \$21,000 and \$214,168 in advertising costs, respectively, that were donated to the organization and are reflected in In-Kind Contributions.

M. Medical Supplies, Medications and Products

Medical supplies, medications and products are purchased on an as needed basis and are expensed upon purchase. The dollar value of the supplies on hand at any given time is not material. It is the Organization's decision not to maintain inventory on its balance sheet.

N. Bad Debt Expense

Effective fiscal year ending 2011, the organization has elected to record shelter revenue on a cash basis. This is based upon historical analysis reflecting a high percentage of the accounts receivable earned from the shelters being deemed uncollectable.

The organization uses the allowance method to determine un-collectable unconditional promises to give and accounts receivables. Management has determined that no allowance is needed based upon prior years' experience and managements' analysis of specific receivables.

O. Functional Allocation of Expenses

Expenses that can be directly identified with the program or supporting service to which they relate are charged accordingly. Other expenses by function have been allocated among program and supporting service classifications based upon benefits received.

P. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. Under this method, revenues are recognized in the period in which they are earned. Expenses are recognized in the period in which the related liability is incurred.

ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015 AND 2014

NOTE 2 - PROMISES TO GIVE

Unconditional promises to give are expected to be realized in one year or less and are classified as temporarily restricted net assets in the statement of activities. Uncollectible promises are expected to be insignificant.

NOTE 3 - PROPERTY AND EQUIPMENT

	<u>JUNE 30, 2015</u>	<u>JUNE 30, 2014</u>
Leasehold Improvements	\$ 275,374	\$ 275,374
Furniture and Fixtures	12,034	12,034
Machinery and Equipment	503,883	469,991
Vehicles	218,153	168,153
	<u>1,009,444</u>	<u>925,552</u>
Accumulated Depreciation and Amortization	591,891	557,526
	<u>\$ 417,553</u>	<u>\$ 368,026</u>

Depreciation expense for the years ended June 30, 2015 and June 30, 2014 was \$34,365 and \$28,730, respectively.

The cost of certain equipment and facilities, which are used by the Organization in connection with its Shelter Operations, is not reflected in the statement of financial position because the assets' titles remain with the City of New York. The Organization has not included an estimate of contribution revenue and program expense in the accompanying statement of activities for the free use of the equipment and facilities during the years ended June 30, 2015 and June 30, 2014.

NOTE 4 - NEW YORK CITY FUNDING

The Organization, through its contract with the City of New York, has a license to use and occupy three City owned buildings as animal care facilities: Manhattan Animal Care Facility, Brooklyn Animal Care Facility and Staten Island Animal Care Facility. The Organization also uses two facilities that are leased through the City: Queens Animal Receiving Facility and the Bronx Animal Receiving Facility. To the extent funding is provided for in the agreement, the Organization is responsible for general repairs, insurance and maintenance of the premises. Since fair value has not been determined, the benefit of the use of the five facilities has not been reflected within the financial statements.

The City assumed responsibility for the payment of the Organization's utilities, for locations owned or leased by the City, effective July 1, 2006. Accordingly, for the years ended June 30, 2015 and June 30, 2014 the value of the utilities paid by the City on behalf of the organization has been included in accompanying financial statements in both Contract Revenue and Occupancy Expense in the amount of \$276,749 and \$322,330 in the, respectively.

At June 30, 2015 and 2014, the Organization was due \$308,491 and \$286,288 respectively from the City under the current contract. At June 30, 2015 and 2014, the Organization owes the City under the current contract \$41,234 and \$39,910, respectively. Revenue recognized under the City contract was \$13,073,540 and \$13,284,790 for the years ended June 30, 2015 and 2014, respectively. The contract with the City is effective until June 30, 2018.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015 AND 2014**

NOTE 5 - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following programs:

	<u>JUNE 30, 2015</u>	<u>JUNE 30, 2014</u>
Animal Care Fund	\$ 55,130	\$ 149,703
Vehicles & Other Capital Items	34,328	34,328
Mailings	2,026	28,105
Subsidy Fund	11,718	11,718
Star Fund	42,084	-0-
X-Ray Equipment	78,500	-0-
Mobile Adoption Unit and Public Awareness	106,545	-0-
Dog Playground and Socialization Space	195,953	-0-
Canine Influenza	44,611	-0-
Other	3,602	1,680
	<u>\$ 574,497</u>	<u>\$ 225,534</u>

NOTE 6 - COMMITMENTS AND CONTINGENCIES

- A. The contract with the City of New York is subject to audit by the City.
- B. Certain grants and contracts may be subject to audit by funding sources. Such audits may result in disallowance of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

NOTE 7 - CONCENTRATION OF CREDIT RISK

The Organization maintains certain cash balances at financial institutions in New York. The cash balances at times may exceed federally insured limits. In assessing their risk, the organization's policy is to maintain funds only with reputable financial institutions and management believes the risk of loss is minimal.

For the year ended June 30, 2015 the contract with the City of New York accounts for more than 83% of the Organization revenues.

Promises to give at June 30, 2015 and June 30, 2014 are due from various foundations, institutions, corporations and individuals well known to the Organization with favorable past payments histories. Accordingly, managements has assessed credit risk associated with the receivable balances at June 30, 2015 and June 30, 2014 and has determined that an allowance for potential losses is immaterial.

NOTE 8 - DONATIONS IN-KIND

The organization receives donations in-kind from various individuals and organizations. These donations are comprised predominantly of services and supplies, such as food, blankets, leashes, and toys, used in shelter operations, legal and media. Management has estimated the value of these items received for the years ended June 30, 2015 and June 30, 2014 to be approximately \$371,290 and \$623,678, respectively.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015 AND 2014**

NOTE 9 - LEASE COMMITMENTS AND RENTAL EXPENSE

On August 3, 2009, the Organization re-negotiated their office space lease in Manhattan. The term of the lease is for four years and expired August 31, 2013. On January 30, 2013, the lease was extended to August 31, 2015. The Office lease provides for the minimum annual payments as follows:

<u>Year Ending June 30,</u>	
2016	\$ 35,269

Rent included in occupancy expense for 2015 and 2014 was \$210,257 and \$190,434, respectively.

On September 1, 2015, the Organization re-negotiated their office space lease in Manhattan. The term of the lease is for seven years until August 31, 2022. The Office lease provides for the minimum annual payments as follows

<u>Year Ending June 30,</u>	
2016	\$ 208,361
2017	255,779
2018	262,854
2019	270,128
2020	277,624
There-After	652,976

NOTE 10 - EMPLOYEE BENEFIT PLANS

All eligible employees of the Organization are members of the Cultural Institutions Retirement System's (CIRS) Pension, 401(k) Savings, and Group Life and Welfare Benefits plans. The CIRS Pension Plan is a multiemployer plan. Accordingly, certain information with respect to vested and non-vested benefits, as well as plan assets relating to the Organization's employees, is not readily available. The Organization's employees receive a contribution of up to 3% of salary, as determined by the level of employee contributions to the 401(k) Savings Plan. Pension costs are funded by the City of New York in accordance with their contract with the Organization. Pension/CIRS expenses for the years ended June 30, 2015 and 2014 was:

	2015	2014
Pension	\$ 597,762	\$ 508,900
401(k) Savings	(9,882)	(26,364)
Group Life and Welfare Benefits	21,677	18,455
Administration (All Three Plans)	70,286	55,490
	<u>\$ 679,843</u>	<u>\$ 556,481</u>

NOTE 11- LINE OF CREDIT

Pursuant to an agreement with their Financial Institution, the Organization may borrow up to \$500,000 under a renewable line of credit. The interest rate on the line is 3.94% over the LIBOR Rate. The line is secured by substantially all of the Organization's assets. At June 30, 2015 and June 30, 2014 the organization had no outstanding balance on its available line of credit. The line of credit is due to mature on February 28, 2016.

**ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC.
DBA ANIMAL CARE CENTERS OF NYC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015 AND 2014**

NOTE 12- SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 8, 2016, which is the date the financial statements were available to be issued and determined no adjustments to the financial statements or additional disclosures are necessary.