Foothills Animal Shelter

Financial Statements
with Independent Auditors' Report

December 31, 2018

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Foothills Animal Shelter

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Foothills Animal Shelter
Board of Directors

Lorie Gillis, President
City of Arvada

Chris M. Lindsey, Vice-President
City of Westminster

John Pickard, Secretary
City of Lakewood

Holly Björklund, Treasurer
Jefferson County

Connie Howard, Executive Director
Foothills Animal Shelter

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City of Golden

Nichole Kirkpatrick, Director
City of Edgewater

Marianne Schilling, Director
City of Wheat Ridge

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Board of Directors

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Larry Hall, Director

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HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditors' Report

Board of Directors
Foothills Animal Shelter
Golden, Colorado

We have audited the accompanying financial statements of the Foothills Animal Shelter and its discretely presented component unit as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Foothills Animal Shelter's basic financial statements, as listed in the table of contents.

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.

Auditors' Responsibility

Our responsibility is to express opinions 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 auditors' 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 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 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 opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Foothills Animal Shelter and its discretely presented component unit as of December 31, 2018, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Foothills Animal Shelter's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hinkle & Company, PC

Greenwood Village, Colorado
June 17, 2019

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FOOTHILLS ANIMAL SHELTER

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The following Management Discussion and Analysis is designed to provide an analysis of Foothills Animal Shelter's (the Shelter's) financial condition and operating results and to inform the reader of the Shelter's financial activities. The financial statements of the Shelter are presented as a local governmental entity of the State of Colorado engaged in the operation of providing an animal shelter to the communities within Jefferson County.

Additionally, the Shelter has a related entity that is a 501(c)3 Friends of Foothills Animal Shelter (Friends) whose mission is raising funds to support the work of the Shelter. As a supporting organization of the Shelter, the activities of Friends are reported as a "Component Unit" in the audited financials.

The Management Discussion and Analysis should be read in conjunction with the financial statements.

2018 Financial Highlights for both the Shelter and Friends:

- Friends increased its donations by 42% from 2017, to $890,509 in total. This allowed Friends to transfer $670,000 to the Shelter to support its mission.
- Friends ending Net Position in 2018 is $240,000 of this $231,105 is unrestricted. There is $8,665 in a fund to be used for Patient Care and $335 remaining in a fund for an Animal Tranquility program.
- The Shelter was able to fund capital investments as well as set aside the contingency fund required per our governing document.
- The Shelter's 2018 budget anticipated flat revenue over 2017 and an increase in expenses of 12% over 2017. 2018 actual revenue decreased 3% and its total expenses increased 9% over 2017.

Overview of the 2018 Financial Statements for the Shelter:

Shelter Change in Net Position

The *Statement of Net Position* presents information on all the Shelter's assets and liabilities. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the Shelter is strengthening or losing ground.

Overall our Net Position has declined by 4% from 2017 due mainly to using some of our unrestricted cash to make investments in the Shelter's capital assets. In 2018 were able to fully fund a rebuild of our crematory, increase our physical security by re-enforcing our fences as well as increase our cyber security by implementing a new fire wall.

At the end of 2018 the Shelter had $159,085 in unrestricted cash, $131,836 invested in Capital Assets and $1,375,197 in restricted funds, the restricted funds are comprised of the following:

- A Capital Improvement Fund equal to a minimum of $500,000 whose use will be for replacement of capital equipment, new capital equipment and improvements or expansion of our facility. This amount has been set aside since 2012.

- A Contingency/Emergency Fund, the amount is determined by a minimum of three months operating expenses as calculated from the prior year. At the beginning of 2018, the Shelter was able to fully set aside the Contingency Fund of $780,000 which was put into an interest-bearing account. At the end of 2018 the balance had grown to $794,751.

- An Animal Relief Fund that is designated for the purpose of offsetting or subsidizing the costs of providing humane services for animals in our care that are victims of abuse or neglect, part of a mass impound, require specialized care, displaced due to natural disasters and/or present with extraordinary health care needs and/or complications. At the end of 2018 the balance in this account was $80,446.

	2017	2018	V%
ASSETS			
CURRENT ASSETS	1,871,222	1,753,527	(6%)
PROPERTY & EQUIPMENT	105,440	131,836	25%
TOTAL ASSETS	**1,976,662**	**1,885,363**	**(5%)**
LIABILITIES AND NET POSITION			
CURRENT LIABILITITES	185,644	157,682	(15%)
NONCURRENT LIABILITIES	54,872	61,563	12%
TOTAL LIABILITIES	**240,516**	**219,245**	**(9%)**
NET POSITION			
Net Investment in Capital Assets	105,440	131,836	25%
Unrestricted	1,130,706	159,084	(86%)
Restricted	500,000	1,375,197	175%
TOTAL NET POSITION	**1,736,146**	**1,666,118**	**(4%)**
TOTAL LIABILITIES AND NET POSITION	**1,976,662**	**1,885,363**	**(5%)**

Shelter Overview of Revenues, Expenses and Changes in Net Position:

The S*tatement of Revenues, Expenses and Changes in Net Position* presents information that reflects how the Shelter's net position changed during the past year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

Overall the Shelter's revenue declined by 3%; we had anticipated a decline when budgeting for 2018 and although we had stronger donations than planned it was not enough to completely offset the decline in services and licensing income.

The increase in our expenses was fully planned in our 2018 budget and driven by 2 main areas, staff salaries and animal care which comprise about 70% of our total expenses. We continue to expect our costs will increase year over year due to the continued increase in the cost to care for the animals we service.

	2017	2018	V%
Operating Revenue			
Charges for Services	1,355,913	1,216,383	(10%)
Dog Licensing Fees	852,009	831,239	(2%)
Assessments	600,000	549,999	(8%)
Donations & Events	729,341	840,197	15%
TOTAL OPERATING REVENUE	3,537,263	3,437,818	(3%)
TOTAL OPERATING EXPENSES	**3,215,541**	**3,524,351**	**10%**
NET OPERATING INCOME (LOSS)	**321,722**	**(86,533)**	**(127%)**
NON-OPERATING REVENUE (EXPENSE)			
Investment Income	2,076	16,605	700%
Loss on Disposal of Capital Assets	(10,706)	(100)	(99%)
Insurance Proceeds	23,901	-	(100%)
CHANGE IN NET POSITION	**336,993**	**(70,028)**	**(121%)**
NET POSITION - BEGINNING OF YEAR	**1,399,153**	**1,736,146**	**24%**
NET POSITION - END OF YEAR	**1,736,146**	**1,666,118**	**(4%)**

Shelter Budgetary Highlights

The Shelter prepares its budget on a non-GAAP budgetary basis of accounting to recognize capital outlays in addition to operating and non-operating revenue and contributions. Capital contributions of facilities and depreciation are not reflected on the budget since they do not affect "funds available." Budgets are required by State Statute.

Shelter Long-Term Debt

The Shelter does not carry any Long-Term Debt.

Shelter Capital Assets

The Shelter sets capital items with a minimum value of $2,000 per individual item on a depreciation schedule.

Economic Factors and Next Year's Budget

In 2019, the Shelter will focus on the following core elements:

- Provide support to our surrounding community through education, services that strengthen the human-pet bond, and humane care for the animals we serve.
- Ensure the Shelter provides a clean, safe, and healthy environment for the Shelter's animals and the people who care for them.
- Administer and promote an effective and successful County-wide Licensing Program.
- Control expenses and maximize revenues and thereby contribute to the long-term financial stability and sustainability of the Shelter.
- Improve budget structure to better support Shelter operations.

The 2019 Foothills Animal Shelter budget factored in the shelter's capacity constraints, more realistic licensing revenue, required support from the jurisdictions and donation expectations. Expenses are anticipated to increase due to investments in our people as well as increased cost of animal care.

Requests for Information

This report is designed to provide a general overview of the Shelter's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to:

Constance Howard
Executive Director
Phone: 720-407-5210
Email: choward@fas4pets.org

Tiffany Hurst
Director of Administration
Phone: 720-407-5219
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Foothills Animal Shelter
580 McIntyre Street
Golden, CO 80401

Basic Financial Statements

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Foothills Animal Shelter
Statement of Net Position
December 31, 2018

	Primary Government Shelter	Component Unit Friends
Assets		
Current Assets		
Cash and Cash Equivalents	$ 1,649,865	$ 324,064
Accounts Receivable	8,367	14,546
Prepaid Expenses	-	1,825
Due from Component Unit	95,295	-
Total Current Assets	1,753,527	340,435
Noncurrent Assets		
Capital Assets, *Net of Accumulated Depreciation*	131,836	-
Total Assets	$ 1,885,363	$ 340,435
Liabilities		
Current Liabilities		
Accounts Payable	$ 108,681	$ 5,035
Accrued Liabilities	48,851	-
Unearned Revenues	150	-
Due to Primary Government	-	95,295
Total Current Liabilities	157,682	100,330
Noncurrent Liabilities		
Accrued Compensated Absences	61,563	-
Total Liabilities	219,245	100,330
Net Position		
Net Investment in Capital Assets	131,836	-
Restricted for:		
Capital Improvements	500,000	-
Operating Reserve	794,751	-
Animal Relief Fund	80,446	-
Patient Care Campaign	-	8,665
Animal Tranquility Program	-	335
Unrestricted	159,085	231,105
Total Net Position	1,666,118	240,105
Total Liabilities and Net Position	$ 1,885,363	$ 340,435

See Notes to Financial Statements.

Foothills Animal Shelter

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2018

	Primary Government Shelter	Component Unit Friends
Revenues		
Charges for Services	$ 1,216,383	$ -
Dog Licensing Fees	831,239	-
Assessments	549,999	-
Donations and Events	840,197	890,509
Total Revenues	3,437,818	890,509
Expenses		
Communications	15,393	-
Personnel	2,313,389	-
Volunteer Management	13,925	-
Professional Services	128,803	-
Animal Care	394,271	-
Property Maintenance and Repairs	121,996	-
Administration	192,675	63,925
Utilities	110,461	-
Dog Licensing Administration	202,151	-
Fundraising	587	77,531
Programs	-	672,325
Depreciation	30,700	-
Total Expenses	3,524,351	813,781
Net Operating Income (Loss)	(86,533)	76,728
Nonoperating Revenues (Expenses)		
Investment Income	16,605	-
Loss on Disposal of Capital Assets	(100)	-
Total Nonoperating Revenues (Expenses)	16,505	-
Change in Net Position	(70,028)	76,728
Net Position, *Beginning of year*	1,736,146	163,377
Net Position, *End of year*	$ 1,666,118	$ 240,105

See Notes to Financial Statements.

Foothills Animal Shelter
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Primary Government Shelter	Component Unit Friends
Cash Flows From Operating Activities		
Cash Received from Customers and Donors	$ 1,977,554	$ 877,017
Dog Licensing Fees Received	831,239	-
Cash Received from Assessments	549,999	-
Cash Paid to Vendors and Others	(1,688,701)	(251,026)
Cash Paid to Primary Government	-	(469,011)
Cash Paid to Employees	(1,826,271)	-
Net Cash Provided (Used) by Operating Activities	(156,180)	156,980
Cash Flows From Capital and Related Financing Activities		
Acquisition and Construction of Capital Assets	(57,096)	-
Loss on Disposal of Capital Assets	(100)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(57,196)	-
Cash Flows From Investing Activities		
Investment Income Received	16,605	-
Net Increase (Decrease) in Cash and Cash Equivalents	(196,771)	156,980
Cash and Cash Equivalents, *Beginning of year*	1,846,636	167,084
Cash and Cash Equivalents, *End of year*	$ 1,649,865	$ 324,064
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Net Operating Income (Loss)	$ (86,533)	$ 76,728
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation	30,700	-
Changes in Assets and Liabilities		
Accounts Receivable	11,913	(13,492)
Prepaid Expenses	-	(1,000)
Due from Component Unit	(90,989)	-
Accounts Payable	(19,406)	3,755
Accrued Liabilities	(8,606)	-
Unearned Revenues	50	-
Due to Primary Government	-	90,989
Accrued Compensated Absences	6,691	-
Net Cash Provided (Used) by Operating Activities	$ (156,180)	$ 156,980

See Notes to Financial Statements.

Foothills Animal Shelter
Notes to Financial Statements
December 31, 2018

Note 1: Summary of Significant Accounting Policies

The Table Mountain Animal Center was established by an intergovernmental agreement dated March 15, 1976, for the administration and operation of a common animal shelter. In August 2012, an amended intergovernmental agreement changed the name of the shelter to the Foothills Animal Shelter (the Shelter). Current participating entities are as follows:

Jefferson County	City of Lakewood
City of Arvada	City of Westminster
City of Edgewater	City of Wheat Ridge
City of Golden	

The Shelter's Board of Directors consists of appointed members from the participating entities. Each participating entity is entitled to appoint one member to the Board.

The accounting policies of the Shelter conform to generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the Shelter, organizations for which the Shelter is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Shelter. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the Shelter. Legally separate organizations for which the Shelter is financially accountable are considered part of the reporting entity. Financial accountability exists if the Shelter appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the Shelter.

Based on the application of these criteria, the Shelter includes the Friends of Foothills Animal Shelter (the Friends), a non-profit organization as defined in Section 501(c)(3) of the Internal Revenue Code, in its reporting entity. Friends was formed to encourage humanity to animals by education and in cooperation with the Shelter, to raise funds to assist the Shelter in fulfilling its mission, and to engage in any other lawful business or activities for the benefit of the Shelter and the prevention of cruelty to animals. Friends is discretely presented in the Shelter's financial statements and does not issue separate financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Shelter uses an enterprise fund to account for its operations. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where fees are charged to external users for goods or services.

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation *(Continued)*

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for a specific use, it is the Shelter's practice to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities and Net Position

Cash Equivalents - Cash equivalents include investments with original maturities of three months or less.

Accounts Receivable - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Expenses - Payments to vendors for goods and services which will benefit subsequent years are reported as prepaid expenses.

Capital Assets - All purchased property and equipment are valued at cost, while donated assets are valued at the acquisition value on the date received as a donation. It is the Shelter's policy to capitalize property and equipment with a cost of $2,000 or more and a life in excess of one year.

Property and equipment are depreciated using the straight-line method over the following estimated useful lives.

Building Improvements	5 -10 years
Furniture and Equipment	5 -10 years
Vehicles	5 years

Unearned Revenues - Unearned revenues arise when resources are received by the Shelter before it has a legal claim to them, including fees and charges received in advance.

Compensated Absences - Full-time employees may accumulate a maximum of 180 hours of annual leave, and will be paid for any accumulated leave upon termination if an employee is employed for at least one year. Accumulated unpaid annual leave is accrued as a liability when earned by the employees.

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position *(Continued)*

Net Position - Net position is restricted when constraints placed on the use of resources are externally imposed. The intergovernmental agreement requires the Shelter to establish a capital improvement fund equal to a minimum of $500,000, which has been reported as restricted net position in the financial statements. Uses of the fund include replacement or procurement of capital equipment and improvement or expansion of the facility. If funds are used from the capital improvement fund, the fund shall be returned to the minimum balance within a two-year period.

Animal Relief Fund (ARF) monies are placed in reserve for the purpose of offsetting or subsidizing the costs of providing humane services for animals in the care of the Shelter when such animal meet one or more of the following criteria: 1) a victim of abuse or neglect; 2) part of a mass impound; 3) exotic, requiring specialized diet, health care or shelter; 4) displaced due to natural disaster; 5) presenting extraordinary health care needs and/or complications.

The intergovernmental agreement requires the Shelter to establish a contingency/emergency fund equal to a minimum of three months of operating expenses as calculated from the prior year.

Risk Management

The Shelter is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Shelter carries commercial insurance for these risks of loss.

Note 2: Stewardship, Compliance and Accountability

Budgetary Information

Budgetary comparisons in the financial statements are presented on a non-GAAP budgetary basis, whereby capital outlay is budgeted as an expense, and depreciation is not budgeted. Budgetary control is at the fund level as prescribed by State statutes. All appropriations lapse at year end.

The Shelter follows these procedures to establish the budgetary information reflected in the financial statements:

- The Executive Director submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally adopted through passage of a resolution.

Foothills Animal Shelter
Notes to Financial Statements
December 31, 2018

Note 3: Cash and Investments

A summary of cash and investments of the Shelter and Friends at December 31, 2018, follows:

Cash on Hand	$ 300
Deposits	1,098,432
Investments	875,197
Total	$ 1,973,929
Shelter	$ 1,649,865
Friends	324,064
Total	$ 1,973,929

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2018, the Shelter had bank deposits of $308,897, collateralized with securities held by the financial institution's agent but not in the Shelter's name. At December 31, 2018, the Friends had bank deposits in excess of FDIC insurance limits totaling $79,269.

Investments

The Shelter is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

Interest Rate Risk - State statutes generally limit investments to a maturity of five years, unless the governing board authorizes the investment for a period in excess of five years.

Note 3: Cash and Investments (Continued)

Investments *(Continued)*

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk - State statutes do not limit the amount the Shelter may invest in one issuer of investment securities, except for corporate securities.

Local Government Investment Pool - At December 31, 2018, the Shelter had $875,197 invested in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating CSAFE. CSAFE operates in conformity with the Securities and Exchange Commission's Rule 2a-7. CSAFE is measured at the net asset value per share, with each share valued at $1. CSAFE is rated AAAm by Standard and Poor's. Investments of CSAFE are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Note 4: Capital Assets

Capital asset activity for during the year ended December 31, 2018, is summarized below:

	Balance 12/31/17	Additions	Deletions	Balance 12/31/18
Capital Assets, *Being Depreciated:*				
Buildings and Improvements	89,604	52,315	-	141,919
Furniture and Equipment	188,317	4,781	(66,352)	126,746
Vehicles	37,461	-	-	37,461
Total Capital Assets, *Being Depreciated*	315,382	57,096	(66,352)	306,126
Less Accumulated Depreciation:				
Buildings and Improvements	(52,351)	(11,523)	-	(63,874)
Furniture and Equipment	(124,754)	(16,226)	66,352	(74,628)
Vehicles	(32,837)	(2,951)	-	(35,788)
Total Accumulated Depreciation	(209,942)	(30,700)	66,352	(174,290)
Capital Assets, net	$ 105,440	$ 26,396	$ -	$ 131,836

Note 5: Retirement Commitments

On March 1, 2018, the Shelter replaced its SIMPLE IRA defined contribution pension plan, and established and began to offer a 401(k) IRA defined contribution pension plan to its employees.

All employees with one year of service and at least 21 years of age are eligible to participate in the plan. Participant contributions are fully vested on the date of eligibility. The Shelter matches 100% of employee contributions up to 3% of eligible compensation. The contribution requirements of the Shelter and eligible employees are established and may be amended by the Board of Directors.

For the year ended December 31, 2018, the Shelter contributed $10,508 to the plan.

Note 6: Commitments and Contingencies

Facility Financing Agreement

In August, 2010, the Shelter entered into an agreement with Jefferson County to lease a county-owned facility for fifty years, from August 9, 2010, and terminating August 9, 2060. The lease agreement requires annual lease payments of $10. An intergovernmental agreement between the Cities of Arvada, Lakewood, Wheat Ridge, Golden and Westminster and Jefferson County implemented a county-wide dog licensing program to finance the construction of the facility.

In August, 2012, the participating entities amended the intergovernmental agreement. After 2012, the Shelter will receive dog licensing fees from the county-wide dog licensing program, to be used for operating costs of the Shelter, capital improvements, and maintenance. The participating entities will pay an assessment to Jefferson County to repay debt service related to the construction of the facility.

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Supplementary Information

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Foothills Animal Shelter
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance *Positive (Negative)*
Revenues			
Charges for Services	$ 1,272,000	$ 1,216,383	$ (55,617)
Dog Licensing Fees	900,000	831,239	(68,761)
Assessments	550,000	549,999	(1)
Donations and Events	815,000	840,197	25,197
Investment Income	-	16,605	16,605
Miscellaneous	-	-	-
Total Revenues	3,537,000	3,454,423	(82,577)
Expenses			
Communications	48,650	15,393	33,257
Personnel	2,391,799	2,313,389	78,410
Volunteer Management	13,000	13,925	(925)
Professional Services	135,300	128,803	6,497
Animal Care	343,100	394,271	(51,171)
Property Maintenance and Repairs	107,076	121,996	(14,920)
Administration	171,946	192,675	(20,729)
Utilities	100,000	110,461	(10,461)
Dog Licensing Administration	229,000	202,151	26,849
Fundraising	6,900	587	6,313
Capital Outlay	40,000	57,096	(17,096)
Total Expenses	3,586,771	3,550,747	36,024
Change in Net Position, *Budgetary Basis*	$ (49,771)	(96,324)	$ (46,553)
Adjustments to GAAP Basis			
Depreciation		(30,700)	
Capital Outlay		57,096	
Loss on Disposal of Capital Assets		(100)	
Change in Net Position, *GAAP Basis*		$ (70,028)	