

LAST CHANCE ANIMAL RESCUE FUND, INC.

Financial Statements

For the Year Ended December 31, 2010

LAST CHANCE ANIMAL RESCUE FUND, INC.
Notes to Financial Statements
For the Year Ended December 31, 2010

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Last Chance Animal Rescue Fund, Inc.
Southampton, New York

We have audited the accompanying statement of assets, liabilities and net assets - modified cash basis of the Last Chance Animal Rescue Fund, Inc. (a 501 (c)(3) organization) as of December 31, 2010, and related statement of revenues, expenses and changes in net assets - modified cash basis 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.

As described in note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of Last Chance Animal Rescue Fund, Inc. as of December 31, 2010, and its revenue, expenses and changes in net assets for the year then ended, on the basis of accounting described in note 1.

Markowitz Fenelon & Bank LLP

Markowitz, Fenelon & Bank, LLP
Southampton, New York

October 24, 2011

LAST CHANCE ANIMAL RESCUE FUND, INC.

Statement of Assets, Liabilities and Net Assets

Modified Cash Basis

December 31, 2010

ASSETS

Current Assets

Cash

\$ 12,353

Total Assets

\$ 12,353

LIABILITIES AND NET ASSETS

Liabilities

\$ -

Net Assets

Unrestricted

Undesignated

12,353

Total Net Assets

12,353

Total Liabilities and Net Assets

\$ 12,353

See accompanying notes and independent auditors' report.

LAST CHANCE ANIMAL RESCUE FUND, INC.
Statement of Revenues, Expenses and Changes in Net Assets
Modified Cash Basis
For the Year Ended December 31, 2010

REVENUES

Donations	\$ 346,221
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EXPENSES

Program Services

Veterinary expense	127,861
Boarding and caretaking	135,990
Transportation	5,488
Food and supplies	22,411
Advertising	1,583

Total Program Services	293,333
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Supporting Services

Management and General

Legal and accounting	5,315
Credit card fees	4,822
Office	3,565
Travel	3,936
Meals	2,066
Insurance	3,173
Rent	1,354
Gifts	520
Bank fees	282
Filing fee	35

Total Management and General	25,068
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Fund Raising

Special events	18,115
Promotional	2,430

Total Fund Raising	20,545
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Total Expenses	338,946
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Increase in Net Assets	7,275
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Net Assets, Beginning of Year	5,078
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Net Assets, End of Year	\$ 12,353
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LAST CHANCE ANIMAL RESCUE FUND, INC.
Notes to Financial Statements
For the Year Ended December 31, 2010

Note 1. Nature of Organization and Significant Accounting Policies

Nature of Organization

The Last Chance Animal Rescue Fund, Inc., doing business as Last Chance Animal Rescue, Inc. (the Organization), is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Organization uses revenues from fundraising activities and donations to save and better the lives of animals located in "kill" shelters.

Basis of Accounting

The accompanying financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The modified cash basis of accounting recognizes revenues in the accounting period in which revenues are received regardless of when the income is earned and recognizes expenses in the accounting period in which expenses are paid regardless of when they were incurred.

Financial Statement Presentation

The Organization is required 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. For the year ended December 31, 2010 there were no temporarily or permanently restricted net assets.

Recognition of Donor Restricted Contributions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase 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.

Cash and Cash Equivalents

The Organization's policy is to classify all liquid investments with original maturities of three months or less as cash equivalents. Cash is held in demand accounts with banks.

Donated Services

Donated services have not been reflected in the accompanying financial statements since they do not meet the criteria for recognition in accordance with the modified cash basis of accounting. The Organization pays for services requiring specific expertise. Nevertheless, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs and various committee assignments.

Estimates

The preparation of financial statements on the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising

The Organization expenses advertising costs as incurred. Advertising expense amounted to \$1,583 for the year ended December 31, 2010.

LAST CHANCE ANIMAL RESCUE FUND, INC.

Notes to Financial Statements

For the Year Ended December 31, 2010

Note 1. Nature of Organization and Significant Accounting Policies (continued)

Income Taxes

The Organization has been granted tax-exempt status under the Internal Revenue Service Code Section 501(c)(3). Accordingly, no provisions for federal or state income taxes has been recorded in the accompanying financial statements.

Subsequent Events

Management has evaluated subsequent events through October 24, 2011, the date the financial statements were available to be issued.

Note 2. Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of revenues, expenses and changes in net assets - modified cash basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on the internal records and estimates made by the Organization's management.