

Taos Feral Feline Friends



*A 501-(c)3 Charitable Association
For The Welfare of Cats*

2014

Annual

Report

Taos Feral Feline Friends

2014 Annual Report

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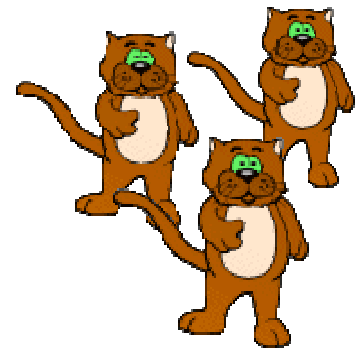
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**“Paws For The Cause”
Walk-a-thon**

Taos Feral Feline Friends



*A 501-(c)3 Charitable Association
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A Letter from the President and Founder

Dear Friends and Supporters,

With our second decade of service to the community in progress, I thought that our supporters, particularly those new to TFFF, might appreciate a brief review of our history over the past ten years. I'll try to explain not just what was done but why.

Back in 2003, I was a volunteer in the cattery of the Humane Society in Taos. As the community animal pound, the Humane Society received dozens of cats every month: owner drop-offs, abandoned cats and "nuisance" feral cats. Like many shelters, adoptions lagged behind intakes and the cattery seemed always full. Feral cats, wary of people, would huddle fearfully in the backs of their cages when adopters were present and were seldom adopted. They were euthanized to free up cage space for the socialized cats. A ride to that shelter was usually a feral cat's final trip.

I couldn't accept this constant destruction of innocent animals so I converted an empty guesthouse into a shelter for feral cats. Its first residents were cats scheduled for euthanasia rescued from the Humane Society. In June 2004, I applied to the IRS for non-profit status and Taos Feral Feline Friends was born.

This was to be a very unique shelter. First, we would be strictly 'no-kill', every cat taken in would have a home for life... guaranteed. Next, having seen how poorly the ferals reacted to being caged, I knew the shelter needed to be cage-free. Cats were confined within closed rooms, but were otherwise free. Adoptions would be handled differently, too. Viewings by potential adopters were not emphasized – after all, fearful, unsocial cats were not going to show well or be taken home as pets. Instead, farmers, ranchers and local residents needing 'barn kitties' would be our targets and they didn't usually care about the appearance or personalities of the cats anyway. "Let ferals be feral", I thought, and find them a setting where their hunting prowess is valued.

And, it worked! The shelter has placed nearly 600 cats in new homes and farms. However, despite adoption successes, the shelter soon reached its 90 cat capacity – there were simply more homeless cats than adopters! It was clear that the shelter alone could not aid every homeless cat. Instead, TFFF must reach feral cats in the wild and prevent new litters of homeless cats from being born.

So in 2005, TFFF began its Trap, Neuter and Return (TNR) program to "find and fix" feral cats. Our program was modelled after the recommendations of the ASPCA and Alley Cat Allies, both

A Letter from the President and Founder (continued)...

respected national animal welfare organizations. TNR forms a partnership between TFFF and the feral cat caregivers, the people providing food and water to the homeless cats in their neighborhoods. These generous people often cannot afford the veterinary bills to get feral cats fixed, and yet, if they don't, the cats keep multiplying. Our TNR program offers them traps, free spay/neuter surgeries and guidance on managing feral cat populations. Over 1300 feral cats have been "found and fixed" to date.

Seeing the key role of feral cat caregivers in TNR, I realized that TFFF's charitable impact could be multiplied by augmenting the animal welfare efforts of others. I knew that many people took in stray cats. Couldn't we encourage this kind-hearted activity by helping adopters pay veterinary costs?

This idea became the Pays To Help Strays adoption program in 2008. With Pays To Help Strays, TFFF pays for spay/neuter surgery, FELV/FIV testing and all vet-recommended vaccinations, saving clients around \$200 per adoption. It's what I call my "home run" program. Here's why: each cat adopted is instantly one fewer homeless cat; each cat adopted is fixed so that the future homeless population cannot increase; and each cat adopted bypassed the TFFF shelter, preserving its limited space for injured or abandoned cats in life-or-death crises. The public's response to this innovative service has been outstanding! To date, over 550 cats have been adopted through Pays To Help Strays.

Now, let's review some recent history - our 2014 accomplishments. Overall, we helped 364 cats during 2014: 120 via the Shelter Program, 132 TNR cases and 112 Pays To Help Strays adoptions. Cats helped in 2014 were 11% less than the 2013 numbers because we had to be cautious about accepting new clients until PetSmart Charities, Inc. decided about the renewal of their grant. On May 16, 2014, PetSmart awarded TFFF with \$20,100, the third grant for our "Spay/Neuter Taos" partnership. Beginning on that date, we have committed to spay/neuter 300 cats over the next twelve months in the Taos, Ranchos De Taos and El Prado areas of Taos County. As of late February, the project is about 70% complete and with the warmer months of 2015 ahead, TFFF is on track to meet its grant obligations. We are privileged to have the support of PetSmart Charities, the top animal welfare grantor in the U.S. Their funding not only helps cats, but also many local businesses where TFFF purchases supplies and services.

But the best news is our spay/neuter work is really paying off! Since "Spay/Neuter Taos" began, feline intakes at Stray Hearts have declined 44% from 673 in 2010 to 376 in 2014. Feline euthanasia at Stray Hearts has dropped even more - from over 200 deaths in 2010 to a mere handful today.

During 2014, TFFF expanded its Low Income Assistance programs giving nearly \$5,000 in free cat food and veterinary expense reimbursement to a dozen indigent cat caregivers. Of course, the best help we offer them is population control through spay/neuter, but our poorest cat caregivers truly require immediate financial aid in order to properly support their cats. Finally, in 2014, TFFF broadened the scope of Pays To Help Strays to provide full adoption benefits for cats held in local foster homes. This is another example of how we try to augment the charitable work of others who, like us, care about cats.

As always, thank you for your compassion and support of our mission!

Sincerely yours,



Leanne Mitchell, President and Founder

3/15/15

Taos Feral Feline Friends

The Mission - Problems and Solutions



The Shelter

The Mission

Prevent the inhumane treatment of stray and feral cats in Northern New Mexico.

Stop unnecessary euthanasia of stray and feral cats.

Reduce the population of stray and feral cats.

Feral Cat Problems and Solutions

Problem: Feral cats are not adoptable as pets.

Solution: TFFF finds homes where they are appreciated as outdoor or barn cats.

Comment: Finding homes for ferals takes time. Most shelters don't like to house animals for extended periods, but we will keep them for as long as it takes to find a home.

Problem: Feral cats are wild animals that do poorly in traditional caged shelters.

Solution: TFFF operates a cage-less, but secure 814 sq. foot indoor facility where ferals are free to roam and play.

Comment: Our shelter also features three fenced - in outdoor play areas.

Problem: Feral cats are over-populated and are a nuisance.

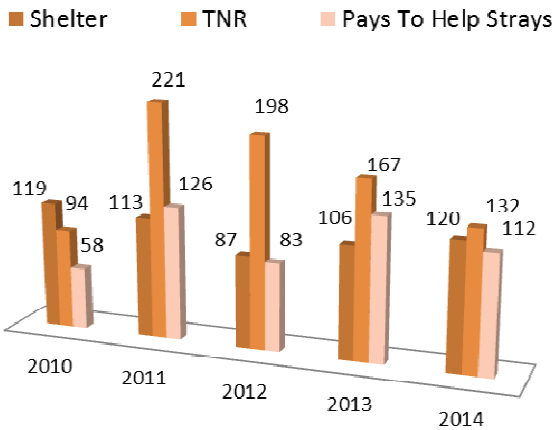
Solution: TFFF sterilizes all cats before adoption and offers free Trap, Neuter, and Return (TNR) services - the only humane method of population control.

Comment: Studies have shown that TNR is more effective than euthanasia in controlling outdoor cat populations.

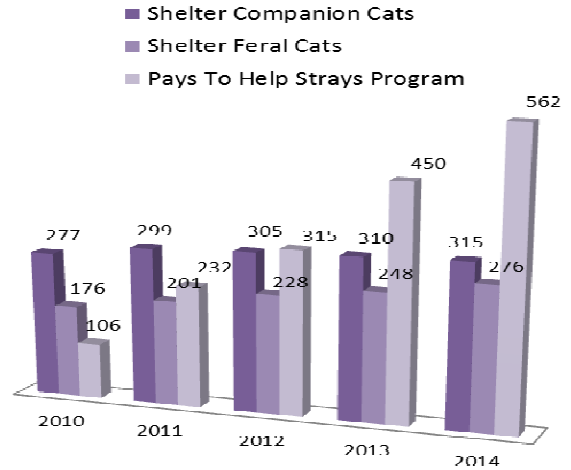
Taos Feral Feline Friends

By the Numbers

Number of Cats Aided by Year

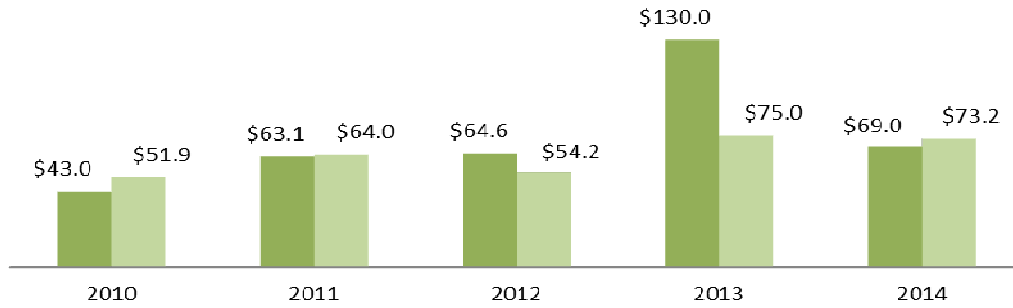


Cumulative Adoptions

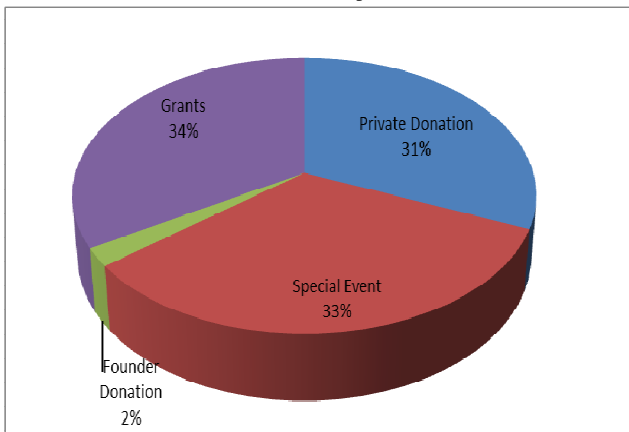


Income and Expense by Year

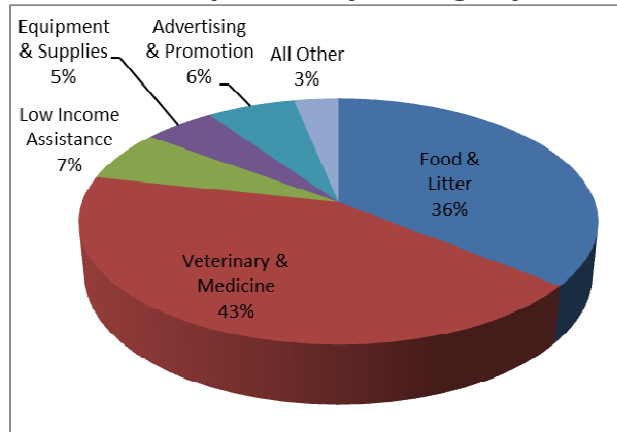
Income (000's) Expense (000's)



2014 Income by Source



2014 Expense by Category



Taos Feral Feline Friends

Comprehensive Cat Community Plan

Cats are mobile, social animals. Problems such as disease and overpopulation travel readily from feral cats to indoor/outdoor cats to ordinary pets. The Comprehensive Cat Community Plan (CCCP) reflects our philosophy that the entire community of cats, not just certain subgroups, should be addressed in the design of a feline welfare program. In addition, animal welfare groups do not operate in isolation. With charitable resources scarce, no welfare organization can afford to duplicate the efforts of another.

Through the CCCP, we provide a safety net for the segments of the feline community that no one else will help. We seek solutions for problems that others ignore. Where other organizations are active (for example, the companion cat shelter and adoption program of Stray Hearts, Inc.), TFFF steps back. Where other programs are lacking, we step in. Thus, TFFF created the first feral cat shelter in Northern New Mexico since other shelters did not accept them. Later, we began Taos' first ever Trap, Neuter, and Return (TNR) program to address the problem of overpopulation of homeless cats.

The CCCP is reviewed annually and modified as needed to ensure that our activities are appropriately targeted to the segments of the cat community most in need of our help. For example, in 2007, the Shelter Program expanded to accept stray companion cats from Taos County Animal Control in order to replace the animal welfare services lost when the county's shelter closed. When Stray Hearts, Inc. began serving as the county shelter, TFFF was able to reduce its shelter intake and redirect funds into the rapidly growing TNR program.

As 2014 begins, the CCCP consists of three core activities: a Shelter Program, a TNR Program, and an adoption expense reimbursement program, Pays To Help Strays.

The Shelter Program rescues, shelters, and finds adoptive homes for feral cats in Taos and western Colfax counties of New Mexico. In addition to the feral cat shelter, TFFF maintains a small companion cat shelter primarily for older cats, cats with disabilities and for "owner surrender" cats. As of 12/31/2014, there were 77 cats at our shelter.

The Trap, Neuter, and Return Program provides free spay/neuter surgeries, cat food and general assistance to outdoor cat caregivers throughout Taos and western Colfax counties. As of 12/31/2014, there over 100 colonies of feral cats managed by TFFF with an estimated total population of 650. TFFF also provides veterinary expense assistance and free cat food to low-income households in Taos, typically to unemployed and/or disabled TNR program colony caregivers or TFFF volunteers.

The Pays To Help Strays Program encourages people to adopt stray cats directly from the wild. TFFF pays for spay/neuter, FELV/FIV screening, and all recommended vaccinations. Our clients get affordable new pets... and homeless cats get new homes!

Spay/Neuter Taos, the PetSmart Charities®/TFFF partnership, began 1/15/2011. Spay/Neuter Taos utilizes all three TFFF programs in a highly focused effort to spay/neuter up to 300 cats over a one year period, with the goal of achieving a quick, significant reduction in the free-roaming cat population within the designated target area of Taos, Ranchos De Taos and El Prado. In May 2014, PetSmart Charities awarded TFFF with a third Spay/Neuter Taos grant for \$20,100.

Let's take a closer look at how each program works. Keep in mind that we don't consider these activities separate and unrelated, but as part of our overall, comprehensive plan to fulfill our mission.

Taos Feral Feline Friends

Shelter Program

TFFF began in 2004 as a cat rescue organization. Its first shelter residents were feral cats awaiting euthanasia at the local Humane Society, rescued and brought home by Leanne Mitchell. Since then, TFFF has become the premier, no-kill feline shelter in Northern New Mexico.

The primary shelter facility is a former 814 square foot guesthouse with four rooms located in Ranchos De Taos, New Mexico. The cats are free to roam within each room - it is a cage-less shelter. Two rooms have ceilings with exposed wooden supports that the cats can sit or walk along, effectively increasing the usable areas of the rooms. Two rooms have windows opening onto screened-in porches, allowing our residents to safely enjoy the outdoors. The building can easily accommodate about 60 cats and is presently reserved for feral cats. Counting the additional shelter areas in a separate building, total shelter capacity is 90.

A cage-less environment is important to the health and well-being of feral cats. Feral cats, accustomed to running free, can become lethargic and stop eating if confined to a cage. Our cats run and play within their rooms, interacting with the other cats, forming a community much like an outdoor feral cat colony. Eating habits and litter box use are normal. Fights are seldom observed. By all measures, the ferals are well-adapted to life at the TFFF shelter.

Controlling and preventing feline disease is an important part of the Shelter Program. The shelter is cleaned and disinfected daily. Before a cat enters the shelter community, it is screened for FELV (feline leukemia) and FIV (feline immunodeficiency virus) as recommended by the American Association of Feline Practitioners. Cats with these communicable illnesses cannot be placed in our open setting. Cats with less serious problems, such as upper respiratory illness, are kept isolated from the main shelter until they recover. For this purpose and other special needs, some cats are housed in rooms apart from the main shelter. Non-feral cats, companion animals, are also kept in these areas where they receive more contact with TFFF volunteers. All cats held at TFFF receive FeLV, FVRCP, and rabies vaccinations as soon as practical upon their arrival at the shelter. All cats are spayed or neutered prior to adoption.

TFFF actively seeks to find permanent, loving homes for both companion and feral cats. Despite the common misconception that feral cats are unadoptable, we have been successful in finding individuals who appreciate the wild nature and rodent-controlling abilities of feral cats. A standardized adoption agreement, providing contact information, cat health and identification data is executed. We contact each adopter at least once to see how the cat and owner have adapted. The suggested donation for adoptions is \$12.50 per feral cat to \$25.00 per companion cat.

Feral cat adoptions take time to arrange. A suitable home for feral cats requires shelter from the elements and predators, specifically wild dogs and coyotes, and a human caregiver. Given that Taos County has been plagued with serious rodent problems, including human fatalities caused by the mouse-transmitted Hanta virus, TFFF believes that the community obtains material public health benefits from properly managed feral cat populations. By building awareness of our organization and promoting the rodent-control advantages of cat ownership, TFFF boosts the demand for both companion and feral cats.

TFFF arranged adoptions for 33 shelter cats (28 feral, 5 companion) in 2014, accepted 45 new intakes (36 feral, 9 companion) into the shelter. Four residents were euthanized. There were 77 cats at the shelter at 12/31/14. TFFF's goal for 2015 is to accept 25 new residents and to arrange 40 shelter adoptions.

Taos Feral Feline Friends

Trap, Neuter, and Return (TNR) Program

TNR is our community outreach program supporting the animal care efforts of individuals with outdoor cat populations. It is the best option for helping feral cats when a property owner is willing to support a feral cat colony on his/her premises. If residents are willing to provide food, water, and shelter sufficient to maintain a feral colony, TFFF will trap the animals, transport them to the veterinarian for spay/neuter, rabies vaccinations, and ear-tipping, then return them back into the feral colony. By keeping the population under control, residents are able to manage their colonies more efficiently, without incurring the costs of an ever-increasing population. Additionally, by helping people manage cats on their premises, we are able to reserve our limited shelter space for cats that are unsupported or suffering abuse.

TNR is the most critical element of TFFF's mission to contain feral populations in a humane manner. It has been shown to be more effective in reducing cat populations than euthanasia and is recommended by the American Society for the Prevention of Cruelty to Animals (ASPCA). TNR complements, but does not replace the need for our rescue, shelter, and adoption program. First, TNR is best suited for true feral cats – a young kitten or a stray cat with the temperament of a companion animal should be placed in a shelter for adoption. Second, TNR requires the active co-operation of the property-owner. If a property-owner is unwilling to support the colony, or will not consent to our program guidelines, TFFF will not initiate a TNR program. If cats' lives are in immediate jeopardy, we will trap, remove the cats, and take them to our shelter for veterinary care and adoption.

TNR is available free of charge to the public, the only such program in our service area. TFFF also provides free cat food to low-income colony care-givers and provides a limited amount of veterinary expense reimbursement. In 2014, over \$3,000 in food was distributed free to TNR colony caregivers and over \$1,800 in veterinary expense reimbursement.

Controlling and preventing feline disease in outdoor cats is an important part of the TNR Program. Outdoor cats are exposed to more pathogens and live under much harsher conditions than indoor cats. The two most common serious feline diseases we encounter are FIV and FELV. FIV (Feline Immunodeficiency Virus) is prevalent throughout Taos County. Like human AIDS, FIV attacks a cat's immune system, making it more susceptible to other diseases. FIV is spread directly from cat to cat by biting, mating, and sharing of infected litter, water or food sources. FELV is a serious viral infection spread mainly from mother to kittens. An effective vaccine for FELV is available and all TFFF shelter cats receive it. However, because the FELV vaccine requires booster shots, it is not practical for TNR cats.

TFFF does not test TNR cats for FIV or FELV unless, in a veterinarian's opinion, a cat manifests symptoms associated with these infections. No cat at TFFF has or will ever be euthanized based solely on the results of the FELV/FIV test. However, to prevent the spread of these fatal pathogens to otherwise healthy cats, TFFF does not return demonstrably sick cats testing positive for FELV or FIV to the feral colony. In these cases, depending on the specific facts and upon consultation with the attending veterinarian, TFFF may elect to euthanize or retain the cat in isolation at its shelter. A complete discussion of TFFF's testing policy can be found on the TFFF website.

During 2014, 132 TNR cases were completed with three TNR-related euthanasia cases. For 2015, TFFF expects to handle 125 to 165 TNR cases, with the majority relating to the Spay/Neuter Taos program.

Taos Feral Feline Friends

Pays To Help Strays

“Pays To Help Strays” commenced as a pilot program in 2008. This program assists people who adopt strays and ferals directly into their homes. Through Pays To Help Strays, we will reimburse the costs of the spay/neuter surgery, FELV/FIV testing, and all vet-recommended vaccinations for anyone directly adopting a stray or “friendly feral” cat into their home. The person must contact us within 60 days, or in advance, of the adoption in order to be eligible for benefits. Cats adopted from other shelters, pet stores, or breeders are ineligible for this program.

With shelter space always in limited supply, foster home care for unowned cats is a valuable option for animal welfare. During 2014, TFFF extended eligibility for the Pays To Help Strays program to cats that are being cared for in foster homes. The foster care providers can be operating independently or under the supervision of another animal welfare organization. TFFF requires that the foster care provider intends to find a permanent, local home for their foster cat(s) and that TFFF be provided with contact information of the ultimate adopter(s). The Pays To Help Strays benefits can be used while the cat is in foster care or transferred to the ultimate adopter. By providing free veterinary care to cats in foster care, TFFF eliminates most of the up-front veterinary costs associated with the adoption of a stray cat and, therefore, makes foster cats more easily adoptable.

Whether supporting foster caregivers or final adopters, Pays To Help Strays is a highly cost-effective way to help homeless cats find permanent homes while simultaneously limiting the reproductive potential of the outdoor population. It also bypasses the TFFF shelter completely, preserving shelter capacity for the neediest animals.

Due to rising veterinary costs and the increasing popularity of this program, TFFF restricts its reimbursement to the following veterinary services: spay/neuter surgery, FELV/FIV testing, and recommended vaccinations (rabies, FVRCP, and FeLV). Charges for medicine, treatment of illness or injuries and veterinary examination fees, previously reimbursed by TFFF, are now the client’s responsibility. This change became effective March 1, 2012.

112 Pays To Help Strays adoptions were arranged in 2014. Based on our current expectations for grant and donation funding during 2015, TFFF expects to arrange 110 to 150 Pays To Help Strays adoptions with the majority relating to the Spay/Neuter Taos program. However, the demand for this service is increasing and TFFF could exceed its goal if additional funding becomes available.

Taos Feral Feline Friends

Financial Overview as of 12/31/2014

Introduction

Taos Feral Feline Friends (TFFF) is a 501-c(3) non-profit association, founded in June 2004, providing animal welfare to stray and feral cats throughout Northern New Mexico. The association's headquarters and shelter facility are located in unincorporated Taos County, New Mexico, approximately 8 miles southwest of the town of Taos. The following discussion is a material part of the TFFF financial report. This financial report has not been audited, but is believed by the undersigned to be an accurate representation of the financial condition of the association as of Dec. 31, 2014. Further information concerning the organization's financial condition may be obtained from IRS Form 990. Please contact us in writing if you would like to receive this filing. There is no charge to receive our tax filing.

2014 Income Statement

TFFF prepares its accounting statements on a cash basis with semi-annual reporting periods ending June 30 and December 31. TFFF had revenues of \$69,041 for CY2014, consisting of approximately 31% private donations (including adoption fees); 33% special events (a walkathon); 34% corporate and charitable foundation grants; and 2% founder donations. Revenues decreased by 47% in comparison to the \$130,006 recorded in 2013. Excluding a single non-recurring bequest of \$77,734 received in 2013, revenue increased by 32% during CY2014. Private donations (excluding the non-recurring item from 2013) decreased by 19% from \$26,906 in 2013 to \$21,688 in 2014, special event revenue increased by 1% from \$22,404 to \$22,702. Charitable grants increased 1339% from \$1,612 to \$23,201, primarily due to a 2014 grant of \$20,100 from PetSmart Charities, Inc. for the Spay/Neuter Taos initiative while 2013 had no PetSmart funding. Founder donations, the smallest revenue component, increased slightly from \$1,350 in 2013 to \$1,450 in 2014. The special event revenue includes a non-cash amount of \$824 from feline FELV/FIV test kits donated by IDEXX Laboratories, Inc.

TFFF had expenses of \$73,155 for CY2014, consisting of 36% for food and litter (vs. 34% during 2013), 43% for veterinary costs, veterinary supplies and medicine, (vs. 48% during 2013), 7% for veterinary expense and food assistance to low income families (vs. 5% during 2013), 5% for TNR equipment, shelter equipment and supplies (vs. 5% during 2013), and 10% for utilities, advertising, printing, postage, special event expenses, promotional and miscellaneous costs (vs. 9% during 2013). In total, expenses decreased by 2% from \$74,967 in 2013 to \$73,155 in 2014. The decrease in expenses for 2014 vs. 2013 is mainly attributable to an decrease of \$4,641 in veterinary costs and the costs of veterinary supplies and medicine, offset in part by increases in food and litter expense and the costs of the low income client support programs. A modest decline in program activity, measured as the number of cats assisted during the calendar year, contributed to the decrease in expenses with the number of cats assisted declining from 408 in 2013 to 364 in 2014.

TFFF had no employee or private contractor costs through during CY2014. Utility costs totaled \$539 for waste disposal, cell phone and web-hosting fees for the TFFF website. All other utility, insurance and transportation costs were paid for TFFF as in-kind donations by William and Leanne Mitchell. TFFF leases its shelter facility on a rent-free basis from William and Leanne Mitchell. The payment of certain expenses by William and Leanne Mitchell and rent-free lease are charitable arrangements that can be terminated at any time.

Based on the above revenues and expenses, TFFF reported an operating loss of \$4,114 for 2014 vs. an operating gain of \$55,039 in 2013. As noted above, the CY2013 gain was impacted by a significant, non-recurring donation.

Taos Feral Feline Friends

Financial Overview as of 12/31/2014 (continued)

2014 Balance Sheet

TFFF maintains a checking account with the Taos, NM branch of Peoples Bank, 13180 Metcalf Ave., Overland Park, KS. As of 12/31/2014, the account balance was \$57,970. The account does not pay interest and incurs no banking fees, other than purchase of blank checks. TFFF maintains an account with PayPal to facilitate on-line donations via the TFFF website. As of 12/31/2014, the PayPal account balance was \$1,565. TFFF had undeposited cash and checks of \$106 as of 12/31/2014. TFFF also has a brokerage account at Fidelity Investments to facilitate charitable donations of securities and its balance was \$0 as of 12/31/2014.

To obtain liquidity, TFFF has borrowed \$17,525 from founders Leanne and William Mitchell through 12/31/2014. A \$40,000 credit line has been committed for TFFF through 12/31/2016 by the founders. The loan bears no interest, can be repaid at any time, and appears on the association's statement of assets and liabilities contained herein. TFFF has no other debt or lease obligations as of 12/31/2014.

Subsequent to 12/31/2014, TFFF repaid the \$17,525 founder loan with funds from its checking account. TFFF plans to continue utilizing the loan facility during CY2015 to provide operational liquidity. Following completion of the association's financial review for CY2015, TFFF intends to repay any outstanding loan balance provided sufficient funds are available.

TFFF's cumulative surplus (excess of revenue over expense) was \$42,116 as of 12/31/2014. The surplus is approximately 7.9% of inception-to-date revenue.

2014 Expenses By Program

This exhibit was prepared from the expense records of the association. Some expense categories such as Shelter Supplies, Shelter Equipment and TNR Equipment are directly associated with a specific program. Veterinary Costs were subdivided by program by totaling each animal's vet costs by the corresponding program under which treatment was provided. Medicine and Veterinary Supplies category expenses, mainly the cost of FELV/FIV test kits and vaccines, were allocated by program according to the number of cats utilizing the supplies. Low Income Food Assistance (LIFA), previously denoted 'TNR Food', and Low Income Veterinary Expense Assistance (LIVE) costs are tabulated directly from the original expense records. LIVE costs until 2014 were displayed under the Shelter program, but are now classified as TNR program costs since most recipients are current or former TNR clients. All food costs, other than LIFA, and all litter costs are attributed to the Shelter program. Miscellaneous expenses are allocated to each program according to the total numbers of animals aided by program during 2014: 132 for the TNR program, 120 for the Shelter program, and 112 for the Pays To Help Strays program.

Program Budgets for 2015

TFFF has prepared budgets, i.e., expense projections, relating to each of its three programs for the 2015 calendar year, based upon its 2015 program goals as described herein. The Shelter Program budget for 2015 assumes 25 new shelter intakes and 40 shelter adoptions during 2015. The TNR Program budget assumes 145 new cases in 2015. 130 Pays To Help Strays cases are assumed for 2015.

Calendar year revenue is estimated by source for the organization. For 2015, we are projecting that the grant revenue will include approximately \$20,500 in renewal funding from PetSmart Charities for Spay/Neuter Taos. Private donations are projected as 102% of 2014 private donations.

Taos Feral Feline Friends

Financial Overview as of 12/31/2014 (continued)

Special event revenue was estimated as 102% of the mean of the 2014 value. Founder donations are assumed to be unchanged from 2014. Budgeted revenue is \$70,228 for CY2015, an increase of about 2% from CY2014. The budgeted revenue for CY2015 consists of approximately 32% private donation revenue, 33% special event revenue, 33% grant revenue, and 2% founder donations. No other sources of revenue are expected.

Annual price inflation rates assumed are 5% for food and litter, 0% for veterinary services and 3% for all other expenses. There is no assumed veterinary service expense inflation because the budget projections incorporate the 1/1/2015 fee schedule of our primary veterinary service provider. Since TFFF purchases most of its food and litter from a single supplier, actual price inflation for this expense category during 2015 may be considerably more or less than the assumption employed herein. Food, litter, veterinary, and medicine and veterinary supply costs are based on 2014 costs adjusted for the expected differences in 2015 vs. 2014 case counts by program. Supplies, equipment, utility and miscellaneous expenses projected for 2015 are based primarily on 2014 costs. Utilities and miscellaneous expenses not directly associated with the Shelter Program are allocated to individual programs according to the projected numbers of animals aided. Since TFFF intends to remain a 100% volunteer organization, no personnel costs are projected for CY2015. Rent, insurance, electricity, heating, internet access and transportation costs expected to be donated to TFFF throughout 2015 by William and Leanne Mitchell appear as zeroes in the budget.

As noted above, the ability of TFFF to fund its charitable operations is partially dependent on the attainment of grant funds from sources outside of the local community. Charitable foundation and corporate grants are awarded through a highly competitive process, making TFFF's future awards very difficult to predict. For example, we have assumed in the budget for 2015 that TFFF will obtain renewal grant funding from PetSmart Charities, but there can be no assurance that such funding will be received.

The 2015 budget targets approximately break-even surplus from operations. However, due to the inherent uncertainty regarding the actual amount of grant funding and private donations that will be obtained during 2015, TFFF may be unable to achieve the targeted revenue. In this event, TFFF may temporarily suspend or restrict one or more of its programs during 2015. In particular, if the Spay/Neuter Taos grant is not renewed by PetSmart during 2015, TFFF may reduce its program activity and/or incur substantial losses.

Although the values displayed in the projected budgets are believed to be reasonable estimates of TFFF's 2015 financial activity, all of the amounts should be considered hypothetical values, possibly differing materially from the actual results.

Signature

I hereby represent that the above discussion of the financial condition of Taos Feral Feline Friends as of December 31, 2014 and accompanying schedules are accurate to the best of my knowledge and that the projections discussed herein are based upon assumptions believed to be reasonable as of this date of signature:

 , signed on 3/9/2015

Pamela Matas, Vice-President and Treasurer of Taos Feral Feline Friends

Taos Feral Feline Friends

2014 Income Statement

	<u>1/1/14 - 6/30/14</u>	<u>7/1/14 - 12/30/14</u>	<u>1/1/14 - 12/31/14</u>	<u>1/1/13 - 12/31/13</u>
<u>Revenue</u>				
Private Donations (incl. Adoption Fees)	\$15,022	\$6,666	\$21,688	\$104,640
Special Events	\$0	\$22,702	\$22,702	\$22,404
Founder Donations	\$100	\$1,350	\$1,450	\$1,350
Grants	\$22,201	\$1,000	\$23,201	\$1,612
Investment Income	\$0	\$0	\$0	\$0
Total Revenue	\$37,323	\$31,718	\$69,041	\$130,006
<u>Expenses</u>				
Salaries: Program Director	\$0	\$0	\$0	\$0
Salaries: All Other	\$0	\$0	\$0	\$0
Employee Payroll Taxes and Benefit Costs	\$0	\$0	\$0	\$0
Contractor and Professional Costs	\$0	\$0	\$0	\$0
Subtotal Personnel Costs	\$0	\$0	\$0	\$0
Food & Litter	\$13,237	\$12,982	\$26,219	\$25,161
Veterinary Costs	\$9,967	\$16,763	\$26,730	\$29,875
Medicine and Veterinary Supplies	\$1,818	\$2,614	\$4,432	\$5,928
Low Income Food Assistance	\$1,542	\$1,519	\$3,061	\$2,727
Low Income Veterinary Expense Assistance	\$1,081	\$754	\$1,835	\$799
Subtotal Animal Costs	\$27,645	\$34,632	\$62,277	\$64,490
Shelter Supplies	\$806	\$1,254	\$2,060	\$2,025
Shelter Equipment	\$306	\$612	\$918	\$954
TNR Equipment	\$115	\$723	\$838	\$1,110
Subtotal Equipment & Supplies	\$1,227	\$2,589	\$3,816	\$4,089
Shelter Maintenance/Repair	\$0	\$0	\$0	\$0
Rent: 814 sq.ft 2bd./1ba guesthouse	\$0	\$0	\$0	\$0
Waste Disposal	\$375	\$0	\$375	\$575
Telephone & Website Hosting	\$30	\$134	\$164	\$167
Heating & Electricity & Internet Access	\$0	\$0	\$0	\$0
Property and Liability Insurance	\$0	\$0	\$0	\$0
Subtotal Insurance/Utilities	\$405	\$134	\$539	\$742
Automobile Expenses	\$0	\$0	\$0	\$0
Advertising, Printing, Postage	\$1,819	\$1,078	\$2,897	\$3,827
Travel, Dining & Entertainment	\$90	\$361	\$451	\$265
Special Event Expenses	\$419	\$945	\$1,364	\$1,161
Promotional Expenses	\$508	\$1,303	\$1,811	\$333
Charitable Contributions	\$0	\$0	\$0	\$50
Seminars, Workshops	\$0	\$0	\$0	\$0
Taxes, Licenses, Fees	\$0	\$0	\$0	\$10
Subtotal Misc. Expenses	\$2,836	\$3,687	\$6,523	\$5,646
Total Expenses	\$32,113	\$41,042	\$73,155	\$74,967
<u>Surplus (Deficit) from Operations</u>	\$5,210	(\$9,324)	(\$4,114)	\$55,039

Taos Feral Feline Friends

Statement of Assets and Liabilities

<u>Assets</u>	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>12/31/2012</u>
Checking Account (Peoples Bank, Overland Park KS #10635861)	\$57,970	\$83,222	\$20,484
PayPal Account (on-line donations) (Acct ID: U2HJ7CAA84W5S)	\$1,565	\$2,176	\$665
Brokerage Account (Fidelity Investments, #Z70-165840)	\$0	\$0	\$0
Cash and Undeposited Checks	\$106	\$100	\$54
Total Assets	\$59,641	\$85,498	\$21,203
<u>Liabilities</u>			
Founder Loans (0% interest)	\$17,525	\$39,267	\$30,011
Accumulated Surplus / (Deficit)	\$42,116	\$46,231	(\$8,808)
Total Liabilities	\$59,641	\$85,498	\$21,203

Taos Feral Feline Friends

2014 Expenses by Program

	<u>1/1/14 - 12/31/14</u>	<u>1/1/14 - 12/31/14</u>	<u>1/1/14 - 12/31/14</u>	<u>1/1/14 - 12/31/14</u>
	<u>TNR</u>	<u>Shelter</u>	<u>Pays To Help</u>	<u>Total</u>
			<u>Strays</u>	
<u>Expenses</u>				
Salaries: Program Director	\$0	\$0	\$0	\$0
Salaries: All Other	\$0	\$0	\$0	\$0
Employee Payroll Taxes and Benefit Costs	\$0	\$0	\$0	\$0
Contractor and Professional Costs	\$0	\$0	\$0	\$0
Subtotal Personnel Costs	\$0	\$0	\$0	\$0
Food & Litter	\$0	\$26,219	\$0	\$26,219
Veterinary Costs	\$9,202	\$9,546	\$7,982	\$26,730
Medicine and Veterinary Supplies	\$274	\$1,192	\$2,967	\$4,433
Low Income Food Assistance	\$3,060	\$0	\$0	\$3,060
Low Income Veterinary Expense Assistance	\$1,835	\$0	\$0	\$1,835
Subtotal Animal Costs	\$14,371	\$36,957	\$10,949	\$62,277
Supplies	\$0	\$2,060	\$0	\$2,060
Equipment	\$838	\$918	\$0	\$1,756
Subtotal Equipment & Supplies	\$838	\$2,978	\$0	\$3,816
Shelter Maintenance/Repair	\$0	\$0	\$0	\$0
Rent: 814 sq.ft 2bd./1ba guesthouse	\$0	\$0	\$0	\$0
Waste Disposal	\$0	\$375	\$0	\$375
Telephone & Website Hosting	\$59	\$54	\$51	\$164
Heating & Electricity & Internet Access	\$0	\$0	\$0	\$0
Property and Liability Insurance	\$0	\$0	\$0	\$0
Subtotal Insurance/Utilities	\$59	\$429	\$51	\$539
Automobile Expenses	\$0	\$0	\$0	\$0
Advertising, Printing, Postage	\$1,045	\$958	\$894	\$2,897
Travel, Dining & Entertainment	\$163	\$149	\$139	\$451
Special Event Expenses	\$492	\$451	\$421	\$1,364
Promotional Expenses	\$654	\$599	\$559	\$1,811
Charitable Contribution	\$0	\$0	\$0	\$0
Seminars, Workshops	\$0	\$0	\$0	\$0
Taxes, Licenses, Fees	\$0	\$0	\$0	\$0
Subtotal Misc. Expenses	\$2,354	\$2,156	\$2,013	\$6,523
Total Expenses	\$17,623	\$42,521	\$13,012	\$73,155

Taos Feral Feline Friends *2015 Program Budgets*

	<u>1/1/15 - 12/31/15</u>	<u>1/1/15 - 12/31/15</u>	<u>1/1/15 - 12/31/15</u>	<u>1/1/15 - 12/31/15</u>
	<u>TNR</u>	<u>Shelter</u>	<u>PTHS</u>	<u>Total</u>
	145	25/66	130	
<u>Revenue</u>				
Private Donations (incl. Adoption Fees)				\$22,122
Special Events				\$23,156
Founder Donations				\$1,450
Grants				\$23,500
Investment Income				\$0
Total Revenue				\$70,228
<u>Expenses</u>				
Salaries	\$0	\$0	\$0	\$0
Employee Payroll Taxes and Benefit Costs	\$0	\$0	\$0	\$0
Contractor and Professional Costs	\$0	\$0	\$0	\$0
Subtotal Personnel Costs	\$0	\$0	\$0	\$0
Food & Litter	\$0	\$23,908	\$0	\$23,908
Veterinary Costs	\$10,185	\$7,136	\$9,265	\$26,587
Medicine and Veterinary Supplies	\$313	\$682	\$3,547	\$4,542
Low Income Food Assistance	\$3,467	\$0	\$0	\$3,467
Low Income Veterinary Expense Assistance	\$1,547	\$0	\$0	\$1,547
Subtotal Animal Costs	\$15,512	\$31,726	\$12,812	\$60,050
Supplies	\$0	\$2,122	\$0	\$2,122
Equipment	\$863	\$946	\$0	\$1,809
Subtotal Equipment & Supplies	\$863	\$3,067	\$0	\$3,930
Shelter Maintenance/Repair	\$0	\$0	\$0	\$0
Rent: 814 sq.ft 2bd./1ba guesthouse	\$0	\$0	\$0	\$0
Waste Disposal	\$0	\$600	\$0	\$600
Telephone & Website Hosting	\$61	\$56	\$52	\$169
Heating & Electricity & Internet Access	\$0	\$0	\$0	\$0
Property and Liability Insurance	\$0	\$0	\$0	\$0
Subtotal Insurance/Utilities	\$61	\$656	\$52	\$769
Automobile Expenses	\$0	\$0	\$0	\$0
Advertising, Printing, Postage	\$1,313	\$924	\$1,177	\$3,414
Travel, Dining & Entertainment	\$150	\$106	\$135	\$391
Special Event Expenses	\$514	\$361	\$461	\$1,336
Promotional Expenses	\$136	\$96	\$122	\$353
Charitable Contribution	\$0	\$0	\$0	\$0
Seminars, Workshops	\$0	\$0	\$0	\$0
Taxes, Licenses, Fees	\$0	\$0	\$0	\$0
Subtotal Misc. Expenses	\$2,113	\$1,487	\$1,895	\$5,494
Total Expenses	\$18,549	\$36,936	\$14,758	\$70,244

Taos Feral Feline Friends

Appendix 1 - Frequently Asked Questions

Who is Taos Feral Feline Friends?

We are a not-for-profit, tax-exempt, animal welfare association dedicated to helping stray and feral cats. Formed in June 2004, we are the only shelter in northern New Mexico that rescues and finds homes for feral cats. We also help the community manage feral cats through Trap, Neuter, and Return. Our non-profit status is certified by both the Internal Revenue Service and the Attorney General of New Mexico. We've helped over 3000 cats as of 12/31/2014.

What are feral cats?

Feral cats are either abandoned or lost domestic cats that have reverted to their 'wild nature' or cats that were born outside to a feral mother. They often form self-reliant social groups known as "colonies" near a source of food and shelter. Most human communities have feral cat colonies, but many people are unaware of their existence since "ferals" avoid human contact.

How are feral cats different from stray cats?

A stray cat is a domesticated animal, a pet that has been recently lost or abandoned. It can be resocialized and placed in an adoptive home. Feral cats do not appreciate human contact and hence cannot usually be made into pets. For this reason, feral cats are shunned by most animal shelters.

Why do feral cats need our help?

Feral cats living in the wrong locations are considered a public nuisance and are often captured, poisoned, or otherwise mistreated. Feral cats brought to local animal pounds are deemed unadoptable and "humanely" euthanized. We do not believe that this treatment of innocent animals is moral. Feral cats have a right to live! There are better solutions.

How can we help feral cats?

If you make a donation to Taos Feral Feline Friends, you will save and improve the lives of feral cats in our community. Also, call us if you want to adopt - we have both ferals and house cats available.

What does Taos Feral Feline Friends actually do?

We operate the only Trap, Neuter & Return Program in Taos. It aids people with outdoor cats by providing free spay/neuter surgeries, vaccinations, vet care and catfood.

Our Shelter Program helps concerned people from all over the Taos area rescue cats. The shelter is a 814 sq. ft. cageless facility, perfect for feral cats since they don't do well in cages. All cats brought to our shelter are examined by a licensed veterinarian, lab-tested for serious diseases, vaccinated, and spayed/neutered before adoption. For feral cats, we seek appropriate placement in settings where they will be welcomed and cared for, typically in rural homes as 'mousers' or 'barn kitties'.

We also will pay for spay/neuter and all vaccinations for people adopting a stray cat directly from the wild. We call this the "Pays To Help Strays" Program. Altogether, TFFF helped over 1,150 cats find new permanent homes... and a new chance to live!

Taos Feral Feline Friends

Appendix 1 - Frequently Asked Questions (continued)

What is Trap, Neuter, and Return?

Trap, Neuter, and Return (TNR) is a free community outreach program for managing feral cats without retaining them at the shelter. Quite simply, with the help of our volunteer caregivers, ferals are trapped, spayed or neutered, vaccinated and then released back into their familiar territory. TFFF offers Trap, Neuter and Return to reduce over-population, homelessness, and disease amongst feral cats.

Why does Taos Feral Feline Friends need our help?

We receive no compensation from local animal shelters, city or county government. Since ferals are not adopted as pets, we find that charging standard adoption fees is impractical and restricts our ability to find acceptable homes. Thus, we rely almost entirely on grants and charitable donations from the community to support our operations. All donations made to us are acknowledged with a written receipt and are tax-deductible as a charitable contribution.

How will my donation be used?

Your donation will pay for medicine, veterinary care, food, litter and shelter expenses. It might be used for adoption advertising or to buy equipment (for example, humane traps). However, TFFF has no personnel costs: all of our workers and association officers are unpaid volunteers so your entire donation directly benefits our cats.

Does Taos Feral Feline Friends help regular (non-feral) cats?

Yes, we help all cats at the shelter, space permitting, and usually have 10-20 house cats or kittens ready for adoption as pets. Our companion cats have their own areas separate from the ferals where they receive the extra human contact that they appreciate.

Does Taos Feral Feline Friends ever euthanize cats?

Our shelter follows a strict 'no-kill' philosophy. We will permit a licensed veterinarian to euthanize a cat only if it is suffering from a fatal disease or injury. Historically, only about 2% of our cats have been euthanized. In fact, many of our shelter residents are 'special needs' cats that would typically be euthanized at community animal facilities.

How can I make a contribution, adopt a cat, or get more information?

Please call or E-mail Leanne Mitchell at (575) 737-9208, catmomoftaos@hotmail.com or visit our website at <http://taosferalfelinefriends.tripod.com>. The TFFF website welcomes on-line donations made via all major credit cards or PayPal.

Taos Feral Feline Friends

Appendix 2 – Association Officers, Quick Facts, and Contact Information

ASSOCIATION OFFICERS (year first elected)

Leanne Mitchell, President and Founder (2004)
Pamela Matas, Vice-President / Treasurer (2010)
Patricia Iko, Vice-President / Secretary (2013)
Patrick Finn, Vice-President (2010)

QUICK FACTS

MISSION

Prevent the inhumane treatment of stray and feral cats in Northern New Mexico, stop unnecessary euthanasia of stray and feral cats, and reduce the population of stray and feral cats.

HISTORY

Taos Feral Feline Friends (TFFF) is a 501c-3 charitable association promoting animal welfare throughout Northern New Mexico. TFFF was founded in June 2004 by Leanne Mitchell. Ms. Mitchell has over 25 years experience working with animal welfare organizations in Illinois and New Mexico.

TFFF is unique: it is a 100% volunteer organization operating the only facility in Northern New Mexico that rescues, shelters, and relocates feral cats. In 2005, it initiated the area's only Trap, Neuter, and Return program to spay/neuter feral cats and assist outdoor cat caregivers.

FACILITY & AREA OF OPERATION

TFFF operates an 814 sq. ft. cage-less shelter facility in Ranchos De Taos, New Mexico in unincorporated Taos County, approximately eight miles southwest of the town of Taos. The organization exclusively serves Taos County and the Enchanted Circle area of Colfax County, New Mexico.

STANDARDS OF PRACTICE

TFFF operates under a strict no-kill mandate. Euthanasia is used only if, in the judgment of a veterinarian, an animal is terminally ill or injured. TFFF veterinary care standards are established and reviewed by Drs. Susanne Felser and Patricia Albin, veterinarians licensed by the state of New Mexico, and are consistent with the recommendations of the American Association of Feline Practitioners.

CONTACT INFORMATION

Phone and Fax: (575) 737-9208
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PO Box 1926
Ranchos De Taos, NM 87557-1926
Email: catmomoftaos@hotmail.com
Federal EIN: 77-0635095
Website: <http://taosferalfelinefriends.tripod.com>