

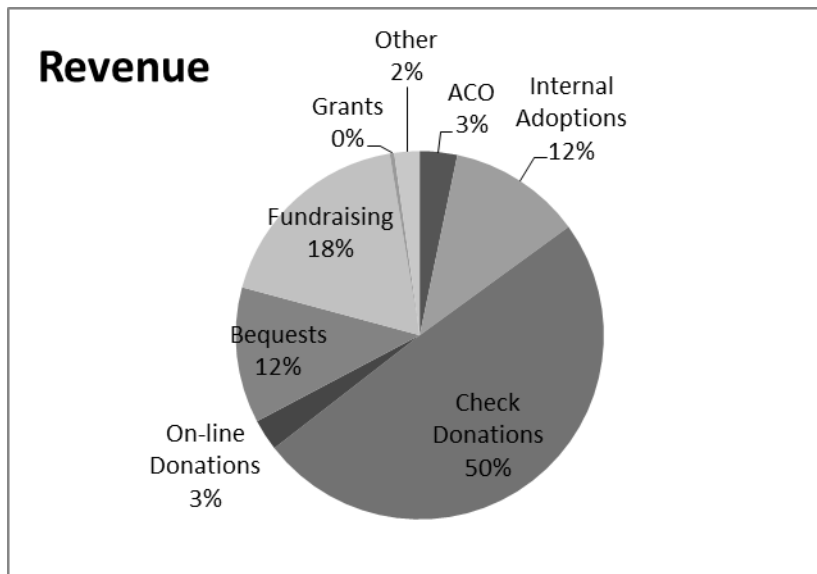


CATALES, Inc. - Financial Report

Income and Expenditure 2011:

In fiscal year 2011 generous individuals and organizations provided the resources for CATALES to protect and improve feline lives. CATALES received over \$125 thousand in support between January 1, 2011 and December 31, 2011. Of this \$125 thousand; individuals donated 50% of our revenue, which includes \$15 thousand in bequests. Cat adoption numbers increased from 141¹ in 2010 to 174² in 2011. As a result of this change, adoption revenue was 12% of revenue - an increase of 23% since 2010. Fundraising accounted for 18% of 2011 revenue. Other income accounted for 5% of our revenue which included Animal Control donations, scrap metal, can/bottle recycle, candy & merchandise sales, etc.

Revenue	2011	2010
Donations	\$ 69,908	\$ 44,230
Bequests	\$ 15,016	\$ 68,000
Adoptions	\$ 14,720	\$ 11,959
Fundraising	\$ 22,879	\$ 18,712
Other	\$ 3,289	\$ 5,533
Total	\$125,812	\$ 148,434

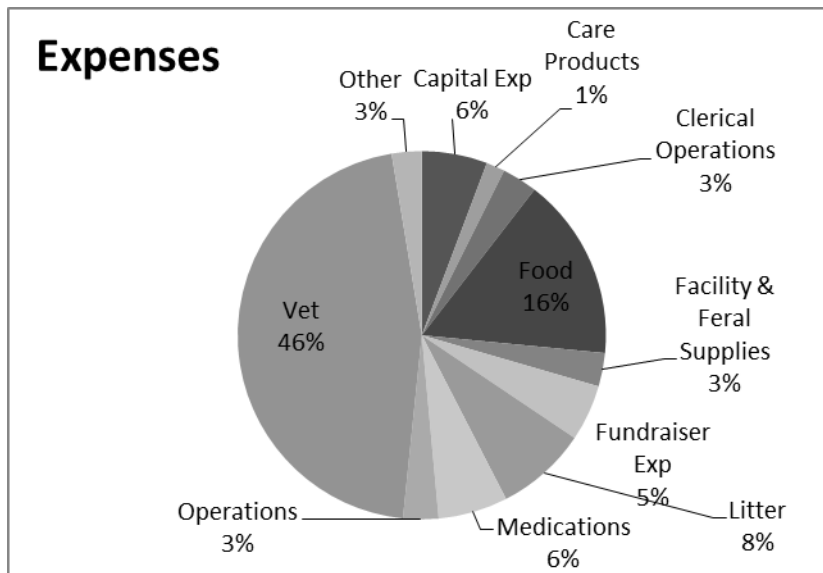


¹ Number includes Animal Control Adoptions completed with the assistance of CATALES.

² Number includes Animal Control Adoptions completed with the assistance of CATALES.

CATALES spent over \$117 thousand in expenses between January 1, 2011 and December 31, 2011. Of this \$117 thousand; the largest percentages were vet 46%, food 16%, litter 8% and medications 6%. Total intake of cats for 2011 was 212, majority was kittens that needed to be vaccinated, neutered and fostered until adoption. This was a 47% increase from 2010 (intake of 144). CATALES incurred larger costs in care from this increase resulting in a 13%³ jump from 2010. Other factors contributing to these costs were chronic disease cases and medical issues within the elderly long-term residents, from being a no-kill operation. Costs of care as a whole were maintained to a lower increase at 3%⁴ due to an increase in sit & beg events and food donations from Purina. In 2011 CATALES contributed towards the purchase of a central air filtration system⁵, 6% of expenses, for the well-being of our feline residents. Other expenses accounted for 17% of our costs which included clerical operations, fundraiser exp, utilities, maintenance, and feral & facility supplies, etc.

Expenses	2011	2010
Care Products	\$ 1,903	\$ 3,762
Food	\$ 18,845	\$ 22,195
Litter	\$ 9,410	\$ 8,263
Medications	\$ 7,151	\$ 5,851
Vet	\$ 53,644	\$ 48,058
Capital	\$ 6,750	\$ 0
Other	\$ 19,584	\$ 14,396
Total	\$117,287	\$102,525



³ Increase of Medications and Vet - 2011 vs. 2010

⁴ Increase of all care costs: Medications, Vet, Care Products, Food, and Litter – 2011 vs. 2010

⁵ Capital assets/exp