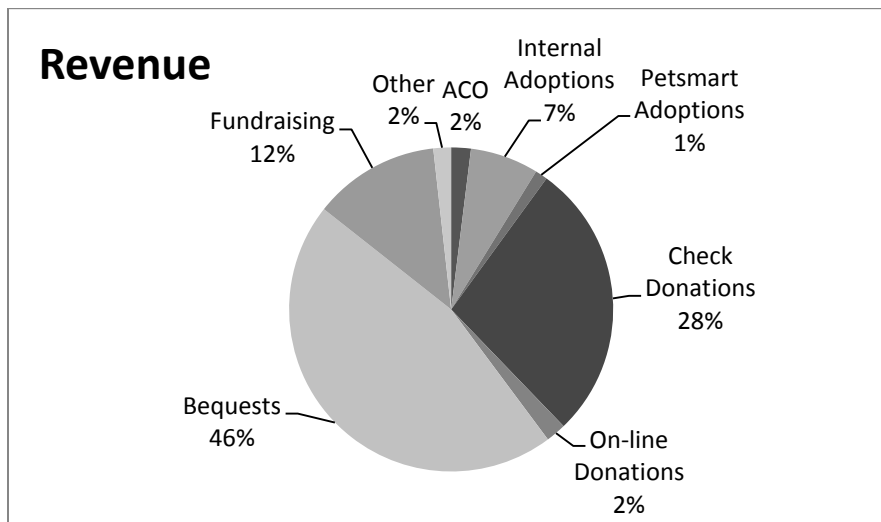


Annual Financial Report

Revenue and Expenses 2010:

In fiscal year 2010 generous individuals and organizations provided the resources for CATALES to protect and improve feline lives. CATALES received over \$140 thousand in support between January 1, 2010 and December 31, 2010. Of this \$140 thousand; individuals donated 76% of our revenue, which included \$68 thousand in bequests. Beginning in 2010 CATALES made an executive decision to increase adoption fees to \$125 for kittens and \$95 for adults to help cover costs associated with care. As a result of this change, adoption revenue was 8% of revenue - an increase of 26% since 2009. Cat adoption numbers increased from 123¹ in 2009 to 141² in 2010. Fundraising accounted for 12% of 2010 revenue. Other income accounted for 4% of our revenue which included Animal Control donations, scrap metal, can/bottle recycling, merchandise sales, etc.

Revenue	2010	2009
Donations	\$ 44,230	\$ 33,261
Bequests	\$ 68,000	\$ 0
Adoptions	\$ 11,959	\$ 8,011
Fundraising	\$ 18,712	\$ 22,316
Other	\$ 5,533	\$ 6,939
Total	\$148,434	\$ 70,527

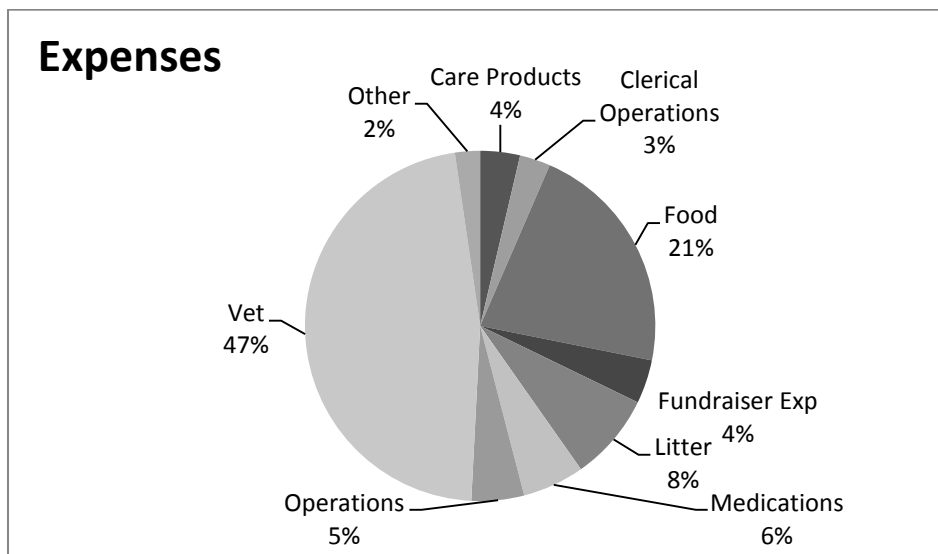


¹ Number includes Animal Control Adoptions completed with the assistance of CATALES.

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

CATALES spent over \$100 thousand in expenses between January 1, 2010 and December 31, 2010. Of this \$100 thousand; the largest percentages were vet 47%, food 21%, litter 8% and medications 6%. Total intake of cats for 2010 was 144, of which the majority was kittens that needed to be vaccinated, neutered and fostered until adoption. This was a 43% increase from 2009 (intake of 101). CATALES incurred larger costs in care from this increase resulting in a 53%³ jump from 2009. Other factors contributing to these costs were chronic disease cases and medical issues within the aging of elderly long-term residents, from being a no-kill operation. Other expenses accounted for 14% of our costs which included clerical operations, fundraiser exp, utilities, maintenance, etc.

Expenses	2010	2009
Care Products	\$ 3,762	\$ 1,832
Food	\$ 22,195	\$ 13,633
Litter	\$ 8,263	\$ 5,779
Medications	\$ 5,851	\$ 6,769
Vet	\$ 48,058	\$ 29,733
Other	\$ 14,396	\$ 18,565
Total	\$102,525	\$ 76,311



³ Increase of Care Products, Food, Litter, Medications and Vet - 2010 vs. 2009