

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

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Calculated solutions.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Roanoke Valley Society for the
Prevention of Cruelty to Animals, Inc. and Subsidiaries

We have audited the accompanying financial statements of The Roanoke Valley Society for the Prevention of Cruelty to Animals, Inc. and Subsidiaries, which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. The prior-year summarized comparative information has been derived from The Roanoke Valley Society for the Prevention of Cruelty to Animals, Inc. and Subsidiaries' financial statements as of June 30, 2012, and in our report dated December 14, 2012, we expressed an unqualified opinion on those financial statements.

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 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 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 auditor's 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 entity's 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 entity's 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.

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A firm of CPAs and Financial Consultants

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Roanoke Valley Society for the Prevention of Cruelty to Animals, Inc. and Subsidiaries as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Adjustment

As discussed in Note 12, the prior-year summarized comparative information has been restated to correct the classification of net assets and restricted cash at June 30, 2012. Our opinion is not modified with respect to that matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying consolidating schedules on pages 21-25 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Joti, Flynn, Lauer & Company, P. C.

Roanoke, Virginia
October 24, 2013

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2013

(with comparative financial information as of June 30, 2012)

ASSETS

	<u>2013</u>	<u>2012</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 662,829	\$ 880,361
Cash and cash equivalents - temporarily restricted	103,312	230,509
Reserve funds	923,344	932,189
Investments	10,222	9,509
Accounts receivable	33,892	97,215
Inventory	28,539	4,405
Prepaid expenses	26,419	30,123
Unconditional promises to give	<u>219,272</u>	<u>156,748</u>
Total current assets	2,007,829	2,341,059
NON-CURRENT ASSETS:		
Restricted cash	155,182	444,310
Beneficial interest remainder trust	1,084,460	998,638
Beneficial interest perpetual trust	175,774	166,740
Bequest assets	453,637	519,033
Long-term unconditional promises to give	<u>40,751</u>	<u>97,027</u>
	<u>1,909,804</u>	<u>2,225,748</u>
PROPERTY AND EQUIPMENT:		
Land and improvements	179,526	179,526
Buildings and improvements	4,540,408	4,478,824
Furniture and equipment	792,693	708,532
Vehicles	<u>119,870</u>	<u>107,955</u>
	5,632,497	5,474,837
Less accumulated depreciation	<u>(1,928,121)</u>	<u>(1,716,435)</u>
Property and equipment, net	<u>3,704,376</u>	<u>3,758,402</u>
Total assets	<u>\$ 7,622,009</u>	<u>\$ 8,325,209</u>

LIABILITIES AND NET ASSETS

	<u>2013</u>	<u>2012</u>
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 185,665	\$ 178,093
Accounts payable	34,426	88,425
Other accrued expenses	42,172	46,132
Deferred revenue	<u>96,343</u>	<u>148,133</u>
Total current liabilities	<u>358,606</u>	<u>460,783</u>
LONG-TERM LIABILITIES -		
Long-term debt, net of current portion	<u>1,915,048</u>	<u>2,100,713</u>
Total liabilities	<u>2,273,654</u>	<u>2,561,496</u>
NET ASSETS:		
Unrestricted	3,552,681	3,290,816
Temporarily restricted	1,575,900	2,262,157
Permanently restricted	<u>219,774</u>	<u>210,740</u>
Total net assets	<u>5,348,355</u>	<u>5,763,713</u>
Total liabilities and net assets	<u>\$ 7,622,009</u>	<u>\$ 8,325,209</u>

See accompanying notes to financial statements.

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2013

(with summarized financial information for the year ended June 30, 2012)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2013 Total</u>	<u>2012 Total</u>
SUPPORT AND REVENUE:					
Contributions - operations	\$ 656,794	\$ 175,143	\$ -	\$ 831,937	\$ 1,157,218
Grants	46,462	244,204	-	290,666	1,055,794
Municipal support - operations	622,770	-	-	622,770	602,993
Municipal support - administrative	86,000	-	-	86,000	93,000
Municipal support - debt service	280,504	-	-	280,504	280,504
Investment income	40,669	1,240	-	41,909	53,064
Realized and unrealized gains (losses) on investments	(64,585)	-	-	(64,585)	(2,404)
Change in value - Remainder Trust	-	85,822	-	85,822	173,576
Change in value - Perpetual Trust	-	-	9,034	9,034	(5,742)
Medical services	539,868	-	-	539,868	401,630
Merchandise and other program sales	5,577	-	-	5,577	3,899
Adoption fees, net	94,637	-	-	94,637	125,475
Microchip fees	165	-	-	165	65
Special events income	185,721	-	-	185,721	150,522
Special events expense	(155,403)	-	-	(155,403)	(130,102)
Miscellaneous	35,716	-	-	35,716	6,003
Net assets released from restrictions	<u>1,192,666</u>	<u>(1,192,666)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND AND REVENUE	<u>3,567,561</u>	<u>(686,257)</u>	<u>9,034</u>	<u>2,890,338</u>	<u>3,965,495</u>
EXPENSES:					
Program services	2,799,686	-	-	2,799,686	2,348,911
General and administrative	293,210	-	-	293,210	229,661
Fundraising	<u>212,800</u>	<u>-</u>	<u>-</u>	<u>212,800</u>	<u>201,400</u>
TOTAL EXPENSES	<u>3,305,696</u>	<u>-</u>	<u>-</u>	<u>3,305,696</u>	<u>2,779,972</u>
TOTAL INCREASE (DECREASE) IN NET ASSETS	261,865	(686,257)	9,034	(415,358)	1,185,523
NET ASSETS, BEGINNING - restated	<u>3,290,816</u>	<u>2,262,157</u>	<u>210,740</u>	<u>5,763,713</u>	<u>4,578,190</u>
NET ASSETS, ENDING	<u>\$ 3,552,681</u>	<u>\$ 1,575,900</u>	<u>\$ 219,774</u>	<u>\$ 5,348,355</u>	<u>\$ 5,763,713</u>

See accompanying notes to financial statements.

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2013

(with summarized financial information for the year ended June 30, 2012)

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>2013 Total</u>	<u>2012 Total</u>
Salaries and benefits	\$ 1,253,200	\$ 183,895	\$ 176,513	\$ 1,613,608	\$ 1,442,911
Payroll taxes	<u>97,956</u>	<u>11,667</u>	<u>12,243</u>	<u>121,866</u>	<u>107,650</u>
Total payroll related expenses	<u>1,351,156</u>	<u>195,562</u>	<u>188,756</u>	<u>1,735,474</u>	<u>1,550,561</u>
Professional fees	20,071	33,029	-	53,100	29,986
Supplies	385,093	3,910	1,993	390,996	359,723
Veterinary services	31,448	-	-	31,448	62,494
Utilities and services	150,283	14,041	1,827	166,151	129,691
Repairs and maintenance	91,752	16,268	2,173	110,193	73,475
Conferences, Conventions & meetings	5,370	974	-	6,344	4,159
Meals and entertainment	2,454	-	-	2,454	1,854
Auto expense	11,073	-	-	11,073	8,844
Insurance	42,232	11,423	608	54,263	40,806
Public relations	53,541	-	453	53,994	26,350
Pets Eat Too	27,035	-	-	27,035	18,055
Interest	102,412	-	-	102,412	110,703
Website design	2,954	-	-	2,954	1,496
Spay it forward funds applied	150,344	-	-	150,344	36,975
Rent	113,634	-	-	113,634	56,998
Other	<u>46,037</u>	<u>18,003</u>	<u>16,990</u>	<u>81,030</u>	<u>82,210</u>
Total other expenses	<u>1,235,733</u>	<u>97,648</u>	<u>24,044</u>	<u>1,357,425</u>	<u>1,043,819</u>
Total expenses before depreciation and amortization	2,586,889	293,210	212,800	3,092,899	2,594,380
Depreciation and amortization	<u>212,797</u>	<u>-</u>	<u>-</u>	<u>212,797</u>	<u>185,592</u>
Total expenses	<u>\$ 2,799,686</u>	<u>\$ 293,210</u>	<u>\$ 212,800</u>	<u>\$ 3,305,696</u>	<u>\$ 2,779,972</u>

See accompanying notes to financial statements.

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2013

(with comparative financial information for the year ended June 30, 2012)

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (Decrease) in net assets	\$ (415,358)	\$ 1,185,523
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation and amortization	212,797	185,592
Donated fixed assets	-	-
Realized and unrealized (gain) loss on investments	64,585	2,404
Change in value of beneficial interest in trusts	(94,856)	(167,834)
Contributions restricted for long-term purpose	(9,931)	(114,689)
Noncash contribution - bequest assets	-	(519,033)
Changes in operating assets and liabilities:		
Accounts receivable	63,323	(29,798)
Inventories	(24,134)	(2,777)
Prepaid expenses	3,704	5,588
Unconditional promises to give	(6,248)	(49,175)
Accounts payable	(53,999)	32,572
Other accrued expenses	(3,960)	33,968
Deferred revenue	<u>(51,790)</u>	<u>(4,144)</u>
Net cash provided (used) by operating activities	<u>(315,867)</u>	<u>558,197</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(158,770)	(248,561)
Proceeds from notes receivable	-	127,500
Change in investment securities	97	(2,131)
Change in non-current restricted cash	<u>289,128</u>	<u>(103,594)</u>
Net cash provided (used) by investing activities	<u>130,455</u>	<u>(226,786)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal repayments of long term debt	(178,093)	(172,524)
Change in reserve funds	8,845	15,629
Contributions restricted for fixed assets	9,931	99,689
Permanently restricted contributions	<u>-</u>	<u>15,000</u>
Net cash provided (used) by financing activities	<u>(159,317)</u>	<u>(42,206)</u>

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF CASH FLOWS - (Continued)

YEAR ENDED JUNE 30, 2013

(with summarized financial information for the year ended June 30, 2012)

	<u>2013</u>	<u>2012</u>
NET INCREASE (DECREASE) IN CASH	\$ (344,729)	\$ 289,205
CASH AND CASH EQUIVALENTS		
Beginning	<u>1,110,870</u>	<u>821,665</u>
Ending	<u>\$ 766,141</u>	<u>\$ 1,110,870</u>
SUPPLEMENTAL INFORMATION -		
Cash paid during the year for interest	<u>\$ 102,412</u>	<u>\$ 110,703</u>

See accompanying notes to financial statements.

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

Roanoke Valley Society for the Prevention of Cruelty to Animals, Inc. and Subsidiaries (The Organization) is incorporated as a non-profit Virginia corporation under the laws of the Commonwealth of Virginia. The organization was established to promote humane treatment of and to sponsor and encourage interest in the welfare, health, and life of animals. The programs and services offered include placement of animals in adoptive homes, training and education of pet owners and pets, pound services for strays and unwanted animals, and spay/neuter services.

Principles of consolidation

The accompanying financial statements include the accounts of The Roanoke Valley Society for the Prevention of Cruelty to Animals, Inc. (RVSPCA) and its wholly-owned subsidiary Mountain View Humane, Inc. (MVH). The RVSPCA is also involved in a public/private partnership with Roanoke City, Roanoke County, Botetourt County, and the Town of Vinton in connection with the pound that these municipalities maintain pursuant to Section 3.2-6546 of the Code of Virginia and known as the Regional Center for Animal Control and Protection (RCACP). Day-to-day management of the RCACP is provided by Animal Care Services (ACS) which is a wholly-owned subsidiary of the RVSPCA. Funding for the RCACP is provided by the four participating municipalities, with the funding divided among the municipalities based on usage. Because, through ACS, the RVSPCA has operational responsibility for the RCACP, current accounting guidelines encourage consolidation. Intercompany transactions and balances have been eliminated in consolidation.

Accounting method

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted net assets - are free of donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may be otherwise limited in use by contractual agreements with outside parties.

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued):

Basis of Presentation - (Continued)

Temporarily restricted net assets - are limited in use by donor-imposed stipulations that either expire with the passage of time or that can be fulfilled by action of the Organization pursuant to those stipulations. These include funds stipulated for the care of injured animals, for spay/neuter fees, and for construction costs of facilities.

Permanently restricted net assets - are limited in use by donor-imposed stipulations in perpetuity; however, the income on those assets is available for use in meeting both restricted and other operating needs. Permanently restricted assets held by the Organization consist of a parcel of land designated by bequest to be used as a pet cemetery, beneficial interest in two perpetual trusts and a money market account.

Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

As of June 30, 2013, the significant estimates used by management include depreciable lives of property and equipment, the present value of trust funds and allocation of functional expenses. Actual results could differ from those estimates.

Revenue recognition

The Organization recognizes revenues from contributions and donations as they are received. Revenues from promises to give are recognized when the promises are made and revenues from sales and services are recognized when the services or goods are delivered. Municipal support (discussed below) is recognized in the month the services are rendered.

Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all cash on hand, cash in various bank checking and savings accounts, and certificates of deposit with maturities of one year or less or no material early withdrawal penalty exists.

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued):

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organizations' financial statements for the year ended June 30, 2012, from which the summarized information was derived.

Accounts receivable

Accounts receivable and unconditional promises to give are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with clients having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to bad debt expense.

Investments

Investments are carried at estimated fair values. Net realized and unrealized gains and/or losses are reflected as changes in net assets in the statement of activities. Gifts of investments are recorded at their fair value (based on quotations or appraisals) at the date of the gift. Purchases and sales of investments are recorded on the trade date.

The Organization adopted Fair Value Measurements and Disclosures Standards, which:

- Defines fair value as the exchange price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and establishes a framework for measuring fair value;
- Establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation on an asset or liability as of the measurement date;
- Expands disclosures about instruments measured at fair value.

Valuation Hierarchy

The three levels are defined as follows:

- Level 1 - inputs to the valuation methodology are quoted market prices (unadjusted) for identical asset or liabilities in active markets
- Level 2 - inputs to the valuation methodology include quoted market prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued):

- Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Funds held in trust by others

The Organization is the recipient/beneficiary of several irrevocable trusts which are held by others. The related income from beneficial interest in remainder trusts is recognized as temporarily restricted until the cash is received, at which time it is reclassified as unrestricted. The related income from beneficial interest in perpetual trusts that is received is recognized as unrestricted income. The recorded value of the stream of future revenue associated with these trusts are required to be measured using the present value of future cash receipts. The market value of the pro rata ownership portion of the trust's assets is used as a basis and then discounted to present value using an applicable federal rate to arrive at a approximation of the present value of future receipts.

Unconditional promises to give

Unconditional promises to give are recorded as revenue and a receivable when the promise is made. Unconditional promises to give that are due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give that are due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are expected to be collected. Determination of the risk-free rate includes consideration of the risk of uncollectibility.

Inventory

Inventory consists primarily of medical supplies, pet caskets and other items available for sale and is stated at the lower of cost (first-in, first-out) or market.

Property and equipment

Property and equipment are recorded at cost on the date of acquisition or at estimated fair value at the time of donation and include expenditures for improvements when they substantially increase the productive life of the asset. Maintenance and repair costs are expensed to operations as incurred.

Depreciation is calculated using the straight-line method over the estimated useful lives of the depreciable assets of 15 to 35 years for buildings and improvements, 5 to 7 years for furniture and equipment, and 5 years for vehicles.

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued):

Support and revenue

Annual contributions and donations are generally available for unrestricted use in the related year unless specifically restricted by the donor. Contributions for the capital campaign and other designations are reported as temporarily restricted support when they are received with donor stipulations that limit the use of the donated assets.

ACS receives support from local municipalities to fund operations for the Regional Center for Animal Control and Protection. In addition, RVSPCA receives support from these municipalities to provide financial, human resources and administrative operational support to ACS, to pay the debt service on the loan for the new facilities, and to maintain a reserve of funds for maintenance and operation of the facilities. These amounts are billed to and generally paid by the municipalities in the month preceding the month being funded. Revenues billed for the subsequent month are recognized as deferred revenues.

Donated services

Volunteers have donated significant amounts of time to the Organization's program services and fundraising campaigns. However, no value has been reflected in the consolidated financial statements for these services unless they either a) create or enhance a non-financial asset (i.e. non-monetary asset) or b) require specialized skills that would typically need to be purchased if not contributed. The financial statements include \$37,378 and \$10,097 of donated marketing and veterinary services for the years ended June 30, 2013 and 2012, respectively.

Donated materials and supplies

The Organization reports gifts of materials and supplies as unrestricted support unless explicit donor stipulations specify how the donated items may be used. The estimated fair value of the materials and supplies are reported as contributions and expense in the period in which they are received and used. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at the time they are used.

For the years ended June 30, 2013 and 2012, donated materials and supplies were received by the Organization as follows:

	<u>2013</u>	<u>2012</u>
RVSPCA	\$ 81,336	\$ 76,130
ACS	18,395	16,585
MVH	<u>13,206</u>	<u>33,162</u>
	<u>\$ 112,937</u>	<u>\$ 125,877</u>

Advertising expenses

The Organization expenses costs of advertising and marketing as they are incurred. Advertising and marketing expense was \$53,994 and \$26,350 for the years ended June 30, 2013 and 2012, respectively.

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued):

Income tax status

The Organization received a letter of determination from the Internal Revenue Service advising that it qualified as a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code and, therefore, is generally not subject to income tax. Consequently, the accompanying consolidated financial statements do not reflect a provision for income taxes.

The information returns of the Organization for 2009, 2010, 2011 and 2012 are open for examination, generally for three years after they were filed.

Allocation of expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the schedule of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

2. RESERVE FUNDS:

Reserve funds include \$923,344 and \$932,189 as of June 30, 2013 and 2012, respectively. These funds are held in escrow and are reserved and restricted under conditions set forth by the Industrial Development Authority of Botetourt County Revenue Bond.

3. FAIR VALUE MEASUREMENTS:

Fair values of assets measured on a recurring basis at June 30, 2013 are as follows:

	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	<u>Total</u>
Investments - Other	\$ -	\$ 10,222	\$ -	\$ 10,222
Total investments	-	10,222	-	10,222
Funds held in trust by others	-	-	1,260,234	1,260,234
Total	<u>\$ -</u>	<u>\$ 10,222</u>	<u>\$ 1,260,234</u>	<u>\$ 1,270,456</u>

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

3. FAIR VALUE MEASUREMENTS - (Continued):

Fair values of assets measured on a recurring basis at June 30, 2012 are as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments:				
Mutual funds	\$ 129	\$ -	\$ -	\$ 129
Other	<u>-</u>	<u>9,380</u>	<u>-</u>	<u>9,380</u>
Total investments	129	9,380	-	9,509
Funds held in trust by others	<u>-</u>	<u>-</u>	<u>1,165,378</u>	<u>1,165,378</u>
Total	<u>\$ 129</u>	<u>\$ 9,380</u>	<u>\$ 1,165,378</u>	<u>\$ 1,174,887</u>

The following table sets forth a summary of changes in the fair value of the Foundation's Level 3 assets shown above for the years ended June 30, 2013 and 2012:

	Funds Held in Trust by Others
Balance, at June 30, 2011	\$ 997,544
Total gains (unrealized), net of fees	<u>167,834</u>
Balance, at June 30, 2012	1,165,378
Total gains (unrealized), net of fees	<u>94,856</u>
Balance, at June 30, 2013	<u>\$ 1,260,234</u>

The gains in funds held in trust by others are reported on the statement of activities as change in value of remainder trust and change in value of perpetual trust.

The Organization determines the fair value of funds held in trust by others for which it cannot obtain quoted market prices in active markets as described in Note 1.

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

4. PROMISES TO GIVE:

Unconditional promises to give are as follows:

	2013	2012
Receivable in less than one year	\$ 219,272	\$ 156,748
Receivable in one to five years	43,000	98,627
Total unconditional promises to give	262,272	255,375
Less discount at 4% for long term amounts	(2,249)	(1,600)
Net unconditional promises to give	\$ 260,023	\$ 253,775

5. BEQUEST ASSETS:

During the year ended June 30, 2012 Mountain View Humane, Inc. (MVH) received assets of an estate. In addition to cash, the Organization received certain minority interests in several partnerships. In accordance with the Organization's policy, these investments will be liquidated and converted to cash as soon as administratively possible. However, they have received notification that some interests may not be liquidated until a later date. Accordingly, the bequest assets are shown as noncurrent assets and have been recorded at the value on the date of gift, which approximates cost, in the amount of \$519,033 as of June 30, 2012. During the year ended June 30, 2013, the Organization received updated financial information on the investments that indicate an impairment of the recorded cost value. Accordingly, the recorded cost value was adjusted to \$453,637 as of June 30, 2013. An impairment expense of \$65,396 is included in realized and unrealized gain (loss) on the accompanying statement of activity for 2013.

6. DEFERRED REVENUE:

The RVSPCA invoices the municipalities for pound services a month in advance; therefore, billings for one month of municipal support are recorded as deferred revenue at year-end. These billings represent \$23,375 and \$82,440 deferred revenue as of June 30, 2013 and 2012 respectively.

The RVSPCA has collected revenues from third parties for sponsorships in their Pet Calendar fundraising project which will not be realized until the calendar goes on sale in the next fiscal year. These revenues represent \$63,803 and \$65,274 in deferred revenue as of June 30, 2013 and 2012 respectively.

MVH has collected revenues from third parties that was not earned as of year end. These revenues represent \$9,165 and \$419 in deferred revenue as of June 30, 2013 and 2012, respectively.

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

7. LONG-TERM DEBT:

RVSPCA has an Industrial Development Authority of Botetourt County Revenue Bond payable in quarterly payments of \$70,126 (including interest at various rates) from March 2004 through September 2022, secured by all property and equipment. Prepayment is subject to a discount of 2% from October 1, 2012 to September 30, 2013, 1% from October 1, 2013 to September 30, 2014, and 0% thereafter.

	2013	2012
Revenue Bond, as described above	\$ 2,100,713	\$ 2,278,806
Less current portion	185,665	178,093
	\$ 1,915,048	\$ 2,100,713

Maturities of long-term portion of notes payable are as follows:

2015	\$ 194,984
2016	203,982
2017	213,830
2018	224,096
Thereafter	1,078,156
	\$ 1,915,048

As part of the termination of the management services agreement to provide operational support to RCACP, the above debt will be transferred to RCACP in the Fall of 2013.

8. CONCENTRATIONS:

The Organizations maintain cash balances at several banks. Amounts in interest bearing accounts and money market deposit accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000.

By a contract with the City of Roanoke, the Counties of Botetourt and Roanoke, and the Town of Vinton (Municipalities), the Organization, through ACS, operates the Regional Center for Animal Control and Protection (RCACP), which is a facility operated in accordance with the guidelines issued by the Virginia Department of Agriculture and Consumer Services for the purpose of impounding and harboring seized, stray, homeless, abandoned, or unwanted animals from the Municipalities. The RCACP is funded by support from the Municipalities, and such funds do not support the RVSPCA. ACS operational support represents 63% of the total support from these municipalities, and approximately 22% of the total revenues and support of the consolidated Organization, for the year ending June 30, 2013. For the year ended June 30, 2012 the percentages were 62% and 24%, respectively.

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

9. RESTRICTIONS ON NET ASSETS:

Temporarily restricted net assets are available for the following purposes:

	<u>2013</u>	(Restated) <u>2012</u>
Pet Haven	\$ 6,313	\$ 9,059
Medical services	38,910	50,361
Microchipping animals	-	4,436
Spay & Neuter	22,944	405,606
Capital projects	150,884	440,011
Advertising	12,366	-
Promises to give - operations	204,094	135,446
Promises to give - Spay & Neuter	55,929	118,329
Time restricted gift	-	100,271
Beneficial interest in remainder trusts	<u>1,084,460</u>	<u>998,638</u>
	<u>\$ 1,575,900</u>	<u>\$ 2,262,157</u>

Permanently restricted net assets consist of a pet cemetery to be held indefinitely, beneficial interest in perpetual trusts and a money market account.

10. RELATED PARTY TRANSACTIONS:

Contributions totaling \$80,267 and \$103,591 were received by the Organization from members of the Board of Directors and their companies during the years ended June 30, 2013 and 2012, respectively.

For the years ended June 30, 2013 and 2012, the RVSPCA retained \$86,000 and \$93,000 of the funds paid by the municipalities for the RCACP to cover expenses incurred by the RVSPCA to provide financial, human resources and administrative operational support to ACS. RVSPCA also received in 2013 \$280,504 and \$280,504 in 2012 for debt service directly from the municipalities as required by the services agreement which is used to make payments on the bond which financed construction of the facility. RVSPCA also maintains a maintenance reserve and operating reserve both of which are funded by the municipalities as part of the services agreement. These funds are maintained to cover operating deficits and maintenance costs at the pound facility. Interest earned on these reserves is transferred to ACS annually. Earnings from these accounts totaled \$2,409 and \$3,722 for the years ended June 30, 2013 and 2012, respectively.

As of June 30, 2013 and 2012, RVSPCA owed fees in the amount of \$-0- and \$1,368 to ACS to cover wages of the ACS staff for providing janitorial and maintenance support to the RVSPCA.

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

10. RELATED PARTY TRANSACTIONS - (Continued):

RVSPCA had an outstanding short-term receivable from MVH for \$23,217 and \$31,472 as of June 30, 2013 and 2012, respectively. Interest earned on these loans totaled \$558 and \$1,023 for the years ended June 30, 2013 and 2012, respectively.

RVSPCA rents office space from MVH under a month-to-month sublease agreement dated September 1, 2012. Rent expense paid by RVSPCA to MVH amounted to \$18,000 for the year ended June 30, 2013.

RVSPCA had trade payables due to MVH in the amount of \$-0- and \$5,079 for the years ended June 30, 2013 and 2012, respectively.

RVSPCA forwarded to MVH \$-0- and \$548,200 in contributions it received on behalf of MVH for the years ended June 30, 2013 and 2012, respectively.

RVSPCA paid MVH \$34,980 and \$585 for medical services provided during the years ended June 30, 2013 and 2012, respectively.

MVH pays RVSPCA \$1,025 per month for accounting and administrative functions performed by RVSPCA on behalf of MVH. Administrative fees were \$12,300 and \$-0- for the years ended June 30, 2013 and 2012, respectively.

11. LEASE AGREEMENT:

Mountain View Humane (MVH) is currently renting space in Christiansburg for a spay & neuter facility. Rent expense amounted to \$42,119 and \$39,119 for the years ended June 30, 2013 and 2012, respectively. The Lease term began June 1, 2011 and is for a period of five years. During 2012 MVH entered into a lease agreement with Landmark Properties for their Roanoke facility. Rent expense for the year ended June 30, 2013 was \$71,515, of which \$11,919 was contributed by the landlord as in-kind rent. Rent expense for the year ended June 30, 2012 was \$17,879, all of which was contributed by the landlord as in-kind rent.

Future minimum rental payments are as follows:

<u>Year ended June 30,</u>	
2014	\$ 118,777
2015	120,168
2016	78,871
2017	81,500
2018	<u>13,656</u>
	<u>\$ 412,972</u>

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

12. PRIOR PERIOD ADJUSTMENT:

The accompanying prior-year summarized comparative information has been restated to correct the classification of net assets and restricted cash at June 30, 2012. The restatements increased unrestricted net assets by \$64,757 and decreased temporarily restricted net assets by the same amount. The restatements also increased non-current restricted cash by \$429,303 with a corresponding decrease to the current portion of restricted cash. The statement of cash flows for 2012 has been restated to reflect the change in the classification of restricted cash. The restatements had no effect on total net assets.

13. SUBSEQUENT EVENTS:

The Organization evaluated all subsequent events through October 24, 2013, the date the financial statements were available to be issued.

In November 2012, RVSPCA and the participating municipalities announced that the RCACP will no longer be managed by RVSPCA or its wholly owned subsidiary ACS. A transaction is expected to be completed in the Fall of 2013 to transfer all assets and associated debt related to the Pound from RVSPCA to RCACP. As of June 30, 2013, the balances of these accounts to be transferred were as follows:

Operating cash	\$ 14,099
Debt service and maintenance reserves	923,344
Accounts receivable	247
Inventory	117
Prepaid expenses	4,040
Property and equipment, net	<u>1,942,143</u>
Total assets	<u>\$ 2,883,990</u>
Debt	<u>2,100,713</u>
Total liabilities	<u>\$ 2,100,713</u>

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

JUNE 30, 2013

ASSETS

	<u>RVSPCA</u>	<u>ACS</u>	<u>MVH</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT ASSETS:					
Cash and cash equivalents	\$ 496,451	\$ 14,099	\$ 150,023	\$ 2,256	\$ 662,829
Cash and cash equivalents - temporarily restricted	103,312	-	-	-	103,312
Reserve funds	923,344	-	-	-	923,344
Investments	10,222	-	-	-	10,222
Accounts receivable	27,717	247	8,275	(2,347)	33,892
Other receivable	23,217	-	-	(23,217)	-
Inventory	2,880	117	25,542	-	28,539
Prepaid expenses	16,760	4,040	5,619	-	26,419
Unconditional promises to give	<u>168,343</u>	<u>-</u>	<u>50,929</u>	<u>-</u>	<u>219,272</u>
Total current assets	<u>1,772,246</u>	<u>18,503</u>	<u>240,388</u>	<u>(23,308)</u>	<u>2,007,829</u>
NONCURRENT ASSETS:					
Restricted cash	155,182	-	-	-	155,182
Beneficial interest remainder trust	1,084,460	-	-	-	1,084,460
Beneficial interest perpetual trust	175,774	-	-	-	175,774
Bequest assets	-	-	453,637	-	453,637
Long-term unconditional promise to give	<u>35,751</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>40,751</u>
	<u>1,451,167</u>	<u>-</u>	<u>458,637</u>	<u>-</u>	<u>1,909,804</u>
PROPERTY AND EQUIPMENT:					
Land and improvements	179,526	-	-	-	179,526
Buildings and improvements	4,239,091	-	301,317	-	4,540,408
Furniture and equipment	554,833	12,697	225,163	-	792,693
Vehicles	61,110	-	58,760	-	119,870
	<u>5,034,560</u>	<u>12,697</u>	<u>585,240</u>	<u>-</u>	<u>5,632,497</u>
Less accumulated depreciation	<u>(1,812,463)</u>	<u>(10,197)</u>	<u>(105,461)</u>	<u>-</u>	<u>(1,928,121)</u>
Property and equipment, net	<u>3,222,097</u>	<u>2,500</u>	<u>479,779</u>	<u>-</u>	<u>3,704,376</u>
Total assets	<u>\$ 6,445,510</u>	<u>\$ 21,003</u>	<u>\$ 1,178,804</u>	<u>\$ (23,308)</u>	<u>\$ 7,622,009</u>

LIABILITIES AND NET ASSETS

	<u>RVSPCA</u>	<u>ACS</u>	<u>MVH</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT LIABILITIES:					
Current portion of long-term debt	\$ 185,665	\$ -	\$ 23,140	\$ (23,140)	\$ 185,665
Accounts payable	10,192	-	24,325	(91)	34,426
Other accrued expenses	26,442	-	15,807	(77)	42,172
Deferred revenue	<u>87,178</u>	<u>-</u>	<u>9,165</u>	<u>-</u>	<u>96,343</u>
Total current liabilities	<u>309,477</u>	<u>-</u>	<u>72,437</u>	<u>(23,308)</u>	<u>358,606</u>
Long-term liabilities -					
Long term debt, net of current portion	<u>1,915,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,915,048</u>
Total liabilities	<u>2,224,525</u>	<u>-</u>	<u>72,437</u>	<u>(23,308)</u>	<u>2,273,654</u>
Net assets:					
Unrestricted	2,516,552	21,003	1,015,126	-	3,552,681
Temporarily restricted	1,484,659	-	91,241	-	1,575,900
Permanently restricted	<u>219,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>219,774</u>
Total net assets	<u>4,220,985</u>	<u>21,003</u>	<u>1,106,367</u>	<u>-</u>	<u>5,348,355</u>
Total liabilities and net assets	<u>\$ 6,445,510</u>	<u>\$ 21,003</u>	<u>\$ 1,178,804</u>	<u>\$ (23,308)</u>	<u>\$ 7,622,009</u>

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

CONSOLIDATING SCHEDULE OF ACTIVITIES

YEAR ENDED JUNE 30, 2013

	<u>RVSPCA</u>	<u>ACS</u>	<u>MVH</u>	<u>Eliminations</u>	<u>Consolidated</u>
UNRESTRICTED NET ASSETS:					
SUPPORT AND REVENUE:					
Contributions - operations	\$ 605,208	\$ 21,792	\$ 32,203	\$ (2,409)	\$ 656,794
Grants	26,462	-	20,000	-	46,462
Municipal support - operations	-	622,770	-	-	622,770
Municipal support - administrative	86,000	-	-	-	86,000
Municipal support - debt service	280,504	-	-	-	280,504
Investment income	8,765	-	32,462	(558)	40,669
Realized and unrealized gain (loss) on investments	811	-	(65,396)	-	(64,585)
Medical services	18,919	-	574,848	(53,899)	539,868
Merchandise and other program sales	4,411	-	1,166	-	5,577
Adoption fees, net	94,637	-	-	-	94,637
Microchip fees	165	-	-	-	165
Special events	185,721	-	-	-	185,721
Special events expense	(155,403)	-	-	-	(155,403)
Rental income	-	-	18,000	(18,000)	-
Miscellaneous	17,814	895	34,516	(17,509)	35,716
Released from restrictions	<u>528,517</u>	<u>-</u>	<u>664,149</u>	<u>-</u>	<u>1,192,666</u>
 TOTAL UNRESTRICTED SUPPORT AND REVENUE	 <u>1,702,531</u>	 <u>645,457</u>	 <u>1,311,948</u>	 <u>(92,375)</u>	 <u>3,567,561</u>
EXPENSES:					
Program costs	1,129,495	685,350	1,046,916	(62,075)	2,799,686
General & administrative	220,260	30,400	72,850	(30,300)	293,210
Fundraising	<u>176,620</u>	<u>-</u>	<u>36,180</u>	<u>-</u>	<u>212,800</u>
 TOTAL EXPENSES	 <u>1,526,375</u>	 <u>715,750</u>	 <u>1,155,946</u>	 <u>(92,375)</u>	 <u>3,305,696</u>
 TOTAL INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	 <u>176,156</u>	 <u>(70,293)</u>	 <u>156,002</u>	 <u>-</u>	 <u>261,865</u>

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

CONSOLIDATING SCHEDULE OF ACTIVITIES - (Continued)

YEAR ENDED JUNE 30, 2013

	<u>RVSPCA</u>	<u>ACS</u>	<u>MVH</u>	<u>Eliminations</u>	<u>Consolidated</u>
TEMPORARILY RESTRICTED NET ASSETS:					
Contributions	\$ 152,315	\$ -	\$ 22,828	\$ -	\$ 175,143
Grants	30,500	-	213,704	-	244,204
Investment income	1,240	-	-	-	1,240
Change in value remainder trust	85,822	-	-	-	85,822
Released from restrictions	<u>(528,517)</u>	<u>-</u>	<u>(664,149)</u>	<u>-</u>	<u>(1,192,666)</u>
TOTAL INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>(258,640)</u>	<u>-</u>	<u>(427,617)</u>	<u>-</u>	<u>(686,257)</u>
PERMANENTLY RESTRICTED NET ASSETS:					
Changes in value perpetual trust	<u>9,034</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,034</u>
TOTAL INCREASE IN PERMANENTLY RESTRICTED NET ASSETS	<u>9,034</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,034</u>
INCREASE (DECREASE) IN NET ASSETS	(73,450)	(70,293)	(271,615)	-	(415,358)
NET ASSETS, BEGINNING	<u>4,294,435</u>	<u>91,296</u>	<u>1,377,982</u>	<u>-</u>	<u>5,763,713</u>
NET ASSETS, ENDING	<u>\$ 4,220,985</u>	<u>\$ 21,003</u>	<u>\$1,106,367</u>	<u>\$ -</u>	<u>\$ 5,348,355</u>

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
AND SUBSIDIARIES**

CONSOLIDATING SCHEDULE OF EXPENSES

YEAR ENDED JUNE 30, 2013

	<u>RVSPCA</u>	<u>ACS</u>	<u>MVH</u>	<u>Eliminations</u>	<u>Consolidated</u>
Salaries and benefits	\$ 746,827	\$ 371,231	\$ 495,550	\$ -	\$ 1,613,608
Payroll taxes	<u>55,886</u>	<u>28,931</u>	<u>37,049</u>	<u>-</u>	<u>121,866</u>
Total payroll related expenses	<u>802,713</u>	<u>400,162</u>	<u>532,599</u>	<u>-</u>	<u>1,735,474</u>
Professional fees	23,510	19,593	9,997	-	53,100
Administrative fees	-	-	12,300	(12,300)	-
Supplies	144,611	90,250	156,135	-	390,996
Veterinary services	57,286	17,043	11,018	(53,899)	31,448
Utilities and services	57,408	80,848	27,895	-	166,151
Repairs and maintenance	37,120	70,483	2,590	-	110,193
Conferences, conventions and meetings	3,583	330	2,431	-	6,344
Meals and entertainment	306	797	1,351	-	2,454
Auto expense	1,670	979	8,424	-	11,073
Insurance	18,662	17,892	17,709	-	54,263
Public relations	25,513	2,534	25,947	-	53,994
Pets Eat Too	27,035	-	-	-	27,035
Interest	102,412	-	558	(558)	102,412
Website	1,566	-	1,388	-	2,954
Contribution expense	2,409	-	-	(2,409)	-
Spay it forward funds applied	-	-	150,344	-	150,344
Rent	18,000	-	113,634	(18,000)	113,634
Other	<u>48,859</u>	<u>13,360</u>	<u>24,020</u>	<u>(5,209)</u>	<u>81,030</u>
Total other expenses	<u>569,950</u>	<u>314,109</u>	<u>565,741</u>	<u>(92,375)</u>	<u>1,357,425</u>
Total expenses before depreciation and amortization	1,372,663	714,271	1,098,340	(92,375)	3,092,899
Depreciation and amortization	<u>153,712</u>	<u>1,479</u>	<u>57,606</u>	<u>-</u>	<u>212,797</u>
Total expenses	<u>1,526,375</u>	<u>715,750</u>	<u>1,155,946</u>	<u>(92,375)</u>	<u>3,305,696</u>
Program costs	1,129,495	685,350	1,046,916	(62,075)	2,799,686
General & administrative	220,260	30,400	72,850	(30,300)	293,210
Fundraising	<u>176,620</u>	<u>-</u>	<u>36,180</u>	<u>-</u>	<u>212,800</u>
Total	<u>\$ 1,526,375</u>	<u>\$ 715,750</u>	<u>\$ 1,155,946</u>	<u>\$ (92,375)</u>	<u>\$ 3,305,696</u>