

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

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of The Roanoke Valley Society for the Prevention of Cruelty to Animals, Inc. (a nonprofit organization) and Subsidiary, which comprise the consolidated statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

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Opinion

In our opinion, the consolidated 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 Subsidiary as of June 30, 2018, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Roanoke Valley Society for the Prevention of Cruelty to Animals, Inc. and Subsidiary's 2017 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 4, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating schedules as referenced in the table of contents are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Joti, Alyna, Lawen & Company, P. C.

Roanoke, Virginia
October 19, 2018

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2018

(with comparative financial information as of June 30, 2017)

ASSETS	2018	2017
CURRENT ASSETS:		
Cash and cash equivalents	\$ 96,866	\$ 211,930
Investments	504,887	604,181
Accounts receivable	21,841	19,689
Inventory	12,604	11,941
Prepaid expenses	20,413	10,445
Unconditional promises to give	76,317	68,361
Total current assets	732,928	926,547
NON-CURRENT ASSETS:		
Restricted cash	54,283	75,439
Investments held for long-term purposes	327,032	311,280
Beneficial interest remainder trust	1,057,896	1,151,205
Beneficial interest perpetual trust	1,953,318	179,373
Bequest assets	18,141	42,943
Refundable deposits	2,024	2,024
Total non-current assets	3,412,694	1,762,264
PROPERTY AND EQUIPMENT:		
Land and improvements	144,463	144,463
Buildings and improvements	1,766,894	1,968,688
Furniture and equipment	451,495	473,294
Vehicles	99,883	88,686
	2,462,735	2,675,131
Less accumulated depreciation	(1,186,824)	(1,174,331)
Property and equipment, net	1,275,911	1,500,800
Total assets	\$ 5,421,533	\$ 4,189,611

See accompanying notes to financial statements.

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

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

(with summarized financial information for the year ended June 30, 2017)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
SUPPORT AND REVENUE:			
Contributions - operations	\$ 354,605	\$ 100,077	\$ 1,739,013
Grants	183,300	63,301	-
Investment income	65,367	-	-
Realized and unrealized gain (loss) on investments	12,316	-	-
Gain (loss) on disposal of property and equipment	(181,734)	-	-
Change in value - Remainder Trust	-	(93,309)	-
Change in value - Perpetual Trust	-	-	34,932
Medical services	686,851	-	-
Subsidy funds applied	(45,026)	-	-
Merchandise and other program sales	28,540	-	-
Adoption fees, net	156,189	-	-
Special events income	197,667	-	-
Special events expense	(113,140)	-	-
Vet science camp	16,400	-	-
Miscellaneous	8,618	-	-
Net assets released from restrictions	<u>186,668</u>	<u>(186,668)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>1,556,621</u>	<u>(116,599)</u>	<u>1,773,945</u>
EXPENSES:			
Program costs	1,672,791	-	-
General & administrative	198,099	-	-
Fundraising	<u>108,389</u>	<u>-</u>	<u>-</u>
TOTAL EXPENSES	<u>1,979,279</u>	<u>-</u>	<u>-</u>
TOTAL INCREASE (DECREASE) IN NET ASSETS	(422,658)	(116,599)	1,773,945
NET ASSETS, BEGINNING	<u>2,511,556</u>	<u>1,396,964</u>	<u>223,373</u>
NET ASSETS, ENDING	<u><u>\$ 2,088,898</u></u>	<u><u>\$ 1,280,365</u></u>	<u><u>\$ 1,997,318</u></u>

See accompanying notes to financial statements.

2018 Total	2017 Total
\$ 2,193,695	\$ 491,799
246,601	221,476
65,367	15,449
12,316	(248,567)
(181,734)	-
(93,309)	25,930
34,932	9,579
686,851	782,934
(45,026)	(63,651)
28,540	30,004
156,189	154,333
197,667	198,471
(113,140)	(118,222)
16,400	18,475
8,618	8,400
-	-
3,213,967	1,526,410
1,672,791	1,722,386
198,099	205,553
108,389	91,971
1,979,279	2,019,910
1,234,688	(493,500)
4,131,893	4,625,393
\$ 5,366,581	\$ 4,131,893

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

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2018

(with summarized financial information for the year ended June 30, 2017)

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>
Salaries and benefits	\$ 886,607	\$ 132,410	\$ 75,539
Payroll taxes	<u>64,632</u>	<u>9,560</u>	<u>6,162</u>
Total payroll related expenses	<u>951,239</u>	<u>141,970</u>	<u>81,701</u>
Professional fees	-	27,941	-
Animal food and litter	8,581	-	-
Supplies	55,262	679	377
Outside veterinary services	32,756	-	-
Veterinary clinic supplies	216,215	-	-
Computer	17,723	3,749	6,713
Printing	3,151	-	9,532
Utilities and services	73,676	2,657	2,091
Repairs and maintenance	31,782	-	-
Conferences, conventions and meetings	3,558	1,700	-
Meals and entertainment	156	-	243
Auto expense	14,978	9	-
Insurance	30,274	1,505	333
Finance and bank fees	283	14,096	2,494
Rent	67,492	-	-
Public relations	28,466	-	234
Other	17,180	3,793	4,671
Vet science camp	8,358	-	-
Merchandise	<u>10,756</u>	<u>-</u>	<u>-</u>
Total other expenses	<u>620,647</u>	<u>56,129</u>	<u>26,688</u>
Total expenses before depreciation and amortization	1,571,886	198,099	108,389
Depreciation and amortization	<u>100,905</u>	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 1,672,791</u>	<u>\$ 198,099</u>	<u>\$ 108,389</u>

See accompanying notes to financial statements.

2018 Total	2017 Total
\$ 1,094,556	\$ 1,072,670
80,354	80,417
<u>1,174,910</u>	<u>1,153,087</u>
27,941	31,953
8,581	9,243
56,318	53,115
32,756	25,067
216,215	227,434
28,185	15,392
12,683	11,999
78,424	88,288
31,782	26,505
5,258	4,317
399	910
14,987	8,867
32,112	22,543
16,873	17,547
67,492	133,520
28,700	18,030
25,644	26,940
8,358	9,498
10,756	16,575
<u>703,464</u>	<u>747,743</u>
1,878,374	1,900,830
<u>100,905</u>	<u>119,080</u>
<u>\$ 1,979,279</u>	<u>\$ 2,019,910</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2018

(with comparative financial information for the year ended June 30, 2017)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (Decrease) in net assets	\$ 1,234,688	\$ (493,500)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation and amortization	100,905	119,080
Donated fixed assets	-	(17,000)
Donated annuity	-	(95,592)
Realized and unrealized (gain) loss on investments	(12,316)	248,567
(Gain) loss on sale of property and equipment	181,734	-
Change in value of beneficial interest in trusts	58,377	(35,509)
Contribution of beneficial interest in perpetual trust	(1,739,013)	-
Contributions restricted for long-term purposes	(15,000)	(35,000)
Changes in operating assets and liabilities:		
Accounts receivable	(2,152)	(7,618)
Inventory	(663)	6,341
Prepaid expenses	(9,968)	11,890
Unconditional promises to give	(7,956)	46,122
Accounts payable	(3,617)	(902)
Other accrued expenses	2,351	(335)
Deferred revenue	(1,500)	(1,725)
Net cash provided (used) by operating activities	(214,130)	(255,181)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(64,083)	(88,213)
Distributions from bequest assets	22,626	31,073
Purchase of investments		(800,000)
Proceeds from sale of property and equipment	6,335	-
Proceeds from sale of investments	109,090	-
Change in investment securities	(11,058)	(8,448)
Net cash provided (used) by investing activities	62,910	(865,588)

See accompanying notes to financial statements.

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

CONSOLIDATED STATEMENT OF CASH FLOWS – (Continued)

YEAR ENDED JUNE 30, 2018

(with comparative financial information for the year ended June 30, 2017)

	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES -		
Contributions restricted for fixed assets	\$ 15,000	\$ 35,000
Net cash provided (used) by financing activities	15,000	35,000
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(136,220)	(1,085,769)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		
Beginning	287,369	1,373,138
Ending	\$ 151,149	\$ 287,369

See accompanying notes to financial statements.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

Roanoke Valley Society for the Prevention of Cruelty to Animals, Inc. and Subsidiary (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, 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). 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.

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. See Note 6 for a description of temporary restricted net assets.

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.

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

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

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, 2018, the significant estimates used by management include depreciable lives of property and equipment, the present value of trust funds, allocation of functional expenses, and the fair value of bequest assets. 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.

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. Money market funds held as part of the Organization's investment portfolio are classified as investments.

Cash subject to long-term donor-imposed restrictions are reported as restricted cash. Restricted cash represents deposits held for capital improvements and endowment.

The following provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position to reflect the total of the same such amounts shown in the statement of cash flows.

	2018	2017
Cash and cash equivalents	\$ 96,866	\$ 211,930
Restricted cash	54,283	75,439
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	\$ 151,149	\$ 287,369

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

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

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. Investment income is reported net of investment expenses on the statement of activities. Investment expenses amounted to \$2,298 and \$-0- for the years ended June 30, 2018 and 2017, respectively. 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
- 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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

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

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 an 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. The Organization capitalizes all expenditures for property and equipment in excess of \$2,000. Maintenance and repair costs are expensed to operations as incurred.

Absent explicit donor stipulations regarding contributions restricted to capital expenditures, the Organization reports expirations of donor restrictions when the qualifying capital assets are acquired.

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. Depreciation expense amounted to \$100,905 and \$119,080 for the years ended June 30, 2018 and 2017, respectively.

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. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets.

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

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

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 \$35,308 and \$14,740 of donated marketing, veterinary and other services for the years ended June 30, 2018 and 2017, 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.

The financial statements include \$61,323 and \$79,860 of donated materials and supplies for the years ended June 30, 2018 and 2017, respectively.

Advertising expenses

The Organization expenses costs of advertising and marketing as they are incurred. Advertising and marketing expense was \$28,700 and \$18,030 for the years ended June 30, 2018 and 2017, respectively.

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 2014, 2015, 2016 and 2017 are open for examination, generally for three years after filing.

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.

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 Organization's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

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

Reclassification

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Recent accounting pronouncements

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU No. 2014-09 will replace most existing revenue recognition guidance in legacy U.S. GAAP when it becomes effective. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606), Deferral of the Effective Date*, which deferred the effective date of ASU No. 2014-09 by one year. As such, ASU No. 2014-09 is effective for the Organization on July 1, 2019 with early adoption permitted. The Organization is currently evaluating the effects of the standard on its ongoing financial reporting and has not yet adopted the standard.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. ASU No. 2016-02 is a comprehensive new leases standard that amends various aspects of existing guidance for leases and requires additional disclosures about leasing arrangements. It will require lessees to recognize lease assets and lease liabilities for those leases classified as operating under legacy U.S. GAAP. However, Topic 842 does retain a distinction between finance leases and operating leases. It is effective for the Organization on July 1, 2020 with early adoption permitted. The Organization is currently evaluating the effects of the standard on its ongoing financial reporting and has not yet adopted the standard.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958)*. The new guidance makes substantial changes to the financial reporting model used by nonprofit organizations. The most notable change relates to the reporting of net assets by class. Current guidance specifies three classes of net assets: unrestricted, temporarily restricted and permanently restricted. ASU No. 2016-14 replaces these classes with two classes: net assets without donor-imposed restrictions and net assets with donor-imposed restrictions. Some of the additional guidance modified by ASU No. 2016-14 includes:

- The financial reporting for underwater endowments.
- Treatment of expiration of restrictions related to long-lived assets.
- Elimination of the requirement to include the indirect method reconciliation on statements of cash flows prepared on the direct method.
- Enhanced disclosures on the organization’s liquidity.
- Elimination of the option to present investment expenses at gross.
- Requirement for all nonprofits to report expenses by functional class and enhanced disclosures about the methods used to allocate costs among functional classes.

ASU No. 2016-14 will be effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The Organization is currently evaluating the effects of the standard on its ongoing financial reporting.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

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

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, providing specific guidance on the cash flow classification and presentation of changes in restricted cash and restricted cash equivalents. The amendments in ASU No. 2016-18 require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash. Therefore, restricted cash should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in ASU No. 2016-18 are effective for fiscal years beginning after December 15, 2018, with early adoption permitted. Management elected to early adopt ASU No. 2016-18 as of the June 30, 2017 reporting period as they believe it will improve and simplify the presentation of the statement of cash flows.

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*. The ASU was issued to reduce diversity in practice and its amendments should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958 or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. Some contributions or grants that are considered exchange transactions under legacy U.S. generally accepted accounting principles may be accounted for as conditional contributions under the ASU. Additionally, some contributions or grants that are considered contributions with no donor-imposed conditions under legacy U.S. generally accepted accounting principles may be considered conditional under the ASU, which may delay recognition of contribution revenue (recipient) or expenses (resource provider). The ASU will be effective in fiscal years beginning after December 15, 2018 for recipient transactions (revenue) and after December 15, 2019 for resource provider transactions (expense), with early adoption permitted. The Organization is currently evaluating the effects of the standard on its financial statements and has not yet adopted the standard.

**THE ROANOKE VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

2. FAIR VALUE MEASUREMENTS:

Fair values of assets measured on a recurring basis at June 30, 2018 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, current:				
Certificates of deposit	\$ -	\$ 404,401	\$ -	\$ 404,401
Deferred annuity	-	100,486	-	100,486
	<u>-</u>	<u>504,887</u>	<u>-</u>	<u>504,887</u>
Investments held for long-term purposes:				
Money market funds	10,978	-	-	10,978
Exchange-traded funds	244,781	-	-	244,781
Mutual funds	60,021	-	-	60,021
Other	-	11,252	-	11,252
	<u>315,780</u>	<u>11,252</u>	<u>-</u>	<u>327,032</u>
Beneficial interest remainder trust	-	-	1,057,896	1,057,896
Beneficial interest perpetual trust	-	-	1,953,318	1,953,318
Bequest assets	-	-	18,141	18,141
Total	<u>\$ 315,780</u>	<u>\$ 516,139</u>	<u>\$ 3,029,355</u>	<u>\$ 3,861,274</u>

**THE ROANOKE VALLEY SOCIETY FOR THE
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

2. FAIR VALUE MEASUREMENTS - (Continued):

Fair values of assets measured on a recurring basis at June 30, 2017 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, current:				
Certificates of deposit	\$ -	\$ 506,717	\$ -	\$ 506,717
Deferred annuity	-	97,464	-	97,464
	<u>-</u>	<u>604,181</u>	<u>-</u>	<u>604,181</u>
Investments held for long-term purposes:				
Money market funds	275,550	-	-	275,550
Exchange-traded funds	25,020	-	-	25,020
Other	-	10,710	-	10,710
	<u>300,570</u>	<u>10,710</u>	<u>-</u>	<u>311,280</u>
Beneficial interest remainder trust	-	-	1,151,205	1,151,205
Beneficial interest perpetual trust	-	-	179,373	179,373
Bequest assets	-	-	42,943	42,943
Total	<u>\$ 300,570</u>	<u>\$ 614,891</u>	<u>\$ 1,373,521</u>	<u>\$ 2,288,982</u>

The following table sets forth a summary of changes in the fair value of the Organization's Level 3 assets shown above for the years ended June 30, 2018 and 2017:

	Beneficial interest remainder trust	Beneficial interest perpetual trust	Bequest assets	Total
Balance, June 30, 2016	\$ 1,125,275	\$ 169,794	\$ 324,029	\$ 1,619,098
Unrealized gains (losses)	25,930	9,579	(250,013)	(214,504)
Return of capital	-	-	(31,073)	(31,073)
Balance, June 30, 2017	<u>\$ 1,151,205</u>	<u>\$ 179,373</u>	<u>\$ 42,943</u>	<u>1,373,521</u>
Unrealized gains (losses)	(93,309)	34,932	(2,176)	(60,553)
Return of capital	-	-	(22,626)	(22,626)
Contributions	-	1,739,013	-	1,739,013
Balance, June 30, 2018	<u>\$ 1,057,896</u>	<u>\$ 1,953,318</u>	<u>\$ 18,141</u>	<u>\$ 3,029,355</u>

**THE ROANOKE VALLEY SOCIETY FOR THE
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

2. FAIR VALUE MEASUREMENTS - (Continued):

The gains (losses) in beneficial interest remainder trust and beneficial interest perpetual trust are reported on the statement of activities as change in value of remainder trust and change in value of perpetual trust, respectively. The gains (losses) in bequest assets are included in realized and unrealized gain/loss on the statement of activities.

3. PROMISES TO GIVE:

Unconditional promises to give are as follows:

	2018	2017
Receivable in less than one year	\$ 76,317	\$ 68,361
Receivable in one to five years	-	-
Total unconditional promises to give	76,317	68,361
Less discount at 4% for long term amounts	-	-
Net unconditional promises to give	\$ 76,317	\$ 68,361

4. 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.

The Organization received restricted contributions of beneficial interests in perpetual trusts from two donors totaling \$1,739,013 which represented 54% of total support and revenue for the year ended June 30, 2018.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

5. RESTRICTIONS ON NET ASSETS:

Temporarily restricted net assets are available for the following purposes:

	2018	2017
Pet Haven	\$ 3,689	\$ 3,204
Medical services	32,494	39,306
Public awareness	248	402
Spay/neuter subsidy funding	52,027	59,973
Cat Room	-	852
Capital projects	41,209	61,439
Marketing	11,485	11,505
Promises to give - operations	75,317	67,551
Beneficial interest in remainder trusts	1,057,896	1,151,205
Medical supplies	-	1,527
Vet science camp	6,000	-
	\$ 1,280,365	\$ 1,396,964

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

6. ENDOWMENTS:

The Organization's endowments consist of two individual funds established to provide income distributions to support operations. The endowments include both donor-restricted funds and board-designated funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization's Board of Directors and Finance Committee have interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

6. ENDOWMENTS – (Continued):

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to protect existing principal, increase principal to counteract the effects of inflation and provide a continuing and dependable cash payout that is stable and consistent.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation and may be made up of equities, fixed income, and cash equivalents.

Spending Policy

The Organization has a policy of appropriating for distribution each year a maximum of 5 percent of the endowment's average fair value over the prior 16 quarters through the calendar year-end preceding the date of the planned distribution. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at an average of 1 percent annually. This is consistent with the organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

6. ENDOWMENTS – (Continued):

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or SPMIFA requires the organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are to be reported in unrestricted net assets. These deficiencies result from unfavorable market fluctuations that occur shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that are deemed prudent by the Board of Directors. There were no funds with deficiencies as of June 30, 2018 and 2017.

Net asset composition by type of endowment as of June 30:

	2018			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ -	\$ 15,000	\$ 15,000
Board-designated endowment funds	327,032	-	-	327,032
Total funds	\$ 327,032	\$ -	\$ 15,000	\$ 342,032
	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ -	\$ 15,000	\$ 15,000
Board-designated endowment funds	311,280	-	-	311,280
Total funds	\$ 311,280	\$ -	\$ 15,000	\$ 326,280

**THE ROANOKE VALLEY SOCIETY FOR THE
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

6. ENDOWMENTS – (Continued):

Changes in Endowment Net Assets for year ending June 30, 2018:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 311,280	\$ -	\$ 15,000	\$ 326,280
Net appreciation (realized and unrealized)	14,492	-	-	14,492
Investment income	4,070	-	-	4,070
Fees	(2,400)			(2,400)
Appropriation of endowment assets for expenditures	<u>(410)</u>	<u>-</u>	<u>-</u>	<u>(410)</u>
Endowment net assets, end of year	<u>\$ 327,032</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 342,032</u>

Changes in Endowment Net Assets for year ending June 30, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 9,976	\$ -	\$ 15,000	\$ 24,976
Net appreciation (realized and unrealized)	1,445	-	-	1,445
Investment income	686	-	-	686
Contributions and transfers in	300,000	-	-	300,000
Fees	(417)			(417)
Appropriation of endowment assets for expenditures	<u>(410)</u>	<u>-</u>	<u>-</u>	<u>(410)</u>
Endowment net assets, end of year	<u>\$ 311,280</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 326,280</u>

**THE ROANOKE VALLEY SOCIETY FOR THE
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

7. RELATED PARTY TRANSACTIONS:

Contributions totaling \$34,229 and \$21,960 were received by the Organization from members of the Board of Directors and their companies during the years ended June 30, 2018 and 2017, respectively.

8. LEASE AGREEMENT:

MVH leases a facility in Christiansburg, VA under an operating lease expiring in October 2019. Rent expense at the Christiansburg location amounted to \$53,381 and \$52,020 for the years ended June 30, 2018 and 2017, respectively.

MVH also leased a facility in Roanoke, VA under an operating lease which expired in August 2017. Rent expense at the Roanoke location amounted to \$13,911 and \$81,500 for the years ended June 30, 2018 and 2017, respectively.

Year ended June 30,

2019	\$ 55,188
2020	<u>18,576</u>
	<u>\$ 73,764</u>

9. LOCATION CLOSURE:

In August 2017, MVH closed its Roanoke location. A majority of the assets at the Roanoke location were sold or abandoned, resulting in a loss of \$181,734. The loss is included in the loss on disposal of property and equipment on the accompanying statement of activities.

10. SUBSEQUENT EVENTS:

The Organization evaluated all subsequent events through October 19, 2018, the date the financial statements were available to be issued.

**THE ROANOKE VALLEY SOCIETY FOR THE
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CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

JUNE 30, 2018

ASSETS

	RVSPCA	MVH	Eliminations	Consolidated
CURRENT ASSETS:				
Cash and cash equivalents	\$ 70,600	\$ 26,266	\$ -	\$ 96,866
Investments	504,887	-	-	504,887
Accounts receivable	5,138	18,628	(1,925)	21,841
Inventory	2,719	9,885	-	12,604
Prepaid expenses	14,026	6,387	-	20,413
Unconditional promises to give	76,317	-	-	76,317
	<u>673,687</u>	<u>61,166</u>	<u>(1,925)</u>	<u>732,928</u>
NON-CURRENT ASSETS:				
Restricted cash	34,283	20,000	-	54,283
Investments held for long-term purposes	327,032	-	-	327,032
Beneficial interest remainder trust	1,057,896	-	-	1,057,896
Beneficial interest perpetual trust	1,953,318	-	-	1,953,318
Bequest assets	-	18,141	-	18,141
Refundable deposits	-	2,024	-	2,024
	<u>3,372,529</u>	<u>40,165</u>	<u>-</u>	<u>3,412,694</u>
PROPERTY AND EQUIPMENT:				
Land and improvements	144,463	-	-	144,463
Buildings and improvements	1,657,513	109,381	-	1,766,894
Furniture and equipment	292,157	159,338	-	451,495
Vehicles	45,392	54,491	-	99,883
	<u>2,139,525</u>	<u>323,210</u>	<u>-</u>	<u>2,462,735</u>
Less accumulated depreciation	(965,573)	(221,251)	-	(1,186,824)
Property and equipment, net	<u>1,173,952</u>	<u>101,959</u>	<u>-</u>	<u>1,275,911</u>
	<u>\$ 5,220,168</u>	<u>\$ 203,290</u>	<u>\$ (1,925)</u>	<u>\$ 5,421,533</u>
Total assets	<u>\$ 5,220,168</u>	<u>\$ 203,290</u>	<u>\$ (1,925)</u>	<u>\$ 5,421,533</u>

LIABILITIES AND NET ASSETS

	RVSPCA	MVH	Eliminations	Consolidated
CURRENT LIABILITIES:				
Accounts payable	\$ 17,958	\$ 9,370	\$ (1,925)	\$ 25,403
Other accrued expenses	16,176	6,273	-	22,449
Deferred revenue	7,100	-	-	7,100
Total current liabilities	41,234	15,643	(1,925)	54,952
Net assets:				
Unrestricted:				
Board designated	327,032	-	-	327,032
Undesignated	1,659,258	102,608	-	1,761,866
	1,986,290	102,608	-	2,088,898
Temporarily restricted	1,195,326	85,039	-	1,280,365
Permanently restricted	1,997,318	-	-	1,997,318
Total net assets	5,178,934	187,647	-	5,366,581
Total liabilities and net assets	\$ 5,220,168	\$ 203,290	\$ (1,925)	\$ 5,421,533

**THE ROANOKE VALLEY SOCIETY FOR THE
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CONSOLIDATING SCHEDULE OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

	<u>RVSPCA</u>	<u>MVH</u>	<u>Eliminations</u>	<u>Consolidated</u>
UNRESTRICTED NET ASSETS:				
SUPPORT AND REVENUE:				
Contributions - operations	\$ 338,062	\$ 16,543		\$ 354,605
Grants	157,600	25,700	-	183,300
Admin Fees Income	27,204	-	(27,204)	-
Investment income	65,324	43	-	65,367
Realized and unrealized gain (loss) on investments	14,492	(2,176)	-	12,316
Gain (loss) on disposal of property and equipment	-	(181,734)	-	(181,734)
Medical services	56,773	632,867	(2,789)	686,851
Subsidy funds applied	(775)	(44,251)	-	(45,026)
Merchandise and other program sales	26,811	1,729	-	28,540
Adoption fees, net	156,189	-	-	156,189
Special events income	176,770	20,897	-	197,667
Special events expense	(92,365)	(20,775)	-	(113,140)
Vet science camp	16,400	-	-	16,400
Miscellaneous	7,893	725	-	8,618
Net assets released from restrictions	<u>134,797</u>	<u>51,871</u>	<u>-</u>	<u>186,668</u>
TOTAL UNRESTRICTED SUPPORT AND REVENUE	<u>1,085,175</u>	<u>501,439</u>	<u>(29,993)</u>	<u>1,556,621</u>
EXPENSES:				
Program costs	1,061,292	614,288	(2,789)	1,672,791
General & administrative	155,881	69,422	(27,204)	198,099
Fundraising	<u>96,074</u>	<u>12,315</u>	<u>-</u>	<u>108,389</u>
TOTAL EXPENSES	<u>1,313,247</u>	<u>696,025</u>	<u>(29,993)</u>	<u>1,979,279</u>
TOTAL INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>(228,072)</u>	<u>(194,586)</u>	<u>-</u>	<u>(422,658)</u>

**THE ROANOKE VALLEY SOCIETY FOR THE
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CONSOLIDATING SCHEDULE OF ACTIVITIES - (Continued)

YEAR ENDED JUNE 30, 2018

	<u>RVSPCA</u>	<u>MVH</u>	<u>Eliminations</u>	<u>Consolidated</u>
TEMPORARILY RESTRICTED NET ASSETS:				
Contributions	\$ 88,627	\$ 11,450	\$ -	\$ 100,077
Grants	30,846	32,455	-	63,301
Change in value - Remainder Trust	(93,309)	-	-	(93,309)
Released from restrictions	<u>(134,797)</u>	<u>(51,871)</u>	<u>-</u>	<u>(186,668)</u>
 TOTAL INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	 <u>(108,633)</u>	 <u>(7,966)</u>	 <u>-</u>	 <u>(116,599)</u>
 PERMANENTLY RESTRICTED NET ASSETS -				
Contributions	1,739,013	-	-	1,739,013
Change in value - Perpetual Trust	<u>34,932</u>	<u>-</u>	<u>-</u>	<u>34,932</u>
 TOTAL INCREASE IN PERMANENTLY RESTRICTED NET ASSETS	 <u>1,773,945</u>	 <u>-</u>	 <u>-</u>	 <u>1,773,945</u>
 INCREASE (DECREASE) IN NET ASSETS	 1,437,240	 (202,552)	 -	 1,234,688
 NET ASSETS, BEGINNING	 <u>3,741,694</u>	 <u>390,199</u>	 <u>-</u>	 <u>4,131,893</u>
 NET ASSETS, ENDING	 <u>\$ 5,178,934</u>	 <u>\$ 187,647</u>	 <u>\$ -</u>	 <u>\$ 5,366,581</u>

**THE ROANOKE VALLEY SOCIETY FOR THE
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CONSOLIDATING SCHEDULE OF EXPENSES

YEAR ENDED JUNE 30, 2018

	<u>RVSPCA</u>	<u>MVH</u>	<u>Eliminations</u>	<u>Consolidated</u>
Salaries and benefits	\$ 756,262	\$ 338,294	\$ -	\$ 1,094,556
Payroll taxes	<u>55,740</u>	<u>24,614</u>	<u>-</u>	<u>80,354</u>
Total payroll related expenses	<u>812,002</u>	<u>362,908</u>	<u>-</u>	<u>1,174,910</u>
Administrative fees	-	27,204	(27,204)	-
Professional fees	16,526	11,415	-	27,941
Animal food and litter	8,581	-	-	8,581
Supplies	52,435	3,883	-	56,318
Outside veterinary services	35,565	(20)	(2,789)	32,756
Veterinary clinic supplies	82,079	134,136	-	216,215
Computer	25,516	2,669	-	28,185
Printing	9,770	2,913	-	12,683
Utilities and services	55,148	23,276	-	78,424
Repairs and maintenance	25,338	6,444	-	31,782
Conferences, conventions and meetings	4,367	891	-	5,258
Meals and entertainment	300	99	-	399
Auto expense	10,737	4,250	-	14,987
Insurance	17,134	14,978	-	32,112
Finance and bank fees	7,082	9,791	-	16,873
Rent	-	67,492	-	67,492
Public relations	27,581	1,119	-	28,700
Other	20,221	5,423	-	25,644
Contribution expense	(3,315)	3,315	-	-
Vet science camp	8,358	-	-	8,358
Merchandise	<u>9,809</u>	<u>947</u>	<u>-</u>	<u>10,756</u>
Total other expenses	<u>413,232</u>	<u>320,225</u>	<u>(29,993)</u>	<u>703,464</u>
Total expenses before depreciation and amortization	1,225,234	683,133	(29,993)	1,878,374
Depreciation and amortization	<u>88,013</u>	<u>12,892</u>	<u>-</u>	<u>100,905</u>
Total expenses	<u>1,313,247</u>	<u>696,025</u>	<u>(29,993)</u>	<u>1,979,279</u>
Program costs	1,061,292	614,288	(2,789)	1,672,791
General & administrative	155,881	69,422	(27,204)	198,099
Fundraising	<u>96,074</u>	<u>12,315</u>	<u>-</u>	<u>108,389</u>
Total	<u>\$ 1,313,247</u>	<u>\$ 696,025</u>	<u>\$ (29,993)</u>	<u>\$ 1,979,279</u>