

Animal Friends, Inc.
562 Camp Horne Road
Pittsburgh, PA 15237

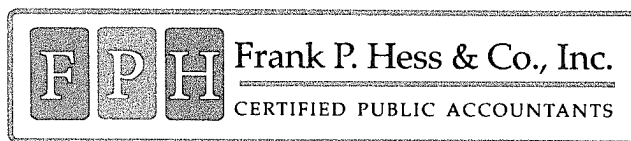
FINANCIAL REPORT

December 31, 2012 AND 2011

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Independent Auditor's Report

To the Board of Directors
of Animal Friends, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Animal Friends, Inc., which comprise the balance sheet as of December 31, 2012, and the related statements of activities and cash flows for the year then ended, and the related notes to the 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.

Auditor's 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. 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 Animal Friends, Inc., as of December 31, 2012, and the results of its activities, 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.

Report on Summarized Comparative Information

We have previously audited the Animal Friends, Inc.'s 2011 financial statements, and our report dated June 29, 2012 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent in all material respects, with the audited financial statements from which it has been derived.

Pittsburgh, PA
July 22, 2013

ANIMAL FRIENDS, INC.

BALANCE SHEET DECEMBER 31, 2012

WITH SUMMARIZED INFORMATION AT DECEMBER 31, 2011

<u>ASSETS</u>	2012			2011	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 836,107	\$ 17,867	\$ 0	\$ 853,974	\$ 810,695
Investments (Note 2)	649,450	128,583	2,558,497	3,336,530	2,856,026
Receivables (Note 3)	36,227	120,000	242,020	398,247	323,373
Inventory	74,043	0	0	74,043	56,352
Prepaid Expenses	107,842	0	0	107,842	57,737
Property, Plant and Equipment - Net (Note 4)	6,283,973	0	0	6,283,973	6,484,600
Other Assets (Note 5)	1,526,656	0	0	1,526,656	1,834,062
Deposit (Note 6)	20,000	0	0	20,000	20,000
Bond Issue Costs	87,500	0	0	87,500	94,500
Assets Held In Trust (Note 7)	0	0	1,692,686	1,692,686	1,576,683
<u>TOTAL ASSETS</u>	<u>\$ 9,621,798</u>	<u>\$ 266,450</u>	<u>\$ 4,493,203</u>	<u>\$ 14,381,451</u>	<u>\$ 14,114,028</u>
<u>LIABILITIES AND NET ASSETS</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 104,750	\$ 0	\$ 0	\$ 104,750	\$ 118,578
Accrued Expenses	156,173	0	0	156,173	45,527
Capital Lease (Note 8)	45,000	0	0	45,000	87,500
Tax Exempt Bonds (Note 8)	3,710,000	0	0	3,710,000	3,935,000
<u>Total Liabilities</u>	4,015,923	0	0	4,015,923	4,186,605
<u>Net Assets (Note 9)</u>					
Unrestricted	5,605,875	0	0	5,605,875	5,540,193
Temporarily Restricted	0	266,450	0	266,450	17,380
Permanently Restricted	0	0	4,493,203	4,493,203	4,369,850
<u>Total Net Assets</u>	5,605,875	266,450	4,493,203	10,365,528	9,927,423
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 9,621,798</u>	<u>\$ 266,450</u>	<u>\$ 4,493,203</u>	<u>\$ 14,381,451</u>	<u>\$ 14,114,028</u>

See Notes to Financial Statements

ANIMAL FRIENDS, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2011

	2012			2011	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Total</u>
<u>SUPPORT AND REVENUE</u>					
Donations and Grants (Note 10)	\$ 2,014,251	\$ 573,508	\$ 7,350	\$ 2,595,109	\$ 4,320,071
Legacies	1,288,570	0	0	1,288,570	1,988,988
Fund Raisers (Net of \$448,936 Direct Costs)	691,297	0	0	691,297	726,266
Investment Income (Note 11)	273,667	128,583	0	402,250	86,733
Trust Income (Note 12)	38,865	0	116,003	154,868	(45,712)
Net Assets Released From Restrictions: Satisfaction of Donor Restrictions	<u>453,021</u>	<u>(453,021)</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>4,759,671</u>	<u>249,070</u>	<u>123,353</u>	<u>5,132,094</u>	<u>7,076,346</u>
<u>EXPENSES (Note 13)</u>					
Program	4,034,055	0	0	4,034,055	3,698,589
Administration	237,840	0	0	237,840	221,319
Fund Raising	<u>422,094</u>	<u>0</u>	<u>0</u>	<u>422,094</u>	<u>421,180</u>
	<u>4,693,989</u>	<u>0</u>	<u>0</u>	<u>4,693,989</u>	<u>4,341,088</u>
<u>NET ACTIVITY</u>	65,682	249,070	123,353	438,105	2,735,258
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>5,540,193</u>	<u>17,380</u>	<u>4,369,850</u>	<u>9,927,423</u>	<u>7,192,165</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 5,605,875</u>	<u>\$ 266,450</u>	<u>\$ 4,493,203</u>	<u>\$ 10,365,528</u>	<u>\$ 9,927,423</u>

See Notes to Financial Statements

ANIMAL FRIENDS, INC.

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ 438,105	\$ 2,735,258
Add (Deduct) Items Not Affecting Cash:		
Depreciation	233,338	271,661
Capital (Gains) Losses	(288,507)	(18,468)
Donated Asset Held In Trust	0	(57,565)
Noncash Trust (Income) Loss	(154,868)	45,712
Trust Cash Distributions	38,865	56,152
Bond Issue Costs Amortization	7,000	7,000
Change in Inventory	(17,691)	3,379
Change in Prepaid Expenses	(50,105)	(48,335)
Change in Deposit	0	(20,000)
Change in Accounts Payable	(13,828)	(159,827)
Change in Accrued Expenses	110,646	(162,203)
Donations Restricted to Long Term Use	(7,350)	(2,297,228)
	<u>295,605</u>	<u>355,536</u>
<u>NET CASH FLOWS FROM OPERATIONS</u>		
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Marketable Investments	(2,177,622)	(2,673,048)
Sale of Marketable Investments	1,985,625	640,450
Purchase of Property, Plant and Equipment	(32,711)	0
Change in Loan Escrow	307,406	(685,285)
	<u>82,698</u>	<u>(2,717,883)</u>
<u>NET CASH FLOWS FROM INVESTING ACTIVITIES</u>		
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Donations Restricted to Long Term Use	7,350	2,297,228
Change in Receivables	(74,874)	720,491
Repayment of Capital Lease	(42,500)	(40,000)
Retirement of Tax Exempt Bonds	(225,000)	(220,000)
	<u>(335,024)</u>	<u>2,757,719</u>
<u>NET CASH FLOWS FROM FINANCING ACTIVITIES</u>		
<u>NET CASH FLOWS</u>	43,279	395,372
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	810,695	415,323
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>\$ 853,974</u>	<u>\$ 810,695</u>
<u>SUPPLEMENTAL DISCLOSURES</u>		
Cash paid for interest	<u>\$ 102,709</u>	<u>\$ 118,769</u>

Donations of animal supplies (primarily food) valued at \$85,000 and \$81,000 were received in 2012 and 2011 respectively.

See Notes to Financial Statements

ANIMAL FRIENDS, INC.
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Date of Management's Review

Except as stated in Note 6, no subsequent events occurred for the period January 1, 2013 through July 23, 2013, which is the date the financial statements were available for issue.

Organization

Animal Friends, Inc., ("Friends") received its charter as a nonprofit corporation from the Commonwealth of Pennsylvania on June 1, 1943. Since then it has operated as a public charity exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The purpose of Friends is to ensure the well being of companion animals, while ending overpopulation, abuse and unwarranted euthanasia. It is the vision of the organization to 1) reduce the number of unwanted animals through aggressive spay/neuter programs; 2) provide for the well being of companion animals in need, while adhering to our no-kill tradition, and find each a lifelong, loving home; 3) promote the human-animal bond through outreach, education and therapeutic programs; 4) act as an advocate on behalf of animals in crisis and as an enforcer of their rights and protection and; 5) ensure the financial security and stability of the organization for future generations.

Accounting For Restrictions

Net assets, revenues, expenses, gains and losses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of Friends are classified and reported as follows:

Unrestricted Net Assets - Net assets which are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets - Net assets which are subject to donor-imposed restrictions which will be satisfied by actions of Friends or by the passage of time.

Permanently Restricted Net Assets - Net assets which are subject to donor-imposed stipulations that they be maintained or used in a certain way or endowments which represent resources that must be invested permanently with income to be used for either general or specific purposes.

Friends has adopted the following policies for gifts received with a donor-imposed restriction:

In the absence of donor stipulations specifying how long-lived donated assets must be used, restrictions on long-lived assets and other personal property items, or cash to acquire long-lived assets or personal property items, expire when the assets are placed in service or purchased as the case may be. The sale proceeds (or, in the case of a destroyed item, insurance proceeds) from either a donated asset or an asset purchased with a gift of cash are unrestricted unless specifically delineated otherwise by the original donor. In the absence of donor stipulations, interest income earned on temporarily restricted funds is unrestricted and may be used for general operations, programs and services.

Contributions

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a donor restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished) temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Volunteer Services

Unpaid volunteers have made significant contributions of their services to develop Friends' programs and assist in its support. The value of these contributions is not reflected in the accompanying financial statements since it is not susceptible to an objective measurement or valuation.

Basis of Accounting

All transactions of Friends have been accounted for using the accrual basis of accounting. All restricted gifts are separately identified both in the financial statements and in the underlying accounting workpapers.

Estimates

These financial statements use estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and Cash Equivalents consist of cash, certificates of deposit, and other highly liquid investments with maturities of three months or less.

Fair Value Accounting

Investments and Assets Held in Trust are reported at fair value. Fair values are classified according to a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

Level 1 - Securities traded in an active market with available quoted prices for identical assets as of the reporting date.

Level 2 - Securities not traded in an active market but for which market inputs are readily available.

Level 3 - Securities not traded in an active market and for which no significant observable market inputs are available as of the reporting date.

All Investments and Assets Held in Trust are Level 1 securities.

Receivables

Receivables are recorded at net realizable value. No allowance for doubtful accounts was deemed necessary.

Inventory

Inventory is comprised of food, clothing and gift items held for sale in the gift shop. Proceeds from the sale of donated food and clothing items are recorded as Donations. Net proceeds from the sale of purchased items are recorded as a Fund Raiser. Inventory also includes animal supplies (primarily food) for use in the facility. Inventory is accounted for at the lower of cost or market, using the specific identification cost method.

Property, Plant and Equipment

All Property, Plant and Equipment are being depreciated using the straight-line method over each asset's useful life. Useful lives assigned are five years for transportation equipment; three to ten years for furniture and equipment; and twenty to forty years for buildings. Repairs and maintenance, which do not extend the lives of the applicable assets, are charged to expense as incurred. Gain or loss from the retirement or other disposition of these assets is included in the statement of activities.

Bond Issue Costs

Bond Issue Costs were incurred to obtain financing for the new Center. These costs are being amortized on a straight-line basis over the terms of corresponding bonds (Note 8).

Revenue Recognition

Income from Legacies is not recognized until an estate has been settled. Reimbursements from reduced-cost spaying and neutering services are recognized on a cash basis due to the inability to reasonably estimate bad debts.

Advertising

Advertising costs are expensed as incurred.

Allocations

Friends reports fundraising costs and expenses by their functional classification. Some expenses have been allocated to functional classifications based on salary costs or square footage.

Prior Year Amounts

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 presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2011, from which the summarized information was derived.

2. INVESTMENTS

Investments were composed of the following:

<u>Investment Type</u>	<u>2012</u>	<u>2011</u>
Money Market Funds	\$ 81,833	\$ 1,330,143
Equity Mutual Funds	2,086,018	1,087,642
Debt Mutual Funds	1,389,881	844,785
Common Stocks	<u>578,798</u>	<u>645,561</u>
	4,136,530	3,908,131
Restricted for Debt Service (Note 5)	<u>(800,000)</u>	<u>(1,100,000)</u>
Marketable Securities	3,336,530	2,808,131
Real Estate Held for Sale	<u>0</u>	<u>47,895</u>
	<u>\$ 3,336,530</u>	<u>\$ 2,856,026</u>

3. RECEIVABLES

In January, 2011 the board approved a plan for a three year \$3,000,000 endowment campaign. Through December 31, 2012, donations of \$2,304,578 have been received, with \$242,020 in pledges receivable.

In 2002 Friends initiated a Capital Campaign to raise \$7,350,000 for the construction of a new Center. Amounts donated to this campaign totaled approximately \$6,100,000. By December 31, 2011 there were no remaining receivable balances related to the Capital Campaign.

4. PROPERTY, PLANT AND EQUIPMENT

At December 31, 2012 Property, Plant and Equipment were composed of the following:

<u>Description</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$ 479,563	\$ 0	\$ 479,563
Building	6,653,962	1,075,436	5,578,526
Transportation Equipment	281,654	143,295	138,359
Furniture and Equipment	589,294	501,769	87,525
	<u>\$ 8,004,473</u>	<u>\$ 1,720,500</u>	<u>\$ 6,283,973</u>

5. OTHER ASSETS

Other Assets were composed of the following:

<u>Asset</u>	<u>2012</u>	<u>2011</u>
Compensating Cash Balance	\$ 400,000	\$ 400,000
Investments Restricted for Debt Service	400,000	700,000
Cash Restricted for Debt Service	<u>726,656</u>	<u>734,062</u>
	<u>\$ 1,526,656</u>	<u>\$ 1,834,062</u>

All Cash proceeds from the Capital Campaign (Note 3) are restricted for use in debt service (Note 8).

6. DEPOSIT / SUBSEQUENT EVENTS

In 2011, Friends entered into a land purchase agreement, depositing \$20,000, to acquire 38 acres of property contiguous to the existing Center. The closing for this acquisition occurred in March, 2013 at a total cost of approximately \$300,000.

In June, 2013 Friends entered into a second purchase agreement to acquire 25 acres of property also contiguous to the Center. The total acquisition cost is also estimated to be \$300,000 and the closing on the purchase is hoped to occur in 2013.

7. ASSETS HELD IN TRUST

Permanently Restricted Assets Held In Trust represents assets held in six separate trusts by others. In these trusts, Friends is entitled to receive a percentage of the future income earned as stipulated by the grantor in perpetuity.

8. DEBT

Debt balances and terms as of December 31, 2012 were as follows:

<u>Creditor</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>	<u>Total</u>
Allegheny County Industrial Development Authority; 0.5% interest rate through 6/30/14, then to be renegotiated; annual principal payments due July 1; 20 year principal amortization through July 1, 2025; balance is secured by a bank letter of credit costing 1.5%; balance is also secured by the Center and Escrow Account.	\$235,000	\$3,475,000	\$3,710,000
Co Active Capital Partners; 7.0% interest rate; 60 month lease with principal and interest payments of \$3,964; final payment due 12/15/13; balance is secured by the Mobile Spay/Neuter vehicle.	45,000	0	45,000
Total	<u>\$280,000</u>	<u>\$3,475,000</u>	<u>\$3,755,000</u>

Principal payments are due as follows:

<u>Year Ending</u>	<u>Amount</u>
2013	\$ 280,000
2014	240,000
2015	250,000
2016	260,000
2017	265,000
Thereafter	<u>2,460,000</u>
Total	<u>\$3,755,000</u>

Friends has a \$300,000 line of credit with interest at the prime rate expiring October 20, 2013. At December 31, 2012, nothing was drawn on the line.

9. NET ASSETS

Friends currently maintains three separate net asset classifications in order to control in detail all gifts received. These classifications include: 1) Unrestricted, which is used to account for revenues earned and gifts received without a restricted directive; 2) Temporarily Restricted, which is used to account for gifts received by Friends with donor-restricted directives; and 3) Permanently Restricted, which is used to account for gifts received which are subject to donor restricted directives which never expire. A summary of the activity in the open Temporarily Restricted Net Asset class from January 1, 2012 to December 31, 2012 is as follows:

<u>Net Asset Class</u>	<u>Balance January 1</u>	<u>Support and Revenue</u>	<u>Release of Net Assets</u>	<u>Balance December 31</u>
Endowment	\$ 0	\$128,583	\$ 0	\$128,583
Spay/Neuter	0	424,680	304,680	120,000
Pet Therapy	0	123,253	123,253	0
AAARF	0	25,000	25,000	0
Other	17,380	575	88	17,867
	<u>\$17,380</u>	<u>\$702,091</u>	<u>\$453,021</u>	<u>\$266,450</u>

A summary of the activity in the Permanently Restricted Net Asset class from January 1, 2012 to December 31, 2012 is as follows:

<u>Net Asset Class</u>	<u>Balance January 1</u>	<u>Support and Revenue</u>	<u>Release of Net Assets</u>	<u>Balance December 31</u>
Permanent Endowment	\$2,793,167	\$ 7,350	\$ 0	\$2,800,517
Assets Held in Trust	<u>1,576,683</u>	<u>116,003</u>	<u>0</u>	<u>1,692,686</u>
	<u>\$4,369,850</u>	<u>\$123,353</u>	<u>\$ 0</u>	<u>\$4,493,203</u>

A reconciliation of endowment activity is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2012 Total</u>	<u>2011 Total</u>
Balance January 1	\$ (13,353)	\$ 0	\$ 2,793,167	\$ 2,779,814	\$ 523,504
Contributions	0	0	7,350	7,350	2,297,228
Investment Income	0	58,417	0	58,417	21,149
Capital Gains/(Losses)	13,353	178,264	0	191,617	(10,806)
Fees	0	(14,318)	0	(14,318)	(6,067)
Distribution	0	(93,780)	0	(93,780)	(45,194)
Balance December 31	<u>\$ 0</u>	<u>\$ 128,583</u>	<u>\$ 2,800,517</u>	<u>\$ 2,929,100</u>	<u>\$ 2,779,814</u>

Friends' endowment fund is governed by Pennsylvania's Principal and Income Act (Act 141) enacted on December 21, 1998.

The Board of Directors has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the real value of the endowment portfolio. Under this policy, the endowment assets are invested in a manner that is intended to emphasize total return (aggregate return from capital appreciation and dividend and interest income) sufficient to preserve the real (inflation-adjusted) value of the portfolio, achieve long-term growth of principal, while avoiding excessive risk and to the extent necessary, provide for the operating needs of Friends. The Board of Directors has adopted a long-term asset allocation policy that identifies the strategic target weights to each of the major asset classes (domestic and international equity, investment grade fixed income, high yield fixed income and cash equivalents). The investment objective for each asset class portfolio is to exceed the rate of return of a relevant benchmark after taking into account all manager fees.

Each year, Friends appropriates a percentage of its endowment fund's average fair value over the prior three years preceding the fiscal year in which the distribution is planned. The Board of Trustees votes on this appropriation each year. For the fiscal years 2012 and 2011, this percentage was 5%.

From time to time, the fair value of assets associated with endowment funds may fall below the level of the original gift. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in unrestricted net assets. In 2011, these deficiencies resulted from unfavorable market fluctuations.

10. DONATIONS

Unrestricted and Temporarily Restricted donations are received from a broad base of donors. There is not a significant concentration of risk in large donations.

11. INVESTMENT INCOME (LOSS)

Investment Income (Loss) is composed of the following:

<u>Item</u>	<u>2012</u>	<u>2011</u>
Interest	\$ 59,082	\$ 34,692
Dividends	54,661	33,573
Capital Gains (Losses)	<u>288,507</u>	<u>18,468</u>
	<u>\$ 402,250</u>	<u>\$ 86,733</u>

12. TRUST INCOME (LOSS)

Trust Income (Loss) is composed of the following:

<u>Item</u>	<u>2012</u>	<u>2011</u>
Dividends	\$ 23,850	\$ 22,306
Interest	12,254	10,014
Capital Gains (Losses)	131,890	(65,391)
Expenses	<u>(13,126)</u>	<u>(12,641)</u>
	<u>\$ 154,868</u>	<u>\$ (45,712)</u>

13. EXPENSES

Detail of functional expenses is as follows:

<u>2 0 1 2</u>					
<u>Expense</u>	<u>Program</u>	<u>Administration</u>	<u>Fund Raising</u>	<u>Total</u>	<u>2011 Total</u>
Payroll & Related Costs*	\$2,476,965	\$142,354	\$227,767	\$2,847,086	\$2,643,621
Direct Animal Care	773,973	0	0	773,973	611,251
Depreciation	219,367	4,667	9,334	233,338	271,661
Utilities	154,305	3,283	6,566	164,154	155,014
Printing & Postage	59,698	6,942	87,933	154,269	152,462
Interest	95,227	2,026	4,052	101,305	117,453
Software Support & Website	43,862	26,318	17,545	87,725	88,093
Office Costs	41,136	11,518	13,164	65,818	50,307
Repairs & Maintenance	46,955	998	1,998	49,952	56,756
Insurance	43,857	933	1,866	46,656	46,916
Bank Fees	0	0	41,046	41,046	33,469
Professional Fees	0	37,731	0	37,731	33,251
Local Transportation	27,134	0	0	27,134	27,186
Publicity	4,676	0	8,685	13,361	11,712
Other	<u>50,234</u>	<u>1,069</u>	<u>2,138</u>	<u>53,441</u>	<u>41,936</u>
Total	<u>\$4,034,055</u>	<u>\$237,840</u>	<u>\$422,094</u>	<u>\$4,693,989</u>	<u>\$4,341,088</u>

* On January 1, 1999 Friends adopted a defined contribution pension plan covering all full and part time employees who have completed one year of service. Friends can contribute 0%-15% of employee wages to the plan. Friends' cost for this plan was \$17,464 in 2012 and \$18,849 in 2011.

14. CONCENTRATION OF CREDIT RISK

Although Friends maintains cash balances in excess of federally insured limits, they have not historically experienced any credit loss.