

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

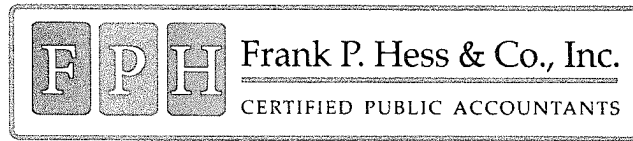
FINANCIAL REPORT

December 31, 2014 AND 2013

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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, 2014, 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, 2014, 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 2013 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated July 21, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent in all material respects, with the audited financial statements from which it has been derived.

Pittsburgh, PA
July 20, 2015

ANIMAL FRIENDS, INC.

BALANCE SHEET

DECEMBER 31, 2014

WITH SUMMARIZED INFORMATION AT DECEMBER 31, 2013

	2014			2013	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 849,170	\$ 55,679	\$ 0	\$ 904,849	\$ 935,935
Investments (Note 2)	485,721	444,977	2,558,497	3,489,195	3,337,613
Receivables (Note 3)	41,621	4,288,838	0	4,330,459	1,219,247
Inventory	47,640	0	0	47,640	76,073
Prepaid Expenses	46,319	0	0	46,319	66,873
Property, Plant and Equipment - Net (Note 4)	6,740,895	0	0	6,740,895	6,661,538
Construction in Progress (Note 3)	17,464	0	0	17,464	0
Other Assets (Note 5)	908,781	0	0	908,781	1,218,588
Bond Issue Costs	73,500	0	0	73,500	80,500
Assets Held In Trust (Note 6)	0	0	2,281,866	2,281,866	2,259,477
<u>TOTAL ASSETS</u>	<u>\$ 9,211,111</u>	<u>\$ 4,789,494</u>	<u>\$ 4,840,363</u>	<u>\$ 18,840,968</u>	<u>\$ 15,855,844</u>
<u>LIABILITIES AND NET ASSETS</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 128,998	\$ 0	\$ 0	\$ 128,998	\$ 107,580
Accrued Expenses	93,338	0	0	93,338	229,461
Tax Exempt Bonds (Note 7)	3,235,000	0	0	3,235,000	3,475,000
<u>Total Liabilities</u>	3,457,336	0	0	3,457,336	3,812,041
<u>Net Assets (Note 8)</u>					
Unrestricted	5,753,775	0	0	5,753,775	5,544,133
Temporarily Restricted	0	4,789,494	0	4,789,494	1,439,676
Permanently Restricted	0	0	4,840,363	4,840,363	5,059,994
<u>Total Net Assets</u>	5,753,775	4,789,494	4,840,363	15,383,632	12,043,803
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 9,211,111</u>	<u>\$ 4,789,494</u>	<u>\$ 4,840,363</u>	<u>\$ 18,840,968</u>	<u>\$ 15,855,844</u>

See Notes to Financial Statements

ANIMAL FRIENDS, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2014</u>			<u>2013</u>	
	<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 (Notes 3 and 9)	\$ 2,320,617	\$ 4,554,030	\$ (242,020)	\$ 6,632,627	\$ 3,545,746
Fund Raisers (Net of \$344,700 Direct Costs)	822,243	0	0	822,243	692,426
Legacies	739,623	0	0	739,623	1,566,684
Investment Income (Note 10)	83,938	173,142	0	257,080	619,423
Trust Income (Note 11)	96,559	0	22,389	118,948	389,434
Net Assets Released From Restrictions: Satisfaction of Donor Restrictions	<u>1,377,354</u>	<u>(1,377,354)</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>5,440,334</u>	<u>3,349,818</u>	<u>(219,631)</u>	<u>8,570,521</u>	<u>6,813,713</u>
<u>EXPENSES (Note 12)</u>					
Program	4,533,875	0	0	4,533,875	4,449,490
Administration	249,624	0	0	249,624	248,252
Fund Raising	<u>447,193</u>	<u>0</u>	<u>0</u>	<u>447,193</u>	<u>437,696</u>
	<u>5,230,692</u>	<u>0</u>	<u>0</u>	<u>5,230,692</u>	<u>5,135,438</u>
<u>NET ACTIVITY</u>	209,642	3,349,818	(219,631)	3,339,829	1,678,275
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>5,544,133</u>	<u>1,439,676</u>	<u>5,059,994</u>	<u>12,043,803</u>	<u>10,365,528</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 5,753,775</u>	<u>\$ 4,789,494</u>	<u>\$ 4,840,363</u>	<u>\$ 15,383,632</u>	<u>\$ 12,043,803</u>

See Notes to Financial Statements

ANIMAL FRIENDS, INC.

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ 3,339,829	\$ 1,678,275
Add (Deduct) Items Not Affecting Cash:		
Depreciation	239,792	222,383
Capital (Gains) Losses	(91,825)	(520,129)
Donated Asset Held In Trust	0	(277,216)
Noncash Trust (Income) Loss	(22,389)	(289,575)
Bond Issue Costs Amortization	7,000	7,000
Change in Inventory	28,433	(2,030)
Change in Prepaid Expenses	20,554	40,969
Change in Deposit	0	20,000
Change in Accounts Payable	21,418	2,830
Change in Accrued Expenses	(136,123)	73,288
Donations Restricted to Long Term Use	<u>(3,661,000)</u>	<u>(960,000)</u>
 <u>NET CASH FLOWS FROM OPERATIONS</u>	 <u>(254,311)</u>	 <u>(4,205)</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Marketable Investments	(1,914,489)	(1,282,850)
Sale of Marketable Investments	1,854,732	1,801,896
Purchase of Property, Plant and Equipment/Construction in Progress	(336,613)	(599,948)
Change in Loan Escrow	<u>309,807</u>	<u>308,068</u>
 <u>NET CASH FLOWS FROM INVESTING ACTIVITIES</u>	 <u>(86,563)</u>	 <u>227,166</u>
 <u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Donations Restricted to Long Term Use	3,661,000	960,000
Change in Receivables	(3,111,212)	(821,000)
Repayment of Capital Lease	0	(45,000)
Retirement of Tax Exempt Bonds	<u>(240,000)</u>	<u>(235,000)</u>
 <u>NET CASH FLOWS FROM FINANCING ACTIVITIES</u>	 <u>309,788</u>	 <u>(141,000)</u>
 <u>NET CASH FLOWS</u>	 <u>(31,086)</u>	 <u>81,961</u>
 <u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	 <u>935,935</u>	 <u>853,974</u>
 <u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	 <u>\$ 904,849</u>	 <u>\$ 935,935</u>
 <u>SUPPLEMENTAL DISCLOSURES</u>		
Cash paid for interest	<u>\$ 75,224</u>	<u>\$ 88,405</u>

Donations of animal supplies (primarily food) valued at \$106,800 and \$93,000 and interest expense of \$68,000 and \$72,000 were received in 2014 and 2013 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

Management has evaluated subsequent events through July 20, 2015, which is the date the financial statements were available for issue.

Organization

Animal Friends, Inc., ("Animal 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 Animal 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 animal-human 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 Animal 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 Animal 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.

Animal 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 Animal 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 Animal 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. A present value discount rate of 5% is used valuing pledges receivable to the capital campaign. A \$550,000 discount to present value has been recorded.

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 Center. These costs are being amortized on a straight-line basis over the terms of corresponding bonds (Note 7).

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

Animal 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, 2013, from which the summarized information was derived.

2. INVESTMENTS

Investments were composed of the following:

<u>Investment Type</u>	<u>2014</u>	<u>2013</u>
Money Market Funds	\$ 25,025	\$ 51,693
Equity Mutual Funds	2,024,549	2,117,466
Debt Mutual Funds	1,333,462	1,314,538
Common Stocks	681,159	551,916
	<u>4,064,195</u>	<u>4,037,613</u>
Restricted for Debt Service (Note 5)	<u>(575,000)</u>	<u>(700,000)</u>
Total	<u>\$ 3,489,195</u>	<u>\$ 3,337,613</u>

3. RECEIVABLES

In 2013 Animal Friends initiated an \$8,000,000 Capital Campaign. \$6,000,000 of the Campaign is allocated to construction of a new 17,500 square foot public spay/neuter clinic and pet wellness center. \$2,000,000 of the campaign is allocated to the organization's current and on-going operational funding.

To date Animal Friends has received \$5,171,000 in pledges to the campaign from five entities. \$332,162 of these pledges have been collected as of December 31, 2014. A \$550,000 allowance to adjust for present value has been recorded. Anticipated cash flow from these pledges is as follows:

<u>Year</u>	<u>Cash Collected</u>
2015	\$ 608,838
2016	2,210,000
2017	310,000
2018	310,000
2019	250,000
Thereafter	1,150,000
Total	<u>\$ 4,838,838</u>

Construction in Progress represents architectural costs incurred in planning the new Center.

4. PROPERTY, PLANT AND EQUIPMENT

At December 31, 2014, Property, Plant and Equipment were composed of the following:

<u>Description</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>2013</u>
Land	\$ 1,032,949	\$ 0	\$ 1,032,949	\$ 775,911
Building	6,876,646	1,424,837	5,451,809	5,629,293
Furniture and Equipment	650,305	488,304	162,001	141,279
Transportation Equipment	281,654	187,518	94,136	115,055
	<u>\$ 8,841,554</u>	<u>\$ 2,100,659</u>	<u>\$ 6,740,895</u>	<u>\$ 6,661,538</u>

5. OTHER ASSETS

Other Assets were composed of the following:

<u>Asset</u>	<u>2014</u>	<u>2013</u>
Investments Restricted for Debt Service	\$ 575,000	\$ 700,000
Cash Restricted for Debt Service	333,781	518,588
	<u>\$ 908,781</u>	<u>\$ 1,218,588</u>

6. ASSETS HELD IN TRUST

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

7. DEBT

Debt balances and terms as of December 31, 2014 were as follows:

<u>Creditor</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>	<u>Total</u>
Allegheny County Industrial Development Authority; 0.50% interest rate through 6/30/16, 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.	<u>\$ 250,000</u>	<u>\$ 2,985,000</u>	<u>\$ 3,235,000</u>

Principal payments are due as follows:

<u>Year Ending</u>	<u>Amount</u>
2015	\$ 250,000
2016	260,000
2017	265,000
2018	275,000
2019	285,000
Thereafter	<u>1,900,000</u>
Total	<u>\$ 3,235,000</u>

Animal Friends has a \$300,000 line of credit with interest at the prime rate expiring October 20, 2015. At December 31, 2014, nothing was drawn on the line.

8. NET ASSETS

Animal 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, 2014 to December 31, 2014 is as follows:

<u>Net Asset Class</u>	<u>January 1</u>	Support and <u>Revenue</u>	Release of <u>Net Assets</u>	<u>December 31</u>
Capital Campaign	\$ 960,000	\$ 3,661,000	\$ 332,162	\$ 4,288,838
Endowment	410,427	173,142	138,592	444,977
Therapeutic Programming	56,505	298,077	311,647	42,935
Reward	12,744	0	0	12,744
Spay/Neuter	0	567,329	567,329	0
AAARF	0	27,624	27,624	0
	<u>\$ 1,439,676</u>	<u>\$ 4,727,172</u>	<u>\$ 1,377,354</u>	<u>\$ 4,789,494</u>

A summary of the activity in the Permanently Restricted Net Asset class from January 1, 2014 to December 31, 2014 is as follows:

<u>Net Asset Class</u>	<u>January 1</u>	Support and <u>Revenue</u>	Release of <u>Net Assets</u>	<u>December 31</u>
Permanent Endowment	\$ 2,800,517	\$ (242,020)	\$ 0	\$ 2,558,497
Assets Held in Trust	2,259,477	22,389	0	2,281,866
	<u>\$ 5,059,994</u>	<u>\$ (219,631)</u>	<u>\$ 0</u>	<u>\$ 4,840,363</u>

A reconciliation of endowment activity is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2014 Total</u>	<u>2013 Total</u>
Balance January 1	\$ 0	\$ 410,427	\$ 2,800,517	\$ 3,210,944	\$ 2,929,100
Contributions	0	0	(242,020)	(242,020)	0
Investment Income	0	54,881	0	54,881	56,719
Capital Gains/(Losses)	0	134,689	0	134,689	372,580
Fees	0	(16,428)	0	(16,428)	(15,492)
Distributions	0	(138,592)	0	(138,592)	(131,963)
Balance December 31	<u>\$ 0</u>	<u>\$ 444,977</u>	<u>\$ 2,558,497</u>	<u>\$ 3,003,474</u>	<u>\$ 3,210,944</u>

Animal 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 Animal 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 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, Animal 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 Directors votes on this appropriation each year. For the fiscal years 2014 and 2013, 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 2014 Animal Friends wrote off \$242,020 of pledges receivable as uncollectible.

9. DONATIONS

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

10. INVESTMENT INCOME

Investment Income is composed of the following:

<u>Item</u>	<u>2014</u>	<u>2013</u>
Dividends	\$ 133,771	\$ 55,052
Interest	31,484	44,242
Capital Gains	91,825	520,129
	<u>\$ 257,080</u>	<u>\$ 619,423</u>

11. TRUST INCOME

Trust Income is composed of the following:

<u>Item</u>	<u>2014</u>	<u>2013</u>
Dividends	\$ 65,321	\$ 41,948
Interest	16,228	14,179
Capital Gains	59,088	351,829
Expenses	(21,689)	(18,522)
	<u>\$ 118,948</u>	<u>\$ 389,434</u>

12. EXPENSES

Detail of functional expenses is as follows:

<u>Expense</u>	2014				2013
	<u>Program</u>	<u>Administration</u>	<u>Fund Raising</u>	<u>Total</u>	<u>Total</u>
Payroll & Related Costs*	\$ 2,604,590	\$ 149,689	\$ 239,503	\$ 2,993,782	\$ 2,927,088
Animal Care & Services	1,004,257	0	0	1,004,257	949,194
Depreciation	225,404	4,796	9,592	239,792	222,383
Utilities	178,668	3,801	7,603	190,072	181,051
Printing & Postage	59,881	6,999	88,655	155,535	154,322
Interest	141,211	3,004	6,009	150,224	161,352
Software Support & Website	48,645	29,187	19,458	97,290	108,394
Repairs & Maintenance	78,006	1,660	3,319	82,985	78,619
Office Costs	38,320	10,730	12,263	61,313	61,080
Insurance	50,277	1,070	2,139	53,486	56,403
Bank Fees	0	0	41,841	41,841	38,837
Professional Fees	0	37,199	0	37,199	82,161
Local Transportation	27,171	0	0	27,171	24,157
Publicity	7,448	0	13,832	21,280	18,402
Other	69,997	1,489	2,979	74,465	71,995
Total	<u>\$ 4,533,875</u>	<u>\$ 249,624</u>	<u>\$ 447,193</u>	<u>\$ 5,230,692</u>	<u>\$ 5,135,438</u>

* On January 1, 1999 Animal Friends adopted a defined contribution pension plan covering all full and part time employees who have completed one year of service. Animal Friends can contribute 0%-15% of employee wages to the plan. Animal Friends' cost for this plan was \$18,544 in 2014 and \$19,853 in 2013.

13. CONCENTRATION OF CREDIT RISK

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