

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.

Financial Statements

As of and For the Year Ended June 30, 2013



C.E.A. SCHOLTES & ASSOCIATES
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Humane Society of Baltimore County, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The Humane Society of Baltimore County, Inc. (the Society), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and changes in net assets 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 misstatements, 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 of 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 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 The Humane Society of Baltimore County, Inc. as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of functional expenses on page 17 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

C. E. A. Scholtes & Associates

C.E.A. Scholtes and Associates
Certified Public Accountants
Baltimore, Maryland
November 30, 2013

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
As of June 30, 2013

ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 202,811
Investments, at fair value	48,599
Bequests Receivable, net	315,110
Accounts Receivable	10,000
Pledges Receivable	6,267
Prepaid Expenses	11,655
Total Current Assets	594,442
Property and Equipment	
Leasehold Improvements	940,987
Furniture and Equipment	206,379
Computer Equipment	12,704
Vehicles	9,480
	1,169,550
Less: Accumulated Depreciation	(653,946)
Property and Equipment, net	515,604
Total Assets	\$ 1,110,046
LIABILITIES AND NET ASSETS	
Current Liabilities	
Current Maturities of Term Loans	\$ 4,806
Accounts Payable and Accrued Expenses	76,329
Deferred Revenue	10,080
Total Current Liabilities	91,215
Long-Term Debt	
Term Loans, less current maturities	8,360
Total Liabilities	99,575
Net Assets	
Unrestricted	
Operations	164,261
Investment in Property and Equipment	502,438
Total Unrestricted Net Assets	666,699
Temporarily Restricted	331,377
Permanently Restricted	12,395
Total Net Assets	1,010,471
Total Liabilities and Net Assets	\$ 1,110,046

See accompanying notes to this financial statement and independent auditor's report.

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

REVENUES, GAINS AND OTHER SUPPORT	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Contributions:				
Bequests	\$ 221,109	\$ 325,110	\$ -	\$ 546,219
Trust Income	330,727	-	-	330,727
Individuals, Corporations, Foundations	485,847	16,421	-	502,268
Earned Revenue:				
Adoption Center	55,042	-	-	55,042
Cemetery	72,245	-	-	72,245
Spay-Neuter Center and Medical Services	263,600	-	-	263,600
Other	12,900	-	-	12,900
Special Events	130,886	-	-	130,886
In-Kind Donations	244,121	-	-	244,121
Other Income	13,097	-	-	13,097
Net Investment Income	1,759	-	-	1,759
	<u>1,831,333</u>	<u>341,531</u>	<u>-</u>	<u>2,172,864</u>
Satisfaction of Purpose and Time Restrictions	175,273	(175,273)	-	-
Total Revenues, Gains and Other Support	<u>2,006,606</u>	<u>166,258</u>	<u>-</u>	<u>2,172,864</u>
EXPENSES				
Program Services:				
Adoption Center	796,022	-	-	796,022
Cemetery	109,983	-	-	109,983
Spay-Neuter Center and Medical Services	598,701	-	-	598,701
Total Program Services	<u>1,504,706</u>	<u>-</u>	<u>-</u>	<u>1,504,706</u>
Supporting Services:				
Management and General	151,057	-	-	151,057
Fundraising	198,813	-	-	198,813
Total Supporting Services	<u>349,870</u>	<u>-</u>	<u>-</u>	<u>349,870</u>
Total Expenses	<u>1,854,576</u>	<u>-</u>	<u>-</u>	<u>1,854,576</u>
CHANGE IN NET ASSETS	152,030	166,258	-	318,288
Net Assets, Beginning of Year	<u>514,669</u>	<u>165,119</u>	<u>12,395</u>	<u>692,183</u>
Net Assets, End of Year	<u>\$ 666,699</u>	<u>\$ 331,377</u>	<u>\$ 12,395</u>	<u>\$ 1,010,471</u>

See accompanying notes to this financial statement and independent auditor's report.

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ 318,288
Adjustments to Reconcile Net Assets to Net Cash and Cash Equivalents Provided by Operating Activities:	
Depreciation	44,525
Unrealized Loss on Investments	741
Changes in Assets and Liabilities:	
Increase in Bequests Receivable	(172,643)
Increase in Accounts Receivable	(10,000)
Decrease in Pledges Receivable	4,089
Increase in Prepaid Expenses	(7,119)
Decrease in Accounts Payable and Accrued Expenses	(38,219)
Increase in Deferred Revenue	10,080
	149,742
Net Cash Provided by Operating Activities	149,742

CASH FLOWS FROM INVESTING ACTIVITIES:

Cash Paid for Property and Equipment	(17,302)
Purchases of Investments	(6,394)
	(23,696)
Net Cash Used in Investing Activities	(23,696)

CASH FLOWS FROM FINANCING ACTIVITIES:

Repayments of Term Loan	(5,066)
	(5,066)
Net Cash Used in Financing Activities	(5,066)
Net Increase in Cash and Cash Equivalents	120,980
Cash and Cash Equivalents, Beginning of Year	81,831
Cash and Cash Equivalents, End of Year	\$ 202,811

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash Payments for Interest	\$ 346
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See accompanying notes to this financial statement and independent auditor's report.

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

1. Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

The Humane Society of Baltimore County, Inc. (the Society) was founded in 1927 as a non-profit organization which exists to provide an effective means for the prevention of cruelty to animals throughout Baltimore County and to promote humane education in all possible ways in Baltimore County schools and homes. The Society operates as an animal shelter, a spay/neuter center, a memorial park, and a wildlife sanctuary. The Society is dependent on donations from the Elsie Seeger Barton Trust Fund (see Note 5), individuals, corporations, and foundations, and income from fundraising events to support animal care operations.

Basis of Accounting

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America (US GAAP) on the accrual basis of accounting, whereby, revenue is recognized when earned and expenses are recognized when incurred.

Basis of Presentation and Net Assets

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC or the Codification) No. 958, formerly Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under ASC No. 958, the Society is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets are the net assets that are neither permanently restricted nor temporarily restricted by donor imposed stipulations.

Temporarily restricted net assets result from contributions whose use by the Society is limited by donor imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Society pursuant to those stipulations. Net assets may be temporarily restricted for various purposes, such as use in future periods or use for specified purposes. The Society had temporarily restricted net assets of \$331,377 as of June 30, 2013.

Permanently restricted net assets result from contributions whose use by the Society is limited by donor imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Society. The Society had permanently restricted net assets of \$12,395 as of June 30, 2013.

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

**1. Nature of Organization and Summary of Significant Accounting Policies –
(continued)**

Donated Services

The Society recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Investments

Investments are stated at fair market value.

Statement of Cash Flows

For the purpose of the statement of cash flows, the Society considers all highly liquid debt instruments purchased with a maturity of three (3) months or less to be cash equivalents.

Property and Equipment

The Society capitalizes substantial expenditures of \$500 or more for property and equipment having a useful life of two or more years. Expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed over the estimated useful life of 5 to 39 years using the straight-line method. Depreciation totaled \$44,525 for the year ended June 30, 2013.

Valuation of Long-Lived Assets

The Society accounts for the valuation of long-lived assets under FASB ASC No. 360, formerly SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. ASC No. 360 requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. The Society's management believes that there are no impaired long-lived assets as of June 30, 2013 and therefore no impairment loss has been recorded during the year ended June 30, 2013.

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

**1. Nature of Organization and Summary of Significant Accounting Policies –
(continued)**

Advertising Costs

The Society expenses advertising costs when incurred. Advertising costs for the year ended June 30, 2013 totaled \$4,545.

Functional Allocation of Expenses

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

Income Taxes

The Humane Society of Baltimore County, Inc. is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and comparable State law, and contributions to it are tax deductible within the limitations prescribed by the Code.

Use of Estimates in Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

From October 2011 to January 2013, the FASB released Statement on Auditing Standards No. 122-127 which redrafted all of the auditing sections in the *Codification of Statements on Auditing Standards*. The clarified auditing standards are designed to make the standards easier to read, understand, and apply. Among other improvements, generally accepted auditing standards (GAAS) now more clearly states the objectives of the auditor and the requirements with which the auditor has to comply when conducting an audit in accordance with GAAS. As the FASB redrafted the standards for clarity, it also converged the standards with the International Standards on Auditing (ISAs), issued by the International Auditing and Assurance Standards Board (IAASB). SAS No. 122-127 is effective for annual reporting periods ending on or after December 15, 2012. The implementation of ASU No. 122-127 did not have a material impact on the Society's financial statements.

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

**1. Nature of Organization and Summary of Significant Accounting Policies –
(continued)**

Subsequent Events

The Society evaluated the accompanying financial statements for subsequent events and transactions through November 30, 2013, the date these financial statements were available for issue and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

2. Fair Value of Financial Instruments

FASB ASC No. 820, *Fair Value Measurements and Disclosures*, established a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC No. 820 are described below:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Society has the ability to access.

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

2. Fair Value of Financial Instruments - (continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation techniques used by the Society to measure fair value during the year ended June 30, 2013 maximized the use of observable inputs and minimized the use of unobservable inputs. There have been no changes in the methodologies used as of June 30, 2013.

When an active market for an identical asset is not available, alternative pricing sources and models utilizing market observable inputs are used. The Society determines whether the market for a financial instrument is active or inactive based on the security's daily volume and other market trading statistics. Inactivity of the market is evidenced by factors including decreased trade volumes, stale transaction prices and transaction prices that varied significantly either over time or among market makers.

Changes in fair value are recognized in the period in which the change occurs in the statement of activities.

The following is a description of the valuation methodologies used for assets measured at fair value as of June 30, 2013:

Mutual Funds and Common Stock: Valued at the closing price reported on the active market on which the fund is traded.

Baltimore Community Foundation (BCF) Fund: Valued at the ending investment asset balance of all funds pooled together in the fund.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Society believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

2. Fair Value of Financial Instruments - (continued)

The following table presents the Society's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2013:

Description	Total	Fair Value Measurement Using		
		Quoted Prices in Active Market For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	\$10,703	\$10,703	\$ -	\$ -
Common Stock	28,240	28,240	-	-
BCF Fund	9,656	-	-	9,656
Total	\$48,599	\$38,943	\$ -	\$ 9,656

3. Investments

Investments are stated at fair market value. The cost value of the investments is not reported because the investment advisors were unable to provide complete information as to cost balances of the securities invested. The market value of the Society's investments as of June 30, 2013 is as follows:

Mutual Funds	\$ 10,703
Common Stock	28,240
BCF Fund	9,656
Total	<u>\$ 48,599</u>

The following schedule summarizes the net investment income for the year ended June 30, 2013:

Net Unrealized Loss	\$ (741)
Interest and Dividends	2,566
Less: Investment Fees	(66)
Net Investment Income	<u>\$1,759</u>

ASC No. 958-205, *Non-for-Profit Entities: Presentation of Financial Statements* established a framework of the net assets classification of donor-restricted endowment funds for any nonprofit organization that is subject to a state enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). ASC No. 958-205, which is effective for fiscal years ending after December 15, 2008, also required expanded disclosures for all endowment funds.

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

3. Investments – (continued)

The State of Maryland enacted its version of UMPIFA in April 2009. The Society implemented ASC No. 958-205 during the year ended June 30, 2010.

In the event the Society receives donor-restricted endowment funds, determination of the net assets classification for the corpus and return on investments is based on the donor's intentions. In the event the Society's Board determines certain non-donor funds as board-designated, those respective funds are classified as unrestricted and the return on those funds is used to support the general program expenses of the annual budget.

The Society's overall financial objectives of the Endowment are: (1) to support the current and future operations of the Society and (2) to preserve the purchasing power of the Endowment. The Society's spending and investing policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current investment objective is to attain an average annual total return of at least 6% over rolling five-year periods. Actual returns in any given year may vary from this objective.

Changes in Endowment Net Assets are as follows for the year ended June 30, 2013:

	Unrestricted	Permanently Restricted	Total
Endowment Net Assets, July 1, 2012	\$29,423	\$12,395	\$41,818
Interest and Dividends, net of fees	2,343	-	2,343
Net Market Value Depreciation	(1,237)	-	(1,237)
Income Available for Operations	1,106	-	1,106
Income Used in Operations	-	-	-
Contributions	-	-	-
Endowment Net Assets, June 30, 2013	\$30,529	\$12,395	\$42,924

4. Term Loans

Effective October 2010, the Society borrowed \$8,000 for the purpose of acquiring equipment used in operations. The term loan bears interest at 6.6%. The term of the loan is 60 months and matures in October 2015. Monthly payments of principal and interest are \$157.

Effective March 2011, the Society borrowed \$15,570 from a private finance company for the purpose of acquiring equipment used in operations. The term loan bears interest at 4%. The term of the loan is 60 months and matures in March 2016. Monthly payments of principal and interest are \$286.

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

4. Term Loans – (continued)

Scheduled principal payments under the term loans through maturity are as follows:

Year Ended	
<u>June 30</u>	
2014	\$ 4,806
2015	5,047
2016	<u>3,313</u>
Total	13,166
Less: current maturities of term loan	<u>(4,806)</u>
Term loan less current maturities	<u>\$ 8,360</u>

5. Related Party Transactions

Elsie Seeger Barton Trust

A trust (the Trust) was formed at the death of Elsie Seeger Barton for the benefit of the Society. The facilities and ground used by the Society, at no cost to the Society, are owned by the Trust. Effective January 1, 2006, the Trust was converted to a unitrust, whereby the Society receives contributions equal to 4% of the value of the liquid assets (excludes value of land) of the Trust. The Society received trust fund distributions of \$180,727 and gifts of \$150,000 to offset cash flow shortages from the Trust during the fiscal year ended June 30, 2013 (see Note 9).

In addition, the Trust provides land and facilities for the Society including an office building, dog kennel and adoption center. Management has determined in-kind value for the land and facilities to be \$163,508 for the year ended June 30, 2013. In addition, the Trust will also be responsible for major improvements to the facilities and grounds.

6. Temporarily Restricted Net Assets

The Society has temporarily restricted net assets of \$331,377 as of June 30, 2013 restricted as to time and purpose.

Time Restrictions:	
Bequest Receivable	\$325,110
Pledges Receivable	<u>6,267</u>
Total	<u>\$331,377</u>

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

7. Satisfaction of Purpose and Time Restrictions

Net assets released from purpose and time restrictions for the year ended June 30, 2013 are as follows:

Purpose Restrictions:	
To fund development position	\$ 22,450
Time Restrictions:	
Pledges Receivable	10,356
Bequest Receivable	<u>142,467</u>
Total	<u><u>\$175,273</u></u>

8. Permanently Restricted Net Assets

An endowment fund named The Roy Sachs Animal Care Fund was created for the benefit of the Society mission overall. The fund was established in May 2002 by a gift of \$12,395, the principal of which is restricted in perpetuity as an endowment by the donor. The fund provides for income earned on the principal to be available to support the mission of the Society. Permanently restricted net assets as of June 30, 2013 are \$12,395.

9. Concentrations

There exist two concentrations that make up 28% of total revenue, gains and other support for the year ended June 30, 2013. Distributions and gifts from the Elsie Seeger Barton Trust accounted for 15% of the Society's total revenues, gains and other support for the year ended June 30, 2013 (see Note 5). Bequest from the Burl Estate accounted for 13% of the Society's total revenues, gains and other support for the year ended June 30, 2013.

10. Contingencies

In fiscal year 2013 the Society received supplemental funding beyond the normal distributions from the Trust in the amount of \$150,000. During the period July 1, 2013 through November 30, 2013, the Society received supplemental trust fund distributions of \$105,000 to offset cash flow shortages. \$35,000 was received in August and \$70,000 was received in October to fund operations. The management of the Trust has indicated that the supplemental distributions to the Society to fund operating expenses are uncertain to continue in the near term.

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

11. Strategic Plan

Management of the Society has developed and continues to execute a plan to manage costs and increase revenues. Key features of that plan include:

- Obtaining additional contributions totaling \$105,000 for the period July 1, 2013 through November 30, 2013 from the Elsie Barton Trust (the Trust) beyond the scheduled monthly contributions of approximately \$15,000.
- The Society is due to receive a significant amount of income from two separate estates with an estimated value of \$700,000. The Society is working with the estate attorney in collecting the funds.
- Hired an outside development consultant to increase the overall contributions to the Society. For the period July 1, 2013 to September 30, 2013 contributions/grants (not including Elsie Barton Trust) are \$33,000 greater compared to the same time period in the prior year.
- Established a development plan to include:
 - Event schedule to better monetize events
 - Monthly, personalized fundraising mailers
 - Major Donors, Corporate giving and grants
- Contracted with HSUS to perform shelter efficiency study to analyze cleaning and feeding protocols to streamline, maximize efficiency and reduce costs.

SUPPLEMENTAL INFORMATION

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2013

	Program Services				Supporting Services			
	Adoption Center	Cemetery	Spay-Neuter Center	Total	Management and General	Fundraising	Total	Total
Adoption Center Food and Supplies	\$ 86,023	\$ -	\$ 8,957	\$ 94,980	\$ -	\$ -	\$ -	\$ 94,980
Advertising	784	202	1,838	2,824	676	1,045	1,721	4,545
Automobile	296	76	693	1,065	255	394	649	1,714
Cemetery Supplies	-	15,003	-	15,003	-	-	-	15,003
Contract Labor	-	5,260	60,812	66,072	-	-	-	66,072
Copier and Equipment	322	83	756	1,161	278	430	708	1,869
Credit Card Processing Fees	-	-	-	-	5,677	13,509	19,186	19,186
Depreciation	31,948	-	6,450	38,398	4,765	1,362	6,127	44,525
Direct Mailing	-	-	-	-	-	12,211	12,211	12,211
Dues and Subscriptions	-	-	-	-	310	-	310	310
Employee Benefits	37,680	5,267	17,971	60,918	239	846	1,085	62,003
Equipment Rental	2,184	562	5,122	7,868	1,883	2,912	4,795	12,663
Gifts	71	18	167	256	61	95	156	412
Insurance	1,692	435	3,969	6,096	12,525	2,257	14,782	20,878
Interest	-	-	-	-	346	-	346	346
Lab Fees	-	-	7,459	7,459	-	-	-	7,459
Licenses and Permits	142	-	1,066	1,208	975	-	975	2,183
Meals and Entertainment	365	94	856	1,315	315	487	802	2,117
Medical Supplies and Labor	-	-	134,831	134,831	-	-	-	134,831
Meetings	-	-	-	-	239	-	239	239
Miscellaneous	-	-	-	-	91	-	91	91
Mural	2,243	576	5,258	8,077	1,933	2,990	4,923	13,000
Occupancy	117,320	-	23,688	141,008	17,500	5,000	22,500	163,508
Office Supplies	1,436	369	3,365	5,170	1,237	1,913	3,150	8,320
Outside Computer Services	1,406	362	3,297	5,065	1,212	1,875	3,087	8,152
Payroll Expenses	416,852	68,028	251,966	736,846	24,756	36,824	61,580	798,426
Payroll Taxes	41,171	7,636	25,966	74,773	706	2,496	3,202	77,975
Postage and Delivery	830	213	1,946	2,989	716	1,106	1,822	4,811
Professional Fees	7,401	3,885	6,802	18,088	61,947	29,580	91,527	109,615
Promotional Materials	-	-	-	-	-	3,718	3,718	3,718
Repairs and Maintenance	4,493	1,155	10,537	16,185	3,874	5,991	9,865	26,050
Special Events	-	-	-	-	-	64,639	64,639	64,639
Telephone	1,593	410	3,736	5,739	1,373	2,124	3,497	9,236
Training and Development	1,356	349	3,180	4,885	1,169	1,808	2,977	7,862
Uniforms	359	-	329	688	-	-	-	688
Utilities	38,055	-	7,684	45,739	5,676	1,622	7,298	53,037
Website	-	-	-	-	323	1,579	1,902	1,902
	<u>\$ 796,022</u>	<u>\$ 109,983</u>	<u>\$ 598,701</u>	<u>\$ 1,504,706</u>	<u>\$ 151,057</u>	<u>\$ 198,813</u>	<u>\$ 349,870</u>	<u>\$ 1,854,576</u>

See accompanying notes to this financial statement and independent auditor's report.