

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.

Financial Statements

As of and For the Year Ended June 30, 2014



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, 2014, 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 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 The Humane Society of Baltimore County, Inc. as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 18 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
December 16, 2014

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
As of June 30, 2014

ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 1,053,919
Investments, at fair value	47,008
Accounts Receivable	3,468
Bequests Receivable	27,835
Pledges Receivable	14,302
Prepaid Expenses	20,593
Total Current Assets	1,167,125
Property and Equipment	
Leasehold Improvements	993,748
Furniture and Equipment	212,670
Computer Equipment	22,759
Vehicles	9,480
	1,238,657
Less: Accumulated Depreciation	(697,756)
Property and Equipment, net	540,901
Total Assets	\$ 1,708,026
LIABILITIES AND NET ASSETS	
Current Liabilities	
Current Maturities of Term Loans	\$ 4,777
Accounts Payable and Accrued Expenses	101,432
Deferred Revenue	8,015
Total Current Liabilities	114,224
Long-Term Debt	
Term Loans, less current maturities	3,586
Total Liabilities	117,810
Commitments (Note 10)	
Net Assets	
Unrestricted	
Operations	843,698
Investment in Property and Equipment	532,538
Total Unrestricted Net Assets	1,376,236
Temporarily Restricted	57,630
Permanently Restricted	156,350
Total Net Assets	1,590,216
Total Liabilities and Net Assets	\$ 1,708,026

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, 2014

REVENUES, GAINS AND OTHER SUPPORT	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Contributions:				
Bequests	\$ 690,545	\$ 27,835	\$ 151,688	\$ 870,068
Trust Income	285,727	-	-	285,727
Individuals, Corporations, Foundations	410,524	30,680	-	441,204
Earned Revenue:				
Adoption Center	40,172	-	-	40,172
Cemetery	83,800	-	-	83,800
Spay-Neuter Center and Medical Services	279,646	-	-	279,646
Other	15,012	-	-	15,012
Special Events, net of \$101,350 of expense	74,041	-	-	74,041
In-Kind Donations	216,258	-	-	216,258
Interest Earned	985	-	-	985
Net Investment Income	5,958	-	(149)	5,809
	2,102,668	58,515	151,539	2,312,722
Satisfaction of Purpose and Time Restrictions	339,846	(332,262)	(7,584)	-
Total Revenues, Gains and Other Support	2,442,514	(273,747)	143,955	2,312,722
 EXPENSES				
Program Services:				
Adoption Center	714,567	-	-	714,567
Cemetery	85,222	-	-	85,222
Spay-Neuter Center and Medical Services	532,533	-	-	532,533
Total Program Services	1,332,322	-	-	1,332,322
Supporting Services:				
Management and General	321,359	-	-	321,359
Fundraising	79,296	-	-	79,296
Total Supporting Services	400,655	-	-	400,655
Total Expenses	1,732,977	-	-	1,732,977
 CHANGE IN NET ASSETS	 709,537	 (273,747)	 143,955	 579,745
Net Assets, Beginning of Year	666,699	331,377	12,395	1,010,471
Net Assets, End of Year	\$ 1,376,236	\$ 57,630	\$ 156,350	\$ 1,590,216

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, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ 579,745
Adjustments to Reconcile Net Assets to Net Cash and Cash Equivalents Provided by Operating Activities:	
Depreciation	43,810
Unrealized Gain on Investments	(3,287)
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	6,532
Decrease in Bequests Receivable	287,275
Increase in Pledges Receivable	(8,035)
Increase in Prepaid Expenses	(8,938)
Increase in Accounts Payable and Accrued Expenses	25,103
Decrease in Deferred Revenue	(2,065)
	920,140

CASH FLOWS FROM INVESTING ACTIVITIES:

Cash Paid for Property and Equipment	(69,107)
Sales of Investments	4,878
	(64,229)

CASH FLOWS FROM FINANCING ACTIVITIES:

Repayments of Term Loan	(4,803)
	(4,803)
Net Increase in Cash and Cash Equivalents	851,108
Cash and Cash Equivalents, Beginning of Year	202,811
Cash and Cash Equivalents, End of Year	\$ 1,053,919

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash Payments for Interest	\$ 237
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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, 2014

1. Nature of Organization and Summary of Significant Accounting Policies

This summary of significant accounting policies of The Humane Society of Baltimore County, Inc. (the Society) is presented to assist in the understanding of the Society's financial statements. The financial statements and notes are the representations of the Society's management who are responsible for its integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been applied in the preparation of the financial statements.

Nature of Organization

The Humane Society of Baltimore County, Inc. 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. In addition to the earned income derived from those activities, 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) No. 958. Under FASB ASC No. 958, the Foundation 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 \$57,630 as of June 30, 2014.

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

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

Basis of Presentation and Net Assets – (continued)

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 \$156,350 as of June 30, 2014.

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.

Pledges Receivable

Pledges receivable consist of amounts due within one year from the United Way campaign. Management believes all pledges receivable are collectible and accordingly no allowance for doubtful pledges has been provided.

Bequests Receivable

The Society regularly receives assets from the estates of deceased individuals. Bequest receivables and revenues are recorded in the year the assets of the estate are available for distribution and amounts to be contributed to the Society are determinable and deemed unconditional. Otherwise, bequest revenue is recorded when received.

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.

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

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

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 \$43,810 for the year ended June 30, 2014.

Valuation of Long-Lived Assets

The Society accounts for the valuation of long-lived assets under FASB ASC No. 360. 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, 2014 and therefore no impairment loss has been recorded during the year ended June 30, 2014.

Advertising Costs

The Society expenses advertising costs when incurred. Advertising costs for the year ended June 30, 2014 totaled \$13,468.

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.

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

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

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). Statement on Auditing Standards (SAS) No. 122-127 is effective for annual reporting periods ending on or after December 15, 2012. The implementation of SAS No. 122-127 did not have a material impact on the Society's financial statements.

Subsequent Events

The Society evaluated the accompanying financial statements for subsequent events and transactions through December 16, 2014 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:

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

2. Fair Value of Financial Instruments - (continued)

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 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, 2014 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, 2014.

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 HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

2. Fair Value of Financial Instruments - (continued)

The following is a description of the valuation methodologies used for assets measured at fair value as of June 30, 2014:

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 assets 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 following table presents the Society's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2014:

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	\$ 6,145	\$ 6,145	\$ -	\$ -
Common Stock	29,881	29,881	-	-
BCF Fund	10,982	-	-	10,982
Total	\$ 47,008	\$ 36,026	\$ -	\$ 10,982

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

3. Investments

Investments are stated at fair market value. The market value of the Society's investments as of June 30, 2014 is as follows:

Mutual Funds	\$ 6,145
Common Stock	29,881
BCF Fund	10,982
Total	<u>\$ 47,008</u>

The following schedule summarizes the net investment income for the year ended June 30, 2014:

Net Unrealized Gain	\$3,287
Interest and Dividends	2,749
Less: Investment Fees	<u>(227)</u>
Net Investment Income	<u>\$5,809</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.

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.

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

3. Investments – (continued)

Changes in Endowment Net Assets are as follows for the year ended June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets, July 1, 2013	\$ 21,680	\$ -	\$ 12,395	\$ 34,075
Interest and Dividends	2,571	-	1	2,572
Fees	-	-	(150)	(150)
Net Market Value Appreciation	1,952	-	-	1,952
Income Available for Operations	4,523	-	(149)	4,374
Contributions	-	-	151,688	151,688
Annual Balance Available for Disbursement	-	7,584	(7,584)	-
Endowment Net Assets, June 30, 2014	<u>\$ 26,203</u>	<u>\$ 7,584</u>	<u>\$ 156,350</u>	<u>\$ 190,137</u>

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.

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

Year Ended	
<u>June 30</u>	
2015	\$ 4,777
2016	3,586
Total	<u>8,363</u>
Less: current maturities of term loans	<u>(4,777)</u>
Term loans less current maturities	<u>\$ 3,586</u>

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

5. Related Party Transactions

Elsie Seeger Barton Trust

The Elsie Seeger Barton Trust (the Trust) was formed for the benefit of the Society. The facilities and grounds 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 (exclusive of the value of land – see below) of the Trust. The Society received \$285,727 in contributions from the Trust which represents \$180,727 in monthly contributions as stated in the Trust agreement and \$105,000 in additional funding as requested by The Society due to cash flow shortages.

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 \$102,641 for the year ended June 30, 2014. In addition, the Trust is responsible for major improvements to the facilities and grounds.

6. Satisfaction of Purpose and Time Restrictions

Net assets released from purpose and time restrictions for the year ended June 30, 2014 are as follows:

Purpose Restrictions:	
Purchase of Cat Gym	\$ 5,533
Spay/Neuter & Medical – Feral Cats	1,341
NMHP Conference	1,095
Animal Care Expo	500
Time Restrictions:	
Pledges Receivable	6,267
Bequest Receivable	325,110
Total	<u>\$ 339,846</u>

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

7. Temporarily Restricted Net Assets

The Society has temporarily restricted net assets of \$57,630 as of June 30, 2014 restricted as to time and purpose.

Purpose Restrictions:

Spay/Neuter & Medical – Feral Cats	\$ 7,659
Nine Month Leader Connections Program	250

Time Restrictions:

Bequests Receivable	27,835
Pledges Receivable	14,302
Endowment Earnings Available for Disbursement	7,584
Total Temporarily Restricted Net Assets	<u>\$ 57,630</u>

8. Permanently Restricted Net Assets

An endowment fund named The Roy Sachs Animal Care Fund was created for the benefit of the Society's mission. 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.

In May 2014, an endowment fund was established as directed by the Burle estate in the amount of \$151,688. Under the direction of the decedent's estate, the Society can draw 5% of the assets per year to be used in operations. Permanently restricted net assets as of June 30, 2014 are \$156,350.

9. Concentrations

There exists two donors that make up 36% of total revenue, gains and other support for the year ended June 30, 2014. Distributions and gifts from the Elsie Seeger Barton Trust accounted for 12% of the Society's total revenues, gains and other support for the year ended June 30, 2014 (see Note 5). A bequest from the Elizabeth Dial Michael Trust accounted for 24% of the Society's total revenues, gains and other support for the year ended June 30, 2014.

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

10. Commitments

Photocopier Lease 1

Effective March 3, 2010, the Society leased a multifunctional printer/photocopier with a lease term of 60 months having a monthly payment of \$343. Total future minimum lease payments for the year ended June 30, 2014 are as follows:

For the Year Ending <u>June 30,</u>	<u>Amount</u>
2015	\$ 4,116
2016	2,622
Total	<u>\$ 6,738</u>

Photocopier Lease 2

Effective October 24, 2013, the Society leased a multifunctional printer/photocopier with a lease term of 60 months having a monthly payment of \$441.25. Total future minimum lease payments for the year ended June 30, 2014 are as follows:

For the Year Ending <u>June 30,</u>	<u>Amount</u>
2015	\$ 5,295
2016	5,295
2017	5,295
2018	1,665
Total	<u>\$ 17,550</u>

SUPPLEMENTAL INFORMATION

THE HUMANE SOCIETY OF BALTIMORE COUNTY, INC.
SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2014

	Program Services				Supporting Services			Total
	Adoption Center	Cemetery	Spay-Neuter Center	Total	Management and General	Fundraising	Total	
Adoption Center Food and Supplies	\$ 86,822	\$ -	\$ 7,426	\$ 94,248	\$ -	\$ -	\$ -	\$ 94,248
Advertising	3,157	648	5,716	9,521	2,168	1,779	3,947	13,468
Automobile	397	82	719	1,198	273	224	497	1,695
Cemetery Supplies	-	14,296	-	14,296	-	-	-	14,296
Contract Labor	-	3,965	22,884	26,849	-	-	-	26,849
Copier and Equipment	627	129	1,134	1,890	430	353	783	2,673
Credit Card Processing Fees	-	-	-	-	9,852	15,432	25,284	25,284
Depreciation	28,460	-	5,746	34,206	7,470	2,134	9,604	43,810
Direct Mailing	-	-	-	-	-	19,355	19,355	19,355
Dues and Subscriptions	-	-	-	-	239	-	239	239
Employee Benefits	40,852	4,326	20,976	66,154	24,370	-	24,370	90,524
Equipment Rental	3,878	796	7,021	11,695	2,663	2,185	4,848	16,543
Gifts	113	23	204	340	77	63	140	480
Insurance	2,234	459	4,044	6,737	17,547	1,258	18,805	25,542
Interest	-	-	-	-	237	-	237	237
Lab Fees	-	-	6,235	6,235	-	-	-	6,235
Licenses and Permits	125	-	215	340	39	200	239	579
Meals and Entertainment	378	78	684	1,140	259	213	472	1,612
Medical Supplies and Labor	-	-	122,191	122,191	-	-	-	122,191
Meetings	-	-	-	-	167	-	167	167
Miscellaneous	-	-	-	-	331	-	331	331
Mural	1,032	212	1,868	3,112	708	580	1,288	4,400
Occupancy	66,678	-	13,463	80,141	17,500	5,000	22,500	102,641
Office Supplies	1,313	270	2,377	3,960	902	740	1,642	5,602
Outside Computer Services	1,355	278	2,453	4,086	931	763	1,694	5,780
Payroll Expenses	388,375	54,443	257,077	699,895	164,585	4,765	169,350	869,245
Payroll Taxes	33,454	3,211	21,538	58,203	18,273	355	18,628	76,831
Postage and Delivery	749	154	1,356	2,259	514	422	936	3,195
Professional Fees	-	-	1,495	1,495	33,983	3,675	37,658	39,153
Promotional Materials	-	-	-	-	-	8,699	8,699	8,699
Repairs and Maintenance	5,613	1,152	10,161	16,926	3,854	3,162	7,016	23,942
Telephone	1,978	406	3,581	5,965	1,358	1,114	2,472	8,437
Training and Development	1,438	294	2,604	4,336	988	812	1,800	6,136
Uniforms	645	-	-	645	-	-	-	645
Utilities	43,544	-	8,792	52,336	11,428	3,266	14,694	67,030
Website	1,350	-	573	1,923	213	2,747	2,960	4,883
	\$ 714,567	\$ 85,222	\$ 532,533	\$ 1,332,322	\$ 321,359	\$ 79,296	\$ 400,655	\$ 1,732,977

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