



Animal Humane

NEW MEXICO

**Financial Statements
And
Independent Auditor's Report**

December 31, 2008

ANIMAL HUMANE ASSOCIATION OF NEW MEXICO

TABLE OF CONTENTS

INTRODUCTORY SECTION

Official Roster	1
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FINANCIAL SECTION

Independent Auditor's Report	2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 – 13

SUPPLEMENTARY INFORMATION

Exit Conference	14
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ANIMAL HUMANE ASSOCIATION OF NEW MEXICO

OFFICIAL ROSTER

BOARD OF DIRECTORS

Emily Esterson	President
Susan Shires	Vice President
Odessa Hamilton	Treasurer
Ann Maddox Utterback	Secretary
Jean Bernstein	Director
Marci Blaze	Director
Barbara Bruin	Director
Chip Dennedy	Director
Cindy Edwards	Director
William Gralow	Director
Jamie Lewinger	Director
Laurie Maynez	Director
Phil Padrid	Director
Marti Patridge	Director
Kenneth Thompson	Director

ADMINISTRATIVE STAFF

Peggy Weigle	Executive Director
David Lopez	Finance Director

O.D. WATERS, PC
CERTIFIED PUBLIC ACCOUNTANT

4317 Lead SE, Suite C.
Albuquerque, NM 87108

Phone: 505-260-0616
Fax: 505-212-0822
Email: odwaterscpa@msn.com

To the Board of Directors of
Animal Humane Association of New Mexico
Albuquerque, New Mexico

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of financial position of the Animal Humane Association of New Mexico. (a nonprofit organization) as of December 31, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Animal Humane Association of New Mexico's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Animal Humane Association's 2007 financial statements and, in our report dated June 20, 2008; we expressed an unqualified opinion on those financial statements.

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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Animal Humane Association of New Mexico as of December 31, 2008, 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.



Ollie D. Waters, CPA
O.D. Waters, PC
Albuquerque, New Mexico
May 15, 2009

ANIMAL HUMANE ASSOCIATION OF NEW MEXICO
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2007)

ASSETS:	<u>2008</u>	<u>2007</u>
Current Assets		
Cash and Cash Equivalents (Note 2)	\$ 2,416,424	\$ 1,811,151
Short-Term Investments (Note 3)	2,599,432	4,314,818
Bequests Receivable	2,626	68,788
Accounts Receivable	35,557	5,210
Prepaid Expenses (Note 4)	16,231	10,218
Inventory	99,000	85,599
Total Current Assets	<u>5,169,270</u>	<u>6,295,784</u>
Property & Equipment		
Property and Equipment (Note 5)	2,996,855	2,705,130
Less accumulated depreciation (Note 5)	(1,080,391)	(924,058)
Net Property & Equipment	<u>1,916,464</u>	<u>1,781,072</u>
Other Assets		
Beneficial Interest in Remainder Trust (Note 6)	114,065	119,384
Endowment Fund (Note 7)	75,798	-
Gift Annuity Receivable (Note 8)	7,478	7,478
Total Other Assets	<u>197,341</u>	<u>126,862</u>
Total Assets	<u>\$ 7,283,075</u>	<u>\$ 8,203,718</u>
LIABILITIES:		
Current Liabilities		
Accounts Payable	\$ 76,316	\$ 71,102
Accrued Wages	66,993	58,662
Accrued Compensated Absences (Note 9)	27,793	30,087
Payroll Liability	2,862	183
Gift Annuity Payable (Note 8)	7,478	7,478
Total Current Liabilities	<u>181,442</u>	<u>167,512</u>
Total Liabilities	<u>181,442</u>	<u>167,512</u>
NET ASSETS:		
Unrestricted (Note 11)	6,941,826	7,955,857
Temporarily Restricted (Note 11)	84,009	80,349
Permanently Restricted (Note 11)	75,798	-
Total Net Assets	<u>7,101,633</u>	<u>8,036,206</u>
Total Liabilities & Net Assets	<u>\$ 7,283,075</u>	<u>\$ 8,203,718</u>

SEE INDEPENDENT AUDITOR'S REPORT

The accompanying notes are an integral part of these financial statements.

ANIMAL HUMANE ASSOCIATION OF NEW MEXICO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2007)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2008 Total</u>	<u>2007 Total</u>
REVENUE					
Individual & Corporate Contributions	\$ 1,636,666	\$ 389,051	\$ 200	\$ 2,025,917	\$ 2,037,995
Program Service Fees	768,865	-	-	768,865	599,899
Investment Return	(872,194)	-	(23,924)	(896,118)	367,557
Merchandise Sales	390,094	-	-	390,094	341,996
Special Events	130,612	-	-	130,612	145,755
Grant Income	40,256	-	-	40,256	79,073
United Way Contributions	104,783	-	-	104,783	61,448
Change in Value of Split Interest Agreements (Note 6)	9,431	-	-	9,431	30,140
Disposition of Fixed Assets	-	-	-	-	885
In-Kind Contributions (Note 12)	170,532	-	-	170,532	132,427
Net Assets reclassified for the establishment of Endowment:	(100,000)	-	100,000	-	
Net Assets released from restrictions:					
Restrictions satisfied by program payments	378,616	(378,616)	-	-	-
Total Revenue	<u>2,657,661</u>	<u>10,435</u>	<u>76,276</u>	<u>2,744,372</u>	<u>3,797,175</u>
EXPENSES:					
Program	2,406,358	-	-	2,406,358	2,024,839
General & Administrative	388,945	-	478	389,423	370,896
Fundraising (Note 13)	883,164	-	-	883,164	768,863
Total Expenses	<u>3,678,467</u>	<u>-</u>	<u>478</u>	<u>3,678,945</u>	<u>3,164,598</u>
Change in Net Assets	(1,020,806)	10,435	75,798	(934,573)	632,577
Prior Period Adjustment	-	-	-	-	(12,002)
Net Assets at Beginning of Year	7,955,857	80,349	-	8,036,206	7,415,631
Net Assets at End of Year	<u>\$ 6,935,051</u>	<u>\$ 90,784</u>	<u>\$ 75,798</u>	<u>\$ 7,101,633</u>	<u>\$ 8,036,206</u>

SEE INDEPENDENT AUDITOR'S REPORT

The accompanying notes are an integral part of these financial statements.

ANIMAL HUMANE ASSOCIATION OF NEW MEXICO
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2007)

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>2008 Total</u>	<u>2007 Total</u>
Salaries and Wages	\$ 1,271,654	\$ 253,340	\$ 299,828	\$ 1,824,822	\$ 1,497,262
Employee Benefits (Note 14)	113,724	24,014	24,596	162,334	113,502
Payroll Taxes	97,933	23,796	22,098	143,827	116,094
Operating Supplies	300,967	10,786	11,331	323,084	292,447
Printing & Publications	693	27,412	154,669	182,774	211,269
In-Kind	-	-	170,532	170,532	132,428
Utilities	58,240	3,649	27,193	89,082	75,454
Maintenance and Repairs	54,662	19,879	7,865	82,406	58,857
Fundraising	12,148	-	66,147	78,295	67,812
Advertising	28,003	35,779	11,770	75,552	29,485
Cost of Sales	71,990	-	-	71,990	93,631
Professional Fees	25,465	26,494	898	52,857	149,333
Telephone	23,757	7,693	4,578	36,028	26,039
Office Supplies	18,143	10,830	5,481	34,454	25,131
Insurance	18,928	4,311	6,570	29,809	23,453
Investment Fees	-	25,867	-	25,867	44,174
Transportation	10,824	4,611	9,703	25,138	18,358
Meals and Lodging	9,476	13,518	1,914	24,908	12,537
Occupancy (Note 15)	-	-	21,144	21,144	-
Bank and Credit Card Fees	-	21,134	-	21,134	19,248
Licenses and Permits	12,096	1,863	-	13,959	12,429
Postage	1,412	822	8,889	11,123	12,379
Other	2,805	5,119	-	7,924	25,493
Dues and Subscriptions	3,538	3,042	529	7,109	3,925
Education and Training	3,395	1,285	520	5,200	4,676
Other Personnel	1,938	17	46	2,001	1,164
Cash Over & Short	-	-	(740)	(740)	(328)
Depreciation (Note 5)	131,830	6,760	17,742	156,332	98,346
	<u>2,273,621</u>	<u>532,021</u>	<u>873,303</u>	<u>3,678,945</u>	<u>3,164,598</u>

SEE INDEPENDENT AUDITOR'S REPORT

The accompanying notes are an integral part of these financial statements.

ANIMAL HUMANE ASSOCIATION OF NEW MEXICO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2007)

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from individual & corporate donors	\$ 2,025,917	\$ 2,852,207
Cash received from beneficial interest in remainder trust	80,912	621,402
Cash received from program services	738,518	606,255
Cash received from merchandise sales	304,703	279,976
Cash received from special events	130,612	145,755
Cash received from interest and dividends	127,455	130,996
Cash receipts from grant income	40,256	79,073
Cash receipts from United Way contributions	104,783	61,448
Cash received from other	-	885
Cash paid for expenses	(1,149,907)	(1,087,362)
Cash paid to and on behalf of employees	(2,122,267)	(1,712,775)
Net cash provided by operating activities	<u>280,982</u>	<u>1,977,860</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,116,290	-
Establishment of Endowment	(100,000)	-
Purchases of investments	(285,000)	-
Investment in fixed assets	(291,725)	(768,309)
Reinvested interest and gains	(115,274)	(60,011)
Net cash provided by investing activities	<u>324,291</u>	<u>(828,320)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
None	-	-
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	605,273	1,149,540
Cash and cash equivalents at beginning of year	1,811,151	661,611
Cash and cash equivalents at end of year	<u>\$ 2,416,424</u>	<u>\$ 1,811,151</u>
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ (934,573)	\$ 632,577
Adjustments to reconcile increases in net assets to cash provided by operating activities:		
Depreciation	156,332	98,346
Unrealized (gain) loss on investments	1,023,573	(236,561)
Net non cash transactions		
(Increases) Decreases in Operating Assets		
(Increase) Decrease in Bequest Receivable	66,162	814,212
(Increase) Decrease of Interest in Remainder Trust	5,319	591,262
(Increase) Decrease in Inventory	(13,401)	31,611
(Increase) Decrease in Prepaid Expenses	(6,013)	12,413
(Increase) Decrease in Accounts Receivable	(30,347)	6,356
Increases (Decreases) in Operating Liabilities		
Increase (Decrease) in Accrued Payroll Liabilities	8,716	14,085
Increase (Decrease) in Accounts Payable	5,214	13,559
Net cash provided by operating activities	<u>\$ 280,982</u>	<u>\$ 1,977,860</u>

SEE INDEPENDENT AUDITOR'S REPORT

The accompanying notes are an integral part of these financial statements.

**ANIMAL HUMANE ASSOCIATION OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Note 1. Summary of Significant Accounting Policies

A. Function of Entity

The Animal Humane Association of New Mexico (AHANM), a nonprofit organization, was founded in September of 1965 and incorporated under laws of the State of New Mexico on July 8th, 1997. The stated mission of AHANM is as follows:

- Is to provide shelter for companion animals as well as appropriate nutrition, veterinary care, and individual attention from the volunteer staff and paid staff while in the care and custody of the Organization. This service includes the selection and adoption to appropriate families and individuals.
- To alleviate suffering in all animals which includes acting as a resource for individuals and groups interested in the prevention of cruelty and exploitation of all animals.
- To educate the public in the humane treatment of animals which includes such activities as speaking to children and adults in schools, lecturing on responsible pet ownership, and programs for spaying and neutering.
- To promote programs which advocate spaying and neutering of companion animals by any and all means of public communication and as apart of the educational programs for the young.

AHANM is New Mexico's first and only full service, low cost, veterinary clinic for qualifying owners in need. AHANM provides behavior assessment and training to pet owners and sponsors a shelter transfer program that enables other New Mexico animal shelters to transfer selected pets from their facilities to their own thus increasing adoption rates and reducing euthanasia rates statewide.

The Animal Humane Association of New Mexico is funded by individual & corporate donations, program service fees, income from the sale of donated merchandise, fund raising events, and grants from various charitable foundations.

AHANM is governed by a Board of Directors, which has the responsibility for determining policy and for the execution and evaluation of programs and activities conducted by the Organization. The Board is limited to a minimum of seven members and a maximum of fifteen members. The term served by a Board member is three years, with no member being able to serve more than two consecutive terms.

B. Tax Exempt Status

AHANM is exempt from Federal Income taxes under section 501C(3) of the Internal Revenue Code and is not considered a private foundation within the meaning of Section 509 (A) of the Code.

C. Basis of Accounting

The accompanying financial statements have been prepared using the accrual method of accounting. Under the accrual method of accounting, revenues are recognized when earned rather than received, and expenses are recognized when the related liability is incurred rather than when paid.

**ANIMAL HUMANE ASSOCIATION OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Note 1. Summary of Significant Accounting Policies-continued

D. Financial Statement Presentation

The accompanying financial statements have been prepared following the guidance required under Financial Accounting Standards (SFAS) #116 "*Accounting for Contributions Received and Contributions Made*" and (SFAS) #117, "*Financial Statements of Not-for-Profit Organizations.*" Under guidance expressed in these statements, "An organization's net assets and its revenues, expenses, gains and losses are classified based on whether they are restricted by donors. Amounts for each of these three classes of net assets; permanently restricted, temporarily restricted, and unrestricted, are required to be displayed in a statement of financial position and amounts of change in each of these classes of net assets are required to be displayed in a statement of activities. Recognition of the expiration of donor-imposed restrictions in the period in which the restrictions expire is required. Expirations of restrictions that simultaneously increase one class of net assets and decrease another (reclassifications) are reported separately from other transactions in the "statement of activities".

Amounts for the AHANM's total assets, liabilities and net assets are to be reported in a statement of financial position; the change in the AHANM's net assets is reported in a statement of activities; and the change in its cash and cash equivalents is reported in a statement of cash flows.

E. Statement of Cash Flows

For purposes of the statement of cash flows, AHANM considers all highly liquid investments as cash equivalents. At December 31, 2008, AHANM did not own any cash equivalents. Cash includes cash held in checking accounts at local banking institutions and in short term investment accounts.

F. Fixed Assets

Fixed assets are stated at cost. AHANM capitalizes all acquisitions at cost in excess of \$1,000 with a useful life of more than one year. Depreciation, which includes the assets recorded under capital leases, is computed principally using the straight-line method over the estimated useful lives of individual assets.

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. Contribution of Services

Contributions of services are recognized in the financial statements of AHANM only if the services received (a) create or enhance nonfinancial assets of (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

I. Inventory

Inventory is recorded in the period received and measured at fair value. In accordance with FASB statement #157, contributed inventory is recorded at its estimated selling price.

**ANIMAL HUMANE ASSOCIATION OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Note 1. Summary of Significant Accounting Policies-continued

J. Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specified purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, AHANM reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. AHANM reclassifies temporarily restricted net assets to unrestricted net assets at that time.

K. Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

L. Restricted and Unrestricted Support and Revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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.

M. Expense Allocation

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

N. Reclassifications

Certain 2007 amounts may have been reclassified in order to conform to the 2008 financial statement presentation.

O. Prior –Year Comparative Information

The financial statements include prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with financial statements for the year ended December 31, 2007 from which the summarized information was derived.

**ANIMAL HUMANE ASSOCIATION OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Note 2. Cash Balances

AHANM's cash balance on the Statement of Financial Position consists of the following at December 31, 2008:

	<u>Balance</u>
Banking Institutions	959,030
Investment Account	<u>1,457,393</u>
Total Cash	<u>\$2,416,423</u>

At December 31, 2008, the total bank balances were \$2,416,423 of which \$2,166,365 was insured by federal depository insurance leaving \$250,058 uninsured and uncollateralized.

Note 3. Short – Term Investments

AHANM carries investments with readily determinable fair values. Market value at December 31, 2008 is as follows:

Short – term investments:	
Certificates of Deposit	286,918
Mutual Funds	<u>2,312,514</u>
Total Investments	<u>2,599,432</u>

Investment return is summarized as follows:

Unrealized Loss	(999,649)
Interest Income & Realized Gains	<u>127,455</u>
Total Investment return	<u>(872,194)</u>

Average Investments	4,372,589
Net Investment Return	(872,194)
Average Return on Investments	-19%

Note 4. Prepaid Expense

Prepaid expense represents amounts paid in advance for the following:

Prepaid Insurance	\$12,844
Prepaid Software	3,114
Employee Advances	<u>273</u>
Total	<u>\$16,231</u>

Note 5. Property, Equipment

The components of property and equipment at December 31, 2008 are as follows:

Building	2,115,353
Furniture and Fixtures	595,913
Vehicles	201,313
Major Repairs in Progress	8,239
Land	58,674
Office Equipment	<u>17,363</u>
Total Property & Equipment	\$2,996,855
Accumulated Depreciation	<u>(1,080,391)</u>
Net Property & Equipment	<u>\$1,916,464</u>

Depreciation expense for the year ended December 31, 2008 was \$156,332.

ANIMAL HUMANE ASSOCIATION OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

Note 6. Beneficial Interests in Remainder Trusts

On March 31, 1994, AHANM was awarded an interest in the Charitable Remainder Trust of Frank Viquesney. The Bank of America administers the Trust. The Trust document calls for the equal distribution of assets upon the death of the Trust's remaining beneficiaries. AHANM is irrevocably entitled to 25% of the remaining net assets upon termination. AHANM's interest in the Trust's assets is recorded at fair market value with adjustments made annually for increases or decreases in value. The present value of the Trust agreement was calculated using a discount rate of 6%. The present value of the Estate's net assets at termination was estimated using a value of \$770,841 in remaining net assets with a discount rate of 6% for 9 years. During the fiscal year ended December 31, 2008 the Estate experienced an increase in asset value of \$9,431. This increase represents current income and is recorded as unrestricted revenue on AHANM's statement of activity.

Detail of amount displayed in the statement of position is as follows:

Beneficial Interest in:	
Viquesney Trust	<u>114,065</u>
Total Beneficial Interest in Trusts	<u>\$114,065</u>

Detail of amount displayed in the statement of activity is as follows:

Change in Value of Split Interest Agreement:	
Viquesney Trust (gain in value)	<u>9,431</u>
Net Change in Value	<u>\$ 9,431</u>

Note 7. Endowment Fund

The Animal Humane / New Mexico Endowment Fund, held by the Albuquerque Community Foundation, is stated at fair value, which represents contributions made under the endowment, plus earnings, less withdrawals and management fees.

Note 8. Gift Annuity

In January 2000, AHANM entered into an agreement whereby they would receive a \$20,000 contribution from Charles White and establish a Charitable Annuity that would pay income to Mr. White or his designated beneficiary for ten years. At the termination of the ten years the value of the annuity contract would become the property of AHANM. The financial statements reflect the amortized value of the asset and the related liability at December 31, 2008.

Note 9. Accrued Compensated Absences

Employees of AHANM earn annual leave based on stated policies. Annual leave is payable to the employee upon termination. These accrued amounts are shown as a liability on the statement of financial position and the related change in liability is reflected as an expense for the year in which the change occurs.

ANIMAL HUMANE ASSOCIATION OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

Note 10. Line of Credit

AHANM maintains a \$150,000 revolving line of credit from New Mexico Bank & Trust to help finance its short-term capital needs. The line is secured by receivables with interest payable monthly on outstanding balances. At December 31, 2008, the lines effective interest rate was 6%. No borrowings or repayments occurred during the year. There was no balance due on the Line of Credit at December 31, 2008.

Note 11. Net Assets

The Animal Humane Association of New Mexico classifies its net assets into the following categories:

Unrestricted – net assets that are not subject to donor-imposed stipulations. This includes certain amounts designated by the Board for grants, endowments and other purposes.

Temporarily Restricted – net assets subject to donor-imposed stipulations that may, or will be met either by actions of AHANM and/or the passage of time. Temporarily restricted net assets at December 31, 2008 are as follows:

Program specific activities	<u>\$84,009</u>
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Permanently Restricted – net assets subject to donor imposed restrictions that AHANM permanently maintain them.

Note 12. In-Kind Donations

AHANM received donated media advertising in the amount of \$170,532. In addition AHANM received over 18,000 hours of donated services that did not meet the criteria for inclusion in the financial statements.

Note 13. Fundraising

AHANM sponsors the Doggie Dash, the Cookie Campaign, Art for Animals, and operates thrift stores in two locations in order to raise awareness for their mission, to raise funds for the Organization and to persuade potential donors to make contributions to the Organization. For the year ended December 31, 2008, fund raising expense was \$883,164. Funds raised as a result of these expenses were approximately \$2,871,625. This resulted in a fundraising ratio of 30% (\$883,164, in expenses divided by \$2,871,625 in revenue).

Note 14. Retirement Plans

AHANM participates in a defined contribution retirement plan administered by Mutual of America. This plan is for the benefit of all eligible professional and support staff of AHANM who qualify under applicable participation requirements. Under the terms of the plan, contributions are made under Section 403(b) of the Code and are invested, at the discretion of the plan participant, in one or more of the investment vehicles available under the plan. The plan provides for AHANM to match participant contributions up to 3% of eligible salary. Retirement expense for the year ended December 31, 2008 totaled \$11,452.

**ANIMAL HUMANE ASSOCIATION OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Note 15. Occupancy

AHANM leases its north valley thrift store under an operating lease expiring June 30, 2010. Rental expenses under the operating lease were approximately \$21,144. The future remaining lease payments under these agreements are as follows:

Year ended December 31,	
2009	22,800
2010	12,000
2011	0
2012	<u>0</u>
Remaining balance on leases	<u>\$34,800</u>

Note 16. Concentrations of Risk

At December 31, 2008, the AHANM held deposits of cash that were \$250,058 in excess of federally insured limits.

**ANIMAL HUMANE ASSOCIATION OF NEW MEXICO
EXIT CONFERENCE
FOR THE YEAR ENDED DECEMBER 31, 2008**

EXIT CONFERENCE

On June 18th, 2009 an exit conference was held at the offices of AHANM. In attendance were the following:

Representing Animal Humane Association of New Mexico

Emily Esterson	President
Krik Mielke	Treasurer
Ben Benjamin	Director
Chip Dennedy	Director
Laurie Maynez	Director
Marti Patridge	Director
Peggy Weigle	Executive Director
David Lopez	Finance Director

Representing the Auditors

Ollie D. Waters, CPA	Auditor
Veronica Villanueva	Auditor