

The American Anti-Vivisection Society

Financial Statements and
Supplementary Information

December 31, 2013 and 2012



The American Anti-Vivisection Society

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Independent Auditors' Report

Board of Managers
The American Anti-Vivisection Society

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The American Anti-Vivisection Society (a non-profit organization) and affiliate, which comprise the consolidated statement of financial position as of December 31, 2013 and 2012, and the related consolidated statements of activities and changes in net assets, and cash flows for the years 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of The American Anti-Vivisection Society and affiliate as of December 31, 2013 and 2012, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Schedules I through VIII presented on Pages 20-29 are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

A handwritten signature in cursive script that reads "ParenteBeard LLC".

Wilmington, Delaware
March 31, 2014

The American Anti-Vivisection Society

Consolidated Statement of Financial Position

December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Cash and cash equivalents	\$ 1,670,414	\$ 875,279
Prepaid expenses	34,416	36,864
Receivables from estates and trusts	469,122	505,909
Due to/from affiliate	-	-
Inventory	6,621	6,792
Furniture and equipment , net of accumulated depreciation of \$495,751 and \$492,439	4,178	7,489
Long-term investments at fair value	27,528,543	24,112,391
Beneficial interests in charitable trusts	-	471,310
Beneficial interests in perpetual trusts	1,777,897	1,686,693
	<u>1,777,897</u>	<u>1,686,693</u>
Total assets	<u>\$ 31,491,191</u>	<u>\$ 27,702,727</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 15,099	\$ 14,056
Accrued compensation and related items	35,646	32,656
Deferred dues revenue	120,117	128,909
Grant payable	1,068,778	-
Other	89,724	49,503
	<u>89,724</u>	<u>49,503</u>
Total liabilities	<u>1,329,364</u>	<u>225,124</u>
Net Assets		
Unrestricted	27,918,239	25,351,489
Temporarily restricted	120,852	94,582
Permanently restricted	2,122,736	2,031,532
	<u>2,122,736</u>	<u>2,031,532</u>
Total net assets	<u>30,161,827</u>	<u>27,477,603</u>
Total liabilities and net assets	<u>\$ 31,491,191</u>	<u>\$ 27,702,727</u>

See notes to consolidated financial statements

The American Anti-Vivisection Society

Consolidated Statement of Activities and Changes in Net Assets
Years Ended December 31, 2013 and 2012

	2013	2012
Unrestricted Net Assets		
Revenue, Gains and Other Support		
Bequests	\$ 1,014,091	\$ 611,812
Investment income from long-term investments, net of investment expenses of \$144,664 and \$134,884	559,234	570,899
Investment income from perpetual trusts	65,143	45,898
Dues	222,910	237,866
Contributions	300,101	352,097
Realized gains on long-term investments, net	530,056	746,696
Unrealized gains on long-term investments, net	2,788,027	951,984
Unrealized gains on beneficial interests in charitable trusts	-	41,343
Other income	90,931	52,304
	<u>5,570,493</u>	<u>3,610,899</u>
Net assets released from restrictions	<u>46,347</u>	<u>32,903</u>
Total revenue, gains and other support	<u>5,616,840</u>	<u>3,643,802</u>
Expenses		
Program services:		
Campaigns and outreach	2,069,752	924,523
Animalearn	197,708	205,903
Alternatives research	317,527	286,436
	<u>2,584,987</u>	<u>1,416,862</u>
Supporting services:		
General and administrative	214,286	217,332
Fundraising	250,817	222,880
	<u>465,103</u>	<u>440,212</u>
Total expenses	<u>3,050,090</u>	<u>1,857,074</u>
Increase in unrestricted net assets	<u>2,566,750</u>	<u>1,786,728</u>
Temporarily Restricted Net Assets		
Investment income from long-term investments	12,181	14,164
Investment income from perpetual trusts	28,161	12,141
Realized gains on long-term investments, net	-	19,575
Unrealized gains (losses) on long-term investments, net	32,275	(239)
Net assets released from restrictions	(46,347)	(32,903)
	<u>26,270</u>	<u>12,738</u>
Increase in temporarily restricted net assets	<u>26,270</u>	<u>12,738</u>
Permanently Restricted Net Assets		
Unrealized gains on beneficial interests in perpetual trusts	91,204	102,291
Change in net assets	2,684,224	1,901,757
Net Assets, Beginning	<u>27,477,603</u>	<u>25,575,846</u>
Net Assets, Ending	<u>\$ 30,161,827</u>	<u>\$ 27,477,603</u>

See notes to consolidated financial statements

The American Anti-Vivisection Society

Consolidated Statement of Cash Flows

Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 2,684,224	\$ 1,901,757
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,312	6,678
Realized gains on long-term investments, net	(530,056)	(766,271)
Unrealized gains on long-term investments, net	(2,820,302)	(951,745)
Unrealized gains on beneficial interests in perpetual trusts	(91,204)	(102,291)
(Increase) decrease in assets:		
Prepaid expenses	2,448	(199)
Receivables from estates and trusts	36,787	(243,715)
Inventory	171	715
Beneficial interests in charitable trusts	471,310	(41,343)
Increase (decrease) in liabilities:		
Accounts payable	1,043	(1,442)
Accrued compensation and related items	2,990	2,943
Deferred dues revenue	(8,792)	7,596
Grant payable	1,068,778	-
Other	40,221	17,261
Net cash provided by (used in) operating activities	<u>860,930</u>	<u>(170,056)</u>
Cash Flows from Investing Activities		
Purchases of long-term investments	(9,086,822)	(10,870,036)
Proceeds from sales and maturities of long-term investments	<u>9,021,027</u>	<u>11,209,713</u>
Net cash (used in) provided by investing activities	<u>(65,795)</u>	<u>339,677</u>
Net increase in cash and cash equivalents	795,135	169,621
Cash and Cash Equivalents, Beginning	<u>875,279</u>	<u>705,658</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 1,670,414</u></u>	<u><u>\$ 875,279</u></u>

See notes to consolidated financial statements

The American Anti-Vivisection Society

Notes to Consolidated Financial Statements
December 31, 2013 and 2012

1. Nature of Organization

The American Anti-Vivisection Society ("Society") is a nonprofit organization incorporated under the laws of the Commonwealth of Pennsylvania formed for charitable and educational purposes and for the prevention of cruelty to animals, particularly to educate the general public about vivisection, alternatives to vivisection, and with the goal of abolishing vivisection.

Alternatives Research and Development Foundation ("Foundation") is a nonprofit organization incorporated under the laws of the Commonwealth of Pennsylvania. The purpose of the Foundation is to support the development and utilization of alternatives to the use of animals in biomedical research, testing and education, through provision of research grants and awards and expert information to scientists, media, government agencies, and advocacy groups.

Substantially all of the Organizations' activities are conducted within the United States, although the organizations occasionally may provide grants or other financial support to foreign persons or organizations. A majority of the Society's membership resides in the United States. The Organizations' administrative offices are located in Jenkintown, Pennsylvania.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying financial statements reflect the consolidation of the individual financial statements of The American Anti-Vivisection Society and Alternatives Research and Development Foundation (collectively referred to as "Organizations"). The individual entities have the same board of directors (managers) and share facilities and equipment. The Society has legal control over the Foundation. Inter-organization transactions and balances have been eliminated in consolidation.

Basis of Presentation

The Organizations report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, which represents the expendable resources that are available for operations at management's discretion; temporarily restricted net assets, which represent resources restricted by donors as to purpose or by the passage of time; and permanently restricted net assets, which represents resources whose use by the Organizations is limited by donor imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organizations.

Temporarily Restricted Resources

Operating funds restricted by the donor, grantor, or other outside party for particular operating purposes are deemed to be earned and reported as revenues when the donee organization has incurred expenditures in compliance with the specific restrictions, or as result of the passage of time restricting the use of the funds. Donor-restricted support is reported as an increase in temporarily restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

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Permanently Restricted Resources

Permanently restricted funds are restricted by the donor to be maintained in perpetuity for the use of the donee organization. Generally, the donors of these funds permit the donee organization to use all or part of the income earned on related investments for general or specific purposes. Accumulated unexpended investment gains on permanently restricted funds are considered temporarily restricted until such accumulated gains are spent, temporarily restricted net assets are then reclassified and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

Permanently restricted net assets consist of beneficial interests in perpetual trusts and certain marketable securities, the sale of which is not permitted under the terms of the gift. Net gains and losses related to these marketable securities are also considered permanently restricted.

Use of Estimates

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

Contributed Services

A significant portion of each Organization's functions are conducted by unpaid volunteer officers and members. The value of this contributed time is not reflected in the accompanying consolidated financial statements because it does not meet the criteria necessary for recognition.

Inventory

Inventory consists of supplies, educational materials, books and clothing and is stated at estimated fair value or average cost, whichever is lower.

Furniture and Equipment

Furniture and equipment are stated at cost. All purchases of furniture and equipment in excess of \$1,000 are capitalized. Depreciation is recognized using the straight-line method over the estimated useful lives of three to seven years.

Revenue Recognition

Contributions, bequests, and beneficial interests in perpetual and charitable trusts are recorded at their estimated fair values when either Organization has received notification of a promise to give. Dues are recognized as revenue over the applicable term of the membership. Life memberships are recorded as revenue when received.

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Investments

Long-term investments consist of marketable securities, and are recorded at estimated fair value as determined by quoted market values. Investment gains and losses are included in the change in net assets in the accompanying statement of activities and changes in net assets.

The assets of perpetual and other charitable trusts consist principally of marketable securities. The Organizations' beneficial interests in these various trusts are recorded at estimated fair values.

Cash Equivalents

Cash equivalents include highly liquid investments with an original maturity of 90 days or less. The fair value of cash equivalents approximates cost.

Income Taxes

The Society and the Foundation are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organizations do not have net unrelated business income subject to tax. In addition, each Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Management believes that it has appropriate support for any tax positions taken, and as such, the Organizations do not have any uncertain tax positions that are material to the consolidated financial statements.

Each Organizations' federal Return of Organization Exempt from Income Tax (Form 990) for 2013, 2012, and 2011 are subject to examination by the IRS, generally for three years after the date they were filed.

Grants Payable

Grants payable represent grants awarded to other organizations. Grants payable over multiple years are discounted at 4.5% interest to net present value. Grants involving estimates of expenses reimbursable over multiple years assume that future annual inflation will average 2%. Unexpended balances of grants awarded to other organizations are required to be returned. Refunds to the Society and the Foundation are recorded when the amount of refund due becomes known, normally when a final accounting by the grantee is submitted.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets. Accordingly, certain costs have been allocated among program, general and administrative, and fundraising functions based upon management's estimates.

Risks and Uncertainties

The Organizations' future results of operations involve a number of risks and uncertainties. Factors that could affect the Organizations' future operating results and cause actual results to vary materially from expectations include, but are not limited to, dependence on key personnel, general economic conditions, reliance on public support and the performance of its long-term investments.

Subsequent Events

Management has evaluated subsequent events through March 31, 2014, which is the date the financial statements were available to be issued.

3. Fair Value of Financial Instruments

The Organizations use fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The fair value of the financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in some instances, there are no quoted market prices for certain financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instruments.

Fair value accounting guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment. The fair value is a reasonable point within range that is most representative of fair value under current market conditions.

The fair value hierarchy prioritizes the inputs to valuation methods 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 are as follows:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

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Level 2 - Quoted prices in markets that are not active, quoted prices for similar securities, or observable inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported with little or no market activity).

A financial asset's or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The following valuation techniques were used to measure fair value of financial instruments:

Marketable equity securities - The fair value of marketable equity securities is generally based on quoted market prices for the identical security.

Marketable debt securities - The fair value for marketable debt securities is generally based on quoted market prices for the identical security; however quoted market prices may vary for a variety of reasons including the number of market makers and the volume of identical securities traded on the date of valuation. If an identical security is not traded on the valuation date, estimated fair value may be determined by using other significant observable inputs, such as quoted prices for similar securities.

Mutual funds - The fair value of open ended mutual funds is based on net asset value which is generally determined by the quoted market values of the underlying marketable securities owned.

Unit investment trusts - The fair values of unit investment trusts is based on net asset value, which is generally determined by the quoted market values of the underlying marketable securities owned. Securities owned by the unit investment trusts include direct investments in U.S. and international marketable equity and debt securities, and investments in open and closed ended mutual funds and other unit investment trusts that invest in U.S. and international equity and debt securities.

Beneficial interests in perpetual trusts - The fair value of the beneficial interests in perpetual trusts is based on the estimated present value of future cash inflows and the Organizations' percentage interest in the trust assets. These assets are included as Level 3 fair values, based upon the lowest level of input that is significant to the fair value of measurement.

Beneficial interests in charitable trusts - The fair value of these split interest agreements is based on the estimated present value of future cash inflows, the discount rate is 5%. Life expectancies of individual income beneficiaries are estimated based on standard mortality tables. These assets are included as Level 3 fair values, and are measured at fair value on a recurring basis based upon the lowest level of input that is significant to the fair value of measurement.

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Notes to Consolidated Financial Statements

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For financial assets measured at fair value on a recurring basis, the fair value measurements by level within the hierarchy used at December 31, 2013 are as follows:

Description	2013			
	Total	Level 1	Level 2	Level 3
Cash equivalents	\$ 3,571,437	\$ 3,571,437	\$ -	\$ -
U.S. equities	14,663,773	14,663,773	-	-
International equities	676,759	676,759	-	-
Mutual funds - equity	938,466	938,466	-	-
Mutual funds - fixed income	536,187	536,187	-	-
U.S. corporate debentures	2,679,085	-	2,679,085	-
U.S. Treasury securities and bonds of government sponsored enterprises	2,043,398	-	2,043,398	-
Unit investment trusts	2,419,438	-	2,419,438	-
Total investments	27,528,543	20,386,622	7,141,921	-
Beneficial interests in perpetual trusts	1,777,897	-	-	1,777,897
Total	<u>\$ 29,306,440</u>	<u>\$ 20,386,622</u>	<u>\$ 7,141,921</u>	<u>\$ 1,777,897</u>

For assets falling within Level 3 of the fair value hierarchy, the activity recognized during the year ended December 31, 2013 is as follows:

Beneficial Interests in Trusts Held by Others	Level 3 Total
Balance at January 1, 2013	\$ 2,158,003
Contributions	-
Investment income	93,304
Distributions to beneficiary	(93,304)
Withdrawals	(471,310)
Unrealized gains on perpetual trusts	91,204
Balance at December 31, 2013	<u>\$ 1,777,897</u>

The American Anti-Vivisection Society

Notes to Consolidated Financial Statements

December 31, 2013 and 2012

For financial assets measured at fair value on a recurring basis, the fair value measurements by level within the hierarchy used at December 31, 2012 are as follows:

Description	2012			
	Total	Level 1	Level 2	Level 3
Cash equivalents	\$ 2,622,172	\$ 2,622,172	\$ -	\$ -
U.S. equities	12,299,519	12,299,519	-	-
International equities	563,410	563,410	-	-
Mutual funds - equity	940,489	940,489	-	-
Mutual funds - fixed income	701,918	701,918	-	-
U.S. corporate debentures	3,243,092	-	3,243,092	-
U.S. Treasury securities and bonds of government sponsored enterprises	2,102,587	-	2,102,587	-
Unit investment trusts	1,639,204	-	1,639,204	-
Total investments	24,112,391	17,127,508	6,984,883	-
Beneficial interests in charitable trusts	471,310	-	-	471,310
Beneficial interests in perpetual trusts	1,686,693	-	-	1,686,693
Total	<u>\$ 26,270,394</u>	<u>\$ 17,127,508</u>	<u>\$ 6,984,883</u>	<u>\$ 2,158,003</u>

For assets falling within Level 3 of the fair value hierarchy, the activity recognized during the year ended December 31, 2012 is as follows:

Beneficial Interests in Trusts Held by Others	Level 3 Total
Balance at January 1, 2012	\$ 2,014,369
Contributions	-
Investment income	58,039
Distributions to beneficiary	(58,039)
Unrealized gains on charitable trusts	41,343
Unrealized gains on perpetual trusts	102,291
Balance at December 31, 2012	<u>\$ 2,158,003</u>

The American Anti-Vivisection Society

Notes to Consolidated Financial Statements

December 31, 2013 and 2012

4. Long-Term Investments

Long-term investments are carried at fair value in the consolidated statements of financial position, and realized and unrealized gains and losses are reflected in the consolidated statements of activities and changes in net assets.

Fair values of long-term investments by net asset classification are as follows at December 31:

	2013	2012
Unrestricted	\$ 27,062,852	\$ 23,672,970
Temporarily restricted	120,852	94,582
Permanently restricted	344,839	344,839
	<u>\$ 27,528,543</u>	<u>\$ 24,112,391</u>

Long-term investments are composed of the following classes of investments as of December 31:

	2013		2012	
	Cost	Fair Value	Cost	Fair Value
Cash equivalents	\$ 3,571,437	\$ 3,571,437	\$ 2,622,172	\$ 2,622,172
U.S. equities	12,429,683	14,663,773	12,739,755	12,299,519
International equities	628,161	676,759	626,320	563,410
Mutual funds - equity	946,421	938,466	1,007,275	940,489
Mutual funds - fixed income	569,953	536,187	685,334	701,918
U.S. corporate debentures	2,716,783	2,679,085	3,201,350	3,243,092
U.S. Treasury securities and bonds of government sponsored enterprises	2,029,572	2,043,398	2,031,708	2,102,587
Unit investment trusts	2,290,364	2,419,438	1,672,610	1,639,204
	<u>\$ 25,182,374</u>	<u>\$ 27,528,543</u>	<u>\$ 24,586,524</u>	<u>\$ 24,112,391</u>

The relationship between cost and fair values of investments at December 31 are as follows:

	Long-Term Fair Value	Cost	Excess (Deficiency) of Fair Value over Cost
Long-term investments, 2013	\$ 27,528,543	\$ 25,182,374	\$ 2,346,169
Long-term investments, 2012	24,112,391	24,586,524	(474,133)
Unrealized gains, net			2,820,302
Realized gains, net			530,056
Total investment gains, net			<u>\$ 3,350,358</u>

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Notes to Consolidated Financial Statements

December 31, 2013 and 2012

The average annual yield based on the fair value of cash equivalents and long-term investments (net of investment expenses) was approximately 2.5% and 2.5%, and the annual total return including realized and unrealized gains and losses was approximately 9.8% and (2.5)%, for the years ended December 31, 2013 and 2012, respectively.

5. Temporarily Restricted Net Assets

The temporarily restricted net assets of the Society are available for the following purposes at December 31:

	<u>2013</u>	<u>2012</u>
Direct benefit of animals	\$ 69,890	\$ 79,541
Any activities of the Society	<u>50,962</u>	<u>15,041</u>
	<u>\$ 120,852</u>	<u>\$ 94,582</u>

Temporarily restricted net assets in the amounts of \$46,347 and \$32,903 were released from donor restrictions by incurring expenses satisfying the restricted purposes during 2013 and 2012, respectively.

6. Permanently Restricted Net Assets

Permanently restricted net assets of the Society consist of marketable securities and beneficial interests in perpetual trusts, the income from which is expendable to support general and specified activities of the Society. The Society's permanently restricted net assets had purpose restrictions as follows at December 31:

	<u>2013</u>	<u>2012</u>
Income expendable for the direct benefit of animals	\$ 100,000	\$ 100,000
Income expendable for any activities of the Society	<u>1,663,800</u>	<u>1,530,358</u>
Total	<u>\$ 1,763,800</u>	<u>\$ 1,630,358</u>

The permanently restricted net assets of the Foundation consist of a beneficial interest in a perpetual trust (see Note 8). Unrealized gains and losses arising from the change in fair value of beneficial interests in perpetual charitable trust are classified as permanently restricted.

7. Endowments and Similar Funds

The Society's permanent endowment consists of three individual funds, one established for the direct benefit of animals and two for general purposes. Long-term investments include both donor-restricted endowment funds and funds that function as endowment. Net assets associated with endowment funds, including funds designed by the Board of Managers to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation does not have any formal endowment funds; its permanently restricted net assets consist of a beneficial interest in a perpetual trust held by a third party.

Interpretation of Relevant Law

The Society's policy is to require the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Society classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until unexpended cumulative investment gains are appropriated for expenditure by the Society in a manner consistent with the standard of prudence prescribed by the relevant state law. Unless specifically defined, a donor-restricted endowment fund that is required by donor stipulation to accumulate or appropriate endowment funds, the Board of Managers considers the following factors:

- 1) Preservation of the purchasing power of the fund;
- 2) The purposes of the donee organization and the donor-restricted endowment fund;
- 3) General economic conditions;
- 4) The possible effects of inflation and deflation;
- 5) The expected total return from income and potential future appreciation of investments;
- 6) Other resources of the donee organization;
- 7) The investment policies of the donee organization.

The American Anti-Vivisection Society

Notes to Consolidated Financial Statements

December 31, 2013 and 2012

The following schedule presents the changes in all net assets attributable to endowment and funds functioning as endowment funds for the years ended December 31:

2013				
	Unrestricted Subject to Spending Rate	Temporarily Restricted	Permanently Restricted	Total
Endowment and similar Net Assets, Beginning of Year	\$ 23,672,970	\$ 94,582	\$ 344,839	\$ 24,112,391
Investment return:				
Investment income, net of expenses	559,234	12,181	-	571,415
Investment gains, net	3,318,083	32,275	-	3,350,358
Total investment return	3,877,317	44,456	-	3,921,773
Contributions invested	536,197	28,161	-	564,358
Withdrawals	-	(28,161)	-	(28,161)
Appropriation of expenditures, spending rate	(1,023,632)	(18,186)	-	(1,041,818)
Endowment and similar Net Assets, End of Year	<u>\$ 27,062,852</u>	<u>\$ 120,852</u>	<u>\$ 344,839</u>	<u>\$ 27,528,543</u>
2012				
Endowment and similar Net Assets, Beginning of Year	\$ 22,307,369	\$ 81,844	\$ 344,839	\$ 22,734,052
Investment return:				
Investment income, net of expenses	570,899	14,164	-	585,063
Investment gains, net	1,698,680	19,336	-	1,718,016
Total investment return	2,269,579	33,500	-	2,303,079
Contributions invested	51,272	12,141	-	63,413
Withdrawals	-	(12,141)	-	(12,141)
Appropriation of expenditures, spending rate	(955,250)	(20,762)	-	(976,012)
Endowment and similar Net Assets, End of Year	<u>\$ 23,672,970</u>	<u>\$ 94,582</u>	<u>\$ 344,839</u>	<u>\$ 24,112,391</u>

The American Anti-Vivisection Society

Notes to Consolidated Financial Statements
December 31, 2013 and 2012

Funds with Deficiencies

The fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the relevant state law requires the Organization to retain as a fund of perpetual duration. Such deficiencies, should they occur, would be reported as a reduction of unrestricted net assets. There were no such deficiencies at December 31, 2013 and 2012.

Return Objectives and Risk Parameters

The Society has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of endowment assets. Endowment assets include investments of donor-restricted funds that the Society must hold in perpetuity and unrestricted investments functioning as endowment. Under this policy, as approved by the Board of Managers, the endowment assets are invested in a manner that is intended to produce results that exceed the performance of the S&P 500 index, while assuming a level of investment risk acceptable to the Board of Managers.

Endowment Spending Policy and How the Investment Objectives Relate to the Spending Policy

The Society has a policy of appropriating income from endowment funds as needed but not in excess of applicable state law. The amount needed to fund the distributions is first taken from the accumulated excess earnings from prior years, then from the accumulated unexpended net appreciation of endowment funds and, conversely, any undistributed income after the allocation of the total return distribution is added back to the temporarily restricted balance of cumulative net unexpended gains. Over the long term, the Society expects the current spending policy to allow its endowment to grow at an average of four percent annually. This is consistent with the Society's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

8. Perpetual and Other Charitable Trusts

The Society receives unrestricted income from various trusts held by third parties. The Society's beneficial interests in these trusts are recorded at their estimated fair values of \$1,418,961 and \$1,285,519 as of December 31, 2013 and 2012, respectively. The Society's average annual yield on the estimated fair value of its beneficial interests in these trusts (exclusive of net investment gains and losses) was approximately 4.72% and 3.2%, for the years ended December 31, 2013 and 2012, respectively. The estimated fair value of these beneficial interests is described in Note 3.

The Foundation receives unrestricted income from a perpetual trust held by a third party. As of December 31, 2013 and 2012, the estimated fair value of the Foundation's beneficial interest in the trust is \$358,936 and \$401,174, respectively, and is considered permanently restricted.

The Foundation's average annual yield on the estimated fair value of its beneficial interest in the perpetual trust was approximately 7.7% and 4.6% for the years ended December 31, 2013 and 2012, respectively.

The American Anti-Vivisection Society

Notes to Consolidated Financial Statements
December 31, 2013 and 2012

The Society has been designated as remainder beneficiary under the terms of charitable remainder trusts, which are unrestricted resources once received. The Society is not a trustee and has no control over the trustees, the trusts, grantors or other income beneficiaries. These receivables are recorded at the estimated present value of future estimated cash flows. The Society's policy is to accrue remainder interests in an irrevocable trust of which it is a stated beneficiary when management receives official notification from a trustee. The Society has recorded two charitable remainder trusts which are included in the caption "beneficial interests in charitable trusts" in the accompanying consolidated statements of financial position at an estimated present value of approximately \$-0- and \$471,310 at December 31, 2013 and 2012, respectively.

9. Grant Payable

During 2013, the Society made a grant to another nonprofit organization. The grant represents a portion of the expenses to care for seven chimpanzees for the remainder of their lifetimes. As of December 31, 2013, the chimpanzees' ages range from two to four years of age and have remaining expectancies ranging from 56 to 58 years. Annual expense inflation has been assumed at 2%, and the estimated payments have been discounted at 4.5%. Future estimated grant payments are as follows as of December 31, 2013:

Payable in less than one year	\$ 35,826
Payable in one to five years	150,614
Payable in over five years to 10 years	<u>3,514,351</u>
	3,700,791
Less discount on amounts payable over more than one year	<u>(2,632,013)</u>
Grant payable	<u><u>\$ 1,068,778</u></u>

10. Leases

The Society leases its office space under the terms of a non-cancelable agreement classified as an operating lease which expires July 31, 2015. The Foundation also leases its office space under the terms of a non-cancelable agreement classified as an operating lease which expires July 31, 2015.

Total rent expense for all operating leases for the years ended December 31, 2013 and 2012 was \$116,479 and \$116,369, respectively.

The American Anti-Vivisection Society

Notes to Consolidated Financial Statements

December 31, 2013 and 2012

Future minimum annual payments under all non-cancelable operating leases are as follows at December 31, 2013:

	Operating Leases
2014	\$ 112,132
2015	65,411
Total minimum lease payments	<u>\$ 177,543</u>

11. Retirement Plan

The Society sponsors a Savings Incentive Match Plan for Employees ("SIMPLE") 401(k) plan covering substantially all employees. A SIMPLE is a qualified defined contribution retirement plan for small employers that allows eligible employees to defer compensation on a pre-tax basis, and requires the employer to make either matching contributions for eligible employees who elect to participate, or non-elective contributions for all eligible employees (including those who do not elect to participate but meet eligibility requirements).

Eligible employees of the Society and Foundation have established individual accounts with a qualified plan custodian and are 100% vested in their account balances. The amount of expense recognized from employer contributions to the employee's SIMPLE 401(k) accounts for each of the years ended December 31, 2013 and 2012 is \$30,901 and \$29,658, respectively.

The Society's policy is to fund contributions as they become payable.

12. Advertising Costs

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2013 and 2012 is \$22,207 and \$27,207, respectively.

13. Concentrations of Credit Risk

The Organizations' principal financial instruments subject to credit risk are its cash, cash equivalents, investments and receivables. Fixed income securities are also exposed to interest rate risk. Receivables result primarily from unconditional promises to give, including bequests and other contributions.

The American Anti-Vivisection Society

Notes to Consolidated Financial Statements

December 31, 2013 and 2012

14. Related Party Transactions

The following related party transactions are recorded in the accompanying consolidated financial statements for the years ended December 31:

Relationship to the Society and the Foundation	Transaction	2013	2012
Member of the Board of Managers	Commissions earned on investment brokerage conducted through the employer of the Member on behalf of the Society	\$ 108,997	\$ 101,432
Member of the Board of Managers and also the Treasurer	Investment advisory services provided through the employer of the Member on behalf of the Society and the Foundation	144,664	134,884
Member of the Board of Managers is also a Member of the Board of Managers of Ryerss Farm for Aged Equines, a nonprofit recipient of grants from the Society	Contribution to Ryerss Farm for Aged Equines	36,589	20,064

At December 31, 2013, and 2012, the Society had grants payable to Ryerss Farm for Aged Equines in the amount of \$3,289 and \$5,823, respectively.

The American Anti-Vivisection Society

Schedule I - Consolidating Statement of Financial Position - December 31, 2013

(See Independent Auditors' Report)

	2013		
	The American Anti-Vivisection Society	Alternative Research and Development Foundation	Total
Assets			
Cash and cash equivalents	\$ 1,361,129	\$ 309,285	\$ 1,670,414
Prepaid expenses	34,416	-	34,416
Receivables from estates and trusts	469,122	-	469,122
Due (to) from affiliate	6,820	(6,820)	-
Inventory	6,621	-	6,621
Furniture and equipment , net of accumulated depreciation of \$486,355 and \$9,396	4,178	-	4,178
Long-term investments at fair value	19,549,554	7,978,989	27,528,543
Beneficial interests in charitable trusts	-	-	-
Beneficial interests in perpetual trusts	1,418,961	358,936	1,777,897
Total assets	<u>\$ 22,850,801</u>	<u>\$ 8,640,390</u>	<u>\$ 31,491,191</u>
Liabilities and Net Assets			
Liabilities			
Accounts payable	\$ 15,099	\$ -	\$ 15,099
Accrued compensation and related items	35,646	-	35,646
Deferred dues revenue	120,117	-	120,117
Grant payable	1,068,778	-	1,068,778
Other	89,724	-	89,724
Total liabilities	<u>1,329,364</u>	<u>-</u>	<u>1,329,364</u>
Net Assets			
Unrestricted	19,636,785	8,281,454	27,918,239
Temporarily restricted	120,852	-	120,852
Permanently restricted	1,763,800	358,936	2,122,736
Total net assets	<u>21,521,437</u>	<u>8,640,390</u>	<u>30,161,827</u>
Total liabilities and net assets	<u>\$ 22,850,801</u>	<u>\$ 8,640,390</u>	<u>\$ 31,491,191</u>

The American Anti-Vivisection Society

Schedule II - Consolidating Statement of Financial Position - December 31, 2012

(See Independent Auditors' Report)

	2012		
	The American Anti-Vivisection Society	Alternative Research and Development Foundation	Total
Assets			
Cash and cash equivalents	583,837	\$ 291,442	\$ 875,279
Prepaid expenses	36,864	-	36,864
Receivables from estates and trusts	505,909	-	505,909
Due (to) from affiliate	(2,675)	2,675	-
Inventory	6,792	-	6,792
Furniture and equipment , net of accumulated depreciation of \$483,043 and \$9,396	7,489	-	7,489
Long-term investments at fair value	17,275,110	6,837,281	24,112,391
Beneficial interests in charitable trusts	471,310	-	471,310
Beneficial interests in perpetual trusts	1,285,519	401,174	1,686,693
Total assets	<u>\$ 20,170,155</u>	<u>\$ 7,532,572</u>	<u>\$ 27,702,727</u>
Liabilities and Net Assets			
Liabilities			
Accounts payable	\$ 12,806	1,250.00	\$ 14,056
Accrued compensation and related items	32,656	-	32,656
Deferred dues revenue	128,909	-	128,909
Other	49,503	-	49,503
Total liabilities	<u>223,874</u>	<u>1,250</u>	<u>225,124</u>
Net Assets			
Unrestricted	18,221,341	7,130,148	25,351,489
Temporarily restricted	94,582	-	94,582
Permanently restricted	1,630,358	401,174	2,031,532
Total net assets	<u>19,946,281</u>	<u>7,531,322</u>	<u>27,477,603</u>
Total liabilities and net assets	<u>\$ 20,170,155</u>	<u>\$ 7,532,572</u>	<u>\$ 27,702,727</u>

The American Anti-Vivisection Society

Schedule III - Consolidating Statement of Activities and Changes in Net Assets-Unrestricted

Year Ended December 31, 2013

(See Independent Auditors' Report)

	2013		
	The American Anti- Vivisection Society	Alternative Research and Development Foundation	Total
Unrestricted Net Assets			
Revenue, Gains and Other Support			
Bequests	\$ 1,014,091	\$ -	\$ 1,014,091
Investment income from long-term investments, net of investment expenses of \$83,280 and \$61,384	473,902	85,332	559,234
Investment income from perpetual trusts	35,719	29,424	65,143
Dues	222,910	-	222,910
Contributions	269,747	30,354	300,101
Realized gains on long-term investments, net	138,070	391,986	530,056
Unrealized gains on long-term investments, net	1,823,478	964,549	2,788,027
Unrealized gains on beneficial interests in charitable trusts	-	-	-
Other income	90,931	-	90,931
	4,068,848	1,501,645	5,570,493
Net assets released from restrictions	46,347	-	46,347
Total revenue, gains and other support	4,115,195	1,501,645	5,616,840
Expenses			
Program services:			
Campaigns and outreach	2,069,752	-	2,069,752
Animalearn	197,708	-	197,708
Alternatives research	-	317,527	317,527
	2,267,460	317,527	2,584,987
Supporting services:			
General and administrative	181,749	32,537	214,286
Fundraising	250,542	275	250,817
	432,291	32,812	465,103
Total expenses	2,699,751	350,339	3,050,090
Increase in unrestricted net assets	1,415,444	1,151,306	2,566,750

The American Anti-Vivisection Society

Schedule III - Consolidating Statement of Activities and Changes in Net Assets-Unrestricted (Continued)

Year Ended December 31, 2013

(See Independent Auditors' Report)

	2013		
	The American Anti-Vivisection Society	Alternative Research and Development Foundation	Total
Temporarily Restricted Net Assets			
Investment income from long-term investments	\$ 12,181	\$ -	\$ 12,181
Investment income from perpetual trusts	28,161	-	28,161
Realized gains on long-term investments, net	-	-	-
Unrealized gains on long-term investments, net	32,275	-	32,275
Net assets released from restrictions	(46,347)	-	(46,347)
Increase in temporarily restricted net assets	26,270	-	26,270
Permanently Restricted Net Assets			
Unrealized gains on beneficial interests in perpetual trusts	133,442	(42,238)	91,204
Change in net assets	1,575,156	1,109,068	2,684,224
Net Assets, Beginning	19,946,281	7,531,322	27,477,603
Net Assets, Ending	<u>\$ 21,521,437</u>	<u>\$ 8,640,390</u>	<u>\$ 30,161,827</u>

The American Anti-Vivisection Society

Schedule IV - Consolidating Statement of Activities and Changes in Net Assets-Unrestricted

Year Ended December 31, 2012

(See Independent Auditors' Report)

	2012		
	The American Anti-Vivisection Society	Alternative Research and Development Foundation	Total
Unrestricted Net Assets			
Revenue, Gains and Other Support			
Bequests	\$ 611,812	\$ -	\$ 611,812
Investment income from long-term investments, net of investment expenses of \$74,553 and \$60,331	468,446	102,453	570,899
Investment income from perpetual trusts	28,171	17,727	45,898
Dues	237,866	-	237,866
Contributions	313,567	38,530	352,097
Realized gains on long-term investments, net	580,951	165,745	746,696
Unrealized gains on long-term investments, net	522,260	429,724	951,984
Unrealized gains on beneficial interests in charitable trusts	41,343	-	41,343
Other income	52,304	-	52,304
	<u>2,856,720</u>	<u>754,179</u>	<u>3,610,899</u>
Net assets released from restrictions	<u>32,903</u>	<u>-</u>	<u>32,903</u>
Total revenue, gains and other support	<u>2,889,623</u>	<u>754,179</u>	<u>3,643,802</u>
Expenses			
Program services:			
Campaigns and outreach	924,523	-	924,523
Animalearn	205,903	-	205,903
Alternatives research	-	286,436	286,436
	<u>1,130,426</u>	<u>286,436</u>	<u>1,416,862</u>
Supporting services:			
General and administrative	185,436	31,896	217,332
Fundraising	219,380	3,500	222,880
	<u>404,816</u>	<u>35,396</u>	<u>440,212</u>
Total expenses	<u>1,535,242</u>	<u>321,832</u>	<u>1,857,074</u>
Increase in unrestricted net assets	<u>1,354,381</u>	<u>432,347</u>	<u>1,786,728</u>

The American Anti-Vivisection Society

Schedule IV - Consolidating Statement of Activities and Changes in Net Assets-Unrestricted (Continued)

Year Ended December 31, 2012

(See Independent Auditors' Report)

	2012		
	The American Anti-Vivisection Society	Alternative Research and Development Foundation	Total
Temporarily Restricted Net Assets			
Investment income from long-term investments	\$ 14,164	\$ -	\$ 14,164
Investment income from perpetual trusts	12,141	-	12,141
Realized gains on long-term investments, net	19,575	-	19,575
Unrealized losses on long-term investments, net	(239)	-	(239)
Net assets released from restrictions	<u>(32,903)</u>	<u>-</u>	<u>(32,903)</u>
Increase in temporarily restricted net assets	<u>12,738</u>	<u>-</u>	<u>12,738</u>
Permanently Restricted Net Assets			
Unrealized gains on beneficial interests in perpetual trusts	<u>79,086</u>	<u>23,205</u>	<u>102,291</u>
Change in net assets	1,446,205	455,552	1,901,757
Net Assets, Beginning	<u>18,500,076</u>	<u>7,075,770</u>	<u>25,575,846</u>
Net Assets, Ending	<u><u>\$ 19,946,281</u></u>	<u><u>\$ 7,531,322</u></u>	<u><u>\$ 27,477,603</u></u>

The American Anti-Vivisection Society

Schedule V - Consolidated Statement of Cash Flows

Year Ended December 31, 2013

(See Independent Auditors' Report)

	2013		
	The American Anti- Vivisection Society	Alternative Research and Development Foundation	Total
Cash Flows from Operating Activities			
Change in net assets	\$ 1,575,156	\$ 1,109,068	\$ 2,684,224
Adjustments to reconcile changes in net assets to net cash provided by operating activities:			
Depreciation	3,312	-	3,312
Realized gains on long-term investments, net	(138,070)	(391,986)	(530,056)
Unrealized gains on long-term investments, net	(1,855,753)	(964,549)	(2,820,302)
Unrealized net (gains) losses on beneficial interest in perpetual trusts	(133,442)	42,238	(91,204)
(Increase) decrease in assets:			
Prepaid expenses	2,448	-	2,448
Receivables from estates and trusts	36,787	-	36,787
Inventory	171	-	171
Beneficial interests in charitable trusts	471,310	-	471,310
Increase (decrease) in liabilities:			
Accounts payable	2,293	(1,250)	1,043
Accrued compensation and related items	2,990	-	2,990
Due to (from) affiliate	(9,495)	9,495	-
Deferred dues revenue	(8,792)	-	(8,792)
Grant payable	1,068,778	-	1,068,778
Other	40,221	-	40,221
Net cash provided by (used in) operating activities	1,057,914	(196,984)	860,930
Cash Flows from Investing Activities			
Purchases of long-term investments	(7,101,412)	(1,985,410)	(9,086,822)
Proceeds from sales and maturities of long-term investments	6,820,790	2,200,237	9,021,027
Net cash provided by (used in) investing activities	(280,622)	214,827	(65,795)
Net increase in cash and cash equivalents	777,292	17,843	795,135
Cash and Cash Equivalents, Beginning	583,837	291,442	875,279
Cash and Cash Equivalents, Ending	<u>\$ 1,361,129</u>	<u>\$ 309,285</u>	<u>\$ 1,670,414</u>

The American Anti-Vivisection Society

Schedule VI - Consolidated Statement of Cash Flows

Year Ended December 31, 2012

(See Independent Auditors' Report)

	2012		
	The American Anti-Vivisection Society	Alternative Research and Development Foundation	Total
Cash Flows from Operating Activities			
Change in net assets	\$ 1,446,205	\$ 455,552	\$ 1,901,757
Adjustments to reconcile changes in net assets to net cash used in operating activities:			
Depreciation	6,678	-	6,678
Realized gains on long-term investments, net	(600,526)	(165,745)	(766,271)
Unrealized gains on long-term investments, net	(522,021)	(429,724)	(951,745)
Unrealized gains on beneficial interests in perpetual trusts	(79,086)	(23,205)	(102,291)
(Increase) decrease in assets:			
Prepaid expenses	(199)	-	(199)
Receivables from estates and trusts	(243,715)	-	(243,715)
Inventory	715	-	715
Beneficial interests in charitable trusts	(41,343)	-	(41,343)
Increase (decrease) in liabilities:			
Accounts payable	(2,692)	1,250	(1,442)
Accrued compensation and related items	2,943	-	2,943
Due to (from) affiliate	7,644	(7,644)	-
Deferred dues revenue	7,596	-	7,596
Other	17,261	-	17,261
Net cash used in operating activities	(540)	(169,516)	(170,056)
Cash Flows from Investing Activities			
Purchases of long-term investments	(9,163,874)	(1,706,162)	(10,870,036)
Proceeds from sales and maturities of long-term investments	9,355,700	1,854,013	11,209,713
Net cash provided by investing activities	191,826	147,851	339,677
Net increase (decrease) in cash and cash equivalents	191,286	(21,665)	169,621
Cash and Cash Equivalents, Beginning	392,551	313,107	705,658
Cash and Cash Equivalents, Ending	\$ 583,837	\$ 291,442	\$ 875,279

The American Anti-Vivisection Society

Schedule VII - Consolidated Schedule of Functional Expenses

Year Ended December 31, 2013

(See Independent Auditors' Report)

	2013			
	Programs	General and Administrative	Fundraising	Total
Grants	\$ 1,488,104	\$ -	\$ -	\$ 1,488,104
Contribution to Ryerss	36,589	-	-	36,589
Salaries	430,720	91,634	32,065	554,419
Employee benefits	107,014	23,504	8,260	138,778
Payroll taxes	35,318	7,465	2,731	45,514
Professional fees	40,925	73,189	218	114,332
Membership development	-	-	138,179	138,179
Office supplies	11,026	-	-	11,026
Telecommunications	15,208	360	274	15,842
Occupancy	100,179	11,157	5,143	116,479
Equipment rental and maintenance	43,014	1,509	10,662	55,185
Printing, publications, and postage	134,979	144	49,099	184,222
Editorial services	-	-	-	-
Design	3,649	-	-	3,649
Merchandise and material	4,539	-	-	4,539
Travel	28,045	-	-	28,045
Conferences, conventions, and meetings	29,826	-	-	29,826
Office expense and miscellaneous	9,190	4,606	-	13,796
Insurance	9,428	718	161	10,307
Advertising	18,182	-	4,025	22,207
Research and information services	16,715	-	-	16,715
Consultant fees	8,695	-	-	8,695
Public relations	5,250	-	-	5,250
Depreciation	3,312	-	-	3,312
Educational material	5,080	-	-	5,080
	<u>\$ 2,584,987</u>	<u>\$ 214,286</u>	<u>\$ 250,817</u>	<u>\$ 3,050,090</u>

The American Anti-Vivisection Society

Schedule VIII - Consolidated Schedule of Functional Expenses

Year Ended December 31, 2012

(See Independent Auditors' Report)

	2012			
	Programs	General and Administrative	Fundraising	Total
Grants	\$ 301,541	\$ -	\$ -	\$ 301,541
Contribution to Ryerss	20,064	-	-	20,064
Salaries	440,558	94,207	33,006	567,771
Employee benefits	108,435	23,682	8,391	140,508
Payroll taxes	36,362	7,683	2,814	46,859
Professional fees	28,133	74,607	271	103,011
Membership development	400	-	120,491	120,891
Office supplies	9,534	-	-	9,534
Telecommunications	15,014	527	363	15,904
Postage and shipping	-	-	-	-
Occupancy	100,086	11,143	5,140	116,369
Equipment rental and maintenance	46,389	-	7,134	53,523
Printing, publications, and postage	164,257	142	37,867	202,266
Editorial services	680	-	-	680
Design	3,953	-	-	3,953
Merchandise and Material	3,840	-	-	3,840
Travel	27,715	-	-	27,715
Conferences, conventions, and meetings	40,219	-	-	40,219
Office expense and miscellaneous	11,490	4,534	-	16,024
Insurance	9,640	777	178	10,595
Advertising	19,982	-	7,225	27,207
Research and information services	9,022	30	-	9,052
Consultant fees	7,368	-	-	7,368
Public relations	965	-	-	965
Depreciation	6,678	-	-	6,678
Educational material	4,537	-	-	4,537
	<u>\$ 1,416,862</u>	<u>\$ 217,332</u>	<u>\$ 222,880</u>	<u>\$ 1,857,074</u>