

Defenders of Wildlife

Financial Statements
and Independent Auditors' Report

September 30, 2011 and 2010

Defenders of Wildlife

Financial Statements
September 30, 2011 and 2010

Contents

Independent Auditors' Report.....	1
<i>Audited Financial Statements</i>	
Statements of Financial Position.....	2
Statements of Activities.....	3-4
Statements of Cash Flows.....	5
Notes to Financial Statements.....	6-26
<i>Supplemental Information</i>	
Schedules of Functional Expenses.....	27-28

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Defenders of Wildlife

We have audited the accompanying statements of financial position of Defenders of Wildlife ("Defenders") as of September 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Defenders' management. Our responsibility is to express an opinion on these 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 audits provide 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 Defenders at September 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of Defenders taken as a whole. The schedules of functional expenses at pages 27-28 are presented for purposes of additional analysis and are not required as part of the basic financial statements of Defenders. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements as a whole.



Vienna, Virginia
February 9, 2012

Defenders of Wildlife

Statements of Financial Position September 30, 2011 and 2010

	2011	2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,280,166	\$ 2,151,762
Short-term investments	1,692,286	1,498,573
Investments - annuity reserve fund	4,653,852	3,162,578
Bequests and trusts receivable	1,714,975	2,001,413
Grants and pledges receivable	1,982,349	2,517,432
Accounts receivable	1,043,796	1,120,211
Prepaid expenses	683,793	605,441
Accrued interest and dividends	5,525	4,385
Inventory	432,344	801,317
Total current assets	15,489,086	13,863,112
Long-term investments	5,244,402	5,284,212
Grants and pledges receivable, long-term	348,263	1,165,645
Charitable remainder and other trusts	2,798,351	2,907,872
Property and equipment, net	11,250,956	11,418,694
Other assets	161,880	171,000
Total assets	\$ 35,292,938	\$ 34,810,535
Liabilities and Net Assets		
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,340,013	\$ 1,802,350
Annuity and other split-interest obligations	400,490	305,391
Bonds payable	195,000	185,000
Deferred revenue	12,243	4,635
Total current liabilities	1,947,746	2,297,376
Bonds payable, net of current portion	5,710,000	5,905,000
Annuity and other split-interest obligations, long-term	2,741,183	1,813,360
Interest rate swap	1,054,655	1,119,476
Total liabilities	11,453,584	11,135,212
Net Assets		
Unrestricted:		
Undesignated	8,841,181	8,469,730
Board designated	5,270,669	5,240,799
Total unrestricted	14,111,850	13,710,529
Temporarily restricted	8,435,258	8,542,588
Permanently restricted	1,292,246	1,422,206
Total net assets	23,839,354	23,675,323
Total liabilities and net assets	\$ 35,292,938	\$ 34,810,535

See accompanying notes.

Defenders of Wildlife

Statement of Activities For the Year Ended September 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue				
Grants and contributions	\$ 21,548,045	\$ 3,020,241	\$ -	\$ 24,568,286
Contributed services	1,278,954	-	-	1,278,954
Bequests	2,688,983	-	-	2,688,983
Royalties	1,328,056	-	-	1,328,056
Investment income	192,691	-	1,785	194,476
Split-interest contributions	-	596,220	-	596,220
Change in value of split interests	41,712	(181,823)	(55,572)	(195,683)
Mailing list royalties	49,407	-	-	49,407
Other income	1,192,932	-	-	1,192,932
Reclassification due to change in restrictions	(6,916)	83,089	(76,173)	-
Released from restrictions	3,625,057	(3,625,057)	-	-
Total revenue and support	<u>31,938,921</u>	<u>(107,330)</u>	<u>(129,960)</u>	<u>31,701,631</u>
Expenses				
Program services:				
Wildlife action	9,154,706	-	-	9,154,706
Media and education	8,491,068	-	-	8,491,068
Law and legislation	3,346,605	-	-	3,346,605
Constituency outreach	1,109,652	-	-	1,109,652
Publications	1,128,431	-	-	1,128,431
Total program services	<u>23,230,462</u>	<u>-</u>	<u>-</u>	<u>23,230,462</u>
Supporting services:				
Management and general	5,474,345	-	-	5,474,345
Fundraising	2,832,793	-	-	2,832,793
Total supporting services	<u>8,307,138</u>	<u>-</u>	<u>-</u>	<u>8,307,138</u>
Total expenses	<u>31,537,600</u>	<u>-</u>	<u>-</u>	<u>31,537,600</u>
Change in Net Assets	401,321	(107,330)	(129,960)	164,031
Net Assets, beginning of year	<u>13,710,529</u>	<u>8,542,588</u>	<u>1,422,206</u>	<u>23,675,323</u>
Net Assets, end of year	<u>\$ 14,111,850</u>	<u>\$ 8,435,258</u>	<u>\$ 1,292,246</u>	<u>\$ 23,839,354</u>

See accompanying notes.

Defenders of Wildlife

Statement of Activities For the Year Ended September 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue				
Grants and contributions	\$ 21,223,954	\$ 5,131,133	\$ -	\$ 26,355,087
Contributed services	1,559,004	-	-	1,559,004
Bequests	2,447,177	-	-	2,447,177
Royalties	2,205,067	-	-	2,205,067
Investment income	260,210	-	3,708	263,918
Split-interest contributions	-	80,915	-	80,915
Change in value of split interests	100,821	15,543	7,097	123,461
Mailing list royalties	294,770	-	-	294,770
Other income	850,359	-	-	850,359
Released from restrictions	6,349,637	(6,349,637)	-	-
Total revenue and support	35,290,999	(1,122,046)	10,805	34,179,758
Expenses				
Program services:				
Wildlife action	9,659,632	-	-	9,659,632
Media and education	7,847,032	-	-	7,847,032
Law and legislation	3,777,085	-	-	3,777,085
Constituency outreach	1,332,572	-	-	1,332,572
Publications	1,524,895	-	-	1,524,895
Total program services	24,141,216	-	-	24,141,216
Supporting services:				
Management and general	4,936,807	-	-	4,936,807
Fundraising	2,564,091	-	-	2,564,091
Total supporting services	7,500,898	-	-	7,500,898
Total expenses	31,642,114	-	-	31,642,114
Change in Net Assets	3,648,885	(1,122,046)	10,805	2,537,644
Net Assets, beginning of year	10,061,644	9,664,634	1,411,401	21,137,679
Net Assets, end of year	<u>\$ 13,710,529</u>	<u>\$ 8,542,588</u>	<u>\$ 1,422,206</u>	<u>\$ 23,675,323</u>

See accompanying notes.

Defenders of Wildlife

Statements of Cash Flows For the Years Ended September 30, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities		
Change in net assets	\$ 164,031	\$ 2,537,644
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	614,322	617,262
Amortization of cost of issuing bonds	9,120	9,120
Net realized and unrealized loss (gain) on investments	50,731	(286,514)
Net unrealized (gain) loss on interest rate swap	(64,821)	191,173
Net loss on disposal of fixed assets	-	1,641
Change in value of perpetual, lead and remainder trusts and pooled income fund	109,521	2,568,064
Change in operating assets and liabilities:		
(Increase) decrease in:		
Bequests and trusts receivable	286,438	(861,076)
Grants and pledges receivable	1,352,465	(861,998)
Accounts receivable	76,415	(251,701)
Prepaid expenses	(78,352)	162,589
Accrued interest and dividends	(1,140)	(3,071)
Inventory	368,973	(161,175)
Increase (decrease) in:		
Accounts payable and accrued expenses	(462,337)	(146,552)
Annuity and other split-interest obligations	1,022,922	(44,580)
Deferred revenue	7,608	(43,472)
Net cash provided by operating activities	<u>3,455,896</u>	<u>3,427,354</u>
Cash Flows from Investing Activities		
Proceeds from sale of investments	76,970	1,492,435
Increase in annuity reserve fund	(1,491,274)	(69,949)
Purchase of investments	(281,604)	(4,149,979)
Purchase of property and equipment	<u>(446,584)</u>	<u>(217,647)</u>
Net cash used in investing activities	<u>(2,142,492)</u>	<u>(2,945,140)</u>
Cash Flows from Financing Activities		
Payments on bond principal	<u>(185,000)</u>	<u>(175,000)</u>
Net cash used in financing activities	<u>(185,000)</u>	<u>(175,000)</u>
Net Increase in Cash and Cash Equivalents	1,128,404	307,214
Cash and Cash Equivalents, beginning of year	<u>2,151,762</u>	<u>1,844,548</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 3,280,166</u></u>	<u><u>\$ 2,151,762</u></u>

See accompanying notes.

Defenders of Wildlife

Notes to Financial Statements
September 30, 2011 and 2010

1. Nature of Operations

Defenders of Wildlife (“Defenders”) is a District of Columbia nonprofit corporation founded in 1947. Its mission is to conserve the natural abundance and diversity of native wild animals and plants, and the habitats on which they depend. As one of the country’s leaders in science-based, results-oriented wildlife conservation, Defenders works to educate and mobilize the public to protect and restore America’s native wildlife. Programs are primarily funded through grants and contributions.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

Defenders' financial statements are prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles for not-for-profit organizations. Net assets are reported based on the presence or absence of donor-imposed restrictions in the following classes:

- *Unrestricted net assets* represent funds that are not subject to donor-imposed stipulations and are available for support of Defenders’ operations. These net assets include both internally designated and undesignated resources.
- *Temporarily restricted net assets* represent funds subject to donor-imposed restrictions that are met either by actions of Defenders or the passage of time.
- *Permanently restricted net assets* represent funds in which the principal must be held in perpetuity, while the earnings may be available for general operations or restricted purpose imposed by the donors.

Cash and Cash Equivalents

Cash and cash equivalents consist of interest-earning checking accounts, as well as highly liquid investments with original maturities of three months or less. Temporary cash investments are placed with creditworthy, high-quality financial institutions. These banking arrangements preclude any significant concentration of uninsured cash. The carrying amounts on the statements of financial position approximate fair value because of the short-term maturities of the instruments.

Investments

Investments consist of mutual funds, money market funds, certificates of deposit, government securities, and corporate bonds. Investments are recorded at fair value based on quoted market prices. Certain investments are recorded as long-term, as Defenders has the intent and ability to hold them for more than one year. Short-term investments are included with current assets, since the intent is for them to be available for working capital purposes.

Defenders of Wildlife

Notes to Financial Statements
September 30, 2011 and 2010

2. Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable consist of royalty and other receivables, and are recorded at net realizable value. Defenders' policy is to charge off uncollectible accounts receivable when management determines the receivable will not be collected. No allowance for uncollectible accounts has been established at September 30, 2011 and 2010, as all amounts are deemed fully collectible.

Property and Equipment

Property and equipment purchased at a cost of \$1,000 or more are capitalized and recorded at acquisition cost. The building is depreciated over an estimated useful life of 25 years. Furniture, equipment, and improvements are depreciated over estimated useful lives of 5 to 25 years, with no salvage value. All depreciation is computed using the straight-line method. Donated items are recorded at fair market value.

Inventory

Inventory includes membership items such as bags and jackets, which are branded with Defenders' logo. Inventory is recorded at cost (using specific identification), and is expensed when used.

Revenue Recognition

All grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Defenders reports grants and contributions as temporarily restricted support if they are received with donor or grantor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted contributions are invested in perpetuity by or on Defenders' behalf. The principal of the gift is never expended, while the investment income is spent on current temporarily restricted or unrestricted programs as specified by the donor.

Defenders will receive communications indicating that it has been named as a beneficiary in an individual's will. These promises to give are recognized at the time the probate court declares the will valid and the proceeds are reasonably measurable. It is Defenders' practice to reduce these amounts by approximately 10% before recording the receivable, for estimated administration costs associated with the estates.

Defenders of Wildlife

Notes to Financial Statements
September 30, 2011 and 2010

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Deferred revenue consists of payments received in advance for royalty, advertising and contracts. Deferred revenue is recognized as earned in the period corresponding to the services performed or activity conducted. All other revenues are recognized when earned.

Split-Interest Agreements

Defenders receives certain planned gift donations that benefit not only Defenders, but also another beneficiary designated by the donor. These contributions are termed split-interest agreements which include perpetual trusts, charitable remainder trusts, charitable lead trusts, charitable gift annuities, and a pooled income fund.

Income is received from perpetual trusts, from which the assets held by the respective trustees will not revert to Defenders at any time and the income received is used according to donor stipulations. Defenders is also a remainderman to certain charitable remainder trusts. Upon the death of the beneficiaries of these remainder trusts, the assets will revert to Defenders to be used according to the donors' wishes. Assets held in trust by and for Defenders are valued at either fair-value or at the discounted present value of the estimated future receipts from the trusts. Where applicable, estimated future payments are discounted at a risk-free rate of return based on the expected term of the split-interest agreements at the time the agreements are created, ranging from 3% to 6%. In addition, Defenders is a beneficiary of certain charitable lead annuity trusts in which it receives a specified dollar amount each year for its unrestricted use until the death of the donor. At that time, the remaining assets in the trust revert to the donor's estate.

Defenders has entered into irrevocable agreements with donors whereby in exchange for the gift from the donor, Defenders is obligated to provide an annuity to the donor or other designated beneficiary over the life of the annuitant. A liability is recognized for the estimated present value of the annuity obligation, and the assets are recorded at their fair value. The discount rate and actuarial assumptions used in calculating the annuity are those provided in the Internal Revenue Service guidelines and actuarial tables. In accordance with certain state laws, the charitable gift annuity reserve fund is invested primarily in money market funds, bonds, mutual funds, and equities, and reserves for California donors are segregated.

In 1980, Defenders established a pooled income fund. The fund accepts gifts of cash or other property, while the donors retain a life interest in the income generated by the contributed assets. Upon the death of a donor or their designated beneficiaries, Defenders owns the remainder interest in the principal balance of the gift.

Defenders of Wildlife

Notes to Financial Statements
September 30, 2011 and 2010

2. Summary of Significant Accounting Policies (continued)

Fair Value Measurements

Defenders follows Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, for financial assets and liabilities. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and level 3 is based on unobservable inputs.

In addition, Defenders follows ASC 2009-12, *Investments in Certain Entities That Calculate Net Assets Value per Share (or its Equivalent)*, which has amended the existing guidance in ASC 820. This guidance permits, as a practical expedient, the fair value of investments that do not have a quoted market price to be estimated using net asset value (NAV) per share or its equivalent. At September 30, 2011 and 2010, Defenders did not have any investments required to be valued using NAV.

In-Kind Donations

Donated services meeting the criteria for recognition under ASC 958, *Revenue Recognition - Contributions Received*, are recognized at fair value at the time of receipt. These services benefit the general programs and consist primarily of advertising, and legal and professional services. The value of these donated services are included in the financial statements as both revenue and expense in the amounts of \$1,278,954 and \$1,559,004 for the years ended September 30, 2011 and 2010, respectively.

Use of Estimates

The preparation of financial statements in accordance 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. Significant items subject to such estimates and assumptions include the split-interest agreements, carrying value of land, buildings and equipment, and bequests and trusts receivable. Actual results could differ materially, in the near term, from the amounts reported.

Defenders of Wildlife

Notes to Financial Statements
September 30, 2011 and 2010

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

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

3. Investments

Investments consist of the following at September 30:

	2011	2010
Mutual funds	\$ 4,671,203	\$ 4,673,632
Money market funds	716,879	718,588
Certificates of deposit	1,518,120	1,360,225
Government securities	-	30,340
Corporate bonds	30,486	-
Total investments	6,936,688	6,782,785
Less: long-term investments	(5,244,402)	(5,284,212)
Short-term investments	<u>\$ 1,692,286</u>	<u>\$ 1,498,573</u>

Investment income consists of the following for the years ended September 30:

	2011	2010
Net realized and unrealized (loss) gain	\$ (50,731)	\$ 286,514
Unrealized gain (loss) on interest rate swap	64,821	(191,173)
Interest and dividends	180,386	168,577
Total investment income	<u>\$ 194,476</u>	<u>\$ 263,918</u>

Defenders of Wildlife

Notes to Financial Statements September 30, 2011 and 2010

4. Fair Value Measurements

Fair value of assets and liabilities measured on a recurring basis is as follows at September 30:

	Total fair value	Level 1	Level 2	Level 3
<u>2011:</u>				
Assets				
Mutual funds	\$ 4,671,203	\$ 4,671,203	\$ -	\$ -
Money market funds	716,879	716,879	-	-
Certificates of deposit	1,518,120	1,518,120	-	-
Corporate bonds	30,486	30,486	-	-
Annuity reserve fund	4,653,852	4,653,852	-	-
Charitable remainder and charitable lead trusts, and pooled income fund	1,686,795	67,341	-	1,619,454
Interest in perpetual trusts	1,111,556	-	-	1,111,556
Total assets	<u>\$ 14,388,891</u>	<u>\$ 11,657,881</u>	<u>\$ -</u>	<u>\$ 2,731,010</u>
Liabilities				
Interest rate swap	\$ 1,054,655	\$ -	\$ -	\$ 1,054,655
Total liabilities	<u>\$ 1,054,655</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,054,655</u>
<u>2010:</u>				
Assets				
Mutual funds	\$ 4,673,632	\$ 4,673,632	\$ -	\$ -
Money market funds	718,588	718,588	-	-
Certificates of deposit	1,360,225	1,360,225	-	-
Government securities	30,340	30,340	-	-
Annuity reserve fund	3,162,578	3,162,578	-	-
Charitable remainder and charitable lead trusts, and pooled income fund	1,740,744	69,294	-	1,671,450
Interest in perpetual trusts	1,167,128	-	-	1,167,128
Total assets	<u>\$ 12,853,235</u>	<u>\$ 10,014,657</u>	<u>\$ -</u>	<u>\$ 2,838,578</u>
Liabilities				
Interest rate swap	\$ 1,119,476	\$ -	\$ -	\$ 1,119,476
Total liabilities	<u>\$ 1,119,476</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,119,476</u>

Defenders of Wildlife

Notes to Financial Statements
September 30, 2011 and 2010

4. Fair Value Measurements (continued)

Defenders used the following methods and significant assumptions to estimate fair value of assets and liabilities recorded at fair value:

Investments and Annuity Reserve Fund

Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 includes certificate of deposit, money market funds, U.S. Treasury bonds, stocks, fixed income, and equity mutual funds held as investments and within the annuity reserve fund.

Charitable Remainder, Charitable Lead, Perpetual Trusts and Pooled Income Fund

Level 1 Assets

Charitable remainder trust assets for which Defenders is a trustee are invested in a diversified portfolio of mutual funds and marketable securities which are valued at fair value based on quoted market prices of the underlying investments, and therefore classified within Level 1.

Level 3 Assets

Charitable trust assets also include the fair value of Defenders' interest in charitable remainder trusts receivable and charitable lead trusts receivable where Defenders is not a trustee. The fair value is measured upon the estimated net present value of amounts to be received. Distributions are to be made to Defenders (lead trusts) or to the donor's designee (remainder trusts) during the terms of the agreements. At the end of the remainder trust terms, a portion of the remaining trust assets, as defined in the trust agreements, are to be distributed to Defenders. The expected future cash inflows from the trusts are based on the fair value of the investments, future expected investment returns, and life expectancy of the donor or donor's designee, and have been recorded at present value.

Expected future cash flows for a beneficial interest in a perpetual trust are estimated by fair valuing the underlying assets contributed to the trust.

Investments in the pooled income fund are valued based on the net asset value of each investment position, as provided by the respective fund manager.

The value of these assets is based on unobservable inputs and Defenders' own assumptions and therefore classified within Level 3.

Defenders of Wildlife

Notes to Financial Statements
September 30, 2011 and 2010

4. Fair Value Measurements (continued)

Interest Rate Swap

Defenders entered into an interest rate swap to reduce the impact of changes in interest rates on its floating debt rate. The estimated fair value of an interest rate swap is determined by the Bank using a model based on forward looking assumptions of interest rates and the resulting effect on the underlying cash flows of the interest rate swap. Since interest rate swap valuation model utilizing significant inputs that are unobservable, it was classified within Level 3.

The following table is a rollforward of the fair value measurements using unobservable inputs (Level 3) as of September 30, 2011:

	Charitable Remainder and Charitable Lead Trusts and Pooled Income Fund	Interest in Perpetual Trusts	Interest Rate Swap Obligation	Total
October 1, 2010	\$ 1,671,450	\$ 1,167,128	\$ 1,119,476	\$ 3,958,054
Change in value in split interest agreements	(51,996)	(55,572)	-	(107,568)
Total gains and losses (realized and unrealized)	-	-	(64,821)	(64,821)
September 30, 2011	<u>\$ 1,619,454</u>	<u>\$ 1,111,556</u>	<u>\$ 1,054,655</u>	<u>\$ 3,785,665</u>

5. Grants and Pledges Receivable

All grants and pledges receivable are deemed to be fully collectible and are reflected at either net realizable value, or at net present value based on projected cash flows. Amounts receivable in more than one year initially recorded in fiscal years 2011 and 2010 were discounted at an average annual rate of 3.57% using a rate that considers market and credit risk.

Defenders of Wildlife

Notes to Financial Statements
September 30, 2011 and 2010

5. Grants and Pledges Receivable (continued)

Grants and pledges receivable are promised as follows at September 30:

	2011	2010
Due in less than one year	\$ 1,982,349	\$ 2,517,432
Due in one to five years	351,000	1,180,006
Total	2,333,349	3,697,438
Less: discount	(2,737)	(14,361)
Total grants and pledges receivable, net	<u>\$ 2,330,612</u>	<u>\$ 3,683,077</u>

6. Split-Interest Agreements

Assets held under split-interest agreements in the accompanying statements of financial position were comprised of the following at September 30:

	2011	2010
Investments - annuity reserve fund	\$ 4,653,852	\$ 3,162,578
Charitable remainder and other trusts:		
Charitable remainder trusts	67,341	69,294
Receivables from charitable remainder and charitable lead trusts	1,544,157	1,595,738
Beneficial interest in perpetual trusts	1,111,556	1,167,128
Pooled income fund	75,297	75,712
Total charitable remainder and other trusts	2,798,351	2,907,872
Total split-interest agreements	<u>\$ 7,452,203</u>	<u>\$ 6,070,450</u>

Liabilities under split-interest agreements included in the accompanying statements of financial position were \$3,141,673 and \$2,118,751 at September 30, 2011 and 2010, respectively. Net contributions under split-interest agreements were approximately \$596,220 and \$80,915 for the years ended September 30, 2011 and 2010, respectively.

Defenders of Wildlife

Notes to Financial Statements
September 30, 2011 and 2010

7. Property and Equipment

Defenders held the following property and equipment at September 30:

	2011	2010
Land	\$ 4,585,586	\$ 4,585,586
Buildings and improvements	8,621,785	8,598,445
Computer equipment	1,586,877	1,639,181
Furniture and equipment	631,261	624,248
Website	590,664	411,871
Total property and equipment	16,016,173	15,859,331
Less: accumulated depreciation	(4,765,217)	(4,440,637)
Property and equipment, net	<u>\$ 11,250,956</u>	<u>\$ 11,418,694</u>

8. Bonds Payable

Defenders participated in the District of Columbia's tax-exempt bond program to help with the financing of its 2002 building purchase. Total debt assumed was \$7,000,000. The bonds carry a variable interest rate and are marketed by Bank of America ("the Bank") under a 10-year letter of credit. The term of the bonds is 27 years, with interest-only for the first 2 years. Annual principal payments commenced July 1, 2005.

Defenders entered into an interest rate swap agreement to manage the interest cost and risk associated with its outstanding debt. The interest rate swap agreement was not entered into for trading or speculative purposes. Under the terms of this agreement, Defenders pays a fixed rate of 4.335% and receives a variable rate on the respective notional principal amount, which was \$5,905,000 and \$6,090,000 at September 30, 2011 and 2010, respectively. The agreement matures July 1, 2017 and is collateralized by a first deed of trust on the building. The estimated cost to terminate this agreement was \$1,054,655 and \$1,119,476 at September 30, 2011 and 2010, respectively.

This financial instrument necessarily involves counterparty credit exposure. The counterparty for this swap transaction, the aforementioned Bank, is a major financial institution that meets Defenders' criteria for financial stability and creditworthiness. The fair value of the interest rate swap was computed and provided to Defenders by the Bank.

Defenders of Wildlife

Notes to Financial Statements September 30, 2011 and 2010

8. Bonds Payable (continued)

Maturities on the bond obligations are as follows for the years ending September 30:

2012	\$ 195,000
2013	205,000
2014	220,000
2015	230,000
2016	245,000
Thereafter	<u>4,810,000</u>
Total maturities	<u>\$ 5,905,000</u>

There are a number of financial and operating covenants associated with the bonds and with the Bank's participation in the project, including a requirement for maintaining \$2,000,000 in unsecured liquid assets. Defenders was in compliance with all terms and conditions of the debt instruments at September 30, 2011 and 2010. Interest expense on the bonds for the years ended September 30, 2011 and 2010 was \$275,497 and \$279,877, respectively.

9. Line of Credit Payable

In 2004, Defenders arranged a line of credit with the Bank for cash flow management purposes. The total amount available is \$1,000,000, with interest at the LIBOR daily floating rate and a fee of 0.4% applied quarterly to the unused loan amount. There were no outstanding balances on the line of credit at September 30, 2011 and 2010.

10. Concentration of Risk

Financial instruments that potentially subject Defenders to significant concentrations of credit risk consist of cash and investments. The Dodd-Frank Financial Regulatory Reform legislation makes all non-interest-bearing transaction accounts fully insured without limit until January 1, 2013. Based on this legislation, all of Defenders' non-interest bearing accounts are fully covered by the current Federal Depository Insurance Corporation (FDIC). Interest-bearing accounts and investments maintained by Defenders may periodically exceed insurable limits under the FDIC and Securities Investor Protection Corporation (SIPC), respectively. Defenders has not experienced any losses on its cash and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

Defenders of Wildlife

Notes to Financial Statements
September 30, 2011 and 2010

11. Net Assets

At September 30, 2011, the unrestricted, temporarily restricted, and permanently restricted net assets are dedicated to the following purposes:

	Unrestricted		Temporarily Restricted	Permanently Restricted	Total
	Undesignated	Defenders Designated			
Undesignated	\$ 3,495,225	\$ -	\$ -	\$ -	\$ 3,495,225
Land and building	4,612,297	-	-	-	4,612,297
Property and equipment	733,659	-	-	-	733,659
Program grants	-	6,719	5,236,655	-	5,243,374
Board-designated endowment	-	5,063,712	-	-	5,063,712
Charitable remainder and other trusts	-	-	1,608,070	-	1,608,070
Charitable gift annuities	-	-	1,515,609	-	1,515,609
Beneficial interest in perpetual trusts	-	-	-	1,111,556	1,111,556
Other endowment	-	-	-	144,191	144,191
Pooled income fund	-	-	74,924	-	74,924
Lloyd Symington Memorial Fund for Wildlife Education	-	162,512	-	36,499	199,011
Walter Kuhlmann Memorial Fund for Wildlife Litigation	-	37,726	-	-	37,726
Total net assets	<u>\$ 8,841,181</u>	<u>\$ 5,270,669</u>	<u>\$ 8,435,258</u>	<u>\$ 1,292,246</u>	<u>\$ 23,839,354</u>

Defenders of Wildlife

Notes to Financial Statements
September 30, 2011 and 2010

11. Net Assets (continued)

At September 30, 2010, the unrestricted, temporarily restricted, and permanently restricted net assets are dedicated to the following purposes:

	Unrestricted		Temporarily Restricted	Permanently Restricted	Total
	Undesignated	Defenders Designated			
Undesignated	\$ 3,141,036	\$ -	\$ -	\$ -	\$ 3,141,036
Land and building	4,747,288	-	-	-	4,747,288
Property and equipment	581,406	-	-	-	581,406
Program grants	-	6,719	5,758,384	-	5,765,103
Board-designated endowment	-	5,029,135	-	-	5,029,135
Charitable remainder and other trusts	-	-	1,658,418	-	1,658,418
Charitable gift annuities	-	-	1,050,441	-	1,050,441
Beneficial interest in perpetual trusts	-	-	-	1,167,128	1,167,128
Other endowment	-	-	-	142,767	142,767
Pooled income fund	-	-	75,345	-	75,345
Lloyd Symington Memorial Fund for Wildlife Education	-	162,512	-	36,138	198,650
Proactive Carnivore Conservation Fund	-	4,707	-	-	4,707
Walter Kuhlmann Memorial Fund for Wildlife Litigation	-	37,726	-	76,173	113,899
Total net assets	<u>\$ 8,469,730</u>	<u>\$ 5,240,799</u>	<u>\$ 8,542,588</u>	<u>\$ 1,422,206</u>	<u>\$ 23,675,323</u>

Defenders of Wildlife

Notes to Financial Statements
September 30, 2011 and 2010

11. Net Assets (continued)

Board Designated Endowment

Defenders maintains a Board designated endowment fund to provide for the long-term needs of the organization. Income from the fund may be used for operating costs and unrestricted Board designated activities.

Program Grants

Defenders receives a number of program-specific grants that are often expended over more than one fiscal year. The unused grant funds that are not expended at the end of the fiscal year are carried over to the next fiscal year, and are classified as temporarily restricted net assets until appropriate expenses are incurred in accordance with the program restrictions.

Split-Interest Agreements

As discussed in Note 2 above, Defenders is party to various split-interest agreements with donors, including irrevocable charitable remainder trusts, charitable lead trusts, charitable gift annuities, perpetual trusts, pooled income funds, and similar arrangements. Certain revenues from these arrangements are restricted for the purposes or time periods specified in the arrangements.

Lloyd Symington Memorial Fund for Wildlife Education

The Board of Directors designated this separate fund to strengthen Defenders' ability to respond to requests for wildlife information from school children, teachers, and the general public, and to enable Defenders to expand its other educational activities. The balance, including amounts that are permanently restricted, was \$199,011 and \$198,650 for the years ended September 30, 2011 and 2010, respectively.

Walter Kuhlmann Memorial Fund for Wildlife Litigation

Defenders established the Walter Kuhlmann Memorial Fund for Wildlife Litigation in 1998. Income generated by the fund is used to supplement Defenders' litigation program on behalf of threatened or endangered wildlife species and their habitats. During fiscal year 2011, it was determined that the amounts originally recorded as permanently restricted were actually intended to be temporarily restricted for use in the litigation program, therefore the amounts were reclassified from permanently restricted to temporarily restricted. The balance was \$37,726 and \$113,899 for the years ended September 30, 2011 and 2010, respectively.

Defenders of Wildlife

Notes to Financial Statements
September 30, 2011 and 2010

11. Net Assets (continued)

Undesignated and Other Funds

Undesignated funds represent unrestricted amounts that have not been specifically set aside by the Board for an internally-designated purpose. These amounts are available for general operations. Certain amounts included in undesignated funds are tracked separately for purposes of future property and equipment needs.

12. Endowment

Defenders' endowment (permanently restricted net assets) has been funded by donor-restricted contributions to be held in perpetuity, the earnings of which can be used to fund either specific programs or general operations. In addition, Defenders maintains a Board-designated endowment fund to provide for the long-term needs of the organization. Under accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of Defenders has interpreted the District of Columbia's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring 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, Defenders classifies as permanently restricted net assets (a) the original value of 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 those amounts are appropriated for expenditure by Defenders in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, Defenders considers the following factors in making a determination to appropriate or accumulate donor-restricted funds: (1) duration and preservation of the fund; (2) purposes of Defenders and the donor-restricted endowment fund; (3) general economic conditions; (4) possible effect of inflation and deflation; (5) expected total return from income and the appreciation or depreciation of investments; (6) other resources of Defenders; and (7) investment policies of Defenders.

Defenders of Wildlife

Notes to Financial Statements
September 30, 2011 and 2010

12. Endowment (continued)

Composition of Endowment Net Assets

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>2011:</u>				
Donor-restricted endowment funds	\$ -	\$ -	\$ 1,292,246	\$ 1,292,246
Board designated endowment funds	5,063,712	-	-	5,063,712
Total endowment funds	<u>\$ 5,063,712</u>	<u>\$ -</u>	<u>\$ 1,292,246</u>	<u>\$ 6,355,958</u>
<u>2010:</u>				
Donor-restricted endowment funds	\$ -	\$ -	\$ 1,422,206	\$ 1,422,206
Board designated endowment funds	5,029,135	-	-	5,029,135
Total endowment funds	<u>\$ 5,029,135</u>	<u>\$ -</u>	<u>\$ 1,422,206</u>	<u>\$ 6,451,341</u>

Changes in Endowment Net Assets

Changes in endowment net assets were as follows for the year ended September 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning	\$ 5,029,135	\$ -	\$ 1,422,206	\$ 6,451,341
Investment return:				
Net appreciation	34,577	-	1,785	36,362
Change in value in split interest agreements	-	-	(55,572)	(55,572)
Total investment return	<u>34,577</u>	<u>-</u>	<u>(53,787)</u>	<u>(19,210)</u>
Contributions	-	-	-	-
Reclassification	-	-	(76,173)	(76,173)
Endowment net assets, ending	<u>\$ 5,063,712</u>	<u>\$ -</u>	<u>\$ 1,292,246</u>	<u>\$ 6,355,958</u>

Defenders of Wildlife

Notes to Financial Statements
September 30, 2011 and 2010

12. Endowment (continued)

Changes in Endowment Net Assets (continued)

Changes in endowment net assets were as follows for the year ended September 30, 2010:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning	\$ 3,291,281	\$ -	\$ 1,411,401	\$ 4,702,682
Investment return:				
Net appreciation	262,484	-	3,708	266,192
Change in value in split interest agreements	-	-	7,097	7,097
Total investment return	262,484	-	10,805	273,289
Contributions	1,475,370	-	-	1,475,370
Endowment net assets, ending	<u>\$ 5,029,135</u>	<u>\$ -</u>	<u>\$ 1,422,206</u>	<u>\$ 6,451,341</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the organization to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature would be reported by Defenders in unrestricted net assets. There were no fund deficiencies for the years ended September 30, 2011 and 2010.

Return Objectives, Risk Parameters and Strategies

Defenders follows a conservative investment policy for endowment assets that attempts to preserve fully the original corpus and optimize returns. Should significant, new donations be made to the endowment assets, Defenders' investment policy would permit a strategy of long term growth of the endowment assets. Under such a policy, the endowment assets would be invested in a manner that is intended to produce results exceeding major investment benchmarks while assuming a moderate level of risk.

Defenders of Wildlife

Notes to Financial Statements
September 30, 2011 and 2010

13. Related Parties

Defenders is affiliated with a related 501(c)(4) organization, the Defenders of Wildlife Action Fund (“the Fund”). The Fund is also a District of Columbia nonprofit and was incorporated in 2001 to carry on public policy, social welfare, and advocacy work. Its mission is to educate people of all ages about wildlife, habitats, and other environmental activities. Defenders and the Fund have common staff, facilities, and overhead costs, with the appropriate shares of these expenses assigned to each organization under a formal cost-sharing agreement. During the years ended September 30, 2011 and 2010, the Fund's full portion of shared costs was \$197,574 and \$233,750, respectively. The Fund contributed \$95,000 to Defenders during the year ended September 30, 2011, and Defenders contributed \$50,000 to the Fund during the year ended September 30, 2010.

The Fund rented Defenders’ membership list for educational and fundraising purposes. The total income to Defenders for these rentals was \$14,860 and \$12,392 for the years ended September 30, 2011 and 2010, respectively. In addition, Defenders rented the Fund’s e-subscriber list for education, advocacy and fundraising purposes. The total income to the Fund for these rentals was \$674,569 for the year ended September 30, 2011. Included in accounts payable at September 30, 2011 is \$147,839 of amounts due to the Fund, which was paid subsequent to year end. Included in accounts receivable at September 30, 2010 is \$25,146 of amounts due from the Fund, which was received subsequent to year-end.

During the years ended September 30, 2011 and 2010, Defenders retained a public-service law firm affiliated with a member of Defenders’ Board of Directors. The firm specializes in endangered species litigation and provides legal services at significantly discounted rates. The value of the work performed for Defenders in fiscal years 2011 and 2010 amounted to \$141,674 and \$59,928, respectively, of which \$99,723 and \$31,941 represented an in-kind donation for each year.

14. Retirement Plan

Money Purchase Pension Plan

A money purchase pension plan was established by Defenders under section 401(a) of the Internal Revenue Code (IRC), covering substantially all employees. Employees are eligible for participation after one year of service and are vested ratably over five years of service. Defenders’ required contribution to the plan is 7% of each participant’s aggregate compensation. Employee contributions are not permissible under the plan. Current pension costs are funded as they accrue. Total pension expense was \$486,131 and \$751,123 for the years ended September 30, 2011 and 2010, respectively.

Defenders of Wildlife

Notes to Financial Statements
September 30, 2011 and 2010

14. Retirement Plan (continued)

Deferred Compensation Plan

Defenders maintains a non-qualified deferred compensation plan for the President as a means of providing a supplemental benefit. There were no plan contribution costs for the years ended September 30, 2011 and 2010. The President is fully vested in the plan at all times. Deferred compensation and investments designated for such deferrals are only available and taxable to participants, or their beneficiaries, upon termination of employment, retirement, death or an unforeseeable emergency. Until paid or made available to the participant or beneficiary, all deferred amounts, and investment earnings related thereto, are solely the property and rights of Defenders. At September 30, 2011 and 2010, the deferred compensation assets and a corresponding liability were \$27,064 and \$26,212, respectively. Subsequent to year end, the President retired and the plan assets were scheduled to be paid out.

15. Commitments

Defenders is obligated under the terms of non-cancellable operating leases for the rental of office and storage space for several of its field locations. Rental expense for all leases for the years ended September 30, 2011 and 2010, using the straight-line method, amounted to \$166,974 and \$190,587, respectively.

Future minimum lease payments are as follows for the years ending September 30:

2012	\$ 148,326
2013	107,233
2014	75,387
2015	66,214
2016 and thereafter	<u>21,464</u>
Total future minimum payments	<u>\$ 418,624</u>

Defenders of Wildlife

Notes to Financial Statements September 30, 2011 and 2010

16. Allocation of Joint Costs

Defenders achieves some of its programmatic, management, and general goals through direct response and similar campaigns that include requests for contributions. In the years ended September 30, 2011 and 2010, Defenders incurred joint costs for its direct response programs of \$10,005,154 and \$9,765,507 respectively, including information materials and fundraising appeals. These joint costs were allocated as follows for the years ended September 30:

	2011	2010
Wildlife action	\$ 480,822	\$ 518,001
Media and education	4,797,465	4,746,073
Law and legislation	214,036	287,523
Publications	66,530	115,336
Fundraising	833,310	870,470
Constituency outreach	822,846	1,001,367
Management and general	2,790,145	2,226,737
Total allocated joint costs	<u>\$ 10,005,154</u>	<u>\$ 9,765,507</u>

17. Supplemental Disclosure of Cash Flow Information

Total cash payments for interest were \$275,497 and \$279,877 for the years ended September 30, 2011 and 2010, respectively.

18. Income Taxes

Under §501(c)(3) of the Internal Revenue Code (IRC), Defenders is exempt from the payment of taxes on income other than net unrelated business income. Defenders was granted non-private foundation status under IRC §509(a)(1) and IRC §170(b)(1)(A)(vi). No provision for taxes has been made as there were no significant taxes resulting from unrelated business activities during fiscal years 2011 and 2010. Defenders has elected to be subject to the lobbying limitations under IRC §501(h). Defenders had no significant uncertain tax positions at September 30, 2011 and 2010.

Defenders of Wildlife

Notes to Financial Statements
September 30, 2011 and 2010

19. Subsequent Events

Defenders follows the guidance of FASB ASC 855, *Subsequent Events*, which establishes general standards of accounting for and disclosure of events that occur after the statement of financial position date but before the financial statements are issued. FASB ASC 855 also requires disclosure of the date through which an entity has evaluated subsequent events. In preparing these financial statements, Defenders has evaluated events and transactions for potential recognition or disclosure through February 9, 2012, the date the financial statements were issued.

SUPPLEMENTAL INFORMATION

Defenders of Wildlife

Schedule of Functional Expenses For the Year Ended September 30, 2011

	Wildlife Action	Media & Education	Law & Legislation	Constituency Outreach	Publications	Total Program Services	Management & General	Fundraising	Total Supporting Services	Total Expenses
Salaries and wages	\$ 4,279,112	\$ 1,552,667	\$ 1,413,588	\$ 120,171	\$ 420,369	\$ 7,785,907	\$ 1,290,688	\$ 1,005,936	\$ 2,296,624	\$ 10,082,531
Contributed services	99,679	252,625	777,214	38,400	4,800	1,172,718	58,236	48,000	106,236	1,278,954
Printing and publications	150,214	1,257,153	62,364	76,657	230,900	1,777,288	623,416	242,482	865,898	2,643,186
Postage and shipping	237,894	2,054,751	140,084	249,047	250,603	2,932,379	1,030,570	385,626	1,416,196	4,348,575
Payroll taxes and benefits	1,068,404	393,713	374,575	31,852	87,473	1,956,017	314,401	276,611	591,012	2,547,029
Occupancy and other	499,281	52,395	71,195	2,713	9,312	634,896	184,742	26,976	211,718	846,614
Grants and contributions	513,092	125	53,950	-	-	567,167	66,500	125	66,625	633,792
Professional fundraising fees	47,676	310,938	40,332	146,706	4,452	550,104	337,868	73,443	411,311	961,415
Computer services	208,587	819,062	105,628	109,714	13,711	1,256,702	388,201	164,845	553,046	1,809,748
Membership incentives	13,766	229,145	6,023	191,065	861	440,860	5,162	8,827	13,989	454,849
Professional services	694,330	816,599	12,459	5,219	21,152	1,549,759	503,268	337,308	840,576	2,390,335
Depreciation and amortization	279,246	108,033	75,973	7,055	23,854	494,161	77,077	52,204	129,281	623,442
DR transaction fees/bank fees	34,760	147,814	14,248	110,589	2,303	309,714	238,297	35,011	273,308	583,022
Interest	123,398	47,739	33,572	3,118	10,541	218,368	34,060	23,069	57,129	275,497
Travel	294,265	37,673	35,524	389	3,391	371,242	50,220	31,645	81,865	453,107
Honoraria and creative fees	8,003	11,356	1,355	1,003	13,696	35,413	3,914	4,296	8,210	43,623
Taxes and license	108,502	45,927	29,584	2,711	9,160	195,884	35,931	24,409	60,340	256,224
Advertising	20,628	78,431	5,384	3,596	7,323	115,362	4,888	14,087	18,975	134,337
Telephone	113,898	21,152	29,634	1,095	3,115	168,894	35,369	10,717	46,086	214,980
Supplies	65,603	12,730	15,063	762	2,704	96,862	8,656	6,883	15,539	112,401
Conferences/meetings/training	57,747	29,931	17,488	400	485	106,051	71,088	24,919	96,007	202,058
Proactive projects	107,745	-	10	-	-	107,755	-	-	-	107,755
Compensation payments	44,840	-	-	-	-	44,840	-	-	-	44,840
Insurance	31,650	12,157	8,549	794	2,684	55,834	8,673	5,874	14,547	70,381
Dues and subscriptions	15,498	35,127	14,227	200	656	65,708	15,282	6,509	21,791	87,499
List rentals	3,600	150,622	29	5,602	2,200	162,053	58,787	16,073	74,860	236,913
Temporary help	2,589	2,041	704	65	221	5,620	21,087	1,524	22,611	28,231
Equipment rental/maintenance	30,699	11,162	7,849	729	2,465	52,904	7,964	5,394	13,358	66,262
Total Expenses	\$ 9,154,706	\$ 8,491,068	\$ 3,346,605	\$ 1,109,652	\$ 1,128,431	\$ 23,230,462	\$ 5,474,345	\$ 2,832,793	\$ 8,307,138	\$ 31,537,600

Defenders of Wildlife

Schedule of Functional Expenses For the Year Ended September 30, 2010

	Wildlife Action	Media & Education	Law & Legislation	Constituency Outreach	Publications	Total Program Services	Management & General	Fundraising	Total Supporting Services	Total Expenses
Salaries and wages	\$ 4,143,364	\$ 1,691,837	\$ 1,352,771	\$ 188,647	\$ 511,224	\$ 7,887,843	\$ 1,366,651	\$ 881,446	\$ 2,248,097	\$ 10,135,940
Contributed services	109,330	102,420	1,234,670	23,287	5,769	1,475,476	46,490	37,038	83,528	1,559,004
Printing and publications	224,186	1,423,067	77,937	94,424	295,322	2,114,936	555,735	279,955	835,690	2,950,626
Postage and shipping	243,174	1,847,538	144,440	271,221	362,817	2,869,190	710,487	371,029	1,081,516	3,950,706
Payroll taxes and benefits	1,162,825	495,532	391,589	51,587	151,290	2,252,823	395,998	266,099	662,097	2,914,920
Occupancy and other	431,044	34,355	58,100	1,660	6,670	531,829	208,164	13,976	222,140	753,969
Grants and contributions	803,028	325	53,000	-	-	856,353	63,000	250	63,250	919,603
Professional fundraising fees	74,853	458,800	48,271	326,494	14,014	922,432	488,050	112,811	600,861	1,523,293
Computer services	110,233	360,003	57,898	49,937	12,032	590,103	272,924	110,595	383,519	973,622
Membership incentives	23,637	186,167	9,885	152,948	2,491	375,128	8,531	16,112	24,643	399,771
Professional services	696,620	251,689	18,159	28,430	30,728	1,025,626	154,732	130,709	285,441	1,311,067
Depreciation and amortization	285,326	107,332	71,052	7,709	29,472	500,891	80,751	44,740	125,491	626,382
DR transaction fees/bank fees	46,922	169,480	23,750	106,759	6,049	352,960	208,546	49,054	257,600	610,560
Interest	127,486	47,958	31,747	3,445	13,169	223,805	36,081	19,991	56,072	279,877
Travel	322,386	44,887	34,072	530	9,724	411,599	60,439	31,803	92,242	503,841
Honoraria and creative fees	9,169	32,284	3,883	3,253	24,365	72,954	9,449	9,528	18,977	91,931
Taxes and license	133,353	50,951	38,327	3,570	13,650	239,851	48,278	21,963	70,241	310,092
Advertising	44,324	208,460	24,329	9,092	17,064	303,269	12,756	14,974	27,730	330,999
Telephone	102,424	20,556	26,239	1,261	3,935	154,415	24,999	9,074	34,073	188,488
Supplies	86,214	15,350	14,124	1,009	3,458	120,155	10,318	7,245	17,563	137,718
Conferences/meetings/training	46,971	107,053	9,747	258	602	164,631	69,126	103,885	173,011	337,642
Proactive projects	52,427	-	-	-	-	52,427	-	-	-	52,427
Compensation payments	279,005	-	-	-	-	279,005	-	-	-	279,005
Insurance	29,288	11,055	7,278	790	3,019	51,430	8,292	4,631	12,923	64,353
Dues and subscriptions	23,555	38,798	35,218	202	1,382	99,155	27,165	7,176	34,341	133,496
List rentals	4,748	125,566	242	4,941	2,374	137,871	37,544	13,518	51,062	188,933
Temporary help	6,620	2,445	1,619	176	671	11,531	22,426	1,018	23,444	34,975
Equipment rental/maintenance	36,372	12,843	8,552	922	3,527	62,216	9,663	5,354	15,017	77,233
Loss on asset disposal	748	281	186	20	77	1,312	212	117	329	1,641
Total Expenses	\$ 9,659,632	\$ 7,847,032	\$ 3,777,085	\$ 1,332,572	\$ 1,524,895	\$ 24,141,216	\$ 4,936,807	\$ 2,564,091	\$ 7,500,898	\$ 31,642,114