

**NORTHERN VIRGINIA
THERAPEUTIC RIDING PROGRAM, INC.**



**INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

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THERAPEUTIC RIDING PROGRAM, INC.**

**INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS**

DECEMBER 31, 2013 AND 2012

CONTENTS

	<u>Page</u>
<u>BASIC FINANCIAL STATEMENTS</u>	
Independent Auditors' Report	1 - 2
Statements of Financial Position December 31, 2013 and 2012	3
Statements of Activities For the Years Ended December 31, 2013 and 2012	4
Statements of Cash Flows For the Years Ended December 31, 2013 and 2012	5
Notes to Financial Statements	6 - 12
<u>SUPPLEMENTARY SCHEDULE</u>	
Schedules of Functional Expenses For the Year Ended December 31, 2013 (with 2012 summarized).....	13



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INDEPENDENT AUDITORS' REPORT

To the Board of Governors of
Northern Virginia Therapeutic Riding Program, Inc.

We have audited the accompanying financial statements of Northern Virginia Therapeutic Riding Program, Inc. (the Program), a not-for-profit organization, which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities 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 financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northern Virginia Therapeutic Riding Program, Inc. as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Governors of
Northern Virginia Therapeutic Riding Program, Inc.
Page 2

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on page 13 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Burdette Smith & Bish, LLC

Fairfax, Virginia
May 2, 2014

NORTHERN VIRGINIA THERAPEUTIC RIDING PROGRAM, INC.

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 497,341	\$ 702,574
Accounts receivable, net	4,399	14,583
Promises to give, net	314,000	280,650
Grant receivable	-	5,000
Prepaid expenses	3,699	5,350
Total Current Assets	819,439	1,008,157
PROPERTY AND EQUIPMENT, AT COST	2,449,824	2,330,228
Less: accumulated depreciation and amortization	(140,451)	(122,963)
	2,309,373	2,207,265
OTHER ASSETS		
Promises to give, net	587,160	685,064
	\$ 3,715,972	\$ 3,900,486
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 20,574	\$ 37,135
Accrued liabilities	7,399	3,956
Current portion of mortgage payable	100,000	100,000
Deferred revenue	15,320	43,050
Total Current Liabilities	143,293	184,141
LONG-TERM LIABILITIES		
Mortgage payable (less current portion of \$100,000)	1,150,000	1,250,000
COMMITMENTS		
NET ASSETS		
Unrestricted.....	1,327,631	1,179,132
Temporarily restricted	1,095,048	1,287,213
	2,422,679	2,466,345
	\$ 3,715,972	\$ 3,900,486

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

NORTHERN VIRGINIA THERAPEUTIC RIDING PROGRAM, INC.

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
UNRESTRICTED NET ASSETS		
<hr/>		
REVENUE		
Riding lessons	\$ 155,075	\$ 141,726
Contributions	763,574	757,617
Special events (net)	94,323	96,366
Other program income	110,281	124,251
Interest income	2,148	2,537
Gain (loss) on dispositions	(30)	5,189
	<hr/>	<hr/>
	1,125,371	1,127,686
Net assets released from restrictions	246,975	795,226
	<hr/>	<hr/>
	1,372,346	1,922,912
EXPENSES		
Program services	1,093,761	1,068,038
General and administrative	50,779	52,995
Fundraising	79,307	60,401
	<hr/>	<hr/>
	1,223,847	1,181,434
INCREASE IN UNRESTRICTED NET ASSETS	<hr/>	<hr/>
	148,499	741,478
TEMPORARILY RESTRICTED NET ASSETS		
<hr/>		
Contributions	54,810	134,336
Net assets released from restrictions	(246,975)	(795,226)
DECREASE IN TEMPORARILY RESTRICTED NET ASSETS	<hr/>	<hr/>
	(192,165)	(660,890)
TOTAL INCREASE (DECREASE) IN NET ASSETS	(43,666)	80,588
NET ASSETS, BEGINNING OF YEAR	2,466,345	2,385,757
NET ASSETS, END OF YEAR	<hr/>	<hr/>
	\$ 2,422,679	\$ 2,466,345

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

NORTHERN VIRGINIA THERAPEUTIC RIDING PROGRAM, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase (decrease) in net assets	\$ (43,666)	\$ 80,588
Adjustments to reconcile net assets to net cash provided by (used in) operating activities:		
Bad debt expense	650	1,416
Depreciation and amortization	24,058	35,258
Discount on pledges receivable	(2,404)	36,784
Donated property and equipment	-	(10,679)
(Gain) loss on dispositions	30	(5,189)
Restricted cash change	-	350,000
(Increase) decrease in:		
Accounts receivable	10,184	(5,450)
Grant receivable	5,000	(5,000)
Promises to give	66,308	219,932
Prepaid expenses	1,651	931
Increase (decrease) in:		
Accounts payable	(16,561)	31,759
Accrued salaries and payroll taxes	3,443	946
Deferred revenue	(27,730)	24,455
	<u>64,629</u>	<u>675,163</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>20,963</u>	<u>755,751</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Cash used to purchase property and equipment	(127,396)	(1,584,477)
Cash proceeds from sale of property and equipment	1,200	20,001
NET CASH USED IN INVESTING ACTIVITIES	<u>(126,196)</u>	<u>(1,564,476)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from mortgage payable	-	1,450,000
Payments on mortgage payable	(100,000)	(433,364)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>(100,000)</u>	<u>1,016,636</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(205,233)	207,911
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	702,574	494,663
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>497,341</u>	\$ <u>702,574</u>
<u>SUPPLEMENTAL CASH FLOW INFORMATION</u>		
Cash paid for interest	\$ 62,379	\$ 69,267
<u>SUPPLEMENTAL NON-CASH ACTIVITIES</u>		
NON-CASH OPERATING ACTIVITIES:		
Donated property and equipment	\$ -	\$ 10,679
In-kind contributions	619,772	601,126
In-kind special event professional services provided	(3,243)	(6,500)
In-kind program professional services provided	(1,830)	-
In-kind legal services provided	-	(65,129)
In-kind volunteer program services provided	(614,699)	(529,497)
	<u>\$ -</u>	<u>\$ 10,679</u>

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

NORTHERN VIRGINIA THERAPEUTIC RIDING PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

NOTE 1 - Summary of Significant Accounting Policies

The Northern Virginia Therapeutic Riding Program (the Program) is a not-for-profit organization incorporated under the laws of the Commonwealth of Virginia on March 9, 1998. The Program provides equine-assisted activities for children and adults with physical, cognitive and emotional challenges (including youth-at-risk and recovering military service personnel) and their families in Northern Virginia.

Basis of Accounting

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

Income Recognition

Revenue from riding lessons is recognized upon the completion of each riding session. Deferred revenue represents fees collected in advance of the completion of the riding session.

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Program reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. 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 statement of activities as net assets released from restriction.

The Program reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Program reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

In-Kind Support

Contributions of donated services that enhance a non-financial asset and contributed services that are considered specialized and can be estimated, and would have been purchased if not donated, are reflected in the accompanying financial statements. Contributed services represent the value of donated program volunteer and other services, special event professional service, and legal services and are recorded as contributions at their estimated fair market value as of the date of the donation.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates in the financial statements include the collectability of promises to give, the discount rates used to record net present value adjustment on long-term promises to give and the estimated useful lives of property and equipment.

NORTHERN VIRGINIA THERAPEUTIC RIDING PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

NOTE 1 - Summary of Significant Accounting Policies, Continued

Cash Equivalents

For purposes of the statement of cash flows, the Program considers checking, money market, savings, and cash on hand to be cash and cash equivalents.

Fair Value of Financial Statements

Accounting principles generally accepted in the United States established a framework for measuring fair value, clarifying the definition of fair value within that framework and expanding disclosure about fair value measurements. U.S. GAAP established a three-tiered fair value hierarchy with Level 1 representing quoted prices for identical assets or liabilities in an active market, Level 2 representing quoted prices for identical assets or liabilities in a market that is non-active or with other than directly or indirectly observable inputs, and Level 3 representing estimate values based on unobservable inputs. Related disclosures are segregated for assets and liabilities measured at fair value based on the level used within the hierarchy to determine their fair values.

The carrying amounts for cash and cash equivalents, accounts payable, accrued liabilities and current maturities of long-term borrowing approximate fair market value because of the short maturity of these instruments. The carrying amount of long-term debt approximates fair market value because the interest rate on the instrument is consistent with rates offered for debt with similar terms and maturities.

Accounts Receivable

Accounts receivable are reported net of an estimate made for doubtful collections. The provision for doubtful accounts is based on management's annual evaluation of outstanding accounts and shall not be less than 3% of the total amount of accounts receivable that are more than 30 days in age. Accounts receivable are written off against the allowance account when collection efforts have been exhausted.

Promises to Give

Unconditional promises to give are reported net of an estimate made for doubtful pledge collections. The allowance for doubtful promises to give is based on management's evaluation of the status of existing promises to give and historical results. Pledges receivable are written off against the allowance account when collection efforts have been exhausted.

Unconditional promises to give that are expected to be received within one year are recorded at their face amount, which is estimated to approximate fair value. Amounts to be received in a future period are discounted to their net present value at the time the revenue is recorded. The discounts on these amounts are computed using risk-free interest rates applicable to the years in which the promises are anticipated to be received. Discount rates were 2.0% and 1.2% for the years ended December 31, 2013 and 2012, respectively. Amortization of the discount is included in contribution revenue.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying supplemental schedule of functional expenses. Accordingly, certain costs have been allocated among the programs, fundraising and management and general activities benefitted based on level of effort.

NORTHERN VIRGINIA THERAPEUTIC RIDING PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 1 - Summary of Significant Accounting Policies, Continued

Property and Equipment

Property and equipment (including major renewals, replacements and betterments), with a cost of \$500 or more, are capitalized and stated at cost. Expenditures for ordinary maintenance and repair items are charged to operations as incurred. Upon the sale or other disposition of property, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected in the changes in net assets. Depreciation is provided for principally under the straight-line method. Asset useful lives are from three to forty years. Leasehold improvements are amortized under the straight-line method over the lease term.

Classes of Assets

To ensure the observance of limitations and restrictions placed on the use of resources available to the Program, resources for various purposes are classified for accounting purposes into classes established according to their nature and purpose as follows:

Unrestricted net assets are the net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations and includes Board designated funds, i.e.: funds that have been segregated by the Board to be spent only on specific purposes.

Temporarily restricted net assets result from contributions whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Program pursuant to these stipulations. Net assets may be temporarily restricted for various purposes, such as use in future periods or use for specified purposes.

Tax Exempt Status

The Program has been granted exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended and classified as other than a private foundation. However, income from certain activities not directly related to the Program's tax-exempt purpose may be subject to taxation as unrelated business income.

Management has evaluated the Program's tax positions and concluded that the Program had taken no uncertain tax positions that require adjustment to the financial statements. With few exceptions, the Program is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years prior to 2010.

Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs were \$1,909 and \$2,935 for the years ended December 31, 2013 and 2012, respectively.

Subsequent Events

In preparing the accompanying financial statements, the Program has evaluated events and transactions for potential recognition or disclosure through May 2, 2014, the date the financial statements were available for issuance.

NORTHERN VIRGINIA THERAPEUTIC RIDING PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

NOTE 2 – Concentration of Credit Risk

The Program maintains bank accounts with a credit-worthy, high quality financial institution. Since the Federal Deposit Insurance Corporation only insures accounts up to \$250,000 per institution, there is a concentration of credit risk for the amount in excess of \$250,000 at December 31, 2013 and 2012.

NOTE 3 – Accounts Receivable

Accounts receivable, net of allowance for doubtful collections, is comprised of the following at December 31:

	<u>2013</u>	<u>2012</u>
Accounts receivable	\$ 4,804	\$ 14,988
Less: allowance for doubtful collections	(405)	(405)
	<u>\$ 4,399</u>	<u>\$ 14,583</u>

Bad debt expense recognized on accounts receivable totaled \$0 and \$1,416 during the years ended December 31, 2013 and 2012, respectively.

NOTE 4 – Promises to Give

The Program's promises to give, net of allowance for doubtful collections and discount, consist of the following at December 31:

	<u>2013</u>	<u>2012</u>
Receivable in one year or less	\$ 314,000	\$ 280,650
Receivable in two to four years	605,500	701,000
	<u>919,500</u>	<u>981,650</u>
Less: allowance for doubtful collections	-	-
Less: adjustment to net present value	(18,340)	(15,936)
	<u>\$ 901,160</u>	<u>\$ 965,714</u>
Current portion	\$ 314,000	\$ 280,650
Long-term portion	587,160	685,064
	<u>\$ 901,160</u>	<u>\$ 965,714</u>

Bad debt expense recognized on pledges receivable totaled \$650 and \$0 for the years ended December 31, 2013 and 2012, respectively. See Note 9.

NOTE 5 – Prepaid Expenses

Prepaid expenses consist of the following as of December 31:

	<u>2013</u>	<u>2012</u>
Insurance	\$ 3,207	\$ 3,164
Other	492	2,186
	<u>\$ 3,699</u>	<u>\$ 5,350</u>

NORTHERN VIRGINIA THERAPEUTIC RIDING PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

NOTE 6 - Property and Equipment

Property and equipment, at cost, and the related accumulated depreciation and amortization as of December 31 are summarized as follows:

	<u>2013</u>	<u>2012</u>
Land	\$ 1,521,425	\$ 1,521,425
Building	498,357	498,357
Permanent facility acquisition costs	67,472	67,472
Indoor riding arena preparation	216,504	95,028
Horses	45,865	51,865
Program equipment	59,923	56,684
Office equipment and furniture	6,275	6,275
Software	1,000	1,000
Leasehold improvements	10,667	9,786
Vehicles	22,336	22,336
	<u>2,449,824</u>	<u>2,330,228</u>
Less: accumulated depreciation and amortization	(140,451)	(122,963)
	<u>\$ 2,309,373</u>	<u>\$ 2,207,265</u>

Depreciation and amortization expense totaled \$25,444 and \$35,258 for the years ended December 31, 2013 and 2012, respectively.

NOTE 7- Deferred Revenue

Deferred revenue consists of amounts received in advance for riding programs and rental security deposit (See Note 10) and is summarized as follows at December 31:

	<u>2013</u>	<u>2012</u>
Deferred rider deposits	\$ 14,980	\$ 43,050
Rental deposit	340	-
	<u>\$ 15,320</u>	<u>\$ 43,050</u>

NOTE 8 - Mortgage Payable

In January 2012, the Program entered into a \$1,450,000 mortgage note with a local bank to finance the purchase of the remaining 11.5 acres of Full Cry Farm (See Note 6). This commercial mortgage replaced the previous \$350,000 note payable. Interest is payable at 4.8% per annum increasing to 5.25% per annum from January 2014 to January 2020. Monthly payments are interest-only payments on principal balance. In addition, \$100,000 in principal will be paid annually from January 2012 to January 2020. The note is secured by first priority lien and Deed of Trust on the property, in addition to all assets of the Program. The Program also assigned first priority security interest in the \$1,000,000 pledge (See Note 9) and maintained an Interest Reserve Account in the amount equal to one year of debt service reserve required under the note.

NORTHERN VIRGINIA THERAPEUTIC RIDING PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

NOTE 8 – Mortgage Payable, Continued

	<u>2013</u>	<u>2012</u>
Mortgage payable	\$ <u>1,250,000</u>	\$ <u>1,350,000</u>
Current maturities	\$ 100,000	\$ 100,000
Long-term maturities	<u>1,150,000</u>	<u>1,250,000</u>
	\$ <u>1,250,000</u>	\$ <u>1,350,000</u>

Long-term debt maturities for years ending December 31 are as follows:

2015	\$ 100,000	
2016	100,000	
2017	100,000	
2018	100,000	
Thereafter	<u>750,000</u>	
	\$ <u>1,150,000</u>	

Interest expense for the years ended December 31, 2013 and 2012 totaled \$62,379 and \$69,267, respectively.

NOTE 9 - Temporarily Restricted Net Assets

All unconditional promises to give are recorded as temporarily restricted net assets and income at the time the promise is communicated. The promises are considered temporarily restricted because the donor is restricting the time period in which the assets may be used by not transferring them immediately. Funds received that have a donor restriction on the use are also recorded as temporarily restricted net assets. When a restriction expires, that is, when a stipulated time restriction or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Temporarily restricted net assets are restricted for the following purpose at December 31:

	<u>2013</u>	<u>2012</u>
Capital campaign, pledged	\$ 705,040	\$ 766,794
Indoor riding arena construction	279,496	403,772
Scholarships	50,239	49,020
Community outreach program	13,094	15,094
Special needs playground	40,000	40,000
Equipment	2,263	5,481
Veteran program	-	1,740
Other	<u>4,916</u>	<u>5,312</u>
	\$ <u>1,095,048</u>	\$ <u>1,287,213</u>

NORTHERN VIRGINIA THERAPEUTIC RIDING PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

NOTE 10 – Lease Income

In May 2013, the Program entered into a lease of a portion of the single family home located on the property. The lease expires in May 2014. Monthly lease income is \$680. Lease income totaled \$4,848 for the year ended December 31, 2013.

NOTE 11 – Contributed Services

Patrons of the Program donate their time and talents for program and administrative activities and events that demonstrate to the community what the Program has to offer. Volunteers are required to attend specially-tailored training for therapeutic riding to assist in riding lessons as side walkers and horse leaders as well as horse care and barn management. The Program adopted a policy to objectively measure the value of volunteer services. Accordingly, the accompanying statements include a value for volunteer program-related services provided to the Program, excluding time contributed by members of the Board of Governors, for the years ended December 31, 2013 and 2012.

The accompanying statements also include contributed legal services, special event and other professional services provided to the Program for the years ended December 31, 2013 and 2012, as measured based on the fair value of those services.

Contributed services revenue and corresponding expenses are comprised of the following at December 31:

	<u>2013</u>	<u>2012</u>
Volunteer program-related services	\$ 614,699	\$ 529,497
Other program-related services	1,830	-
Legal services	-	65,129
Special event professional services	3,243	6,500
	<u>\$ 619,772</u>	<u>\$ 601,126</u>

NOTE 12– Special Events

Special fundraising events are reflected net of costs in the statement of activities. Gross revenues and costs for the years ended December 31 are as follows:

	<u>2013</u>	<u>2012</u>
Revenues	\$ 135,662	\$ 138,258
Costs	(41,339)	(41,892)
	<u>\$ 94,323</u>	<u>\$ 96,366</u>

NOTE 13 – Unrestricted, Board Designated Net Assets

The Board of Governors has segregated certain fundraising funds to be spent only for capital campaign purposes. At December 31, 2013 and 2012, designated net assets totaled \$44,928.

NORTHERN VIRGINIA THERAPEUTIC RIDING PROGRAM, INC.

SCHEDULES OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2013 (WITH 2012 SUMMARIZED)

	Program Services	General and Administrative	Fundraising	2013 Total	2012 Total
Bad debt expense	\$ -	\$ 650	\$ -	\$ 650	\$ 1,416
Capital campaign	-	-	9,526	9,526	266
Depreciation and amortization	25,444	-	-	25,444	35,258
Education and training expenses	2,179	-	-	2,179	1,322
Horse expenses	90,996	-	-	90,996	67,998
In-kind contributed services	614,699	-	-	614,699	594,626
Insurance	41,950	3,167	-	45,117	36,884
Interest expense	62,379	-	-	62,379	69,267
Marketing and promotional	1,909	-	-	1,909	2,935
Occupancy	-	-	-	-	226
Payroll costs	158,720	29,703	55,656	244,079	248,364
Printing and postage	1,767	-	-	1,767	2,249
Professional fees	-	16,810	14,125	30,935	17,068
Program supplies and expense	26,295	-	-	26,295	30,765
Repairs and maintenance	21,115	-	-	21,115	22,764
Taxes and licenses	17,758	-	-	17,758	17,562
Telephone	4,043	449	-	4,492	4,235
Therapists	14,501	-	-	14,501	22,060
Utilities	8,405	-	-	8,405	5,103
Volunteers	1,601	-	-	1,601	1,066
	<u>\$ 1,093,761</u>	<u>\$ 50,779</u>	<u>\$ 79,307</u>	<u>\$ 1,223,847</u>	<u>\$ 1,181,434</u>

See auditors' report.