

ANIMAL PROTECTION OF NEW MEXICO, INC.

AUDITED FINANCIAL STATEMENTS

Years Ended December 31, 2011 and 2010

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Animal Protection of New Mexico, Inc.
Albuquerque, New Mexico

We have audited the accompanying statements of financial position of Animal Protection of New Mexico, Inc. (a nonprofit organization) as of December 31, 2011 and 2010, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 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.

As explained in Note B to the financial statements, the Organization has elected not to consolidate the activities of Animal Protection of New Mexico Foundation, Inc. In our opinion, accounting principles generally accepted in the United States of America require the Organization and Animal Protection of New Mexico Foundation, Inc. to report on a consolidated basis. The effects of this departure from generally accepted accounting principles on the financial statements of Animal Protection of New Mexico, Inc. are not reasonably determinable.

In our opinion, except for the effects of not consolidating Animal Protection of New Mexico Foundation, Inc. as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 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.

Broderick, Phillippi, Wright & Comunas, LLC

Broderick, Phillippi, Wright & Comunas, LLC

November 14, 2012

Animal Protection of New Mexico, Inc.
Statements of Financial Position
December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash and cash equivalents	\$ 10,599	\$ 49,789
Accounts receivable	139,614	120,043
Prepaid expenses	12,764	16,145
Property and equipment	13,173	12,826
Endowment investments	8,543	9,230
Other long-term assets	<u>1,665</u>	<u>1,665</u>
TOTAL ASSETS	<u>\$ 186,358</u>	<u>\$ 209,698</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 15,646	\$ 15,009
Accrued liabilities	5,537	5,832
Due to related organizations	<u>866</u>	<u>3,957</u>
TOTAL LIABILITIES	22,049	24,798
NET ASSETS		
Unrestricted	(79,559)	37,897
Temporarily restricted	237,643	140,778
Permanently restricted	<u>6,225</u>	<u>6,225</u>
TOTAL NET ASSETS	<u>164,309</u>	<u>184,900</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 186,358</u>	<u>\$ 209,698</u>

See accompanying notes to financial statements.

Animal Protection of New Mexico, Inc.
Statement of Activities
Year Ended December 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and other support				
Contributions	\$ 157,416	\$ 89,237	\$ -	\$ 246,653
Grants	297,600	218,000	-	515,600
Government grants	142,444	-	-	142,444
Other income	38,991	-	-	38,991
Investment income	(351)	-	-	(351)
Net assets released from restrictions	210,372	(210,372)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues and other support	846,472	96,865	-	943,337
Expenses				
Program services				
Public assistance, education and outreach	352,272	-	-	352,272
Advocacy campaigns	374,063	-	-	374,063
Wildlife campaigns	31,406	-	-	31,406
Direct animal service programs	45,837	-	-	45,837
Total program services	803,578	-	-	803,578
	<hr/>	<hr/>	<hr/>	<hr/>
Support services	122,509	-	-	122,509
Fund-raising	37,841	-	-	37,841
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	963,928	-	-	963,928
	<hr/>	<hr/>	<hr/>	<hr/>
Changes in net assets	(117,456)	96,865	-	(20,591)
Net assets, beginning of year	37,897	140,778	6,225	184,900
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets, end of year	<u>\$ (79,559)</u>	<u>\$ 237,643</u>	<u>\$ 6,225</u>	<u>\$ 164,309</u>

See accompanying notes to financial statements.

Animal Protection of New Mexico, Inc.

Statement of Activities

Year Ended December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and other support				
Contributions	\$ 533,974	\$ 68,370	\$ -	\$ 602,344
Grants	50,000	140,000	-	190,000
Other income	2,263	-	-	2,263
Investment income	815	-	-	815
Net assets released from restriction	204,945	(204,945)	-	-
Total revenues and other support	791,997	3,425	-	795,422
Expenses				
Program services				
Public assistance, education and outreach	105,767	-	-	105,767
Advocacy campaigns	413,367	-	-	413,367
Wildlife campaigns	34,245	-	-	34,245
Direct animal service programs	22,222	-	-	22,222
Total program services	575,601	-	-	575,601
Support services	89,767	-	-	89,767
Fund-raising	57,979	-	-	57,979
Total expenses	723,347	-	-	723,347
Changes in net assets	68,650	3,425	-	72,075
Net assets, beginning of year	(30,753)	137,353	6,225	112,825
Net assets, end of year	<u>\$ 37,897</u>	<u>\$ 140,778</u>	<u>\$ 6,225</u>	<u>\$184,900</u>

See accompanying notes to financial statements.

Animal Protection of New Mexico, Inc.

Statement of Functional Expenses

Year Ended December 31, 2011

	<u>Program Services</u>	<u>Support Services</u>	<u>Fund-raising</u>	<u>Total</u>
Salaries	\$ 285,129	\$ 50,256	\$ 19,348	\$ 354,733
Contributions to other organizations	112,180	-	35	112,215
Contract services	41,451	23,033	1,078	65,562
Payroll taxes and fringe benefits	51,981	9,939	3,322	65,242
Professional fees	25,921	24,734	2,370	53,025
Printing	48,537	1,055	1,764	51,356
Programs	48,636	-	-	48,636
Animal and veterinarian services	40,696	-	-	40,696
Graphic design	29,677	282	3,129	33,088
Website maintenance and development	22,124	70	2,402	24,596
Video and photography	18,702	-	-	18,702
Rent	14,595	2,709	361	17,665
Telephone	13,297	1,895	814	16,006
Travel and entertainment	11,395	1,279	998	13,672
Public education and outreach	13,209	-	230	13,439
Office supplies	7,767	3,871	486	12,124
Postage	5,097	594	585	6,276
Hardware support	4,479	892	258	5,629
Depreciation	3,945	612	177	4,734
Other supplies	2,802	-	-	2,802
Miscellaneous	320	750	183	1,253
Rewards	1,100	-	-	1,100
Insurance	538	538	-	1,076
Fund-raising	-	-	301	301
	<u>\$ 803,578</u>	<u>\$ 122,509</u>	<u>\$ 37,841</u>	<u>\$ 963,928</u>

See accompanying notes to financial statements.

Animal Protection of New Mexico, Inc.

Statement of Functional Expenses

Year Ended December 31, 2010

	<u>Program Services</u>	<u>Support Services</u>	<u>Fund-raising</u>	<u>Total</u>
Salaries	\$ 241,150	\$ 38,706	\$ 28,896	\$ 308,752
Contributions to other organizations	125,000	-	-	125,000
Contract services	1,155	19,146	4,031	24,332
Payroll taxes and fringe benefits	35,124	7,701	4,263	47,088
Professional fees	17,795	11,406	1,024	30,225
Printing	15,960	181	1,781	17,922
Programs	7,425	-	-	7,425
Animal and veterinarian services	21,799	-	-	21,799
Graphic design	12,458	187	1,679	14,324
Website maintenance and development	19,681	455	5,297	25,433
Rent	14,031	2,974	1,008	18,013
Telephone	13,900	1,631	1,326	16,857
Travel and entertainment	7,546	1,306	992	9,844
Public education and outreach	22,932	-	-	22,932
Office supplies	6,584	819	707	8,110
Postage	2,362	504	584	3,450
Hardware support	6,017	991	689	7,697
Depreciation	2,995	893	345	4,233
Miscellaneous	1,358	1,990	371	3,719
Insurance	329	877	-	1,206
Fund-raising	-	-	4,986	4,986
	<u>\$ 575,601</u>	<u>\$ 89,767</u>	<u>\$ 57,979</u>	<u>\$ 723,347</u>

See accompanying notes to financial statements.

Animal Protection of New Mexico, Inc.
 Statements of Cash Flows
 Years ended December 31, 2011, and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (20,591)	\$ 72,075
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	4,734	4,233
Net realized loss on marketable securities donations	-	108
Net realized and unrealized loss/(gain) on endowment investments	268	(302)
Donation of marketable securities	-	(9,995)
Loss on disposal of property and equipment	226	-
Changes in operating assets and liabilities:		
Accounts receivable	(19,571)	(66,703)
Prepaid expenses	3,381	(9,175)
Accounts payable	637	3,568
Accrued liabilities	(295)	1,179
Due to related organization	(3,091)	3,957
Liability for assets held for others	-	(12,346)
	<u>(34,302)</u>	<u>(13,401)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale of investments	419	9,887
Proceeds on disposal of property and equipment	1,047	-
Purchases of property and equipment	(6,354)	(7,939)
	<u>(4,888)</u>	<u>1,948</u>
CASH (USED) / PROVIDED BY INVESTING ACTIVITIES	<u>(4,888)</u>	<u>1,948</u>
CHANGE IN CASH AND CASH EQUIVALENTS	<u>(39,190)</u>	<u>(11,453)</u>
Cash and cash equivalents, beginning of year	<u>49,789</u>	<u>61,242</u>
Cash and cash equivalents, end of year	<u>\$ 10,599</u>	<u>\$ 49,789</u>
SUPPLEMENTAL DISCLOSURE		
Noncash investing transactions		
Donation of marketable securities	\$ -	\$ 9,995

See accompanying notes to financial statements.

Animal Protection of New Mexico, Inc.

Notes to Financial Statements

December 31, 2011 and 2010

NOTE A – NATURE OF ORGANIZATION

Animal Protection of New Mexico, Inc. (“APNM”) has been working to promote the humane treatment of animals since 1979. APNM is a nonprofit, 501(c)(3) organization supported by donations, volunteers and grants. APNM provides public assistance through consultation, education, communication and outreach on animal protection issues. It promotes animal advocacy campaigns with an effort to improve public policies and practices related to the treatment of animals through legislative and non-legislative means, and by implementing humane strategies and establishing partnerships with agencies. APNM provides financial assistance to agencies involved in investigating and prosecuting animal cruelty, to organizations rehabilitating victims of animal cruelty, to individuals for companion animal spay/neuter and other veterinary services, and for equine feed and veterinary assistance.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Date of Management Review

The Organization has evaluated subsequent events through November 14, 2012, which is the date the financial statements were available to be issued to determine whether such events should be recorded or disclosed in these financial statements. Management believes that no material subsequent events have arisen that would require additional disclosure.

Financial Statement Presentation

The financial statements are presented on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities. Management of the Organization has elected to prepare these financial statements in order to comply with the requirements for filing with the Attorney General of the State of New Mexico and, as such, is omitting the consolidation with Animal Protection of New Mexico, Inc. Foundation (“APNMF”). These two entities should be reported on a consolidated basis. Management has elected not to comply with the requirement to consolidate related entities in accordance with generally accepted accounting principles.

APNM is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Revenues and Other Support

In order to support the various programs, APNM generates revenue and support through a variety of sources. The primary sources of revenue include contributions and grants from foundations.

APNM reports contributions received as unrestricted, temporarily restricted, or permanently restricted depending on the absence or existence and nature of any donor restrictions. All donor-restricted revenue is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Animal Protection of New Mexico, Inc.

Notes to Financial Statements

December 31, 2011 and 2010

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated materials and other non-cash donations are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated assets to a specific purpose. The total of donated materials and noncash donations were \$6,420 and \$34,940 in 2011 and 2010, respectively.

APNM receives donated services from individuals for computer support, graphic design and other professional services. The value of these in-kind donations is \$38,265 and \$19,698 in 2011 and 2010, respectively. Donated services benefit all programs and support services.

Many other individuals have donated time and services to APNM. The value of these services has not been recorded in the financial statements because they do not meet the definition for recognition under generally accepted accounting principles.

Cash and Cash Equivalents

APNM considers all highly liquid investments, except for those held for investment with initial maturities of three months or less, to be cash equivalents.

Accounts Receivable

Accounts receivable are for grants and contributions, and are reported at their outstanding balances which approximate fair value. APNM considers all receivables to be fully collectible. Accordingly, no allowance for doubtful accounts is required. The allowance is based on management's evaluation of the collectibility of the receivables, including the nature of the receivable, historical losses and economic conditions. If amounts become uncollectible, they will be charged to expense when that determination is made. APNM considers all receivables outstanding for over 90 days to be past due.

Property and Equipment

Purchased property and equipment are stated at cost. Donated assets that are to be used by APNM are capitalized at their fair market value on the date of the gift. Depreciation is computed using the straight-line method over the estimated useful lives of five to ten years. All acquisitions of property and equipment in excess of \$500 are capitalized.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized by function based on evaluation of the related benefit by management. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Use of Estimates

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

Animal Protection of New Mexico, Inc.

Notes to Financial Statements

December 31, 2011 and 2010

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

APNM is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not considered to be a private foundation. APNM's income tax filings are subject to audit by various taxing authorities. APNM's open audit periods are 2008 to 2011. APNM believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

Advertising

APNM expenses advertising as incurred. For 2011, advertising expense was \$7,797, including donated advertising of \$6,146. For 2010, advertising expense was \$17,782, including donated advertising of \$15,720.

NOTE C – ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2011 and 2010 consists of the following:

	2011	2010
Contribution receivable	\$ 8,164	\$ 60,000
Grants receivable	130,000	60,000
Other	1,450	43
	<u>\$ 139,614</u>	<u>\$ 120,043</u>

There were no accounts receivable over 90 days past due at December 31, 2011 and 2010. Accounts receivable are all due in less than one year.

NOTE D – RELATED PARTY TRANSACTIONS

There is a cost sharing agreement for shared services for staff, office space and office equipment between APNM and Animal Protection Voters ("APV"). Based on activity, APV's portion of shared services incurred by APNM was \$77,247 during the year ended December 31, 2011, and \$53,523 during the year ended December 31, 2010. APNM owed APV \$640 and \$3,957 at December 31, 2011 and 2010 respectively.

Unrelated to shared services, APNM contributed \$107,500 and \$125,000 to APV during the years ended December 31, 2011 and 2010 respectively, to support APV in its advocacy to enhance legislation for the prevention of cruelty to animals.

APNMF was established for the purpose of supporting APNM. Specifically, APNMF was created for the purpose of holding and investing assets to provide financial support for APNM.

Animal Protection of New Mexico, Inc.

Notes to Financial Statements

December 31, 2011 and 2010

NOTE D – RELATED PARTY TRANSACTIONS (continued)

The net asset value of APNMF was \$741,663 and \$784,402 at December 31, 2011 and 2010, respectively. The APNMF board may direct the distribution from the investments of up to five percent of the market value of the investments as of the end of the prior fiscal year. APNM received distributions of \$36,500 and \$34,693 from the Foundation during the years ending December 31, 2011 and 2010, respectively.

NOTE E – ENDOWMENT FUND INVESTMENTS AND SPENDING POLICY

APNM's endowment funds are held by the Albuquerque Community Foundation as a part of its pooled investments. Variance power has been granted to the Albuquerque Community Foundation. These assets will be returned to APNM if the Albuquerque Community Foundation ceases to be a charitable organization. These investments are stated at fair market value.

Annual distributions can be made pursuant to current Albuquerque Community Foundation policy. Current policy states that distributions will be based on 4.5% of the average twelve quarters' fund balance if requested by APNM. Distributions were \$525 in 2010.

Endowment net asset composition at December 31, 2011 and 2010 by type of fund is as follows:

	2011	2010
Permanently restricted funds	\$ 6,225	\$ 6,225
Unrestricted funds	2,318	3,005
Total funds	<u>\$ 8,543</u>	<u>\$ 9,230</u>

Changes in endowment net assets during the years ended are as follows:

	Unrestricted	Permanently Restricted	Total Endowment Net Assets
<u>December 31, 2011</u>			
Endowment net assets, beginning of year	\$ 3,005	\$ 6,225	\$ 9,230
Distributions	(419)	-	(419)
Investment income	(175)	-	(175)
Investment fees	(93)	-	(93)
Endowment net assets, end of year	<u>\$ 2,318</u>	<u>\$ 6,225</u>	<u>\$ 8,543</u>

Animal Protection of New Mexico, Inc.

Notes to Financial Statements

December 31, 2011 and 2010

NOTE E – ENDOWMENT FUND INVESTMENTS AND SPENDING POLICY (continued)

	Unrestricted	Permanently Restricted	Total Endowment Net Assets
<u>December 31, 2010</u>			
Endowment net assets, beginning of year	\$ 2,703	\$ 6,225	\$ 8,928
Distributions	(525)	-	(525)
Investment income	923	-	923
Investment fees	(96)	-	(96)
Endowment net assets, end of year	<u>\$ 3,005</u>	<u>\$ 6,225</u>	<u>\$ 9,230</u>

APNM is the beneficiary of a designated fund established at the New Mexico Community Foundation. This fund allows the organization to receive distributions to support APNM's New Mexico Equine protection program. Since these funds are held, and ultimately controlled, by the New Mexico Community Foundation, the value of this account has not been shown on the statement of financial position. The value of the account was \$27,688 and \$19,497 at December 31, 2011 and 2010, respectively. The distribution for the Equine project was \$10,467 for the year ended December 31, 2011, and \$9,961 for the year ended December 31, 2010.

NOTE F – FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820-10, Fair Value Measurements, APNM has categorized its investments that are reported at fair value into a three-level hierarchy based on the priority of the inputs to the valuation techniques. Assets recorded in the statements of financial position are categorized as follows:

- Level 1 Quoted prices in active markets

- Level 2 Significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others)

- Level 3 Significant unobservable inputs

The estimated fair value of the investments in the Organization's endowment funds were based on the fair values of the underlying assets as reported by the Albuquerque Community Foundation. APNM's valuation technique is based on the same inputs to measure the fair value of its investments as of the Albuquerque Community Foundation. There have been no changes in the methodologies used during 2011. All of APNM's endowment investments are considered Level 2 at December 31, 2011 and 2010.

Animal Protection of New Mexico, Inc.

Notes to Financial Statements

December 31, 2011 and 2010

NOTE G – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2011 and 2010 consists of the following:

	<u>2011</u>	<u>2010</u>
Office equipment	\$ 40,960	\$ 36,021
Less: accumulated depreciation	<u>(27,787)</u>	<u>(23,195)</u>
	<u>\$ 13,173</u>	<u>\$ 12,826</u>

Depreciation expense was \$4,734 for the year ended December 31, 2011, and \$4,233 for the year ended December 31, 2010.

NOTE H – ASSETS HELD FOR OTHERS

In the year ended December 31, 2009, APNM established an Agency account for Espanola Pit Bull Spay/Neuter organization. Monies received from this organization are recorded as assets with a corresponding liability on APNM financial statements. This Agency account was terminated in 2010.

Activity for the year ended December 31, 2010 is as follows:

	<u>2010</u>
Balance beginning of year	\$ 12,347
Distributions	<u>12,347</u>
Balance end of year	<u>\$ -</u>

NOTE I – COMMITMENTS AND CONTINGENCIES

The Organization leases office space under a month-to-month operating lease. Lease expense on office space was \$17,665 in 2011 and \$17,325 in 2010.

NOTE J – NET ASSET DEFICIT

As shown in the accompanying financial statements, APNM has a deficit in its unrestricted net assets at December 31, 2011. Some of APNM's temporarily restricted net assets were time restricted. Subsequent to year end, these time restrictions expired, and APNM received unrestricted contributions that assisted to eliminate the deficit. Additionally, APNM is the sole beneficiary of APNMF which, if consolidated with APNM, would eliminate the deficit in unrestricted net assets.

Animal Protection of New Mexico, Inc.

Notes to Financial Statements

December 31, 2011 and 2010

NOTE K – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets classified by purpose at December 31, 2011 and 2010 consists of the following:

	<u>2011</u>	<u>2010</u>
Chimps to Sanctuary Campaign	\$ 190,092	\$ 95,562
Ads Outreach Project	14,548	14,548
Reward fund	8,198	9,173
Contributions receivable	5,923	-
Dissection Alternatives	5,268	5,268
Santa Fe Veterinary Medical Aid Program	2,344	5,229
Fire / Disaster Fund	1,311	5,231
Other	9,959	5,767
Total temporarily restricted net assets	<u>\$ 237,643</u>	<u>\$ 140,778</u>

Net assets were released from donor restrictions by incurring expenditures satisfying the following restricted purposes during the years ended December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Chimps to Sanctuary Campaign	\$ 57,490	\$ 62,562
Milagro Awards	43,811	-
Equine	36,408	36,420
Challenging Animal Cruelty	35,783	-
Santa Fe Veterinary Medical Aid Program	19,890	20,658
Fire / Disaster Fund	4,000	-
CARE project	3,128	-
Captive Wildlife	2,082	33,358
Ads Outreach Project	-	21,278
Safe Passages	-	21,006
Animal Protection Campaign	-	3,000
Other	7,780	6,663
Total assets released from restrictions	<u>\$ 210,372</u>	<u>\$ 204,945</u>

NOTE L – PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of endowment investments held at Albuquerque Community Foundation, the income of which can be used to support APNM. The permanently restricted net assets are \$6,225 at December 31, 2011 and 2010.

Animal Protection of New Mexico, Inc.

Notes to Financial Statements

December 31, 2011 and 2010

NOTE M – CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject APNM to concentration consist principally of cash and cash equivalents and accounts receivable. APNM may occasionally maintain cash balances in excess of the balance insured by the Federal Deposit Insurance Corporation.

Approximately sixty-two percent (62%) of APNM's revenue was generated by contributions from two foundations and one government contract in 2011, and seventy-one percent (71%) of APNM's revenue was generated by contributions from four donors in 2010. A decrease in funding from these sources might affect APNM's operation.