

**ROBERT POTTER LEAGUE FOR
ANIMALS, INC.**

Financial Statements

Year Ended July 31, 2010

(With Independent Auditors' Report Thereon)

ROBERT POTTER LEAGUE FOR ANIMALS, INC.

FINANCIAL STATEMENTS

Year Ended July 31, 2010

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Robert Potter League for Animals, Inc.:

We have audited the accompanying statement of financial position of Robert Potter League for Animals, Inc. (the League) (a nonprofit organization) as of July 31, 2010, and the related statements of activities and changes in net assets, cash flows and functional expenses for the year 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. The prior-year summarized comparative information has been derived from the League's July 31, 2009 financial statements. Those statements were audited by other auditors whose report dated October 5, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Robert Potter League for Animals, Inc. as of July 31, 2010 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Kahn, Litwin, Renza & Co., Ltd.

November 4, 2010

ROBERT POTTER LEAGUE FOR ANIMALS, INC.
STATEMENT OF FINANCIAL POSITION
July 31, 2010
(With Comparative Totals at July 31, 2009)

KLR

	<u>2010</u>	<u>2009</u>
Assets:		
Cash and cash equivalents	\$ 493,381	\$ 344,975
Service receivables	12,436	20,634
Unconditional promises to give	188,384	350,628
Prepaid expenses and other assets	15,340	48,791
Property and equipment, net	8,360,700	8,648,892
Investments, at fair value	2,146,633	2,143,652
Total Assets	<u><u>\$ 11,216,874</u></u>	<u><u>\$ 11,557,572</u></u>
Liabilities and Net Assets		
Liabilities:		
Revolving line of credit	\$ 3,122,719	\$ 3,272,834
Accounts payable	41,881	269,169
Accrued expenses	39,666	24,423
Total liabilities	<u><u>3,204,266</u></u>	<u><u>3,566,426</u></u>
Net Assets:		
Unrestricted:		
General	547,334	225,924
Investment in property and equipment, net	5,237,981	5,376,058
Board designated - debt reserve	1,535,516	1,535,089
Total unrestricted net assets	<u><u>7,320,831</u></u>	<u><u>7,137,071</u></u>
Temporarily restricted	238,334	400,632
Permanently restricted	453,443	453,443
Total net assets	<u><u>8,012,608</u></u>	<u><u>7,991,146</u></u>
Total Liabilities and Net Assets	<u><u>\$ 11,216,874</u></u>	<u><u>\$ 11,557,572</u></u>

See accompanying notes to financial statements and independent auditors' report.

ROBERT POTTER LEAGUE FOR ANIMALS, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended July 31, 2010
(With Comparative Totals for the Year Ended July 31, 2009)

KLR

	2010	2009
Changes in unrestricted operating net assets:		
Operating revenues and support:		
Contributions and grants	\$ 987,284	\$ 887,616
Shelter services	256,327	223,452
Service contract fees	206,583	182,068
Sale of pet supplies, net	13,468	9,948
Investment return designated for current operations	19,880	22,235
Total operating revenue and support	1,483,542	1,325,319
Program expenses:		
Shelter services	958,981	899,352
Education and training services	315,612	293,756
Total program expenses	1,274,593	1,193,108
Supporting services:		
Fundraising	411,665	538,446
Management and general	186,283	294,232
Total supporting services	597,948	832,678
Total operating expenses	1,872,541	2,025,786
Changes in unrestricted net assets from operations	(388,999)	(700,467)
Non-operating revenue and support:		
Interest and dividend income, net	41,034	53,775
Net realized and unrealized losses on investments	(9,437)	(588,342)
Net assets released from restrictions	561,042	940,316
Investment return designated for current operations	(19,880)	(22,235)
Changes in non-operating revenue and support	572,759	383,514
Changes in total unrestricted net assets	183,760	(316,953)
Changes in temporarily restricted net assets:		
Contributions and grants	397,992	1,292,723
Interest and dividends	1,049	2,441
Net realized and unrealized losses	(297)	(810)
Net assets released from restrictions	(561,042)	(940,316)
Changes in total temporarily restricted net assets	(162,298)	354,038
Changes in total net assets	21,462	37,085
Net assets, beginning of year	7,991,146	7,954,061
Net assets, end of year	\$ 8,012,608	\$ 7,991,146

See accompanying notes to financial statements and independent auditors' report.

ROBERT POTTER LEAGUE FOR ANIMALS, INC.
STATEMENT OF CASH FLOWS
Year Ended July 31, 2010
(With Comparative Totals for the Year Ended July 31, 2009)

KLR

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities:		
Changes in total net assets	\$ 21,462	\$ 37,085
Adjustments to reconcile changes in total net assets to cash used by operating activities:		
Depreciation	336,045	255,911
Bad debt expense	16,927	853
Realized and unrealized loss on investments	9,734	589,152
Loss on disposal of property and equipment	-	26,403
Contributions restricted for property and equipment	(356,355)	(1,285,546)
Changes in operating assets and liabilities:		
Service receivables	(8,729)	9,146
Prepaid expenses and other assets	33,451	(10,890)
Accounts payable	(227,288)	(367,459)
Accrued expenses	15,243	-
Net cash used by operating activities	<u>(159,510)</u>	<u>(745,345)</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	(47,853)	(2,198,847)
Purchases of investments	(939,764)	(1,869,947)
Proceeds from sale of investments	927,049	1,441,672
Net cash used by investing activities	<u>(60,568)</u>	<u>(2,627,122)</u>
Cash Flows from Financing Activities:		
Unconditional promises to give	162,244	125,221
Contributions restricted for property and equipment	356,355	1,285,546
Net proceeds (repayments) on revolving line of credit	(150,115)	1,632,142
Net cash provided by financing activities	<u>368,484</u>	<u>3,042,909</u>
Net Increase (Decrease) in Cash and Cash Equivalents	148,406	(329,558)
Cash and Cash Equivalents, beginning of year	<u>344,975</u>	<u>674,533</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 493,381</u></u>	<u><u>\$ 344,975</u></u>

ROBERT POTTER LEAGUE FOR ANIMALS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended July 31, 2010
(With Comparative Totals for the Year Ended July 31, 2009)

	2010				2009			
	Program Services		Supporting Services		2009		2009	
	Shelter Services	Education & Training Services	Total Program Services	Fundraising	Management and General	Total Support Services	Total Expenses	Total Expenses
Salaries and wages	\$ 354,801	\$ 121,609	\$ 476,410	\$ 175,874	\$ 33,458	\$ 209,332	\$ 685,742	\$ 680,519
Professional fees	8,376	1,712	10,088	3,272	3,902	7,174	17,262	99,623
Program supplies	38,392	2,594	40,986	60,557	4,726	65,283	106,269	189,966
Veterinary fees and supplies	67,321	-	67,321	-	-	-	67,321	74,904
Occupancy costs	63,073	18,282	81,355	1,523	10,087	11,610	92,965	97,607
Printing and publications	3,641	14,026	17,667	28,321	724	29,045	46,712	73,112
Employee benefits	28,785	11,070	39,855	17,205	9,225	26,430	66,285	79,693
Interest expense	44,509	14,400	58,909	1,309	5,236	6,545	65,454	78,798
Payroll taxes	30,685	10,503	41,188	13,537	2,861	16,398	57,586	56,812
Fees and other miscellaneous expenses	6,426	-	6,426	5,053	758	5,811	12,237	11,255
Advertising	6,421	2,600	9,021	30,957	337	31,294	40,315	40,107
Postage	1,887	1,171	3,058	18,821	577	19,398	22,456	31,590
Insurance	12,919	3,824	16,743	1,717	3,964	5,681	22,424	22,494
Food costs	6,847	182	7,029	19,564	-	19,564	26,593	24,424
Repairs and maintenance	17,877	5,152	23,029	-	6,401	6,401	29,430	20,924
Computer expenses	8,631	22,248	30,879	2,633	12,196	14,829	45,708	31,408
Training and strategic planning	-	-	-	-	45,965	45,965	45,965	12,154
Shelter expenses	2,290	2,519	4,809	-	-	-	4,809	1,979
Contracted labor	-	8,980	8,980	6,465	16,038	22,503	31,483	100,277
Telephone	2,150	716	2,866	2,150	2,150	4,300	7,166	6,363
Transport fees and travel expenses	23,000	94	23,094	1,499	794	2,293	25,387	8,610
Bad debt expense	2,440	-	2,440	14,487	-	14,487	16,927	853
Total expenses before loss on disposal and depreciation	730,471	241,682	972,153	404,944	159,399	564,343	1,536,496	1,743,472
Loss on disposal of property and equipment	-	-	-	-	-	-	-	26,403
Depreciation	228,510	73,930	302,440	6,721	26,884	33,605	336,045	255,911
Total expenses	\$ 958,981	\$ 315,612	\$ 1,274,593	\$ 411,665	\$ 186,283	\$ 597,948	\$ 1,872,541	\$ 2,025,786

See accompanying notes to financial statements and independent auditors' report.

ROBERT POTTER LEAGUE FOR ANIMALS, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended July 31, 2010

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1. Nature of Operations

Robert Potter League for Animals, Inc. (the League), a not-for-profit organization, originally founded in 1929, is dedicated to the prevention of inhumane treatment towards animals. The League provides care and shelter for lost or unwanted animals and, through the education of the public, helps secure their future.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies is presented to assist the reader in understanding the League's financial statements. The financial statements and notes are representations of the League's management, who are responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Presentation

The net assets of the League have been recorded in three different classifications, as follows:

Unrestricted net assets - consist of those funds which management and the Board of Directors of the League retain full control to use in achieving any of their organizational purposes. This group also includes any board-designated net assets which represent unrestricted net assets that the Board of Directors has voluntarily limited.

Temporarily restricted net assets - consist of those funds which are restricted for a specific purpose. When a donor restriction expires, either by the passage of a stipulated time restriction or by the accomplishment of a specific purpose restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions. The League has elected, however, to report restricted contributions whose restrictions are met in the same reporting period as they are received as unrestricted support.

Permanently restricted net assets - consist of those funds permanently restricted by outside sources, which require that the principal be invested in perpetuity and only the income be utilized by the League. Income may be utilized for unrestricted purposes or temporarily restricted purposes as established by the donor.

ROBERT POTTER LEAGUE FOR ANIMALS, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended July 31, 2010

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Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits with financial institutions, and all liquid debt instruments purchased with an original maturity of three months or less, that have not been restricted by the donor for long-term purposes.

Service Receivables

The League carries its receivables at anticipated net realizable value. Doubtful accounts are provided for on the basis of anticipated collection losses. The estimated losses are determined from historical collection experience and a review of outstanding receivables. The League does not accrue interest on receivables. A receivable is considered past due if the League has not received payment within stated terms. After all attempts to collect a receivable have failed, the receivable is written off against the allowance for doubtful accounts. Management believes that all receivables are collectible as of July 31, 2010.

Unconditional Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. The discounts on those amounts are computed using the League's internal borrowing rate applicable to the year in which the promise is received.

Inventories

Inventories are stated at the lower of cost (first-in, first-out) or market. Inventories consist primarily of various animal products sold at the shelter and are included in prepaid expenses and other assets on the statement of financial position.

Property and Equipment

Property and equipment are stated at cost or, if donated, at the fair market value at the date of the gift. Expenditures for maintenance and repairs are expensed as incurred. Renewals and betterments over \$500 that materially extend the life of the assets are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets, which range from 3 to 40 years.

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

ROBERT POTTER LEAGUE FOR ANIMALS, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended July 31, 2010

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The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the League has the ability to access.

Level 2 inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs are developed based on the best information available in the circumstances and may include the League's own data.

The League reports investments at fair value on a recurring basis. These investments are classified as levels 1 and 2 within the fair value hierarchy.

Level 1 investments owned and listed on a National Securities Exchange are valued at the last recorded sales price as of the financial statement reporting date, or in the absence of recorded sales, at the last quoted bid price reported as of the financial statement reporting date.

Level 2 investment values are determined by obtaining non-binding market prices from the League's third party portfolio managers as of the financial statement reporting date. These investments are less actively traded in the market, but quoted market prices exist for similar instruments that are actively traded.

Revenue Recognition

Revenue is substantially derived from private contributions and grants. All contributions and grants are considered to be available for use by the various programs and general operations of the League unless specifically restricted by the donor. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions.

The League recognizes service and contract fees when services to clients have been rendered and/or contractual obligations have been met.

Donated Services

The League is provided with specialized services, primarily veterinary services and advertising donated by professionals. The fair value of these contributed services is included in contributions and grants in the statement of activities and changes in net assets. For the year ended July 31, 2010, the value of the services was \$137,984.

ROBERT POTTER LEAGUE FOR ANIMALS, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended July 31, 2010

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Income Taxes

The League is a public charity exempt from federal income taxes in accordance with Section 501(c)(3) of the Internal Revenue Code.

Authoritative guidance requires the evaluation of tax positions taken or expected to be taken in the course of preparing the League's tax returns to determine whether the tax positions are "more likely than not" to be sustained by the applicable tax authority. Tax positions not deemed to meet the "more likely than not" threshold would be recorded as a tax benefit or expense in the current year.

The League annually files IRS Form 990 reporting various information that the IRS uses to monitor the activities of tax exempt entities. The tax returns are subject to review by the taxing authorities and are subject to examination by the IRS, generally for three years after they were filed. The League currently has no tax examinations in progress.

Concentrations of Credit Risk

The financial instruments that potentially subject the League to concentrations of credit risk consist principally of cash and cash equivalents and investments.

The League maintains its operating accounts in one local financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to specified limits. From time to time, the League had bank balances in excess of federally insured limits.

The League's investments are maintained in a diversified portfolio in an attempt to minimize potential risk associated with marketable securities. At year-end, management does not believe that significant credit risk exists relative to the investments (note 5).

Allocation of Indirect Costs

Certain costs of the League benefit more than one program and/or support service. Accordingly, these costs have been allocated in a systematic and rational manner among the programs benefited. Allocation factors used are space, burden on IT system and full time employees.

Occupancy Expenses

The League's animal shelter is located on land owned by the State of Rhode Island. The League leases the land from the State of Rhode Island for one dollar per year under a lease agreement which expires December 31, 2053. The fair value of this lease cannot be determined at this time and is not included in the League's statement of activities and changes in net assets.

ROBERT POTTER LEAGUE FOR ANIMALS, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended July 31, 2010

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Advertising Costs

The League expenses advertising costs as they are incurred. Such advertising consists primarily of newspaper advertisements promoting animals available for adoption and any of the League's special events. As of July 31, 2010, advertising expense was approximately \$40,300, of which, approximately \$30,000 was donated in-kind.

Use of Estimates

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

Reclassifications

Certain amounts in the 2009 financial statements have been reclassified to conform to the 2010 financial statement presentation.

3. Unconditional Promises to Give

Unconditional promises to give consist of promises to give from contributors over the next several years to support the League's charitable mission. The present value of pledges receivable has been calculated using a discount rate of 2% for the year ending July 31, 2010. The promised contributions due are as follows:

Within one year	\$ 102,493
One to two years	59,178
Two to three years	16,154
Three to four years	12,559
	<hr/> 190,384
Less present value component	2,000
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Present value of unconditional promises to give	<u>\$ 188,384</u>

ROBERT POTTER LEAGUE FOR ANIMALS, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended July 31, 2010

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4. Property and Equipment

Property and equipment consisted of the following:

Buildings	\$ 8,720,457
Leasehold improvements	7,244
Office equipment	247,529
Computer software	28,245
Vehicle	14,283
	<u>9,017,758</u>
Accumulated depreciation	<u>(657,058)</u>
Property and equipment, net	<u>\$ 8,360,700</u>

5. Investments

The following represents the League's fair value hierarchy for its investments measured at fair value on a recurring basis:

	Level 1	Level 2	Total
Cash and money markets	\$ 165,748	\$ -	\$ 165,748
Equity securities	194,581	-	194,581
Corporate bonds	<u>-</u>	<u>1,786,304</u>	<u>1,786,304</u>
Total investments at fair value	<u>\$ 360,329</u>	<u>\$ 1,786,304</u>	<u>\$ 2,146,633</u>

The composition of the income earned on investments is as follows:

Interest and dividends	\$ 56,725
Net realized and unrealized losses	(9,734)
Investment fees	<u>(14,642)</u>
Total investment income	<u>\$ 32,349</u>

ROBERT POTTER LEAGUE FOR ANIMALS, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended July 31, 2010

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6. Revolving Line of Credit

The League has a \$3,300,000 revolving line of credit agreement which was used predominately to finance the construction of the new shelter that was completed in November 2008. The line of credit is secured by certain investments and unconditional promises to give for the capital campaign. Interest is calculated based on the one-month Federal Home Loan Bank of Boston Classic Regular Advance Rate (.35% at July 31, 2010) plus 1.75%. The agreement expires January 31, 2011. Management intends to refinance the agreement under a term loan.

7. Temporarily Restricted Net Assets

Temporarily restricted net assets were restricted for the following purposes at year-end:

Restricted due to time	\$ 194,319
Animal care	35,554
Strategic planning	<u>8,461</u>
Temporarily restricted net assets	<u>\$ 238,334</u>

8. Endowment and Permanently Restricted Net Assets

The League's endowment consists of various funds established to prevent inhumane treatment towards animals, provide care and shelter for lost or unwanted animals and provide education to the public. The endowment includes donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds are reported in the financial statements based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law - The Rhode Island Uniform Prudent Management of Institutional Funds Act (RI UPMIFA) requires the preservation of the fair value of the original gift as of the gift date of the donor-imposed endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the League classifies as permanently restricted (a) the original value of the gift 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 accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the League in a manner consistent with the standard of prudence prescribed by RI UPMIFA.

ROBERT POTTER LEAGUE FOR ANIMALS, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended July 31, 2010

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Endowment net asset composition by type of fund at year-end is as follows:

	Permanently Restricted
Animal care and spaying	\$ 178,312
General purposes	275,131
Total endowment funds	<u>\$ 453,443</u>

Changes in endowment net assets for the year ended July 31, 2010 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ -	\$ 453,443	\$ 453,443
Investment return:			
Investment income	-	10,330	10,330
Net realized and unrealized gain	-	13,538	13,538
Investment fees	-	(2,873)	(2,873)
Total investment return	-	20,995	20,995
Appropriation of endowment assets for expenditures	-	(19,880)	(19,880)
Reclassification	1,115	(1,115)	-
Total reclassifications	1,115	(20,995)	(19,880)
Endowment net assets, end of year	<u>\$ 1,115</u>	<u>\$ 453,443</u>	<u>\$ 454,558</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 RI UPMIFA requires the League to retain as a fund of perpetual duration. There were no such deficiencies at July 31, 2010.

ROBERT POTTER LEAGUE FOR ANIMALS, INC.
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Year Ended July 31, 2010

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Return Objective and Risk Parameters - The League has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The League expects its endowment funds, over time, to provide an average rate of return of approximately 5% annually. Actual results in any given year may vary from this amount.

Spending Policy - The League has a policy of appropriating for expenditure each year 5% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end proceeding the fiscal year in which the expenditure is planned. However, this spending policy is adjusted annually based on current economic and operational needs with approval of its Board of Directors. In establishing this policy, the League considered the long-term expected return on its endowment. Accordingly, over the long-term, the League expects the current spending policy to allow its endowment to grow at a rate that preserves the purchasing power of the original investment.

Strategies Employed for Achieving Objectives - To satisfy its long-term rate of return objectives, the League relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The League targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

9. Employee Benefit Plans

The League maintains a defined contribution retirement savings plan (the Plan) established under Section 403(b) of the Internal Revenue Code. The Plan covers all employees who meet certain eligibility requirements. Employees may elect to defer a percentage of their compensation into the Plan. Under the Plan, the League may contribute a voluntary matching contribution and/or a discretionary contribution. The League did not make any contributions to the Plan for the year ended July 31, 2010.

10. Supplemental Cash Flow Information

Cash paid for interest for the year ended July 31, 2010 was \$65,454.

ROBERT POTTER LEAGUE FOR ANIMALS, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended July 31, 2010

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11. Subsequent Events

Subsequent to year-end, the League was named as a beneficiary of The Marcella Clark McCormack Newport Trust. At which time the estate is settled, after all taxes, debts and expenses are paid, the League will receive a maximum of \$500,000 which is unrestricted for general purposes.

Management of the League has evaluated subsequent events through November 4, 2010, which is the date these financial statements were available to be issued.