SHENANDOAH VALLEY EDUCATIONAL TELEVISION CORPORATION

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2012

SHENANDOAH VALLEY EDUCATIONAL TELEVISION CORPORATION

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Neal Menefee	Chairman
Sheri Winston	Vice Chairman
Richard Parker	Secretary
Dr. Phillip Stone	Treasurer

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General Manager

David Mullins

*Emeritus Board Member

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Shenandoah Valley Educational Television Corporation
Harrisonburg, Virginia

We have audited the accompanying statements of financial position of Shenandoah Valley Educational Television Corporation as of June 30, 2012 and 2011, 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 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 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 Shenandoah Valley Educational Television Corporation as of June 30, 2012 and 2011, and the change 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.

PBGH, LLP

Harrisonburg, Virginia
October 4, 2012

SHENANDOAH VALLEY EDUCATIONAL TELEVISION CORPORATION

STATEMENTS OF FINANCIAL POSITION
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	**$ 37,874**	$ 225,715
Receivables, net	**100,934**	38,916
Prepaid expenses	**54,766**	59,101
Investments	**1,046,746**	1,082,692
Broadcast and duplication rights	**104,654**	102,914
Property and equipment	**4,866,927**	5,497,183
Unamortized land lease rights	**743,131**	763,897
Total assets	**$ 6,955,032**	$ 7,770,418
LIABILITIES AND NET ASSETS		
Liabilities		
Notes payable	**$ 4,938**	$ 10,134
Line of credit	**557,467**	434,925
Accounts payable	**83,377**	86,098
Accrued expenses	**81,624**	93,163
Deferred operating revenue	**109,154**	281,356
Deferred revenue for capital additions	**3,518,753**	4,172,338
Total liabilities	**4,355,313**	5,078,014
Commitments and Contingencies		
Net Assets		
Unrestricted:		
Undesignated, available for general operations	**1,006,711**	1,030,515
Designated by Board of Directors	**784,303**	812,641
Temporarily restricted	**808,705**	849,248
Total net assets	**2,599,719**	2,692,404
Total liabilities and net assets	**$ 6,955,032**	$ 7,770,418

See Notes to Financial Statements.

SHENANDOAH VALLEY EDUCATIONAL TELEVISION CORPORATION

STATEMENTS OF ACTIVITIES
Years Ended June 30, 2012 and 2011

	2012	2011
Change in Unrestricted Net Assets		
Revenues, gains and other support:		
Grants:		
CPB Community Service Contract	$ 798,747	$ 710,801
Virginia Community Service Contracts	95,764	287,338
Instructional Television Service Contract	327,301	324,299
City, county and other grants	4,708	8,074
Memberships and donations	605,644	649,501
Program underwriting	253,334	317,075
Moss print income	14,250	14,268
Auction income	23,965	73,817
Other development projects	20,673	24,003
Educational service and other revenue	396,441	452,194
Investment gain	21,411	167,456
Contributed facilities and supplies	-	1,726
Amortization of deferred revenue from capital grants	682,994	672,426
Net assets released from expiration of purpose restrictions	84,943	20,382
Net assets released from expiration of time restrictions	66,600	66,600
Total unrestricted revenues, gains and other support	3,396,775	3,789,960
Expenses:		
Program services:		
Programming and production	815,036	908,957
Educational services	318,464	432,755
Broadcasting	1,039,979	1,163,608
Program information	258,721	290,116
Fundraising and development	549,379	552,220
Administration	467,338	407,950
Total expenses	3,448,917	3,755,606
Change in unrestricted net assets	(52,142)	34,354
Change in Temporarily Restricted Net Assets		
Kids Book Festival contributions	51,065	43,513
Programming contributions	14,101	-
Change in time value of land use rights	45,834	47,009
Net assets released from purpose restrictions	(84,943)	(20,382)
Net assets released from time restrictions	(66,600)	(66,600)
Change in temporarily restricted net assets	(40,543)	3,540
Change in net assets	(92,685)	37,894
Net Assets, beginning	2,692,404	2,654,510
Net Assets, ending	$ 2,599,719	$ 2,692,404

See Notes to Financial Statements.

SHENANDOAH VALLEY EDUCATIONAL TELEVISION CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2012

	Program Services			
	Programming and Production	Educational Services	Broadcasting	Program Information
Salaries and wages	$ 139,280	$ 112,669	$ 109,475	$ 111,770
Employee benefits and other personnel costs	10,941	19,147	15,044	19,147
Broadcast rights	509,468	-	-	-
Travel and training	542	139,522	4,936	-
Maintenance and repairs	6,408	3,018	98,310	2,657
Operating supplies	3,070	5,344	1,479	3,063
Utilities and communication	36,452	8,182	96,731	8,430
Fees and dues	9,222	2,139	-	100
Contracted services	25,605	11,252	58,674	19,080
Postage and freight	655	1,687	807	3,497
Advertising and promotion	-	-	-	80,409
Depreciation	62,591	5,760	625,189	4,129
Insurance	8,440	3,975	6,469	3,500
Rent	27,569	5,769	55,268	2,883
Other	-	-	-	56
	840,243	318,464	1,072,382	258,721
Allocation of joint activity costs	(25,207)	-	(32,403)	-
	$ 815,036	$ 318,464	$ 1,039,979	$ 258,721

See Notes to Financial Statements.

Total Program Services	Fundraising and Development	Administration	Total
$ 473,194	$ 150,164	$ 167,912	$ 791,270
64,279	25,985	58,874	149,138
509,468	-	-	509,468
145,000	3,893	935	149,828
110,393	4,958	6,674	122,025
12,956	93,410	798	107,164
149,795	24,231	10,862	184,888
11,461	5,018	10,591	27,070
114,611	95,413	152,924	362,948
6,646	17,239	3,097	26,982
80,409	-	-	80,409
697,669	9,385	11,273	718,327
22,384	6,530	8,790	37,704
91,489	6,602	5,792	103,883
56	48,941	28,816	77,813
2,489,810	491,769	467,338	3,448,917
(57,610)	57,610	-	-
$ 2,432,200	$ 549,379	$ 467,338	$ 3,448,917

SHENANDOAH VALLEY EDUCATIONAL TELEVISION CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2011

	Program Services			
	Programming and Production	Educational Services	Broadcasting	Program Information
Salaries and wages	$ 184,348	$ 155,770	$ 156,118	$ 120,032
Employee benefits and other personnel costs	22,760	20,247	22,317	19,847
Broadcast rights	540,265	36,136	-	-
Travel and training	528	157,574	4,714	-
Maintenance and repairs	7,520	4,200	84,420	2,990
Operating supplies	4,086	14,205	960	2,804
Utilities and communication	35,554	7,641	97,382	5,296
Fees and dues	8,945	2,203	459	100
Contracted services	30,424	16,266	67,378	31,507
Postage and freight	145	868	3,634	2,333
Advertising and promotion	-	-	-	91,930
Depreciation	63,251	6,070	695,507	4,352
Insurance	11,111	6,206	7,367	4,417
Rent	27,293	5,369	58,397	2,782
Other	-	-	-	1,726
	936,230	432,755	1,198,653	290,116
Allocation of joint activity costs	(27,273)	-	(35,045)	-
	$ 908,957	$ 432,755	$ 1,163,608	$ 290,116

See Notes to Financial Statements.

Total Program Services	Fundraising and Development	Administration	Total
$ 616,268	$ 214,912	$ 182,677	$ 1,013,857
85,171	31,754	47,491	164,416
576,401	-	-	576,401
162,816	4,064	326	167,206
99,130	6,180	6,180	111,490
22,055	99,745	1,150	122,950
145,873	21,096	9,123	176,092
11,707	5,969	4,269	21,945
145,575	50,476	102,880	298,931
6,980	15,934	4,448	27,362
91,930	-	-	91,930
769,180	9,891	11,406	790,477
29,101	7,367	9,131	45,599
93,841	6,365	5,692	105,898
1,726	16,149	23,177	41,052
2,857,754	489,902	407,950	3,755,606
(62,318)	62,318	-	-
$ 2,795,436	$ 552,220	$ 407,950	$ 3,755,606

SHENANDOAH VALLEY EDUCATIONAL TELEVISION CORPORATION

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2012 and 2011

	2012	2011
Cash Flows From Operating Activities		
Cash received from members and donors	**$ 608,792**	$ 753,479
Cash received from grants	**1,226,520**	1,363,449
Cash received from underwriters	**268,722**	303,556
Cash received from special events and other sources	**267,739**	624,242
Interest and dividends	**24,968**	23,352
Cash paid to employees and vendors	**(2,675,655)**	(2,905,294)
Net cash provided by (used in) operating activities	**(278,914)**	162,784
Cash Flows From Investing Activities		
Purchase of equipment	**(88,071)**	(238,274)
Proceeds from sale of investments	**36,000**	297,608
Purchase of investments	**(3,611)**	(272,418)
Net cash used in investing activities	**(55,682)**	(213,084)
Cash Flows From Financing Activities		
Net borrowings on line of credit	**122,542**	9,675
Proceeds from capital expenditure grants	**29,409**	107,688
Principal payments on notes payable	**(5,196)**	(5,705)
Net cash provided by financing activities	**146,755**	111,658
Net increase (decrease) in cash and cash equivalents	**(187,841)**	61,358
Cash and Cash Equivalents:		
Beginning	**225,715**	164,357
Ending	**$ 37,874**	$ 225,715

(Continued)

See Notes to Financial Statements.

		2012		2011
Reconciliation of change in net assets to net cash provided by (used in) operating activities:				
Change in net assets	**$**	**(92,685)**	$	37,894
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Depreciation		**718,327**		790,477
Unrealized (gain) loss on investments		**3,557**		(144,104)
Change in present value of contributed land lease rights		**(45,834)**		(47,009)
Amortization of land lease rights		**66,600**		66,600
Amortization of deferred grant revenue		**(682,994)**		(672,426)
Decrease (increase) in:				
Receivables		**(62,018)**		58,739
Prepaid expenses and broadcast and duplication rights		**2,595**		(704)
Increase (decrease) in:				
Accounts payable and accrued expenses		**(14,260)**		(6,056)
Deferred operating revenue		**(172,202)**		79,373
Net cash provided by (used in) operating activities	**$**	**(278,914)**	$	162,784

Supplemental Disclosure of Cash Flow Information				
Cash payments for interest	**$**	**20,685**	$	20,121

Note 1. Nature of Organization and Summary of Significant Accounting Policies

Nature of organization: Shenandoah Valley Educational Television Corporation (the Organization) is a not-for-profit corporation whose primary operations consist of producing and broadcasting educational (public) television programs in and around the Shenandoah Valley, Central Virginia, Northern Virginia, and parts of the District of Columbia. Originating from its studio in Harrisonburg, the Organization broadcasts over its television stations, WVPT in Staunton and WVPY in Front Royal, and five translators.

The Organization receives a significant amount of its funding from state and federal governments. A significant reduction in the level of this support, if it were to occur, could have a significant effect on the Organization's activities.

A summary of the Organization's significant accounting policies follows:

Support and revenue recognition: Unrestricted contributions including unconditional promises to give are recognized as revenue when the pledge is received. Operating grants are recognized in the applicable grant period. Grants for specific projects and activities are recognized as revenue when expended. Grants for construction or acquisition of property and equipment are initially recorded as deferred revenue and amortized to income over the life of the asset which is related to the grant. Contributions restricted by donors and not yet expended or available for expenditure, if any, are reported as temporarily or permanently restricted net assets. Revenue from leases, rentals and underwriting contracts is recorded in the period earned.

The Organization receives donated items that are sold during annual auctions. The amount of revenue recognized by the Organization approximates the fair value of those items.

Cash and cash equivalents: The Organization considers demand deposits, money market accounts, and other investments with a maturity of less than three months when purchased to be cash equivalents. The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

Receivables: Receivables consist principally of membership subscriptions, certain grant receivables, and amounts for underwriting and miscellaneous receivables. They are carried at original amounts billed, less an estimate for doubtful receivables based on periodic review by management. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to certain types of receivables, primarily membership subscriptions. Receivables are written off when deemed uncollectible. Recoveries of amounts previously written off are recorded when received.

Broadcast and duplication rights: The costs of purchased broadcast rights are capitalized and charged to operating expenses over the length of the license period based upon the estimated number of future showings, which is generally less than one year. Contributions of rights to duplicate artwork for resale are capitalized and charged to expense as the prints are sold.

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Investments: Investments in mutual funds are stated at fair value as determined by quoted market prices. Purchases and sales of securities are recorded on a trade date basis; dividends are recorded as of the ex-dividend date. See Note 4 for additional information on fair value measurement.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Property and equipment: Property and equipment are stated at cost. Equipment donated by the Public Broadcasting Service is included at the fair market value of the equipment as of the date of the donation. Depreciation is determined by the straight-line method based on the estimated useful lives of the assets as follows:

Buildings	5-27 years
Transmitter, towers and antennas	5-25 years
Other broadcasting equipment	5-10 years
Office furniture and equipment	3-10 years
Vehicles	5-7 years

Depreciation expense on assets acquired under capital leases is included with depreciation expense on owned assets.

Deferred revenue: Deferred operating revenue consists of advance grant payments, advance rental payments and the unearned portion of underwriting support. Deferred revenue for capital additions represents capital expenditure grants, which are recognized as revenue as the related assets are depreciated (as described in Note 5).

Functional allocation of expenses: Program, fundraising, and administrative costs have been summarized on a functional basis in the statements of activities. Certain direct costs have been charged to programs and supporting services on the basis of the activity benefited. The Organization's production and broadcasting activities and certain program information materials include fundraising appeals. Accordingly, joint costs are allocated to fundraising as displayed in the statements of functional expenses.

Advertising: Advertising costs are expensed as incurred.

Income taxes: The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and has been determined to be an educational organization which qualifies donations to the Organization as charitable contributions for tax purposes. A minimal amount of unrelated business income, primarily tower rentals, is taxable to the Organization. Effective July 1, 2009, the Organization adopted the provisions of accounting for uncertainty in income tax positions as required by the Income Tax Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification; however, management does not believe it is exposed to any such positions as they are defined in this guidance. The Organization files Form 990, Return of Organization Exempt from Income Tax, annually with the United States Department of Treasury. Such returns for the tax years ended June 30, 2009 through 2012 remain open to potential examination by taxing authorities.

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Retirement plan: The Organization sponsors a 401(k) defined contribution retirement plan, which allows for contributions by employees as well as the Organization, covering substantially all employees. The Organization may match a portion of elective employee contributions to the plan and/or make additional contributions at the discretion of the Board of Directors. There were no employer contributions for retirement plan expense for each of the years ended June 30, 2012 or 2011.

Estimates and assumptions: 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 of assets and liabilities at the date of the financial statements and the reported amounts of revenues, gains and other support and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events: Subsequent events have been evaluated through October 4, 2012, which was the date the financial statements were available to be issued.

Note 2. Receivables

Receivables at June 30, 2012 and 2011 consist of the following:

	2012	2011
Contributions receivable	$ 27,696	$ 23,480
Grants and other receivables	85,418	27,616
	113,114	51,096
Less allowance for doubtful accounts	12,180	12,180
	$ 100,934	$ 38,916

Contributions receivable are expected to be collected within one year.

Note 3. Investments

Investments carried at fair value as determined by quoted market prices, consist of the following mutual funds and securities at June 30, 2012 and 2011:

	2012	2011
American Balanced Fund	$ 113,927	$ 109,524
AMCAP Fund	87,658	85,975
Capital Income Builder	106,787	107,977
Capital World Growth & Income Fund	80,275	87,861
Fundamental Investors	103,575	106,040
Global Balanced Fund	105,372	107,708
Growth Fund of America	71,753	72,413
Intermediate Bond Fund	61,021	72,022
Investment Co of America Fund	61,875	61,641
PIMCO Investment Corporate Bond	137,154	130,398
Short-term Bond Fund	117,349	141,133
	$ 1,046,746	$ 1,082,692

The following schedule summarizes the investment returns in the Statements of Activities for the years ended June 30, 2012 and 2011:

	2012	2011
Interest on short-term investments	$ 579	$ 339
Income and dividends on mutual funds	24,389	23,013
Net investment gain (loss)	(3,557)	144,104
Net investment gain	$ 21,411	$ 167,456

Note 4. Fair Value Measurements

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes specific criteria for the fair value measurements of financial and nonfinancial assets and liabilities that are already subject to fair value measurements under current accounting standards. The Fair Value Measurements Topic of the FASB Accounting Standards Codification also requires expanded disclosures related to fair value measurements.

Note 4. Fair Value Measurements (Continued)

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. An asset and liability's level is based on the lowest level of input that is significant to the fair value measurement. This Statement requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities.

Level 2: Valuations based on quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets and liabilities.

Level 3: Valuations based on unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of assets or liabilities.

The following is a description of the valuation methodologies used for assets measured at fair value:

Investments: Mutual funds valued at the closing price reported on the active market on which the mutual funds are sold.

The following is a summary of the Organization's financial assets that were recorded at fair value on a recurring basis during the year, by level, within the fair value hierarchy:

	Assets at Fair Value as of June 30, 2012			
	Level 1	Level 2	Level 3	Total
Mutual Funds				
Large Cap Value	$ 212,159	$ -	$ -	$ 212,159
Large Cap Blended	359,652	-	-	359,652
Large Cap Growth	159,412	-	-	159,412
Short-Term Bonds	178,369	-	-	178,369
Intermediate Term Bonds	137,154	-	-	137,154
Total investments at fair value	$ 1,046,746	$ -	$ -	$ 1,046,746

	Assets at Fair Value as of June 30, 2011			
	Level 1	Level 2	Level 3	Total
Mutual Funds				
Large Cap Value	$ 215,686	$ -	$ -	$ 215,686
Large Cap Blended	365,065	-	-	365,065
Large Cap Growth	158,388	-	-	158,388
Short-Term Bonds	213,155	-	-	213,155
Intermediate Term Bonds	130,398	-	-	130,398
Total investments at fair value	$ 1,082,692	$ -	$ -	$ 1,082,692

Note 5. Property and Equipment

All buildings, structures, and other improvements owned by the Organization have been constructed on leased land. The lease covering the land on which the studio and office are located provides for renewals, at the option of the Organization, through August 31, 2031. Substantially all of the use of land is donated (See Note 9).

Property and equipment consists of the following at June 30:

	2012	2011
Buildings	$ 3,506,307	$ 3,462,041
Transmitter, towers and antennas	6,202,293	6,202,293
Other broadcasting equipment	5,472,691	5,437,282
Office furniture and equipment	119,772	237,195
Vehicles	93,859	93,859
	15,394,922	15,432,670
Less accumulated depreciation	10,527,995	9,935,487
	$ 4,866,927	$ 5,497,183

The Organization has received equipment grants from federal agencies which have been used to cover the cost of specific items of equipment. The federal agencies have a lien on this equipment for a period of ten years from the date of acquisition. If during the ten-year period certain conditions are not met, or the equipment is disposed of, the Organization could be required to refund a portion of the grant proceeds to the granting agency. The net book value of these assets is approximately $3,350,000 and $2,892,000 at June 30, 2012 and 2011, respectively.

The Organization has received $5,812,101 in state funds and $3,143,632 in federal funds for capital additions related to digital television conversion. These amounts were initially recorded as deferred revenue and are being amortized as the related assets are depreciated.

All tower lease agreements require the Organization to return the leased land to a pristine condition in the event the leases are terminated. Management is unable to estimate the remedial costs that would be incurred to return land to a pristine condition. Management intends to renew all tower lease agreements indefinitely; therefore, management cannot reasonably estimate a timeframe in which those costs would be incurred. The accompanying financial statements do not include any adjustments if and when these agreements are terminated.

Note 6. Notes Payable

The Organization has a note payable to Planters Bank, accruing interest at 7.295%, with monthly payments of $520. The note matures April 2013 and is collateralized by equipment.

Note 7. Line of Credit

The Organization has a bank line of credit for borrowings to a maximum of $700,000. Outstanding balances on the line of credit were $557,467 and $434,925 at June 30, 2012 and 2011, respectively. A portion of this balance, $375,000, accrues interest at a prime rate plus 0.65% (3.9% at June 30, 2012), payable monthly. This portion of the line is unsecured and principal is due on demand.

The remaining portion of the line of credit, $182,467 at June 30, 2012, accrues interest at 5.1%. This portion of the line is collateralized by all personal property of the Organization. Beginning in February 2011, this portion of the note is scheduled to be repaid in minimum monthly installments of $3,141, with a balloon installment due May 2013.

Note 8. Unrestricted Net Assets

Unrestricted net assets consist of designated and undesignated amounts. Undesignated amounts are available for general operations. Designated amounts are assigned by the Board for specific purposes.

The designated amounts consist of the Artistic and Cultural Enrichment Fund (Moss Fund) and the Dr. G. Tyler Miller Fund. The Moss Fund, which was initiated from the annual sale of art work donated by P. Buckley Moss, is designated to support television programs promoting artistic excellence and cultural awareness.

The change in designated amounts is summarized as follows:

	2012	2011
Designations	$ 14,250	$ 14,268
Expenditures	(42,588)	(25,038)
	(28,338)	(10,770)
Designated net assets, beginning	812,641	823,411
Designated net assets, ending	$ 784,303	$ 812,641

Note 9. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the estimated present value of land lease rights donated to the Organization by James Madison University. The Organization receives the use of land located on the campus of the University, having an estimated fair rental value of approximately $66,600 per year. The Organization has a long-term lease for the use of this land at $1 per year through June 2031. The present value of the land lease rights is calculated using a discount rate of 6%.

Temporarily restricted net assets also consist of contributions for the Kids Book Festival and donor requested programming.

Net assets were released through expiration of time restrictions in the amount of the annual rental value of the above mentioned land use rights. Additionally, net assets were released through the expiration of purpose restrictions related to expenses incurred for the Kids Book Festival program and donor requested programming aired during the year.

Note 10. Contributions and Donated Personal Services

In-kind contributions during the year ended June 30, 2011 consisting of professional services, advertising, materials, and other items, totaled $1,726. No such items were received during the 2012 fiscal year.

The Organization received donated personal services for volunteer and student workers in relation to various fundraising activities for the years ended June 30, 2012 and 2011. These services do not meet the criteria for recognition in the financial statements.