

NEW HAMPSHIRE HUMANE SOCIETY

**FOR THE YEARS ENDED
DECEMBER 31, 2014 AND 2013
AND
INDEPENDENT AUDITORS' REPORT**

*Leone,
McDonnell
& Roberts*
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS

NEW HAMPSHIRE HUMANE SOCIETY

DECEMBER 31, 2014 AND 2013

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FINANCIAL STATEMENTS

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To the Board of Directors of
New Hampshire Humane Society
Laconia, New Hampshire

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of New Hampshire Humane Society (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, cash flows and functional expenses for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 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 auditors' judgement, 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 New Hampshire Humane Society as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited New Hampshire Humane Society's 2013 financial statements, and our report dated July 29, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Lorne, McDonnell & Roberts
Professional Association*

August 12, 2015
Wolfeboro, New Hampshire

NEW HAMPSHIRE HUMANE SOCIETY
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2014 WITH SUMMARIZED
COMPARATIVE INFORMATION AS OF DECEMBER 31, 2013

	DECEMBER 31, 2014			DECEMBER 31, 2013 TOTAL	
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>		<u>TOTAL</u>
CURRENT ASSETS					
Cash and Equivalents	\$ -	\$ 67,834	\$ 32,133	\$ 99,967	\$ 130,740
Contributions receivable	1,285	-	-	1,285	1,200
Employee advances	642	-	-	642	638
Investments	3,015,133	-	-	3,015,133	3,111,798
Inventory	5,951	-	-	5,951	5,951
Prepaid insurance and other expenses	18,205	-	-	18,205	12,420
Total current assets	<u>3,041,216</u>	<u>67,834</u>	<u>32,133</u>	<u>3,141,183</u>	<u>3,262,747</u>
PROPERTY					
Land and land improvements	172,602	-	-	172,602	172,602
Buildings and improvements	2,432,502	-	-	2,432,502	2,398,552
Furniture, equipment and vehicle	236,828	-	-	236,828	236,828
Total property	2,841,932	-	-	2,841,932	2,807,982
Less accumulated depreciation	(711,312)	-	-	(711,312)	(627,832)
Property - net	<u>2,130,620</u>	<u>-</u>	<u>-</u>	<u>2,130,620</u>	<u>2,180,150</u>
OTHER ASSETS					
Loan reserves	103,660	-	-	103,660	90,380
Total other assets	<u>103,660</u>	<u>-</u>	<u>-</u>	<u>103,660</u>	<u>90,380</u>
Total	<u>\$ 5,275,496</u>	<u>\$ 67,834</u>	<u>\$ 32,133</u>	<u>\$ 5,375,463</u>	<u>\$ 5,533,277</u>
<u>LIABILITIES AND NET ASSETS</u>					
CURRENT LIABILITIES					
Current portion of long term debt	\$ 43,232	\$ -	\$ -	\$ 43,232	\$ 41,385
Cash overdraft	1,191	-	-	1,191	-
Accounts payable and accrued expenses	11,945	-	-	11,945	40,280
Accrued payroll and related liabilities	12,173	-	-	12,173	11,402
Refundable advances	15,750	-	-	15,750	15,750
Total current liabilities	84,291	-	-	84,291	108,817
LONG TERM DEBT, less current portion shown above	<u>1,446,676</u>	<u>-</u>	<u>-</u>	<u>1,446,676</u>	<u>1,490,345</u>
Total liabilities	<u>1,530,967</u>	<u>-</u>	<u>-</u>	<u>1,530,967</u>	<u>1,599,162</u>
NET ASSETS					
Unrestricted	3,744,529	-	-	3,744,529	3,833,072
Temporarily restricted	-	67,834	-	67,834	68,910
Permanently restricted	-	-	32,133	32,133	32,133
Total net assets	<u>3,744,529</u>	<u>67,834</u>	<u>32,133</u>	<u>3,844,496</u>	<u>3,934,115</u>
Total	<u>\$ 5,275,496</u>	<u>\$ 67,834</u>	<u>\$ 32,133</u>	<u>\$ 5,375,463</u>	<u>\$ 5,533,277</u>

See Notes to Financial Statements

NEW HAMPSHIRE HUMANE SOCIETY

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014 WITH SUMMARIZED
COMPARATIVE INFORMATION FOR 2013**

	DECEMBER 31, 2014			DECEMBER 31, 2013 TOTAL
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
REVENUES, GAINS AND OTHER SUPPORT				
Program service fees				
Shelter income	\$ 141,686	\$ -	\$ -	\$ 141,686
Town and city assessments	71,600	-	-	71,600
Contributions	332,329	6,450	-	338,779
Bequests	111,115	-	-	111,115
Memorial gifts	28,149	-	-	28,149
Fundraising and special events	184,373	-	-	184,373
Investment return	168,226	-	-	168,226
Net assets released from restrictions - Satisfied by payments and donor permission	<u>7,526</u>	<u>(7,526)</u>	-	-
Total revenues, gains and other support	<u>1,045,004</u>	<u>(1,076)</u>	-	<u>1,043,928</u>
EXPENSES				
Program services				
Shelter operations	624,847	-	-	624,847
Medical operations	191,706	-	-	191,706
Supporting activities				
Management and general	104,172	-	-	104,172
Fundraising	<u>212,822</u>	-	-	<u>212,822</u>
Total expenses	<u>1,133,547</u>	-	-	<u>1,133,547</u>
CHANGES IN NET ASSETS	(88,543)	(1,076)	-	(89,619)
NET ASSETS - BEGINNING OF YEAR	<u>3,833,072</u>	<u>68,910</u>	<u>32,133</u>	<u>3,934,115</u>
NET ASSETS - END OF YEAR	<u>\$ 3,744,529</u>	<u>\$ 67,834</u>	<u>\$ 32,133</u>	<u>\$ 3,844,496</u>

See Notes to Financial Statements

NEW HAMPSHIRE HUMANE SOCIETY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014 WITH SUMMARIZED
COMPARATIVE INFORMATION FOR 2013**

	DECEMBER 31, 2014				DECEMBER 31, 2013 TOTAL
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	
CASH FLOWS FROM OPERATING ACTIVITIES					
Changes in net assets	\$ (88,543)	\$ (1,076)	\$ -	\$ (89,619)	\$ 140,729
Adjustments to reconcile changes in net assets to net cash from operating activities:					
Depreciation	83,480	-	-	83,480	78,018
Realized gains on sale of investments	(104,071)	-	-	(104,071)	(249,740)
Unrealized gains on investments	38,760	-	-	38,760	(52,918)
Restricted contributions	(6,450)	-	-	(6,450)	(6,150)
(Increase) decrease in assets:					
Contributions receivable	(85)	-	-	(85)	58,005
Employee advances	(4)	-	-	(4)	(638)
Prepaid insurance and other expenses	(5,785)	-	-	(5,785)	(6,942)
Loan reserves	(13,280)	-	-	(13,280)	(10,951)
(Decrease) increase in liabilities:					
Cash overdraft	1,197	-	-	1,197	(19,947)
Accounts payable and accrued expenses	(28,335)	-	-	(28,335)	8,435
Accrued payroll and related liabilities	771	-	-	771	(1,143)
NET CASH USED IN OPERATING ACTIVITIES	<u>(122,345)</u>	<u>(1,076)</u>	<u>-</u>	<u>(123,421)</u>	<u>(63,242)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property	(33,950)	-	-	(33,950)	(53,932)
Proceeds from sale of investments	2,955,036	-	-	2,955,036	4,868,536
Purchases of investments, net	(2,793,066)	-	-	(2,793,066)	(4,682,228)
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>128,020</u>	<u>-</u>	<u>-</u>	<u>128,020</u>	<u>132,376</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of long term debt	(41,822)	-	-	(41,822)	(48,938)
Restricted contributions	6,450	-	-	6,450	6,150
NET CASH USED IN FINANCING ACTIVITIES	<u>(35,372)</u>	<u>-</u>	<u>-</u>	<u>(35,372)</u>	<u>(42,788)</u>
NET (DECREASE) INCREASE IN CASH AND EQUIVALENTS	<u>(29,697)</u>	<u>(1,076)</u>	<u>-</u>	<u>(30,773)</u>	<u>26,346</u>
CASH AND EQUIVALENTS - BEGINNING OF YEAR	<u>29,697</u>	<u>68,910</u>	<u>32,133</u>	<u>130,740</u>	<u>104,394</u>
CASH AND EQUIVALENTS - END OF YEAR	<u>\$ -</u>	<u>\$ 67,834</u>	<u>\$ 32,133</u>	<u>\$ 99,967</u>	<u>\$ 130,740</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION					
Cash paid during the year for interest	<u>\$ 66,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,178</u>	<u>\$ 68,032</u>

See Notes to Financial Statements

NEW HAMPSHIRE HUMANE SOCIETY

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014 WITH SUMMARIZED
COMPARATIVE INFORMATION FOR 2013**

	DECEMBER 31, 2014					2013 TOTAL
	SHELTER OPERATIONS	MEDICAL OPERATIONS	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	
Salaries and wages	\$ 207,704	\$ 112,085	\$ 39,212	\$ 65,591	\$ 424,592	\$ 495,638
Payroll taxes	17,996	9,629	3,628	5,781	37,034	44,225
Employee benefits	10,524	14,194	1,463	8,689	34,870	34,285
Total personnel costs	236,224	135,908	44,303	80,061	496,496	574,148
Advertising and promotion	139,003	25	-	92	139,120	156,142
Utilities	55,114	12,274	8,259	13,960	89,607	67,664
Depreciation	50,088	12,522	8,348	12,522	83,480	78,018
Special events	-	-	-	74,057	74,057	70,691
Interest	39,707	9,926	6,618	9,927	66,178	68,062
Professional fees	13,244	768	31,081	10,981	56,074	49,622
Animal care	23,992	15,553	-	-	39,545	46,893
Repairs and maintenance	25,154	854	569	854	27,431	41,669
Supplies and materials	15,451	290	-	5,084	20,825	19,439
Insurance	6,072	1,740	4,078	2,223	14,113	11,904
Office expense	5,445	209	483	1,624	7,761	8,721
Vehicle expenses	6,873	-	-	-	6,873	9,555
Bank and credit card charges	4,592	-	97	-	4,689	6,300
Dues and subscriptions	940	1,280	-	-	2,220	1,460
Training and conventions	1,539	-	336	-	1,875	715
Other	659	357	-	1,437	2,453	2,108
Total functional expenses	\$ 624,847	\$ 191,706	\$ 104,172	\$ 212,822	\$ 1,133,547	\$ 1,213,615

See Notes to Financial Statements

NEW HAMPSHIRE HUMANE SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

New Hampshire Humane Society is a New Hampshire nonprofit corporation formed to provide care for and prevention of cruelty to animals including population control through spaying and neutering programs. The Society operates from a facility located in Laconia, New Hampshire and serves the greater Carroll and Belknap County areas.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

The Society 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. The classes of net assets are determined by the presence or absence of donor restrictions.

Unrestricted: Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted: Net assets whose use is limited by donor imposed stipulations that will either expire with the passage of time or be fulfilled or removed by actions of the Society.

Permanently Restricted: Reflects the historical cost of gifts (and in certain circumstances, the earnings from those gifts), subject to donor – imposed stipulations, which require the corpus to be invested in perpetuity to produce income for general or specific purposes.

As of December 31, 2014 and 2013, the Society had unrestricted, temporarily restricted and permanently restricted net assets.

Cash and Equivalents

Cash and equivalents include short term, highly liquid investments with a maturity date of less than three months.

Contributions

All contributions received are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support, depending on the nature of the restrictions. However, if a restriction is fulfilled in the period in which the contribution is received, the Society reports the support as unrestricted.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

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

Property and Depreciation

Property is recorded at cost if purchased and at fair value at date of donation, if donated. Depreciation is computed using the straight line method over the estimated useful lives of the related assets as follows:

Land improvements	20 years
Buildings and improvements	10 - 40 years
Furniture, equipment and vehicle	5 - 15 years

Costs for repairs and maintenance are expensed when incurred and betterments are capitalized. Assets sold or otherwise disposed of are removed from the accounts, along with the related accumulated depreciation, and any gain or loss is recognized.

Depreciation expense for the years ended December 31, 2014 and 2013, amounted to \$83,480 and \$78,018, respectively.

Income Taxes

The Society is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined the Society to be other than a private foundation.

FASB ASC Topic No. 740, *Accounting for Income Taxes*, established a minimum threshold for recognizing, and a system of measuring, the benefits of tax return positions in financial statements. The Society's tax filings are subject to audit by various taxing authorities. The Society's open audit periods are 2011 through 2013. The Society believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain income tax positions that are material to the financial statements.

Advertising

The Society expenses advertising costs as incurred.

Inventories

Inventories are stated at lower of cost or market determined by the first-in, first-out method and consist of medical supplies and various pet supplies.

Investments

Investment in equity securities with readily determinable fair values, and all investments in debt securities are recorded at fair value. The fair value of the debt and marketable securities are based on quoted market prices.

Investment income is considered a change in unrestricted net assets, unless restricted by a donor's explicit stipulation or law. Unrealized gains and losses are included in the net asset balances.

The Society's investments are subject to various risks, such as interest rate, credit and overall market volatility. As such, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported on the Statement of Financial Position and Statement of Activities.

Accrued Earned Time

The Society has accrued a liability for future compensated leave time that its employees have earned and which is vested with the employee.

Refundable Advances

Funds received in advance are recorded as refundable advances and recognized as revenue in the period in which the related service or expenses are incurred.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

Subsequent Events

Events occurring after the statement of financial position sheet date are evaluated by management to determine whether such events should be recognized or disclosed in the financial statements. Management has evaluated subsequent events through August 12, 2015, the date when the financial statements were available to be issued.

2. INVESTMENTS

The Society's investments are presented in the financial statements in the aggregate at fair value and consisted of the following as of December 31, 2014 and 2013:

	<u>2014</u>		<u>2013</u>	
	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>
Corporate Bonds and Notes	\$ 89,038	\$ 81,537	\$ 117,843	\$ 104,258
Equity Securities	1,109,806	949,204	995,081	903,707
Equity Mutual Funds	1,419,046	1,428,657	1,922,699	1,821,209
Exchange Traded Funds	395,341	382,845	74,273	70,702
Accrued Interest	<u>1,902</u>	<u>1,902</u>	<u>1,902</u>	<u>1,902</u>
	<u>\$ 3,015,133</u>	<u>\$ 2,844,145</u>	<u>\$ 3,111,798</u>	<u>\$ 2,901,778</u>

Components of Investment Return:

	<u>2014</u>	<u>2013</u>
Interest and dividend income	\$ 102,915	\$ 120,254
Unrealized (losses) gains on investments	(38,760)	52,918
Realized gains on investments	<u>104,071</u>	<u>249,740</u>
	<u>\$ 168,226</u>	<u>\$ 422,912</u>

3. FAIR VALUE MEASUREMENTS

FASB ASC Topic No. 820-10 provides a definition of fair value which focuses on an exit price rather than an entry price, establishes a framework in generally accepted accounting principles for measuring fair value which emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and requires expanded disclosures about fair value measurements. In accordance with FASB ASC 820-10, the Society may use valuation techniques consistent with market, income and cost approaches to measure fair value. As a basis for considering market participant assumptions in fair value measurements, ASC Topic 820 establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair values. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. The three levels of the fair value hierarchy under ASC Topic 820 are described as follows:

Level 1 - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2 - Inputs to the valuation methodology are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The table below segregates all financial assets and liabilities as of December 31, 2014 and 2013 that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date:

	Quoted Prices In Active Markets for Identical Assets (Level One)	Significant Other Observable Inputs (Level Two)	Significant Unobservable Inputs (Level Three)	Total 12/31/2014
Equities:				
Consumer Discretionary	\$ 139,589	\$ -	\$ -	\$ 139,589
Consumer Staples	156,044	-	-	156,044
Energy	95,078	-	-	95,078
Financials	147,932	-	-	147,932
Health Care	118,465	-	-	118,465
Industrials	179,334	-	-	179,334
Information Technology	166,804	-	-	166,804
Materials	19,879	-	-	19,879
Telecommunications	52,312	-	-	52,312
Utilities	34,369	-	-	34,369
Exchange Traded Funds	395,341	-	-	395,341
Mutual Funds:	1,419,046	-	-	1,419,046
Accrued Interest:	1,902	-	-	1,902
Corporate Bonds and Notes:				
BAA credit rated	-	89,038	-	89,038
	<u>\$ 2,926,095</u>	<u>\$ 89,038</u>	<u>\$ -</u>	<u>\$ 3,015,133</u>

	Quoted Prices In Active Markets for Identical Assets (Level One)	Significant Other Observable Inputs (Level Two)	Significant Unobservable Inputs (Level Three)	Total 12/31/2013
Equities:				
Consumer Discretionary	\$ 135,942	\$ -	\$ -	\$ 135,942
Consumer Staples	161,775	-	-	161,775
Energy	186,561	-	-	186,561
Financials	126,986	-	-	126,986
Health Care	80,878	-	-	80,878
Industrials	180,976	-	-	180,976
Information Technology	98,411	-	-	98,411
Materials	32,634	-	-	32,634
Telecommunications	49,042	-	-	49,042
Utilities	16,149	-	-	16,149

Mutual Funds:	1,922,699	-	-	1,922,699
Accrued Interest:	1,902	-	-	1,902
Corporate Bonds and Notes:				
BAA credit rated	<u>-</u>	<u>117,843</u>	<u>-</u>	<u>117,843</u>
	<u>\$ 2,993,955</u>	<u>\$ 117,843</u>	<u>\$ -</u>	<u>\$ 3,111,798</u>

4. LOAN RESERVES

In connection with the USDA-Rural Development loan, the Society is obligated to deposit certain amounts into a reserve account to assure that the loan installments will be paid on time, for emergency maintenance, for extensions to the facilities and for the replacement of short-lived assets. The balance in the reserve account as of December 31, 2014 and 2013, was \$103,660 and \$90,380, respectively.

5. NOTE PAYABLE

The note payable at December 31, 2014 and 2013 was as follows:

	<u>2014</u>	<u>2013</u>
4.375% note payable to the United States of America, through USDA-Rural Development. The note is due in monthly installments for interest and principal of \$9,000 through June of 2036. The note is collateralized by a first mortgage on the real estate, fixtures, machinery, appliances and equipment of the Society along with assignment and pledge of Society revenues, accounts and other tangibles.	\$ 1,489,908	\$ 1,531,730
Less current portion due within one year	<u>(43,232)</u>	<u>(41,385)</u>
Long Term Debt	<u>\$ 1,446,676</u>	<u>\$ 1,490,345</u>

The scheduled maturities of long term debt at December 31, 2014 were as follows:

<u>Year Ending December 31</u>	<u>Amount Due</u>
2015	\$ 43,232
2016	44,983
2017	47,170
2018	49,276
2019	51,475
Thereafter	<u>1,253,772</u>
	<u>\$ 1,489,908</u>

6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following unexpended, purpose and time restricted donations as of December 31, 2014 and 2013:

<u>Time or Purpose Restrictions</u>	<u>2014</u>	<u>2013</u>
Dodge Law Fund	\$ 13,325	\$ 13,325
Spay & Neuter Fund	6,511	1,291
Willow Fund	<u>47,998</u>	<u>54,294</u>
Total	<u>\$ 67,834</u>	<u>\$ 68,910</u>

7. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consisted of the following funds at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Pet Visitation	\$ 3,148	\$ 3,148
General Purpose	7,523	7,523
Spaying – Canine	16,214	16,214
Doherty Fund	<u>5,248</u>	<u>5,248</u>
Total	<u>\$ 32,133</u>	<u>\$ 32,133</u>

8. DONATED SERVICES

Many individuals volunteer time to the Society. The value of these contributed services is not recorded nor recognized by the Society since the services do not meet the criteria in FASB ASC Topic 958-605 for recognition of such services. It was also deemed not practical to disclose the fair value of contributed services since a clearly measurable basis for the amount to be disclosed could not be determined.

9. IN-KIND DONATIONS AND EXPENSES

The Society receives contributed advertising from two local radio stations that is required to be recorded in accordance with FASB Accounting Standards Codification. The estimated fair value of this advertising was determined to be \$130,402 and \$147,150 for the years ended December 31, 2014 and 2013, respectively.

The Society also receives contributed goods that are required to be recorded in accordance with FASB Accounting Standards Codification. The estimated fair value of these goods was determined to be \$47,005 and \$50,683 for the years ended December 31, 2014 and 2013, respectively.

10. CONCENTRATIONS

Financial instruments that potentially subject the Society to concentrations of credit risk consist of temporary cash investments and investments. The Society places its temporary cash investments with a single financial institution. The investment portfolio consists of diversified investments, which are subject to market risk, but are not subject to concentrations in any sector.

The Society maintains their main cash account with one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2014, there were no uninsured cash balances.

11. RECLASSIFICATIONS

Certain reclassifications have been made to the prior years' financial statements to conform to the current year presentation. These classifications had no effect on the previously reported results of operations or retained earnings.