

**BLUE MOUNTAIN
HUMANE SOCIETY**

**Financial Statements and
Independent Auditors' Report**

December 31, 2015

Blue Mountain Humane Society

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Blue Mountain Humane Society
Walla Walla, Washington

Report on the Financial Statements

We have audited the accompanying financial statements of Blue Mountain Humane Society (a nonprofit organization) which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and changes in net assets, functional expenses, and cash flows 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 of 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' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 Blue Mountain Humane Society as of December 31, 2015, 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.

Northwest CPA Group PLLC

Tri-Cities, Washington
February 29, 2016

Blue Mountain Humane Society
Statement of Financial Position
December 31, 2015

ASSETS

CURRENT ASSETS:

Cash and cash equivalents		\$ 132,772
Accounts receivable		7,338
Pledges and bequests receivable		92,000
Prepaid expenses		27,254
Other assets		2,500
Total current assets		261,864

PROPERTY AND EQUIPMENT:

Buildings and improvements	\$ 1,476,970	
Vehicles and equipment	96,755	
	1,573,725	
Less accumulated depreciation	594,594	
	979,131	
Land	145,156	
Construction in progress	54,621	
	1,178,908	

OTHER ASSET:

Investments		2,471,972
		\$ 3,912,744

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable		\$ 1,560
Payroll liabilities		7,857
Accrued vacation		8,550
Prepaid dog licenses		18,900
Total current liabilities		36,867

NET ASSETS:

Unrestricted:		
Board designated	\$ 1,760,816	
Undesignated	1,305,525	
	3,066,341	
Temporarily restricted	195,055	
Permanently restricted	614,481	
Total net assets		3,875,877
		\$ 3,912,744

Blue Mountain Humane Society
Statement of Activities and Changes in Net Assets
Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<i>REVENUES AND SUPPORT:</i>				
Public support:				
Legacies and bequests	\$ 232,192	\$ 50,000	\$ -	\$ 282,192
Contributions	213,793	-	-	213,793
Grants	20,920	48,380	-	69,300
Contributions, in-kind	66,024	-	-	66,024
Fundraising	7,340	-	-	7,340
Memberships	2,820	-	-	2,820
Total public support	<u>543,089</u>	<u>98,380</u>	<u>-</u>	<u>641,469</u>
Special events revenue:				
Special events revenue	162,530	-	-	162,530
Less costs of direct benefits to donors	<u>25,362</u>	<u>-</u>	<u>-</u>	<u>25,362</u>
Net special events revenue	<u>137,168</u>	<u>-</u>	<u>-</u>	<u>137,168</u>
Other revenue:				
Contracts	92,116	-	-	92,116
Animal operations	80,415	-	-	80,415
Animal control fees	63,647	-	-	63,647
Total other revenue	<u>236,178</u>	<u>-</u>	<u>-</u>	<u>236,178</u>
Net assets released from restrictions	<u>31,200</u>	<u>(31,200)</u>	<u>-</u>	<u>-</u>
Total revenues and support	<u>947,635</u>	<u>67,180</u>	<u>-</u>	<u>1,014,815</u>
<i>EXPENSES:</i>				
Program services	771,280	-	-	771,280
Management and general	45,984	-	-	45,984
Fundraising	55,060	-	-	55,060
Total expenses	<u>872,324</u>	<u>-</u>	<u>-</u>	<u>872,324</u>
<i>CHANGES IN NET ASSETS</i>				
<i>BEFORE OTHER INCOME (LOSS)</i>	<u>75,311</u>	<u>67,180</u>	<u>-</u>	<u>142,491</u>
<i>OTHER INCOME (LOSS):</i>				
Interest income	72	-	-	72
Net investment loss	<u>(39,611)</u>	<u>(24,969)</u>	<u>-</u>	<u>(64,580)</u>
Total other loss	<u>(39,539)</u>	<u>(24,969)</u>	<u>-</u>	<u>(64,508)</u>
<i>CHANGES IN NET ASSETS</i>	35,772	42,211	-	77,983
<i>NET ASSETS, BEGINNING OF YEAR</i>	<u>3,030,569</u>	<u>152,844</u>	<u>614,481</u>	<u>3,797,894</u>
<i>NET ASSETS, END OF YEAR</i>	<u>\$ 3,066,341</u>	<u>\$ 195,055</u>	<u>\$ 614,481</u>	<u>\$ 3,875,877</u>

Blue Mountain Humane Society
Statement of Functional Expenses
Year Ended December 31, 2015

	Program Services	Management and General	Fundraising	Total
Salaries and payroll taxes	\$ 415,504	\$ 30,054	\$ 30,484	\$ 476,042
Animal care	99,299	-	-	99,299
Veterinary services and supplies	61,625	-	-	61,625
Depreciation	48,876	3,837	87	52,800
Utilities	35,070	1,846	-	36,916
Trap, neuter, and release	18,771	-	-	18,771
Staff development and training	17,165	-	-	17,165
Fundraising	-	-	14,689	14,689
Advertising	10,512	-	-	10,512
Supplies	9,454	1,050	-	10,504
Postage	2,973	-	6,384	9,357
Insurance	6,186	1,937	1,000	9,123
Repairs and maintenance	9,057	-	-	9,057
Bank charges	7,246	-	1,811	9,057
Computer maintenance	6,699	1,675	-	8,374
Contract labor	6,000	-	-	6,000
Taxes and licenses	5,662	-	-	5,662
Professional fees	-	4,980	-	4,980
Dues and subscriptions	2,822	605	605	4,032
Animal control	3,627	-	-	3,627
Vehicle	3,100	-	-	3,100
Offsite animal training	1,632	-	-	1,632
	<u>\$ 771,280</u>	<u>\$ 45,984</u>	<u>\$ 55,060</u>	<u>\$ 872,324</u>

Blue Mountain Humane Society
Statement of Cash Flows
Year Ended December 31, 2015

***INCREASE (DECREASE) IN CASH
AND CASH EQUIVALENTS***

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from operations and donors		\$ 878,022
Cash paid to suppliers and employees		(783,577)
Interest and dividends received		72
Net cash provided by operating activities		94,517

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	\$ (80,082)	
Proceeds from sale of investments	100,800	
Purchase of investments	(113,295)	
Net cash used in investing activities		(92,577)

NET INCREASE IN CASH AND CASH EQUIVALENTS 1,940

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 130,832

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 132,772

***Reconciliation of Changes in Net Assets to Net Cash
Provided by Operating Activities:***

Changes in net assets		\$ 77,983
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	\$ 52,800	
Donation of investments	(1,084)	
Realized loss on investments	54,585	
Unrealized loss on investments	112,050	
Interest and dividends reinvested	(102,055)	
Increase in assets:		
Accounts receivable	(2,325)	
Pledges and bequests receivable	(92,000)	
Prepaid expenses	(4,024)	
Increase (decrease) in liabilities:		
Accounts payable	(4,290)	
Payroll liabilities	4,041	
Accrued vacation	642	
Prepaid dog licenses	(1,806)	
Total adjustments	16,534	
Net cash provided by operating activities		\$ 94,517

Blue Mountain Humane Society

Notes to Financial Statements

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization:

Blue Mountain Humane Society (the Organization) is a not-for-profit charitable organization that provides support services for animals in Walla Walla, Washington, and surrounding areas. The Organization's primary purpose is to prevent cruelty and promote kindness to animals in their community. This is accomplished through the operation of an animal shelter, education programs, and cruelty and neglect investigations. Funding sources include the following:

- Shelter fees
- Municipal contracts for housing animals
- Memberships and donations from caring individuals and businesses

Summary of Significant Accounting Policies:

Basis of presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under those principles, the Organization 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.

Cash and cash equivalents – The Organization considers all highly liquid investments, with an original maturity of three months or less, to be cash equivalents. The Organization maintains its cash in bank deposit accounts with financial institutions. Cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation at various times during the year; management does not consider this to be a significant credit risk.

Receivables – Receivables are carried at their original amount, less an estimate made for doubtful accounts based on a review of all outstanding amounts on an annual basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Receivables are written off to the allowance when deemed uncollectible. No allowance was deemed necessary at December 31, 2015. Recoveries of receivables previously written off are recorded when received.

Property and equipment – Property and equipment are stated at cost or, if donated, at their approximate fair value at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets ranging from 5 to 39 years. The Organization capitalizes all property and equipment acquired in excess of \$1,000.

Other assets – Two rings were donated to the Organization during the year ended December 31, 2011, and are being held for sale at a consignment shop. These assets have been recorded at their estimated fair values at the date of donation.

Blue Mountain Humane Society

Notes to Financial Statements

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Summary of Significant Accounting Policies (continued):

Investments – The Organization records investments in marketable securities with readily determinable market values at their fair values in the statement of financial position. Investment securities consist of a highly diversified portfolio of equity securities and mutual funds. Investment income and losses restricted by donors are reported as changes in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and losses are recognized. Donated investments are recorded at the fair market value on the date of the gift. The investments in marketable securities are subject to market risk.

Financial instruments – At December 31, 2015, the carrying value of the Organization’s financial instruments approximated fair value.

Classification of contributions and net assets – Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. All donor-restricted support 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 and changes in net assets as net assets released from restrictions.

Temporarily restricted contributions received in the same period the restrictions are met are recorded as unrestricted contributions.

Revenue recognition – Gifts and contributions are recorded at fair value at the date of receipt or unconditional promise to give. Revenue from operations and grants is recognized when the related services are provided. Bequests are recorded when the Organization has established the right to the bequest and the proceeds are measurable.

In-kind contributions – Donated goods are recorded at their estimated fair value when received. Contributions of services are recognized if the services received create or enhance nonfinancial assets, require specialized skills, are provided by individuals possessing these skills, and would typically need to be purchased if not donated. The Organization reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Blue Mountain Humane Society

Notes to Financial Statements

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Summary of Significant Accounting Policies (continued):

Allocation of expenses – The costs of providing program services and other costs are reported on a functional basis in the statement of functional expenses. Accordingly, there are certain costs that are allocated among the programs and supporting service centers that benefit from such costs.

Advertising – Advertising costs are expensed as incurred. Advertising for the year ended December 31, 2015, was \$10,512.

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 of 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.

Income taxes – Under the provisions of Section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from federal income taxes, except for net income from unrelated business activities. For the year 2015, the Organization had no unrelated business activities subject to federal income tax. Management has evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustments to the financial statements. Management believes that the Organization is no longer subject to federal, state, or local income tax examinations by tax authorities for the tax years prior to 2012.

NOTE 2 – PLEDGES AND BEQUESTS RECEIVABLE:

As of December 31, 2015, the Organization's pledges and bequests receivable consisted of unconditional promises to give of \$92,000, which are expected to be collected within the next year.

NOTE 3 – SELF INSURANCE:

The Organization has elected to opt out of participation in the Washington State Employment Security Program. The Organization is self-insured for unemployment claims through 501(c) Agencies Trust. Contributions to 501(c) Agencies Trust are accumulated and used to pay future claims. The Organization could be required to make additional payments if claims exceed the accumulated contributions. At December 31, 2015, \$13,886 was held on deposit with 501(c) Agencies Trust, and is included in prepaid expenses. The ultimate costs of claims are accrued when incidents occur that give rise to claims.

Blue Mountain Humane Society

Notes to Financial Statements

NOTE 4 – CONSTRUCTION IN PROGRESS:

Construction in progress at December 31, 2015, included costs accumulated to date for the expansion and remodel of the Organization's building. The anticipated cost of the project is \$1,100,000 and is expected to be completed in 2017.

NOTE 5 – FAIR VALUE MEASUREMENTS:

The Financial Accounting Standards Board has established a fair value measurement standard, which establishes a three-level hierarchy for disclosure of assets and liabilities recorded at fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect estimates about market data.

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

Level 1 – Quoted prices are available in active markets for identical investments as of the measurement date. The Organization does not adjust the quoted price for these investments.

Level 2 – Pricing inputs are observable for the investments, either directly or indirectly, as of the measurement date, but are not the same as those used in Level 1. Fair value is determined through quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire measurement in the hierarchy.

Blue Mountain Humane Society Notes to Financial Statements

NOTE 5 – FAIR VALUE MEASUREMENTS (continued):

The following table discloses by level, within the fair value hierarchy, the Organization’s fair value measurements at December 31, 2015:

	Quoted Prices (Level 1)	Quoted Prices (Level 2)	Cost
Stocks:			
Growth	\$ 217,071	\$ -	\$ 199,584
Mid cap growth	209,162	-	159,882
Large blend	52,150	-	52,429
Large core	33,855	-	34,826
Mid core	15,489	-	15,745
Value	37,828	-	33,972
Growth and income	272,744	-	215,973
Mutual funds:			
Growth	228,800	-	209,238
Aggressive	71,268	-	82,314
Growth and income	370,941	-	327,774
Large blend	14,297	-	17,173
Income	542,076	-	530,654
Balanced	94,910	-	103,087
Large growth	22,653	-	20,104
Exchange traded and closed-end funds:			
Aggressive income	22,775	-	19,526
Taxable municipal bonds	-	44,521	45,583
Preferred and fixed rate cap securities:			
Bond equivalent	34,384	-	34,803
Growth and income	22,096	-	20,615
Income	65,681	-	67,141
Cash and cash equivalents	99,271	-	99,271
	\$ 2,427,451	\$ 44,521	\$ 2,289,694

There were no Level 3 investments at December 31, 2015.

The endowment fund consists of marketable securities valued at \$711,156 at December 31, 2015. Absent donor stipulations to the contrary, investment return related to permanently restricted net assets is recorded as temporarily restricted until appropriated by the Board of Directors.

Blue Mountain Humane Society

Notes to Financial Statements

NOTE 5 – FAIR VALUE MEASUREMENTS (continued):

Investment loss consisted of the following for the year ended December 31, 2015:

Interest and dividends	\$ 102,055
Realized loss	(54,585)
Unrealized loss	<u>(112,050)</u>
	<u>(\$64,580)</u>

NOTE 6 – ENDOWMENTS:

The Organization’s endowments consist of donor-restricted funds established to provide continuing resources for the Organization’s mission. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law:

The Board of Directors has interpreted the Washington State Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies permanently restricted net assets as:

- The original value of gifts donated to the permanent endowment;
- The original value of subsequent gifts to the permanent endowment; and
- Accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Blue Mountain Humane Society Notes to Financial Statements

NOTE 6 – ENDOWMENTS (continued):

The remaining portion of the donor-restricted endowment fund not classified as permanently restricted is classified as temporarily restricted until those amounts are appropriated for expenditure by the Board of Directors. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- General economic conditions;
- The possible effect of inflation and deflation;
- The role that each investment or course of action plays within the overall investment portfolio of the fund;
- The expected total return from income and the appreciation (depreciation) of investments;
- Other resources of the Organization;
- The needs of the Organization, or a particular fund within the Organization, to make distributions and to preserve capital; and
- An asset's special relationship or special value, if any, to the Organization's purposes.

Endowment funds as of December 31, 2015, are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 96,675	\$ 614,481	\$ 711,156

Changes in the endowment funds for the year ended December 31, 2015, are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment funds, December 31, 2014	\$ -	\$ 152,844	\$ 614,481	\$ 767,325
Investment return:				
Net investment income	-	23,681	-	23,681
Net depreciation (realized and unrealized)	-	(48,650)	-	(48,650)
Net endowment loss	-	(24,969)	-	(24,969)
Appropriation of endowment for expenditure	-	(31,200)	-	(31,200)
Endowment funds, December 31, 2015	\$ -	\$ 96,675	\$ 614,481	\$ 711,156

Blue Mountain Humane Society

Notes to Financial Statements

NOTE 6 – ENDOWMENTS (continued):

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 UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets. There are no funds that have a deficiency as of December 31, 2015.

Return objective and risk parameters:

The Organization has adopted investment and spending policies for endowment assets with the long-term goal of preserving the asset size and for providing the same level of support in real dollars. The second long-term goal is to modestly grow the asset size of the investment portfolio by realizing a real rate of total return of 10% after administrative and management expenses. Actual results in any given year may vary from this amount.

Strategies employed for achieving objectives:

The goals of the Endowment Committee are to realize investment appreciation, consistent with safety of principal. The Organization will use an asset allocation model to define the optimum portfolio mix that relates an expected rate of total return with an expected risk profile of each investment category as well as the overall portfolio. The Organization has adopted the following asset allocation: large cap domestic stocks (25% - 45%), small/mid cap domestic stocks (10% - 30%), international stocks (0% - 20%), domestic fixed income (20% - 40%), alternative investments (0% - 10%), and cash equivalents (0% - 15%).

Spending policy and how the investment objective relates to spending policy:

The Organization periodically reviews the appropriate investment goal for the annual total return of assets. This goal is expressed in terms of a five-year rolling average and is net of investment fees paid to investment managers and for custodial services. The appropriate total return goal shall be established to support an annual spending rate of 4%.

Blue Mountain Humane Society Notes to Financial Statements

NOTE 7 – NET ASSET RESTRICTIONS:

At December 31, 2015, a portion of the Organization's unrestricted net assets was designated by the Board of Directors for specific purposes, as follows:

Board restricted reserve	\$ 1,694,452
Building reserve	<u>66,364</u>
	<u>\$ 1,760,816</u>

Temporarily restricted net assets as of December 31, 2015, consisted of the following:

Endowment earnings available for appropriations, timing restriction	\$ 96,675
Pledges and bequests receivable, timing restriction	92,000
Shelter enhancements grant, purpose restriction	<u>6,380</u>
	<u>\$ 195,055</u>

NOTE 8 – DONOR-DESIGNATED FUNDS:

The Organization has been named a beneficiary of donor-designated funds maintained by the Blue Mountain Community Foundation (the Foundation). The designated funds are subject to the Foundation's variance power, which allows their Board of Directors to modify any restriction or condition placed on the gifts to the Foundation. Due to this variance power, the Organization does not record an asset or recognize revenue related to these funds until received. During the year ended December 31, 2015, the Organization received \$51,891, from the donor-designated funds that is included in contributions in the statement of activities. As of December 31, 2015, balances in donor-designated funds for the Organization that are maintained by the Foundation were \$1,657,850.

NOTE 9 – IN-KIND CONTRIBUTIONS:

The Organization receives a significant amount of donated goods and services from volunteers. Contributions of services are recognized if the services received create or enhance nonfinancial assets, require specialized skills, are provided by individuals possessing these skills, and would typically need to be purchased if not donated. Veterinarians have donated their time to assist in altering cats. The fair value of these services was estimated to be \$10,016 for the year ended December 31, 2015.

Blue Mountain Humane Society

Notes to Financial Statements

NOTE 9 – IN-KIND CONTRIBUTIONS (continued):

In-kind contributions consisted of the following during the year ended December 31, 2015:

Animal care supplies	\$ 53,208
Professional services	10,016
Other supplies	1,716
Investment donations	1,084
	<u>\$ 66,024</u>

NOTE 10 – NONCASH INVESTING ACTIVITIES:

Each year, the Organization purchases and sells within its investment accounts, with no resulting cash activity. In addition, income is also automatically reinvested. The following summarizes the noncash investing transactions for the year ended December 31, 2015:

Sales	\$ 507,452
Purchases	(837,470)
Interest and dividends reinvested	102,055

NOTE 11 – CONCENTRATIONS:

During the year ended December 31, 2015, approximately 27% of revenue and support was received from three bequests.

NOTE 12 – SUBSEQUENT EVENTS:

Subsequent events have been evaluated by management through February 29, 2016, which is the date the financial statements were available to be issued.