

Humane Society of South Coastal  
Georgia, Inc.

Financial Report

For the Years Ended  
December 31, 2015 and 2014



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Humane Society of South Coastal Georgia, Inc.  
Brunswick, Georgia

We have audited the accompanying financial statements of the Humane Society of South Coastal Georgia, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years 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 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 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 auditor's 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 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 the Humane Society of South Coastal Georgia, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Moore Stephens Liller LLC*

Brunswick, Georgia  
January 17, 2017

Humane Society of South Coastal Georgia, Inc.

Statements of Financial Position

December 31, 2015 and 2014

Assets

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 215,519	\$ 317,936
Pledges receivable, net	29,350	111,800
Other receivable	760	-
Beneficial interest in remainder trust	82,939	90,994
Perpetual trust held by others	2,675,650	2,859,103
Inventories	11,195	11,195
Investments	15,965	-
Prepaid expenses	1,097	3,395
Property and equipment, net	<u>1,807,592</u>	<u>1,874,055</u>
Total Assets	<u>\$ 4,840,067</u>	<u>\$ 5,268,478</u>

Liabilities and Net Assets

Liabilities

Accounts payable	\$ 1,979	\$ 28,263
Sales tax payable	559	520
Payroll taxes payable	4,095	11,925
Accrued expenses	2,365	14,917
Advance from trust	<u>100,000</u>	<u>200,000</u>
Total liabilities	<u>108,998</u>	<u>255,625</u>

Net Assets

Unrestricted	2,043,134	2,150,960
Temporarily restricted	12,285	2,790
Permanently restricted	<u>2,675,650</u>	<u>2,859,103</u>
Total net assets	<u>4,731,069</u>	<u>5,012,853</u>

Total Liabilities and Net Assets	<u>\$ 4,840,067</u>	<u>\$ 5,268,478</u>
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*See accompanying notes to the financial statements.*

Humane Society of South Coastal Georgia, Inc.  
Statements of Activities

For the Years Ended December 31, 2015 and 2014

	2015	2014
Unrestricted Net Assets		
Unrestricted revenues, gains and other support		
Contributions	\$ 182,374	\$ 210,233
Membership dues	7,750	4,010
Adoptions and surrenders	67,384	48,384
Microchip and rabies	3,805	6,335
Public spay and neuter	49,570	55,747
Special events	54,755	176,905
Kennel products	40,759	39,329
Memorials and sponsorships	24,366	32,081
Interest income	360	225
Realized and unrealized gains on investments	955	-
Loss on disposal of assets	(930)	-
Other income	10,831	3,406
Total unrestricted net assets	441,979	576,655
Net assets released from restrictions	239,775	213,725
Total unrestricted revenues, gains and other support and net assets released from restrictions	\$ 681,754	\$ 790,380

*See accompanying notes to the financial statements.*

Humane Society of South Coastal Georgia, Inc.  
Statements of Activities

For the Years Ended December 31, 2015 and 2014

	2015	2014
Expenses		
Cost of goods sold	\$ 18,788	\$ 12,976
Program services	650,856	660,930
Supporting services:		
General and administrative	68,608	86,626
Fundraiser	51,328	101,852
Total expenses	789,580	862,384
Increase (Decrease) in unrestricted net assets	(107,826)	(72,004)
Temporarily Restricted Net Assets		
Contributions and pledges	128,370	9,087
Change in value of remainder trusts	(8,055)	(5,557)
Bad debt loss	(14,000)	-
Net assets released from donor restrictions	(96,820)	(67,534)
Increase (Decrease) in temporarily restricted net assets	9,495	(64,004)
Permanently Restricted Net Assets		
Contributions	-	200
Change in value of perpetual trust held by others	(40,498)	81,273
Net assets released from donor restrictions	(142,955)	(146,191)
Increase (Decrease) in permanently restricted net assets	(183,453)	(64,718)
Decrease	(281,784)	(200,726)
Net Assets, Beginning	5,012,853	5,213,579
Net Assets, Ending	\$ 4,731,069	\$ 5,012,853

*See accompanying notes to the financial statements.*



Humane Society of South Coastal Georgia, Inc.  
 Statements of Functional Expenses  
 For the Years Ended December 31, 2015 and 2014

Supporting Services

	Program Services	General & Administrative	Fundraising	Total Supporting Services	2015 Total	2014 Total
Salaries	\$ 340,791	\$ 13,480	\$ 11,921	\$ 25,401	\$ 366,192	\$ 333,744
Payroll taxes	32,242	1,991	1,707	3,698	35,940	38,511
Employee expenses	4,679	415	-	415	5,094	1,833
Automobile expenses	805	-	-	-	805	597
Dues and subscriptions	32	32	81	113	145	111
Food	6,240	-	-	-	6,240	1,462
Kennel supplies	13,249	585	-	585	13,834	16,859
Veterinary expenses	69,631	-	-	-	69,631	76,922
Veterinary service	42,651	-	-	-	42,651	68,066
Repairs and maintenance	12,716	-	-	-	12,716	19,921
Utilities	45,505	7,970	-	7,970	53,475	56,792
Office supplies	5,213	5,087	878	5,965	11,178	6,539
Insurance	13,903	2,321	867	3,188	17,091	15,603
Interest	-	79	-	79	79	-
Professional fees	-	16,383	4,841	21,224	21,224	46,447
Publicity and education	5,595	-	12,791	12,791	18,386	20,782
Telephone	3,892	687	-	687	4,579	4,847
Taxes and licenses	-	-	-	-	-	608
Travel and training	654	-	-	-	654	1,326
Miscellaneous	2,038	152	2,195	2,347	4,385	7,352
Fundraising events	-	638	15,323	15,961	15,961	60,822
Bank Charges	1	4,274	724	4,998	4,999	4,627
Total expenses before depreciation	599,837	54,094	51,328	105,422	705,259	783,771
Depreciation	51,019	14,514	-	14,514	65,533	65,637
Total Expenses	<u>\$ 650,856</u>	<u>\$ 68,608</u>	<u>\$ 51,328</u>	<u>\$ 119,936</u>	<u>\$ 770,792</u>	<u>\$ 849,408</u>

*See accompanying notes to the financial statements.*

Humane Society of South Coastal Georgia, Inc.

Statements of Cash Flows

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities		
Decrease in net assets	\$ (281,784)	\$ (200,726)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	65,533	65,637
Bad debt	14,000	-
Realized and unrealized gains on investments	(955)	-
Loss on disposal of assets	930	-
Noncash contributions	(15,010)	-
Contributions permanently restricted	-	(200)
Distribution from perpetual trust	142,955	146,191
Changes in operating assets and liabilities:		
Pledges receivable	68,450	102,554
Other receivables	(760)	-
Beneficial interest in remainder trusts	8,055	11,410
Perpetual trust held by others	40,498	(81,273)
Prepaid expenses	2,298	(1,434)
Accounts payable	(26,284)	26,218
Sales tax payable	39	(1,736)
Payroll taxes payable	(7,830)	4,314
Accrued Expenses	(12,552)	987
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>(2,417)</u>	<u>71,942</u>
Cash Flows from Investing Activities		
Purchase of property and equipment	-	(7,262)
<i>Net Cash (Used in) Investing Activities</i>	<u>-</u>	<u>(7,262)</u>
Cash Flows from Financing Activities		
Repayment to Trust	(100,000)	(50,000)
<i>Net Cash (Used in) Financing Activities</i>	<u>(100,000)</u>	<u>(50,000)</u>
Net Change in Cash and Cash Equivalents	<u>(102,417)</u>	<u>14,680</u>
Cash and Cash Equivalents, Beginning	<u>317,936</u>	<u>303,256</u>
Cash and Cash Equivalents, Ending	<u>\$ 215,519</u>	<u>\$ 317,936</u>
Supplemental schedule of noncash investing and financing activities		
Cash used to pay interest	<u>\$ 79</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

Humane Society of South Coastal Georgia, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

**NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations** – The Humane Society of South Coastal Georgia, Inc. (the “Society”) is a not-for-profit independent animal shelter located in Brunswick, Georgia, providing a haven for stray, abandoned and injured animals. The Society’s services include animal adoptions, animal cruelty prevention and a spay and neutering program. The Society is governed by a Board of Directors consisting of fourteen to twenty members and derives its operating funds primarily through donor contributions. The Society was incorporated in the State of Georgia on December 29, 1967.

**Basis of Accounting** – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Basis of Presentation** – The accounting and financial statement presentation of the Society follows accounting principles generally accepted in the United States of America (“GAAP”) as issued by the Financial Accounting Standards Board in their *Accounting Standards Codification*. To ensure observance of limitations and restrictions placed on the use of resources available to the Society, GAAP requires that resources be classified into categories established according to their nature and purpose. The Society reports its financial position and activities according to three classes of net assets as follows:

**Unrestricted** – Net assets are resources that are neither permanently nor temporarily restricted by donor-imposed stipulations. The only limits on unrestricted net assets are those resulting from the nature of the Society and its purposes.

**Temporarily restricted** – Net assets are resources whose use by the Society is limited by donor-imposed restrictions that either expire by the passage of time or can be removed by actions of the Society.

**Permanently restricted** – Net assets are resources whose use by the Society is limited by donor-imposed stipulations that neither expire by the passage of time nor can be removed by the actions of the Society.

**Contributions** – In accordance with GAAP, contributions received as well as unconditional promises to give are recognized in the year the promise is received. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Contributions that are expected to be received in future years are recorded at the present value of their estimated future cash flows. Amortization of the discounts is included in contributions in the accompanying statement of activities. No discount on unconditional promises to give has been recognized for the years ended December 31, 2015 and 2014.

Humane Society of South Coastal Georgia, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

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 stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from donor restrictions.

**Cash and Cash Equivalents** – The Society considers all highly liquid investments that are readily convertible into cash with maturity of three months or less when purchased to be cash equivalents.

**Pledges Receivable** – Contributions are recognized when a donor makes a substantially unconditional promise to give to the Society. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets as determined by the nature of the restriction. As restrictions expire, temporarily restricted net assets are reclassified to unrestricted net assets. Promises to give are reviewed for collectability and reserves are established for estimated uncollectible amounts.

The Society uses the allowance method to determine uncollectible unconditional pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

**Beneficial Interest in Remainder Trusts** – The Society is a beneficiary of the remainder interest of two charitable remainder trusts that are held and administered by an unrelated trustee. Under the terms of the trusts, the trustee makes distributions to the income beneficiaries for their lifetime. Upon the death of the income beneficiaries, a portion of the remaining assets in the trust fund will be transferred to the Society. The Society has recorded its beneficial interest in the trust fund at fair value, estimated as the net present value of the expected future amount to be received.

**Perpetual Trust Held by Others** – The Society is the sole beneficiary of the Humane Society of South Coastal Georgia Consolidated Trust, a perpetual irrevocable trust held and administered by independent trustees. Under the terms of the trust, the Society has the right to petition the trust for distributions but the aggregate amount of annual distributions generally cannot exceed 5% of the net fair market value of the assets of the trust as of the first day of each applicable year. The fair value of the beneficial interest in the trust was recognized as an asset and as a permanently restricted contribution at the date the trust was established. The Society's estimate of fair value is based on fair value information received from the trustee. The trust assets are not subject to the control or direction by the Society. Gains and losses, which are not distributed by the trust, are reflected as a change in value of perpetual trust held by others in the statements of activities.

Humane Society of South Coastal Georgia, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

Below is a summary of the assets of the Humane Society of South Coastal Georgia Consolidated Trust at December 31, 2015 and 2014 as provided to the Society by the trustee:

	2015		2014	
	Market	Cost	Market	Cost
Equities	\$ 1,583,699	\$ 1,564,407	\$ 1,682,740	\$ 1,582,140
Fixed income	885,162	894,721	822,092	839,781
	2,468,861	2,459,128	2,504,832	2,421,921
Money market funds	101,249	101,249	152,787	152,787
Note receivable	100,000	100,000	200,000	200,000
Accrued interest income	5,540	-	1,484	-
	<u>\$ 2,675,650</u>	<u>\$ 2,660,377</u>	<u>\$ 2,859,103</u>	<u>\$ 2,774,708</u>

**Property and Equipment** – Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the individual assets. Donated property and equipment are recorded at the estimated fair market value on the date received. Maintenance and repairs are charged to expense as incurred. Major repairs and improvements are capitalized and depreciated at the applicable straight-line rates. The cost and accumulated depreciation of property retired, sold or disposed of are removed from the related accounts with any gain or loss credited or charged to income. Estimated useful lives of assets are as follows:

Type of Property	Estimated Useful Life
Fencing and paving	10-20 years
Building improvements	5-40 years
Equipment	5-25 years

**Functional Allocation of Expenses** – The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Income Taxes** – Under GAAP, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using currently enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

Humane Society of South Coastal Georgia, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

GAAP prescribes a threshold for measurement and recognition in the financial statements of an asset or liability resulting from a tax position taken or expected to be taken in an income tax return. GAAP also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

The Society is a tax exempt entity under Section 501(c)(3) of the Internal Revenue Code and as such generally is not subject to income taxes except for income for unrelated business activity. The Society has evaluated both its federal and state income tax positions, including positions that could have an effect on the Society's exempt status, and has concluded that it has no uncertain tax positions that require disclosure.

The Society files informational returns in the U.S. federal jurisdiction and one state jurisdiction. As of December 31, 2015, the Society is generally no longer subject to federal or state tax audits for years before 2012. Interest and penalties are expensed as incurred. There were no interest and penalties charged to expense for the years ended December 31, 2015 and 2014.

**Contributed Services** – During the years ended December 31, 2015 and 2014, the value of contributed services meeting the requirement for recognition in the financial statements was not material and has not been recorded.

**In-Kind Donations** – In-kind donations are reflected as contributions at their estimated fair value at the date of the donation. The Society reports in-kind gifts as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. During 2015, the Society received no in-kind donations. The Society received \$42,029 in-kind donations in 2014.

**Estimates** – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates but are not expected to be material.

Humane Society of South Coastal Georgia, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

**NOTE 2 - PLEDGES RECEIVABLE**

Pledges receivable are expected to be collected as follows as of December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Less than one year	\$ 22,350	\$ 103,800
One year to five years	<u>12,000</u>	<u>23,000</u>
	34,350	126,800
Less allowance for doubtful pledges	<u>(5,000)</u>	<u>(15,000)</u>
	<u>\$ 29,350</u>	<u>\$ 111,800</u>

**NOTE 3 - INVENTORY**

Inventory consists of merchandise in the Society's store and is stated at the lower of cost or market on a first in, first out basis.

**NOTE 4 - RESTRICTED NET ASSETS**

Temporarily restricted net assets were available for the following purposes as of December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Construction of facilities and purchase of equipment	\$ 100,000	\$ 200,000
Less: future pledge collections restricted to repayment of advance funding from perpetual trust	<u>(100,000)</u>	<u>(200,000)</u>
	-	-
General support	<u>12,285</u>	<u>2,790</u>
	<u>\$ 12,285</u>	<u>\$ 2,790</u>

Permanently restricted net assets consist of the beneficial interest in assets held by the Humane Society of South Coastal Georgia Consolidated Trust. For the years ended December 31, 2015 and 2014, the estimated fair value of trust assets was \$2,675,650 and \$2,859,103, respectively.

**NOTE 5 - FAIR VALUE MEASUREMENTS**

In accordance with the authoritative guidance on fair value measurements and disclosures under GAAP, the Society discloses and recognizes the fair value of its assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical

# Humane Society of South Coastal Georgia, Inc.

## Notes to Financial Statements

December 31, 2015 and 2014

assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The guidance establishes three levels of fair value as follows:

Level 1 — Valuation is based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical investments.

Level 2 — Valuation is based on inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active and investments in investees which may permit redemption at the net asset value (or equivalent) within the near term of the measurement date.

Level 3 — Valuation is based on unobservable inputs and investments in investees which do not permit redemption at the net asset value (or equivalent) within the near term of the measurement date.

The Society's Level 3 assets subject to fair value measurement on a recurring basis consist of beneficial interest in trusts. The Society relies on fair value information provided by the trustees to measure and report the fair value of its beneficial interest in the trusts. The inputs or methodology used for valuing the Society's beneficial interest in the trusts are not necessarily an indication of the risk associated with the underlying investments held by the trusts. The common stocks are valued at their quoted market price in active markets.

Assets as of December 31, 2015 measured at fair value are summarized below:

	Level 1	Level 2	Level 3	Total
Beneficial interest in remainder trusts	\$ -	\$ -	\$ 82,939	\$ 82,939
Perpetual trust held by others	-	-	2,675,650	2,675,650
Common Stocks	15,965	-	-	15,965
<b>Total</b>	<b>\$ 15,965</b>	<b>\$ -</b>	<b>\$ 2,758,589</b>	<b>\$ 2,774,554</b>

Assets as of December 31, 2014 measured at fair value are summarized below:

	Level 1	Level 2	Level 3	Total
Beneficial interest in remainder trusts	\$ -	\$ -	\$ 90,994	\$ 90,994
Perpetual trust held by others	-	-	2,859,103	2,859,103
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,950,097</b>	<b>\$ 2,950,097</b>



Humane Society of South Coastal Georgia, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

Changes in assets measured at fair value using Level 3 inputs are as follows:

Balance at December 31, 2013	\$ 3,026,225
Distributions received from trusts	(152,044)
Total gains and losses (realized/unrealized), net of fees included in changes in net assets	<u>75,916</u>
Balance at December 31, 2014	2,950,097
Distributions received from trusts	(142,955)
Total gains and losses (realized/unrealized), net of fees included in changes in net assets	<u>(48,553)</u>
Balance at December 31, 2015	<u>\$ 2,758,589</u>

Investment fees for the years ending December 31, 2015 and 2014 were \$33,818 and \$33,750, respectively.

**NOTE 6 - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Land	\$ 152,822	\$ 152,822
Fencing & paving	10,443	11,102
Building improvements	1,822,322	1,822,322
Equipment	85,652	102,735
Vehicles	<u>33,000</u>	<u>33,000</u>
Total	2,104,239	2,121,981
Less: accumulated depreciation	<u>(296,647)</u>	<u>(247,926)</u>
Property & Equipment, net	<u>\$ 1,807,592</u>	<u>\$ 1,874,055</u>

Depreciation expense as of December 31, 2015 and 2014 totaled \$65,533 and \$65,637, respectively.

**NOTE 7 - LINE OF CREDIT**

During 2015 and 2014, the Organization had an available line of credit of \$100,000 with a financial institution at an interest rate of 3.25% secured by the assets of the Society. The balance of this line of credit was zero as of December 31, 2015 and 2014 and matures in March 2017.

Humane Society of South Coastal Georgia, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

**NOTE 8 – ADVANCE FROM PERPETUAL TRUST**

During 2011, the Humane Society of South Coastal Georgia Consolidated Trust (the “Consolidated Trust”) made special distributions to the Society in the aggregate amount of \$450,000. The special distributions were made to provide advance funding for construction of a new animal shelter. Under a capital campaign to raise funds for the animal shelter construction, the Society had received or anticipated receiving pledges from donors earmarked for the animal shelter construction. Under the terms of the special distribution, the Society is required to repay from capital campaign pledge collections the amount of the advance funding received from the Consolidated Trust. Consistent with the expected collection of pledge receivables, re-payments to the Consolidated Trust are expected to be as follows for the years ending December 31:

	2015	2014
2015	\$ -	\$ 103,800
2016	22,350	13,000
2017	12,000	83,200
2018	65,650	-
	<u>\$ 100,000</u>	<u>\$ 200,000</u>

**NOTE 9 - EXPENSE CLASSIFICATION**

Below is a functional classification of the Society’s expenses for the year ended December 31, 2015 and 2014:

	2015	2014
Program services	\$ 650,856	\$ 660,930
General & administrative services	68,608	86,626
Fundraising expenses	51,328	101,852
Total operating expenses	<u>\$ 770,792</u>	<u>\$ 849,408</u>

Fundraising activities involve inducing potential donors to contribute money, securities, services, materials, facilities, other assets, or time. They include publicizing and conducting fundraising campaigns; maintaining donor mailing lists; conducting special fundraising events; and conducting other activities involved with soliciting contributions from individuals, foundations, and others.

Humane Society of South Coastal Georgia, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

***NOTE 10 - CONCENTRATION OF CREDIT RISK***

The Humane Society of South Coastal Georgia, Inc. maintains a large portion of its cash balance in a single financial institution. The Federal Deposit Insurance Corporation insures the checking, savings and certificate of deposit accounts up to \$250,000. At times during the years ended December 31, 2015 and 2014, the Society had balances in excess of the insured amount.

***NOTE 11 - SUBSEQUENT EVENTS***

The Society has evaluated subsequent events occurring after December 31, 2015 through January 17, 2017, which is the date on which the financial statements were available for issuance.

No significant events occurred subsequent to the statement of financial position date but prior to issuance that would have a material impact on the financial statements or disclosures.