

Heartland Humane Society

Audited Financial Statements
June 30, 2017 and 2016

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Acumen Financial Services Group, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Heartland Humane Society
Corvallis, Oregon

We have audited the accompanying financial statements of Heartland Humane Society (a nonprofit organization), which comprises the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities 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.

Auditor's 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 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 Heartland Humane Society as of June 30, 2017 and 2016, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on page 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Acumen Financial Services Group, PC

Albany, OR

October 10, 2017

Heartland Humane Society

Statements of Financial Position

June 30, 2017 and 2016

<u>Assets</u>	<u>2017</u>	<u>2016</u>
Current assets:		
Cash and cash equivalents	\$ 273,773	415,547
Accounts receivable	5,320	1,940
Pledge receivable, current and net	45,490	27,650
Inventory	31,854	31,958
Prepaid expenses	13,863	12,697
	<u>370,300</u>	<u>489,792</u>
Noncurrent assets:		
Pledge receivable, net of current	84,006	84,717
Investments	138,557	130,727
Property and equipment - net	839,663	740,051
	<u>\$ 1,432,526</u>	<u>1,445,287</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	\$ 17,336	9,609
Accrued liabilities	44,778	35,058
	<u>62,114</u>	<u>44,667</u>
<u>Net Assets</u>		
Net assets:		
Unrestricted	1,211,786	1,268,078
Temporarily restricted	158,626	132,542
	<u>1,370,412</u>	<u>1,400,620</u>
	<u>\$ 1,432,526</u>	<u>1,445,287</u>

See accompanying notes to financial statements and independent auditor's report.

Heartland Humane Society

Statement of Activities

For the year ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017</u>
Revenues:			
Animal services	\$ 205,125	-	205,125
Contributions	188,259	187,196	375,455
Thrift shop and retail sales (net of associated cost of \$73,844)	214,181	-	214,181
Donated equipment, goods and services - other	59,955	-	59,955
Grant income	12,078	-	12,078
Humane education	15,466	-	15,466
Special events	98,244	-	98,244
Dividends and interest	5,233	-	5,233
Net realized and unrealized (losses) and gains on investments	9,663	-	9,663
Miscellaneous income	1,986	-	1,986
Total revenues and other support	<u>810,190</u>	<u>187,196</u>	<u>997,386</u>
Less amounts released from temporary restrictions	<u>161,112</u>	<u>(161,112)</u>	<u>-</u>
Expenses:			
Program services	756,898	-	756,898
Supporting services			
Management and general	110,663	-	110,663
Fund-raising	160,033	-	160,033
Total expenses	<u>1,027,594</u>	<u>-</u>	<u>1,027,594</u>
Change in net assets	(56,292)	26,084	(30,208)
Beginning net assets	<u>1,268,078</u>	<u>132,542</u>	<u>1,400,620</u>
Ending net assets	<u>\$ 1,211,786</u>	<u>158,626</u>	<u>1,370,412</u>

Heartland Humane Society

Statement of Activities

For the year ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016</u>
Revenues:			
Animal services	\$ 194,962	-	194,962
Contributions	238,213	138,417	376,630
Thrift shop and retail sales (net of associated cost of \$65,651)	227,537	-	227,537
Donated equipment, goods and services - other	57,223	-	57,223
Grant income	500	-	500
Humane education	14,268	-	14,268
Special events	94,101	-	94,101
Dividends and interest	6,401	-	6,401
Net realized and unrealized (losses) and gains on investments	(6,708)	-	(6,708)
Miscellaneous income	7,844	-	7,844
	<u>834,341</u>	<u>138,417</u>	<u>972,758</u>
Total revenues and other support			
	<u>5,875</u>	<u>(5,875)</u>	<u>-</u>
Less amounts released from temporary restrictions			
Expenses:			
Program services	671,896	-	671,896
Supporting services			
Management and general	105,749	-	105,749
Fund-raising	179,664	-	179,664
	<u>957,309</u>	<u>-</u>	<u>957,309</u>
Total expenses			
Change in net assets	(117,093)	132,542	15,449
Beginning net assets	<u>1,385,171</u>	<u>-</u>	<u>1,385,171</u>
Ending net assets	<u>\$ 1,268,078</u>	<u>132,542</u>	<u>1,400,620</u>

See accompanying notes to financial statements and independent auditor's report.

Heartland Humane Society

Statements of Cash Flows

For the years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities:		
Net Income (Loss)	\$ (30,208)	15,449
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	32,869	36,385
Net realized and unrealized losses and (gains) on investments	(9,663)	6,707
Investment income, net of management fees	(3,658)	(4,924)
Changes in operating assets and liabilities		
Receivables	(20,509)	(103,594)
Inventory	104	6,290
Prepaid expenses	(1,166)	(3,372)
Accounts payable	7,727	(5,706)
Accrued liabilities	9,720	8,589
Net Cash from Operating Activities	<u>(14,784)</u>	<u>(44,176)</u>
Cash Flows From Investing Activities:		
Proceeds from sale of investments	5,492	4,123
Purchase of equipment/land costs	<u>(132,482)</u>	<u>(8,827)</u>
Net Cash from Investing Activities	<u>(126,990)</u>	<u>(4,704)</u>
Net Change in Cash	(141,774)	(48,880)
Cash, Beginning of Year	<u>415,547</u>	<u>464,427</u>
Cash, End of Year	<u>\$ 273,773</u>	<u>415,547</u>
Supplemental Disclosures of Cash Flow Information		
Income Taxes	<u>\$ 236</u>	<u>232</u>

Notes to the Financial Statements

For the years ended June 30, 2017 and 2016

(1) Summary of Significant Accounting Policies

Organization and Nature of Activities

Heartland Humane Society (Heartland), located in Corvallis, Oregon, is a nonprofit corporation founded in 1966 under the laws of the State of Oregon. Heartland's mission is to build a more compassionate community by teaching humane messages to our youth, caring for homeless animals and strengthening the human-animal bond. Heartland's major programs include providing humane education to the youth in the community, operating an open door animal shelter, operating an animal adoption program, and administering a spay/neuter program.

Income Taxes

Heartland is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. There was no unrelated business income for 2017 or 2016. Heartland believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Heartland's form 990, *Return of Organization Exempt from Income Tax*, for the years ending 2016, 2015 and 2014 are subject to examination by the IRS, generally for 3 years after they were filed.

Basis of Accounting

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.

Use of Estimates

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

Heartland Humane Society

Notes to the Financial Statements

For the years ended June 30, 2017 and 2016

(1) Summary of Significant Accounting Policies (cont.)

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid instruments with original maturities of three months or less. Heartland routinely invests its surplus funds in money market funds. These funds generally invest in highly liquid U.S. government and agency obligations. Heartland maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Heartland has not experienced any losses in such accounts.

Inventory

Heartland maintains two inventories, one for their thrift shop (The Heartland Humane Society Thrift shop) and one for their shelter (Paws and Claws). The thrift shop inventory is comprised solely of donated inventory which is carried at fair value, which is estimated by reviewing post statement of financial position sales. The Paws and Claws inventory is purchased and re-sold. Accordingly, this inventory is carried at the lower of cost or market.

Investments

Investments in equity securities with readily determinable fair values are carried at fair value in the statement of financial position. Beneficial interests in pooled investments held by others are carried at values determined using level 3 inputs as further described at Note 10 "Fair Value of Financial Instruments". Investment income or loss (including gains and losses on investments) are included in the statement of activities as increases or decreases in unrestricted net assets, unless the income or loss is restricted by donor or law. Investment income or loss that is limited to specific uses by donor-imposed restrictions may be reported as increases or decreases in unrestricted net assets if the restrictions are met in the same reporting period as the income or loss is recognized.

Notes to the Financial Statements

For the years ended June 30, 2017 and 2016

(1) Summary of Significant Accounting Policies (cont.)

Property and Equipment

Acquisitions of property, fixtures, and equipment in excess of \$1,000 are capitalized. Property and equipment acquisitions are recorded at cost. Depreciation and amortization expense for the years ended June 30, 2017 and 2016 was \$32,869 and \$36,385. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. The estimated useful life of each class of depreciable asset is as follows:

Building and improvements	39 Years
Furniture and equipment	5 to 7 Years

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, and are included in unrestricted revenues, gains, and other support over (under) expenses, 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 or cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long lived assets are placed in service.

Restricted Net Assets

Heartland's statements of financial position reflect restrictions placed on their net assets. On December 13, 2007, Heartland's Board established the Heartland Humane Society Endowment Fund, a board-designated endowment. The purpose of this endowment is to help support the ongoing operational needs of Heartland. Net income not retained to preserve the principal of this fund is disbursed annually to Heartland for general operations. The fund is included with unrestricted net assets as the restrictions on the fund are at the Board's discretion.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Heartland Humane Society

Notes to the Financial Statements

For the years ended June 30, 2017 and 2016

(1) Summary of Significant Accounting Policies (cont.)

Contributions

Contributions are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor's restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as "net assets released from restrictions".

Donor-restricted contributions, whose restrictions are met within the same year as received, are reported as unrestricted contributions in the accompanying financial statements. Capital campaign contributions are reported as temporarily restricted contributions in the year received, even when the restrictions are met in the same year.

Unconditional promises to give cash and other assets to Heartland are reported at fair value at the date the promise is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. If material, the discounts on future cash flows are computed using risk-free interest rates applicable to the year in which the promises are to be received. Amortization of the discounts are included in contribution revenue. Heartland uses the allowance method to estimate uncollectible unconditional promises to give. The allowance reduces unconditional promises to give, recorded in the statement of financial position, to estimated net collectible amounts. The allowance estimate is based on prior year's collection experience and management's assessment of specific promises made.

Conditional promises to give, and indications of intentions to give, are reported at fair value at the date the gift is received.

Donated Equipment, Goods and Services

Goods donated to the thrift shop for resale are recorded at their actual sales value (i.e. the amount received when actually sold) which most accurately reflects the fair value of the donated items. These items turnover quickly, typically within a month, and it is impractical to value them when received. Fiscal year-end adjustments are made to these donations and related inventory to adequately reflect their fair market value at fiscal year-end by reviewing post balance sheet sales.

Notes to the Financial Statements

For the years ended June 30, 2017 and 2016

(1) Summary of Significant Accounting Policies (cont.)

Donated Equipment, Goods and Services (cont.)

Professional services, when donated, are reflected in the statement of activities at their fair value. Equipment, goods, and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt. Donated services were valued at \$1,983 and \$3,279 for the years ending June 30, 2017 and 2016 respectively.

Functional Allocation of Expenses

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

Subsequent Events

The organization has evaluated subsequent events through October 10, 2017, the date which the financial statements were available to be issued.

(2) Promises to Give

Conditional promises to give are as follows as of June 30:

	<u>2017</u>	<u>2016</u>
Named beneficiary of estate in will	\$ 60,000	\$ 60,000
Named contingent beneficiary of estate in trust	1,071	1,071
Named cash beneficiary in bequest	5,000	5,000
Named cash beneficiary in bequest	3,000	3,000
Named cash beneficiary in bequest	5,000	5,000
Named cash beneficiary in bequest	9,000	9,000
Named cash beneficiary in bequest	2,000	2,000
	<u>\$ 85,071</u>	<u>\$ 85,071</u>

Conditional promises to give are not recognized in the financial statements until the promise to give become unconditional.

Heartland Humane Society

Notes to the Financial Statements

For the years ended June 30, 2017 and 2016

(3) Pledges Receivable

At June 30, 2017 and 2016 total pledges consisted of the following:

	<u>2017</u>	<u>2016</u>
Pledges receivable	\$ 137,365	\$ 121,100
Less discount on pledge receivable	(7,574)	(8,733)
Less allowance for uncollectible pledges receivable	<u>(295)</u>	<u>-</u>
	129,496	112,367
Less current portion, net of uncollectible pledges	<u>(45,490)</u>	<u>(27,650)</u>
	<u>\$ 84,006</u>	<u>\$ 84,717</u>

Unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 3.5%.

(4) Investments

Investments, stated at fair value, are as follows as of June 30:

	<u>2017</u>	<u>2016</u>	
Beneficial interest in funds held at the Benton County Foundation (BCF)	\$ 138,557	\$ 130,727	Level 3

The investment above was valued using Level 3 fair value measurement inputs at the reporting dates indicated above. See Note 5 "Endowment and UPMIFA" and Note 10 "Fair Value of Financial Instruments" for additional disclosures pertaining to Heartland's Level 3 investment.

Heartland maintains its investments with the Benton County Foundation (BCF). Variance power over Heartland's investments has been granted to the BCF in an agreement dated December 13, 2007. Legally, under circumstances specified in the agreement and Oregon law, the BCF has the power to make decisions concerning Heartland's investments without the approval of Heartland's Board.

Notes to the Financial Statements

For the years ended June 30, 2017 and 2016

(4) Investments (cont.)

That power gives the BCF the right to distribute the investment income to another nonprofit organization of its choice if Heartland ceases to exist or if the governing Board of the BCF votes that support of Heartland is no longer necessary or is inconsistent with the needs of the community BCF supports. Heartland receives a distribution from its endowment held by the BCF, on an annual basis. Although the BCF has variance power over Heartland's investments, as required by generally accepted accounting principles FAS 136, for reporting purposes, Heartland includes these investments in their net assets and the BCF does not.

(5) Endowment and UPMIFA

Heartland's endowment consists of one board-designated fund established by the Board of Directors to function like an endowment. As required by GAAP, 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 UPMIFA

The Board of Directors of Heartland has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), adopted by Oregon in 2007, 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, Heartland, absent explicit donor stipulations to the contrary, classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Heartland in a manner consistent with the standard of prudence prescribed by UPMIFA.

Heartland Humane Society

Notes to the Financial Statements

For the years ended June 30, 2017 and 2016

(5) Endowment and UPMIFA (cont.)

Interpretation of UPMIFA (cont.)

In accordance with UPMIFA, Heartland considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of Heartland and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of Heartland
7. The investment policies of Heartland

Changes in endowment net assets for the year ended June 30, 2017, are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net Assets, beginning of the year	\$130,727	-	-	\$130,727
Contributions	-	-	-	-
Investment income	5,080	-	-	5,080
Net appreciation (depreciation)	9,663	-	-	9,663
Investment management fees	(1,421)	-	-	(1,421)
Appropriations of endowment assets for expenditure	(5,492)	-	-	(5,492)
Net Assets, end of year	<u>\$138,557</u>	<u>-</u>	<u>-</u>	<u>\$138,557</u>

Notes to the Financial Statements

For the years ended June 30, 2017 and 2016

(5) Endowment and UPMIFA (cont.)

Changes in endowment net assets for the year ended June 30, 2016 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net Assets, beginning of the year	\$136,633	-	-	\$136,633
Contributions	-	-	-	-
Investment income	6,244	-	-	6,244
Net appreciation (depreciation)	(6,708)	-	-	(6,708)
Investment management fees	(1,319)	-	-	(1,319)
Appropriations of endowment assets for expenditure	(4,123)	-	-	(4,123)
Net Assets, end of year	<u>\$130,727</u>	<u>-</u>	<u>-</u>	<u>\$130,727</u>

(6) Operating Lease

Heartland leases a 5,000 square foot retail space located in downtown Corvallis, Oregon, for their thrift shop (The Heartland Humane Society Thrift shop) under a written operating lease agreement expiring October 31, 2020. The terms of the lease include lease payments of \$3,000 per month to be paid by the first day of each month. Heartland is responsible for all utilities and 40 percent of all property tax increases with the tax base rate being established in 2005. The Organization shall have the option to renew the lease for an additional term of 60 months commencing at the expiration of the current lease term. Rental expenses for the lease for the years ended June 30, 2017 and 2016 was \$36,000.

Heartland Humane Society

Notes to the Financial Statements

For the years ended June 30, 2017 and 2016

(6) Operating Lease (cont.)

The following is a schedule by years of future minimum rental payments required under the remaining non-cancelable lease as of June 30, 2017:

2018	36,000
2019	36,000
2020	36,000
2021	12,000
	<u>\$120,000</u>

Heartland leases copiers under a written operating lease agreement expiring March 31, 2018. The lease agreement requires Heartland to pay for all taxes and assessments assessed relating to the ownership and use of the equipment. Rental and related expenses for the lease for the years ended June 30, 2017 and 2016 was \$4,403 and \$4,524.

The following is a schedule by years of future minimum rental payments required under the remaining non-cancelable lease as of June 30, 2017.

2018	\$2,565
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(7) Property and Equipment

As of June 30, property and HHS equipment consist of:

	2017	2016
Land	\$ 120,142	\$ 50,000
Building and improvements	1,023,341	1,113,486
Leasehold improvements	4,167	4,167
Furniture and equipment	73,742	71,242
Construction in progress	112,247	5,875
	<u>1,333,639</u>	<u>1,244,770</u>
Less: accumulated depreciation	(493,976)	(504,719)
Total fixed assets	<u>\$ 839,663</u>	<u>\$ 740,051</u>

Notes to the Financial Statements

For the years ended June 30, 2017 and 2016

(8) Retirement Plan

Heartland maintains a SIMPLE plan for eligible employees. They contribute a matching contribution to each eligible employee's SIMPLE IRA equal to the employee's salary reduction contribution up to a limit of 3 percent of the employee's compensation for the year. Heartland's matching contribution was \$8,462 and \$7,431 for the years ended June 30, 2017 and 2016, respectively.

(9) Restrictions on Assets

Temporarily restricted net assets, representing gifts for specific programs, consist of the following as of June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Capital Campaign - New Building Construction	\$ 158,626	\$ 132,542

(10) Fair Value of Financial Instruments

The following methods and assumptions were used by Heartland in estimating the fair value of its financial instruments:

Cash and cash equivalents

The carrying amount reported in the statement of financial position for cash and cash equivalents approximates fair value.

Investments

These assets consist of a beneficial interest in funds held at the Benton County Foundation (BCF). The beneficial interest in funds held at the BCF represent Heartland's share of a pooled investment portfolio managed by the BCF. Although the pooled investment portfolio is comprised of underlying assets that are all valued by BCF's management using only Level 1 inputs, interests in the pooled investment are not actively traded. Accordingly, frequent and significant observable inputs are not available to value this investment. Additionally, BCF's management only values Heartland's beneficial interest annually on the December 31st preceding the statement of financial position date. Accordingly, the inputs used to value this investment are classified as Level 3 inputs.

Supplementary Information

Heartland Humane Society

Schedule of Functional Expenses

For the year ended June 30, 2017

	Program Services	Supporting Services		Total 2017
		Management and General	Fund- Raising	
Salaries	\$ 399,889	41,884	65,109	506,881
Payroll taxes	41,143	4,309	6,699	52,151
Employee benefits	36,745	5,231	8,383	50,359
Total Payroll	477,776	51,424	80,190	609,391
Advertising	-	-	182	182
Animal services	159,267	-	-	159,267
Bank charges and credit card fees	4,482	543	8,557	13,582
Capital campaign	-	-	31,131	31,131
Depreciation and amortization	28,596	3,287	986	32,869
Dues, fees and subscriptions	3,874	7,627	605	12,107
Humane education	5,317	-	-	5,317
Insurance	-	10,556	-	10,556
Postage	2,647	447	344	3,438
Printing	-	-	4,638	4,638
Professional fees	7,968	29,882	1,992	39,842
Rent	-	-	5,108	5,108
Repairs and maintenance	9,830	1,130	339	11,299
Special events	4,631	-	21,096	25,727
Supplies	11,337	1,914	1,472	14,723
Telephone	9,541	1,097	329	10,967
Training	3,871	-	-	3,871
Travel	1,987	-	-	1,987
Utilities	24,809	2,757	3,063	30,628
Other	964	-	-	964
Total Other Expenses	279,122	59,239	79,842	418,203
Total Expenses	\$ 756,898	110,663	160,033	1,027,594

Heartland Humane Society

Schedule of Functional Expenses

For the year ended June 30, 2016

	Program Services	Supporting Services		Total 2016
		Management and General	Fund- Raising	
Salaries	\$ 339,115	41,258	67,599	447,972
Payroll taxes	35,282	4,293	7,033	46,608
Employee benefits	22,978	6,328	6,328	35,634
Total Payroll	<u>397,375</u>	<u>51,879</u>	<u>80,960</u>	<u>530,214</u>
Advertising	-	-	530	530
Animal services	155,847	-	-	155,847
Bank charges and credit card fees	4,475	542	8,544	13,561
Capital campaign	-	-	49,612	49,612
Depreciation and amortization	31,654	3,639	1,092	36,385
Dues, fees and subscriptions	2,951	5,810	461	9,222
Humane education	3,360	-	-	3,360
Insurance	-	10,786	-	10,786
Newsletter	1,910	-	-	1,910
Postage	2,748	464	357	3,569
Printing	-	-	4,910	4,910
Professional fees	6,956	26,080	1,739	34,775
Rent	-	-	5,010	5,010
Repairs and maintenance	7,255	834	250	8,339
Special events	4,680	-	21,322	26,002
Supplies	12,613	2,130	1,638	16,381
Telephone	7,987	918	275	9,180
Training	5,257	-	-	5,257
Travel	1,154	-	-	1,154
Utilities	24,006	2,667	2,964	29,637
Other	1,668	-	-	1,668
Total Other Expenses	<u>274,521</u>	<u>53,870</u>	<u>98,704</u>	<u>427,095</u>
Total Expenses	<u>\$ 671,896</u>	<u>105,749</u>	<u>179,664</u>	<u>957,309</u>

See accompanying notes to financial statements and independent auditor's report.