

**THE HUMANE SOCIETY OF
HARRISBURG AREA, INC.**

FINANCIAL REPORT

DECEMBER 31, 2016

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Humane Society of Harrisburg Area, Inc.
Harrisburg, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of The Humane Society of Harrisburg Area, Inc., which comprise the statements of financial position as of December 31, 2016 and 2015, 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 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 audits 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 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 Harrisburg Area, Inc., as of December 31, 2016 and 2015, 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.

A handwritten signature in black ink that reads "Boyer & Ritter". The signature is written in a cursive style with a large, sweeping flourish under the word "Boyer".

Camp Hill, Pennsylvania
April 26, 2017

THE HUMANE SOCIETY OF HARRISBURG AREA, INC.

STATEMENTS OF FINANCIAL POSITION
December 31, 2016 and 2015

ASSETS	2016	2015
Current Assets		
Cash and cash equivalents	\$ 238,129	\$ 219,334
Accounts receivable (less allowance for doubtful accounts 2016 \$9,082; 2015 \$10,357)	6,368	9,237
Current portion of pledges receivable (less allowance for doubtful accounts 2016 \$-0-; 2015 -0-)	5,366	8,866
Inventories	43,907	42,394
Prepaid expenses	44,970	42,439
Investments	286,222	269,191
Total current assets	624,962	591,461
Fixed Assets		
Land and improvements	76,398	76,398
Buildings and improvements	4,354,118	4,339,119
Equipment	141,943	150,962
Vehicles	66,215	66,215
Furniture and fixtures	36,068	36,068
	<u>4,674,742</u>	<u>4,668,762</u>
Less accumulated depreciation	(1,527,220)	(1,408,653)
Total fixed assets - net	3,147,522	3,260,109
Other Assets		
Other intangible assets (less accumulated amortization 2016 \$2,321; 2015 \$1,805)	7,995	8,511
Beneficial interests in split-interest agreements and perpetual trusts	1,090,874	1,201,956
Total other assets	1,098,869	1,210,467
Total assets	\$ 4,871,353	\$ 5,062,037

See Notes to Financial Statements.

LIABILITIES AND NET ASSETS	2016	2015
Current Liabilities		
Accounts payable	\$ 103,609	\$ 137,612
Demand note payable	-	60,000
Current portion of long-term debt	36,872	30,025
Deferred income	37,789	24,065
Accrued expenses	45,094	31,319
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Total current liabilities	223,364	283,021
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Long-Term Liabilities		
Long-term debt - net of current portion	497,071	739,842
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Total liabilities	720,435	1,022,863
	<hr/>	<hr/>
Net Assets		
Unrestricted		
Designated	100,000	100,000
Undesignated	2,764,304	2,497,894
Temporarily restricted	195,742	332,760
Permanently restricted	1,090,872	1,108,520
Total net assets	4,150,918	4,039,174
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Total liabilities and net assets	\$ 4,871,353	\$ 5,062,037
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THE HUMANE SOCIETY OF HARRISBURG AREA, INC.

**STATEMENT OF ACTIVITIES
Year Ended December 31, 2016**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and Other Support				
Contributions, grants and bequests	\$ 1,239,612	\$ 111,467	\$ -	\$ 1,351,079
Animal placements	87,892	-	-	87,892
Services to state and local governments	117,982	-	-	117,982
Services to the public	261,133	-	-	261,133
Merchandise sales	51,761	-	-	51,761
Investment income	11,422	-	-	11,422
Net realized and unrealized gains (losses)	8,598	31,191	40,099	79,888
Income from fundraising events	473,379	-	-	473,379
Miscellaneous revenue	1,464	-	-	1,464
Net assets released from restrictions	337,423	(279,676)	(57,747)	-
Total revenues and other support	2,590,666	(137,018)	(17,648)	2,436,000
Expenses				
Salaries and wages	952,867	-	-	952,867
Employee benefits	154,623	-	-	154,623
Payroll taxes	79,965	-	-	79,965
Utilities	59,380	-	-	59,380
Office supplies, printing and postage	13,386	-	-	13,386
Shelter	217,504	-	-	217,504
Vehicle	11,010	-	-	11,010
Cemetery	717	-	-	717
Veterinary	156,084	-	-	156,084
Supplies	145,795	-	-	145,795
Equipment repairs	53,773	-	-	53,773
Telephone	5,805	-	-	5,805
Insurance	35,613	-	-	35,613
Advertising	910	-	-	910
Professional fees	87,824	-	-	87,824
Special events	120,662	-	-	120,662
Collection fees	25,328	-	-	25,328
Merchandise purchases	44,851	-	-	44,851
Interest	27,051	-	-	27,051
Miscellaneous	1,702	-	-	1,702
Bad debts	60	-	-	60
Depreciation and amortization	129,346	-	-	129,346
Total expenses	2,324,256	-	-	2,324,256
Changes in net assets	266,410	(137,018)	(17,648)	111,744
Net Assets - January 1, 2016	2,597,894	332,760	1,108,520	4,039,174
Net Assets - December 31, 2016	\$ 2,864,304	\$ 195,742	\$ 1,090,872	\$ 4,150,918

See Notes to Financial Statements.

THE HUMANE SOCIETY OF HARRISBURG AREA, INC.

STATEMENT OF ACTIVITIES
Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and Other Support				
Contributions, grants and bequests	\$ 895,365	\$ 533,903	\$ -	\$ 1,429,268
Animal placements	92,260	-	-	92,260
Services to state and local governments	115,742	-	-	115,742
Services to the public	251,889	-	-	251,889
Merchandise sales	58,983	-	-	58,983
Investment income	12,787	-	-	12,787
Net realized and unrealized gains (losses)	(19,957)	(445)	(28,982)	(49,384)
Income from fundraising events	483,949	-	-	483,949
Miscellaneous revenue	-	-	-	-
Net assets released from restrictions	388,109	(332,019)	(56,090)	-
Total revenues and other support	2,279,127	201,439	(85,072)	2,395,494
Expenses				
Salaries and wages	969,348	-	-	969,348
Employee benefits	153,891	-	-	153,891
Payroll taxes	77,671	-	-	77,671
Utilities	64,941	-	-	64,941
Office supplies, printing and postage	14,409	-	-	14,409
Shelter	217,654	-	-	217,654
Vehicle	10,413	-	-	10,413
Cemetery	375	-	-	375
Veterinary	166,697	-	-	166,697
Supplies	100,395	-	-	100,395
Equipment repairs	31,080	-	-	31,080
Telephone	6,014	-	-	6,014
Insurance	43,235	-	-	43,235
Advertising	3,371	-	-	3,371
Professional fees	58,130	-	-	58,130
Special events	124,450	-	-	124,450
Collection fees	24,686	-	-	24,686
Merchandise purchases	45,193	-	-	45,193
Bad debts	7,788	-	-	7,788
Miscellaneous	2,416	-	-	2,416
Interest	38,333	-	-	38,333
Depreciation and amortization	127,168	-	-	127,168
Total expenses	2,287,658	-	-	2,287,658
Changes in net assets	(8,531)	201,439	(85,072)	107,836
Net Assets - January 1, 2015	2,606,425	131,321	1,193,592	3,931,338
Net Assets - December 31, 2015	\$ 2,597,894	\$ 332,760	\$ 1,108,520	\$ 4,039,174

See Notes to Financial Statements.

THE HUMANE SOCIETY OF HARRISBURG AREA, INC.

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2016 and 2015

	2016	2015
Cash Flows From Operating Activities		
Changes in net assets	\$ 111,744	\$ 107,836
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	129,346	127,168
Net realized and unrealized (gain)loss on investments	(17,031)	19,957
(Increase) decrease in values of beneficial interests in split-interest agreements and perpetual trusts	(71,290)	29,427
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	2,869	6,815
Bequests receivable	-	4,030
Pledges receivable	3,500	12,696
Inventories	(1,513)	(5,948)
Prepaid expenses	(2,531)	5,341
(Decrease) increase in:		
Accounts payable	(34,003)	(16,228)
Deferred income	13,724	(8,941)
Accrued expenses	13,775	4,268
Net cash provided by operating activities	<u>148,590</u>	<u>286,421</u>
Cash Flows From Investing Activities		
Distributions from perpetual trusts and split interest agreements	182,372	57,628
Purchases of investments	-	(8,535)
Purchases of fixed assets	(16,243)	(149,875)
Net cash provided by (used in) investing activities	<u>166,129</u>	<u>(100,782)</u>
Cash Flows From Financing Activities		
Principal repayments of long-term debt	(235,924)	(313,791)
Proceeds from (repayment of) lines-of-credit	(60,000)	60,000
Net cash used in financing activities	<u>(295,924)</u>	<u>(253,791)</u>
Net increase (decrease) in cash and cash equivalents	18,795	(68,152)
Cash and Cash Equivalents:		
Beginning	219,334	287,486
Ending	<u>\$ 238,129</u>	<u>\$ 219,334</u>
Supplemental Disclosures of Cash Flow Information		
Cash payments for interest	<u>\$ 27,051</u>	<u>\$ 38,333</u>

See Notes to Financial Statements.

THE HUMANE SOCIETY OF HARRISBURG AREA, INC.

NOTES TO FINANCIAL STATEMENTS

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

Accounts Receivable: The Society carries accounts receivable at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history and current economic conditions. Accounts receivables are written off when deemed uncollectible.

Bequests Receivable: The Society is a beneficiary under various wills, the total realizable value of which is not presently determinable. Such amounts are recorded as contributions when clear title is established and the proceeds are clearly measurable.

Pledges Receivable: Contributions are recognized when the donor makes a promise to give to the Society that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Investments and Investment Income: Investments are reported at their fair values on a recurring basis. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management determines the appropriate classifications of the investments in the fair value hierarchy at the time they are acquired and evaluates the appropriateness of classifications at each balance sheet date.

Investment income or loss (including interest, dividends and realized and unrealized gains or losses on investments) is included in the Statements of Activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law. Until any donor restrictions (time period or purpose restriction) are satisfied, investment income or loss is reported as an increase or decrease in temporarily restricted or permanently restricted net assets.

Investments are exposed to various risks, such as interest-rate, market and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the values of investments, it is at least reasonably possible that changes in risks in the near-term could materially affect values of invested assets.

Fixed Assets: Fixed assets are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets. Maintenance and repairs are charged to expense as incurred; major renewals and betterments greater than \$1,000 in cost are capitalized. When fixed assets are sold or retired, related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of activities.

THE HUMANE SOCIETY OF HARRISBURG AREA, INC.

NOTES TO FINANCIAL STATEMENTS

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

Beneficial Interests in Split-Interest Agreements and Perpetual Trusts: Beneficial interests in split-interest agreements and perpetual trusts represent the Society's interests in irrevocable trusts for which the Society is not Trustee. These assets are neither in the possession, nor under the control of the Society. The present values of the estimated future cash flows from the trusts are recognized as a collective asset in the Statements of Financial Position.

Donated Materials and Services: The Society records the values of the donated goods or services when there is an objective basis to measure their values. Donated marketable securities and other noncash donations are recorded as contributions in the financial statements at their estimated values measured as of the dates of donation. Donated services that create or enhance nonfinancial assets or require specialized skills, provided by individuals possessing those skills, and that would typically be purchased if not provided by donation, are recorded as contributions in the financial statements.

Compensated Absences: Employees of the Society are entitled to paid vacation, paid sick days, and personal days off, depending on the employees' job classifications, lengths of service and other factors. The Society's policy is to recognize the costs of compensated absences when actually paid.

Income Tax Status: The Society is a not-for-profit organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, with the exception of Federal income tax arising from net income and investment income derived from unrelated business activities, if any. Additionally, the Internal Revenue Service has determined that the Society is not a private foundation within the meaning of Section 509(a) of the Code.

Accounting standards require the Society to annually assess its exposure to income taxes at the entity level as a result of uncertain tax positions taken in current and previously-filed tax returns. Examples of tax positions taken at the entity level include continuing qualification as a tax-exempt organization and conducting taxable, unrelated business-income activities. Currently, the Internal Revenue Code contains nominal guidance on what products or services constitute unrelated business-income activities; consequently the Internal Revenue Service (IRS) is studying the matter and may issue additional guidance. Presently, management believes that it is more likely than not that its tax positions will be sustained upon examination, including any appeals and litigation, and therefore, management believes that the Society has no exposure to income taxes arising from uncertain tax positions.

Subsequent Events: In preparing these financial statements, the Society has evaluated events and transactions for potential recognition or disclosure through April 26, 2017, the date the financial statements were available to be issued.

THE HUMANE SOCIETY OF HARRISBURG AREA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 2. Pledges Receivable

The following is a summary of pledges receivable as of December 31:

	2016	2015
Amounts due in:		
Less than one year	\$ 5,366	\$ 8,866
	5,366	8,866
Allowance for doubtful accounts	-	-
Pledges receivable	\$ 5,366	\$ 8,866

As of December 31, 2016 and 2015, all amounts pledged to the Society are for its capital campaign.

Note 3. Fair Value Measurements

The Financial Accounting Standards Board has established a framework for measuring fair values and has expanded the required disclosures about fair value measurements. The framework enables the reader of financial statements to assess the inputs used to develop fair value measurements by establishing 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 assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under the standard are described below:

- Level 1 Inputs are unadjusted quoted prices for identical assets in active markets.
- Level 2 Inputs consist of other observable inputs that include:
- Quoted prices for similar assets or liabilities in active markets
 - Quotes prices for identical or similar assets or liabilities in inactive markets
 - Inputs other than quoted prices that are observable for the asset or liability
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs are significant unobservable inputs that include assumptions by management or estimation.

THE HUMANE SOCIETY OF HARRISBURG AREA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 3. Fair Value Measurements (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The assets that are recorded at fair value on a recurring basis are investments and beneficial interests in certain trusts. The Society has no financial liabilities or non-financial items that are recognized or disclosed at fair value on a recurring basis. There have been no changes in the valuation methodologies used at December 31, 2016 and 2015. Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual funds and common stocks: Fair values of marketable securities were based on closing market prices for the respective securities as reported in active markets.

Beneficial interests in perpetual trusts and split-interest arrangement: Fair values of beneficial interests in perpetual trusts and a split-interest arrangement are based on the percentage ownership of the respective trust assets, based on either the value of the trust assets as reported to the Society by the Trustees or via the valuation formulas or methodology stipulated by the underlying trust agreement which may require present value computations.

The following tables set forth by level within the fair value hierarchy the assets at fair value as of December 31, 2016 and 2015.

Assets at Fair Value as of December 31, 2016

	Level 1	Level 2	Level 3	Total
Investments				
Mutual Funds	\$ 6,355	\$ -	\$ -	\$ 6,355
Common Stock	279,867	-	-	279,867
Perpetual Trusts	-	-	1,090,874	1,090,874
Split-Interest Agreement	-	-	-	-
Total Assets, at fair value	<u>\$ 286,222</u>	<u>\$ -</u>	<u>\$ 1,090,874</u>	<u>\$ 1,377,096</u>

THE HUMANE SOCIETY OF HARRISBURG AREA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 4. Perpetual Trusts (Continued)

The Society is the beneficiary of numerous perpetual trusts held by financial institutions and totaling \$558,630 and \$563,828 at December 31, 2016 and 2015, respectively. The trusts were established by persons, wills, living-trust agreements, and court decrees with various restrictions and terms. Terms placed on the income distributions vary.

The Foundation for Enhancing Communities (Foundation) holds a fund in trust for the Society. The Foundation holds legal title to the assets of the fund and invests and reinvests the funds. The Society is eligible to receive the income earned on this fund. Currently, the Society reinvests its earnings into the fund. At December 31, 2016 and 2015, the balance of the funds held by the Foundation were \$27,255 and \$24,391, respectively. Of these balances, \$15,330 and \$10,672 represent beneficial interests in a community foundation and the remaining balances of \$11,925 and \$13,719 represent beneficial interests in a perpetual trust.

Note 5. Split-Interest Agreement

At the direction of a donor, a split-interest agreement was established whereby the Society was named as a beneficiary. At its inception, the estate of the donor was placed into trust. The trust is valued at the fair value of the investments held by the trust. On the 25th anniversary of the donor's death, the trust is to be dissolved and distributed to the beneficiaries. At dissolution, the trust is to pay 25% of its holdings to a designated beneficiary; of the remaining balance, the Society is to receive 20%. The donor passed away on April 12, 1991. Therefore, the trust was terminated and the funds were disbursed on April 12, 2016. At December 31, 2015, the value of the Society's beneficial interest in the split-interest agreement \$93,435. These balances were reported as components of temporarily restricted net assets.

Note 6. Concentrations of Credit Risk

Financial instruments that subject the Society to concentrations of credit risk consist primarily of cash and cash equivalents and investments. At times during the years ended December 31, 2016 and 2015, the Society's cash and cash equivalents balances may have exceeded the Federally-insured limit of \$250,000.

The Society's investments are subject to fluctuations in the fair values of those investments.

THE HUMANE SOCIETY OF HARRISBURG AREA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 7. Mortgage Payable

In July 1997, the Society entered into a loan agreement for the acquisition and construction of the East Shore Shelter. The loan agreement was amended in July 2006 and refinanced in July 2012. The refinancing consolidated the balances of the existing lines of credit and mortgage. The terms of the refinanced loan call for 6 payments of interest only to begin August 2012. Beginning January 2013, the loan required payments of principal and interest in the amount of \$14,156. Interest was charged at lenders prime rate, but never less than 4.5%.

In July 2014, the loan was refinanced. Beginning August 2014, the loan required payments of principal and interest in the amount of \$7,017. The interest rate was fixed at 4.4% for five years and will be the variable rate of .5% over the lenders prime rate but never less than 4.5%. The loan again was refinanced in September of 2015 requiring monthly principal and interest payments of \$5,248. All other terms remained the same. Final payment of accrued interest and principal is due January 27, 2033.

The outstanding balances as of December 31, 2016 and 2015, were \$533,943 and \$769,867 respectively.

Following is an estimation of future principal and interest payments through maturity assuming the variable interest rate of 4.4% as of December 31, 2016, is the effective rate in all future years:

Year	Principal	Interest	Total
2016	\$ 36,872	\$ 22,604	\$ 59,476
2017	41,953	21,022	62,975
2018	43,837	19,138	62,975
2019	45,805	17,170	62,975
2020	47,862	15,113	62,975
2021 and thereafter	317,614	15,503	333,117
	<u>\$ 533,943</u>	<u>\$ 110,550</u>	<u>\$ 644,493</u>

Note 8. Line-of-Credit

The Society had available a revolving line-of-credit with a bank for \$100,000. Borrowings under the line-of-credit bear interest at the bank's prime rate but no less than 4.0%. All borrowings are secured by the mortgage on the Society's building. The outstanding balances on the line-of-credit were \$-0- and \$60,000 at December 31, 2016 and 2015, respectively.

Note 9. Board Designation of Net Assets

The Board of Directors has designated unrestricted net assets of \$100,000. These designated funds are to be used as a source of last resort for funding the Society's needs if the Society ceased operating.

THE HUMANE SOCIETY OF HARRISBURG AREA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 10. Restrictions on Net Assets

Temporarily restricted net assets consist of the following:

	2016	2015
Vet Clinic	\$ 130,000	\$ 50,000
Capital improvements	55,000	25,000
Pledges restricted for capital projects	5,366	8,866
Grant for vehicle purchase	5,376	9,129
Cash - Capital Campaign	-	7,552
Beneficial interests in split-interest agreements	-	93,435
Mortgage reduction	-	138,778
	<u>\$ 195,742</u>	<u>\$ 332,760</u>

Permanently restricted net assets as of December 31, 2016 and 2015, consisted entirely of perpetual trusts as described in Note 4. Net assets released from restrictions during 2016, consisted of costs associated with the Capital Campaign, payments to reduce the mortgage balance, repair costs on the vehicle, and distributions from split-interest agreements and the perpetual trusts. Net assets released from restrictions during 2015, consisted of costs associated with the Capital Campaign, payments to reduce the mortgage balance, repair costs on the vehicle, and distributions from split-interest agreements and the perpetual trusts.

Note 11. Contingencies

The Society is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the Society.

THE HUMANE SOCIETY OF HARRISBURG AREA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 12. Functional Expenses

Expenses by function as of December 31, 2016, are as follows:

	Program	Management and General	Fundraising	Total
Salaries and wages	\$ 798,247	\$ 116,753	\$ 37,867	\$ 952,867
Employee benefits	129,264	20,092	5,267	154,623
Payroll taxes	68,136	8,932	2,897	79,965
Utilities	59,453	5,488	-	59,380
Office supplies, printing and postage	-	13,386	-	13,386
Shelter	217,504	-	-	217,504
Vehicle	11,010	-	-	11,010
Cemetery	717	-	-	717
Veterinary	156,084	-	-	156,084
Supplies	145,795	-	-	145,795
Equipment repairs	53,773	-	-	53,773
Telephone	5,805	-	-	5,805
Insurance	27,422	8,191	-	35,613
Advertising	-	910	-	910
Professional fees	-	87,824	-	87,824
Special events	-	-	120,662	120,662
Collection fees	-	25,328	-	25,328
Merchandise purchases	44,851	-	-	44,851
Interest	27,051	-	-	27,051
Miscellaneous	1,702	-	-	1,702
Bad debts	60	-	-	60
Depreciation and amortization	119,797	9,549	-	129,346
	<u>\$ 1,866,671</u>	<u>\$ 296,453</u>	<u>\$ 166,693</u>	<u>\$ 2,324,256</u>

THE HUMANE SOCIETY OF HARRISBURG AREA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 12. Functional Expenses (Continued)

Expenses by function as of December 31, 2015, are as follows:

	Program	Management and General	Fundraising	Total
Salaries and wages	\$ 814,728	\$ 116,753	\$ 37,867	\$ 969,348
Employee benefits	128,679	19,981	5,231	153,891
Payroll taxes	65,842	8,932	2,897	77,671
Utilities	59,453	5,488	-	64,941
Office supplies, printing and postage	-	14,409	-	14,409
Shelter	217,654	-	-	217,654
Vehicle	10,413	-	-	10,413
Cemetery	375	-	-	375
Veterinary	166,697	-	-	166,697
Supplies	100,395	-	-	100,395
Equipment repairs	31,080	-	-	31,080
Telephone	6,014	-	-	6,014
Insurance	27,422	8,191	-	43,235
Advertising	-	3,371	-	3,371
Professional fees	-	58,130	-	58,130
Special events	-	-	124,450	124,450
Collection fees	-	24,686	-	24,686
Merchandise purchases	45,193	-	-	45,193
Interest	38,333	-	-	38,333
Miscellaneous	2,416	-	-	2,416
Bad debts	7,788	-	-	7,788
Depreciation and amortization	120,669	6,499	-	127,168
	<u>\$ 1,843,151</u>	<u>\$ 266,440</u>	<u>\$ 170,445</u>	<u>\$ 2,287,658</u>