THE NATIONAL HUMANE EDUCATION SOCIETY AND AFFILIATE

Charles Town, West Virginia

FINANCIAL REPORT

JUNE 30, 2017
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</tr>
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INDEPENDENT AUDITOR’S REPORT

To the Board of Directors
The National Humane Education Society and Affiliate
Charles Town, West Virginia

We have audited the accompanying consolidated financial statements of The National Humane Education Society and Affiliate (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2017, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements. The consolidated financial statements of The National Humane Education Society and Affiliate as of June 30, 2016, were audited by other auditors whose report dated October 11, 2016, expressed an unqualified opinion on those statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of The National Humane Education Society and Affiliate as of June 30, 2017, and the changes in
their net assets and their cash flows for the year 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 accompanying supplementary information on pages 20-21 are 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.

**Other Matter**

The accompanying consolidated statement of financial position of The National Humane Education Society and Affiliate as of June 30, 2016, and the related consolidated statements of activities and cash flows for the year then ended were not audited, reviewed, or compiled by us and, accordingly, we do not express an opinion or any other form of assurance on them.

*Kilmer & Associates, CPA, P.C*

Winchester, Virginia
October 12, 2017
# Consolidated Statements of Financial Position

**June 30, 2017 and 2016**

## Assets

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$222,538</td>
<td>$276,523</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>13,981</td>
<td>26,983</td>
</tr>
<tr>
<td>Estates and bequests receivable</td>
<td>36,599</td>
<td>277,082</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>14,610</td>
<td>16,078</td>
</tr>
<tr>
<td>Inventory</td>
<td>1,382</td>
<td>1,337</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>289,110</strong></td>
<td><strong>598,003</strong></td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>940,792</td>
<td>822,896</td>
</tr>
<tr>
<td><strong>Property and Equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>161,514</td>
<td>161,514</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>2,670,558</td>
<td>2,648,006</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>509,993</td>
<td>502,177</td>
</tr>
<tr>
<td>Vehicles</td>
<td>89,727</td>
<td>74,337</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>91,304</td>
<td>77,881</td>
</tr>
<tr>
<td><strong>Total property and equipment</strong></td>
<td><strong>3,523,096</strong></td>
<td><strong>3,463,915</strong></td>
</tr>
<tr>
<td><strong>Less accumulated depreciation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,587,009</td>
<td>1,483,163</td>
</tr>
<tr>
<td><strong>Total property and equipment</strong></td>
<td><strong>1,936,087</strong></td>
<td><strong>1,980,752</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$3,165,989</strong></td>
<td><strong>$3,401,651</strong></td>
</tr>
</tbody>
</table>

See Accompanying Notes to Consolidated Financial Statements
The National Humane Education Society and Affiliate

Consolidated Statements of Financial Position
(Continued)
June 30, 2017 and 2016

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$148,696</td>
<td>$144,023</td>
</tr>
<tr>
<td>Accrued salaries</td>
<td>41,862</td>
<td>38,629</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>27,315</td>
<td>34,917</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>-</td>
<td>300</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>51,880</td>
<td>50,510</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>269,753</td>
<td>268,379</td>
</tr>
<tr>
<td><strong>Long-Term Debt, less current maturities</strong></td>
<td>1,211,696</td>
<td>1,263,499</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,481,449</td>
<td>1,531,878</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>1,670,092</td>
<td>1,860,828</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>14,448</td>
<td>8,945</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>1,684,540</td>
<td>1,869,773</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$3,165,989</td>
<td>$3,401,651</td>
</tr>
</tbody>
</table>

See Accompanying Notes to Consolidated Financial Statements
THE NATIONAL HUMANE EDUCATION SOCIETY AND AFFILIATE

Consolidated Statements of Activities
Years Ended June 30, 2017 and 2016

Unrestricted Net Assets

<table>
<thead>
<tr>
<th>Revenues and Net Gains (Losses):</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$1,997,139</td>
<td>$2,137,929</td>
</tr>
<tr>
<td>Estates and bequests</td>
<td>553,157</td>
<td>479,232</td>
</tr>
<tr>
<td>Foundations and trusts</td>
<td>46,415</td>
<td>35,203</td>
</tr>
<tr>
<td>Service fees</td>
<td>58,701</td>
<td>-</td>
</tr>
<tr>
<td>Pass thru of contracted veterinary services</td>
<td>-</td>
<td>545,043</td>
</tr>
<tr>
<td>Service fees (including pass thru of contracted veterinary services)</td>
<td>-</td>
<td>545,043</td>
</tr>
<tr>
<td>Mailing list rental income</td>
<td>71,177</td>
<td>104,376</td>
</tr>
<tr>
<td>Merchandise sales, net of cost of goods</td>
<td>516</td>
<td>(92)</td>
</tr>
<tr>
<td>Thrift store, net of expenses</td>
<td>(3,926)</td>
<td>(20,231)</td>
</tr>
<tr>
<td>Special events, net of expenses</td>
<td>46,477</td>
<td>36,093</td>
</tr>
<tr>
<td>Other</td>
<td>5,366</td>
<td>3,948</td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>25,406</td>
<td>22,255</td>
</tr>
<tr>
<td>Net realized and unrealized gains (loss) on long-term investments</td>
<td>92,938</td>
<td>(31,730)</td>
</tr>
<tr>
<td>Loss on sale of property and equipment</td>
<td>(8,168)</td>
<td>(37,257)</td>
</tr>
<tr>
<td>Net assets released from restriction</td>
<td>12,535</td>
<td>4,570</td>
</tr>
</tbody>
</table>

Total unrestricted revenues and net gains | 3,422,491 | 3,279,339 |

Expenses:

<table>
<thead>
<tr>
<th>Expenses:</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>2,982,749</td>
<td>2,908,058</td>
</tr>
<tr>
<td>Management and general</td>
<td>314,994</td>
<td>316,326</td>
</tr>
<tr>
<td>Fundraising/membership acquisition</td>
<td>315,484</td>
<td>304,296</td>
</tr>
</tbody>
</table>

Total expenses | 3,613,227 | 3,528,680 |

Change in unrestricted net assets | (190,736) | (249,341) |

Temporarily Restricted Net Assets

<table>
<thead>
<tr>
<th>Temporarily Restricted Net Assets</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporarily restricted contribution</td>
<td>18,038</td>
<td>3,814</td>
</tr>
<tr>
<td>Net assets released from restriction</td>
<td>(12,535)</td>
<td>(4,570)</td>
</tr>
</tbody>
</table>

Change in temporarily restricted net assets | 5,503 | (756) |

Change in net assets | (185,233) | (250,097) |

Net Assets at Beginning of Year | 1,869,773 | 2,119,870 |

Net Assets at End of Year | $1,684,540 | $1,869,773 |

See Accompanying Notes to Consolidated Financial Statements
## THE NATIONAL HUMANE EDUCATION SOCIETY AND AFFILIATE

### Consolidated Statements of Functional Expenses
#### Year Ended June 30, 2017
(Comparative Totals for the Year Ended June 30, 2016)

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Management and General</th>
<th>Fundraising/Membership Acquisition</th>
<th>2017 Total</th>
<th>2016 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$ 939,950</td>
<td>$ 137,390</td>
<td>$ 25,085</td>
<td>$ 1,102,425</td>
<td>$ 1,045,375</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>76,559</td>
<td>11,979</td>
<td>4,915</td>
<td>93,435</td>
<td>101,332</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>77,408</td>
<td>11,314</td>
<td>2,066</td>
<td>90,788</td>
<td>85,919</td>
</tr>
<tr>
<td></td>
<td>$ 1,093,917</td>
<td>$ 160,683</td>
<td>$ 32,066</td>
<td>$ 1,286,666</td>
<td>$ 1,232,626</td>
</tr>
<tr>
<td>Accounting</td>
<td>1,000</td>
<td>21,700</td>
<td>-</td>
<td>22,700</td>
<td>22,200</td>
</tr>
<tr>
<td>Advertising</td>
<td>3,010</td>
<td>-</td>
<td>80</td>
<td>3,909</td>
<td>5,430</td>
</tr>
<tr>
<td>Alliance Partnerships</td>
<td>13,163</td>
<td>-</td>
<td>-</td>
<td>13,163</td>
<td>15,213</td>
</tr>
<tr>
<td>Animal food</td>
<td>37,752</td>
<td>-</td>
<td>-</td>
<td>37,752</td>
<td>30,271</td>
</tr>
<tr>
<td>Bank charges</td>
<td>23,302</td>
<td>-</td>
<td>18,966</td>
<td>42,268</td>
<td>41,069</td>
</tr>
<tr>
<td>Casual labor</td>
<td>440</td>
<td>-</td>
<td>-</td>
<td>440</td>
<td>365</td>
</tr>
<tr>
<td>Computer services</td>
<td>5,396</td>
<td>943</td>
<td>230</td>
<td>6,569</td>
<td>5,429</td>
</tr>
<tr>
<td>Depreciation</td>
<td>106,299</td>
<td>3,485</td>
<td>1,633</td>
<td>111,417</td>
<td>126,415</td>
</tr>
<tr>
<td>Direct mail processing (caging)</td>
<td>-</td>
<td>35,679</td>
<td>-</td>
<td>35,679</td>
<td>37,293</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>754</td>
<td>315</td>
<td>-</td>
<td>1,069</td>
<td>637</td>
</tr>
<tr>
<td>Eblasts</td>
<td>1,851</td>
<td>-</td>
<td>617</td>
<td>2,468</td>
<td>2,629</td>
</tr>
<tr>
<td>Education materials</td>
<td>564</td>
<td>-</td>
<td>-</td>
<td>564</td>
<td>1,492</td>
</tr>
<tr>
<td>Emergency animal care</td>
<td>1,573</td>
<td>-</td>
<td>-</td>
<td>1,573</td>
<td>7,368</td>
</tr>
<tr>
<td>Equipment rental and maintenance</td>
<td>4,733</td>
<td>1,012</td>
<td>-</td>
<td>5,745</td>
<td>20,169</td>
</tr>
<tr>
<td>Groundskeeping</td>
<td>7,398</td>
<td>-</td>
<td>-</td>
<td>7,398</td>
<td>9,018</td>
</tr>
<tr>
<td>Insurance</td>
<td>24,683</td>
<td>809</td>
<td>379</td>
<td>25,871</td>
<td>27,200</td>
</tr>
<tr>
<td>Interest</td>
<td>49,119</td>
<td>1,610</td>
<td>754</td>
<td>51,483</td>
<td>54,261</td>
</tr>
<tr>
<td>Internet connection</td>
<td>1,800</td>
<td>300</td>
<td>300</td>
<td>2,400</td>
<td>2,400</td>
</tr>
<tr>
<td>Legal</td>
<td>1,838</td>
<td>18,132</td>
<td>-</td>
<td>19,970</td>
<td>4,611</td>
</tr>
<tr>
<td>License and fees</td>
<td>798</td>
<td>698</td>
<td>2,698</td>
<td>4,194</td>
<td>1,948</td>
</tr>
<tr>
<td>Marketing</td>
<td>-</td>
<td>-</td>
<td>4,543</td>
<td>4,543</td>
<td>511</td>
</tr>
<tr>
<td>Membership list</td>
<td>61,633</td>
<td>4,353</td>
<td>15,686</td>
<td>81,672</td>
<td>66,528</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,300</td>
<td>529</td>
<td>446</td>
<td>3,275</td>
<td>5,942</td>
</tr>
<tr>
<td>Office</td>
<td>3,875</td>
<td>3,006</td>
<td>370</td>
<td>7,251</td>
<td>8,526</td>
</tr>
<tr>
<td>Penalties</td>
<td>-</td>
<td>461</td>
<td>-</td>
<td>461</td>
<td>-</td>
</tr>
<tr>
<td>Postage</td>
<td>403,618</td>
<td>28,065</td>
<td>102,877</td>
<td>534,560</td>
<td>498,339</td>
</tr>
<tr>
<td>Printing</td>
<td>7,736</td>
<td>608</td>
<td>112</td>
<td>8,456</td>
<td>2,017</td>
</tr>
<tr>
<td>(forwarded)</td>
<td>$ 1,858,552</td>
<td>$ 282,388</td>
<td>$ 181,757</td>
<td>$ 2,322,697</td>
<td>$ 2,229,907</td>
</tr>
</tbody>
</table>

See Accompanying Notes to Consolidated Financial Statements
## Consolidated Statements of Functional Expenses

(Continued)

Year Ended June 30, 2017

(Comparative Totals for the Year Ended June 30, 2016)

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Management and General</th>
<th>Fundraising/Membership Acquisition</th>
<th>2017 Total</th>
<th>2016 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(forwarded)</td>
<td>$1,858,552</td>
<td>$282,388</td>
<td>$181,757</td>
<td>$2,322,697</td>
<td>$2,229,907</td>
</tr>
<tr>
<td>Production costs</td>
<td>333,923</td>
<td>23,582</td>
<td>90,342</td>
<td>447,847</td>
<td>437,248</td>
</tr>
<tr>
<td>Professional fundraising/</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>public education</td>
<td>87,997</td>
<td>6,214</td>
<td>22,395</td>
<td>116,606</td>
<td>144,877</td>
</tr>
<tr>
<td>Real estate taxes</td>
<td>6,981</td>
<td>229</td>
<td>107</td>
<td>7,317</td>
<td>7,157</td>
</tr>
<tr>
<td>Registration fees</td>
<td>-</td>
<td>-</td>
<td>12,081</td>
<td>12,081</td>
<td>12,310</td>
</tr>
<tr>
<td>Shelter maintenance</td>
<td>13,153</td>
<td>-</td>
<td>-</td>
<td>13,153</td>
<td>33,199</td>
</tr>
<tr>
<td>Shelter supplies</td>
<td>45,018</td>
<td>-</td>
<td>146</td>
<td>45,164</td>
<td>41,854</td>
</tr>
<tr>
<td>Spay Today - contracted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>veterinary services</td>
<td>483,354</td>
<td>-</td>
<td>-</td>
<td>483,354</td>
<td>474,833</td>
</tr>
<tr>
<td>Telephone</td>
<td>5,130</td>
<td>430</td>
<td>431</td>
<td>5,991</td>
<td>6,222</td>
</tr>
<tr>
<td>Trash removal</td>
<td>2,806</td>
<td>87</td>
<td>41</td>
<td>2,934</td>
<td>2,343</td>
</tr>
<tr>
<td>Travel</td>
<td>12,418</td>
<td>-</td>
<td>138</td>
<td>12,556</td>
<td>8,617</td>
</tr>
<tr>
<td>Uniforms</td>
<td>2,284</td>
<td>-</td>
<td>-</td>
<td>2,284</td>
<td>2,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>44,663</td>
<td>1,407</td>
<td>663</td>
<td>46,733</td>
<td>43,616</td>
</tr>
<tr>
<td>Vehicle</td>
<td>8,037</td>
<td>-</td>
<td>49</td>
<td>8,086</td>
<td>11,895</td>
</tr>
<tr>
<td>Veterinary medical supplies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and services</td>
<td>77,217</td>
<td>-</td>
<td>-</td>
<td>77,217</td>
<td>69,004</td>
</tr>
<tr>
<td>Website</td>
<td>1,216</td>
<td>657</td>
<td>7,334</td>
<td>9,207</td>
<td>3,598</td>
</tr>
<tr>
<td></td>
<td>$2,982,749</td>
<td>$314,994</td>
<td>$315,484</td>
<td>$3,613,227</td>
<td>$3,528,680</td>
</tr>
</tbody>
</table>

See Accompanying Notes to Consolidated Financial Statements
### Consolidated Statements of Cash Flows

#### Years Ended June 30, 2017 and 2016

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease in net assets</td>
<td>(185,233)</td>
<td>(250,097)</td>
</tr>
<tr>
<td>Adjustments to reconcile decrease in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>111,417</td>
<td>126,415</td>
</tr>
<tr>
<td>(Loss)gain on investments, net unrealized gains on long-term investments</td>
<td>(92,938)</td>
<td>31,730</td>
</tr>
<tr>
<td>Proceeds from donated securities</td>
<td>-</td>
<td>(5,823)</td>
</tr>
<tr>
<td>Loss on sale of property and equipment</td>
<td>8,168</td>
<td>37,257</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease in accounts receivable</td>
<td>13,002</td>
<td>18,737</td>
</tr>
<tr>
<td>Decrease in prepaid expenses</td>
<td>1,468</td>
<td>6,763</td>
</tr>
<tr>
<td>Decrease in estates and bequests receivable</td>
<td>240,483</td>
<td>231,727</td>
</tr>
<tr>
<td>(Increase) decrease in inventory</td>
<td>(45)</td>
<td>1,092</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable</td>
<td>4,673</td>
<td>(130,140)</td>
</tr>
<tr>
<td>(Decrease) in compensated absences</td>
<td>(7,602)</td>
<td>(581)</td>
</tr>
<tr>
<td>Increase in accrued salaries</td>
<td>3,233</td>
<td>10,536</td>
</tr>
<tr>
<td>(Decrease) in other current liabilities</td>
<td>(300)</td>
<td>-</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>96,326</td>
<td>77,616</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Investing Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from the sale of property and equipment, net of expenses</td>
<td>-</td>
<td>166,915</td>
</tr>
<tr>
<td>Purchase of property and equipment</td>
<td>(74,920)</td>
<td>(30,861)</td>
</tr>
<tr>
<td>Proceeds from the sale of investments</td>
<td>15,121</td>
<td>30,900</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(40,080)</td>
<td>(152,881)</td>
</tr>
<tr>
<td>Net cash (used) provided in investing activities</td>
<td>(99,878)</td>
<td>14,073</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Financing Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal payments on long term debt</td>
<td>(50,433)</td>
<td>(47,976)</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>(50,433)</td>
<td>(47,976)</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>53,985</td>
<td>43,713</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents, beginning of year</td>
<td>276,523</td>
<td>232,810</td>
</tr>
<tr>
<td>Cash and cash equivalents, end of year</td>
<td>222,538</td>
<td>276,523</td>
</tr>
</tbody>
</table>

See Accompanying Notes to Consolidated Financial Statements
THE NATIONAL HUMANE EDUCATION SOCIETY AND AFFILIATE

Consolidated Statements of Cash Flow
Years Ended June 30, 2017 and 2016

<table>
<thead>
<tr>
<th>Supplemental Disclosures of Cash Flow Information</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash payments for interest</td>
<td>$51,483</td>
<td>$54,261</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Significant Noncash Financing and Investing Activities</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrealized gain (loss) on investments</td>
<td>$91,479</td>
<td>$31,730</td>
</tr>
</tbody>
</table>

See Accompanying Notes to Consolidated Financial Statements
Note 1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The National Humane Education Society (NHES) was founded in 1948 as a private, nonprofit organization with a central mission to “foster a sentiment of kindness to animals in children and adults...” NHES achieves this mission through its programs that consist of (1) Humane Education & Advocacy, (2) The Briggs Animal Adoption Center, (3) Spay Today, (4) Alliance Partnerships, and (5) Peace Plantation Animal Sanctuary, New York (PPAS), an Affiliate.

Please note, for decades, NHES provided the majority share of PPAS’ operating funds. In 2014, NHES underwent an organizational restructuring that resulted in the sale of the NHES property on which PPAS had been operating and all PPAS’ operations were consolidated into NHES’ facility, The Briggs Animal Adoption Center that is located on the NHES campus. This consolidation was undertaken to minimize NHES’ operating costs. (PPAS continues to exist and coordinate with NHES to operate the cattery at The Briggs Animal Adoption Center, in Charles Town, West Virginia.)

NHES was granted exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code on February 16, 1950, and incorporated in the District of Columbia. The NHES Affiliate, PPAS, is exempt from federal income tax under NHES’ umbrella exemption.

NHES is supported primarily through donor contributions, grants, foundations and trusts, estates and bequests, and mailing list rental income.

Basis of Accounting

The financial statements of NHES and its Affiliate have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America and to the general practices of nonprofit organizations.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) Topic 958, Not-for-Profit Entities. Under FASB ASC Topic 958, 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.

Classification of Net Assets

Net assets are reduced by liabilities and are reported in the financial statements in three classes: unrestricted net assets, temporarily restricted net assets, or permanently restricted net assets, based on the absence or existence of donor-imposed restrictions.

Permanently restricted net assets generally result from assets donated for a specific purpose with a donor stipulation that the assets be preserved and not be sold, or from
assets donated with donor stipulations that they be invested to provide a permanent source of income, e.g., endowment funds.

Temporarily restricted net assets are those assets donated for (a) support of particular operating activities, (b) temporary investment for a specified term, (c) use in a specified future period, or (d) acquisition and use of long-lived assets.

Unrestricted net assets generally result from receipt of unrestricted contributions, grants, revenues from providing services, producing and delivering goods, raising contributions, and performing administrative functions. The only limitations on the use of unrestricted nets assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in the articles of incorporation or bylaws, limits from contractual agreements with suppliers and creditors, and self-imposed limits such as voluntary resolutions by the Board of Directors of NHES to designate a portion of its unrestricted net assets to function as an endowment.

Cash and Cash Equivalents

For purposes of reporting cash flows, NHES considers all cash on demand deposits, money market deposits, cash management accounts and certificates of deposit, with original maturities of three months or less or accessible on demand, to be cash equivalents. Except that cash held in brokerage accounts are recorded as investments.

Accounts Receivable

Accounts receivable are reported at their net realizable value. There was no allowance for doubtful accounts for the years ended June 30, 2017 and 2016.

Inventory

Inventory primarily consists of shirts and is stated at cost.

Investments

Investments are recorded at fair value, determined in accordance with the provisions of FASB ASC 820, Fair Value Measurements and Disclosures. FASB ASC 820 establishes a fair value hierarchal disclosure framework which prioritizes and ranks the level of market price observable inputs used in measuring investments at fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs based on quoted market prices for identical assets or liabilities in an active market. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Observable market inputs or unobservable inputs that are corroborated by market data. Price inputs are quoted prices for identical or similar financial instruments
in markets that are not active; and model-derived valuations in which all significant inputs or significant value drivers are observable in active markets.

Level 3 – Pricing inputs are unobservable 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. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed. Investments that are included in this category generally include private fund investment structures and limited interests.

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by the passage of time or by use) in the reporting period in which the income and gains are recognized.

Cash equivalents categorized as investments represent cash and money market mutual funds.

Property, Equipment and Depreciation

Property and equipment are stated at cost when purchased and at estimated fair market value when donated. Depreciation of property and equipment is computed principally on the straight-line method over the estimated useful lives of five to forty years. Maintenance and repairs of property and equipment are charged to operations, and major improvements are capitalized. Upon retirement, sale, or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and gain or loss is included in operations.

NHES has a capitalization policy to capitalize all fixed-asset purchases over $250.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. If the donor restriction is met in the year received, the contribution is recorded as unrestricted.

Gifts of land, buildings, and equipment are presented 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 long those long-lived assets must be maintained, NHES reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service (as the assets are used in the NHES’s activities).
Fundraising

NHES is funded entirely by private contributions. NHES received no operating support from any governmental agency or program or any of the national fundraising organizations, such as the United Way General Funds. However, NHES does receive pass-through contributions from the United Way as designated by donors.

Under an existing contract, a professional fundraiser/public educator is an advisor/agent assisting in the fundraising activities and the production/distribution of educational material that NHES undertakes during the year.

Allocation of Joint Costs

In 2017 and 2016, NHES incurred joint costs of $1,211,236 and $1,178,715, respectively for informational materials and activities that included fundraising appeals. Of these costs, $230,102 was allocated in 2017 and $230,675 in 2016 to fundraising expense; $883,091 was allocated in 2017 and $846,080 in 2016 to program services expense; and $98,043 was allocated in 2017 and $101,960 in 2016 to management and general expense.

Donated Investments, Materials and Services

Investments, materials and specialized services received as donations are recognized in the accompanying financial statements at their estimated fair market values at the date they were donated.

Advertising Costs

NHES follows the policy of charging the production costs of advertising to expense as they are incurred. Advertising expenses for the years ended June 30, 2017 and 2016 were $3,090 and $5,430, respectively.

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

Affiliate and Principles of Consolidation


For decades, NHES provided the majority share of PPAS’ operating funds. In 2014, NHES underwent an organizational restricting that resulted in the sale of the NHES property on which PPAS had been operating and all PPAS’ operations were consolidated into NHES’ facility, The Briggs Animal Adoption Center, located on the NHES campus in Charles Town, West Virginia. NHES funded PPAS operation with direct contributions, which
amounted to $7,310 and $5,535 for the fiscal years ended June 30, 2017 and 2016, respectively.

The consolidated financial statements include the accounts of NHES and its Affiliate. Intercompany accounts and transactions are eliminated in the consolidation.

Note 2. Cash and Cash Equivalents

The composition of the cash and cash equivalents balances as of June 30, 2017 and 2016 is shown below:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking accounts</td>
<td>$169,509</td>
<td>$113,718</td>
</tr>
<tr>
<td>Money market account</td>
<td>53,029</td>
<td>162,805</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$222,538</strong></td>
<td><strong>$276,523</strong></td>
</tr>
</tbody>
</table>

Note 3. Long Term Debt

Notes Payable

The details of long-term debt as of June 30, 2017 and 2016 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real estate mortgage note payable, $8,253 per month, including interest at 4% until April 17, 2020 with a balloon payment of $1,120,384 then due, collateralized by land and improvements with a carrying value of $1,696,417</td>
<td>$1,261,181</td>
<td>$1,308,740</td>
</tr>
<tr>
<td>Equipment loan payable to Kubota Credit Corporation, Inc., $240 per month until April 24, 2018, 0% interest, collateralized by the equipment with a carrying value of $5,817</td>
<td>2,395</td>
<td>5,269</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,263,576</strong></td>
<td><strong>1,314,009</strong></td>
</tr>
<tr>
<td>Less current portions</td>
<td>51,880</td>
<td>50,510</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,211,696</strong></td>
<td><strong>$1,263,499</strong></td>
</tr>
</tbody>
</table>
Aggregate maturities required on long-term debt are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$51,880</td>
</tr>
<tr>
<td>2019</td>
<td>51,501</td>
</tr>
<tr>
<td>2020</td>
<td>1,160,195</td>
</tr>
<tr>
<td>2021</td>
<td>-</td>
</tr>
<tr>
<td>2022</td>
<td>-</td>
</tr>
<tr>
<td>Thereafter</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>$1,263,576</strong></td>
</tr>
</tbody>
</table>

**Note 4. Revolving Line of Credit**

NHES has an uncollateralized revolving line of credit in the amount of $300,000. The line has a variable interest rate equal to the prime rate as published in The Wall Street Journal. The outstanding balance at June 30, 2017 and 2016 was $0, respectively.

**Note 5. 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 and in the statements of functional expenses. Accordingly, certain costs have been allocated between the program and supportive services.

**Note 6. Investments**

Investments are recorded at fair value. The aggregate cost and market value of investments for the years ended June 30, 2017 and 2016 are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash/Money Accounts</td>
<td>$10,241</td>
<td>$10,241</td>
<td>$-</td>
<td>$6,703</td>
<td>$6,703</td>
<td>$-</td>
</tr>
<tr>
<td>Corporate Stocks</td>
<td>451,011</td>
<td>613,918</td>
<td>162,907</td>
<td>433,744</td>
<td>496,495</td>
<td>62,751</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>42,283</td>
<td>42,804</td>
<td>521</td>
<td>42,900</td>
<td>44,721</td>
<td>1,821</td>
</tr>
<tr>
<td>Municipal Bonds</td>
<td>172,831</td>
<td>184,967</td>
<td>12,136</td>
<td>169,543</td>
<td>186,437</td>
<td>16,894</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>91,301</td>
<td>88,862</td>
<td>(2,439)</td>
<td>88,360</td>
<td>88,540</td>
<td>180</td>
</tr>
<tr>
<td></td>
<td><strong>$767,667</strong></td>
<td><strong>$940,792</strong></td>
<td><strong>$173,125</strong></td>
<td><strong>$741,250</strong></td>
<td><strong>$822,896</strong></td>
<td><strong>$81,646</strong></td>
</tr>
</tbody>
</table>
The classification of investments by level within the valuation hierarchy as of June 30, 2017 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Quoted Prices (Level 1)</th>
<th>Significant Observable Inputs (Level 2)</th>
<th>Significant Unobservable Inputs (Level 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$10,241</td>
<td>$10,241</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corporate Stocks</td>
<td>613,918</td>
<td>613,918</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>42,804</td>
<td>42,804</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Municipal Bonds</td>
<td>184,967</td>
<td>184,967</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>88,862</td>
<td>88,862</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$940,792</strong></td>
<td><strong>$940,792</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

There were no transfers of securities from Level 2 to Level 1 classification during the year ended June 30, 2017. Transfers between levels in the fair value hierarchy are recognized at the end of the reporting period.

The classification of investments by level within the valuation hierarchy as of June 30, 2016 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Quoted Prices (Level 1)</th>
<th>Significant Observable Inputs (Level 2)</th>
<th>Significant Unobservable Inputs (Level 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$6,703</td>
<td>$6,703</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corporate Stocks</td>
<td>496,495</td>
<td>496,495</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>44,721</td>
<td>44,721</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Municipal Bonds</td>
<td>186,437</td>
<td>186,437</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>88,540</td>
<td>88,540</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$822,896</strong></td>
<td><strong>$822,896</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

Note 7. Concentration of Credit Risk

The cash accounts of NHES are maintained in several banks. Cash on deposit in those banks did not exceed the federally insured limits at June 30, 2017 and 2016, respectively. In addition, NHES maintained brokerage cash accounts in the amount of $10,241 and $6,703 at June 30, 2017 and 2016, respectively, which were not federally insured.

Note 8. Estates and Bequests Receivable

NHES is the beneficiary under various wills and trust agreements, the total realizable amount of which is not presently determinable. Such amounts were recognized in the financial statements when the right to receive was established and the amounts of the proceeds were measurable. As of June 30, 2017, and 2016, estates and bequests receivable that were determinable and measurable were $36,599 and $277,082, respectively.
Note 9. Property and Equipment

A summary of property and equipment is as follows:

<table>
<thead>
<tr>
<th>Life (Years)</th>
<th>Original Cost</th>
<th>Accumulated Depreciation</th>
<th>Net Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$161,514</td>
<td>$-</td>
<td>$161,514</td>
</tr>
<tr>
<td>Building and improvements</td>
<td>5-40</td>
<td>$2,670,558</td>
<td>$1,135,655</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>3-10</td>
<td>$509,993</td>
<td>$416,341</td>
</tr>
<tr>
<td>Vehicles</td>
<td>3-5</td>
<td>$89,727</td>
<td>$35,013</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>5-40</td>
<td>$91,304</td>
<td>-</td>
</tr>
</tbody>
</table>

$3,523,096 $1,587,009 $1,936,087

Depreciation expense for the years ended June 30, 2017 and 2016 amounted to $111,417 and $126,415, respectively.

Note 10. Restrictions on Net Assets

Temporarily Restricted Assets

Temporarily restricted assets consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital improvements (Peace Plantation)</td>
<td>-</td>
<td>2,325</td>
</tr>
<tr>
<td>Climbing structures/cat toys (Peace Plantation)</td>
<td>913</td>
<td>2,000</td>
</tr>
<tr>
<td>Pet cemetery</td>
<td>668</td>
<td>668</td>
</tr>
<tr>
<td>Spay and neutering</td>
<td>867</td>
<td>867</td>
</tr>
<tr>
<td>Teaching kindness project</td>
<td>12,000</td>
<td>-</td>
</tr>
<tr>
<td>Vet room flooring (Peace Plantation)</td>
<td>-</td>
<td>585</td>
</tr>
<tr>
<td>Wing construction (Humane Education and Training Center)</td>
<td>-</td>
<td>2,500</td>
</tr>
</tbody>
</table>

$14,448 $8,945
Note 11.  Net Assets Released from Restriction

Net assets during the years ended June 30, 2017 and 2016 were released from donor restrictions by incurring expenses satisfying restricted purposes or by occurrence of other events specified by donors.

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital improvements (Peace Plantation)</td>
<td>2,325</td>
<td>-</td>
</tr>
<tr>
<td>Climbing structures/cat toys (Peace Plantation)</td>
<td>1,087</td>
<td>-</td>
</tr>
<tr>
<td>Pet cemetery</td>
<td>-</td>
<td>185</td>
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<tr>
<td>Spay and neutering</td>
<td>6,038</td>
<td>4,385</td>
</tr>
<tr>
<td>Vet room flooring (Peace Plantation)</td>
<td>585</td>
<td>-</td>
</tr>
<tr>
<td>Wing construction (Humane Education and Training Center)</td>
<td>2,500</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$12,535</strong></td>
<td><strong>$4,570</strong></td>
</tr>
</tbody>
</table>

Note 12.  Lease Agreements

NHES has one residential lease agreements. The lease is a month-to-month residential lease between NHES, located in Charles Town, WV, and an employee. The lease was entered into on August 15, 2016. The lease payment is $300 per month, payable in advance. Rent revenue was $3,600 and $3,600 for the years ended June 30, 2017 and 2016, respectively.

On April 18, 2014, NHES entered into a two-year lease agreement for the Thrift Store requiring monthly rental payments of $2,000 beginning September 1, 2014. The Thrift Store’s lease ended on August 30, 2016 and the Organization decided to cease operations at that time. Rent expense was $4,200 and $25,110 for the years ended June 30, 2017 and 2016, respectively.
Note 13. Thrift Shop

Thrift shop income and expenses consist of the following:

<table>
<thead>
<tr>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchandise Sales</td>
<td>$7,513</td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
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<tr>
<td>Bank charges</td>
<td>260</td>
</tr>
<tr>
<td>Building maintenance</td>
<td>9</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>26</td>
</tr>
<tr>
<td>Equipment rental and maintenance</td>
<td>205</td>
</tr>
<tr>
<td>Internet connection</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>202</td>
</tr>
<tr>
<td>Office</td>
<td>-</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>360</td>
</tr>
<tr>
<td>Printing</td>
<td>-</td>
</tr>
<tr>
<td>Rent</td>
<td>4,200</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>4,371</td>
</tr>
<tr>
<td>Telephone</td>
<td>294</td>
</tr>
<tr>
<td>Trash removal</td>
<td>470</td>
</tr>
<tr>
<td>Utilities</td>
<td>1,004</td>
</tr>
<tr>
<td>Website</td>
<td>38</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>11,439</td>
</tr>
<tr>
<td>Net Loss</td>
<td>$ (3,926)</td>
</tr>
</tbody>
</table>

The Thrift Store ceased operations in August 2016.

Note 14. Subsequent Events

Subsequent events have been evaluated through October 12, 2017, the financial statement issuance date.
THE NATIONAL HUMANE EDUCATION SOCIETY AND AFFILIATE
SUPPLEMENTAL INFORMATION

Statements of Program Service Expenses
For the Year Ended June 30, 2017
(With Comparative Totals for 2016)

<table>
<thead>
<tr>
<th>Humane Education</th>
<th>Alliance Partnerships</th>
<th>Briggs Animal Adoption</th>
<th>Peace Plantation</th>
<th>Member Services</th>
<th>Spay Today</th>
<th>2017 Total</th>
<th>2016 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$107,637</td>
<td>$ -</td>
<td>$718,072</td>
<td>$ -</td>
<td>$32,257</td>
<td>$81,984</td>
<td>$939,950</td>
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<td>Employee benefits</td>
<td>14,747</td>
<td>-</td>
<td>54,593</td>
<td>-</td>
<td>5,672</td>
<td>1,547</td>
<td>76,559</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>8,865</td>
<td>-</td>
<td>59,134</td>
<td>-</td>
<td>2,657</td>
<td>6,752</td>
<td>77,408</td>
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<td><strong>Total</strong></td>
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<td><strong>$ -</strong></td>
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<td>-</td>
<td>-</td>
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<td>Alliance Partnerships</td>
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<td>-</td>
<td>-</td>
<td>13,163</td>
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<tr>
<td>Animal food</td>
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<td>37,752</td>
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<td>Bank charges</td>
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<td>-</td>
<td>11,508</td>
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<td>11,794</td>
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<td>-</td>
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<td>Computer services</td>
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<td>3,474</td>
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<td>1,158</td>
<td>106,299</td>
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<tr>
<td>Dues and subscriptions</td>
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<td>-</td>
<td>603</td>
<td>-</td>
<td>-</td>
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<td>754</td>
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<td>Eblasts</td>
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<td>617</td>
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<td>617</td>
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<td>1,800</td>
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<td>61,633</td>
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<td>(forwarded)</td>
<td><strong>$195,586</strong></td>
<td><strong>$13,163</strong></td>
<td><strong>$1,071,461</strong></td>
<td><strong>$3,193</strong></td>
<td><strong>$51,558</strong></td>
<td><strong>$106,062</strong></td>
<td><strong>$1,441,023</strong></td>
</tr>
</tbody>
</table>
THE NATIONAL HUMANE EDUCATION SOCIETY AND AFFILIATE  
SUPPLEMENTAL INFORMATION  
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For the Year Ended June 30, 2017  
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<table>
<thead>
<tr>
<th></th>
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<th>Spay Today</th>
<th>2017 Total</th>
<th>2016 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(forwarded)</td>
<td>$195,586</td>
<td>$13,163</td>
<td>$1,071,461</td>
<td>$3,193</td>
<td>$51,558</td>
<td>$106,062</td>
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<td>-</td>
<td>-</td>
<td>7,736</td>
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<td>44,392</td>
<td>333,923</td>
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<td>Professional fundraiser/public education</td>
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<td>-</td>
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<td>76</td>
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<td>-</td>
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<td>-</td>
<td>45,018</td>
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<td>Spay Today - contracted veterinary services</td>
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<td>-</td>
<td>-</td>
<td>483,354</td>
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<td>Veterinary medical supplies and services</td>
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<td>-</td>
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<td>Website</td>
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</tbody>
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