

MONADNOCK HUMANE SOCIETY, INC.

FINANCIAL STATEMENTS

AND

ADDITIONAL INFORMATION

JUNE 30, 2015 AND 2014

AND

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Thomas S. Bates

CERTIFIED PUBLIC ACCOUNTANT, P.C.



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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Monadnock Humane Society, Inc.

I have reviewed the accompanying statements of financial position of Monadnock Humane Society, Inc. (a New Hampshire not-for-profit corporation) as of June 30, 2015 and 2014 and the related statements of activities, and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

My review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information for the years ended June 30, 2015 and 2014 included in the accompanying schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and I did not become aware of any material modifications that should be made to such information.

January 22, 2016

A handwritten signature in blue ink that reads "Thomas S. Bates". The signature is written in a cursive, flowing style.

Certified Public Accountant

MONADNOCK HUMANE SOCIETY, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2015 and 2014

(See Independent Accountant's Review Report)

	<u>ASSETS</u>	
	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and cash equivalents	\$ 197,397	\$ 286,706
Accounts receivable, net	4,376	14,046
Securities available for sale	1,428,924	1,824,851
Prepaid expenses	10,914	13,348
Inventory	19,943	26,493
Total current assets	<u>1,661,554</u>	<u>2,165,444</u>
Property and equipment	<u>1,451,337</u>	<u>1,572,543</u>
TOTAL ASSETS	<u>\$ 3,112,891</u>	<u>\$ 3,737,987</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 20,734	\$ 46,761
Accrued payroll and related liabilities	72,246	73,402
Accrued expenses	240	4,303
Deferred revenue	0	400
Current portion of long-term debt	1,979	1,897
Total current liabilities	<u>95,199</u>	<u>126,763</u>
LONG-TERM DEBT, less current portion	<u>4,772</u>	<u>6,751</u>
NET ASSETS:		
Unrestricted	2,871,239	3,473,307
Temporarily restricted	19,714	20,804
Permanently restricted	121,967	110,362
TOTAL NET ASSETS	<u>3,012,920</u>	<u>3,604,473</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,112,891</u>	<u>\$ 3,737,987</u>

The accompanying notes are an integral part of these financial statements.

MONADNOCK HUMANE SOCIETY, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

(See Independent Accountant's Review Report)

	<u>2015</u>	<u>2014</u>
CHANGES IN UNRESTRICTED NET ASSETS		
Revenues and gains:		
Program service revenue	\$ 470,409	\$ 452,105
Retail store revenue	37,860	40,272
Contributions	196,175	846,623
Fundraising	98,917	91,824
Miscellaneous revenue	0	312
Interest and dividends	21,080	37,731
Realized investment gains	184,508	49,793
Unrealized investment gains (losses)	<u>(208,371)</u>	<u>90,411</u>
Total unrestricted revenues and gains	800,578	1,609,071
Net assets released from donor restrictions	<u>7,567</u>	<u>13,063</u>
	<u>808,145</u>	<u>1,622,134</u>
Expenses:		
Functional expenses:		
Program services	1,073,996	1,128,298
Management and general	196,812	124,951
Fundraising	<u>139,405</u>	<u>125,710</u>
Total expenses	<u>1,410,213</u>	<u>1,378,959</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>(602,068)</u>	<u>243,175</u>
 CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Contributions	6,477	11,163
Net assets released due to satisfaction of temporary restriction	<u>(7,567)</u>	<u>(13,063)</u>
(DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>(1,090)</u>	<u>(1,900)</u>
 CHANGES IN PERMANENTLY RESTRICTED NET ASSETS		
Contributions	0	0
Investment gains	<u>11,605</u>	<u>13,107</u>
INCREASE IN PERMANENTLY RESTRICTED NET ASSETS	<u>11,605</u>	<u>13,107</u>
INCREASE (DECREASE) IN NET ASSETS	(591,553)	254,382
NET ASSETS, beginning of year	<u>3,604,473</u>	<u>3,350,091</u>
NET ASSETS, end of year	<u><u>\$ 3,012,920</u></u>	<u><u>\$ 3,604,473</u></u>

The accompanying notes are an integral
part of these financial statements.

MONADNOCK HUMANE SOCIETY, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

(See Independent Accountant's Review Report)

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (591,553)	\$ 254,382
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	127,359	127,355
Realized investment (gains)	(195,590)	(52,109)
Unrealized investment gains (losses)	207,848	(101,202)
Changes in operating accounts:		
Accounts receivable	9,670	(1,678)
Prepaid expenses	2,434	(12,303)
Inventory	6,550	5,405
Accounts payable	(26,027)	33,101
Accrued payroll and related liabilities	(1,156)	14,894
Accrued expenses	(4,063)	(2,874)
Deferred revenue	400	(635)
Net cash from (used in) operating activities	<u>(464,128)</u>	<u>264,336</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	2,222,696	1,261,575
Purchase of investments	(2,254,476)	(1,897,429)
Distributions	415,000	527,000
Purchase of property and equipment	(6,504)	(21,346)
Net cash from (used in) investing activities	<u>376,716</u>	<u>(130,200)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from debt financing	0	10,000
Principal payments on long-term debt	(1,897)	(1,352)
Net cash from (used in) financing activities	<u>(1,897)</u>	<u>8,648</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(89,309)	142,784
CASH AND CASH EQUIVALENTS, beginning of year	<u>286,706</u>	<u>143,922</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 197,397</u>	<u>\$ 286,706</u>

SUPPLEMENTAL NONCASH INVESTING ACTIVITIES:

The Organization received in-kind services and supplies as contributions. Noncash contributions are reported on the statements of activities as:

	<u>2015</u>	<u>2014</u>
Unrestricted contributions	\$ 1,755	\$ 10,610
Maintenance, supplies, accounting services	\$ 1,755	\$ 10,610

The accompanying notes are an integral part of these financial statements.

MONADNOCK HUMANE SOCIETY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

(See Independent Accountant's Review Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of business - Monadnock Humane Society, Inc. (the "Organization") is a New Hampshire not-for-profit corporation. Its primary purpose is to improve the quality of life for animals and people through humane education and to providing shelter and facilitating adoption for lost, abused or abandoned animals. The Organization operates an animal shelter and a retail pet supply store.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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 statements.

Financial statement presentation - The Organization's financial statements are prepared in accordance with generally accepted accounting principles for not-for-profit organizations. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Grants and other contributions are reported as temporarily restricted support if they are received with stipulations that limit the use of the funding; however, if restrictions are met in the same period as the grant or contribution is received, the revenue is reported as unrestricted support. When the restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Expenses are recorded when incurred.

Cash and cash equivalents - The Organization considers all highly liquid instruments purchased with a maturity of less than three months to be cash equivalents. Cash and cash equivalents includes demand deposit accounts and money market accounts held as short-term investments.

Accounts receivable - The Organization's basis for accounting for accounts receivable is the original carrying amount of the unpaid invoice for services provided. Interest is not accrued on past due accounts. Receivables are considered past due when payment is not received within the terms of the invoice. Uncollectible receivables are written off after collection efforts have been exhausted and management believes no further benefit is to be gained by further proceedings. Accounts receivable are reported net of an allowance for doubtful accounts of \$0 at June 30, 2015 and June 30, 2014.

Inventory - Inventory consists of retail pet supplies and is stated at the lower of cost or market, using the first-in, first-out costing flow.

Property and depreciation - It is the Organization's policy to capitalize property and equipment over \$1,000 with an estimated economic useful life of at least one year. Lesser amounts are expensed. Property and equipment are recorded at cost. Depreciation is calculated under the straight line method, which allocates the cost over the estimated useful lives of the assets. Depreciation expense was \$127,359 and \$127,355 at June 30, 2015 and 2014, respectively.

MONADNOCK HUMANE SOCIETY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

(See Independent Accountant's Review Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets - Intangible assets include computer software with an original cost of \$16,439. Intangible assets with finite lives are amortized. Management evaluates intangible assets with finite lives for impairment if conditions exist that indicate the carrying value may not be recoverable. Amortization expense was \$1,430 in 2015 and \$0 in 2014. Intangible assets were fully amortized at June 30, 2015.

Long-lived assets - The Organization evaluates the recoverability of its long-lived assets if circumstances indicate impairment may have occurred. An evaluation includes comparing the carrying value of the assets to the current and expected future cash flows, on an undiscounted basis, to be generated by such assets. Property and equipment would be evaluated separately. If such analysis indicates that the carrying value of these assets is not recoverable, the carrying value of such affected assets would be reduced to fair value. Management determined there were no such impairment losses in 2015 and 2014.

Investments - The Organization accounts for investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

Deferred revenue - Deferred revenue consists of payments received in the fiscal year for programs to be held in the following year.

Contributions - Contributions are recorded as restricted support as provided by the donor's restriction or unrestricted support for general use. When a donor-imposed restriction expires, through the occurrence of a specified event or the passage of time, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Contributed goods and services - Contributed assets for use by the Organization are recorded at their estimated fair value at the date of the contribution. Contributed services are reflected in the financial statements if and when they create or enhance non-financial assets or require specialized skills, which, if not provided by donation, would have to be purchased by the Organization. Contributed services and goods were \$1,755 in 2015 and \$10,610 in 2014.

Advertising - The Organization's policy is to expense advertising in the period incurred. Advertising expense, included in general management expense, was \$6,582 in 2015 and \$2,491 in 2014.

Income taxes - The Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Center is also exempt from state income tax. The net income from the retail store and the boarding facilities is considered unrelated business taxable income and is not exempt for federal and state income tax.

MONADNOCK HUMANE SOCIETY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

(See Independent Accountant's Review Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Uncertainty of income taxes - Management has evaluated significant tax positions against the criteria established by generally accepted accounting principles and believes there are no such tax positions requiring accounting recognition in the financial statement. Management does not believe its evaluation of tax positions will significantly change within twelve months of June 30, 2015. Any changes in tax positions will be recorded when the ultimate outcome becomes known. The Center's tax returns are subject to examination by taxing authorities generally for the years ended June 30, 2013 through June 30, 2015. There were no income tax related interest or penalties incurred in 2015 or 2014.

Reclassification - Certain 2014 amounts have been reclassified to conform to the presentation in the 2015 financial statements.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following at June 30:

	<u>2015</u>	<u>2014</u>
Bank demand deposits	\$96,162	\$183,812
Money market funds	101,235	102,894
 Total cash and cash equivalents	 <u>\$197,397</u>	 <u>\$286,706</u>

The money market funds are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other U.S. government agency.

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Organization's securities available for sale consist of equities, mutual funds and exchange traded funds stated at fair value, according to quoted prices, at June 30, 2015 and 2014. Fair values and unrealized appreciation at June 30, 2015 and 2014 are summarized as follows:

June 30, 2015			
	<u>Cost</u>	<u>Fair Value</u>	<u>Appreciation</u>
Mutual funds	\$1,419,692	\$1,428,924	\$9,232
Common stocks	<u>0</u>	<u>0</u>	<u>0</u>
 Total	 <u>\$1,419,692</u>	 <u>\$1,428,924</u>	 <u>\$9,232</u>
June 30, 2014			
	<u>Cost</u>	<u>Fair Value</u>	<u>Appreciation</u>
Mutual funds	\$ 975,116	\$1,040,351	\$ 65,235
Common stocks	<u>632,654</u>	<u>784,500</u>	<u>151,846</u>
 Total	 <u>\$1,607,770</u>	 <u>\$1,824,851</u>	 <u>\$217,081</u>

MONADNOCK HUMANE SOCIETY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

(See Independent Accountant's Review Report)

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

The securities represent board designated amounts set aside for the purpose of providing income for annual operations. The following schedule summarizes the investment return and its classification in the statements of activities for the years ended June 30:

	<u>2015</u>	<u>2014</u>
Unrestricted net assets:		
Interest and dividends	\$ 21,080	\$ 37,731
Net realized gains	184,508	49,793
Net unrealized gains (losses)	<u>(208,371)</u>	<u>90,411</u>
Gross investment gains (losses)	(2,783)	177,935
Less investment fees and expenses	<u>11,523</u>	<u>11,466</u>
Net investment return	<u>\$ (14,306)</u>	<u>\$166,139</u>
Permanently restricted net assets:		
Net realized and unrealized gains	<u>\$ 11,605</u>	<u>\$ 13,107</u>

Equity securities held in mutual funds are classified as "available-for-sale" and are reported at fair value. The Organization follows generally accepted accounting principles to report securities available for sale. The principles establish a consistent framework for measuring fair value and expand the related disclosure requirements. The principles utilize a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority ("level 1") to unadjusted quoted prices in active markets for identical assets and liabilities. "Level 2" inputs are based on quoted prices for similar instruments in active markets or markets that are not active. "Level 3" inputs are generated from model-based techniques that use assumptions not observable in the market.

All securities held at June 30, 2015 and 2014 were based on quoted prices in active markets for identical assets applying level 1 inputs.

The following table summarizes securities in an unrealized loss position at June 30, 2015 and 2014 as to the number of securities in each class, the aggregate fair value and gross unrealized loss by length of time those securities have been continuously in an unrealized loss position.

	<u>2015</u>	<u>2014</u>
12 months or less:		
Fair value		
Common stock	\$ 0	\$ 68,669
Mutual funds	0	0
Gross unrealized losses		
Common stock	0	(2,672)
Mutual funds	0	0
12 months or more:		
Fair value		
Common stock	0	0
Gross unrealized losses		
Common stock	0	0
Number of different securities	0	4

MONADNOCK HUMANE SOCIETY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

(See Independent Accountant's Review Report)

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	2015	2014
Land and improvements	\$ 60,879	\$ 60,879
Building and improvements	3,035,492	3,030,553
Furniture and equipment	463,793	490,186
	3,560,164	3,581,618
Less accumulated depreciation	(2,108,827)	(2,009,075)
	\$1,451,337	\$1,572,543

5. LONG-TERM DEBT

Long-term debt consisted of the following at June 30:

	2015	2014
4.25% note, collateralized by equipment, payable in monthly installments of \$186, including interest, through September 2018	\$6,751	\$8,648
Less current portion	1,979	1,897
Long-term portion	\$4,772	\$6,751

The approximate maturities on long-term debt are as follows:

2016	\$1,979
2017	2,065
2018	2,154
2019	553
	\$6,751

6. TEMPORARILY RESTRICTED NET ASSETS

Net assets temporarily restricted by the donor are available for the following purposes as of June 30, 2015 and 2014:

	2015	2014
Bell scholarship for qualified Veterinary student tuition	\$19,714	\$20,214
Humane education	0	590
	\$19,714	\$20,804

The temporarily restricted funds are recorded in cash and cash equivalents and investments for sale at June 30, 2015 and 2014.

MONADNOCK HUMANE SOCIETY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

(See Independent Accountant's Review Report)

6. TEMPORARILY RESTRICTED NET ASSETS (continued)

Net assets were released from donor restriction by incurring expenses satisfying the purpose or time restriction specified by the donor as follows:

	<u>2015</u>	<u>2014</u>
Bell scholarship	\$ 500	\$ 2,000
Other	<u>7,067</u>	<u>11,063</u>
	<u>\$7,567</u>	<u>\$13,063</u>

7. PERMANENTLY RESTRICTED NET ASSETS

The Organization has donor-restricted endowment funds to support its operations, which are maintained in accordance with explicit donor stipulations. The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Interest and dividends generated by the investments can be used for operating expenses. Capital gains and losses generated by the underlying investments must be added or subtracted to the permanently restricted net assets according to New Hampshire state law. However, losses will never reduce the fund below its original fair value at the date of the gift. Management allocates gains and losses using a formula based on original cost basis of the investments permanently restricted compared to all investments. Permanently restricted net assets consisted of the following at June 30:

	<u>2015</u>	<u>2014</u>
Fitch Fund	\$ 28,609	\$ 25,887
Belcher Conway Fund	27,427	24,817
O. Miriam Bednar Fund	<u>65,931</u>	<u>59,658</u>
Total	<u>\$121,967</u>	<u>\$110,362</u>

The realized and unrealized capital gain added to the permanently restricted net assets was \$11,605 in 2015 and \$13,107 in 2014. The permanently restricted net assets are held in the account securities held for sale.

8. INVESTMENT FUNDS

Interpretation of relevant law

The Board of Directors of the Organization have interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date, absent explicit donor stipulations to the contrary. The directors and management have adopted the principles of UPMIFA in the Organization's investment policy. The Organization classifies as permanently restricted net assets: (a) the original value of the gift donated, (b) original value of subsequent gifts, and (c) the accumulations made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

MONADNOCK HUMANE SOCIETY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014
(See Independent Accountant's Review Report)

8. INVESTMENT FUNDS (continued)

Return objectives and risk parameters

The Directors have adopted investment policies for endowment assets that attempt to preserve its endowment while seeking to provide a stream of funding to the Organization that can be incorporated into the Organization's budgeting process. Endowment assets include those assets of donor-restricted funds that the Organization must hold consistent with the donor-specified purpose, as well as Board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce positive investment yield while assuming an acceptable level of investment risk as determined by the Directors. The Organization expects its endowment funds, over time, to provide an average rate of return, consistent with its investment philosophy. Actual returns in any given year will vary based on market conditions.

Strategies employed for achieving objectives

To satisfy its investment objectives, the Directors rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places an appropriate emphasis among equity-based investments, fixed-income investments and short-term liquidity to achieve its long-term return objectives with prudent risk constraints while meeting its funding obligations.

Spending policy and the relationship to investment objectives

The Director's policy for distributions from investment funds is limited to five percent or less of the average market value of investments during the preceding twelve quarters. Significant donations to the investment funds, defined as greater than 2% of the endowment, and held for less than twelve quarters, are separately averaged over the number of quarters that they have been held in the endowment.

In establishing this policy, the Directors considered the long-term expected return on its investments. Accordingly, over the long term, the Organization expects the current spending policy to allow its investments to grow annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

The Organization has 8 different funds established for a variety of purposes. These funds are unrestricted, temporarily restricted and permanently restricted, depending on the explicit direction of the donor. The funds include both donor-restricted funds and Board designated funds. The individual restricted funds are specified in Notes 6 and 7 above.

The Board-designated funds are maintained for general operations and other Board discretionary purposes.

All investment funds are held in a brokerage account.

MONADNOCK HUMANE SOCIETY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

(See Independent Accountant's Review Report)

8. INVESTMENT FUNDS (continued)

Changes in endowment net assets for the year ended June 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, Beginning of year	\$1,796,579	\$20,804	\$110,362	\$1,927,745
Investment return:				
Interest and dividends	21,080	0	0	21,080
Net realized gains	184,508	0	11,082	195,590
Net unrealized gains	(208,371)	0	523	(207,848)
Contributions	20,141	6,477	0	26,618
Expenditures	<u>(425,459)</u>	<u>(7,567)</u>	<u>0</u>	<u>(433,026)</u>
Endowment net assets, End of year	<u>\$1,388,478</u>	<u>\$19,714</u>	<u>\$121,967</u>	<u>\$1,530,159</u>

Endowment net assets by Type of fund:	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted funds \$	0	\$19,714	\$121,967	\$ 141,681
Board-designated funds	<u>1,388,478</u>	<u>0</u>	<u>0</u>	<u>1,388,478</u>
	<u>\$1,388,478</u>	<u>\$19,714</u>	<u>\$121,967</u>	<u>\$1,530,159</u>

Changes in endowment net assets for the year ended June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, Beginning of year	\$1,546,533	\$22,704	\$97,255	\$1,666,492
Investment return:				
Interest and dividends	37,731	0	0	37,731
Net realized gains	49,793	0	2,316	52,109
Net unrealized gains	90,411	0	10,791	101,202
Contributions	606,940	11,163	0	618,103
Expenditures	<u>(534,829)</u>	<u>(13,063)</u>	<u>0</u>	<u>(547,892)</u>
Endowment net assets, End of year	<u>\$1,796,579</u>	<u>\$20,804</u>	<u>\$110,362</u>	<u>\$1,927,745</u>

MONADNOCK HUMANE SOCIETY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

(See Independent Accountant's Review Report)

9. RETIREMENT PLAN

The Organization sponsors a defined contribution retirement plan which is a voluntary retirement savings 403(b) plan. The plan covers substantially all employees who meet certain minimum employment service and age requirements. Employees are permitted to contribute up to the annual maximum allowed by federal law, under a salary reduction agreement. The Organization does not make a matching contribution.

10. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited under an allocation plan developed by management.

11. SUBSEQUENT EVENTS

Management has evaluated all other subsequent transactions and events after the date of the statement of financial position through January 22, 2016, the date of the accountant's report, and has determined that no other additional items require disclosure.

The fair value of the securities available for sale were \$1,411,004 at January 22, 2016 compared to \$1,428,924 at June 30, 2015.

ADDITIONAL INFORMATION

MONADNOCK HUMANE SOCIETY, INC.
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

(with comparative totals for 2014)

(See Independent Accountant's Review Report)

	2015					2014							
	Services/ Programs	Training Center	Boarding/ Daycare	Retail Store	Program Total	Management Fundraising & General	Total	Services/ Programs	Training Center	Boarding/ Daycare	Retail Store	Program Total	Total
Salaries and wages	\$ 364,416	\$ 60,975	\$ 93,256	\$ 4,304	\$ 522,952	\$ 123,385	\$ 717,355	\$ 364,416	\$ 60,975	\$ 93,256	\$ 4,304	\$ 522,952	\$ 702,111
Employee benefits	38,800	6,492	9,929	458	55,680	13,137	76,378	38,800	6,492	9,929	458	55,680	66,981
Payroll taxes	26,913	4,503	6,887	318	38,621	9,112	52,978	26,913	4,503	6,887	318	38,621	54,115
Depreciation	81,510	24,198	16,557	1,274	123,538	2,547	127,359	81,510	24,198	16,557	1,274	123,538	127,355
Program supplies and expenses	69,491	18,709	891	0	89,091	0	89,091	69,491	18,709	891	0	89,091	96,501
Utilities	46,769	13,263	7,679	698	68,409	698	69,805	46,769	13,263	7,679	698	68,409	78,103
Cost of retail goods sold	0	0	0	25,138	25,138	0	25,138	0	0	0	25,138	25,138	25,279
Repairs and maintenance	20,107	6,383	3,830	638	30,959	638	31,916	20,107	6,383	3,830	638	30,959	37,618
Fundraising	0	0	0	0	0	0	34,310	0	0	0	0	34,310	38,324
Insurance	15,718	4,878	2,981	271	23,848	2,981	27,100	15,718	4,878	2,981	271	23,848	24,919
Professional fees	26,584	1,437	6,466	0	34,488	33,051	71,849	26,584	1,437	6,466	0	34,488	39,111
Bank charges	2,540	1,451	1,089	726	5,805	0	9,071	2,540	1,451	1,089	726	5,805	12,016
Advertising	1,843	2,370	263	329	4,805	921	6,582	1,843	2,370	263	329	4,805	2,491
Telephone	6,566	355	1,065	444	7,986	444	8,873	6,566	355	1,065	444	7,986	7,389
Office supplies and expense	5,016	304	1,216	0	6,536	532	7,600	5,016	304	1,216	0	6,536	4,502
Vehicle expenses	5,699	0	0	0	5,699	0	5,699	5,699	0	0	0	5,699	5,703
Veterinary care	13,827	0	0	0	13,827	0	13,827	13,827	0	0	0	13,827	11,170
Independent review	0	0	0	0	0	5,435	5,435	0	0	0	0	5,435	6,260
Fees and licenses	543	0	0	0	543	1,718	2,261	543	0	0	0	2,261	1,889
Leased equipment	5,097	309	1,236	0	6,642	541	7,723	5,097	309	1,236	0	6,642	6,316
Scholarships	0	0	0	0	0	500	500	0	0	0	0	500	2,000
Internet expense	0	0	0	0	0	0	0	0	0	0	0	0	635
Postage	353	706	177	0	1,236	1,059	3,530	353	706	177	0	1,236	1,282
Property tax	177	56	34	6	273	6	281	177	56	34	6	273	367
Professional development	7,923	0	0	0	7,923	0	7,923	7,923	0	0	0	7,923	14,296
Membership expense	0	0	0	0	0	0	150	0	0	0	0	150	150
Newsletter	0	0	0	0	0	0	7,372	0	0	0	0	7,372	11,419
Miscellaneous	0	0	0	0	0	107	107	0	0	0	0	107	657
	\$ 739,892	\$ 146,390	\$ 153,554	\$ 34,160	\$ 1,073,996	\$ 196,812	\$ 1,410,213	\$ 739,892	\$ 146,390	\$ 153,554	\$ 34,160	\$ 1,073,996	\$ 1,378,959

