

**NASHVILLE HUMANE ASSOCIATION  
AND SUPPORTING FOUNDATION**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT**

**April 30, 2007 and 2006**

**NASHVILLE HUMANE ASSOCIATION  
AND SUPPORTING FOUNDATION**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Nashville Humane Association and Supporting Foundation  
Nashville, Tennessee

We have audited the accompanying consolidated statements of financial position of Nashville Humane Association and Supporting Foundation (a nonprofit Association) as of April 30, 2007 and 2006 and the related consolidated statements of activities, functional expenses and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Nashville Humane Association and Supporting Foundation as of April 30, 2007 and 2006, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information on pages 15 – 20 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual organizations. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

*Frasier, Dean & Howard, PLLC*

August 29, 2007

**NASHVILLE HUMANE ASSOCIATION AND SUPPORTING FOUNDATION**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,287,970	\$ 1,353,099
Contributions receivable, less doubtful accounts of \$300	4,700	4,700
Prepaid expenses	<u>4,094</u>	<u>4,094</u>
Total current assets	1,296,764	1,361,893
Beneficial interest in trusts	1,035,761	1,010,686
Investments	8,707,056	7,638,407
Land, building, and equipment, net	3,080,486	3,150,601
Deposit	<u>1,000</u>	<u>1,000</u>
Total assets	<u><u>\$14,121,067</u></u>	<u><u>\$13,162,587</u></u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	<u>\$ 13,513</u>	<u>\$ 19,598</u>
Total current liabilities	<u>13,513</u>	<u>19,598</u>
Net assets:		
Unrestricted	10,728,213	9,826,590
Temporarily restricted	843,576	791,399
Permanently restricted	<u>2,535,765</u>	<u>2,525,000</u>
Total net assets	<u>14,107,554</u>	<u>13,142,989</u>
Total current liabilities and net assets	<u><u>\$14,121,067</u></u>	<u><u>\$13,162,587</u></u>

See accompanying notes to financial statements.

**NASHVILLE HUMANE ASSOCIATION AND SUPPORTING FOUNDATION**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**Year Ended April 30, 2007**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support and revenue:				
Public support:				
Donations	\$ 940,754	\$ 131,827	\$ -	\$ 1,072,581
Auxiliary fundraisers	360,692	-	-	360,692
In-kind donations	165,503	-	-	165,503
Net assets released from restriction	93,960	(93,960)	-	-
Total public support	<u>1,560,909</u>	<u>37,867</u>	<u>-</u>	<u>1,598,776</u>
Revenue:				
Adoptions	163,700	-	-	163,700
Other program services	77,256	-	-	77,256
Grants	141,300	-	-	141,300
Investment income	898,572	-	-	898,572
Change in value of beneficial interest in trusts	<u>-</u>	<u>14,310</u>	<u>10,765</u>	<u>25,075</u>
Total revenue	<u>1,280,828</u>	<u>14,310</u>	<u>10,765</u>	<u>1,305,903</u>
Total public support and revenue	<u>2,841,737</u>	<u>52,177</u>	<u>10,765</u>	<u>2,904,679</u>
Expenses:				
Program services:				
Shelter operations	1,149,684	-	-	1,149,684
Rover	301,057	-	-	301,057
CSNP	141,259	-	-	141,259
Total program services	<u>1,592,000</u>	<u>-</u>	<u>-</u>	<u>1,592,000</u>
Supporting services:				
Management and general	143,257	-	-	143,257
Fundraising	204,857	-	-	204,857
Total supporting services	<u>348,114</u>	<u>-</u>	<u>-</u>	<u>348,114</u>
Total expenses	<u>1,940,114</u>	<u>-</u>	<u>-</u>	<u>1,940,114</u>
Change in net assets	901,623	52,177	10,765	964,565
Net assets at beginning of year	<u>9,826,590</u>	<u>791,399</u>	<u>2,525,000</u>	<u>13,142,989</u>
Net assets at end of year	<u>\$10,728,213</u>	<u>\$ 843,576</u>	<u>\$ 2,535,765</u>	<u>\$ 14,107,554</u>

See accompanying notes to financial statements.

**NASHVILLE HUMANE ASSOCIATION AND SUPPORTING FOUNDATION**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**Year Ended April 30, 2006**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support and revenue:				
Public support:				
Donations	\$ 1,085,020	\$ 6,013	\$ -	\$ 1,091,033
Auxiliary fundraisers	400,955	-	-	400,955
In-kind donations	172,347	-	-	172,347
Net assets released from restriction	68,000	(68,000)	-	-
Total public support	<u>1,726,322</u>	<u>(61,987)</u>	<u>-</u>	<u>1,664,335</u>
Revenue:				
Adoptions	162,212	-	-	162,212
Other program services	91,527	-	-	91,527
Grants	97,489	-	-	97,489
Investment income	480,991	-	-	480,991
Change in value of beneficial interest in trusts	-	(25,112)	-	(25,112)
Total revenue	<u>832,219</u>	<u>(25,112)</u>	<u>-</u>	<u>807,107</u>
Total public support and revenue	<u>2,558,541</u>	<u>(87,099)</u>	<u>-</u>	<u>2,471,442</u>
Expenses:				
Program services:				
Shelter operations	1,128,908	-	-	1,128,908
Rover	307,041	-	-	307,041
CSNP	51,911	-	-	51,911
Total program services	<u>1,487,860</u>	<u>-</u>	<u>-</u>	<u>1,487,860</u>
Supporting services:				
Management and general	151,278	-	-	151,278
Fundraising	204,266	-	-	204,266
Total supporting services	<u>355,544</u>	<u>-</u>	<u>-</u>	<u>355,544</u>
Total expenses	<u>1,843,404</u>	<u>-</u>	<u>-</u>	<u>1,843,404</u>
Change in net assets	715,137	(87,099)	-	628,038
Net assets at beginning of year	<u>9,111,453</u>	<u>878,498</u>	<u>2,525,000</u>	<u>12,514,951</u>
Net assets at end of year	<u>\$ 9,826,590</u>	<u>\$ 791,399</u>	<u>\$ 2,525,000</u>	<u>\$ 13,142,989</u>

See accompanying notes to financial statements.

**NASHVILLE HUMANE ASSOCIATION AND SUPPORTING FOUNDATION**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended April 30, 2007

	Program Services			Supporting Services		Total Expenses
	Shelter Operations	Rover	CSNP	Management and General	Fundraising	
Salaries	\$ 383,562	\$ 99,434	\$ 28,312	\$ 511,308	\$ 72,701	\$ 632,039
Depreciation	148,356	19,700	13,134	181,190	2,902	187,707
In-kind	165,503	-	-	165,503	-	165,503
Vet supplies	74,273	31,508	43,027	148,808	-	148,808
Vet fees	41,728	61,526	41,442	144,696	-	144,696
Payroll taxes and employee benefits	81,461	21,117	6,013	108,591	15,439	134,230
Fundraising events	-	23,577	-	23,577	106,277	129,854
Telephone and utilities	77,653	22,508	5,627	105,788	4,501	112,540
Shelter supplies	37,048	7,440	3,704	48,192	-	48,192
Repairs and maintenance	37,392	1,453	-	38,845	-	38,845
Insurance	31,521	-	-	31,521	3,037	37,977
Legal and professional	-	-	-	-	-	-
Advertising	30,889	-	-	30,889	-	30,889
Office expense	-	1,416	-	1,416	-	1,416
Miscellaneous	11,044	55	-	11,099	-	11,154
Cremation services	12,455	-	-	12,455	-	12,455
Auto and truck expenses	878	9,659	-	10,537	-	10,537
Seminars	7,698	1,180	-	8,878	-	8,878
Bank charges and investment fees	-	-	-	-	-	-
Equipment rental	6,379	-	-	6,379	-	6,379
Taxes and licenses	-	484	-	484	-	484
Laundry and uniforms	1,844	-	-	1,844	-	1,844
	\$ 1,149,684	\$ 301,057	\$ 141,259	\$ 1,592,000	\$ 204,857	\$ 1,940,114

See accompanying notes to financial statements.

**Year Ended April 30, 2006**

\$ 1,128,908	\$ 307,041	\$ 51,911	\$ 1,487,860	\$ 151,278	\$ 204,266	\$ 355,544	\$ 1,843,404
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**NASHVILLE HUMANE ASSOCIATION AND SUPPORTING FOUNDATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Change in net assets	\$ 964,565	\$ 628,038
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	187,707	180,520
Unrealized gain on investments	(591,712)	(190,156)
Donated investments	-	(1,078)
Change in operating assets and liabilities		
Contributions receivable	-	68,000
Beneficial interest in trusts	(25,075)	25,112
Accounts payable	(6,085)	(9,413)
Net cash provided by operating activities	<u>529,400</u>	<u>701,023</u>
Cash flows from investing activities:		
Purchase of land, building and equipment	(117,592)	(27,045)
Purchase of investments	(2,443,960)	(2,816,349)
Proceeds from sale of investments	<u>1,967,023</u>	<u>1,613,011</u>
Net cash used by investing activities	<u>(594,529)</u>	<u>(1,230,383)</u>
Decrease in cash	(65,129)	(529,360)
Cash and cash equivalents at beginning of year	<u>1,353,099</u>	<u>1,882,459</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,287,970</u></u>	<u><u>\$ 1,353,099</u></u>
Supplemental disclosure of cash flow information:		
Non-cash investing and financing activity:		
Receipts of donated investments	<u><u>\$ -</u></u>	<u><u>\$ 1,078</u></u>

See accompanying notes to financial statements.

**NASHVILLE HUMANE ASSOCIATION AND SUPPORTING FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**April 30, 2007 and 2006**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

Nashville Humane Association is a nonprofit organization formed in 1946 and created to provide food, shelter, and medical treatment of lost, abandoned, and injured animals and to prevent cruelty to animals.

Nashville Humane Association Supporting Foundation is an affiliated nonprofit organization formed in 2004 whose purpose is to raise, manage, and distribute funds exclusively for the benefit of the Nashville Humane Association.

**Principles of Consolidation**

The consolidated statements include the accounts and activities of Nashville Humane Association and Nashville Humane Association Supporting Foundation referred herein as the "Association". All significant intercompany accounts and transactions have been eliminated.

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

**Unrestricted net assets** – Net assets that are not subject to donor-imposed stipulations.

**Temporarily restricted net assets** – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Association and/or the passage of time. Restrictions that are fulfilled in the same accounting period in which the contributions are received are reported in the statement of activities as unrestricted.

**Permanently restricted net assets** – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. Generally, the donors of these assets permit the Association to use all or part of the income earned and any related investments for general or specific purposes.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Association considers all cash and related short-term investments with original maturities of three months or less to be cash equivalents.

**NASHVILLE HUMANE ASSOCIATION AND SUPPORTING FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**April 30, 2007 and 2006**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investments**

In accordance with Statement of Financial Accounting Standards ("SFAS") No. 124, *Accounting for Certain Investments Held by Not-for-Profit Associations*, 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.

**Land, Building and Equipment**

Land, building and equipment are recorded at cost or, if donated, at the estimated fair market value as of the date of donation. Depreciation is provided using the straight-line basis over the estimated useful lives of the respective assets. It is the Association's policy to capitalize any expenditures over \$500 for property and equipment. Expenditures for repairs and maintenance are charged to expense as incurred.

**Income Taxes**

The Association is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and the Association is classified as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying financial statements.

**Functional Allocation of Expenses**

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

**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 certain amounts and disclosures. Actual results could differ from those estimates.

**In-kind Donations**

In-kind donations are recognized at the fair value of items received at the time of donation. Volunteer time is recognized to the extent such time is provided by individuals with specialized training and which would normally need to be purchased. The Association also receives volunteer services from a number of individuals in carrying out its programs but not meeting the criteria for recognition in the financial statements.

**NASHVILLE HUMANE ASSOCIATION AND SUPPORTING FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**April 30, 2007 and 2006**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Concentration of Credit Risk**

At various times through the year, the Association had cash and investment balances with banks and other financial institutions exceeding \$100,000 which is the maximum insured by the Federal Deposit Insurance Corporation. Credit risk is managed by maintaining all deposits in high quality financial institutions.

**Split Interest Agreements**

Accounting standards require that the following instruments be recorded as a contribution and an asset at the present value of the Association's ultimate interest.

*Charitable Remainder Trusts*

A donor has established and funded trusts under which specified distributions are to be made to a designated beneficiary over the trusts' term. Upon termination of the trusts, the Association receives a portion of the assets remaining in the trusts.

*Charitable Lead Trust*

A donor has established and funded a trust designating the Association as a beneficiary of specific distributions to be made over a specified period. Upon termination of the trust, the remainder of the trust assets is to be paid to a beneficiary designated by the donor.

*Perpetual Trust Held by a Third Party*

Donors have established and funded trusts naming outside fiscal agents to invest and manage the trust assets in perpetuity. The Association, each year, will receive a pro-rata share of income from the trust assets in perpetuity.

**NOTE 2 – INVESTMENTS**

Investments at April 30, 2007 and 2006 consist of the following:

	<u>2007</u>	<u>2006</u>
Certificates of deposit	\$ 388,000	\$ 719,000
GNMA pass-through pools	-	3,906
Fixed income securities	3,843,652	3,513,806
Preferred securities	-	100,880
Common stocks	<u>4,475,404</u>	<u>3,300,815</u>
	<u>\$ 8,707,056</u>	<u>\$ 7,638,407</u>

**NASHVILLE HUMANE ASSOCIATION AND SUPPORTING FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**April 30, 2007 and 2006**

**NOTE 2 – INVESTMENTS (Continued)**

The following schedule summarizes the investment return for the years ended April 30:

	<u>2007</u>	<u>2006</u>
Interest and dividends	\$ 306,860	\$ 290,835
Unrealized gains (losses), net	<u>591,712</u>	<u>190,156</u>
	<u>\$ 898,572</u>	<u>\$ 480,991</u>

The Association's general investment policy is to maintain approximately 50% of its portfolio in stocks and 50% in fixed income securities. The Association plans to eventually distribute approximately 5% of Foundation principal on an annual basis. Such distributions will be used to help fund the programs of the Association.

**NOTE 3 – BENEFICIAL INTEREST IN TRUSTS**

The Association has been named as one of three beneficiaries of charitable remainder trusts, held and administrated by a third party, upon termination of the trusts. Based upon earnings at an estimated rate of 8% over the life of the trust, 6% annual distribution to an unrelated specified beneficiary over their lifetime, and a 4.63% discount rate, the present value of future benefits expected to be received by the Association totaled approximately \$746,000 and \$711,000 as of April 30, 2007 and 2006, respectively.

A donor has established a trust held by a third party naming the Association as a beneficiary of a charitable lead trust. Under terms of the split-interest agreement, the Association is to receive 20% of 5% of the trust assets annually for its unrestricted use for a period of fifteen years. Upon termination of the trust, the remaining trust assets are to be distributed to others. Based upon earning at an estimated rate of 8% over the life of the trust and a 4.63% discount rate, the present value of future benefits expected to be received by the Association totaled approximately \$49,000 and \$70,000 at April 30, 2007 and 2006, respectively.

The Association is one of five beneficiaries of a perpetual trust. The assets of the trust, totaling approximately \$1,300,000 at April 30, 2007 and 2006, are held and administered by an outside fiscal agent. The Association is the beneficiary of an additional perpetual trust. The assets of the trust, totaling approximately \$110,000 and \$100,000 at April 30, 2007 and 2006, respectively, are also held and administered by an outside fiscal agent. The Association has recorded an asset, which is considered permanently restricted, of approximately \$241,000 representing its beneficial interest in the trusts based on the present value of amounts to be received. The Association received annual income available to the Association from these trusts of approximately \$9,000 for each of the years ended April 30, 2007 and 2006. Such amounts are included in unrestricted contributions in the accompanying statement of activities.

**NASHVILLE HUMANE ASSOCIATION AND SUPPORTING FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**April 30, 2007 and 2006**

**NOTE 4 – LAND, BUILDING AND EQUIPMENT**

Land, building and equipment at April 30, 2007 and 2006, consists of the following:

	<u>2007</u>	<u>2006</u>
Land	\$ 426,395	\$ 426,395
Building	2,650,974	2,644,094
Furniture and fixtures	56,921	56,921
Equipment	414,360	395,265
Works of art	16,625	16,625
Vehicles	<u>252,871</u>	<u>161,254</u>
	3,818,146	3,700,554
Less: accumulated depreciation	<u>(737,660)</u>	<u>(549,953)</u>
	<u>\$ 3,080,486</u>	<u>\$ 3,150,601</u>

**NOTE 5 – NET ASSETS**

Temporarily restricted net assets consist of the following at April 30:

	<u>2007</u>	<u>2006</u>
Contributions receivable	\$ 4,700	\$ 10,713
Teddy Wagon	43,880	-
Beneficial interest in trusts	<u>794,996</u>	<u>780,686</u>
	<u>\$ 843,576</u>	<u>\$ 791,399</u>

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable to support the operations of the Association. Permanently restricted net assets totaled \$2,535,765 and \$2,525,000 at April 30, 2007 and 2006, respectively.

Contributions made by the Association to the Supporting Foundation are accounted for as transfers of net assets. Transfers of net assets totaled \$0 and \$678,648 for the years ended April 30, 2007 and 2006, respectively.

**NOTE 6 – CONTRIBUTED SERVICES AND ITEMS**

The Association receives a significant amount of donated services and items from unpaid volunteers who assist in fundraising, animal care, and special projects. The amount recognized in the accompanying financial statements for fiscal year 2007 and 2006 totaled \$165,503 and \$172,347, respectively.

**NASHVILLE HUMANE ASSOCIATION AND SUPPORTING FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**April 30, 2007 and 2006**

**NOTE 7 – EMPLOYEE BENEFIT PLAN**

The Association established a Simple IRA Retirement Plan during the year ended April 30, 2005. Under the terms of the plan, the Association will provide a matching contribution up to a maximum of 3% of each eligible employee's annual compensation. Employees are eligible to participate in the plan once compensation exceeds \$1,000 or upon completion of one year of service. Employer contributions totaled \$11,739 and \$7,407 for the years ended April 30, 2007 and 2006, respectively.

**NOTE 8 – COMMUNITY FOUNDATION OF MIDDLE TENNESSEE INVESTMENTS**

The Community Foundation of Middle Tennessee, a separate nonprofit organization, maintains investments on behalf of the Association. The Community Foundation has ultimate authority and control over the investments; accordingly, the net assets of the Association do not include these investments.

The Association does anticipate receiving periodic investment earnings on its pro-rata share of the Community Foundation's assets. The balance of the endowment fund held for the benefit of the Association totaled approximately \$2.89 million and \$2.65 million at April 30, 2007 and 2006, respectively.

**NOTE 9 – CONCENTRATIONS**

The Association received \$338,326, or approximately 11% of support and revenue, from one major donor for the year ended April 30, 2007.

The Association received \$300,000, or approximately 12% of support and revenue, from one major donor for the year ended April 30, 2006.

## **ADDITIONAL INFORMATION**

**NASHVILLE HUMANE ASSOCIATION AND SUPPORTING FOUNDATION**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**April 30, 2007**

	<b>Nashville Humane Association</b>	<b>Nashville Humane Association Supporting Foundation</b>	<b>Consolidated</b>
Current assets:			
Cash and cash equivalents	\$ 811,681	\$ 476,289	\$ 1,287,970
Contributions receivable, less doubtful accounts of \$300	4,700	-	4,700
Prepaid expenses	4,094	-	4,094
	<hr/>	<hr/>	<hr/>
Total current assets	820,475	476,289	1,296,764
Beneficial interest in trusts	1,035,761	-	1,035,761
Investments	388,000	8,319,056	8,707,056
Land, building and equipment, net	3,080,486	-	3,080,486
Deposit	1,000	-	1,000
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 5,325,722</u>	<u>\$ 8,795,345</u>	<u>\$ 14,121,067</u>
Current liabilities:			
Accounts payable	\$ 13,513	\$ -	\$ 13,513
	<hr/>	<hr/>	<hr/>
Total current liabilities	13,513	-	13,513
	<hr/>	<hr/>	<hr/>
Net assets:			
Unrestricted	4,227,868	6,500,345	10,728,213
Temporarily restricted	843,576	-	843,576
Permanently restricted	240,765	2,295,000	2,535,765
	<hr/>	<hr/>	<hr/>
Total net assets	5,312,209	8,795,345	14,107,554
	<hr/>	<hr/>	<hr/>
Total current liabilities and net assets	<u>\$ 5,325,722</u>	<u>\$ 8,795,345</u>	<u>\$ 14,121,067</u>

**NASHVILLE HUMANE ASSOCIATION AND SUPPORTING FOUNDATION**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

April 30, 2006

	<b>Nashville Humane Association</b>	<b>Nashville Humane Association Supporting Foundation</b>	<b>Consolidated</b>
Current assets:			
Cash and cash equivalents	\$ 224,470	\$ 1,128,629	\$ 1,353,099
Contributions receivable, less doubtful accounts of \$300	4,700	-	4,700
Prepaid expenses	4,094	-	4,094
	<hr/>	<hr/>	<hr/>
Total current assets	233,264	1,128,629	1,361,893
Beneficial interest in trusts	1,010,686	-	1,010,686
Investments	823,786	6,814,621	7,638,407
Land, building and equipment, net	3,150,601	-	3,150,601
Deposit	1,000	-	1,000
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 5,219,337</u>	<u>\$ 7,943,250</u>	<u>\$ 13,162,587</u>
Current liabilities:			
Accounts payable	\$ 19,598	\$ -	\$ 19,598
	<hr/>	<hr/>	<hr/>
Total current liabilities	19,598	-	19,598
	<hr/>	<hr/>	<hr/>
Net assets:			
Unrestricted	4,178,340	5,648,250	9,826,590
Temporarily restricted	791,399	-	791,399
Permanently restricted	230,000	2,295,000	2,525,000
	<hr/>	<hr/>	<hr/>
Total net assets	5,199,739	7,943,250	13,142,989
	<hr/>	<hr/>	<hr/>
Total current liabilities and net assets	<u>\$ 5,219,337</u>	<u>\$ 7,943,250</u>	<u>\$ 13,162,587</u>

**NASHVILLE HUMANE ASSOCIATION AND SUPPORTING FOUNDATION**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**Year Ended April 30, 2007**

	<b>Nashville Humane Association</b>	<b>Nashville Humane Association Supporting Foundation</b>	<b>Consolidated</b>
<b><u>Unrestricted</u></b>			
Public support and revenue:			
Public support:			
Donations	\$ 940,754	\$ -	\$ 940,754
Auxiliary fundraisers	360,692	-	360,692
In-kind donations	165,503	-	165,503
Net assets released from restriction	93,960	-	93,960
Total public support	<u>1,560,909</u>	<u>-</u>	<u>1,560,909</u>
Revenue:			
Adoptions	163,700	-	163,700
Other program services	77,256	-	77,256
Grants	141,300	-	141,300
Investment income	43,857	854,715	898,572
Total revenue	<u>426,113</u>	<u>854,715</u>	<u>1,280,828</u>
Total public support and revenue	<u>1,987,022</u>	<u>854,715</u>	<u>2,841,737</u>
Expenses:			
Program services:			
Shelter operations	1,149,684	-	1,149,684
Rover	301,057	-	301,057
CSNP	141,259	-	141,259
Total program services	<u>1,592,000</u>	<u>-</u>	<u>1,592,000</u>
Supporting services:			
Management and general	140,637	2,620	143,257
Fundraising	204,857	-	204,857
Total supporting services	<u>345,494</u>	<u>2,620</u>	<u>348,114</u>
Total expenses	<u>1,937,494</u>	<u>2,620</u>	<u>1,940,114</u>
Change in unrestricted net assets	49,528	852,095	901,623
Unrestricted net assets at beginning of year	<u>4,178,340</u>	<u>5,648,250</u>	<u>9,826,590</u>
Unrestricted net assets at end of year	<u>\$ 4,227,868</u>	<u>\$ 6,500,345</u>	<u>\$ 10,728,213</u>

**NASHVILLE HUMANE ASSOCIATION AND SUPPORTING FOUNDATION**  
**CONSOLIDATING STATEMENT OF ACTIVITIES (Continued)**  
**Year Ended April 30, 2007**

	<b>Nashville Humane Association</b>	<b>Nashville Humane Association Supporting Foundation</b>	<b>Consolidated</b>
<b><u>Temporarily restricted</u></b>			
Public support:			
Donations	\$ 131,827	\$ -	\$ 131,827
Total public support	131,827	-	131,827
Revenue:			
Change in value of beneficial interest in trusts	14,310	-	14,310
Total revenue	14,310	-	14,310
Net assets released from restriction	(93,960)	-	(93,960)
Change in temporarily restricted net assets	52,177	-	52,177
Temporarily restricted net assets at beginning of year	791,399	-	791,399
Temporarily restricted net assets at end of year	<u>\$ 843,576</u>	<u>\$ -</u>	<u>\$ 843,576</u>
<b><u>Permanently restricted</u></b>			
Permanently restricted net assets at beginning of year	\$ 230,000	\$ 2,295,000	\$ 2,525,000
Change in value of beneficial interest in trusts	10,765	-	10,765
Permanently restricted net assets at end of year	<u>\$ 240,765</u>	<u>\$ 2,295,000</u>	<u>\$ 2,535,765</u>

**NASHVILLE HUMANE ASSOCIATION AND SUPPORTING FOUNDATION**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**Year Ended April 30, 2006**

	<b>Nashville Humane Association</b>	<b>Nashville Humane Association Supporting Foundation</b>	<b>Consolidated</b>
<b><u>Unrestricted</u></b>			
Public support and revenue:			
Public support:			
Donations	\$ 1,085,020	\$ -	\$ 1,085,020
Auxiliary fundraisers	400,955	-	400,955
In-kind donations	172,347	-	172,347
Net assets released from restriction	68,000	-	68,000
Total public support	1,726,322	-	1,726,322
Revenue:			
Adoptions	162,212	-	162,212
Other program services	91,527	-	91,527
Grants	97,489	-	97,489
Investment income	40,286	440,705	480,991
Total revenue	391,514	440,705	832,219
Total public support and revenue	2,117,836	440,705	2,558,541
Expenses:			
Program services:			
Shelter operations	1,128,908	-	1,128,908
Rover	307,041	-	307,041
CSNP	51,911	-	51,911
Total program services	1,487,860	-	1,487,860
Supporting services:			
Management and general	145,248	6,030	151,278
Fundraising	204,266	-	204,266
Total supporting services	349,514	6,030	355,544
Total expenses	1,837,374	6,030	1,843,404
Change in unrestricted net assets	280,462	434,675	715,137
Unrestricted net assets at beginning of year	4,576,526	4,534,927	9,111,453
Transfer of net assets	(678,648)	678,648	-
Unrestricted net assets at end of year	\$ 4,178,340	\$ 5,648,250	\$ 9,826,590

**NASHVILLE HUMANE ASSOCIATION AND SUPPORTING FOUNDATION**  
**CONSOLIDATING STATEMENT OF ACTIVITIES (Continued)**  
**Year Ended April 30, 2006**

	<b>Nashville Humane Association</b>	<b>Nashville Humane Association Supporting Foundation</b>	<b>Consolidated</b>
<b><u>Temporarily restricted</u></b>			
Public support:			
Donations	\$ 6,013	\$ -	\$ 6,013
Total public support	6,013	-	6,013
Revenue:			
Change in value of beneficial interest in trusts	(25,112)	-	(25,112)
Total revenue	(25,112)	-	(25,112)
Net assets released from restriction	(68,000)	-	(68,000)
Change in temporarily restricted net assets	(87,099)	-	(87,099)
Temporarily restricted net assets at beginning of year	878,498	-	878,498
Temporarily restricted net assets at end of year	<u>\$ 791,399</u>	<u>\$ -</u>	<u>\$ 791,399</u>
<b><u>Permanently restricted</u></b>			
Permanently restricted net assets at beginning of year	\$ 230,000	\$ 2,295,000	\$ 2,525,000
Transfer of net assets	-	-	-
Permanently restricted net assets at end of year	<u>\$ 230,000</u>	<u>\$ 2,295,000</u>	<u>\$ 2,525,000</u>