

**THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

For the Year Ended June 30, 2004

**THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.****TABLE OF CONTENTS**

Independent Auditor's Report .....	1
Financial Statements	
Statement of Financial Position .....	2 - 3
Statement of Activities.....	4
Statement of Functional Expenses.....	5
Statement of Cash Flows.....	6
Notes to Financial Statements.....	7 - 10



**Royce A. Belcher** Certified Public Accountant

1312 West Main Street • Lebanon, Tennessee 37087 • 615/444-1149 • Fax 615/444-6626

## ACCOUNTANT'S REPORT

To the Board of Directors of  
The Humane Association of Wilson County, Inc.

We have compiled the accompanying statement of financial position of The Humane Association of Wilson County, Inc. (a nonprofit organization) as of June 30, 2004, and the related statements of activities, functional expenses, and cash flows for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

*Royce A. Belcher, CPA*

December 31, 2004

**THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2004**

**Assets**

**Current Assets**

Cash in Bank	\$ 274,379
Investments	<u>208,682</u>
Total Current Assets	<u>483,061</u>

**Property and Equipment**

Land and Building	320,418
Mobile Equipment	100,000
Equipment and Fixtures	<u>44,824</u>
	465,242
Less: Accumulated Depreciation	<u>(124,086)</u>
Net Property and Equipment	<u>341,156</u>

**Other Assets**

Deposits	475
Certificates of Deposit	<u>25,000</u>
Total Other Assets	<u>25,475</u>
Total Assets	<u>\$ 849,692</u>

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

**THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2004**

**Liabilities and Net Assets**

**Current Liabilities**

Accounts Payable	\$ 4,835
Accrued Payroll	3,256
Payroll Taxes Payable	<u>4,017</u>
Total Current Liabilities	<u>12,108</u>

**Net Assets**

Net Unrealized Appreciation in Marketable Securities	6,798
Unrestricted	<u>830,786</u>
Total Net Assets	<u>837,584</u>
Total Liabilities and Net Assets	<u>\$ 849,692</u>

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

**THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2004**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b><u>Public Support and Revenue:</u></b>			
Donations	\$ 177,876		\$ 177,876
Grants	-	30,240	30,240
Boarding Fees	240		240
Pet Adoptions, net	87,840		87,840
Pet Tax Receipts	46,877		46,877
Fund Raising	38,311		38,311
Dividends	224		224
Interest	<u>2,059</u>		<u>2,059</u>
Total Revenue	<u>353,427</u>	<u>30,240</u>	<u>383,667</u>
<b><u>Reclassifications:</u></b>			
Satisfaction of Usage Restrictions	<u>30,240</u>	<u>(30,240)</u>	<u>-</u>
Total Support and Revenue	<u>383,667</u>	<u>-</u>	<u>383,667</u>
<b><u>Expenses:</u></b>			
Program Services	317,073	-	317,073
Management and General	<u>56,802</u>	<u>-</u>	<u>56,802</u>
Total Expenses	<u>373,875</u>	<u>-</u>	<u>373,875</u>
Excess (Deficiency) of Public Support And Revenue Over Expenses	9,792	-	9,792
Net Assets, Beginning of Year	<u>820,994</u>	<u>-</u>	<u>820,994</u>
Net Assets, End of Year	\$ <u>830,786</u>	\$ <u>-</u>	\$ <u>830,786</u>

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

**THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2004**

	<u>Program Services</u>			<u>Supporting Services</u>	
	<u>Shelter Services</u>	<u>Spay Station Services</u>	<u>Total</u>	<u>Management &amp; General</u>	<u>Total (Memo Only)</u>
Advertising	\$ 11,187	\$ 251	\$ 11,438		\$ 11,438
Animal Training	2,710		2,710		2,710
Automobile Expense	3,573	2,388	5,961		5,961
Building and Equipment Repairs	6,242	1,440	7,682		7,682
Contract Labor	98		98		98
Dues and Subscriptions			-	334	334
Equipment Lease			-		-
Freight			-		-
Fundraising Expense	6,170	955	7,125		7,125
Insurance	17,357	2,475	19,832		19,832
Medical Supplies	16,400	23,502	39,902		39,902
Newsletter/Promotion	6,307		6,307		6,307
Office Supplies			-	8,093	8,093
Payroll Taxes and Benefits	1,503	401	1,904	601	2,505
Postage and Delivery			-	1,540	1,540
Professional Education and Training	2,935		2,935		2,935
Professional Fees			-	6,514	6,514
Salaries	86,526	23,968	110,494	35,000	145,494
Security			-	385	385
Small Equipment	2,058		2,058		2,058
Supplies	16,720	139	16,859		16,859
Taxes and License	6,022	2,826	8,848		8,848
Telephone		1,134	1,134	3,899	5,033
Uniforms	61	113	174		174
Utilities	8,510	337	8,847		8,847
Veterinarian Fees	9,991	34,701	44,692		44,692
Total Expenses Before Depreciation and Amortization	204,370	94,630	299,000	56,366	355,366
Depreciation	7,154	10,919	18,073	436	18,509
Total Expenses	<u>\$ 211,524</u>	<u>\$ 105,549</u>	<u>\$ 317,073</u>	<u>\$ 56,802</u>	<u>\$ 373,875</u>

The accompanying notes are an integral part of these financial statements

**THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.**  
**STATEMENT OF CASH FLOWS**  
**Year Ended June 30, 2004**

**Cash Flows From Operating Activities:**

Increase in Net Assets \$ 9,792

Adjustments to Reconcile Increase in

Net Assets to Cash Provided by Operating Activities

Depreciation 18,509

(Increase) Decrease in:

Increase (Decrease) in:

Accounts Payable 4,788

Taxes Payable (136)

**Net Cash Provided By Operating Activities** **32,953**

**Cash Flows From Investing Activities:**

Investment in Building and Equipment (590)

**Net Cash Used By Investing Activities** **(590)**

**Cash Flows From Financing Activities:**

Increase in Investments (396)

Investment in Certificates of Deposit (20,000)

**Net Cash Used By Financing Activities** **(20,396)**

**Net Increase in Cash and Cash Equivalents** 11,967

**Cash and Cash Equivalents, Beginning of Year** **262,412**

**Cash and Cash Equivalents, End of Year** \$ **274,379**

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



**THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2004**

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

**Nature of Activities**

The Humane Association of Wilson County, Inc. is an organization promoting educational, ethical and humane treatment of animals in Wilson County.

**Basis of Accounting**

The financial statements of the organization have been prepared utilizing the accrual basis of accounting.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, 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 assets, and permanently restricted net assets.

**Contributions**

In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Under SFAS No. 116, time-restricted contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time restriction.

**Promises To Give**

Contributions are recognized when the donor makes a promise to give the Organization that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS-CONTINUED**  
**June 30, 2004**

**NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED**

**Estimates**

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

**Contributed Services**

The Society receives donated services from a variety of unpaid volunteers assisting the Society in the preservation of the facilities and education programs. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under SFAS No. 116 have not been satisfied.

During the year ended June 30, 2004, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

**Land, Buildings and Equipment**

Land, buildings and equipment are stated at cost, less accumulated depreciation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets.

**Income Tax Status**

The Organization qualifies as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, and therefore, has no provision for federal income taxes presented in the financial statements.

**Functional Expenses**

Expenses are charged to each program based on direct expenditures incurred and have been summarized on the statement of functional expenses. Any program expenditures not directly chargeable are allocated among the programs and supported services benefited.

**Cash and Cash Equivalents**

For the purposes of the statement of cash flows, cash consists of cash on hand and in banks, including money market funds, and certificates with the original maturities of less than 90 days.

The Humane Association of V n County, Inc.

62-048196

1

Form 990, Page 1, Part I, Line 9  
Special Events and Activities Statement

List of Three Largest Events and Type and Number of Others	Gross Receipts	Less Contributions	Gross Revenue	Less Direct Expenses	Net Income (Loss)
Fundraising	38,311.	0.	38,311.	7,125.	31,186.
Total	38,311.	0.	38,311.	7,125.	31,186.

Form 990, Page 2, Part II, Line 43  
Other Expenses Stmt

Other expenses not covered above (itemize):	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Dues and Subscriptions	334.	0.	334.	0.
Insurance	19,832.	19,832.	0.	0.
Medical Supplies	39,902.	39,902.	0.	0.
Office Supplies	8,093.	0.	8,093.	0.
Security Services	385.	0.	385.	0.
Small Tool Supplies	2,058.	2,058.	0.	0.
Taxes and License	8,848.	8,848.	0.	0.
Uniforms	174.	174.	0.	0.
Utilities	8,847.	8,847.	0.	0.
Veterinarian Services	44,692.	44,692.	0.	0.
Depreciation Adjustment	-430.	0.	-430.	0.
Total	132,735.	124,353.	8,382.	0.

Form 990, Page 3, Part IV, Line 54  
Investments - Securities Statement

Line 54 - Investments - Securities:	Beginning of Year	End of Year
Linsco Private Ledger	165,170.	165,344.
Primerica Shareholder Services	36,318.	43,338.
Total	201,488.	208,682.

Form 990, Page 3, Part IV, Line 58  
Other Assets Statement

Line 58 - Other Assets:	Beginning of Year	End of Year
Deposits	475.	475.
Total	475.	475.