

THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2017

HUGH W. SMITH, SR.
CERTIFIED PUBLIC ACCOUNTANT



America Counts on CPAs

Human Association of Wilson County, Inc.
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Independent Auditor's Report

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

I have audited the accompanying financial statements of the Humane Association of Wilson County, Inc., which comprise the statement of financial position as of June 30, 2017, and the related statements of activity, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with U.S. generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of account policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Humane Association of Wilson County, Inc. as of June 30, 2017, and the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.



November 13, 2017

Humane Association of Wilson County, Inc.
Statement of Financial Position
June 30, 2017

ASSETS

Current Assets

Cash	\$	217,912
Donations Receivable		212,014
Other		248
Total Current Assets		<u>430,174</u>

Property and Equipment

Construction-in-progress	523,639
Land and building	381,677
Mobil equipment	230,051
Equipment and fixtures	114,402
	<u>1,249,769</u>
Less: Accumulated depreciation	(359,740)
Total Property and Equipment	<u>890,029</u>

Total Assets \$ 1,320,203

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and Accrued Expenses	\$	20,427
Total Liabilities		<u>20,427</u>

Net Assets

Restricted- Clinic Expansion		
Unrestricted		1,299,776
Total Net Assets		<u>1,299,776</u>

Total Liabilities and Net Assets \$ 1,320,203

See accompanying notes to the financial statements.

Humane Association of Wilson County, Inc.
Statements of Activities and Changes in Net Assets
For the Year Ended June 30, 2017

	<u>Unrestricted</u>
Public Support and Revenues	
Clinic Expansion Donations	\$ 667,114
Services Income	201,069
Adoptions	44,030
Other Donations	57,251
In-Kind Donations	6,500
Spay/Neuter	38,351
Special Events	56,647
Grants & Awards	103,601
In-Take	3,265
Gain on Sale of Asset	1,714
Memorials	2,675
Interest	343
Retail Sales	1,155
Total Revenue	<u>1,183,715</u>
Expenses	
Program Services	445,471
Management & General	<u>2,951</u>
Total Expenses	<u>448,422</u>
Excess (Deficiency) of Public Support And Revenue Over Expenses	735,293
Net Assets, Beginning	564,483
Net Assets, End	<u><u>\$ 1,299,776</u></u>

See accompanying notes to the financial statements.

The Humane Association of Wilson County, Inc.
Statement of Functional Expenses
Year Ended June 30, 2017

	Almost Home	Expansion Project	Joy Clinic	NLOL	The Spay Station	Total	Management & General	Total (Memo)
	\$	\$	\$	\$	\$	\$	\$	\$
Angle Fund Expense	2,406					2,406		2,406
Automobile Expense	1,062				1,061	2,123		2,123
Bank Service Charges	120		15	250		385		385
Building & Equipment Repair	5,919			1,420	90	7,429		7,429
Cell Phones	2,633				387	3,020		3,020
Advertising				146		146		146
Credit Card Services	487			602		1,089		1,089
Dues & Subscriptions	94			438		532		532
Fund Raising Expense				25,442		25,442		25,442
Liability Insurance				1,044		1,044		1,044
Business and Vehicle Insurance				15,165		15,165		15,165
Wages/taxes and employee benefits	131,819			43,344	24,183	199,346		199,346
ASPCA Equipment/Travel			24,594			24,594		24,594
Medical Supplies	31,482				16,703	48,185		48,185
Office Supplies	2,338			264		2,602		2,602
Operating Supplies	863					863		863
Medical Services	17,737				19,000	36,737		36,737
Postage & Shipping	504			96		600		600
Professional Fees		11,141				11,141	2,695	13,836
Software	2,832			2,610	750	6,192		6,192
Rent	1,575			162		1,737		1,737
Supplies	5,493				129	5,622		5,622
Taxes & Licenses	277			1,356	653	2,286		2,286
Miscellaneous Administrative						0	256	256
Utilities	15,726				810	16,536		16,536
Total expense before depreciation	223,367	11,141	24,609	92,339	63,766	415,222	2,951	418,173
Depreciation	15,124			9,075	6,050	30,249		30,249
Total expenses	\$ 238,491	\$ 11,141	\$ 24,609	\$ 101,414	\$ 69,816	\$ 445,471	\$ 2,951	\$ 448,422

See accompanying notes to the financial statements.

Human Association of Wilson County, Inc.
 Statements of Cash Flows
 For the Year Ended June 30, 2017

Cash Flows From Operating Activities

Decrease in Net Assets	\$ 735,293
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Adjustments to reconcile change in net assets to
 net cash provided by operations:

Depreciation	30,249
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(Increase) Decrease in:

Current Assets	4,444
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In-Kind Donation	(6,500)
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Accounts Payable & Accrued Expenses	(4,621)
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Other Assets	(212,014)
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	<u>(218,691)</u>
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Net Cash Provided By Operating Activities	546,851
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Cash Flows From Investing Activities

Sale Fixed Asset	6,500
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Construction-in-process	(503,639)
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	<u>(497,139)</u>
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Net Increase (Decrease) in Cash and Cash Equivalents	49,712
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Cash and Cash Equivalents, Beginning	<u>168,200</u>
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Cash and Cash Equivalents, End	<u>\$ 217,912</u>
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See accompanying notes to the financial statements.

The Humane Association of Wilson county, Inc.
Notes to Financial Statements
June 30, 2017

NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Humane Association of Wilson County, inc. was organized in 1978 as a Tennessee not-for-profit corporation and is head quartered in Lebanon, Tennessee. The organization promotes educational, ethical and humane treatment of animals in Wilson County, Tennessee

Basis of Accounting

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

Basis of Presentation

Under Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of 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 net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions

Under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the absence or existence and 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.

Promise 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.

notes 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 Organization receives donated services from a variety of unpaid volunteers assisting the Organization 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 efforts under SFAS No. 116 have not been satisfied. During the year ended June 30, 2017, 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. The cost and related accumulated depreciation of the property and equipment as of June 30, consisted of the following:

	<u>6/30/16</u>	<u>Additions</u>	<u>Retirements</u>	<u>06/30/17</u>
Construction-in-progress	\$ 20,000	\$ 503,639	\$	\$ 523,639
Land and Buildings	381,677			381,677
Mobile Equipment	242,126		12,075	230,051
Equipment and Fixtures	115,912		1,510	114,402
	<u>759,715</u>	<u>503,639</u>	<u>13,585</u>	<u>1,249,769</u>
Less: Accumulated Depreciation	<u>(343,076)</u>	<u>30,249</u>	<u>13,585</u>	<u>(359,740)</u>
Property and Equipment, net	\$ <u>416,639</u>	\$ <u> </u>	\$ <u> </u>	\$ <u>890,029</u>

Depreciation expense for the year ended June 30, 2017 was \$30,249.

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. At June 30, 2017, the Organization's tax returns related to fiscal years ended June 30, 2013 through June 30, 2016 remain open to examination by tax authorities.

notes continues

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.

Investment Securities

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Cash

During the fiscal year, the Organization's cash bank balances did not exceed the federally insured limits. At June 30, 2017, the Organization did not have any uninsured cash balances.

NOTE B- DESCRIPTION OF PROGRAMS

Community Services

The Organization promotes educational activities including an adoption program and other programs to develop ethical and human treatment of animals in the community.

NOTE C- SUBSEQUENT EVENTS

In preparing the financial statements, the Organization has evaluated events and

notes continued

transactions for potential recognition and disclosure through November 13, 2017, the date the financial statements were available to be issued.