



Royce A. Belcher Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of financial position of The Humane Association of Wilson County, Inc. (a nonprofit organization) as of June 30, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these 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 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 that our audit provides a reasonable basis for our opinion.

In our 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, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Royce A. Belcher, CPA

December 28, 2009

THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2009

Assets

Current Assets

Cash in Bank	\$ 671,370
Investments	260,707
Accounts Receivable	<u>9,724</u>
Total Current Assets	<u>941,801</u>

Property and Equipment

Land and Building	318,856
Mobile Equipment	125,000
Equipment and Fixtures	<u>100,002</u>
	543,858
Less: Accumulated Depreciation	<u>(221,713)</u>
Net Property and Equipment	<u>322,145</u>

Other Assets

Deposits	1,010
Certificates of Deposit	<u>185,307</u>
Total Other Assets	<u>186,317</u>
Total Assets	<u>\$ 1,450,263</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, 2009

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$ 14,411
Accrued Payroll	2,367
Payroll Taxes Payable	<u>4,356</u>
Total Current Liabilities	<u>21,134</u>

Net Assets

Net Unrealized Appreciation in Marketable Securities	392
Unrestricted	<u>1,428,737</u>
Total Net Assets	<u>1,429,129</u>
Total Liabilities and Net Assets	<u>\$1,450,263</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, 2009

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
<u>Public Support and Revenue:</u>			
Program Services	\$ 222,323		\$ 222,323
Donations	350,229		350,229
Grants	-	318,505	318,505
Pet Adoptions, net	63,665		63,665
Pet Tax Receipts	26,599		26,599
Fund Raising	73,013		73,013
Dividends	2,528		2,528
Interest	<u>9,782</u>		<u>9,782</u>
Total Revenue	<u>748,139</u>	<u>318,505</u>	<u>1,066,644</u>
<u>Reclassifications:</u>			
Satisfaction of Usage Restrictions	<u>318,505</u>	<u>(318,505)</u>	<u>-</u>
Total Support and Revenue	<u>1,066,644</u>	<u>-</u>	<u>1,066,644</u>
<u>Expenses:</u>			
Program Services	805,967	-	805,967
Management and General	<u>61,530</u>	<u>-</u>	<u>61,530</u>
Total Expenses	<u>867,497</u>	<u>-</u>	<u>867,497</u>
Excess (Deficiency) of Public Support And Revenue Over Expenses	199,147	-	199,147
Net Assets, Beginning of Year	<u>1,229,590</u>	<u>-</u>	<u>1,229,590</u>
Net Assets, End of	\$ <u>1,428,737</u>	\$ <u>-</u>	\$ <u>1,428,737</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, 2009

	Program Services				Supporting Services	
	Shelter Services	Fix for Life	Spay Station Services	Total	Management & General	Total (Memo Only)
Advertising	\$ 31,927	\$ 457	\$ 56	\$ 32,440		\$ 32,440
Animal Training	2,179			2,179		2,179
Automobile Expense	3,560		5,230	8,790		8,790
Bank Service Charges	2,296	1,427	181	3,904	149	4,053
Building and Equipment Repairs	12,995	3,857	4,250	21,102		21,102
Contract Labor	1,266	5,358		6,624		6,624
Dues and Subscriptions	494			494	50	544
Employee Expenses	2,468	391	375	3,234	3,000	6,234
Fundraising Expense	42,480			42,480		42,480
Insurance	8,790	1,985	5,326	16,101		16,101
Medical Supplies	28,396	21,015	10,237	59,648		59,648
Newsletter/Promotion	368		875	1,243		1,243
Office Supplies	9,544	9,145	6,834	25,523	2,423	27,946
Payroll Taxes and Benefits	12,683	5,380	3,080	21,143	4,201	25,344
Postage and Delivery	1,117		356	1,473		1,473
Professional Education and Training	2,358	3,437	130	5,925	1,862	7,787
Professional Fees	36,832			36,832		36,832
Salaries	136,759	61,483	34,101	232,343	48,029	280,372
Rent	828	18,582		19,410		19,410
Supplies	14,699	133	597	15,429		15,429
Taxes and License	696	184	431	1,311		1,311
Telephone	5,510	3,411	2,367	11,288	1,506	12,794
Uniforms	709	98		807		807
Utilities	12,732	4,701	315	17,748		17,748
Veterinarian Fees	25,090	109,943	60,470	195,503		195,503
Total Expenses Before Depreciation and Amortization	396,776	250,987	135,211	782,974	61,220	844,194
Depreciation	2,241	10,505	10,247	22,993	310	23,303
Total Expenses	<u>\$ 399,017</u>	<u>\$ 261,492</u>	<u>\$ 145,458</u>	<u>\$ 805,967</u>	<u>\$ 61,530</u>	<u>\$ 867,497</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, 2009

Cash Flows From Operating Activities:

Increase in Net Assets \$ 199,147

Adjustments to Reconcile Increase in

Net Assets to Cash Provided by Operating Activities

Depreciation 23,303

(Increase) Decrease in:

Accounts Payable 4,713

Taxes Payable 3,325

Accrued Payroll (1,220)

Accounts Receivable (115)

Net Cash Provided By Operating Activities 6,703

Cash Flows From Investing Activities:

Acquisition of Equipment (32,587)

Net Cash Used By Investing Activities (32,587)

Cash Flows From Financing Activities:

Decrease in Investments 2,087

Investment in Certificates of Deposit (10,792)

Net Cash Used By Financing Activities (8,705)

Net Increase in Cash and Cash Equivalents 187,861

Cash and Cash Equivalents, Beginning of Year 483,509

Cash and Cash Equivalents, End of Year \$ 671,370

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

THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

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, 2009

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, 2009, 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 WILSON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS-CONTINUED
June 30, 2009

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

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

At various times during the fiscal year, the Society's cash in bank balances exceeded the federally insured limits. At June 30, 2009, the Society did not have any uninsured cash balances.

NOTE 2-DESCRIPTION OF PROGRAMS

Community Services

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

NOTE 3-INVESTMENT SECURITIES

Investments are stated at fair value and consist primarily of money market funds and mutual funds, as follows:

	Cost	Fair Value	Unrealized Appreciation
Money Market Funds	\$ 221,193	\$ 221,193	\$ -
Mutual Funds	<u>39,122</u>	<u>39,514</u>	<u>392</u>
	<u>\$ 260,315</u>	<u>\$ 260,707</u>	<u>\$ 392</u>

Investment return is summarized as follows:

Interest income	\$ 9,782
Dividend income	<u>2,528</u>
Total unrestricted investment income	<u>\$ 12,310</u>

THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS-CONTINUED
June 30, 2009

NOTE 4- RESTRICTIONS ON NET ASSETS

At June 30, 2009, no funds were temporarily restricted.

END OF NOTES