



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, 2012, 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, 2012, 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 27, 2012

THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2012

Assets

Current Assets

Cash in Bank	\$ 56,885
Investments	221,285
Accounts Receivable	370
Prepaid Expense	<u>9,062</u>
Total Current Assets	<u>287,602</u>

Property and Equipment

Land and Building	355,602
Mobile Equipment	242,126
Equipment and Fixtures	<u>102,200</u>
	699,928
Less: Accumulated Depreciation	<u>(215,636)</u>
Net Property and Equipment	<u>484,292</u>

Other Assets

Deposits	1,010
Certificates of Deposit	<u>277,023</u>
Total Other Assets	<u>278,033</u>
Total Assets	<u>\$ 1,049,927</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, 2012

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$ <u>6,666</u>
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Total Current Liabilities	<u>6,666</u>
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Net Assets

Unrestricted	<u>1,043,261</u>
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Total Net Assets	<u>1,043,261</u>
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Total Liabilities and Net Assets	<u>\$1,049,927</u>
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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, 2012

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
<u>Public Support and Revenue:</u>			
Program Services	\$ 181,377		\$ 181,377
Donations	154,448		154,448
Grants	-	(62,409)	(62,409)
Gain on disposal of Assets	7,801		7,801
Pet Adoptions, net	84,885		84,885
Pet Tax Receipts	69,753		69,753
Fund Raising	41,091		41,091
Interest	<u>1,280</u>		<u>1,280</u>
Total Revenue	<u>540,635</u>	<u>(62,409)</u>	<u>478,226</u>
<u>Reclassifications:</u>			
Satisfaction of Usage Restrictions	<u>(62,409)</u>	<u>62,409</u>	<u>-</u>
Total Support and Revenue	<u>478,226</u>	<u>-</u>	<u>478,226</u>
<u>Expenses:</u>			
Program Services	678,060	-	678,060
Management and General	<u>45,781</u>	<u>-</u>	<u>45,781</u>
Total Expenses	<u>723,841</u>	<u>-</u>	<u>723,841</u>
Excess (Deficiency) of Public Support And Revenue Over Expenses	(245,615)	-	(245,615)
Net Assets, Beginning of Year	<u>1,288,876</u>	<u>-</u>	<u>1,288,876</u>
Net Assets, End of	\$ <u>1,043,261</u>	\$ <u>-</u>	\$ <u>1,043,261</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, 2012

	Program Services				Supporting Services	
	Shelter Services	Fix for Life	Spay Station Services	Total	Management & General	Total (Memo Only)
Advertising	\$ 453	\$ 137	\$ 1,205	\$ 1,795		\$ 1,795
Angel Fund Expense	5,591			5,591		5,591
Animal Training				-		-
Automobile Expense	3,917	434	4,959	9,310		9,310
Bank Service Charges	715	1,256	1,417	3,388		3,388
Building and Equipment Repairs	10,632	319		10,951		10,951
Computer Services				-		-
Contract Labor				-		-
Dues and Subscriptions	340	609	731	1,680		1,680
Employee Expenses				-		-
Fundraising Expense			10,022	10,022		10,022
Insurance	11,318		1,431	12,749		12,749
Meals	162	247	35	444		444
Medical Supplies	14,949	54,572	12,819	82,340		82,340
Newsletter/Promotion				-		-
Office Supplies	2,998	2,124	3,250	8,372		8,372
Payroll Taxes and Benefits	39,945	9,151	2,851	51,947	5,738	57,685
Postage and Delivery	618	102	225	945		945
Professional Education and Training				-		-
Professional Fees	4,594	-		4,594		4,594
Salaries	154,846	72,488	30,561	257,895	40,043	297,938
Rent	407	18,840	35	19,282		19,282
Supplies	9,883	1,103	714	11,700		11,700
Taxes and License	284	7,949	1,992	10,225		10,225
Telephone	1,308	1,294	2,568	5,170		5,170
Travel	568		1,541	2,109		2,109
Uniforms	1,005			1,005		1,005
Utilities	15,344	10,698	726	26,768		26,768
Veterinarian Fees	5,948	64,551	32,927	103,426		103,426
Total Expenses Before Depreciation and Amortization	285,825	245,874	110,009	641,708	45,781	687,489
Depreciation	1,383	10,756	24,213	36,352		36,352
Total Expenses	<u>\$ 287,208</u>	<u>\$ 256,630</u>	<u>\$ 134,222</u>	<u>\$ 678,060</u>	<u>\$ 45,781</u>	<u>\$ 723,841</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, 2012

Cash Flows From Operating Activities:

Decrease in Net Assets	\$ (245,615)
Adjustments to Reconcile Increase in Net Assets to Cash Provided by Operating Activities	
Depreciation	36,352
(Increase) Decrease in:	
Accounts Payable	767
Accounts Receivable	590
Prepaid Expenses	<u>2,217</u>
Net Cash Provided By Operating Activities	<u>(205,689)</u>

Cash Flows From Investing Activities:

Acquisition of Equipment	<u>-</u>
Net Cash Used By Investing Activities	<u>-</u>

Cash Flows From Financing Activities:

Increase in Investments	<u>144,579</u>
Net Cash Used By Financing Activities	<u>144,579</u>
Net Increase in Cash and Cash Equivalents	(61,110)
Cash and Cash Equivalents, Beginning of Year	117,995
Cash and Cash Equivalents, End of Year	\$ 56,885

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

THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1- 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 headquartered in Lebanon, Tennessee. The organization promotes 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, 2012

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, 2012, 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. At June 30, 2012, the Organization's tax returns related to fiscal years ended June 30, 2008 through June 30, 2011 remain open to examination by tax authorities.

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, 2012

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, 2012, 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	\$ <u>221,285</u>	\$ <u>221,285</u>	\$ _____ -
	\$ <u>221,285</u>	\$ <u>221,285</u>	\$ _____ -

Investment return is summarized as follows:

Interest income	\$ <u>1,280</u>
Total unrestricted investment income	\$ <u>1,280</u>

THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS-CONTINUED
June 30, 2012

NOTE 4- RESTRICTIONS ON NET ASSETS

At June 30, 2012, no funds were temporarily restricted.

NOTE 5 – SUBSEQUENT EVENTS

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition and disclosure through October 31, 2012, the date the financial statements were available to be issued.

NOTE 6 – RETURN OF GRANT

During the fiscal year ended June 30, 2012, The Humane Association of Wilson County, Inc. returned a grant in the amount of \$125,000 to the Community Foundation of Middle Tennessee.

END OF NOTES