

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

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**June 30, 2013**



*Royce A. Belcher* Certified Public Accountant  
420 West Main Street • Lebanon, Tennessee 37087 • 615/444-1149 • Fax 615/444-6626

## 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, 2013, 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, 2013, 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, 2013

**THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2013**

**Assets**

**Current Assets**

Cash in Bank	\$ 410,407
Investments	
Accounts Receivable	7,684
Prepaid Expense	<u>2,138</u>
Total Current Assets	<u>420,229</u>

**Property and Equipment**

Land and Building	368,307
Mobile Equipment	242,126
Equipment and Fixtures	<u>111,959</u>
	722,392
Less: Accumulated Depreciation	<u>(251,573)</u>
Net Property and Equipment	<u>470,819</u>

**Other Assets**

Deposits	1,010
Total Other Assets	<u>1,010</u>
Total Assets	<u>\$ 892,058</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, 2013**

**Liabilities and Net Assets**

**Current Liabilities**

Accounts Payable	\$ <u>13,336</u>
Total Current Liabilities	<u>13,336</u>

**Net Assets**

Unrestricted	<u>878,722</u>
Total Net Assets	878,722
Total Liabilities and Net Assets	\$ <u><u>892,058</u></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, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b><u>Public Support and Revenue:</u></b>			
Program Services	\$ 202,554		\$ 202,554
Donations	102,362		102,362
Grants	-	43,703	43,703
Pet Adoptions, net	65,109		65,109
Pet Tax Receipts	36,155		36,155
Fund Raising	110,840		110,840
Interest	<u>1,004</u>		<u>1,004</u>
Total Revenue	<u>518,024</u>	<u>43,703</u>	<u>561,727</u>
<b><u>Reclassifications:</u></b>			
Satisfaction of Usage Restrictions	<u>43,703</u>	<u>(43,703)</u>	<u>-</u>
Total Support and Revenue	<u>561,727</u>	<u>-</u>	<u>561,727</u>
<b><u>Expenses:</u></b>			
Program Services	678,828	-	678,828
Management and General	<u>47,438</u>	<u>-</u>	<u>47,438</u>
Total Expenses	<u>726,266</u>	<u>-</u>	<u>723,266</u>
Excess (Deficiency) of Public Support And Revenue Over Expenses	(164,539)	-	(164,539)
Net Assets, Beginning of Year	<u>1,043,261</u>	<u>-</u>	<u>1,043,261</u>
Net Assets, End of	\$ <u>878,722</u>	\$ <u>-</u>	\$ <u>878,722</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, 2013**

	Program Services				Supporting Services	
	Shelter Services	Fix for Life	Spay Station Services	Total	Management & General	Total (Memo Only)
Advertising	\$ 3,073	\$ 111		\$ 3,184		\$ 3,184
Angel Fund Expense	5,479			5,479		5,479
Animal Training				-		-
Automobile Expense	2,503	2,470	5,423	10,396		10,396
Bank Service Charges	1,278	1,448	350	3,076		3,076
Building and Equipment Repairs	4,420	960		5,380		5,380
Computer Services				-		-
Contract Labor				-		-
Dues and Subscriptions		731	470	1,201		1,201
Employee Expenses				-		-
Fundraising Expense	45,455			45,455		45,455
Insurance	24,864	291		25,155		25,155
Meals	480	342		822		822
Medical Supplies	20,414	70,465	14,790	105,669		105,669
Newsletter/Promotion	234			234		234
Office Supplies	5,610	1,624	72	7,306		7,306
Payroll Taxes and Benefits	26,432	11,384	1,390	39,206	4,439	43,645
Postage and Delivery	811	3		814		814
Professional Education and Training	896	395		1,291		1,291
Professional Fees	4,181	-		4,181		4,181
Salaries	143,066	81,414	10,899	235,379	43,000	278,379
Rent	480	15,226		15,706		15,706
Supplies	8,377	1,560	87	10,024		10,024
Taxes and License	884	1,348		2,232		2,232
Telephone	1,901	1,527	887	4,315		4,315
Travel				-		-
Uniforms	575			575		575
Utilities	17,004	10,911	698	28,613		28,613
Veterinarian Fees	2,909	68,780	15,508	87,197		87,197
Total Expenses Before Depreciation and Amortization	321,326	270,990	50,574	642,890	47,439	690,329
Depreciation	1,955	9,769	24,213	35,937		35,937
Total Expenses	<u>\$ 323,281</u>	<u>\$ 280,759</u>	<u>\$ 74,787</u>	<u>\$ 678,827</u>	<u>\$ 47,439</u>	<u>\$ 726,266</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, 2013**

<b>Cash Flows From Operating Activities:</b>	
Decrease in Net Assets	\$ (164,222)
Adjustments to Reconcile Increase in Net Assets to Cash Provided by Operating Activities	
Depreciation	35,937
(Increase) Decrease in:	
Accounts Payable	6,670
Accounts Receivable	(7,631)
Prepaid Expenses	<u>6,924</u>
<b>Net Cash Provided By Operating Activities</b>	<b><u>(122,322)</u></b>
<b>Cash Flows From Investing Activities:</b>	
Acquisition of Equipment	<u>(22,464)</u>
<b>Net Cash Used By Investing Activities</b>	<b><u>(22,464)</u></b>
<b>Cash Flows From Financing Activities:</b>	
Decrease in Investments	277,023
Certificate of Deposit	221,285
<b>Net Cash Used By Financing Activities</b>	<b><u>498,308</u></b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>353,522</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b><u>56,885</u></b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ <u>410,407</u></b>

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

**THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

**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, 2013**

**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, 2013, 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, 2013, the Organization's tax returns related to fiscal years ended June 30, 2009 through June 30, 2012 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, 2013**

**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, 2013, 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- RESTRICTIONS ON NET ASSETS**

At June 30, 2013, no funds were temporarily restricted.

**NOTE 4 – SUBSEQUENT EVENTS**

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition and disclosure through October 31, 2013, the date the financial statements were available to be issued.

**END OF NOTES**