



Royce A. Belcher Certified Public Accountant

1312 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, 2008, 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, 2008, 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 31, 2008

THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.

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THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2008

Assets

Current Assets

Cash in Bank	\$ 483,509
Investments	275,644
Accounts Receivable	<u>9,609</u>
Total Current Assets	<u>768,762</u>

Property and Equipment

Land and Building	318,856
Mobile Equipment	100,000
Equipment and Fixtures	<u>92,415</u>
	511,271
Less: Accumulated Depreciation	<u>(198,410)</u>
Net Property and Equipment	<u>312,861</u>

Other Assets

Deposits	1,010
Certificates of Deposit	<u>174,515</u>
Total Other Assets	<u>175,525</u>
Total Assets	<u>\$ 1,257,148</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, 2008

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$ 9,698
Accrued Payroll	3,587
Payroll Taxes Payable	<u>1,031</u>
Total Current Liabilities	<u>14,316</u>

Net Assets

Net Unrealized Appreciation in Marketable Securities	13,242
Unrestricted	<u>1,229,590</u>
Total Net Assets	<u>1,242,832</u>
Total Liabilities and Net Assets	<u>\$1,257,148</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, 2008

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
<u>Public Support and Revenue:</u>			
Donations	\$ 242,093		\$ 242,093
Grants	-	243,687	243,687
Pet Adoptions, net	71,280		71,280
Pet Tax Receipts	51,719		51,719
Fund Raising	62,119		62,119
Dividends	9,664		9,664
Interest	<u>8,771</u>	<u> </u>	<u>8,771</u>
 Total Revenue	 <u>445,646</u>	 <u>243,687</u>	 <u>689,333</u>
<u>Reclassifications:</u>			
Satisfaction of Usage Restrictions	<u>243,687</u>	<u>(243,687)</u>	<u> -</u>
 Total Support and Revenue	 <u>689,333</u>	 <u> -</u>	 <u>689,333</u>
<u>Expenses:</u>			
Program Services	487,575	-	487,575
Management and General	<u>3,790</u>	<u> -</u>	<u>3,790</u>
 Total Expenses	 <u>491,365</u>	 <u> -</u>	 <u>491,365</u>
 Excess (Deficiency) of Public Support And Revenue Over Expenses	 197,968	 -	 197,968
 Net Assets, Beginning of Year	 <u>1,031,622</u>	 <u> -</u>	 <u>1,031,622</u>
 Net Assets, End of	 <u>\$ 1,229,590</u>	 <u>\$ -</u>	 <u>\$ 1,229,590</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, 2008

Cash Flows From Operating Activities:

Increase in Net Assets	\$ 197,968
Adjustments to Reconcile Increase in Net Assets to Cash Provided by Operating Activities	
Depreciation	18,755
(Increase) Decrease in:	
Accounts Payable	4,238
Taxes Payable	306
Deposits	(535)
Accounts Receivable	<u>(6,915)</u>
Net Cash Provided By Operating Activities	<u>213,817</u>

Cash Flows From Investing Activities:

Acquisition of Equipment	<u>(93,542)</u>
Net Cash Used By Investing Activities	<u>(93,542)</u>

Cash Flows From Financing Activities:

Increase in Investments	(43,210)
Investment in Certificates of Deposit	<u>(8,973)</u>
Net Cash Used By Financing Activities	<u>(52,183)</u>

Net Increase in Cash and Cash Equivalents	68,092
Cash and Cash Equivalents, Beginning of Year	<u>415,417</u>
Cash and Cash Equivalents, End of Year	\$ <u>483,509</u>

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

THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

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, 2008

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, 2008, the Society's uninsured cash balances totaled \$209,231.

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	\$ 202,211	\$ 202,211	\$ -
Mutual Funds	<u>39,122</u>	<u>52,364</u>	<u>13,242</u>
	\$ <u>241,333</u>	\$ <u>254,575</u>	\$ <u>13,242</u>

Investment return is summarized as follows:

Interest income	\$ 8,771
Dividend income	<u>9,664</u>
Total unrestricted investment income	\$ <u>18,435</u>

THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.,
NOTES TO FINANCIAL STATEMENTS-CONTINUED
June 30, 2008

NOTE 4- RESTRICTIONS ON NET ASSETS

At June 30, 2008, no funds were temporarily restricted.

END OF NOTES