

THE HUMANE ASSOCIATION OF WILSON COUNTY, INC.

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2019

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, 2019, 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, 2019, and the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.



October 28, 2019

Humane Association of Wilson County, Inc.
Statement of Financial Position
June 30, 2019

ASSETS

<i>Current Assets</i>		\$
Checking Account	7,134	
Joy Clinic Checking Account	86,555	
Grant Funds	10,178	
Clinic Expansion Checking Account	424,176	
Money Market Account	134,467	
Total Cash Accounts	<u>662,510</u>	
<i>Other Current Assets</i>	36,574	
Donations Receivable	2,764	
Other	<u>39,338</u>	
Total Other Current Assets	701,848	
Total Current Assets		
<i>Property and Equipment</i>	835,910	
Land and building	183,704	
Equipment and fixtures	<u>1,019,614</u>	
Less: Accumulated depreciation	<u>(230,580)</u>	
Total Property and Equipment	789,034	
Total Assets	<u>\$ 1,490,882</u>	

LIABILITIES AND NET ASSETS

<i>Current Liabilities</i>		\$
Accounts Payable	30,339	
Accrued Expenses	<u>6,612</u>	
Total Liabilities	36,951	
<i>Net Assets</i>	1,453,931	
Unrestricted	<u>1,453,931</u>	
Total Net Assets		
Total Liabilities and Net Assets	<u>\$ 1,490,882</u>	

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, 2019**

	Unrestricted
Public Support and Revenues	
Angel Fund Donations	\$ 6,852
2018 BITP	19,566
Adoptions	60,409
Donations	227,754
Other	11,000
Appeals	35,449
Spay/Neuter	139,645
Special Events	5,375
Ball In The Park	4
Grants & Awards	70,724
In-Take	3,526
Reverse Raffle	30,395
Spay it Forward	8,275
Retail Sales	330
Interest	436
Gain on Sale of Fixed Assets	196,086
Total Revenue	<u>815,826</u>
Expenses	
Program Services	625,057
Management & General	2,180
Total Expenses	<u>627,237</u>
Excess (Deficiency) of Public Support And Revenue Over Expenses	188,589
Net Assets, Beginning	<u>1,265,342</u>
Net Assets, End	<u>\$ 1,453,931</u>

See accompanying notes to the financial statements.

THE HIGHLAND ASSOCIATION OF WILSON COUNTY, INC.
Statement of Functional Expenses
Year Ended June 30, 2019

	Supporting Services				
	Almost Home	Joy Clinic Operations	NLOL	Management & General	Total (Memo)
Angle Fund Expense	\$ 6,955.27	\$	\$	\$	\$ 6,955.27
Automobile Expense	558.15				558.15
Bank Service Charges	120.00	15.00	285.00		420.00
Building & Equipment Repair	8,599.64	522.14	1,092.91		10,214.69
Cell Phones	951.18	2,436.23			3,387.41
Conference/Workshop			1,488.47		1,488.47
Credit Card Services	317.33		1,516.73		1,834.06
Dues & Subscriptions			858.60		858.60
Fund Raising Expense			35,553.19		35,553.19
Insurance			3,604.63		3,604.63
Business and Vehicle Insurance			10,592.71		10,592.71
Employee Training	893.42	250.00	896.00		2,039.42
Payroll	131,458.95	137,215.03	49,139.84	179.94	317,993.76
Payrol Taxes	11,511.57	11,344.54	4,037.66		26,893.77
Medical Supplies	39,009.72	75,552.26			114,561.98
Office Supplies	2,501.44	1,078.55	619.91		4,199.90
Operating Supplies	5,956.33				5,956.33
Medical Services		1,762.92			1,762.92
Postage & Shipping	477.70	219.34	105.00		802.04
Professional Fees	475.00	200.00	656.00		1,331.00
Accounting/Audit				2,000.00	2,000.00
General Operations	7,400.29	4,670.27	4,355.09		16,425.65
Utilities	14,480.87	7,652.74			22,133.61
Total expense before depreciation	231,666.86	242,919.02	114,801.74	2,179.94	591,567.56
Depreciation	12,309.00	18,083.00	5,277.00		35,669.00
Total expenses	\$ 243,975.86	\$ 261,002.02	\$ 120,078.74	\$ 2,179.94	\$ 627,236.56

See accompanying notes to the financial statements.

Human Association of Wilson County, Inc.
 Statements of Cash Flows
 For the Year Ended June 30, 2019

Cash Flows From Operating Activities	\$ 188,589
Decrease in Net Assets	
Adjustments to reconcile change in net assets to net cash provided by operations:	
Depreciation	35,669
Increase (Decrease) in:	
Current Assets	2,988
Payables/Accrued Expenses	(4,672)
Gain on Sale of Fixed Assets	(196,086)
	<u>(197,770)</u>
Net Cash Provided By Operating Activities	26,488
Cash Flows From Investing Activities	
Purchased Equipment	(5,583)
Sale of Fixed Asset	424,176
	<u>418,593</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>445,081</u>
Cash and Cash Equivalents, Beginning	<u>217,429</u>
Cash and Cash Equivalents, End	<u>\$ 662,510</u>

See accompanying notes to the financial statements.

The Humane Association of Wilson county, Inc.
Notes to Financial Statements
June 30, 2019

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.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that

notes continued

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, 2019, 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:

	6/30/18	Additions	Retirements	06/30/19
Land and Buildings	1,063,958	0	228,047	835,911
Mobile Equipment	25,000	0	25,000	0
Equipment and Fixtures	181,208	2,496	0	183,704
Less: Accumulated Depreciation	1,270,166	2,496	253,047	1,019,615
	(359,740)			(230,580)
Property and Equipment,	\$ 910,426			\$ 789,035

Depreciation expense for the year ended June 30, 2019 was \$35,669.

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, 2019, the Organization's tax returns related to fiscal years ended June 30, 2016 through June 30, 2018 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.

notes continued

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

At June 30, 2019, the Organization's Joy Clinic Checking account exceeded the FDIC deposit insurance amount by \$174,175.97.

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 transactions for potential recognition and disclosure through October 28, 2019, the date the financial statements were available to be issued.