

KAUAI HUMANE SOCIETY

FINANCIAL STATEMENTS
As of and For the Year Ended June 30, 2014
With Prior Year Comparative Information
And Independent Auditor's Report



CW Associates
A Hawaii Certified Public Accounting Corporation

INDEPENDENT AUDITOR'S REPORT

Kauai Humane Society:

Report on the Financial Statements

We have audited the accompanying financial statements of the Kauai Humane Society (Society), a nonprofit Hawaii corporation, which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Society as of June 30, 2014, 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.

Report on Prior Year Comparative Information

We have previously audited the Society's financial statements as of and for the year ended June 30, 2013, and our report dated November 30, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the accompanying prior year comparative information is consistent, in all material respects, with the audited financial statements from which it has been derived.

CW ASSOCIATES, CPAs

Honolulu, Hawaii
November 14, 2014

KAUAI HUMANE SOCIETY
STATEMENT OF FINANCIAL POSITION
As of June 30, 2014
(With Prior Year Comparative Information)

	<u>2014</u>	<u>2013</u>
ASSETS		
CURRENT ASSETS		
Cash (including interest-bearing accounts)	\$ 314,829	\$ 171,113
Investments in marketable securities	59,342	53,178
Accounts and contributions receivable – net	13,253	62,053
Inventory of retail merchandise	28,839	16,319
Prepaid expenses and other assets	<u>35,057</u>	<u>17,516</u>
Total current assets	<u>451,320</u>	<u>320,179</u>
PROPERTY AND EQUIPMENT – Net	<u>2,731,078</u>	<u>2,786,816</u>
REMAINDER INTEREST IN TRUST – Net	<u>438,087</u>	<u>413,523</u>
TOTAL ASSETS	<u>\$3,620,485</u>	<u>\$3,520,518</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 23,555	\$ 59,248
Accrued liabilities	56,928	30,216
Note payable	-	125,000
Total current liabilities	<u>80,483</u>	<u>214,464</u>
NET ASSETS		
Unrestricted net assets		
Unrestricted – undesignated	337,163	34,410
Unrestricted – invested in property and equipment	<u>2,731,078</u>	<u>2,786,816</u>
Total unrestricted net assets	3,068,241	2,821,226
Temporarily restricted net assets	<u>471,761</u>	<u>484,828</u>
Total net assets	<u>3,540,002</u>	<u>3,306,054</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$3,620,485</u>	<u>\$3,520,518</u>

See accompanying notes to the financial statements.

KAUAI HUMANE SOCIETY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014
(With Prior Year Comparative Information)

	<u>2014</u>	<u>2013</u>
CHANGES IN UNRESTRICTED NET ASSETS		
Revenue and support		
County of Kauai contract		
Shelter services	\$ 760,000	\$ 595,000
Spay and neuter services	-	65,000
Total County of Kauai contract	<u>760,000</u>	<u>660,000</u>
Boarding, quarantine, and other services	592,136	507,840
Unrestricted contributions	570,218	338,129
Thrift Shop sales	340,653	300,386
Net assets released from temporary restrictions	283,510	238,217
Special events – net	88,771	55,275
Contributed food and other supplies	15,866	46,232
Investment and other income (losses)	(4,670)	2,739
Total revenue and support	<u>2,646,484</u>	<u>2,148,818</u>
Expenses		
Animal shelter and related services	2,120,964	2,009,134
Cost of Thrift Shop	122,379	179,959
Management and general	92,044	214,387
Fundraising	64,082	59,355
Total expenses	<u>2,399,469</u>	<u>2,462,835</u>
Increase (decrease) in unrestricted net assets	<u>247,015</u>	<u>(314,017)</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Temporarily restricted contributions	245,879	231,691
Net assets released from temporary restrictions	(283,510)	(238,217)
Temporarily restricted change in remainder interest in trust	24,564	34,297
Increase (decrease) in temporarily restricted net assets	<u>(13,067)</u>	<u>27,771</u>
INCREASE (DECREASE) IN NET ASSETS	233,948	(286,246)
NET ASSETS – Beginning of year	<u>3,306,054</u>	<u>3,592,300</u>
NET ASSETS – End of year	<u>\$3,540,002</u>	<u>\$3,306,054</u>

See accompanying notes to the financial statements.