

**SCRIMA, KABITZKE & Co., S.C.**

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MEMBER WISCONSIN  
INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the Board Members  
Oshkosh Area Humane Society, Inc.  
Oshkosh, Wisconsin

We have audited the accompanying statement of financial position of Oshkosh Area Humane Society, Inc. as of May 31, 2012 and the related statements of activities, cash flows and functional expenses 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. The prior year summarized comparative information has been derived from the Society's 2011 financial statements and, in our report dated August 15, 2011, we expressed an unqualified opinion on those statements.

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 Oshkosh Area Humane Society, Inc. as of May 31, 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.

*Scrima, Kabitzke & Co., S.C.*

Scrima, Kabitzke & Co., S.C.  
Waukesha, Wisconsin  
August 20, 2012

**Oshkosh Area Humane Society, Inc.**

**Statements of Financial Position**

**May 31, 2012**

(with comparative totals for May 31, 2011)

**ASSETS**

	05/31/12 Total	05/31/11 Total
Current Assets		
Cash and cash equivalents	\$ 186,164	\$ 227,764
Accounts receivable		2,116
Total Current Assets	<u>186,164</u>	<u>229,880</u>
Property and Equipment		
Land	284,779	284,779
Building and improvements	1,716,828	1,714,068
Furniture and equipment	179,026	171,626
Automobile	7,588	7,588
	<u>2,188,221</u>	<u>2,178,061</u>
Less - accumulated depreciation	<u>(484,104)</u>	<u>(414,121)</u>
Net Property and Equipment	<u>1,704,117</u>	<u>1,763,940</u>
Other Assets		
Beneficial interest in assets held by community foundation	107,520	50,422
Beneficial interest in trust	1,332,732	1,465,609
Total Other Assets	<u>1,440,252</u>	<u>1,516,031</u>
Total Assets	<u>\$ 3,330,533</u>	<u>\$ 3,509,851</u>

**LIABILITIES AND NET ASSETS**

Current Liabilities		
Accrued wages	\$ 14,614	\$ 12,187
Accounts payable	30,786	13,416
Accrued interest	689	794
Sales tax payable	182	258
Payroll taxes payable	1,069	1,071
Accrued expenses	1,100	3,030
Deferred revenue	1,640	2,800
Current portion of notes payable	<u>46,800</u>	<u>46,800</u>
Total Current Liabilities	<u>96,880</u>	<u>80,356</u>
Long-Term Liabilities		
Notes payable, less current portion	<u>358,782</u>	<u>420,500</u>
Total Liabilities	<u>455,662</u>	<u>500,856</u>
Net Assets - Unrestricted - Operating	1,274,980	1,231,033
- Board Designated	257,082	302,300
- Temporary Restricted	10,077	10,053
- Permanently Restricted	<u>1,332,732</u>	<u>1,465,609</u>
Total Net Assets	<u>2,874,871</u>	<u>3,008,995</u>
Total Liabilities and Net Assets	<u>\$ 3,330,533</u>	<u>\$ 3,509,851</u>

The accompanying notes are an integral part of these statements.

**Oshkosh Area Humane Society, Inc.**

**Statements of Activities**

**For the Year Ended May 31, 2012**

**(with comparative totals for May 31, 2011)**

	Unrestricted	Temporary Restricted	Permanently Restricted	05/31/12 Total	05/31/11 Total
Operating Revenue					
City Contract	\$ 75,450	\$	\$	\$ 75,450	\$ 74,201
Adoptions	25,616			25,616	45,076
Redemptions	10,380			10,380	11,044
Impounding Service Fees	8,846			8,846	6,692
Boarding	729			729	1,458
Other Municipalities	2,080			2,080	3,375
Licensing Fees	13,829			13,829	14,875
Miscellaneous	25,498			25,498	23,327
Membership Dues	34,137			34,137	45,869
Total	196,565			196,565	225,917
Operating Expenses					
Program	742,626			742,626	676,852
General & Administration Expenses	132,332			132,332	143,402
Total	874,958			874,958	820,254
Operating Deficit	(678,393)			(678,393)	(594,337)
Public Support and Other Revenues					
Bequests	81,500			81,500	341,956
Contributions	336,260			336,260	229,879
Fund Raising Projects	253,376			253,376	240,674
Fund Raising Expenses	(44,664)			(44,664)	(66,402)
Gain (loss) on beneficial interest in assets held by foundation			(82,877)	(82,877)	247,428
Gain (loss) on beneficial interest in trust	(2,235)			(2,235)	7,614
Miscellaneous income	1,859			1,859	1,165
Investment Income	1,026	24		1,050	2,090
Total Public Support	627,122	24	(82,877)	544,269	1,004,404
Change in Net Assets	(51,271)	24	(82,877)	(134,124)	410,067
Net Assets - Beginning of Year	1,533,333	10,053	1,465,609	3,008,995	2,598,928
Transfer: From Kay Wilde Fund	50,000		(50,000)		
Net Assets - End of Year	\$ 1,532,062	\$ 10,077	\$ 1,332,732	\$ 2,874,871	\$ 3,008,995

The accompanying notes are an integral part of these statements.

**Oshkosh Area Humane Society, Inc.**

**Statements of Cash Flows**

**For the Year Ended May 31, 2012**

(with comparative totals for May 31, 2011)

<b>Cash Flows From Operating Activities</b>	<b><u>May 31, 2012</u></b>	<b><u>May 31, 2011</u></b>
Change in Net Assets	\$ (134,124)	\$ 410,067
Adjustments to reconcile net increase in net assets to net cash provided by operating activities -		
Depreciation and amortization	69,983	65,166
Change in beneficial interest of community foundation	132,877	(181,570)
Change in beneficial interest in trust	(57,098)	(1,709)
(Increase) decrease in operating assets -		
Accounts receivable	2,116	(266)
(Decrease) increase in operating liabilities -		
Accounts payable	17,370	(6,706)
Accrued expenses	(1,930)	420
Sales tax payable	(76)	40
Payroll taxes payable	(2)	(97)
Accrued wages	2,427	3,030
Accrued interest	(105)	(1,309)
Deferred revenue	(1,160)	2,800
Net cash provided by operating activities	<u>30,278</u>	<u>289,866</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	<u>(10,160)</u>	<u>(22,745)</u>
<b>Cash Flows From Financing Activities</b>		
Payments on notes	<u>(61,718)</u>	<u>(178,303)</u>
Net Increase (Decrease) in Cash	(41,600)	88,818
Cash, Beginning of Year	<u>227,764</u>	<u>138,946</u>
Cash, End of Year	<u>\$ 186,164</u>	<u>\$ 227,764</u>
 <b><u>Supplemental Information</u></b>		
Interest expense	<u>\$ 17,403</u>	<u>\$ 28,102</u>

The accompanying notes are an integral part of these statements.

**Oshkosh Area Humane Society, Inc.**

**Statements of Functional Expenses**

**For the Year Ended May 31, 2012**

(with comparative totals for May 31, 2011)

	Program	Management & General	Fund Raising	05/31/12 Total	05/31/11 Total
Compensation	\$ 356,020	\$ 101,802	\$	\$ 457,822	\$ 432,157
Payroll taxes	26,143	7,476		33,619	32,058
Benefits	27,582	7,887		35,469	44,188
Professional fees	14,019	3,358		17,377	19,729
Supplies	49,405		44,664	94,069	106,452
Telephone	1,612	179		1,791	1,656
Office expense	2,672	685		3,357	2,897
Postage and shipping	390	3,337		3,727	3,845
Occupancy	42,785	1,073		43,858	43,391
Repairs and maintenance	8,241			8,241	11,202
Printing and publications	3,471	614		4,085	6,642
Vehicle	870			870	697
Conferences and meetings	6,112			6,112	6,258
Volunteers	131			131	961
Depreciation	69,983			69,983	65,166
Insurance	15,543	1,725		17,268	20,998
Dues and memberships	888			888	1,529
Animal food	3,393			3,393	6,829
Medical care - animals	77,648			77,648	31,084
Advertising and promotion	9,308			9,308	2,789
Property taxes	4,978			4,978	5,472
Bank fees		3,492		3,492	6,545
Interest	17,403			17,403	28,102
Miscellaneous	4,029	704		4,733	6,009
<b>TOTAL EXPENSES</b>	<b>\$ 742,626</b>	<b>\$ 132,332</b>	<b>\$ 44,664</b>	<b>\$ 919,622</b>	<b>\$ 886,656</b>

See accompanying independent auditor's report.