

**WABASH COUNTY
ANIMAL SHELTER, INC.**

FINANCIAL STATEMENTS

Year Ended December 31, 2024

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Wabash County Animal Shelter, Inc.
Wabash, Indiana

Opinion

We have audited the accompanying financial statements of Wabash County Animal Shelter, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wabash County Animal Shelter, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wabash County Animal Shelter, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Wabash County Animal Shelter, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Wabash County Animal Shelter, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wabash County Animal Shelter, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Fort Wayne, Indiana
June 30, 2025

WABASH COUNTY ANIMAL SHELTER, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2024

ASSETS

Cash	\$ 113,990
Contributions receivable	100,000
Prepaid expenses	1,697
Cash restricted for long-term purpose	25,000
Fixed assets	<u>17,845</u>
Total Assets	<u>\$ 258,532</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 7,837
Accrued payroll and withholdings	<u>4,363</u>
Total Liabilities	12,200
Net Assets:	
Without donor restrictions	110,876
With donor restrictions	<u>135,456</u>
Total Net Assets	<u>246,332</u>
Total Liabilities and Net Assets	<u>\$ 258,532</u>

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

WABASH COUNTY ANIMAL SHELTER, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
CHANGES IN NET ASSETS			
Support and Revenue:			
Contributions	\$ 141,590	\$ 36,498	\$ 178,088
Contributed nonfinancial assets	36,944	-	36,944
Government grants	28,892	100,000	128,892
Program fees	36,662	-	36,662
Other income	1,301	-	1,301
Interest income	193	-	193
Net Assets Released From Restrictions	<u>4,937</u>	<u>(4,937)</u>	<u>-</u>
Total Support and Revenue	250,519	131,561	382,080
Expenses:			
Program	166,354	-	166,354
Management and general	68,031	-	68,031
Fundraising	<u>9,371</u>	<u>-</u>	<u>9,371</u>
Total Expenses	<u>243,756</u>	<u>-</u>	<u>243,756</u>
CHANGE IN NET ASSETS	6,763	131,561	138,324
NET ASSETS - January 1, 2024	<u>104,113</u>	<u>3,895</u>	<u>108,008</u>
NET ASSETS - December 31, 2024	<u><u>\$ 110,876</u></u>	<u><u>\$ 135,456</u></u>	<u><u>\$ 246,332</u></u>

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

WABASH COUNTY ANIMAL SHELTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	Program	Management and General	Fundraising	Total
Salaries	\$ 46,059	\$ 41,452	\$ 4,606	\$ 92,117
Payroll taxes	3,587	3,228	359	7,174
Employee benefits	490	375	-	865
	<hr/>	<hr/>	<hr/>	<hr/>
Total Salaries and Related Expenses	50,136	45,055	4,965	100,156
Occupancy	29,752	7,702	-	37,454
Medical expenses	30,249	-	-	30,249
Spay and neuter	30,097	-	-	30,097
Program supplies	14,409	-	-	14,409
Professional fees	1,040	4,399	4,308	9,747
Office	2,825	4,044	98	6,967
Insurance	5,122	1,280	-	6,402
Equipment maintenance	1,329	1,330	-	2,659
Travel	730	729	-	1,459
Advertising	540	200	-	740
Other expenses	125	480	-	605
Bank and credit card fees	-	502	-	502
Training and meetings	-	229	-	229
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses Before Depreciation	166,354	65,950	9,371	241,675
Depreciation	-	2,081	-	2,081
	<hr/>	<hr/>	<hr/>	<hr/>
Total Functional Expenses	<u>\$ 166,354</u>	<u>\$ 68,031</u>	<u>\$ 9,371</u>	<u>\$ 243,756</u>

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

WABASH COUNTY ANIMAL SHELTER, INC.
STATEMENTS OF CASH FLOWS
Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 138,324
Adjustments to reconcile change in net assets to cash flows from operating activities:	
Contributions for long-term purpose	(25,000)
Depreciation	2,081
Change in assets and liabilities:	
(Increase) decrease in:	
Contributions receivable	(96,349)
Prepaid expenses	(74)
Increase (decrease) in:	
Accounts payable	4,671
Accrued payroll and withholdings	506
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Cash Flows From Operating Activities	24,159

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets	(6,035)
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CASH FLOWS FROM INVESTING ACTIVITIES

Contributions for long-term purpose	<hr/> 25,000
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INCREASE (DECREASE) IN CASH	43,124
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CASH AND RESTRICTED CASH - January 1, 2024	<hr/> 95,866
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CASH AND RESTRICTED CASH - December 31, 2024	<hr/> <hr/> \$ 138,990
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The accompanying notes are an integral part of these financial statements.

WABASH COUNTY ANIMAL SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Wabash County Animal Shelter, Inc. (Organization) is a nonprofit organization limited admissions shelter dedicated to providing compassionate care and a second chance to animals in need. The Organization's mission is to rescue, rehabilitate, and rehome.

Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

Recent Accounting Guidance

During 2024, the Organization adopted ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326). The ASU and its related amendments replace the previous expected credit loss methodology with a new incurred loss methodology. The new standard applies to financial instruments including, but not limited to, trade receivables. Under the new standard, organizations must consider historical information, current conditions and a reasonable forecast period when estimating credit loss. The adoption of the standard had no material impact on the Organization's financial statements.

Also during 2024, the Organization adopted ASU 2016-02, *Leases* (Topic 842), as required by U.S. GAAP. This ASU will require organizations that lease assets to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by the leases. The Organization adopted this standard on January 1, 2024, and elected not to restate comparative periods in the period of adoption. The Organization has no leases, thus there was no effect on net assets in connection with the implementation of ASU 2016-02.

The Organization elected the package of practical expedients and to not separate lease and non-lease components for all leases. The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis. The Organization does not have any leases in 2024 that fall under the guidance of ASU 2016-02.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

Also during 2024, the Organization adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. There is no effect on the net assets in connection with the implementation of ASU 2020-07.

Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Receivables

The Organization recognizes contributions receivable as public support in the year that a firm pledge is made, and if necessary provides an allowance for uncollectible contributions receivable equal to the estimated collection losses that will be incurred in collection of all receivables. The estimated losses are based on historical collection experience coupled with a review of the current status of the existing receivables.

Fixed Assets

Fixed assets are stated at cost or, if donated, at fair value at the date of the gift. The Organization follows the policy of providing depreciation on the straight-line method for financial reporting purposes over the estimated useful lives of the related assets. In the absence of donor-imposed restrictions on the use of the asset, gifts of long-lived assets are reported as support without donor restrictions. Items with a cost in excess of \$1,000 and a useful life in excess of one year are capitalized.

Net Assets

Net assets without donor restrictions are available for use at the discretion of the Organization's management and the board of directors. From time to time the board designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue and Revenue Recognition

The Organization recognizes contributions and grants as public support when cash, other assets or an unconditional promise is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met.

Contributed nonfinancial assets are recognized as support and expense or property and equipment and are recorded at market value as of the date received. The Organization also receives substantial contributions of nonprofessional services. The fair market value of the donated nonprofessional services is not reflected in the financial statements because it does not meet the recognition criteria set forth in FASB ASC 958-605.

A portion of the Organization's revenue is derived from cost-reimbursable government grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. No advances have been received on the grants and no deferred revenue is recognized.

Program fee revenue is recorded at the point in time the service is provided or items are sold.

Other income is recognized as revenue when received.

Functional Expense Allocations

The costs of providing programs and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs, have been allocated between program services and supporting services based on time spent or percentage usage in the programs and activities benefited.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries and related expenses are allocated based on time and effort. Occupancy is allocated based on square footage.

Advertising

Advertising costs are charged to operations when incurred.

Subsequent Events

Management has evaluated subsequent events through June 30, 2025, the date which the financial statements were available for issue.

2. CONTRIBUTIONS RECEIVABLE

All contributions receivable are due within one year.

3. FIXED ASSETS

Fixed assets consist of the following at December 31, 2024:

Improvements	\$ 16,767
Equipment	7,420
Vehicle	<u>16,488</u>
	40,675
Accumulated depreciation	<u>22,830</u>
	<u>\$ 17,845</u>

4. NET ASSETS

Net assets with donor restrictions are restricted for the following as of December 31, 2024:

Time:	
Future periods	\$ 100,000
Purpose:	
Kennels	25,000
Hope for the Helpless (medical expenses)	7,756
Garage repairs	<u>2,700</u>
	<u>\$ 135,456</u>

Net assets were released from donor restrictions as follows for the year ended December 31, 2024:

Satisfaction of purpose restrictions:	
Hope for the Helpless (medical expenses)	\$ 2,497
Fence	<u>2,440</u>
	<u>\$ 4,937</u>

Net assets without donor restrictions is comprised of undesignated amounts totaling \$110,876 at December 31, 2024.

5. CONTRIBUTED NONFINANCIAL ASSETS

The Organization recognized the following contributions of nonfinancial assets for the year ended December 31, 2024:

Program:	
Occupancy	\$ 19,635
Spay and neuter	12,400
Management and General:	
Occupancy	<u>4,909</u>
	<u>\$ 36,944</u>

(continued)

5. CONTRIBUTED NONFINANCIAL ASSETS (continued)

Occupancy includes donated facility space provided by the Wabash County Board of Commissioners valued at the square footage of commercial real estate available for lease in Wabash, Indiana. The facility is used for both programming and management and general purposes.

Spay and neuter expenses include services provided by Purdue University valued at the normal fees charged for those services.

None of the contributed nonfinancial assets have donor-imposed restrictions.

6. GOVERNMENT GRANTS

During 2024, the Organization received the following support from government entities:

Government grants:	
City of Wabash, Indiana	\$ 128,892
Contributed nonfinancial assets:	
Wabash County Board of Commissioners	<u>24,544</u>
	<u>\$ 153,436</u>

7. RETIREMENT PLAN

The Organization sponsors a Simple IRA plan for all employees who have passed a 90 day probationary period. The Organizations matches 3% of the employee's contribution. Total expense was \$375 for 2024.

8. ADVERTISING COSTS

Advertising costs are charged to operations when incurred. The cost of advertising charged to operations was \$740 for 2024.

9. STATEMENT OF CASH FLOWS SUPPLEMENTAL DISCLOSURES

The following provides a reconciliation of cash, cash equivalents and restricted cash reported in the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows.

Cash	\$ 113,990
Cash restricted for long-term purpose	<u>25,000</u>
	<u>\$ 138,990</u>

Cash restricted for long-term purpose is for the purchase of kennels.

10. CONCENTRATIONS

The Organization receives substantial support from the government. A significant reduction in the level of this support, if it were to occur, may have an effect on the Organization's programs and activities.

11. AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2024, comprise the following:

Cash	\$ 113,990
Contributions receivable	100,000
Cash restricted for long-term purpose	<u>25,000</u>
Total financial assets	238,990
Less amounts not available within one year:	
Restricted by donor for specific purpose	<u>(35,456)</u>
Financial assets available to meet general expenditures within on year	<u>\$ 203,534</u>

In addition to financial assets available to meet general expenditures over the next year, the Organization receives continuous funding from fees and contributions to support the Organization's general operations.