

# **Humane Society of Greenwood**

## ***Report on Financial Statements***

***For the year ended June 30, 2024***

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# Humane Society of Greenwood

## *Contents*

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### Page

<b>Independent Auditor's Report</b> .....	1-2
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### **Basic Financial Statements**

Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Functional Expenses.....	5
Statement of Cash Flows.....	6
Notes to Financial Statements.....	7-10

### **Supplementary Data Schedules**

Schedule 1 - Schedule of Classified Revenues.....	11
Schedule 2 - Schedule of Classified Expenditures.....	12
Schedule 3 - Schedule of Shelter Revenues.....	13
Schedule 4 - Schedule of Shelter Expenditures.....	14



## **Independent Auditor's Report**

The Board of Directors  
Humane Society of Greenwood  
Greenwood, South Carolina

### **Opinion**

We have audited the accompanying financial statements of the Humane Society of Greenwood (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 the Humane Society of Greenwood as of June 30, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Humane Society of Greenwood and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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 the Humane Society of Greenwood's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibility 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 auditor's 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 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 the Humane Society of Greenwood'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 the Humane Society of Greenwood'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.

#### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Manley Garvin, LLC*

Greenwood, South Carolina  
March 10, 2025

# Humane Society of Greenwood

## Statement of Financial Position

As of June 30, 2024

### Assets

#### Current Assets

Cash and cash equivalents	\$ 240,358
Total current assets	<u>240,358</u>

#### Non-Current Assets

Pledges receivable, net	428,014
Property and equipment, net	<u>1,207,401</u>
Total non-current assets	<u>1,635,415</u>
Total assets	<u><u>\$ 1,875,773</u></u>

### Liabilities and Net Assets

#### Current Liabilities

Accounts payable	\$ 17,487
Accrued expenses	11,155
Accrued leave	<u>3,609</u>
Total current liabilities	<u>32,251</u>

#### Net assets

Without donor restrictions	
Undesignated	1,649,905
Designated by Board of Directors	164,614
With donor restrictions	<u>29,003</u>
Total net assets	<u>1,843,522</u>
Total liabilities and net assets	<u><u>\$ 1,875,773</u></u>

See Notes to Financial Statements

# Humane Society of Greenwood

## Statement of Activities

For the year ended June 30, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>Revenue and support</b>			
Local government support	\$ 465,000	\$ -	\$ 465,000
General contributions	325,017	-	325,017
Adoption	81,843	-	81,843
Rescue revenue	1,990	-	1,990
Reclaim revenue	10,082	-	10,082
Fundraiser revenue	100,480	-	100,480
Spay and neuter	74,464	-	74,464
In-kind donations	63,366	-	63,366
Other income	14,863	18,275	33,138
Net assets released from restrictions	31,187	(31,187)	-
Total revenue and support	1,168,292	(12,912)	1,155,380
<b>Expenses</b>			
Program services	975,453	-	975,453
Supporting services			
Management and general	88,895	-	88,895
Fundraising	49,137	-	49,137
Total expenses	1,113,485	-	1,113,485
Revenue and support over/(under) expenses	54,807	(12,912)	41,895
<b>Changes in net assets</b>	54,807	(12,912)	41,895
<b>Net assets, beginning of year</b>	1,759,712	41,915	1,801,627
<b>Net assets, end of year</b>	\$ 1,814,519	\$ 29,003	\$ 1,843,522

See Notes to Financial Statements

**Humane Society of Greenwood****Statement of Functional Expenses****For the year ended June 30, 2024**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Auto expenses	\$ 6,622	\$ -	\$ -	\$ 6,622
Bank charges	585	-	-	585
Certified mail	45	-	-	45
Credit card fees	4,784	-	-	4,784
Cremation	675	-	-	675
Depreciation	40,216	4,733	2,363	47,312
Dues and subscriptions	2,372	2,966	592	5,930
Employee relations	1,792	-	-	1,792
Euthanasia supplies	4,323	-	-	4,323
Facilities and equipment	3,130	-	-	3,130
Flea prevention*	18,621	-	-	18,621
Fundraising	-	-	12,746	12,746
Group insurance	11,889	2,098	-	13,987
Insurance	20,381	3,597	-	23,978
Marketing	288	-	-	288
Microchip expense	9,704	-	-	9,704
Miscellaneous expense	81	4	5	90
Office supplies*	2,736	1,263	211	4,210
Payroll expense	501,849	59,041	29,520	590,410
Postage	407	814	405	1,626
Printing	808	539	1,346	2,693
Professional fees	8,950	-	-	8,950
Rabies tags	274	-	-	274
Reclaim fees	178	-	-	178
Non-recurring grant	30,667	-	-	30,667
Repairs and maintenance	10,559	-	-	10,559
Spay and neuter	48,672	-	-	48,672
Supplies (includes pet food)*	85,732	86	-	85,818
Taxes and licenses	526	-	-	526
Telephone/internet	1,949	3,897	1,949	7,795
Training	130	-	-	130
Uniforms	677	-	-	677
Utilities	29,573	9,857	-	39,430
Veterinarians	73,009	-	-	73,009
Veterinary supplies*	52,970	-	-	52,970
Volunteer programs	279	-	-	279
Total expenses	<u>\$ 975,453</u>	<u>\$ 88,895</u>	<u>\$ 49,137</u>	<u>\$ 1,113,485</u>

\*Includes in-kind supply donations

# Humane Society of Greenwood

## Statement of Cash Flows

For the year ended June 30, 2024

### Operating activities

Change in net assets	\$	41,895
Adjustments to reconcile change in net assets to cash provided by (used for) operating activities:		
Depreciation		47,312
Change in assets and liabilities		
Pledges receivable		(1,954)
Accounts payable		5,249
Accrued expenses		4,488
Accrued leave		277

Net cash provided by (used for) operating activities	97,267
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Net increase (decrease) in cash and cash equivalents	97,267
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Cash and cash equivalents, beginning of year	143,091
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Cash and cash equivalents, end of year	\$ 240,358
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See Notes to Financial Statements

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# Humane Society of Greenwood

## Notes to Financial Statements

June 30, 2024

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### Note 1. Summary of Significant Accounting Policies

The Humane Society of Greenwood (the "Organization") was established as a non-profit corporation pursuant to the laws and regulations of the State of South Carolina on March 31, 1958, to give sanctuary to abandoned, abused, and neglected animals, provide education to the public on responsible and humane pet ownership, encourage the public to spay and neuter their pets by providing low-cost surgery, and encourage adoptions of those animals placed in its care. The Organization also serves the citizens of Greenwood County by upholding the law as it relates to the protection of its people and animals.

#### Financial statements presentation:

The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization reports information regarding its financial position and activities according to two classes of net assets as follows:

**Net Assets without Donor Restrictions**—These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

**Net Assets with Donor Restrictions**—These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently. Until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted. The Organization had \$29,003 net assets with donor restrictions at June 30, 2024.

#### Cash and cash equivalents:

Cash and cash equivalents consist of cash held in checking, savings and money market accounts with original maturities of less than 90 days.

#### Inventory:

Inventory is stated at the lower of cost or market which is determined on the first-in, first-out basis. There was no inventory as of June 30, 2024.

#### Accrued leave:

Employees accumulate vacation earned in excess of amounts used. This liability of the Organization is computed based on rates of pay in effect at year end.

#### Contributions:

Contributions received are recorded as donor restricted or without donor restriction support depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as donor restricted support that increases the net asset class. When donor restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributed property and equipment is recorded at fair value at the date of donation.

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# Humane Society of Greenwood

## Notes to Financial Statements

June 30, 2024

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### Note 1. Summary of Significant Accounting Policies, Continued

#### Revenue recognition:

Revenue consists primarily of local government support and donations from citizens. Revenue is recorded as earned.

#### Pledges receivable:

Pledges receivable due in the next year are reflected as current promises to give and are recorded at their net realizable value. Pledges due in subsequent years are reflected as long-term pledges and are recorded at the present value of their net realizable value using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. Based on past experience and on analysis of collectability, management believes that no allowance for uncollectible pledges should be recorded; however, it is reasonably possible that some pledges may not be collected.

#### In-kind contributions/donated services:

GAAP requires the Organization to recognize donated services that create or enhance non-financial assets or require specialized skill and would typically need to be purchased if not provided by donation. The Organization receives donated volunteer services and other non-cash items. The Organization receives donated services from animal foster care, veterinary treatment and assistance with fundraising. Donated services that meet the recognition criteria, donated property and donated materials, are recognized at their cost or estimated fair market values.

#### Property and equipment:

Property and equipment is stated at cost, except for donated property and equipment which is recorded at fair market value at the time of the donation. The Organization capitalizes all property and equipment with a cost of \$2,500, if purchased, and a fair value of \$2,500 if received by contribution. Depreciation is computed on the straight-line method over estimated useful lives of five to twenty years.

#### Income taxes:

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes.

Management evaluates any uncertain tax positions or unrecognized tax benefits or liabilities that may exist. Management does not believe that any material uncertain tax positions or unrecognized tax benefits or liabilities exist for the year ended June 30, 2024. The Organization's policy is to report accrued interest related to unrecognized tax benefits, when applicable, as interest expense and to report penalties as other expense.

With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years before 2021.

#### Functional expense allocation:

The accompanying 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. Some expenses, including supplies and materials, are directly identifiable and are charged to programs and supporting services accordingly. Administrative and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Allocations of significant costs, including compensation and related expenses, dues and subscriptions, utilities, and telephone and internet, are based on estimates of time and effort and other reasonable methods.

# Humane Society of Greenwood

## Notes to Financial Statements

June 30, 2024

### Note 1. Summary of Significant Accounting Policies, Continued

#### Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets and liabilities and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

#### Subsequent events:

These financial statements have been updated for subsequent events through the date of the independent auditor's report, the date the financial statements were available to be issued.

### Note 2. Pledges Receivable

Unconditional pledges receivable as of June 30, 2024 consist of temporarily restricted pledges for the Capital Campaign. These pledges are to be received by the Humane Society of Greenwood for years subsequent to June 30, 2024, and are deemed to be fully collectible by management.

The following schedule summarizes the Organization's pledges receivable at June 30, 2024:

Within one year	\$ -
Due 1-5 years	-
Due thereafter	470,000
Less: Discount for time value of money	<u>41,986</u>
Total long-term	<u>428,014</u>
Total pledges receivable	<u>\$ 428,014</u>

### Note 3. Availability and Liquidity

The majority of the Organization's financial assets are received for adoptions and maintenance of operations and are available to meet ongoing cash needs for general expenditures. The Organization's financial assets available to meet general expenditures within one year include cash and cash equivalents. The Organization's liquidity goal is generally to maintain current financial assets at a minimum of 90 days of operating expenses.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30, 2024:

Cash and cash equivalents	\$ 240,358
Less amounts unavailable for general expenditure:	
Designated by board of directors	(164,614)
Net assets with donor restrictions	<u>(29,003)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 46,741</u>

As part of the Organization's liquidity management plan, it has a policy to structure assets to be available as its general expenditures, liabilities, and other obligations come due.

# Humane Society of Greenwood

## Notes to Financial Statements

June 30, 2024

### Note 4. Property and Equipment

A summary of property and equipment at June 30, 2024, is as follows:

Buildings and improvements	\$ 1,387,953
Equipment	<u>92,078</u>
Total	1,480,031
Less: Accumulated depreciation	<u>(272,630)</u>
Property and equipment, net	<u>\$ 1,207,401</u>

### Note 5. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at June 30, 2024:

Leath Pawsitive prison program	\$ 140
Foster fund	887
Pet food fund	3,141
Medical fund	2,060
Spay and neuter	9,136
TNR program	250
Rescue fund	1,543
Self-family foundation	3,440
Heartworm Fund	233
Intake Diversion	260
Banfield Foundation	<u>7,913</u>
Total	<u>\$ 29,003</u>

### Note 6. Concentrations of Credit Risk

Management believes credit risk associated with the Organization's banking relationships is not significant. The book balance of the Organization's deposits was \$240,058 and the bank balance was \$240,931 at June 30, 2024. Petty cash on hand was \$300 at June 30, 2024. The Organization places its temporary cash deposits with high credit quality financial institutions. At times, such deposits may be in excess of FDIC insurance limits.

### Note 7. In-kind Contributions/Donated Services

The Organization received donated supplies including pet food, cleaning supplies, and vet supplies. The value of these donated supplies is based on the cost or estimated fair market value. The contributions are reported in the financial statements as revenue when received and an expense as the supplies are used. The Organization recorded donated goods that totaled approximately \$63,000 during fiscal year 2024. Donated supplies are included in in-kind donations in the statement of activities.

### Note 8. Concentration of Revenues

The Organization received approximately 40% of its revenue from the local county government for the year ended June 30, 2024.

# Humane Society of Greenwood

## Schedule 1 - Schedule of Classified Revenues

For the year ended June 30, 2024

	Humane Society of Greenwood With Donor Restrictions	Shelter	Spay & Neuter Clinic	Humane Society of Greenwood	Total
<b>Revenue and support</b>					
Local government support	\$ -	\$ 465,000	\$ -	\$ -	\$ 465,000
General contributions	-	-	28,500	296,517	325,017
Adoption revenue	-	-	-	81,843	81,843
Rescue revenue	-	-	-	1,990	1,990
Reclaim Revenue	-	9,382	700	-	10,082
Fundraiser revenue	-	-	-	100,480	100,480
Spay and neuter	-	-	74,464	-	74,464
In-kind donations	-	43,210	3,813	16,343	63,366
Other income	18,275	1,902	660	12,301	33,138
Net assets released from restrictions	(31,187)	1,469	22,680	7,038	-
Total revenue and support	<u>\$ (12,912)</u>	<u>\$ 520,963</u>	<u>\$ 130,817</u>	<u>\$ 516,512</u>	<u>\$ 1,155,380</u>

**Humane Society of Greenwood****Schedule 2 - Schedule of Classified Expenditures****For the year ended June 30, 2024**

	Humane Society of Greenwood	Shelter	Spay & Neuter Clinic	Total
Auto expenses	\$ 2,100	\$ 629	\$ 3,893	\$ 6,622
Bank charges	585	-	-	585
Certified mail	-	45	-	45
Credit card fees	4,491	293	-	4,784
Cremation	675	-	-	675
Depreciation	47,312	-	-	47,312
Dues and subscriptions	4,904	1,026	-	5,930
Employee relations	1,792	-	-	1,792
Euthanasia supplies	-	4,323	-	4,323
Facilities and equipment	1,668	1,248	214	3,130
Flea prevention*	40	18,318	263	18,621
Fundraising	12,746	-	-	12,746
Group insurance	6,430	7,557	-	13,987
Insurance	13,315	10,663	-	23,978
Marketing	288	-	-	288
Microchip expense	8,791	400	513	9,704
Miscellaneous	90	-	-	90
Non-recurring grants	6,565	1,426	22,676	30,667
Office supplies*	2,216	1,927	67	4,210
Payroll expense	226,420	306,653	57,337	590,410
Postage	1,626	-	-	1,626
Printing	2,693	-	-	2,693
Professional fees	6,162	2,788	-	8,950
Rabies tags	-	274	-	274
Reclaim fees	-	178	-	178
Repairs and maintenance	3,528	6,154	877	10,559
Spay and neuter	48,672	-	-	48,672
Supplies (includes pet food)*	24,742	60,936	140	85,818
Taxes and licenses	270	125	131	526
Telephone/internet	3,898	3,897	-	7,795
Training	65	65	-	130
Uniforms	677	-	-	677
Utilities	16,910	22,520	-	39,430
Veterinarians	4,806	16,362	51,841	73,009
Veterinary supplies*	21	49,544	3,405	52,970
Volunteer program	279	-	-	279
Total expenses	<u>\$ 454,777</u>	<u>\$ 517,351</u>	<u>\$ 141,357</u>	<u>\$ 1,113,485</u>

\*Includes in-kind supply donations

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## Humane Society of Greenwood

### *Schedule 3 - Schedule of Shelter Revenues*

*For the year ended June 30, 2024*

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#### ***Revenue and support***

Local government support	\$ 465,000
Reclaim Revenue	9,382
In-kind donations	43,210
Other income	1,902
Net assets released from restrictions	1,469
Total revenue and support	<u>\$ 520,963</u>

## Humane Society of Greenwood

### Schedule 4 - Schedule of Shelter Expenditures

For the year ended June 30, 2024

Auto expenses	\$ 629
Certified mail	45
Credit card fees	293
Dues and subscriptions	1,026
Euthanasia supplies	4,323
Facilities and equipment	1,248
Flea prevention*	18,318
Group insurance	7,557
Insurance	10,663
Microchip expense	400
Non-recurring grants	1,426
Office supplies*	1,927
Payroll expense	306,653
Professional fees	2,788
Rabies tags	274
Reclaim fees	178
Repairs and maintenance	6,154
Supplies (includes pet food)*	60,936
Taxes and licenses	125
Telephone/internet	3,897
Training	65
Utilities	22,520
Veterinarians	16,362
Veterinary supplies*	49,544
	<hr/>
Total expenses	<u>\$ 517,351</u>

\*Includes in-kind supply donations