

Humane Society of Greenwood

Report on Financial Statements

For the year ended June 30, 2025

Humane Society of Greenwood

Contents

	<u>Page</u>
Independent Auditor's Report	1-2
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, 2025, 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, 2025, 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.



Greenwood, South Carolina
March 12, 2026

Humane Society of Greenwood

Statement of Financial Position

As of June 30, 2025

Assets

Current Assets

Cash and cash equivalents	\$	302,724
Accounts Receivable		942
Total current assets		<u>303,666</u>

Non-Current Assets

Property and equipment, net		1,161,564
Total non-current assets		<u>1,161,564</u>
Total assets	\$	<u>1,465,230</u>

Liabilities and Net Assets

Current Liabilities

Accounts payable	\$	16,377
Accrued expenses		11,170
Accrued leave		24,509
Total current liabilities		<u>52,056</u>
Total liabilities		<u>52,056</u>

Net assets

Without donor restrictions		
Undesignated		1,162,789
Designated by Board of Directors		229,180
With donor restrictions		<u>21,205</u>
Total net assets		<u>1,413,174</u>
Total liabilities and net assets	\$	<u>1,465,230</u>

See Notes to Financial Statements

Humane Society of Greenwood

Statement of Activities

For the year ended June 30, 2025

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenue and support			
Local government support	\$ 445,000	\$ -	\$ 445,000
General contributions	333,578	-	333,578
Adoption	108,688	-	108,688
Rescue revenue	1,895	-	1,895
Reclaim revenue	9,361	-	9,361
Fundraiser revenue	130,349	-	130,349
Spay and neuter	120,270	-	120,270
In-kind donations	56,789	-	56,789
Other income	28,972	18,983	47,955
Net assets released from restrictions	26,781	(26,781)	-
Total revenue and support	<u>1,261,683</u>	<u>(7,798)</u>	<u>1,253,885</u>
Expenses			
Program services	1,286,191	-	1,286,191
Supporting services			
Management and general	98,266	-	98,266
Fundraising	49,776	-	49,776
Total expenses	<u>1,434,233</u>	<u>-</u>	<u>1,434,233</u>
Other changes			
Unusual and infrequent - bad debt of pledge	(250,000)	-	(250,000)
Total other changes	<u>(250,000)</u>	<u>-</u>	<u>(250,000)</u>
Revenue and support over/(under) expenses	<u>(422,550)</u>	<u>(7,798)</u>	<u>(430,348)</u>
Changes in net assets	<u>(422,550)</u>	<u>(7,798)</u>	<u>(430,348)</u>
Net assets, beginning of year	1,814,519	29,003	1,843,522
Net assets, end of year	<u>\$ 1,391,969</u>	<u>\$ 21,205</u>	<u>\$ 1,413,174</u>

See Notes to Financial Statements

Humane Society of Greenwood

Statement of Functional Expenses

For the year ended June 30, 2025

	Program Services	Management and General	Fundraising	Total
Auto expenses	\$ 7,640	\$ -	\$ -	\$ 7,640
Bad debt expense	178,178	-	-	178,178
Bank charges	7	-	-	7
Certified mail	55	-	-	55
Credit card fees	5,672	-	-	5,672
Cremation	2,225	-	-	2,225
Depreciation	38,962	4,586	2,290	45,838
Dues and subscriptions	2,657	3,324	664	6,645
Employee medical expense	1,168	-	-	1,168
Employee relations	2,963	-	-	2,963
Euthanasia supplies	5,657	-	-	5,657
Facilities and equipment	3,155	-	-	3,155
Flea prevention*	26,546	-	-	26,546
Fundraising	-	-	10,109	10,109
Group insurance	12,775	2,254	-	15,029
HTL (head removal)	66	-	-	66
Insurance	21,417	3,780	-	25,197
Marketing	120	-	-	120
Meals	104	-	-	104
Microchip expense	11,463	-	-	11,463
Office supplies*	4,874	2,250	375	7,499
Payroll expense	542,845	63,864	31,932	638,641
Postage	623	1,246	623	2,492
Printing	1,085	723	1,807	3,615
Professional fees	9,459	-	-	9,459
Reclaim fees	56	-	-	56
Non-recurring grant	21,281	-	-	21,281
Repairs and maintenance	12,291	-	-	12,291
Spay and neuter	75,685	-	-	75,685
Signs and banners	49	-	-	49
Supplies (includes pet food)*	87,136	87	-	87,223
Taxes and licenses	751	-	-	751
Telephone/internet	1,976	3,952	1,976	7,904
Training	1,128	-	-	1,128
Travel	928	-	-	928
Uniforms	461	-	-	461
Utilities	36,602	12,200	-	48,802
Veterinarians	97,955	-	-	97,955
Veterinary supplies*	70,176	-	-	70,176
Total expenses	<u>\$ 1,286,191</u>	<u>\$ 98,266</u>	<u>\$ 49,776</u>	<u>\$ 1,434,233</u>

*Includes in-kind supply donations

Humane Society of Greenwood

Statement of Cash Flows

For the year ended June 30, 2025

Operating activities

Change in net assets	\$ (430,348)
Adjustments to reconcile change in net assets to cash provided by (used for) operating activities:	
Depreciation	45,838
Change in assets and liabilities	
Accounts receivable	(942)
Pledges receivable	428,014
Accounts payable	(1,111)
Accrued expenses	15
Accrued leave	20,900
	<hr/>
Net cash provided by (used for) operating activities	62,366
	<hr/>
Net increase (decrease) in cash and cash equivalents	62,366
	<hr/>
Cash and cash equivalents, beginning of year	240,358
	<hr/>
Cash and cash equivalents, end of year	<u><u>\$ 302,724</u></u>

See Notes to Financial Statements

Humane Society of Greenwood

Notes to Financial Statements

June 30, 2025

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 \$21,205 net assets with donor restrictions at June 30, 2025.

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, 2025.

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.

Humane Society of Greenwood

Notes to Financial Statements

June 30, 2025

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, 2025. 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 2022.

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, 2025

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

Pledges receivable represent unconditional promises to give in connection with the Organization's 2017 capital campaign. As of June 30, 2025, the Organization has one remaining pledge outstanding. The pledge is expected to be satisfied from the donor's estate and, accordingly, the timing of collection is uncertain.

During the year ended June 30, 2025, a donor notified the Organization of a reduction in their total pledge amount from \$500,000 to \$250,000. The Organization recorded the revised pledge amount upon notification.

Due to the uncertainty surrounding the timing and collectability of the pledge, management recorded an allowance for doubtful accounts equal to 100% of the outstanding balance as of June 30, 2025. Management evaluates outstanding pledges and records an allowance for doubtful accounts based on historical experience, specific donor information, and other relevant factors affecting collectability.

Pledges receivable at June 30, 2025 consist of the following:

Pledges receivable	\$ 250,000
Less: Allowance for doubtful accounts	<u>(250,000)</u>
Total pledges receivable	<u>\$ -</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 expenditures, 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, 2025:

Cash and cash equivalents	\$ 302,724
Less amounts unavailable for general expenditure:	
Designated by board of directors	(229,180)
Net assets with donor restrictions	<u>(21,205)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 52,339</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, 2025

Note 4. Property and Equipment

A summary of property and equipment at June 30, 2025, is as follows:

Buildings and improvements	\$ 1,387,953
Equipment	<u>92,078</u>
Total	1,480,031
Less: Accumulated depreciation	<u>(318,467)</u>
Property and equipment, net	<u>\$ 1,161,564</u>

Note 5. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at June 30, 2025:

Leath Pawsitive Prison Program	\$ 140
Fibich Fund	1,000
Pet Food Fund	433
Medical Fund	5,273
Spay and Neuter	9,765
SCACCA	460
TNR Program	730
Heartworm Fund	680
Intake Diversion	43
Banfield Foundation	<u>2,681</u>
Total	<u>\$ 21,205</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 \$302,424 and the bank balance was \$303,351 at June 30, 2025. Petty cash on hand was \$300 at June 30, 2025. 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 \$57,000 during fiscal year 2025. Donated supplies are included in in-kind donations in the statement of activities.

Note 8. Concentration of Revenues

The Organization received approximately 35% of its revenue from the local county government for the year ended June 30, 2025.

Note 9. Unusual and Infrequent Event

During the year ended June 30, 2025, a donor notified the Organization of a reduction in their total pledge amount from \$500,000 to \$250,000. The Organization recorded the revised pledge amount upon notification.

Humane Society of Greenwood
Schedule 1 - Schedule of Classified Revenues
For the year ended June 30, 2025

	Humane Society of Greenwood With Donor Restrictions	Shelter	Spay & Neuter Clinic	Humane Society of Greenwood	Total
Revenue and support					
Local government support	\$ -	\$ 445,000	\$ -	\$ -	\$ 445,000
General contributions	-	-	38,000	295,578	333,578
Adoption revenue	-	-	-	108,688	108,688
Rescue revenue	-	-	-	1,895	1,895
Reclaim revenue	-	7,201	2,160	-	9,361
Fundraiser revenue	-	-	-	130,349	130,349
Spay and neuter	-	-	120,270	-	120,270
In-kind donations	-	41,814	-	14,975	56,789
Other income	18,983	4,263	877	23,832	47,955
Net assets released from restrictions	(26,781)	2,080	15,124	9,577	-
Total revenue and support	<u>\$ (7,798)</u>	<u>\$ 500,358</u>	<u>\$ 176,431</u>	<u>\$ 584,894</u>	<u>\$ 1,253,885</u>

Humane Society of Greenwood

Schedule 2 - Schedule of Classified Expenditures

For the year ended June 30, 2025

	HSOG (Without Donor Restrictions)	Shelter	Spay & Neuter Clinic	Total
Auto expenses	\$ 3,233	\$ 968	\$ 3,439	\$ 7,640
Bad debt expense	178,178	-	-	178,178
Bank charges	7	-	-	7
Certified mail	-	55	-	55
Credit card fees	5,610	62	-	5,672
Cremation	2,125	100	-	2,225
Depreciation	45,838	-	-	45,838
Dues and subscriptions	6,040	605	-	6,645
Employee medical expense	1,157	11	-	1,168
Employee relations	2,963	-	-	2,963
Euthanasia supplies	-	5,657	-	5,657
Facilities and equipment	1,686	1,255	214	3,155
Flea prevention*	5,518	20,972	55	26,545
Fundraising	10,109	-	-	10,109
Group insurance	7,815	7,214	-	15,029
HTL (head removal)	-	66	-	66
Insurance	14,591	10,606	-	25,197
Marketing	120	-	-	120
Meals	104	-	-	104
Microchip expense	10,767	639	57	11,463
Non-recurring grants	9,410	2,080	9,791	21,281
Office supplies*	3,355	3,392	752	7,499
Payroll expense	266,241	296,211	76,191	638,643
Postage	2,492	-	-	2,492
Printing	3,639	25	-	3,664
Professional fees	6,920	2,539	-	9,459
Reclaim fees	-	56	-	56
Repairs and maintenance	5,272	6,122	897	12,291
Spay and neuter	75,685	-	-	75,685
Supplies (includes pet food)*	26,198	59,997	1,028	87,223
Taxes and licenses	230	125	396	751
Telephone/internet	4,005	3,483	415	7,903
Training	628	500	-	1,128
Travel	928	-	-	928
Uniforms	461	-	-	461
Utilities	20,697	28,105	-	48,802
Veterinarians	5,683	8,207	84,065	97,955
Veterinary supplies*	5,041	46,094	19,041	70,176
Total expenses	\$ 732,746	\$ 505,146	\$ 196,341	\$ 1,434,233

*Includes in-kind supply donations

Humane Society of Greenwood
Schedule 3 - Schedule of Shelter Revenues
For the year ended June 30, 2025

Revenue and support

Local government support	\$ 445,000
Reclaim revenue	7,201
In-kind donations	41,814
Other income	4,263
Net assets released from restrictions	2,080
Total revenue and support	<u>\$ 500,358</u>

Humane Society of Greenwood

Schedule 4 - Schedule of Shelter Expenditures

For the year ended June 30, 2025

Auto expenses	\$	968
Certified mail		55
Credit card fees		62
Cremation		100
Dues and subscriptions		605
Employee medical expense		11
Euthanasia supplies		5,657
Facilities and equipment		1,255
Flea prevention*		20,972
Group insurance		7,214
HTL (head removal)		66
Insurance		10,606
Microchip expense		639
Non-recurring grants		2,080
Office supplies*		3,392
Payroll expense		296,211
Printing		25
Professional fees		2,539
Reclaim fees		56
Repairs and maintenance		6,122
Supplies (includes pet food)*		59,997
Taxes and licenses		125
Telephone/internet		3,483
Training		500
Utilities		28,105
Veterinarians		8,207
Veterinary supplies*		46,094
Total expenses	\$	<u>505,146</u>

*Includes in-kind supply donations