

Wisconsin Humane Society

Financial Statements

Years Ended September 30, 2024 and 2023



WIPFLI

Independent Auditor's Report

Board of Directors
Wisconsin Humane Society
Milwaukee, Wisconsin

Opinion

We have audited the accompanying financial statements of Wisconsin Humane Society (the "Organization"), a nonprofit organization, which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Wisconsin Humane Society as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Wisconsin Humane Society 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 the financial statements in accordance with GAAP, 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 Wisconsin Humane Society's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's 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 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 GAAS 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 GAAS, 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 Wisconsin Humane Society'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 Wisconsin Humane Society'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.

Wipfli LLP

Wipfli LLP

Milwaukee, Wisconsin
December 20, 2024

Wisconsin Humane Society

Statements of Financial Position

September 30, 2024 and 2023

Assets	2024	2023
Current assets:		
Cash and cash equivalents	\$ 7,817,070	\$ 5,670,656
Investments	16,913,671	14,072,516
Accounts receivable	58,815	49,553
Promises to give - Current portion - Net	9,000	58,600
Inventories	98,744	85,659
Prepaid expenses and other assets	85,006	103,059
Total Current assets	24,982,306	20,040,043
Assets restricted as to use:		
Cash - State unemployment compensation	136,534	132,880
Beneficial interest in assets held by others	863,949	746,883
Total assets restricted as to use	1,000,483	879,763
Property and equipment - Net	16,673,897	17,563,896
Other assets:		
Right-of-use asset, net of accumulated amortization		
Financing	14,007	22,411
Operating	661,148	785,241
Promises to give - Less current portion	1,000	2,000
Total other assets	676,155	809,652
Total Assets	\$ 43,332,841	\$ 39,293,354

See accompanying notes to financial statements.

Wisconsin Humane Society

Statements of Financial Position (Continued)

September 30, 2024 and 2023

Liabilities and Net Assets	2024	2023
Current liabilities:		
Accrued liabilities	\$ 364,062	\$ 350,435
Accrued salary and benefits	500,424	428,971
Accrued expenses	13,863	18,140
Current portion of lease liability - financing	8,484	8,151
Current portion of lease liability - operating	129,685	121,597
Deferred revenue	221,065	213,509
Total Current liabilities	1,237,583	1,140,803
Long-term liabilities:		
Lease liability - financing, less current portion	5,848	14,332
Lease liability - operating, less current portion	570,642	698,082
Total long-term liabilities	576,490	712,414
Total liabilities	1,814,073	1,853,217
Net assets:		
Without donor restrictions	40,390,777	36,426,688
With donor restrictions	1,127,991	1,013,449
Total net assets	41,518,768	37,440,137
Total liabilities and net assets	\$ 43,332,841	\$ 39,293,354

See accompanying notes to financial statements.

Wisconsin Humane Society

Statements of Activities and Changes in Net Assets

Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	\$ 7,015,326	\$ -	\$ 7,015,326
Bequests	6,830,893	-	6,830,893
Service fees	4,078,362	-	4,078,362
Merchandise sales	437,185	-	437,185
Investment income - net	3,136,705	134,524	3,271,229
Special events	1,160,382	-	1,160,382
Contributed non-financial assets	44,247	-	44,247
Other revenue	120,021	-	120,021
Net assets released from restrictions	19,982	(19,982)	-
Total support and revenue	22,843,103	114,542	22,957,645
Expenses:			
Program services	15,178,757	-	15,178,757
Management and general	798,003	-	798,003
Fund-raising	2,902,254	-	2,902,254
Total expenses	18,879,014	-	18,879,014
Change in net assets	3,964,089	114,542	4,078,631
Net assets, beginning of year	36,426,688	1,013,449	37,440,137
Net assets, end of year	\$ 40,390,777	\$ 1,127,991	\$ 41,518,768

See accompanying notes to financial statements.

Wisconsin Humane Society

Statements of Activities and Changes in Net Assets

Year Ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	\$ 6,772,333	\$ -	\$ 6,772,333
Bequests	3,847,684	-	3,847,684
Service fees	3,908,696	-	3,908,696
Merchandise sales	425,765	-	425,765
Investment income - net	1,821,807	29,194	1,851,001
Special events	1,056,444	-	1,056,444
Contributed non-financial assets	105,191	-	105,191
Other revenue	105,055	-	105,055
Net assets released from restrictions	3,498	(3,498)	-
Total support and revenue	18,046,473	25,696	18,072,169
Expenses:			
Program services	13,749,609	-	13,749,609
Management and general	919,973	-	919,973
Fund-raising	2,679,842	-	2,679,842
Total expenses	17,349,424	-	17,349,424
Increase in net assets before nonoperating income	697,049	25,696	722,745
Other changes in net assets:			
Contribution recognized on acquisitions (see Note 16)	1,899,480	-	1,899,480
Change in net assets	2,596,529	25,696	2,622,225
Net assets, beginning of year	33,830,159	987,753	34,817,912
Net assets, end of year	\$ 36,426,688	\$ 1,013,449	\$ 37,440,137

See accompanying notes to financial statements.

Wisconsin Humane Society

Statements of Functional Expenses

Year Ended September 30, 2024

	Program Services			Total Program Services	Management and General	Fundraising	Total
	Veterinary	Sheltering and Animal Care	Community Relations and Outreach				
Salaries and wages	\$ 2,437,356	\$ 4,985,593	\$ 897,588	\$ 8,320,537	\$ 525,499	\$ 1,168,990	\$ 10,015,026
Employee benefits	250,771	530,557	144,029	925,357	34,789	115,947	1,076,093
Payroll taxes	178,892	359,272	63,956	602,120	35,850	85,003	722,973
Audit and legal fees	-	-	-	-	31,680	-	31,680
Outside services	99,466	279,716	39,973	419,155	11,416	39,666	470,237
Office supplies	1,615	19,999	288	21,902	4,100	2,115	28,117
Animal supplies	88,003	207,998	6,764	302,765	-	-	302,765
Building support	100,154	319,346	41,546	461,046	11,226	52,392	524,664
Telephone	4,513	15,014	1,890	21,417	496	2,316	24,229
Utilities	101,937	272,348	35,718	410,003	10,487	43,754	464,244
Building repairs and maintenance	67,405	187,862	24,638	279,905	6,467	30,181	316,553
Rent	102,368	-	-	102,368	51,295	-	153,663
Postage and shipping	412	18,226	15	18,653	2,260	229,427	250,340
Insurance	38,829	107,886	14,149	160,864	3,714	17,332	181,910
Equipment	32,752	30,131	-	62,883	1,173	6,074	70,130
Advertising and direct mail costs	148	245	8,795	9,188	-	651,837	661,025
Travel	15,972	16,395	9,813	42,180	6,665	10,242	59,087
Vehicle	-	21	4,551	4,572	-	-	4,572
Conferences, conventions, and meetings	4,221	5,881	429	10,531	2,997	5,711	19,239
Dues	10,816	1,208	240	12,264	4,089	1,894	18,247
Operating costs	177,922	567,969	74,316	820,207	18,562	91,802	930,571
Program and promotional supplies	-	-	13,123	13,123	108	-	13,231
Software fees	15,354	21,848	2,754	39,956	12,468	82,995	135,419
Miscellaneous	619	8,519	1,215	10,353	-	5,723	16,076
Veterinary supplies	785,193	-	17,681	802,874	-	-	802,874
Dog training class	-	731	-	731	-	-	731
Depreciation	252,143	654,292	85,611	992,046	22,662	105,755	1,120,463
Store merchandise	-	267,501	-	267,501	-	-	267,501
Direct benefits to donors	-	-	-	-	-	153,098	153,098
Donated goods and services	21,355	22,901	-	44,256	-	-	44,256
Total expenses	\$ 4,788,216	\$ 8,901,459	\$ 1,489,082	\$ 15,178,757	\$ 798,003	\$ 2,902,254	\$ 18,879,014

See accompanying notes to financial statements.

Wisconsin Humane Society

Statements of Functional Expenses (Continued)

Year ended September 30, 2023

	Program Services				Management and General	Fundraising	Total
	Veterinary	Sheltering and Animal Care	Community Relations and Outreach	Total Program Services			
Salaries and wages	\$ 2,200,861	\$ 4,538,324	\$ 811,031	\$ 7,550,216	\$ 509,871	\$ 1,055,756	\$ 9,115,843
Employee benefits	177,398	501,147	107,368	785,913	28,325	112,911	927,149
Payroll taxes	161,127	327,889	58,022	547,038	36,892	75,750	659,680
Audit and legal fees	-	-	-	-	23,600	-	23,600
Outside services	89,401	268,683	36,346	394,430	8,770	34,208	437,408
Office supplies	1,240	16,005	495	17,740	1,711	2,567	22,018
Animal supplies	86,458	172,965	5,844	265,267	-	-	265,267
Building support	85,552	292,627	36,902	415,081	9,029	44,730	468,840
Telephone	5,464	19,072	2,316	26,852	564	2,880	30,296
Utilities	100,445	285,399	35,790	421,634	9,685	44,508	475,827
Building repairs and maintenance	55,744	161,624	20,268	237,636	4,937	25,205	267,778
Rent	102,608	-	-	102,608	51,623	-	154,231
Postage and shipping	461	18,550	35	19,046	2,005	345,899	366,950
Insurance	32,497	90,165	11,307	133,969	2,754	14,061	150,784
Equipment	33,992	24,644	-	58,636	4,590	7,173	70,399
Advertising and direct mail costs	21	192	19,388	19,601	-	486,389	505,990
Travel	9,738	14,569	9,247	33,554	7,162	9,221	49,937
Vehicle	-	104	6,782	6,886	-	-	6,886
Conferences, conventions, and meetings	2,391	6,780	235	9,406	4,488	5,220	19,114
Dues	10,882	2,007	290	13,179	2,836	2,013	18,028
Operating costs	144,300	489,397	61,468	695,165	14,992	75,898	786,055
Program and promotional supplies	-	-	11,698	11,698	180	-	11,878
Software fees	14,370	18,639	2,481	35,490	13,359	79,427	128,276
Miscellaneous	227	9,177	659	10,063	1,416	7,345	18,824
Veterinary supplies	655,642	-	18,716	674,358	-	-	674,358
Dog training class	-	100	-	100	-	-	100
Depreciation	235,255	638,302	80,170	953,727	19,554	98,991	1,072,272
Store merchandise	-	276,194	-	276,194	-	-	276,194
Direct benefit to donors	-	-	-	-	-	149,690	149,690
Non-recurring acquisition expenses	-	-	-	-	90,562	-	90,562
Donated goods and services	14,560	19,562	-	34,122	71,068	-	105,190
Total expenses	\$ 4,220,634	\$ 8,192,117	\$ 1,336,858	\$ 13,749,609	\$ 919,973	\$ 2,679,842	\$ 17,349,424

See accompanying notes to financial statements.

Wisconsin Humane Society

Statements of Cash Flows

Years Ended September 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 4,078,631	\$ 2,622,225
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Nonfinancial asset donations on acquisition	-	(1,877,038)
Depreciation	1,120,463	1,072,272
Amortization of right-of-use lease assets - Operating	124,093	119,594
Amortization of right-of-use lease assets - Finance	8,404	2,801
Change in value of beneficial interest in assets held by others	(159,035)	(49,033)
Realized and unrealized gain on investments, net of fees	(2,608,370)	(1,471,990)
Changes in operating assets and liabilities:		
Accounts receivable	(9,262)	11,731
Promise to give	-	(6,000)
Prepaid expenses, other assets and inventories	4,968	(17,604)
Accrued liabilities	13,627	26,412
Accrued salary and benefits	71,452	25,677
Accrued expenses	(4,275)	(22,462)
Deferred revenue	7,556	(48,149)
Operating lease liability	(119,352)	(85,156)
Net cash provided by operating activities	2,528,900	303,280
Cash flows from investing activities:		
Purchase of property and equipment	(230,465)	(411,314)
Distributions from beneficial interests in assets held by others	41,969	19,839
Purchase of investments	(304,522)	(1,012,267)
Proceeds from sales of investments	71,737	828,672
Net cash used by investing activities	(421,281)	(575,070)
Cash flows from financing activities:		
Proceeds from contributions for purchase of property and equipment	50,600	61,000
Payments on financing leases	(8,151)	(2,729)
Payments on long-term debt	-	(316,106)
Net cash provided (used) by financing activities	42,449	(257,835)
Net increase (decrease) in cash and cash equivalents	2,150,068	(529,625)
Cash and cash equivalents, beginning of year	5,803,536	6,333,161
Cash and cash equivalents, end of year	\$ 7,953,604	\$ 5,803,536

See accompanying notes to financial statements.

Wisconsin Humane Society

Statements of Cash Flows (Continued)

Years Ended September 30, 2024 and 2023

	2024	2023
Reconciliation of cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	\$ 7,817,070	\$ 5,670,656
Cash- State unemployment compensation	136,534	132,880
Cash, cash equivalents, and restricted cash	\$ 7,953,604	\$ 5,803,536
Noncash adjustments to operating activities:		
Contributions of accounts receivable	\$ -	\$ 9,344
Contributions of land, property, and equipment	-	2,255,000
Assumption of accounts payable and other liabilities	-	(38,831)
Assumption of accrued salary and benefits	-	(31,533)
Assumption of accrued expenses	-	(836)
Assumption of debt	-	(316,106)
Total noncash adjustments to operating activities	\$ -	\$ 1,877,038

See accompanying notes to financial statements.

Wisconsin Humane Society

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Activities

Wisconsin Humane Society (the "Organization") is committed to making a difference for animals and the people who love them. The Organization provides shelter, adoption services, education, outreach, and veterinary services at its principal business office in Milwaukee, Wisconsin. In addition, the Organization operates shelter facilities in Ozaukee, Racine, Kenosha, Door, and Brown Counties in Wisconsin along with a spay/neuter clinic in West Allis, Wisconsin.

In 2023, the Organization acquired the assets of the Kenosha County Humane Society, aka Safe Harbor Humane Society. See Footnote 16 for more information on the acquisition.

The Organization also operates a wildlife rehabilitation program. The purpose of this program is to develop the capability to receive, collect, rescue, maintain, and when possible rehabilitate and release sick, injured, or orphaned indigenous wildlife that originate from within Milwaukee County.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Change in Accounting Principle

Accounting Standards Update (ASU) No. 2016-13, *Measurement of Credit Losses on Financial Instruments*, requires the Organization to present financial assets measured at amortized cost (including accounts receivables) at the net amount expected to be collected over their remaining contractual lives. Estimated credit losses are based on relevant information about historical experience, current conditions, and reasonable and supportable forecasts that affect the collectibility of the reported amounts.

The Organization adopted ASU No. 2016-13 on October 1, 2023. The net impact to net assets would have been immaterial, thus no adjustment was made to net assets. Results for the year ended September 30, 2024, are presented under Accounting Standards Codification (ASC) 326 while prior period amounts continue to be reported in accordance with previously applicable accounting standards generally accepted in the United States (US GAAP). See Accounts Receivable for changes to accounting policies.

Use of Estimates

The preparation of the accompanying financial statements in conformity with GAAP requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenue, and expenses. The Organization considers useful lives and depreciation methods of property and equipment, discount rate for present value of future cash flows of long term promises to give, and allowance for uncollectible promises to give to be significant estimates. Actual results may differ from these estimates and are subject to change in the near term.

Wisconsin Humane Society

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Net Assets

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions: Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash, Cash Equivalents, and Restricted Cash

The Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents, excluding amounts held as short-term investments in the Organization's investment portfolio and amounts restricted as to use.

The Organization has elected reimbursement financing under the provisions of the Wisconsin unemployment compensation laws. To meet state funding requirements, the Organization has restricted deposits totaling \$136,534 and \$132,880 as of September 30, 2024 and 2023, respectively.

Investments

The Organization's investments are held in broker-administered funds. Management has granted the investment managers discretionary authority over investment decisions based on the Organization's investment policy.

Investments are carried at fair value in the accompanying statements of financial position. Investment transactions are recorded on the trade date. Realized gains and losses on the sale of investments are calculated based on specific identification of the securities sold. Investments received as gifts are stated at the fair value at the date of donation. Investment management and custodian fees are recorded as a reduction of investment income for financial reporting purposes.

Interest and dividend income, and realized and unrealized gains or losses are reported as increases in net assets with donor restrictions if the terms of the gift impose restrictions on the use of the income or as increases in net assets without donor restrictions in all other cases.

Wisconsin Humane Society

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable are generally uncollateralized client obligations due upon receipt. Payments of accounts receivable are allocated to the specific invoices identified on the client's remittance advice or, if unspecified, applied to the earliest unpaid invoice. Beginning October 1, 2023, the carrying amount of accounts receivable is reduced by an allowance that reflects management's best estimate of the current expected credit losses. The estimate of the allowance for credit losses is based on an analysis of historical loss experience, current receivables aging, and management's assessment of current conditions and expected changes during a reasonable and supportable forecast period. The Organization uses an aging method to estimate allowances for credit losses. The allowance for credit losses was zero as of September 30, 2024.

Prior to October 1, 2023, management individually reviewed all past due accounts receivable balances and estimated the portion, if any, of the balance that will not be collected. The carrying amount of accounts receivable is reduced by allowances that reflect management's estimate of uncollectible amounts. There was no allowance as of September 30, 2023.

Promises to Give

Promises to give are reported in the statements of financial position net of unamortized discounts and an allowance for uncollectible promises. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows using a discount rate based on an average of the Organization's internal borrowing rate and the risk free rate of interest as determined by the rate on a 5 year U.S. Treasury bill. Management individually reviews all past due promises to give and estimates the portion, if any, of the balance that will not be collected. The carrying amount of promises to give are reduced by allowances which reflect management's estimate of uncollectible amounts. The allowance for uncollectible promises was \$0 and \$5,511 as of September 30, 2024 and 2023, respectively.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Inventories

Inventories, composed primarily of pet supplies held for resale, are valued at the lower of cost, determined using the average cost method, or net realizable value.

Wisconsin Humane Society

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are recorded at cost. Donated equipment is recorded at the asset's fair market value at the date of donation. The cost of these items is charged to expense as depreciation computed on the straight-line method over the estimated useful lives of the assets. Estimated useful lives are 5 years for furniture, vehicles, and equipment and 20 to 40 years for land improvements, building, and building improvements.

The Organization reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset and its fair value are less than the carrying amount of that asset. The Organization has not recognized any impairment of long lived assets during 2024 and 2023.

Deferred Revenue

Ticket and sponsorship funds received in advance of a fundraising event but not earned as of the date of the statements of financial position, have been classified as deferred revenue. Revenues will be recognized in future periods as the events occur.

Revenue and Revenue Recognition

Contributions and Promises to Give

Contributions, including promises to give and bequests, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions.

A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, 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. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Wisconsin Humane Society

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue and Revenue Recognition (Continued)

Promises to give whose eventual uses are restricted by the donors are recorded as increases in net assets with donor restrictions. Promises to give without a purpose restriction to be collected in future periods are also recorded as an increase to net assets with donor restrictions and reclassified to net assets without donor restrictions when received, unless the donor's intention is to support current-period activities.

Event Income and Other Revenues

Special event revenues are directly related to fundraising activities. These special events consist of dinners, auctions, walks, and other fundraising activities. The exchange component of the activity is equal to the cost of the direct benefit to the donor consisting of food, drink, auctions items, and apparel which approximates fair value and was \$153,098 and \$149,690 for the years ended September 30, 2024 and 2023, respectively. The contribution component of the activity is the difference between the revenues earned and the exchange portion. The exchange portion of event revenues are recognized over time as the performance obligations are satisfied, which is the occurrence of the event(s). Fundraising event proceeds collected in advance are recorded as deferred revenue and recognized as fundraising event revenue when the event occurs. Unconditional contributions made in association with events are recognized upon receipt. Ticket and sponsorship revenue is recognized over time upon occurrence of the events.

Service fees include primarily adoption fees, veterinary services, and stray sheltering fees. The various fees for these services are set annually by the Organization. Adoption fees are recognized at the point in time that the performance obligation occurs, which is the adopter taking possession of the animal. Veterinary service fees are recognized over time as the performance obligations occur, which is the completion of veterinary services selected by the customer. Stray sheltering fees are earned under contracts with various municipalities served by the Organization to shelter stray animals as required by Wisconsin state law. Fees associated with these contracts are negotiated between the Organization and the municipalities annually. Revenue for these contracts are recognized prorata over time based on the term of the contract. Merchandise sales revenue is recorded at the point in time in which the customer receives the purchased goods.

Contributed Non-Financial Assets

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization. Contributed non-financial assets are reflected as contributions at their fair value at the date of donation and are reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used.

Wisconsin Humane Society

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue and Revenue Recognition (Continued)

The Organization recorded revenue and expense related to these donated goods and services of \$44,247 and \$105,191 for the years ended September 30, 2024 and 2023, respectively. These amounts consisted primarily of donated animal food and supplies. The amounts for 2024 and 2023 are recorded in the statement of activities. The Organization received nonprofessional volunteer services which management has estimated at a value of approximately \$857,348 and \$765,314 for the years ended September 30, 2024 and 2023, respectively. These amounts are not recorded in the statements of activities.

Advertising Costs

The Organization uses advertising and direct mail to promote its adoption and other programs among the areas it serves. The production costs of advertising and direct mail are expensed as incurred and totaled \$661,025 and \$505,990 for the years ended September 30, 2024 and 2023, respectively.

ASC 842 Lease Accounting

The Organization is a lessee in multiple noncancelable operating leases and a financing lease. If the contract provides the Organization the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The Organization has elected to use a risk-free rate for a term similar to the underlying lease as the discount rate if the implicit rate in the lease contract is not readily determinable.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. The ROU asset for finance leases is amortized on a straight-line basis over the lease term.

Wisconsin Humane Society

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

ASC 842 Lease Accounting (Continued)

For all underlying classes of assets, the Organization has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The Organization recognizes short-term lease cost on a straight-line basis over the lease term.

Income Taxes

The Organization is a tax-exempt corporation as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Organization is also exempt from state income taxes.

In order to account for any uncertain tax positions, the Organization determines whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. The Organization recorded no assets or liabilities related to uncertain tax positions for the years ended September 30, 2024 and 2023.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs have been charged directly to functions when appropriate. Certain operating support services and building related costs such as utilities, telephone, insurance, building repairs and maintenance, and depreciation have been allocated to the programs based on a ratio of full time equivalents by function.

Subsequent Events

Subsequent events have been evaluated through December 20, 2024, which is the date the financial statements were issued.

Wisconsin Humane Society

Notes to Financial Statements

Note 2: Liquidity and Availability of Financial Resources

The Organization strives to maintain liquid financial assets sufficient to cover 50% of annual general operating expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds and other short-term investments. As more fully described in Note 8, the Organization also has committed lines of credit in the amount of \$800,000, which it could draw upon in the event of an unanticipated liquidity need.

The following table reflects the Organization's financial assets as of September 30, 2024, and 2023, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor or contractual restrictions. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

<i>As of September 30,</i>	2024	2023
Cash and cash equivalents	\$ 7,817,070	\$ 5,670,656
Investments	16,913,671	14,072,516
Accounts receivable	58,815	49,553
Promises to give, current - net	9,000	58,600
Total financial assets	24,798,556	19,851,325
Less:		
Net assets with donor restrictions less beneficial interest in assets held by others	(254,042)	(255,566)
Deferred revenue	(221,065)	(213,509)
Total financial assets available	\$ 24,323,449	\$ 19,382,250

Note 3: Contributed Nonfinancial Assets

The Organization recognizes contributed nonfinancial assets within revenue, including a contributed building, animal food, and services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

The contributed building will be used for general and administrative activities. In valuing the contributed building, which is located in Kenosha, WI, the Organization estimated the fair value on the basis of recent comparable sales prices in Kenosha's real estate market.

Contributed animal food was utilized in the animal adoption programs. In valuing animal food, the Organization estimates the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Wisconsin Humane Society

Notes to Financial Statements

Note 3: Contributed Nonfinancial Assets (Continued)

Contributed services recognized was comprised of professional services from attorneys advising the Organization on various administrative legal matters and volunteer vet services. Contributed services are valued and are reported at the standard hourly rates for providing services.

Contributed nonfinancial assets consist of the following:

<i>Years Ended September 30,</i>	2024	2023
Contribution recognized upon acquisition	\$ -	\$ 1,899,480
Pro-bono legal services and veterinary services	21,355	87,629
Animal food donated	22,892	17,562
Totals	\$ 44,247	\$ 2,004,671

Note 4: Investments

Investment Composition

Investments, stated at fair value, consisted of the following at September 30, 2024 and 2023:

	2024	2023
Money market funds	\$ 82,743	\$ 157,435
Mutual funds	10,755,161	8,645,029
Corporate bonds	3,023,702	2,734,011
Corporate stocks	3,052,065	2,536,041
Total investments	\$ 16,913,671	\$ 14,072,516

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the Financial Statements.

Wisconsin Humane Society

Notes to Financial Statements

Note 4: Investments (Continued)

Investment Income

Investment income, including gains and losses on cash and cash equivalents, investments, and restricted assets consisted of the following for the years ended September 30, 2024 and 2023:

	2024	2023
Interest and dividend income	\$ 503,824	\$ 329,978
Change in value of beneficial interest in assets held by others	159,035	49,033
Realized and unrealized gain on investments	2,664,898	1,519,508
Investment fees	(56,528)	(47,518)
Total investment income - Net	\$ 3,271,229	\$ 1,851,001

The Organization incurred investment fees of \$56,528 and \$47,518 for the years ended September 30, 2024 and 2023, respectively, which are recorded as a reduction of investment income on the statements of activities and changes in net assets.

Note 5: Fair Value Measurements

The following is a description of the valuation methodology used for each asset measured at fair value on a recurring basis:

- Money market funds are measured using \$1 as the net asset value ("NAV").
- Mutual funds are valued based on quoted market prices.
- Corporate bonds are valued using quotes from pricing vendors based on recent trading activity and other observable market data.
- Common stocks are valued at quoted market prices from active market on which the stocks are traded.
- Promises to give are based on the original promise amounts, net an allowance for uncollectible promises to give, and the unamortized discount on the long-term promises to give based on a discount rate described in Note 1.
- Beneficial interest in assets held by others are valued based on the market value of the underlying assets, consisting mainly of equity and fixed income securities which are valued based on quoted market prices.

These methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, while the organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at that reporting date.

Wisconsin Humane Society

Notes to Financial Statements

Note 5: Fair Value Measurements (Continued)

Information regarding assets measured at fair value on a recurring basis as of September 30, 2024, is as follows:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ -	\$ 82,743	\$ -	\$ 82,743
Mutual funds:				
Equity income	1,564,762	-	-	1,564,762
Mid cap	3,432,880	-	-	3,432,880
International	1,701,379	-	-	1,701,379
Large cap	4,056,140	-	-	4,056,140
Corporate bonds	-	3,023,702	-	3,023,702
Common stocks:				
Energy	227,657	-	-	227,657
Materials	88,837	-	-	88,837
Industrials	561,900	-	-	561,900
Consumer discretionary	277,268	-	-	277,268
Consumer staples	22,789	-	-	22,789
Health care	475,221	-	-	475,221
Financials	640,365	-	-	640,365
Telecommunications	109,594	-	-	109,594
Utilities	45,047	-	-	45,047
Information technology	433,758	-	-	433,758
Real estate	169,629	-	-	169,629
Total investments	13,807,226	3,106,445	-	16,913,671
Beneficial interest in assets held by others (Note 13)	-	-	863,949	863,949
Totals	\$ 13,807,226	\$ 3,106,445	\$ 863,949	\$ 17,777,620

Wisconsin Humane Society

Notes to Financial Statements

Note 5: Fair Value Measurements (Continued)

Information regarding assets measured at fair value on a recurring basis as of September 30, 2023, is as follows:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ -	\$ 157,435	\$ -	\$ 157,435
Mutual funds:				
Equity income	1,249,931	-	-	1,249,931
Mid cap	2,824,491	-	-	2,824,491
International	1,455,144	-	-	1,455,144
Large cap	3,115,463	-	-	3,115,463
Corporate bonds	-	2,734,011	-	2,734,011
Common stocks:				
Energy	276,919	-	-	276,919
Materials	174,237	-	-	174,237
Industrials	518,775	-	-	518,775
Consumer discretionary	232,949	-	-	232,949
Consumer staples	162,581	-	-	162,581
Health care	433,663	-	-	433,663
Financials	309,110	-	-	309,110
Telecommunications	26,100	-	-	26,100
Utilities	44,239	-	-	44,239
Information technology	272,217	-	-	272,217
Real estate	85,251	-	-	85,251
Total investments	11,181,070	2,891,446	-	14,072,516
Promises to give	-	60,600	-	60,600
Beneficial interest in assets held by others (Note 13)	-	-	746,883	746,883
Totals	\$ 11,181,070	\$ 2,952,046	\$ 746,883	\$ 14,879,999

Wisconsin Humane Society

Notes to Financial Statements

Note 6: Promises to Give

The promises to give balance is expected to be collected according to the following schedule as of September 30, 2024 and 2023:

	2024	2023
Receivable in less than one year	\$ 9,000	\$ 58,600
Receivable in one to five years	1,000	7,511
Total promises to give	10,000	66,111
Less allowance for uncollectible promises to give	-	5,511
Promises to give - Net	10,000	60,600
Less - Current portion	9,000	58,600
Promises to give - Noncurrent	\$ 1,000	\$ 2,000

Note 7: Property and Equipment

Property and equipment consisted of the following at September 30, 2024 and 2023:

	2024	2023
Land	\$ 2,108,030	\$ 2,108,030
Land improvements	453,039	453,039
Building and building improvements	22,680,116	22,680,116
Vehicles	334,734	326,944
Furniture and office equipment	3,247,883	3,025,208
Total property and equipment	28,823,802	28,593,337
Less - Accumulated depreciation	12,149,905	11,029,441
Totals	\$ 16,673,897	\$ 17,563,896

Note 8: Line of Credit

At September 30, 2024, the Organization had a line of credit of \$800,000 with a bank, which bears interest at prime rate (8% as of September 30, 2024), due on demand, and is subject to an annual review. The line of credit is secured by a general business security agreement of the Organization and terminates on demand. There was no amount outstanding under this agreement at September 30, 2024 and 2023.

Wisconsin Humane Society

Notes to Financial Statements

Note 9: Net Assets with Donor Restrictions

Net assets with donor restrictions include assets set aside in accordance with donor restrictions as to time or use. Net assets with donor restrictions are available for the following purposes:

<i>As of September 30,</i>	2024	2023
Subject to passage of time:		
Promises to give, not restricted by donors	\$ 10,000	\$ 11,000
Subject to expenditure for a specific purpose:		
Pet cemetery	254,042	255,566
Total net assets subject to passage of time or specific purpose	264,042	266,566
Not subject to spending policy or appropriation:		
Beneficial interest in assets held by community foundations	297,008	260,734
Beneficial interests in perpetual trusts	566,941	486,149
Total net assets not subject to spending policy or appropriation	863,949	746,883
Total net assets with donor restrictions	\$ 1,127,991	\$ 1,013,449

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors as follows:

<i>Years Ending September 30,</i>	2024	2023
Expiration of time restrictions	\$ 18,458	\$ 1,000
Satisfaction of purpose restrictions:		
Pet cemetery	1,524	2,498
Net assets released from restrictions	\$ 19,982	\$ 3,498

Wisconsin Humane Society

Notes to Financial Statements

Note 10: Tax-Deferred Annuity Plan

The Organization sponsors a tax-deferred annuity plan (the "Plan") qualified under Section 403(b) of the Code. Employees of the Organization are eligible to participate in the Plan upon fulfilling certain eligibility requirements. Employees may elect salary deferrals which are contributed to the Plan up to a maximum amount allowed by the Code. In addition, the Organization may elect to make discretionary matching and non-elective contributions on behalf of eligible employees. The Organization made discretionary contributions of \$73,809 and \$72,003 to the Plan during September 30, 2024 and 2023.

Note 11: Concentration of Credit Risk

The Organization maintains depository relationships with area financial institutions, and the Organization's balances may at times exceed Federal Deposit Insurance Corporation (FDIC) limits. The Organization has not experienced any losses with these accounts. Management believes the Organization is not exposed to any significant risk on cash.

Note 12: Leases Under ASC 842

The Organization leases clinic facilities, office space, and equipment. Some leases entered into include one or more options to renew. The renewal terms can extend the lease term from five to ten years. The exercise of lease renewal options is at the Organization's sole discretion. Renewal option periods are included in the measurement of the ROU asset and lease liability when the exercise is reasonably certain to occur.

The Company intends to exercise the first renewal options for its clinic facilities. The renewal option has been recognized in the respective right-of-use asset and liability. All other renewal options have not been recognized as the Company does not intend to exercise those options.

The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments due under the lease contracts include fixed payments.

Operating leases are included in the following asset and liability accounts on the Organization's Statement of Financial Position: Right-of-use assets - Operating, Current portion of lease liabilities - Operating, and Lease liability - Operating. ROU assets and liabilities arising from finance leases are included in the following asset and liability accounts on the Organization's Statement of Financial Position: Right-of-use assets - Financing, Current portion of lease liabilities - Financing, and Lease liability - Financing.

Wisconsin Humane Society

Notes to Financial Statements

Note 12: Leases Under ASC 842 (Continued)

Components of lease expense were as follows:

Years Ended September 30,	2024	2023
Lease cost		
Finance lease cost:		
Interest	\$ 726	\$ 314
Amortization of right-of-use asset	8,404	2,801
Operating lease cost	153,190	144,505
Total lease cost	\$ 162,320	\$ 147,620

Supplemental cash flow information related to leases is as follows:

Years Ended September 30,	2024	2023
Other information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	\$ 753	\$ 239
Operating cash flows from operating leases	148,449	110,067
Financing cash flows from finance leases	8,151	2,729
Right-of-use asset obtained in exchange for new finance lease liability	\$ -	\$ 25,212
Years Ended September 30,	2024	2023
Weighted-average remaining lease term (years) - Finance leases	1.67 years	2.67 years
Weighted-average remaining lease term (years) - Operating leases	5.11 years	6.05 years
Weighted-average discount rate - Finance leases	4.01%	4.01%
Weighted-average discount rate - Operating leases	3.86%	3.86%

Wisconsin Humane Society

Notes to Financial Statements

Note 12: Leases Under ASC 842 (Continued)

Maturities of lease liabilities are as follows as of September 30, 2024:

	Financing	Operating
2025	\$ 8,904	\$ 153,190
2026	5,936	153,190
2027	-	153,190
2028	-	102,371
2029	-	102,371
Thereafter	-	68,247
Total lease payments	14,840	732,559
Less imputed interest	508	32,232
Totals	\$ 14,332	\$ 700,327

Note 13: Beneficial Interest in Assets Held by Others

The assets held by others for the benefit of the Organization are required to be reported as an asset of the Organization. Accordingly, the Organization recognizes its beneficial interest in the net assets in the Foundations and Trusts and adjusts that interest for its share of the change in net assets.

The Racine Community Foundation and the Greater Milwaukee Foundation has governance over the endowment's investment of funds and the distribution of fund assets. However, the endowment agreement with the Greater Milwaukee Foundation (the "Foundation") will allow for distributions, up to and including all principal and income of the fund, greater than the Foundation's distribution policy upon recommendation by a 75% vote of the Organization's Board of Directors and approval by the Foundation.

The Door County Community Foundation endowment agreement allows for the trustees to invest funds in securities or other investments, with the income generated from principal as the main funding source. By special exception, an additional 10% of the principal may be used upon unanimous vote of the Organization's Board of Directors.

The Organization is the sole beneficiary of a successor trust receiving annually the Trust's net income. Upon the Trust's dissolution in 2049, the Organization will receive the remaining principal and income.

Wisconsin Humane Society

Notes to Financial Statements

Note 13: Beneficial Interest in Assets Held by Others (Continued)

The Organization is a beneficiary of the Fitzgerald Trust receiving an annual distribution of the trust's net income in proportion noted in the trust agreement. The trust is irrevocable but may be terminated at any time by the donor. In the event of dissolution assets will be distributed proportionally to the beneficiaries.

Changes in the Organization's beneficial interest in assets held by others at September 30, 2024 and 2023, were as follows:

	Racine Community Foundation	Greater Milwaukee Foundation	Door County Community Foundation	Successor Trust	Fitzgerald Trust	Total
Balance October 1, 2022	\$ 35,918	\$ 127,309	\$ 76,676	\$ 336,309	\$ 141,477	\$ 717,689
Investment income - Net	3,681	13,721	10,914	8,114	12,603	49,033
Distributions / expenses	(400)	(6,485)	(600)	(2,623)	(9,731)	(19,839)
Balance September 30, 2023	39,199	134,545	86,990	341,800	144,349	746,883
Investment income - Net	6,996	21,639	20,286	84,808	25,306	159,035
Distributions / expenses	(424)	(7,190)	(5,033)	(19,522)	(9,800)	(41,969)
Balance September 30, 2024	\$ 45,771	\$ 148,994	\$ 102,243	\$ 407,086	\$ 159,855	\$ 863,949

Note 14: Accounts Receivable and Contract Balances

Contract assets arise when the Organization transfers goods or services to a customer in advance of receiving consideration and the right to consideration is conditioned on something other than the passage of time, such as work in process or unbilled receivables. Contract assets are transferred to receivables when the right to receive consideration becomes unconditional and the Organization is able to invoice the customer. Contract liabilities represent the Organization's obligation to transfer goods or services to a customer when consideration has already been received from the customer, such as adoption deposits and deferred revenue. When transfer of control of the related good or service occurs, contract liabilities are reclassified, and revenue is recognized. There were no contract assets at September 30, 2024, September 30, 2023 or October 1, 2022.

Opening and closing balances for contract liabilities, and accounts receivable arising from contracts with customers include:

	9/30/2024	9/30/2023	10/1/2022
Contract liabilities - deferred revenue	\$ 221,065	\$ 213,509	\$ 261,658
Accounts receivable	\$ 58,815	\$ 49,553	\$ 51,940

Wisconsin Humane Society

Notes to Financial Statements

Note 15: Disaggregation of Revenues from Contracts with Customers

The following is a breakdown of the Organization's revenues from contracts with customers by source:

	2024	2023
Recognized over time:		
Veterinary services	\$ 1,273,163	\$ 1,336,942
Camps and classes	200,786	205,469
Stray sheltering fees	699,891	516,461
Total recognized over time	2,173,840	2,058,872
Revenues recognized at a point in time		
Merchandise sales	437,185	425,765
Adoption fees	1,521,924	1,489,922
Other	382,598	359,902
Total recognized at a point in time	2,341,707	2,275,589
Total revenue from Contracts with Customers	\$ 4,515,547	\$ 4,334,461

Reconciliation of Statement of Activities with revenues from contracts with customers by source:

	2024	2023
Services fees	\$ 4,078,362	\$ 3,908,696
Merchandise sales	437,185	425,765
Total revenue from Contracts with Customers	\$ 4,515,547	\$ 4,334,461

Wisconsin Humane Society

Notes to Financial Statements

Note 16: Acquisition

Effective June 1, 2023, the Boards of Directors of Kenosha County Humane Society dba Safe Harbor Humane Society ("Kenosha"), a separate unrelated non-profit organization whose mission provides for animal adoption and spay-neuter services, voted to transfer all assets, liabilities, and operations to the Organization. The Organization did not transfer any consideration as part of the acquisition and recognized underlying assets and liabilities acquired at fair value resulting in a contribution of \$1,899,480 being recognized in the statement of activities.

Valuation of assets of the acquired organizations as of June 1, 2023 are as follows

	Kenosha County Humane Society
Cash	\$ 22,442
Accounts receivable	9,344
Land, property and equipment	2,255,000
Accounts payable	(38,831)
Accrued salary and benefits	(31,533)
Accrued expenses	(836)
Long-term debt	(316,106)
Net assets acquired	\$ 1,899,480

Results of operations for the acquired organization from June 1, 2023 (date of acquisition) through September 30, 2023:

	Kenosha County Humane Society
Support and revenue	\$ 257,205
Expenses	(418,765)
Change in net assets	\$ (161,560)