HUMANE ANIMAL WELFARE SOCIETY OF WAUKESHA COUNTY, INC.

FINANCIAL STATEMENTS

June 30, 2025 and 2024

CONTENTS

Wegner CPAs

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Humane Animal Welfare Society of Waukesha County, Inc.
Waukesha, Wisconsin

Opinion

We have audited the financial statements of Humane Animal Welfare Society of Waukesha County, Inc., which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, 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 present fairly, in all material respects, the financial position of Humane Animal Welfare Society of Waukesha County, Inc. as of June 30, 2025 and 2024, 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.

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 Humane Animal Welfare Society of Waukesha County, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Humane Animal Welfare Society of Waukesha County, Inc.'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 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 Humane Animal Welfare Society of Waukesha County, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Humane Animal Welfare Society of Waukesha County, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Wegner CPAs LLP

Wegner CPAs, LLP
Waukesha, Wisconsin
September 10, 2025

HUMANE ANIMAL WELFARE SOCIETY OF WAUKESHA COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash	$ 392,055	$ 475,275
Certificate of deposit	101,827	-
Accounts receivable	5,177	2,901
Unconditional promises to give	236,941	439,440
Prepaid expenses	40,215	24,198
Inventory	29,189	22,149
Total current assets	805,404	963,963
Property and equipment, net	2,962,593	3,014,150
OTHER ASSETS		
Investments	13,375,908	11,475,451
Beneficial interest in assets held by Waukesha County Community Foundation	78,961	74,908
Total other assets	13,454,869	11,550,359
Total assets	$ 17,222,866	$ 15,528,472
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 75,519	$ 72,468
Deferred revenue	277,262	258,646
Accrued payroll and vacation	101,435	93,666
Total liabilities	454,216	424,780
NET ASSETS		
Without donor restrictions	14,324,252	12,950,974
With donor restrictions	2,444,398	2,152,718
Total net assets	16,768,650	15,103,692
Total liabilities and net assets	$ 17,222,866	$ 15,528,472

See accompanying notes.

HUMANE ANIMAL WELFARE SOCIETY OF WAUKESHA COUNTY, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions			
General contributions	$ 1,974,648	$ 121,809	$ 2,096,457
Bequests from estates	1,136,620	174,100	1,310,720
Contributions of nonfinancial assets	174,038	-	174,038
Special events, net of costs of direct benefits to donors of $30,218	284,664	-	284,664
Contracts, sales, and other revenues			
Animal services	1,008,818	-	1,008,818
Adoption fees	428,631	-	428,631
Impounding service fees	163,394	-	163,394
Educational programs	394,126	-	394,126
Merchandise sales	65,667	-	65,667
Change in value of beneficial interest in assets held by Waukesha County Community Foundation	4,053	-	4,053
Investment return, net	1,049,711	61,249	1,110,960
Other	1,238	-	1,238
Total revenues	6,685,608	357,158	7,042,766
EXPENSES			
Program services			
Animal services	3,281,103	-	3,281,103
Education and outreach	877,022	-	877,022
Total program services	4,158,125	-	4,158,125
Supporting activities			
Management and general	567,556	-	567,556
Development	652,127	-	652,127
Total expenses	5,377,808	-	5,377,808
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of purpose restrictions	65,478	(65,478)	-
Change in net assets	1,373,278	291,680	1,664,958
Net assets at beginning of year	12,950,974	2,152,718	15,103,692
Net assets at end of year	$ 14,324,252	$ 2,444,398	$ 16,768,650

See accompanying notes.

HUMANE ANIMAL WELFARE SOCIETY OF WAUKESHA COUNTY, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions			
General contributions	$ 1,513,682	$ 71,843	$ 1,585,525
Bequests from estates	1,703,354	-	1,703,354
Contributions of nonfinancial assets	190,027	-	190,027
Special events, net of costs of direct benefits to donors of $21,884	291,017	-	291,017
Contracts, sales, and other revenues			
Animal services	758,969	-	758,969
Adoption fees	392,055	-	392,055
Impounding service fees	155,836	-	155,836
Educational programs	444,879	-	444,879
Merchandise sales	51,937	-	51,937
Change in value of beneficial interest in assets held by Waukesha County Community Foundation	7,164	-	7,164
Investment return, net	1,107,646	66,733	1,174,379
Other	4,139	-	4,139
Total revenues	6,620,705	138,576	6,759,281
EXPENSES			
Program services			
Animal services	3,012,997	-	3,012,997
Education and outreach	965,874	-	965,874
Total program services	3,978,871	-	3,978,871
Supporting activities			
Management and general	403,236	-	403,236
Development	625,306	-	625,306
Total expenses	5,007,413	-	5,007,413
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of purpose restrictions	129,046	(129,046)	-
Change in net assets	1,742,338	9,530	1,751,868
Net assets at beginning of year	11,208,636	2,143,188	13,351,824
Net assets at end of year	$ 12,950,974	$ 2,152,718	$ 15,103,692

See accompanying notes.

HUMANE ANIMAL WELFARE SOCIETY OF WAUKESHA COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2025

	Program Services			Supporting Activities		
	Animal Services	Education and Outreach	Total Program Services	Management and General	Development	Total Expenses
Wages	$ 1,805,204	$ 522,688	$ 2,327,892	$ 374,793	$ 379,504	$ 3,082,189
Payroll taxes	133,173	38,760	171,933	45,311	29,591	246,835
Employee benefits	161,938	27,421	189,359	54,152	43,198	286,709
Kennel expenses	602,057	-	602,057	-	-	602,057
Occupancy	183,916	64,768	248,684	5,715	20,954	275,353
Insurance	49,888	14,445	64,333	10,358	10,487	85,178
Vehicle expenses	10,440	2,224	12,664	684	3,016	16,364
Office expenses	104,923	55,740	160,663	4,918	18,034	183,615
Day camp supplies	-	15,288	15,288	-	-	15,288
Merchandise	34,711	12,606	47,317	-	1,952	49,269
Marketing and promotion	57,897	52,046	109,943	6,987	68,896	185,826
Professional fees	-	-	-	56,991	-	56,991
Telephone	18,339	9,742	28,081	860	3,152	32,093
Postage	3,574	1,899	5,473	168	614	6,255
Printing	3,758	275	4,033	1,401	4,937	10,371
Event facility and supplies	-	-	-	-	78,882	78,882
Depreciation and amortization	111,285	59,120	170,405	5,218	19,128	194,751
Total expenses	3,281,103	877,022	4,158,125	567,556	682,345	5,408,026
Less expenses included with revenues on the statement of activities	-	-	-	-	(30,218)	(30,218)
Total expenses included in the expenses section of the statement of activities	$ 3,281,103	$ 877,022	$ 4,158,125	$ 567,556	$ 652,127	$ 5,377,808

See accompanying notes.

HUMANE ANIMAL WELFARE SOCIETY OF WAUKESHA COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2024

	Program Services			Supporting Activities		
	Animal Services	Education and Outreach	Total Program Services	Management and General	Development	Total Expenses
Wages	$ 1,690,137	$ 596,500	$ 2,286,637	$ 145,073	$ 352,511	$ 2,784,221
Payroll taxes	123,878	44,631	168,509	33,714	25,899	228,122
Employee benefits	128,926	33,697	162,623	59,876	44,681	267,180
Kennel expenses	607,014	-	607,014	-	-	607,014
Occupancy	144,789	83,824	228,613	10,161	25,402	264,176
Insurance	47,975	16,932	64,907	4,118	10,006	79,031
Vehicle expenses	10,952	2,090	13,042	470	3,070	16,582
Office expenses	44,836	25,958	70,794	67,898	7,865	146,557
Day camp supplies	-	17,206	17,206	-	-	17,206
Merchandise	30,271	12,608	42,879	-	-	42,879
Marketing and promotion	58,829	58,894	117,723	6,076	87,341	211,140
Professional fees	-	-	-	67,231	-	67,231
Telephone	17,956	12,327	30,283	1,260	3,150	34,693
Postage	3,889	2,252	6,141	273	682	7,096
Printing	2,577	500	3,077	-	3,765	6,842
Event facility and supplies	-	-	-	-	65,104	65,104
Depreciation and amortization	100,968	58,455	159,423	7,086	17,714	184,223
Total expenses	3,012,997	965,874	3,978,871	403,236	647,190	5,029,297
Less expenses included with revenues on the statement of activities	-	-	-	-	(21,884)	(21,884)
Total expenses included in the expenses section of the statement of activities	$ 3,012,997	$ 965,874	$ 3,978,871	$ 403,236	$ 625,306	$ 5,007,413

See accompanying notes.

HUMANE ANIMAL WELFARE SOCIETY OF WAUKESHA COUNTY, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,664,958	$ 1,751,868
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation and amortization	194,751	184,223
Net realized and unrealized gains on investments	(846,007)	(944,943)
Change in value of beneficial interest in assets held by Waukesha County Community Foundation	(4,053)	(7,164)
(Increase) decrease in assets		
Accounts receivable	(2,276)	287
Unconditional promises to give	202,499	618,602
Prepaid expenses	(16,017)	(5,518)
Inventory	(7,040)	368
Increase (decrease) in liabilities		
Accounts payable	(38,064)	44,539
Deferred revenue	18,616	(5,376)
Accrued payroll and vacation	7,769	32,678
Net cash flows from operating activities	1,175,136	1,669,564
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of and interest retained in certificate of deposit	(101,827)	-
Proceeds from sales of investments	656,921	1,203,288
Purchases of investments and interest and dividends reinvested	(1,711,371)	(2,576,124)
Purchases of property and equipment	(102,079)	(224,341)
Net cash flows from investing activities	(1,258,356)	(1,597,177)
Change in cash	(83,220)	72,387
Cash at beginning of year	475,275	402,888
Cash at end of year	$ 392,055	$ 475,275
SUPPLEMENTAL DISCLOSURES		
Noncash investing and financing transactions		
Property and equipment acquired with accounts payable	$ 41,115	$ -

See accompanying notes.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Humane Animal Welfare Society of Waukesha County, Inc. (HAWS) is an open-admission, no-kill animal shelter and humane society located in Waukesha, Wisconsin. HAWS is dedicated to strengthening the relationship between animals and humans through adoptions and education, making a more compassionate community possible. HAWS is primarily supported by contributions, fees for animal medical care and services, and adoption fees.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Inventory

Inventory consists of pet supplies, toys, publications, and medical supplies and is stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method.

Property and Equipment

HAWS capitalizes all expenditures for property and equipment in excess of $2,500. Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair value at the date of donation. Depreciation is computed using the straight-line method.

Investments

HAWS reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of financial position.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with 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.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Beneficial Interest in Assets Held by Waukesha County Community Foundation

HAWS established a fund at the Waukesha County Community Foundation. The agreement between HAWS and the Foundation states that the transfer of assets is irrevocable and that the transferred assets will not be returned to HAWS. However, the Foundation will make annual distributions of the income earned on the fund subject to the Foundation's spending policy. HAWS has the right to recommend distributions greater than those set by the Foundation's policy as long as the fund's balance exceeds the Foundation's minimum balance requirement. The agreement also grants variance power to the Foundation, which permits the Foundation to substitute another beneficiary in place of HAWS if HAWS ceases to exist or if the Foundation's board of directors votes that support of HAWS either is no longer necessary or is inconsistent with the needs of the community. The fair value of the fund is based on the fair value of the underlying assets as reported to HAWS by the Foundation. Little information about those assets is released publicly. The estimated fair value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

Donated Services

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Volunteers also provided interactions with the animals at the shelter throughout the year. These services are not recognized as contributions in the financial statements since the recognition criteria were not met.

Revenue Recognition

HAWS receives adoption fees, registration fees for educational programs, fees for animal medical care and services, and fees for other program services. Revenue is recognized when the respective services are provided. It is the policy of HAWS to not refund these fees. HAWS generally bills for these services prior to or on the date the services are provided. Fees received in advance are deferred and recognized as revenue when the services are provided. HAWS also provides impounding services to certain municipalities under fixed-price contracts that are for three calendar years. HAWS invoices the municipalities each year in January at the fee established by the contract. Revenue is recognized on a straight-line basis over the term of the contract.

Merchandise Sales

Revenue from merchandise sales is recognized when the customer receives and pays for the merchandise. Sales taxes collected from customers are excluded from revenue. HAWS does not have any financing components as payment is received at or shortly after the point of sale. Returns are expected to be insignificant.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

HAWS holds an annual event. Revenue from the event includes registration fees, auction sales, and sponsorships. Registration fees and auction sales are recognized as revenue when the event takes place. The portion of sponsorships considered a contribution is conditioned upon the event taking place. At June 30, 2025 and 2024, deferred revenue includes $49,170 and $38,000, respectively, of sponsorships conditioned upon next year's event taking place.

Accounts receivable and deferred revenue from contracts with customers are as follows:

	2025	2024
Accounts receivable at beginning of year	$ 2,901	$ 3,188
Accounts receivable at end of year	5,177	2,901
Deferred revenue at beginning of year	$ 220,646	$ 237,522
Deferred revenue at end of year	228,092	220,646

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include wages, payroll taxes, employee benefits, occupancy, insurance, office expenses, telephone, postage, and depreciation and amortization, which are allocated on the basis of estimates of time and effort.

The following program services and supporting activities are included in the accompanying financial statements:

Animal Services—Includes animal intake, customer service (both telephone and in person), daily care of animals, in-house and mobile spay/neuter programs, humane euthanasia, and spay/neuter and medical treatment for HAWS's animals.

Education and Outreach—Includes youth, adult, and public education programs, in addition to the HAWS behavior department.

Management and General—Includes accounting and production of financial reports, development and oversight of the annual budget, supervision of all departments, maintenance of personnel records, and representation of HAWS within the community.

Development—Includes cultivation of new donors, fundraising events, membership solicitations, planned giving activities, media and public relations activities, and production of the quarterly newsletter.

Advertising

Advertising costs are expensed as incurred and were $53,073 and $76,502 for the years ended June 30, 2025 and 2024, respectively.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status

HAWS is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, HAWS qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Date of Management's Review

Management has evaluated subsequent events through September 10, 2025, the date which the financial statements were available to be issued.

NOTE 2—CONCENTRATIONS OF CREDIT RISK

HAWS maintains cash balances at two financial institutions located in southeastern Wisconsin. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. At June 30, 2025 and 2024, HAWS's uninsured cash balances total approximately $41,000 and $58,000, respectively.

NOTE 3—PROPERTY USE AGREEMENT

HAWS has an agreement with the Schallock Foundation that allows HAWS to use property in accordance with the stated mission of HAWS. Those uses include an animal park, an animal care and training facility, an animal sanctuary, an animal clinic, and a pet cemetery. The property may also be used for the boarding of staff, education relating to animals, fundraising events in connection with HAWS's tax-exempt purposes, and other purposes as allowed or approved by the Foundation. In exchange for the use of property, HAWS is required to maintain, repair, and replace all parts of the property. If repair costs or the cost of replacement items exceed $5,000 and did not result from HAWS's negligent act or omission, HAWS is not responsible for payment. Also, if the total cost for all maintenance, repairs, or replacement items that are not the result of HAWS's negligent acts or omissions exceeds $50,000 in any year, HAWS is not responsible for costs in excess of $50,000. The agreement will terminate upon notice from HAWS to the Foundation that it intends to terminate its use of the property, a breach of contract by HAWS, exhausting of the Foundation's resources, or a loss of HAWS's tax-exempt status.

NOTE 4—PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2025	2024
Land	$ 104,490	$ 104,490
Land improvements	68,737	68,737
Building	3,843,539	3,779,830
Equipment	545,437	537,784
Furniture and fixtures	325,620	271,856
Vehicles	130,780	130,780
Website	23,900	14,800
Leasehold improvements	633,334	629,059
Property and equipment	5,675,837	5,537,336
Accumulated depreciation and amortization	(2,713,244)	(2,523,186)
Property and equipment, net	$ 2,962,593	$ 3,014,150

NOTE 5—INVESTMENTS

Investments consist of the following:

	2025	2024
Cash equivalents held by investment managers	$ 1,721,175	$ 1,178,427
Equity securities	1,966,299	1,765,583
Corporate bonds	2,752,770	2,908,743
Exchange traded funds	6,919,087	5,607,998
Real estate investment trust	16,577	14,700
	$ 13,375,908	$ 11,475,451

Equity securities, exchange traded funds, and real estate investment trust are valued at unadjusted quoted prices reported on the active markets on which the individual securities are traded, which are Level 1 fair value measurements. Corporate bonds are valued using a market approach that uses as inputs observed interest rates and yield curves, prices in active markets for similar assets, and prices for identical assets in inactive markets that have been adjusted by observable indexes, which are Level 2 fair value measurements.

NOTE 6—BENEFICIAL INTEREST IN ASSETS HELD BY WAUKESHA COUNTY COUMMUNITY FOUNDATION

Changes in the beneficial interest in assets held by Waukesha County Community Foundation are as follows:

	2025	2024
Beginning balance	$ 74,908	$ 67,744
Change in value of beneficial interest in assets held by Waukesha County Community Foundation	4,053	7,164
Ending balance	$ 78,961	$ 74,908

NOTE 7—NET ASSETS

The board of directors has designated net assets without donor restrictions as follows:

	2025	2024
Board designated endowment	$ 11,132,613	$ 9,447,244
Undesignated	3,191,639	3,503,730
	$ 14,324,252	$ 12,950,974

Net assets with donor restrictions are restricted for the following purposes:

	2025	2024
Merkel capital improvements funds	$ 642,156	$ 580,908
Spay-Neuter Initiative Program	1,511,255	1,351,419
Small animal center housing	23,979	23,979
Behavior and veteran support	21,272	21,272
Annie's Fund	129,657	123,279
Cats	7,000	7,000
Horse emergency medical fund	10,500	10,500
Adoption services	-	12,510
Education	13,225	10,153
Special needs	-	2,558
Equine program	-	2,700
Pet pantry	1,202	1,288
Waukesha County family pet care	75,000	-
Tile remembrance project	4,000	-
Future projects	5,152	5,152
	$ 2,444,398	$ 2,152,718

NOTE 8—ENDOWMENT

As of June 30, 2025 and 2024, the board of directors has designated $11,132,613 and $9,447,244, respectively, of net assets without donor restrictions as a general endowment fund to support the mission of HAWS. Since those amounts resulted from an internal designation and are not donor-restricted, they are classified and reported as net assets without donor restrictions.

HAWS established an endowment fund committee that consists of three trustees who are responsible for management of the fund's assets. HAWS has a spending policy that allows for income on the endowment assets to be transferred to the operating fund to meet current expenses as necessary. Withdrawals from the endowment fund must have committee approval. The objective of the endowment is to attract sufficient funds and obtain sufficient investment return to allow the fund to build to a level where only investment income is used to support operations. To achieve this objective, HAWS has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk.

Endowment assets are invested in a well-diversified asset mix that includes equities, fixed income securities, and cash equivalents intended to produce a return sufficient to support operations, while growing the fund if possible. The investment strategies used are designed to limit the fund's exposure to unacceptable levels of risk.

Composition of and changes in endowment net assets were as follows:

	2025	2024
Board designated endowment net assets, beginning of year	$ 9,447,244	$ 7,851,269
Contributions	1,421,270	1,723,819
Investment return, net	914,099	980,034
Amounts appropriated for expenditure	(650,000)	(1,107,878)
Board designated endowment net assets, end of year	$ 11,132,613	$ 9,447,244

NOTE 9—PAYCHECK PROTECTION PROGRAM LOAN

On April 16, 2020, HAWS received a $393,200 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). On November 5, 2020, the SBA preliminarily approved forgiveness of the loan. HAWS must retain PPP documentation in its files for six years after the date the loan is forgiven and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review HAWS's good-faith certification concerning the necessity of its loan request, whether HAWS calculated the loan amount correctly, whether HAWS used loan proceeds for the allowable uses specified in the CARES Act, and whether HAWS is entitled to loan forgiveness in the amount claimed on its application. If SBA determines HAWS was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the loan.

NOTE 10—CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets recognized within the statements of activities include:

	2025	2024
Food	$ 45,698	$ 66,120
Medical supplies and medications	16,976	9,076
Animal supplies	43,755	45,818
Cleaning/office supplies	5,609	6,013
Use of Schallock Center (Note 2)	62,000	63,000
	$ 174,038	$ 190,027

Contributed food items, medical supplies and medications, animal supplies, and cleaning/office supplies, which will be used for animal services, are valued at the estimated fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

The fair value of the use of Schallock Center, which will be used for education and outreach programs, was estimated on the basis of the real estate market in Delafield, Wisconsin, and associated costs related to owning the property.

For the years ended June 30, 2025 and 2024, HAWS received approximately 34,200 and 32,400 hours, respectively, of contributed services that were not recognized. Those volunteers helped in animal care and feeding.

No contributed nonfinancial assets were restricted. HAWS does not sell gifts-in-kind and only distributes goods for program use, including the animal rescue and adoption programs.

NOTE 11—PENSION PLAN

All employees age 21 or older who work at least 1,000 hours per year are eligible to participate in a Savings Incentive Match Plan for Employees (SIMPLE) IRA plan. HAWS matches participants' contributions to the plan up to 3% of the individual participant's compensation. Pension expense for the years ended June 30, 2025 and 2024, was $53,976 and $49,494, respectively.

NOTE 12—RELATED PARTY TRANSACTIONS

A member of HAWS's board of directors is the principal/CFO of Berghammer Construction Corporation, which provides construction and related services to HAWS. During the year ended June 30, 2025, Berghammer Construction Corporation provided $45,127 of services to HAWS. At June 30, 2025, $29,615 was due to Berghammer Construction Corporation.

Another member of HAWS's board of directors is a partner in Amundsen Davis, LLC, which provides legal services to HAWS. During the year ended June 30, 2025, Amundsen Davis, LLC provided $4,853 of services to HAWS. At June 30, 2025, $1,643 was due to Amundsen Davis, LLC.

NOTE 13—LIQUIDITY AND AVAILABILITY

The following table reflects HAWS's financial assets as of the date of the statement of financial position, reduced by amounts not available for general expenditures within one year of the date of the statement of financial position because of donor-imposed restrictions and internal designations:

	2025	2024
Financial assets at end of year		
Cash	$ 392,055	$ 475,275
Certificate of deposit	101,827	-
Accounts receivable	5,177	2,901
Unconditional promises to give	236,941	439,440
Investments	13,375,908	11,475,451
Beneficial interest in assets held by Waukesha County Community Foundation	78,961	74,908
Total financial assets at end of year	14,190,869	12,467,975
Less amounts unavailable for general expenditures within one year:		
Restricted by donors with purpose restrictions	(2,444,398)	(2,152,718)
Board designated endowment	(11,132,613)	(9,447,244)
Financial assets available to meet cash needs for general expenditures within one year	$ 613,858	$ 868,013

Financial assets not available for general expenditures at June 30, 2025 and 2024, include $11,132,613 and $9,447,244, respectively, designated by the board of directors for an endowment; however, amounts could be made available if necessary. As part of HAWS's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 14—COMMITMENT

On June 3, 2025, HAWS entered into a contract with Berghammer Construction Corporation for office reconfiguration totaling approximately $250,000.