

**Kansas Humane Society of Wichita, Kansas**

**Independent Auditor's Report**

**and**

**Financial Statements**

**June 30, 2025 and 2024**



**Kansas Humane Society of Wichita, Kansas**

**Independent Auditor's Report**

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## Independent Auditor's Report

Board of Directors  
Kansas Humane Society of Wichita, Kansas  
Wichita, Kansas

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Kansas Humane Society of Wichita, Kansas, 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 Kansas Humane Society of Wichita, Kansas 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 audit 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 Kansas Humane Society of Wichita, Kansas 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 Kansas Humane Society of Wichita, Kansas' ability to continue as a going concern for one year after the date that the financial statements are 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 Kansas Humane Society of Wichita, Kansas 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 Kansas Humane Society of Wichita, Kansas 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.

*Rejiv Carr & Monroe LLP*

February 26, 2026  
Wichita, Kansas

**Kansas Humane Society of Wichita, Kansas**  
**Statements of Financial Position**  
**June 30, 2025 and 2024**

**ASSETS**

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 1,407,507	\$ 1,356,438
Accounts receivable	61,456	44,267
Bequests receivable	190,000	265,093
Inventory	38,687	47,399
Prepaid expenses	69,634	47,028
Beneficial interest in assets held by others	329,752	311,085
Beneficial interest in perpetual trust	197,763	190,478
Mineral rights	21,116	21,116
Investments - other	10,209,083	9,823,118
Financing right-of-use asset	100,425	126,623
Property and equipment - net of accumulated depreciation of \$7,771,667 and \$7,304,878, respectively	3,298,770	3,427,224
Total assets	<b>\$ 15,924,193</b>	<b>\$ 15,659,869</b>

**LIABILITIES AND NET ASSETS**

Liabilities		
Accounts payable	\$ 156,951	\$ 78,877
Salaries payable	78,130	49,927
Accrued vacation payable	45,890	46,063
Financing lease liability	101,835	127,143
Deferred revenue	19,438	17,907
Refundable grant advance	65,000	-
Total liabilities	467,244	319,917
Net assets		
Without donor restrictions	13,480,418	13,548,950
With donor restrictions	1,976,531	1,791,002
Total net assets	15,456,949	15,339,952
Total liabilities and net assets	<b>\$ 15,924,193</b>	<b>\$ 15,659,869</b>

*The accompanying notes are an integral part of the financial statements.*

**Kansas Humane Society of Wichita, Kansas**  
**Statement of Activities**  
**For the Year Ended June 30, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenues			
Public support			
Contributions of cash and other financial assets	\$ 1,456,760	\$ 172,727	\$ 1,629,487
Contribution of nonfinancial assets	370,180	-	370,180
Bequests	939,547	-	939,547
<i>Woofstock</i> sponsorships	87,750	-	87,750
Special events	135,991	-	135,991
Increase (decrease) in value of beneficial interest in perpetual trust	-	14,644	14,644
Total public support	<u>2,990,228</u>	<u>187,371</u>	<u>3,177,599</u>
Revenues			
Adoption fees	610,022	-	610,022
Merchandise sales	181,657	-	181,657
Other animal charges	764,642	-	764,642
Oil royalty	6,942	-	6,942
Net investment income	1,016,803	120,856	1,137,659
Loss on disposition of property assets	(2,425)	-	(2,425)
Other	95,603	-	95,603
Total revenues	<u>2,673,244</u>	<u>120,856</u>	<u>2,794,100</u>
Total public support and revenues	<u>5,663,472</u>	<u>308,227</u>	<u>5,971,699</u>
Net assets released from restrictions	<u>122,698</u>	<u>(122,698)</u>	<u>-</u>
Expenses			
Functional expenses			
Shelter operations	4,231,131	-	4,231,131
Administrative	561,664	-	561,664
Fundraising	864,437	-	864,437
Total functional expenses	<u>5,657,232</u>	<u>-</u>	<u>5,657,232</u>
Cost of sales	129,813	-	129,813
Cost of direct benefits of special events	67,657	-	67,657
Total expenses	<u>5,854,702</u>	<u>-</u>	<u>5,854,702</u>
Change in net assets	(68,532)	185,529	116,997
Net assets, beginning of year	<u>13,548,950</u>	<u>1,791,002</u>	<u>15,339,952</u>
Net assets, end of year	<u>\$ 13,480,418</u>	<u>\$ 1,976,531</u>	<u>\$ 15,456,949</u>

*The accompanying notes are an integral part of the financial statements.*

**Kansas Humane Society of Wichita, Kansas**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenues			
Public support			
Contributions of cash and other financial assets	\$ 1,554,356	\$ 147,328	\$ 1,701,684
Contribution of nonfinancial assets	316,670	-	316,670
Bequests	1,038,635	-	1,038,635
<i>Woofstock</i> sponsorships	92,500	-	92,500
Special events	153,960	-	153,960
Increase (decrease) in value of beneficial interest in perpetual trust	-	12,369	12,369
Total public support	<u>3,156,121</u>	<u>159,697</u>	<u>3,315,818</u>
Revenues			
Adoption fees	517,267	-	517,267
Merchandise sales	180,590	-	180,590
Other animal charges	642,410	-	642,410
Oil royalty	8,083	-	8,083
Net investment income	974,717	120,562	1,095,279
Other	97,085	-	97,085
Total revenues	<u>2,420,152</u>	<u>120,562</u>	<u>2,540,714</u>
Total public support and revenues	<u>5,576,273</u>	<u>280,259</u>	<u>5,856,532</u>
Net assets released from restrictions	<u>230,319</u>	<u>(230,319)</u>	<u>-</u>
Expenses			
Functional expenses			
Shelter operations	3,938,145	-	3,938,145
Administrative	462,448	-	462,448
Fundraising	715,330	-	715,330
Total functional expenses	<u>5,115,923</u>	<u>-</u>	<u>5,115,923</u>
Cost of sales	126,208	-	126,208
Cost of direct benefits of special events	66,003	-	66,003
Total expenses	<u>5,308,134</u>	<u>-</u>	<u>5,308,134</u>
Change in net assets	498,458	49,940	548,398
Net assets, beginning of year	<u>13,050,492</u>	<u>1,741,062</u>	<u>14,791,554</u>
Net assets, end of year	<u>\$ 13,548,950</u>	<u>\$ 1,791,002</u>	<u>\$ 15,339,952</u>

*The accompanying notes are an integral part of the financial statements.*

**Kansas Humane Society of Wichita, Kansas**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2025**

	<u>Supporting Services</u>				<b>Cost of Direct</b>	
	<b>Shelter</b>				<b>Benefits to</b>	
	<b>Operations</b>	<b>Administrative</b>	<b>Fundraising</b>	<b>Cost of Sales</b>	<b>Donors</b>	<b>Total</b>
Salaries	\$ 2,073,087	\$ 170,929	\$ 359,564	-	-	\$ 2,603,580
Payroll taxes	149,428	17,157	24,243	-	-	190,828
Retirement	13,846	4,652	4,885	-	-	23,383
Employee benefits	192,536	17,793	23,650	-	-	233,979
Total salaries and related expenses	2,428,897	210,531	412,342	-	-	3,051,770
Shelter and animal supplies	319,288	-	-	-	-	319,288
Spay/neuter clinic supplies	308,189	-	-	-	-	308,189
Utilities	156,078	33,747	21,091	-	-	210,916
Insurance	99,246	12,019	5,173	-	-	116,438
Supplies, postage, and office expenses	31,498	21,783	125,547	-	67,657	246,485
Direct mail fees	-	-	188,188	-	-	188,188
Advertising	854	-	14,964	-	-	15,818
Merchandise	-	-	-	129,813	-	129,813
Repairs and maintenance	141,020	30,723	44,310	-	-	216,053
Professional services	6,381	140,830	5,582	-	-	152,793
Bank and credit card fees	-	50,804	-	-	-	50,804
Telephone	25,310	3,725	3,138	-	-	32,173
Contract labor	103,604	-	-	-	-	103,604
Miscellaneous	21,527	7,387	40,503	-	-	69,417
Staff training and travel	8,436	4,094	928	-	-	13,458
Dues and subscriptions	29,279	7,773	2,263	-	-	39,315
Interest	-	2,266	-	-	-	2,266
Bad debts	-	-	295	-	-	295
Total expenses before depreciation	3,679,607	525,682	864,324	129,813	67,657	5,267,083
Depreciation expense	551,524	9,784	113	-	-	561,421
Amortization	-	26,198	-	-	-	26,198
Total expenses	\$ 4,231,131	\$ 561,664	\$ 864,437	\$ 129,813	\$ 67,657	\$ 5,854,702

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

**Kansas Humane Society of Wichita, Kansas**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2024**

	<u>Supporting Services</u>			<u>Cost of Direct Benefits to Donors</u>		
	<u>Shelter Operations</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Cost of Sales</u>	<u>Donors</u>	<u>Total</u>
Salaries	\$ 1,955,201	\$ 173,175	\$ 274,036	\$ -	\$ -	\$ 2,402,412
Payroll taxes	155,034	18,911	21,074	-	-	195,019
Retirement	13,271	4,945	3,961	-	-	22,177
Employee benefits	148,787	9,489	18,236	-	-	176,512
Total salaries and related expenses	2,272,293	206,520	317,307	-	-	2,796,120
Shelter and animal supplies	364,339	-	-	-	-	364,339
Spay/neuter clinic supplies	155,214	-	-	-	-	155,214
Utilities	144,114	31,160	19,475	-	-	194,749
Insurance	100,839	11,668	5,133	-	-	117,640
Supplies, postage, and office expenses	52,906	26,110	114,918	-	66,003	259,937
Direct mail fees	-	-	120,771	-	-	120,771
Advertising	7,128	-	58,621	-	-	65,749
Merchandise	-	-	-	126,208	-	126,208
Repairs and maintenance	114,661	32,700	39,968	-	-	187,329
Professional services	2,072	78,322	4,990	-	-	85,384
Bank and credit card fees	-	37,777	-	-	-	37,777
Telephone	25,166	4,205	3,264	-	-	32,635
Contract labor	112,172	-	-	-	-	112,172
Miscellaneous	25,304	4,963	26,450	-	-	56,717
Staff training and travel	3,924	6,315	1,098	-	-	11,337
Dues and subscriptions	27,479	7,345	3,095	-	-	37,919
Interest	-	1,092	-	-	-	1,092
Bad debts	-	-	184	-	-	184
Total expenses before depreciation	3,407,611	448,177	715,274	126,208	66,003	4,763,273
Depreciation expense	530,534	3,355	56	-	-	533,945
Amortization	-	10,916	-	-	-	10,916
Total expenses	\$ 3,938,145	\$ 462,448	\$ 715,330	\$ 126,208	\$ 66,003	\$ 5,308,134

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

**Kansas Humane Society of Wichita, Kansas**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
Cash flows from operating activities		
Change in net assets	\$ 116,997	\$ 548,398
Adjustments to reconcile change in net assets to net cash provided by (applied to) operating activities		
Depreciation	561,421	533,945
Donated equipment included in support	-	(15,000)
Amortization from finance leases	26,198	10,916
(Gain) loss on disposition of property assets	2,425	-
(Gain) loss on investments	(881,395)	(793,448)
Noncash contributions of investment securities	(15,944)	(94,597)
(Increase) decrease in beneficial interest held by others	(18,667)	(16,912)
(Increase) decrease in beneficial interest in perpetual trust	(7,285)	(4,676)
(Increase) decrease in operating assets		
Inventory	8,712	(4,773)
Accounts receivable	(17,189)	(11,938)
Bequests receivable	75,093	(245,093)
Contributions receivable	-	12,274
Prepaid expenses	(22,606)	33,638
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	106,104	32,736
Deferred revenue	1,531	(6,743)
Refundable grant advance	65,000	-
Net cash provided (used) by operating activities	395	(21,273)
Cash flows from investing activities		
Purchase of property, equipment, and construction in progress	(450,392)	(63,039)
Proceeds from sale of property assets	15,000	-
Purchase of investments	(1,588,023)	(3,852,946)
Proceeds from sale of investments	2,099,397	2,216,701
Net cash applied to investing activities	75,982	(1,699,284)
Cash flows from financing activities		
Principal payments on finance leases	(25,308)	(10,396)
Net cash applied to financing activities	(25,308)	(10,396)
Net increase in cash and cash equivalents	51,069	(1,730,953)
Cash and cash equivalents, beginning of year	1,356,438	3,087,391
Cash and cash equivalents, end of year	\$ 1,407,507	\$ 1,356,438
<b>Supplemental Cash Flows Information</b>		
Noncash investing activity - contributions of investment securities	\$ 15,944	\$ 94,597
Donated equipment	\$ -	\$ 15,000

*The accompanying notes are an integral part of the financial statements.*

**Kansas Humane Society of Wichita, Kansas**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2025 and 2024**

**1. Summary of Significant Accounting Policies**

Nature of activities

The Kansas Humane Society of Wichita, Kansas (the Society) is a tax-exempt, non-profit organization dedicated to the welfare of animals. The Society was formed in 1888 and serves a five county area in south-central Kansas. The Society is a community resource for pets and people, providing quality pet adoptions, donor-subsidized spay/neuter services for low-income families, and pet retention programs such as pet training and behavior counseling, as well as youth education, private pet cremation services, and volunteer opportunities.

Sources of revenue were as follows for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Contributions	36%	38%
Adoptions and other charges	23%	20%
Investment income	19%	19%
Bequests	16%	18%
Merchandise sales	3%	3%
Other sources	2%	2%

Basis of presentation

For financial reporting purposes, the Society follows the reporting requirements of GAAP, which requires that resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions. This is accomplished by classification of fund balances into two classes of net assets: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category follow:

- Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions. Items that affect this net asset category principally consist of contributions without donor restrictions, product revenue, and related expenses associated with core activities of the Society.
- With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of the Society or the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Satisfaction or expirations of restrictions on net assets with donor restrictions are reported as net assets released from restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

**Kansas Humane Society of Wichita, Kansas**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2025 and 2024**

**1. Summary of Significant Accounting Policies (Continued)**

Use of estimates

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

Revenue recognition

The Society recognizes contributions and bequests when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Gifts-in-kind are recorded at fair market value as of the date received.

The Society reports gifts of equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Society reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Merchandise sales consist primarily of pet supply sales and are recorded net of sales tax. Adoption fees, merchandise sales, and other animal charges are recognized at the time of adoption or when product/service is provided. The Society records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Cash and cash equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks, and all highly liquid debt instruments purchased with an initial maturity of three months or less. Cash in the investment portfolio is included in cash and cash equivalents.

**Kansas Humane Society of Wichita, Kansas**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2025 and 2024**

**1. Summary of Significant Accounting Policies (Continued)**

Accounts receivable

Accounts receivable represents amounts due for normal services including spay/neuter surgeries, private and general cremations, and sale of microchips. All are considered to be fully collectible based on historical results; accordingly no allowance for doubtful accounts related to these accounts receivable is established. Invoices are closely monitored by finance staff, reminders are sent for any past due invoices, and future services can be suspended to those customers with delinquent accounts.

Employees are allowed up to six payroll deductions to pay for retail store purchases, including additional work uniform tops, veterinary services for their owned pets and pet adoptions. These are collected every payroll for those employees with a balance. Any employees terminated have the entire balance owed deducted on their last paycheck whenever possible. Accounts receivable balance as of July 1, 2023 was \$32,329.

Investments

Investments are recorded at fair market value, and realized and unrealized gains and losses are reported in the statement of activities. Funds not needed in current operations are maintained in investment accounts in order to generate interest income to help offset operating expenses.

Generally accepted accounting principles allows entities to measure certain investments at net asset value (NAV) of the underlying assets as a practical expedient for estimating fair value. Net asset value (NAV) is the fair value of net assets attributable to each ownership unit outstanding at the close of the period. It excludes the effects of assuming conversion of outstanding convertible securities, whether or not their conversion would have a diluting effect.

Inventories

Inventories consist of items for sale through the pet supplies store of the Society and are stated at lower of cost or net realizable value.

Property and equipment

Land, buildings, and equipment are stated at cost at the date of acquisition, or at fair market value in the case of donated property. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Buildings and improvements are depreciated over 3 to 20 years, and furniture, fixtures, automobiles, and equipment over 3 to 10 years. Software is depreciated over 2 to 3 years. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments in excess of \$2,000 are capitalized.

Functional allocation of expenses

Directly identifiable expenses are charged to programs and supporting activities. Expenses related to more than one function are allocated to programs and supporting services based on the ratio of employee time spent in different areas and the ratio of each activity's direct costs to total direct costs for all activities. These are called shared costs and include office supplies, general liability insurance, internet, website access, telephone expense, and building repairs and maintenance.

**Kansas Humane Society of Wichita, Kansas**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2025 and 2024**

**1. Summary of Significant Accounting Policies (Continued)**

Advertising costs

The Society expenses advertising costs as they are incurred. Advertising costs for the years ended June 30, 2025 and 2024 were \$15,818 and \$65,749, respectively.

Income taxes

The Society is organized as a Kansas nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). The Society is qualified to receive deductible charitable contributions under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Sections 509(a)(1). The Society is required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS annually. In addition, the Society is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Society has filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Society believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Society would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred. Returns subject to examination are those subsequent to June 30, 2022.

**Kansas Humane Society of Wichita, Kansas**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2025 and 2024**

**2. Investments and Fair Value Measurements**

Generally accepted accounting principles define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1**            Quoted prices in active markets for identical assets or liabilities.
  
- Level 2**            Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
  
- Level 3**            Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include equity stocks, mutual funds, money market funds and actively traded debt securities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

**Kansas Humane Society of Wichita, Kansas**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2025 and 2024**

**2. Investments and Fair Value Measurements (Continued)**

The following table summarizes the valuation of financial instruments measured at fair value on a recurring basis as of June 30, 2025:

	Fair Value	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>June 30, 2025</u>				
Domestic equity mutual funds	\$ 1,312,623	\$ 1,312,623	\$ -	\$ -
Domestic exchange traded funds	3,167,318	3,167,318	-	-
International equity mutual funds	1,195,828	1,195,828	-	-
Fixed income	3,529,270	3,529,270	-	-
Alternatives	1,004,044	1,004,044	-	-
Mineral rights - Note 5	21,116	-	-	21,116
		<u>\$ 10,209,083</u>	<u>\$ -</u>	<u>\$ 21,116</u>
Beneficial interest investments measured at net asset value (NAV)				
Assets held by others - Note 3	329,752			
Perpetual trust - Note 4	197,763			
Total	<u>\$ 10,757,714</u>			

**Kansas Humane Society of Wichita, Kansas**  
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**2. Investments and Fair Value Measurements (Continued)**

The following table summarizes the valuation of financial instruments measured at fair value on a recurring basis as of June 30, 2024:

	Fair Value	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>June 30, 2024</u>				
Domestic equity mutual funds	\$ 1,952,944	\$ 1,952,944	\$ -	\$ -
Domestic exchange traded funds	2,470,020	2,470,020	-	-
International equity mutual funds	882,138	882,138	-	-
Fixed income	3,568,783	3,568,783	-	-
Alternatives	949,233	949,233	-	-
Mineral rights - Note 5	21,116	-	-	21,116
		<u>\$ 9,823,118</u>	<u>\$ -</u>	<u>\$ 21,116</u>
Beneficial interest investments measured at net asset value (NAV)				
Assets held by others - Note 3	311,085			
Perpetual trust - Note 4	190,478			
Total	<u>\$ 10,345,797</u>			

All Level 1 assets have been valued using a market approach and all Level 3 assets have been valued using an income approach.

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 291,465	\$ 327,619
Gain (loss) on investments	897,072	814,876
Less investment fees	(50,878)	(47,216)
Investment income (loss) per statement of activities	<u>\$ 1,137,659</u>	<u>\$ 1,095,279</u>

Investment income includes revenue and expense of the beneficial interest held by others and savings account.

**Kansas Humane Society of Wichita, Kansas**  
**Notes to Financial Statements**  
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**2. Investments and Fair Value Measurements (Continued)**

The beneficial interest in various funds are presented at fair value measured at net asset value as provided by the foundations, trusts, and estates. The following assets measured at fair value based on net asset value (NAV) per share are reviewed and adjusted on a recurring basis.

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
<b>June 30, 2025:</b>				
Beneficial Interest in:				
Assets held by others	\$ 329,752	\$ -	See Note 3	See Note 3
Perpetual trust	\$ 197,763	\$ -	See Note 4	See Note 4
<b>June 30, 2024:</b>				
Beneficial Interest in:				
Assets held by others	\$ 311,085	\$ -	See Note 3	See Note 3
Perpetual trust	\$ 190,478	\$ -	See Note 4	See Note 4

**3. Beneficial Interest in Assets Held by Others**

In 2003, the Society transferred net assets without donor restrictions of \$150,000 to the Wichita Foundation (Foundation) and, in turn, received a \$50,000 grant from the Foundation as part of a matching grant program. The Society's Board of Directors designated the transferred net assets without donor restrictions of \$150,000 for endowment and the Foundation has no variance power over those funds. The Foundation restricted their \$50,000 matching grant as net assets with donor restrictions for endowment.

In 1996, the Society transferred net assets without donor restrictions of \$50,000 to the Foundation and received a \$7,500 matching grant. The Society's Board of Directors designated the transferred net assets without donor restrictions of \$50,000 for endowment and the Foundation has no variance power over those funds. The Foundation restricted their \$7,500 matching grant as net assets with donor restrictions for endowment.

The Society receives annual distributions of four percent of the three year moving average net market value of the assets held at the Foundation.

**Kansas Humane Society of Wichita, Kansas**  
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**3. Beneficial Interest in Assets Held by Others (Continued)**

The following is a summary of the Society's beneficial interest in assets held by the Wichita Foundation as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 311,085	\$ 294,173
Investment income	11,680	9,913
Gain (loss) on investment	21,178	21,428
Less management fees	(2,286)	(2,126)
Less distributions to the Society	(11,905)	(12,303)
Balance, end of year	<u>\$ 329,752</u>	<u>\$ 311,085</u>

**4. Beneficial Interest in a Perpetual Trust**

The beneficial interest in a perpetual trust was established through a prior year bequest and consists of the present value of the estimated future cash receipts from investments with a brokerage firm generally investing in fixed income funds. Under the terms of the trust, the Society has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in the trust. The estimated value of the beneficial interest in a perpetual trust was \$197,763 and \$190,478 as of June 30, 2025 and 2024, based on present value calculations applied to the estimated future income from the trust.

**5. Mineral Rights**

The mineral rights were obtained through a bequest in 1990. Their estimated value was \$21,116 and \$21,116 as of June 30, 2025 and 2024, respectively, based on an industry rule-of-thumb formula of three times historical annual income, reduced by lifting costs, in the year of acquisition.

**6. Property and Equipment**

Property and equipment in service consist of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Buildings and improvements	\$ 10,223,637	\$ 9,822,785
Furniture, fixtures, and equipment	750,820	793,693
Automobiles	87,554	102,554
Software	8,426	13,070
Total property and equipment	<u>11,070,437</u>	<u>10,732,102</u>
Less accumulated depreciation	<u>7,771,667</u>	<u>7,304,878</u>
Total	<u>\$ 3,298,770</u>	<u>\$ 3,427,224</u>

**Kansas Humane Society of Wichita, Kansas**  
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**6. Property and Equipment (Continued)**

The Society operates under an agreement with the City of Wichita, for the period June 7, 2006, through June 6, 2056, with two five-year extension options and an annual fee of \$1. The Society has the exclusive right to use the facilities for an animal shelter, veterinary clinic, and ancillary services such as animal training classes, public education, meeting facilities, special events, community education, private pet cremation services, columbarium and memorial garden, animal grooming, adoptions, sale of pet related merchandise, and other activities related to domesticated/companion animal welfare. The Society may make additional improvements and alterations as it desires to the interior of the facilities. Exterior alterations to the facilities are subject to the approval of the City of Wichita and the City Art and Design Board. Upon termination of the agreement and any extension thereof, the facilities would become the property of the City of Wichita.

**7. Deferred Revenue**

The following table provides information about significant changes in the deferred revenue for special events and grant advance for the year ended June 30:

	<b>2025</b>	<b>2024</b>
Deferred revenue, beginning of the year	\$ 17,907	\$ 24,650
Revenue recognized that was included in deferred at the beginning of the year	(17,907)	(24,650)
Increase in deferred revenue due to cash received during the year:		
Special events	19,438	17,907
Deferred revenue, end of the year	\$ 19,438	\$ 17,907

**8. Line of Credit**

The Society obtained a line of credit on April 15, 2022 with a bank totaling \$500,000 which matures April 30, 2027. The interest rate is 3.72%. Borrowings under the agreement are secured by the Society's securities, cash, and other assets held in an investment account. No amount was outstanding at June 30, 2025 and 2024.

**9. Net Assets**

Net assets without donor restrictions consist of:

	<b>2025</b>	<b>2024</b>
Undesignated	\$ 13,178,667	\$ 13,295,865
Board designated - endowment	271,751	253,085
Board designated - play yard renovations	30,000	-
Total net assets without donor restrictions	\$ 13,480,418	\$ 13,548,950

**Kansas Humane Society of Wichita, Kansas**  
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**9. Net Assets (Continued)**

Net assets with donor restrictions consist of:

	<b>2025</b>	<b>2024</b>
Subject to expenditure for specific purpose:		
Staff training	\$ -	\$ 5,811
Equipment and improvements	49,205	7,039
Senior pet care	-	7,500
Youth education	71,969	52,235
Emergency fund	22,523	15,093
Intake retention	7,270	12,027
Volunteers	5,785	5,785
Medication and surgery fund	15,000	8,873
Other	1,000	1,000
	<u>172,752</u>	<u>115,363</u>
Subject to the Society's spending policy and appropriation:		
Unappropriated endowment earnings	423,016	302,161
Subject to restriction in perpetuity:		
Wichita Foundation Endowment (Note 3)	57,500	57,500
Payne Endowment	1,000,000	1,000,000
Other endowment	125,500	125,500
Beneficial interest in perpetual trust (Note 4)	197,763	190,478
	<u>1,380,763</u>	<u>1,373,478</u>
Total net assets with donor restrictions	<u>\$ 1,976,531</u>	<u>\$ 1,791,002</u>

**Kansas Humane Society of Wichita, Kansas**  
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**9. Net Assets (Continued)**

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of specified time. Releases during the year ended June 30, 2025 and 2024, included:

	<u>2025</u>	<u>2024</u>
Time restrictions met and purpose restrictions accomplished:		
Time restrictions met	\$ 7,359	\$ 7,694
Volunteers	-	8,387
Youth education	16,805	1,996
Staff training	6,811	9,662
Equipment and improvements	38,715	55,106
Emergency fund	9,532	24,001
Intake retention	4,757	55,830
Medication and surgery fund	31,219	47,277
Senior pet care	7,500	-
Other	-	20,366
Total time and purpose restrictions accomplished	<u>\$ 122,698</u>	<u>\$ 230,319</u>

**Kansas Humane Society of Wichita, Kansas**  
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**10. Endowment**

The Board of Directors of the Society has interpreted the State Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of gifting of the donor-restricted funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Society classifies as donor restricted net assets (a) the original fair value of gifts donated to the permanent endowment and gifts with time or purpose restrictions imposed by donor (b) the original fair value of subsequent gifts donated to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the instructions of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Society and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Society
7. The investment policies of the Society

*Investment strategies*

For the investments which are held by the Wichita Community Foundation (Foundation), all investment decisions are made by the Foundation. The Society has no input in investment decisions held at the Foundation.

The Society has adopted an investment policy to preserve long-term, real purchasing power of assets, while providing a relatively predictable and growing stream of income. To accomplish this strategy, the Society requires that total equity investments never exceed 80% of the asset holdings. Investment performance will be monitored against the stated investment objectives no less than semiannually.

*Spending policies and the relationship with investment policies*

The Foundation makes the decision as to how much is distributed to the Society (Note 3). The Society has no input on how much they are to receive from the endowments held at the Foundation.

The Society allows for an annual distribution, calculated using a three-year moving average of portfolio balances on March 31<sup>st</sup> each year. The annual distribution percentage shall be between 3-5% as determined by the Finance Committee. The distribution is distributed in the following year, in not more frequently than quarterly installments. The Finance Committee may determine to take a full or partial amount of the annual distribution. If a donor specifies a different distribution percentage in writing, the donor's wishes will be honored. This is consistent with the Society's investment policy and will provide a sustainable level of distributions to the Society.

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**10. Endowment (Continued)**

*Funds with deficiencies*

From time to time, the fair value of assets associated with donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Society to retain as a fund of perpetual duration. In accordance with Generally Accepted Accounting Principles (GAAP), deficiencies of this nature are reported as net assets with donor restrictions. There were no such deficiencies reported as of June 30, 2025 and 2024. A portion of the Society's endowment funds are in a trust. According the trust documents, these funds do not have to maintain the original cost basis.

Endowment net asset composition by type of fund as of June 30, 2025:

	Without donor restrictions	With donor restrictions	Total
Board designated endowment funds	\$ 271,751	\$ -	\$ 271,751
Donor-restricted endowment funds:			
Original donor restricted gift amount and amounts required to be maintained in perpetuity by donor	-	1,380,763	1,380,763
Accumulated investments gains	-	423,016	423,016
Total endowment net assets	\$ 271,751	\$ 1,803,779	\$ 2,075,530

Changes in endowment net assets for the year ended June 30, 2025:

	Board designated endowment funds	Donor restricted endowment funds	Total
Endowment net assets, as of June 30, 2024	\$ 253,085	\$ 1,675,639	\$ 1,928,724
Investment income	9,003	36,700	45,703
Net appreciation (depreciation):			
Realized	7,180	33,030	40,210
Unrealized	9,144	73,142	82,286
Investment fees	(1,762)	(7,373)	(9,135)
Distributions	(4,899)	(7,359)	(12,258)
Endowment net assets, as of June 30, 2025	\$ 271,751	\$ 1,803,779	\$ 2,075,530

**Kansas Humane Society of Wichita, Kansas**  
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**10. Endowment (Continued)**

Endowment net asset composition by type of fund as of June 30, 2024:

	Without donor restrictions	With donor restrictions	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Board designated endowment funds	\$ 253,085	\$ -	\$ 253,085
Donor-restricted endowment funds:			
Original donor restricted gift amount and amounts required to be maintained in perpetuity by donor	-	1,373,478	1,373,478
Accumulated investments gains	<u>-</u>	<u>302,161</u>	<u>302,161</u>
Total endowment net assets	<u>\$ 253,085</u>	<u>\$ 1,675,639</u>	<u>\$ 1,928,724</u>

Changes in endowment net assets for the year ended June 30, 2024:

	Board designated endowment funds	Donor restricted endowment funds	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Endowment net assets, as of June 30, 2023	\$ 236,173	\$ 1,550,401	\$ 1,786,574
Investment income	7,479	38,666	46,145
Net appreciation:			
Realized	5,733	3,673	9,406
Unrealized	10,433	97,719	108,152
Investment fees	(1,604)	(7,128)	(8,732)
Distributions	<u>(5,129)</u>	<u>(7,692)</u>	<u>(12,821)</u>
Endowment net assets, as of June 30, 2024	<u>\$ 253,085</u>	<u>\$ 1,675,639</u>	<u>\$ 1,928,724</u>

**Kansas Humane Society of Wichita, Kansas**  
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**11. Contributed Nonfinancial Assets**

Contributed nonfinancial assets reflected in the accounts and financial statements of the Society for the years ended June 30, 2025 and 2024, consist of the following:

	<u>2025</u>	<u>2024</u>
Food	\$ 50,233	\$ 61,134
Medication	140,766	-
Shelter supplies and services	40,370	58,064
Clinic supplies and services	7,401	32,460
Professional services	44,128	40,574
Advertising	13,882	4,923
Supplies and advertising for <i>Woofstock</i> special event	<u>73,400</u>	<u>104,515</u>
Total contributed nonfinancial assets	370,180	301,670
Donated equipment	-	15,000
Total	<u>\$ 370,180</u>	<u>\$ 316,670</u>

The Society recognized contributed nonfinancial assets within revenue, including contributed food, medication, shelter and client supplies, professional services, volunteer supplies, and various supplies and advertising for *Woofstock*. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

It is the Society's policy that gifts of tangible personal property and real estate that will not further the mission of the Society will only be accepted upon approval of the Finance Committee. It is upon the Finance Committee's discretion to determine if the contributed tangible personal property and real estate should be liquidated to cash.

The contributed food valuation represents deep discounts on food provided to feed pets in the care of the Society as part of an intentional program for select animal shelters. Contributed medications are utilized for the medical treatment of pets in the Society's care as well. Valuation of the food and medications is provided via statements for each shipment received from the donors. Contributed food and medication were utilized in the shelter's normal operations.

Contributed shelter supplies and services are comprised of dog grooming services and new and used items such as pet beds and kennels, cat litter, blankets, towels, toys, bowls, leashes, collars, small mammal specific items, food and enrichment treats, and other generally small-value items. Most items are contributed by the general public. Items are mostly utilized for the benefit of pets in the care of the Society. Other items not deemed to be of immediate use by the Society are provided to rescue partners and other community-based non-profit organizations whose missions focus on animal welfare and pet retention.

Contributed clinic supplies and services are comprised of personal protective equipment, vaccinations and other pet medications or discounts on these items, pill bottles, medical supplies, prescription-based specialty food, discounted specialty veterinary services, and microchips. Items are utilized by the medical staff for the treatment of pets in the care of the Society.

**Kansas Humane Society of Wichita, Kansas**  
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**11. Contributed Nonfinancial Assets (Continued)**

Contributed professional services include information technology support and equipment, audit and tax filing services, website support and design services, and management development courses. All of these services are utilized by the Society in its program and administrative activities. These services are valued based on current rates for similar services mostly provided by the donors.

Advertising is used in promotion of receiving donations and fundraising activities. These services are valued based on current rates for similar services mostly provided by the donors.

Contributed supplies and advertising/media are used in the promotion and fundraising activities for the annual *Woofstock* event held on the first Saturday in October. This is an outdoor, community-wide event for dogs and their people that includes vendors, sponsors, food trucks, physical activities, sale of apparel and animal supplies, online auction, raffles and prizes. This is the Society's largest fundraiser and is now in its 29th year. The contributed supplies and advertising are donor-restricted for the purpose of the event. As of the year ended June 30, 2025 and 2024, these items had been fully utilized. In valuing supplies and advertising, the Society estimated the fair value based on current market rates for similar products and services mostly provided by the donors.

Donated equipment includes gifts of long-lived assets received from donors for the use in the Society's program and administrative activities. These assets would have otherwise needed to be purchased if not provided by the donor.

In addition, a substantial number of volunteers have made significant contributions of their time to various functions of the Society. The number of volunteer hours was approximately 59,284 and 76,564 for the years ended June 30, 2025 and 2024, respectively. Board members also contribute a significant amount of time in financial, fundraising, and other activities. The value of these services do not meet the requirements for recognition in the financial statements. The Society has determined it is not practical to estimate a fair value for these services.

**12. Leases**

The Society leases certain office equipment under long-term non-cancelable finance lease agreements. The lease expires as of April 29, 2029. During the determination of the right-of-use (ROU) assets and lease liabilities, any renewal options that are reasonably certain to be exercised have been included.

The weighted-average discount rate is based on the discount rate implicit in the lease. If the implicit rate is not readily determinable from the lease, the Society uses the risk-free rate for the discount rate.

The Society determines the standalone prices of both lease and non-lease components and only the lease components will be included in the determination of the lease asset and liability. Leases are accounted for at the individual level rather than the portfolio level.

**Kansas Humane Society of Wichita, Kansas**  
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**12. Leases (Continued)**

The Society has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. As of June 30, 2025 and 2024, the Society leases an ice machine on a month-to-month basis.

Total lease costs for the year June 30, 2025 and 2024 are as follows:

	<b>2025</b>	<b>2024</b>
Finance lease cost		
Amortization of ROU assets	\$ 26,198	\$ 10,916
Interest expense	2,266	1,092
Total	\$ 28,464	\$ 12,008

The following summarizes the supplemental cash flow information for the year ended June 30, 2025 and 2024:

Cash paid for amounts included in the measurement of lease liabilities	<b>2025</b>	<b>2024</b>
Operating cash flows from finance leases	\$ 2,266	\$ 1,092
Financing cash flows from finance leases	25,308	10,396
Right-of-use assets obtained in exchange for lease liabilities		
Finance leases	\$ -	\$ 137,539

The weighted-average remaining lease term in years for finance leases as of June 30, 2025 and 2024 is 3.83 and 4.83, respectively. The weighted-average discount rate for finance leases as of June 30, 2025 and 2024 is 2.00%.

The future minimum lease payments under non-cancelable finance leases with terms greater than one year are listed below as of June 30, 2025:

2026	\$ 27,573
2027	27,573
2028	27,573
2029	22,978
Total undiscounted cash flows	105,697
Less present value discount	(3,862)
Total lease liabilities	\$ 101,835

**Kansas Humane Society of Wichita, Kansas**  
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**13. Retirement Plan**

The Society offers a Savings Incentive Match Plan for Employees (SIMPLE) under Section 408(p) of the Internal Revenue Code. Employees must enroll within the first sixty days of employment or wait until the annual enrollment period. The plan requires the Society to match the employees' elective contribution in an amount not to exceed 3% of the employees' compensation. The Society's contributions were \$23,383 and \$22,177 for the years ended June 30, 2025 and 2024, respectively.

**14. Concentration of Credit Risk**

The Society maintains cash accounts at a local bank, which retain balances that total more than the maximum federally insured amount of \$250,000. The Society has not experienced any losses in the accounts and management believes it is not exposed to any significant risk on the cash accounts.

The Society maintains its investments with a local brokerage firm. Management has elected to have the funds invested in various individual funds that invest in equity funds, exchange traded funds, stocks, fixed income, alternatives and cash and cash equivalents. Management continues to monitor the accounts to minimize the risk.

**Kansas Humane Society of Wichita, Kansas**  
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**15. Availability and Liquidity of Financial Assets**

The following reflects the Society's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general use within one year of June 30, 2025 and 2024, because of contractual or donor-imposed restrictions or internal designations. Amounts available include the board-approved appropriations from the endowment fund for the following year, as well as donor-restricted amounts that are available for expenditures in the following years. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Society approves that action.

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 1,407,507	\$ 1,356,438
Accounts receivable, net, collected in less than one year	61,456	44,267
Bequests receivable, net, collected in less than one year	190,000	265,093
Investments	10,736,598	10,324,681
Total financial assets, excluding noncurrent receivables	12,395,561	11,990,479
Contractual or donor-imposed restrictions:		
Other donor restrictions	172,752	115,363
Donor designated endowment and related earnings	1,803,779	1,675,639
Board designations	301,751	253,085
Financial assets available to meet cash needs for general expenditures within one year	\$ 10,117,279	\$ 9,946,392

The Society's goal is to maintain financial assets to meet 45 days of operating expenses (approximately \$720,000). As part of its liquidity plan, excess cash is invested in investments and/or money market accounts.

**16. Related Party Transactions**

During the year ended June 30, 2025 and 2024, the Society received technology services and equipment from a board member's company. The Society paid \$9,900 and received \$36,000 in-kind for year ended June 30, 2025. The Society paid \$12,470 and received \$40,574 in-kind for year ended June 30, 2024. Total expenses recognized in statement of functional expenses is \$45,900 and \$53,044 for year ended June 30, 2025 and 2024.

**17. Subsequent Events**

The Society has evaluated subsequent events through February 26, 2026, the date which the financial statements were available to be issued.

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<b>EL DORADO</b>	117 W. CENTRAL AVE.	EL DORADO, KS 67042-2105	316-321-1150
<b>TUCSON</b>	4801 E. BROADWAY BLVD., STE. 501	TUCSON, AZ 85711-3648	520-624-8229
<b>TULSA</b>	4200 E. SKELLY DR., STE. 560	TULSA, OK 74135-3209	918-271-5400
<b>WICHITA</b>	300 W. DOUGLAS AVE., STE. 900	WICHITA, KS 67202-2914	316-264-2335