



To the Board of Directors
Humane Society of Portage County, Inc.
Plover, Wisconsin

We have audited the financial statements of Humane Society of Portage County, Inc. (Organization) as of and for the year ended December 31, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated information in our engagement letter to you as well as verbally during our initial planning meetings. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Humane Society of Portage County, Inc. are described in Note 1 to the financial statements. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Organization's financial statements were:

Management's estimate of the functional allocation of expenses is based on knowledge and experience in classifying categories of natural expenses according to the purpose for which they are incurred. We evaluated the key factors and assumptions and the consistency in these factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of contributed nonfinancial assets for services are based on the amount of money the Organization would need to pay if the services were not donated. In addition, any volunteers who donate their services are based on an hourly wage that the Organization would otherwise pay someone to help with.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial and communicate them to the appropriate level of management. For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Organization's financial reporting process (that is, cause future financial statements to be materially misstated). Management has corrected all material misstatements, which are attached.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of the Organization as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses and significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies in Humane Society of Portage County, Inc.'s internal control to be material weaknesses.

Segregation of Duties - The Organization has a limited number of employees who are responsible for and perform substantially all of the bookkeeping and accounting functions. Good internal control requires a complete separation of duties with respect to the handling and recording of transactions. The person who counts the deposits should not be the same person who records and brings the deposits to the bank. Also, the person signing checks should be someone different than the person who is entering and preparing checks. In order to provide for an adequate segregation of duties, additional personnel may have to be involved in the performance of the accounting and bookkeeping functions. Areas that we identified as having significant lack of segregation of duties are in disbursements, receivables and receipts, payroll processing and in financial reporting.

We recognize that properly segregating duties may not be practical based on the size of the Organization and limited resources. This is not unusual for entities your size, but we are required to inform you that this condition exists. Because some procedural controls do not exist, the board should institute compensating controls such as approval of invoices and review of receipts and revenues which would allow it to rely on its knowledge of the Organization's operations in order to safeguard assets.

Financial Reporting - One of the components of internal control over financial reporting is that staff of the Organization be sufficiently knowledgeable to prepare the entity's financial statements including the footnotes in accordance with generally accepted accounting principles (GAAP). While the Organization's office manager is knowledgeable and is capable of recording the daily transactions of the Organization, she does not have the advanced training in GAAP to prepare the financial statements including the related notes in accordance with GAAP. Consequently, during our audit we assisted in the preparation of the Organization's financial statements and related notes. This matter is common in many small organizations since they do not have the resources to devote to this area of internal control.

Other Matter

In addition, we felt the other matter described in the following paragraph is important to the operations of Humane Society of Portage County, Inc. This matter may involve internal controls, general operations, recommendations for the adoption of policies and other such items that we feel will enhance Humane Society of Portage County, Inc.

Prior Year Observation

Approval of Journal Entries (per 12/31/23 letter)

During our audit, it was noted that journal entry supporting documentation did not have proof of board approval. It is good business practice to have journal entries reviewed as a review of journal entries can circumvent any potential fraud or misappropriation of assets. It is ideal to have entries reviewed prior to recording in the accounting system but if a board member is reviewing, this may not be practical. We recommend that the Organization implement procedures to have a board member review and approve journal entries made at least monthly. The board member should review the supporting documentation for the journal entry to verify a journal entry is warranted.

Status (12/31/24)

This is an issue the board still needs to address.

To the Board of Directors
Humane Society of Portage County, Inc.
Page 4

Closing

We thank you for allowing us to be of service to Humane Society of Portage County, Inc. We received complete cooperation from all staff members during the audit.

This information is intended solely for the use by the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

KerberRose SC

KerberRose SC
Certified Public Accountants
Green Bay, Wisconsin
November 5, 2025

Humane Society of Portage County

Year End: December 31, 2024

Adjusting Journal Entries

Date: 1/1/2024 To 12/31/2024

Number	Date	Name	Account No	Reference	Debit	Credit
AJE01	12/31/2024	Prepaid Insurance	12102	O-3		-7,642.50
AJE01	12/31/2024	Accounts Payable	20000	O-3	7,642.50	
To reverse out 2025 insurance expense paid in 2025 from prepaid expenses and accounts payable.						
AJE02	12/31/2024	FUNDRAISING EXPENSES:Appeal expense	9910	O-3	1,714.46	
AJE02	12/31/2024	Accounts Payable	20000	O-3		-1,714.46
To record 2024 RKD expenses found in subsequent disbursement testing.						
AJE03	12/31/2024	Office equipment	1540	J-3	8,542.00	
AJE03	12/31/2024	Construction in Process	1590	J-3		-8,542.00
To adjust phone system from CIP to Office Equipment.						
AJE04	12/31/2024	Shelter equipment	1530	J-5		-7,000.00
AJE04	12/31/2024	Shelter equipment	1530	J-5		-20,904.00
AJE04	12/31/2024	Construction in Process	1590	J-5	7,000.00	
AJE04	12/31/2024	Accounts Payable	20000	J-5	20,904.00	
To move paid amount of washers/dryers from shelter equipment to CIP and to remove remaining amount not paid or in servie in 2024.						
AJE05	12/31/2024	Office equipment	1540	O-3	390.00	
AJE05	12/31/2024	Accounts Payable	20000	O-3		-390.00
To record \$390 final payment for phone system in 2024.						
AJE06	12/31/2024	A/D - land improvements	1503	J-2	334.52	
AJE06	12/31/2024	A/D - building	1514	J-2		-0.05
AJE06	12/31/2024	A/D - building improvements	1521	J-2		-83.99
AJE06	12/31/2024	A/D - shelter equipment	1531	J-2		-793.61
AJE06	12/31/2024	A/D - office equipment	1541	J-2		-1,745.30
AJE06	12/31/2024	A/D - vehicles	1551	J-2	1,199.92	
AJE06	12/31/2024	SHELTER EXPENSES:Shelter equipment depreciation	5040	J-2	793.61	
AJE06	12/31/2024	VEHICLE EXPENSES:Vehicle depreciation	5500	J-2		-1,199.92
AJE06	12/31/2024	ADMINISTRATIVE EXPENSES: Office Equipment Deprecia	7170	J-2	1,745.30	
AJE06	12/31/2024	HOUSING EXPENSES:Building depreciation	7525	J-2	0.05	
AJE06	12/31/2024	HOUSING EXPENSES:Building improvement depreciati	7530	J-2	83.99	
AJE06	12/31/2024	HOUSING EXPENSES:Land improvement depreciation	7535	J-2		-334.52
To update depreciation to actual.						
AJE07	12/31/2024	Accrued wages	2300	P-2		-16,234.02
AJE07	12/31/2024	SHELTER EXPENSES:Shelter payroll expense	5000	P-2	14,837.23	
AJE07	12/31/2024	SHELTER EXPENSES:Shelter payroll tax expense	5005	P-2	1,396.79	

To adjust accrued payroll to actual.

AJE08	12/31/2024	Accrued PTO	2317	P-3	1,263.37	
AJE08	12/31/2024	SHELTER EXPENSES:Shelter payroll expense	5000	P-3		-1,263.37

To adjust accrued PTO to actual.

AJE09	12/31/2024	Specific use Funds	2015	O-4	33,000.00	
AJE09	12/31/2024	FUNDRAISING INCOME:Gifts and donations income	8520	O-4		-33,000.00

To adjust special use funds to restricted contributions.

AJE10	12/31/2024	FUNDRAISING INCOME:Business Matching Gifts	9028	D-3		-25,883.00
AJE10	12/31/2024	Accounts Receivable	11000	D-3	25,883.00	

To record 2nd half of 2024 Sentry Gift found in subsequent deposit testing.

					126,730.74	-126,730.74
--	--	--	--	--	-------------------	--------------------

Net Income (Loss) (249,303.54)
