

Dyer & Smith, LLC

Certified Public Accountants

112-F South Side Square

Huntsville, Alabama 35801

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July 31, 2023

The Board of Directors
c/o Ms. Sandy Edwards
The Greater Huntsville Humane Society, Inc.
2812 Johnson Road
Huntsville, Alabama 35805

We are pleased to confirm our understanding of the services we are to provide for The Greater Huntsville Humane Society, Inc. (Humane Society) for the year ended December 31, 2022.

We will audit the statement of financial position as of December 31, 2022 and the related statements of activities cash flows and functional expenses for the year then ended. Thomas T. Dyer will be the partner in charge of the engagement.

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

In regards to services performed by us you acknowledge that Humane Society is responsible for: 1) management decisions and functions, 2) designating a management level individual with suitable skills, knowledge, and / or experience to oversee the preparation of the financial statements in accordance with GAAP, 3) designating a management level individual with suitable skills, knowledge and or experience to oversee tax and other non-attest services, 4) evaluating the adequacy and results of these services, and 5) accepting responsibility for them.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of physical existence of inventories, and direct confirmation of cash, receivables, certain other assets and liabilities, support and revenue by correspondence with selected funding sources, creditors, and financial institutions. We will request written representations from your attorneys, if one has been consulted, as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of the audit, we will also request certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us. In addition, an audit is not designed to detect errors, fraud, or other illegal acts that are immaterial to the financial statements. However, we will inform you of any material errors that come to our attention and any fraud that comes to our attention. We will also inform you of any other illegal acts that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing, and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify reportable conditions, that is, significant deficiencies in the design or operation of internal control. However, during the audit, if we become aware of such reportable conditions, we will communicate them to you.

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We understand that you are responsible for making all financial records and related information available to us and that you are responsible for the accuracy and completeness of that information. We will advise you about the appropriate accounting principles and their application and will provide direct assistance in the preparation of your financial statements, but the responsibility for the financial statements remains with you. This responsibility includes the establishment and maintenance of adequate records and effective internal controls over financial reporting, the selection and application of accounting principles, and the safeguarding of assets. Management is also responsible for identifying and ensuring the organization complies with applicable laws and regulations.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

Our fees for the audit will be \$3,500.00. We will provide six (6) bound copies and one (1) PDF copy of the completed financial statements. We will remit a statement for services rendered at the conclusion of the audit. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. The fee also includes the preparation of the corporate income tax return – form 990 for 2022. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Any controversy or claim arising out of or relating to this engagement for our services or the breach thereof shall be settled by arbitration in accordance with the rules of the American Arbitration Association and any judgment upon any award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

We appreciate the opportunity to be of service to the Humane Society and believe that this letter accurately summarizes the significant terms of our engagement. If you have any questions, please, let us know. If you agree with the terms of our engagement as described in this letter, sign the enclosed copy in the space provided, and return it to us.

Yours very truly,

Dyer & Smith, LLC

Dyer & Smith, LLC

RESPONSE: This letter correctly sets forth the understanding of The Greater Huntsville Humane Society, Inc.

Sandra D Edwart

Signed

August 31, 2023

Dyer & Smith, LLC
Certified Public Accountants
112 South Side Square Suite F
Huntsville, AL 35801

We are providing this letter in connection with your audit of the statement of financial position of Greater Huntsville Humane Society, Inc. (Humane Society) as of December 31, 2022 and the related statements of activities and cash flows for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, changes in net assets, and cash flows of Humane Society in conformity with accounting principles generally accepted in the United States. We confirm that we are responsible for the fair presentation in the financial statements of financial position, changes in net assets, and cash flows in conformity with generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgement of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter for 2021, including our responsibility for the preparation, fair presentation and review of the financial statements in accordance with U. S. GAAP.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

1. The financial statements referred to above are fairly presented in conformity with generally accepted accounting principles and include all assets and liabilities under Humane Society's control.
2. We are responsible for certain supplementary information accompanying the basic financial statements. That information includes:
 - a. Schedule of functional expenses
3. We have made available to you all:
 - a. Financial records and related data.
 - b. Minutes of meetings of Board of Directors, or summaries of actions of recent meeting for which minutes have not yet been prepared.

4. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
5. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
6. There have been no:
 - a. Fraud involving management or employees which have significant roles in the internal control.
 - b. Fraud involving others that could have a material effect on the financial statements.
7. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net asset balances.
8. Provision has been made for any material loss to be sustained as a result of purchase commitments for inventory quantities in excess of normal requirements, below grade, or at prices in excess of prevailing market prices.
9. The following have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions and related accounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees.
 - b. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line of credit or similar arrangements.
 - c. Arrangements to repurchase assets previously sold.
 - d. Guarantees, whether written or oral, under which Humane Society is contingently liable.
10. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that *near term* means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make Humane Society vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.

We understand that *concentrations* include individual or group concentrations of tenants, supplies, lenders, products, services, sources of labor or materials, licenses or other rights, or operating areas or markets. We further understand that *severe impact* means a significant financially disruptive effect on the normal functioning of the projects.

We have identified all accounting estimates that could be material to the financial statements, including key factors, and significant assumptions, underlying those estimates, and we believe the estimates are reasonable in the circumstances

11. We are responsible for:
 - a. Compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts.
 - b. Establishing and maintaining effective internal control over financial reporting.
12. Humane Society is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the organization's tax exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up to date.
13. There are no:
 - a. Violations or possible violations of laws or regulations and provisions of contracts and grant agreements or estate bequests, whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b. We are not aware of any pending or threatened litigation claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with Statement of Financial Accounting Standards No. 5, and we have not communicated with an attorney regarding such matters.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by Statement of Financial Accounting Standards No. 5.
 - d. Designations of net assets disclosed to you that were not properly authorized and approved, or reclassifications of net assets that have not been properly reflected in the financial statements.
14. Humane Society has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged except as disclosed in the notes to financial statements.
15. In regards to services performed by you we acknowledge that Humane Society is responsible for: 1) management decisions and functions, 2) designating a management level individual with suitable skills, knowledge, and / or experience to oversee the preparation of the financial statements in accordance with GAAP, 3) designating a management level individual with suitable skills, knowledge and or experience to oversee tax and other non-attest services, 4) evaluating the adequacy and results of these services, and 5) accepting responsibility for them.

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Huntsville, AL 35801
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16. We have complied with all restrictions on resources, estate bequests (including donor restrictions), if any, and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
17. Except as disclosed in the notes to financial statements no events have occurred subsequent to the statement of financial position date and through the date of this letter that would require adjustments to, or disclosure in, the financial statements.

Signature:  Title: Executive Director

Signature:  Title: Treasurer Board President

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August 31, 2023

Board of Directors
Greater Huntsville Humane Society, Inc. (GHHS)
Huntsville, Alabama

We have audited the financial statements of GHHS for the year ended December 31, 2022 and have issued an unqualified opinion thereon dated August 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and generally accepted governmental auditing standards. Professional standards also require that we communicate to you the following related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by GHHS are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year December 31, 2022. We noted no transactions entered into by GHHS 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 may be sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ. No significant estimates meet the intent of this discussion.

The financial statement disclosures are neutral, consistent, and clear.

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Management Judgments and Accounting Estimates

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. There are no sensitive estimates affecting the financial statements.

Difficulties Encountered in Performing the Audit

There were no difficulties encountered in performing the audit.

Corrected and Uncorrected 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. No significant audit adjustments arose during the audit for the year ended December 31, 2022 and no proposed adjustments were presented to management. All other adjustments were individually and in the aggregate inconsequential and were not presented to management.

Major Issues Discussed With Management Prior to Retention

There were no discussions with management, prior to retention, in connection with our audit, concerning the application or interpretation of an accounting principle, auditing standard or any other significant matter.

Disagreements With Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. There were no disagreements with management.

Management Representations

We requested certain representations from management that are include in the management representation letter dated August 31, 2023.

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Management Consultations with Other 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 topics or transactions. If a consultation involves application of an accounting principle affecting GHHS'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. We are not aware of any consultations by management with other accountants about auditing and accounting matters related to the audit for the year ended December 31, 2022.

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 as GHHS's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of those charged with governance and management of GHHS.

If you have any questions concerning the contents of this letter, please, do not hesitate to give us a call.

Yours very truly,

A handwritten signature in black ink, appearing to read "Thomas T. Dyer", followed by a large, stylized flourish or scribble.

Thomas T. Dyer
Dyer & Smith, LLC