HUMANE SOCIETY OF TAMPA BAY, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To The Board of Directors
Humane Society of Tampa Bay, Inc.
Tampa, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Humane Society of Tampa Bay, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Humane Society of Tampa Bay, Inc. as of December 31, 2017 and 2016, 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.

Certified Public Accountants
March 12, 2018
FINANCIAL STATEMENTS
HUMANE SOCIETY OF TAMPA BAY, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2017 AND 2016

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$923,696</td>
<td>$769,597</td>
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<tr>
<td>Cash restricted for expansion</td>
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<td>189,233</td>
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<td>Investments, at fair value</td>
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<td>1,235,863</td>
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<td>Receivables:</td>
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<td>Bequests</td>
<td>127,138</td>
<td>127,138</td>
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<td>Pledges, net of allowance</td>
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<td>14,982</td>
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<td>Accounts, net of allowance</td>
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<td>101,117</td>
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<td>Inventory</td>
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<td>Prepaid expenses</td>
<td>63,148</td>
<td>69,676</td>
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<td><strong>Total Current Assets</strong></td>
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<td>2,648,143</td>
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<td><strong>PROPERTY AND EQUIPMENT</strong></td>
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<td>Land and land improvements</td>
<td>829,519</td>
<td>832,825</td>
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<td>Buildings and improvements</td>
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<td>Furniture and equipment</td>
<td>860,181</td>
<td>850,675</td>
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<td>Construction in progress</td>
<td>195,271</td>
<td>120,390</td>
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<td><strong>Accumulated depreciation</strong></td>
<td>(2,466,766)</td>
<td>(2,244,526)</td>
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<tr>
<td><strong>Net Property and Equipment</strong></td>
<td>3,177,623</td>
<td>3,347,250</td>
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<td><strong>OTHER ASSETS</strong></td>
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<td>Long term pledge receivable</td>
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<td>Beneficial interest in Community Foundation</td>
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<td>Investment in commercial property</td>
<td>42,500</td>
<td>42,500</td>
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<td>Deposits</td>
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<td><strong>Total Other Assets</strong></td>
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<td><strong>TOTAL ASSETS</strong></td>
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<td>$6,527,701</td>
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<td></td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>---------------------</td>
<td>--------------</td>
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<tr>
<td><strong>LIABILITIES AND NET ASSETS</strong></td>
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<td><strong>CURRENT LIABILITIES</strong></td>
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<tr>
<td>Accounts payable</td>
<td>$ 531,343</td>
<td>$ 305,192</td>
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<td>Accrued expenses</td>
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<td>261,580</td>
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<td>Deferred revenue</td>
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<td>33,713</td>
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<td><strong>Total Current Liabilities</strong></td>
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<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>1,021,186</td>
<td>600,485</td>
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<td><strong>NET ASSETS</strong></td>
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<tr>
<td>Unrestricted</td>
<td></td>
<td></td>
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<tr>
<td>Undesignated</td>
<td>2,254,743</td>
<td>1,845,788</td>
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<td>Invested in property and equipment</td>
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<td>Board designated:</td>
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<td></td>
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<td>Reserves</td>
<td>222,182</td>
<td>200,000</td>
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<tr>
<td>New shelter</td>
<td>27,127</td>
<td>25,000</td>
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<tr>
<td><strong>Total Unrestricted Net Assets</strong></td>
<td>5,681,675</td>
<td>5,418,038</td>
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<tr>
<td>Temporarily restricted</td>
<td>1,264,831</td>
<td>509,178</td>
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<tr>
<td><strong>Permanently restricted</strong></td>
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<td>-</td>
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<tr>
<td><strong>Total Net Assets</strong></td>
<td>6,946,506</td>
<td>5,927,216</td>
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<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$ 7,967,692</td>
<td>$ 6,527,701</td>
</tr>
</tbody>
</table>

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part of these financial statements.
**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

**Changes in Unrestricted Net Assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$2,227,619</td>
<td>$1,841,997</td>
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<tr>
<td>Program services, net of discounts of $228,529 and $232,392 at December</td>
<td>3,900,637</td>
<td>4,269,544</td>
</tr>
<tr>
<td>31, 2017 and 2016</td>
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<tr>
<td>Grants</td>
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<td>217,987</td>
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<td>In-kind contributions</td>
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<td>Investment income</td>
<td>84,001</td>
<td>180,672</td>
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<tr>
<td>Other income</td>
<td>13,440</td>
<td>13,440</td>
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<tr>
<td>Unrealized net gain (loss) on investments</td>
<td>206,980</td>
<td>(44,874)</td>
</tr>
<tr>
<td>Unrealized net gain (loss) on beneficial interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>in Community Foundation</td>
<td>22,620</td>
<td></td>
</tr>
<tr>
<td>Gain (loss) on disposal of property and equipment</td>
<td>(27,658)</td>
<td>14,900</td>
</tr>
<tr>
<td></td>
<td>7,040,959</td>
<td>6,705,661</td>
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<tr>
<td>Product sales</td>
<td>1,992,306</td>
<td>2,075,749</td>
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<tr>
<td>Less cost of goods sold</td>
<td>(1,134,499)</td>
<td>(1,144,014)</td>
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<tr>
<td></td>
<td>857,807</td>
<td>931,735</td>
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<tr>
<td>Special events</td>
<td>1,124,305</td>
<td>856,443</td>
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<tr>
<td>Less direct costs of special events</td>
<td>(296,432)</td>
<td>(241,271)</td>
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<tr>
<td></td>
<td>827,873</td>
<td>615,172</td>
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<tr>
<td>Net assets released from restrictions</td>
<td>292,272</td>
<td>132,793</td>
</tr>
<tr>
<td>Total Unrestricted Revenues</td>
<td>9,018,911</td>
<td>8,385,361</td>
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</tbody>
</table>

**EXPENSES**

- **Program Services:**
  - Shelter/Adoption Center: 3,007,123 2,627,959
  - Community Outreach: 366,298 332,591
  - Animal Health Center: 4,091,544 4,249,936
  - **Total Program Services:** 7,464,965 7,210,486

- **Support Services:**
  - Management and general: 415,743 390,100
  - Fundraising: 874,566 788,446
  - **Total Support Services:** 1,290,309 1,178,546

**Total Expenses**

8,755,274 8,389,032

**Change in Unrestricted Net Assets**

263,637 (3,671)
### Changes in Temporarily Restricted Net Assets

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>1,028,582</td>
<td>162,390</td>
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<tr>
<td>Unrealized net gain (loss) on beneficial interest</td>
<td>17,171</td>
<td>7,763</td>
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<tr>
<td>in Community Foundation</td>
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<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>2,172</td>
<td>2,747</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>(292,272)</td>
<td>(132,793)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in Temporarily Restricted Net Assets</th>
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<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>755,653</td>
<td>40,106</td>
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</table>

### CHANGE IN NET ASSETS

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NET ASSETS, beginning of year</td>
<td>5,927,216</td>
<td>5,890,781</td>
</tr>
</tbody>
</table>

| NET ASSETS, end of year         | $ 6,946,506| $ 5,927,216|

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Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part of these financial statements.
<table>
<thead>
<tr>
<th></th>
<th>Shelter/Adoption Center</th>
<th>Community Outreach</th>
<th>Animal Health Center</th>
<th>Total Program Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$1,361,622</td>
<td>$95,657</td>
<td>$1,925,751</td>
<td>$3,383,030</td>
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<td>Payroll taxes</td>
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<td>7,157</td>
<td>143,669</td>
<td>249,663</td>
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<td>Employee benefits</td>
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<td>14,548</td>
<td>257,298</td>
<td>464,522</td>
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<td>Total salaries and related expenses</td>
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<td>2,326,318</td>
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<td>Professional fees</td>
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<td>22,081</td>
<td>405,831</td>
<td>479,122</td>
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<td>Contract program service</td>
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<td>1,901</td>
<td>31,137</td>
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<td>Printing and publications</td>
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<td>31,925</td>
<td>36,583</td>
<td>111,390</td>
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<td>Mailings</td>
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<td>Repairs and maintenance</td>
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<td>Program supplies</td>
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<td>613,545</td>
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<td>114,013</td>
<td>228,915</td>
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<td>6,249</td>
<td>24,221</td>
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<td>Meetings, conferences and training</td>
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<td>260</td>
<td>10,437</td>
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<td>Recognition</td>
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<td>9,319</td>
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<td>Insurance</td>
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<td>2,404</td>
<td>22,144</td>
<td>51,746</td>
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<td>Investment fees</td>
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<tr>
<td>Bank service charges</td>
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<td>2,920</td>
<td>71,675</td>
<td>85,287</td>
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<td>New shelter project - includes $14,976 in-kind</td>
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<td>-</td>
<td>89,876</td>
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<td>46,152</td>
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<td>Total expenses before depreciation</td>
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<td>364,706</td>
<td>3,874,335</td>
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<td>Depreciation</td>
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<td>1,592</td>
<td>217,209</td>
<td>295,739</td>
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<td>Total expenses</td>
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<td>$4,091,544</td>
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<tr>
<td>Support Services</td>
<td>Management and General</td>
<td>Fundraising</td>
<td>Total Support Services</td>
<td>Total Expenses</td>
</tr>
<tr>
<td>------------------</td>
<td>------------------------</td>
<td>-------------</td>
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<td>$269,802</td>
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<td>4,345</td>
<td>48,298</td>
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<td>531,765</td>
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<td>4,026</td>
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<td>10,516</td>
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<td>56,970</td>
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<td>110,468</td>
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<td>16,195</td>
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<td>290,897</td>
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<td>322</td>
<td>80</td>
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<td>24,623</td>
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<td>4,715</td>
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<td>3,377</td>
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<td>62,542</td>
<td>89,013</td>
<td>178,889</td>
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<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>46,152</td>
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<td>411,905</td>
<td>872,679</td>
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<td>8,453,810</td>
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<td>3,838</td>
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<tr>
<td>$415,743</td>
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</tr>
</tbody>
</table>

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part of these financial statements.
<table>
<thead>
<tr>
<th>Program Services</th>
<th>Shelter Adoption Center</th>
<th>Community Outreach</th>
<th>Animal Health Center</th>
<th>Total Program Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$1,283,520</td>
<td>$92,244</td>
<td>$1,977,160</td>
<td>$3,352,924</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>93,454</td>
<td>6,624</td>
<td>147,661</td>
<td>247,739</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>224,205</td>
<td>17,822</td>
<td>293,610</td>
<td>535,637</td>
</tr>
<tr>
<td>Total salaries and related expenses</td>
<td>1,601,179</td>
<td>116,690</td>
<td>2,418,431</td>
<td>4,136,300</td>
</tr>
<tr>
<td>Professional fees</td>
<td>48,711</td>
<td>15,758</td>
<td>254,444</td>
<td>318,913</td>
</tr>
<tr>
<td>Contract program service</td>
<td>57,019</td>
<td>-</td>
<td>66,420</td>
<td>123,439</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>35,419</td>
<td>26,266</td>
<td>38,836</td>
<td>100,521</td>
</tr>
<tr>
<td>Advertising</td>
<td>5,952</td>
<td>129</td>
<td>6,548</td>
<td>12,629</td>
</tr>
<tr>
<td>Mailings</td>
<td>37,341</td>
<td>44,998</td>
<td>20,499</td>
<td>102,838</td>
</tr>
<tr>
<td>Occupancy</td>
<td>69,834</td>
<td>12,820</td>
<td>81,137</td>
<td>163,791</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>79,271</td>
<td>5,515</td>
<td>53,375</td>
<td>138,161</td>
</tr>
<tr>
<td>Program supplies</td>
<td>335,200</td>
<td>70,622</td>
<td>834,137</td>
<td>1,239,959</td>
</tr>
<tr>
<td>In-kind goods and services</td>
<td>88,668</td>
<td>21,324</td>
<td>-</td>
<td>109,992</td>
</tr>
<tr>
<td>Office expense</td>
<td>83,164</td>
<td>7,004</td>
<td>105,426</td>
<td>195,594</td>
</tr>
<tr>
<td>Travel</td>
<td>15,911</td>
<td>55</td>
<td>6,487</td>
<td>22,453</td>
</tr>
<tr>
<td>Meetings, conferences and training</td>
<td>1,997</td>
<td>1,906</td>
<td>6,358</td>
<td>10,261</td>
</tr>
<tr>
<td>Recognition</td>
<td>12,713</td>
<td>4,416</td>
<td>9,257</td>
<td>26,386</td>
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<tr>
<td>Insurance</td>
<td>22,126</td>
<td>2,569</td>
<td>26,698</td>
<td>51,393</td>
</tr>
<tr>
<td>Investment fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bank service charges</td>
<td>10,284</td>
<td>1,894</td>
<td>75,314</td>
<td>87,492</td>
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<tr>
<td>New shelter project study</td>
<td>41,095</td>
<td>-</td>
<td>-</td>
<td>41,095</td>
</tr>
<tr>
<td>Bad debt</td>
<td>175</td>
<td>-</td>
<td>8,500</td>
<td>8,675</td>
</tr>
<tr>
<td>Total expenses before depreciation</td>
<td>2,546,059</td>
<td>331,966</td>
<td>4,011,867</td>
<td>6,889,892</td>
</tr>
<tr>
<td>Depreciation</td>
<td>81,900</td>
<td>625</td>
<td>238,069</td>
<td>320,594</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$2,627,959</td>
<td>$332,591</td>
<td>$4,249,936</td>
<td>$7,210,486</td>
</tr>
<tr>
<td>Support Services</td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>-------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and General</td>
<td>Fundraising</td>
<td>Support Services</td>
<td>Total Expenses</td>
<td></td>
</tr>
<tr>
<td>$ 269,284</td>
<td>$ 192,363</td>
<td>$ 461,647</td>
<td>$ 3,814,571</td>
<td></td>
</tr>
<tr>
<td>19,566</td>
<td>14,462</td>
<td>34,028</td>
<td>281,767</td>
<td></td>
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<tr>
<td>32,238</td>
<td>23,981</td>
<td>56,219</td>
<td>591,856</td>
<td></td>
</tr>
<tr>
<td>321,088</td>
<td>230,806</td>
<td>551,894</td>
<td>4,688,194</td>
<td></td>
</tr>
<tr>
<td>9,662</td>
<td>17,544</td>
<td>27,206</td>
<td>346,119</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>1,731</td>
<td>1,731</td>
<td>125,170</td>
<td></td>
</tr>
<tr>
<td>4,740</td>
<td>29,230</td>
<td>33,970</td>
<td>134,491</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>9,971</td>
<td>9,971</td>
<td>22,600</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>245,813</td>
<td>245,813</td>
<td>348,651</td>
<td></td>
</tr>
<tr>
<td>6,184</td>
<td>4,886</td>
<td>11,070</td>
<td>174,861</td>
<td></td>
</tr>
<tr>
<td>4,911</td>
<td>5,125</td>
<td>10,036</td>
<td>148,197</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>652</td>
<td>662</td>
<td>1,240,621</td>
<td></td>
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<tr>
<td>-</td>
<td>102,003</td>
<td>102,003</td>
<td>211,995</td>
<td></td>
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<tr>
<td>23,110</td>
<td>36,244</td>
<td>59,354</td>
<td>254,948</td>
<td></td>
</tr>
<tr>
<td>405</td>
<td>57</td>
<td>462</td>
<td>22,915</td>
<td></td>
</tr>
<tr>
<td>6,103</td>
<td>7,657</td>
<td>13,760</td>
<td>24,021</td>
<td></td>
</tr>
<tr>
<td>2,746</td>
<td>1,521</td>
<td>4,267</td>
<td>30,653</td>
<td></td>
</tr>
<tr>
<td>6,085</td>
<td>7,246</td>
<td>13,331</td>
<td>64,724</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>16,464</td>
<td>16,464</td>
<td>16,464</td>
<td></td>
</tr>
<tr>
<td>4,131</td>
<td>26,391</td>
<td>30,522</td>
<td>118,014</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>41,095</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>44,180</td>
<td>44,180</td>
<td>52,855</td>
<td></td>
</tr>
<tr>
<td>389,175</td>
<td>787,521</td>
<td>1,176,696</td>
<td>8,066,588</td>
<td></td>
</tr>
<tr>
<td>925</td>
<td>925</td>
<td>1,850</td>
<td>322,444</td>
<td></td>
</tr>
<tr>
<td>$ 390,100</td>
<td>$ 788,446</td>
<td>$ 1,178,546</td>
<td>$ 8,389,032</td>
<td></td>
</tr>
</tbody>
</table>

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part of these financial statements.
HUMANE SOCIETY OF TAMPA BAY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

<table>
<thead>
<tr>
<th>CASH FLOWS FROM OPERATING ACTIVITIES:</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Assets</td>
<td>$ 1,019,290</td>
<td>$ 36,435</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided (used) by operational activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>301,464</td>
<td>322,444</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>46,152</td>
<td>52,855</td>
</tr>
<tr>
<td>(Gain) loss on disposal of property and equipment</td>
<td>27,658</td>
<td>(14,900)</td>
</tr>
<tr>
<td>Unrealized (gain) loss on investments</td>
<td>(206,980)</td>
<td>44,874</td>
</tr>
<tr>
<td>Unrealized (gain) loss on beneficial interest in Community Foundation</td>
<td>(39,791)</td>
<td>(7,763)</td>
</tr>
<tr>
<td>Donated investments</td>
<td>(1,016,332)</td>
<td>-</td>
</tr>
<tr>
<td>Donated property and equipment</td>
<td>(26,850)</td>
<td>(102,937)</td>
</tr>
<tr>
<td>Disposition of construction in progress</td>
<td>(105,920)</td>
<td>-</td>
</tr>
<tr>
<td>(Increase) decrease in bequests receivable</td>
<td>-</td>
<td>(109,500)</td>
</tr>
<tr>
<td>(Increase) decrease in pledges receivable</td>
<td>18,077</td>
<td>29,502</td>
</tr>
<tr>
<td>(Increase) decrease in accounts receivable</td>
<td>45,541</td>
<td>32,514</td>
</tr>
<tr>
<td>(Increase) decrease in prepaid expenses</td>
<td>6,528</td>
<td>34,370</td>
</tr>
<tr>
<td>(Increase) decrease in inventory</td>
<td>(73,429)</td>
<td>28,884</td>
</tr>
<tr>
<td>Increase (decrease) in deposits</td>
<td>(2,500)</td>
<td>20,435</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable</td>
<td>226,151</td>
<td>(44,251)</td>
</tr>
<tr>
<td>Increase (decrease) in other accrued expenses</td>
<td>11,704</td>
<td>66,589</td>
</tr>
<tr>
<td>Increase (decrease) in deferred revenue</td>
<td>182,846</td>
<td>(94,156)</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>(484,923)</td>
<td>256,960</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>534,367</td>
<td>293,395</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM INVESTING ACTIVITIES:</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash payments for the purchase of property and equipment</td>
<td>(213,828)</td>
<td>(422,915)</td>
</tr>
<tr>
<td>Proceeds from sale of property and equipment</td>
<td>-</td>
<td>14,900</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(260,017)</td>
<td>(330,284)</td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>11,258</td>
<td>562,782</td>
</tr>
<tr>
<td>Proceeds from sale of donated property</td>
<td>78,200</td>
<td>-</td>
</tr>
<tr>
<td>Purchases of beneficial interest in Community Foundation</td>
<td>(2,385)</td>
<td>(227,746)</td>
</tr>
<tr>
<td>Sales of beneficial interest in Community Foundation</td>
<td>5,378</td>
<td>6,518</td>
</tr>
<tr>
<td>Net cash provided (used) by investing activities</td>
<td>(381,394)</td>
<td>(396,745)</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>152,973</td>
<td>(103,350)</td>
</tr>
<tr>
<td>CASH AND CASH EQUIVALENTS, beginning of year</td>
<td>958,830</td>
<td>1,062,180</td>
</tr>
<tr>
<td>CASH AND CASH EQUIVALENTS, end of year</td>
<td>$ 1,111,803</td>
<td>$ 958,830</td>
</tr>
</tbody>
</table>

Disclosure of non-cash investing activities:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donated investments</td>
<td>$ 1,016,332</td>
<td>$ -</td>
</tr>
<tr>
<td>Donated property and equipment</td>
<td>$ 26,850</td>
<td>$ 102,937</td>
</tr>
<tr>
<td>Disposition of construction in progress</td>
<td>(105,920)</td>
<td>$ -</td>
</tr>
<tr>
<td>Retirement of fully depreciated equipment</td>
<td>(79,224)</td>
<td>$(149,697)</td>
</tr>
</tbody>
</table>

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part of these financial statements.
NOTE A - DESCRIPTION OF ORGANIZATION

The Humane Society of Tampa Bay, Inc. (the Organization) is a not-for-profit corporation organized in 1912, dedicated to ending animal homelessness and providing care and comfort for companion animals in need. In that regard, the Organization operates a Shelter/Adoption Center, an Animal Health Center and various outreach and assistance programs in Tampa, Florida that are funded primarily by contributions from the public.

**Shelter/Adoption Center** services include preventive medical care, treatment of illness and injury, pet microchipping, and spaying / neutering of all animals prior to adoption by pet owners in the community.

**Community Outreach** programs include:

- **Food assistance program** provides free pet food to any pet owner in need so they can keep their pets rather than turn them in to a shelter.

- **Animeals** program provides pet food delivered monthly to elderly and homebound pet owners.

- **Shot Clinics** provide free immunization shots to help people keep their pets healthy and in their homes.

- **Paws for Literacy** teams up children ages 5-12 with a homeless animal to practice reading out loud to a safe audience of furry friends certain to be receptive to the attention.

- **Trap, neuter and return program** provides a humane method to trap, sterilize and return feral cats to their colonies which reduces euthanasia in our community.

**Animal Health Center** services include a spay/neuter clinic and veterinary clinic for pets. The Spay/Neuter Clinic provides sterilization and basic vaccines for dogs and cats to all pet owners at reduced costs. The Veterinary Clinic offers affordable veterinary care to the public and provides the proper preventive treatment so pets can be protected from deadly diseases.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- **Unrestricted net assets** - Net assets that are not subject to donor-imposed stipulations, including restricted contributions whose restrictions are met in the same reporting period.

- **Temporarily restricted net assets** - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Read Report of Independent Certified Public Accountants.
NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Estimates
The preparation of financial statements in conformity with US 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. Estimates also affect the reported amounts of increases or decreases in net assets during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents
The Organization considers currency on hand, demand deposits and money market funds as cash for purposes of the Statement of Cash Flows.

Donated Materials, Goods and Services
The Organization records various types of in-kind contributions. Contributed services are recognized at fair market value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals processing those skills, and would typically need to be purchased if not provided by donation. Contributions of goods and property are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property or inventory.

A substantial number of unpaid volunteers have made significant contributions of their time to develop and maintain the Organization’s programs. No amounts have been reported in the financial statements for voluntary donation of services because no objective basis is available to measure the value of such donations.

Contributions received in the form of marketable securities are recorded at the fair value of the security at the date of contribution.

Statement of Cash Flows
For purposes of the statement of cash flows, cash and cash equivalents are defined as cash and all highly liquid investments with an original maturity of three months or less when purchased.

Deferred Revenue
Revenue from grants are recorded based upon the terms of the grantor allotment which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred. For the years ended December 31, 2017 and 2016, deferred grant revenue in the amount of $175,439 and $33,713, respectively, are reflected in the statement of financial position for amounts received but not earned. For the year ended December 31, 2017 deferred revenue also includes $41,120 related to special events to be held in 2018.
NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable
The Organization uses the allowance method to account for uncollectible accounts. The Organization has provided an allowance for uncollectible accounts of $57,890 and $83,500 for the years ended December 31, 2017 and 2016, respectively, based on existing economic conditions and the financial stability of its customers.

The Organization’s management reviews accounts receivable on an annual basis to determine write-off amounts.

Inventory
Inventory, valued at cost (first-in, first-out) is comprised of microchips used for identification through implantation, resale medicines, and pet supplies.

Property and Equipment
Property and equipment are stated at historical cost and depreciated using the straight line method over the estimated useful lives of each asset – building and building improvements, 35-39 years, land improvements, 7 years and, furniture and equipment, 5-10 years. Acquisitions of property and equipment in excess of $1,000 are capitalized.

Fair Value of Financial Instruments
Professional standards require disclosure of an estimate of fair value of certain financial instruments. The Organization’s significant financial instruments are cash and cash equivalents, bequests receivable, accounts and pledge receivable, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value due to the short term nature of these instruments.

Concentration of Credit Risk
Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist of cash and cash equivalents. The Organization maintains its deposits at two financial institutions. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The amounts in excess of the FDIC limit totaled $655,538 and $514,214 at December 31, 2017 and 2016, respectively. The Organization has not experienced any losses on its deposits.

Investments that potentially subject the Organization to concentrations of credit risk consist principally of investments in money funds, common stocks and preferred stocks. Quarterly portfolio reviews are performed to assist in the detection of any concentrations of risk. Management does not believe that any concentrations in investments exist.

Functional Allocation of Expenses
The costs of providing the various programs have been summarized on a functional basis in the statement of functional expenses. Salaries and other expenses which are associated with a specific program are charged directly to that program. Salaries and other expenses which benefit more than one program are allocated to the various programs based on the relative benefit provided.

Read Report of Independent Certified Public Accountants.
HUMANE SOCIETY OF TAMPA BAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes
The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization’s tax-exempt purpose is subject to taxation as unrelated business income. Management is not aware of any activities that would jeopardize the Organization’s tax-exempt status.

The Organization accounts for uncertain tax positions, if any, in accordance with FASB Accounting Standards Codification Section 740. In accordance with these professional standards, the Organization recognizes tax positions only to the extent that Management believes it is “more likely than not” that its tax positions will be sustained upon IRS examination. Management believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements for the years ended December 31, 2017 and 2016.

The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization’s financial condition, change in net assets or cash flows. Accordingly, the Organization has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at December 31, 2017 and 2016.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to December 31, 2014.

The Organization’s policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

NOTE C – BEQUESTS RECEIVABLE

Bequests receivable consist of various wills and trusts for which the Organization is the beneficiary. Under these arrangements, either the Organization receives bequests in connection with the settlement of an estate or trusts may be established, controlled by an independent trustee, where the Organization receives income from the trust but has no right to or control of the principal. With regards to trust arrangements, the Organization records revenue as earned. Bequests are recognized as revenue at the time the Organization is notified of the bequest and receives legal documentation from the executor to reasonably estimate the amount.

The amounts reported as bequests receivable at both December 31, 2017 and 2016 total $127,138 and are included in unrestricted net assets.

NOTE D – PLEDGES RECEIVABLE

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a donor-imposed restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Read Report of Independent Certified Public Accountants.
NOTE D – PLEDGES RECEIVABLE (continued)

Expected pledge receivable collections are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collectible in one year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$ 10,272</td>
<td>$ 24,982</td>
</tr>
<tr>
<td>Less allowance for doubtful accounts</td>
<td>-</td>
<td>(10,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collectible in two to four years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>10,272</td>
<td>14,982</td>
</tr>
<tr>
<td></td>
<td>10,642</td>
<td>24,009</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 20,914</td>
<td>$ 38,991</td>
</tr>
</tbody>
</table>

The Organization’s management reviews amounts related to pledges outstanding on an annual basis and determines amounts that should be written off. During the years ended December 31, 2017 and 2016 the Organization wrote off $6,303 and $44,180 in uncollectible pledges, respectively. The Organization provided an allowance for doubtful accounts of $10,000 for the year ended December 31, 2016 (no allowance at December 31, 2017).

Discounts to present value of amounts collectible in two to five years are deemed immaterial.

NOTE E – BENEFICIAL INTEREST IN COMMUNITY FOUNDATION

The Community Foundation of Tampa Bay, Inc. (Community Foundation) holds funds for which the earnings have been restricted for the benefit of the Organization. Assets contributed to the Community Foundation for the benefit of the Organization are recorded as assets of the Organization in accordance with professional standards. These "agency restricted funds" are pooled with the other assets of the Community Foundation for investing purposes.

"Agency restricted funds" which were established for the Organization within the Community Foundation had fair values of approximately $139,546 at December 31, 2017, ($127,057 at December 31, 2016) and are recorded as temporarily restricted net assets.

During the year ended December 31, 2016 the Organization transferred funds to the Community Foundation in the amounts of $200,000 and $25,000 to establish a reserve fund and a new shelter fund, respectively. The Organization maintains variance power over these funds and as such, they remain assets of the Organization. At December 31, 2017 these funds had fair values of approximately $222,182 and $27,127, respectively.

Read Report of Independent Certified Public Accountants.
NOTE F – BENEFICIAL INTEREST IN PERPETUAL TRUSTS

The Community Foundation of Tampa Bay, Inc. (Community Foundation) held a trust with an approximate balance of $1,236,769 at December 31, 2017 ($1,124,850 at December 31, 2016) for which the earnings have been restricted for the benefit of the Organization. This trust is to be held as an endowment, the income of which is to be paid to the Organization for the specific purpose of providing direct care for dogs and cats. Earnings distributed from the trust for the years ended December 31, 2017 and 2016 totaled $44,994 and $43,530, respectively. The Organization's interest in this perpetual trust is not considered to be an asset as the donor specifically granted variance power to the Community Foundation and provides the Community Foundation the unilateral power to redirect the use of the funds to other beneficiaries.

NOTE G- INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with Professional Standards, Fair Value Measurements establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under Professional Standards are described on next page:

Level 1
- Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2
- Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3
- Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable input and minimize the use of unobservable inputs.
NOTE G- INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

Following is a description of the valuation methodologies used for the assets measured at fair value:

Investments in fixed income, equities, mutual funds, alternative strategies, exchange traded products real estate investments and money market funds are valued at the closing price on the active market which the individual securities are traded.

Long term pledge receivables fair value is based on observable inputs and the discount of estimated cash inflows to their present value.

The beneficiary interest in funds held in trust by others are held at the Community Foundation of Tampa Bay and are valued at the fair value of the investments of the related trust.

Investment in commercial property held by others is valued at the net asset value which is derived from the estimated fair value of the property on date contributed to Organization.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at December 31, 2017:

<table>
<thead>
<tr>
<th></th>
<th>Fair Value</th>
<th>(Level 1)</th>
<th>(Level 2)</th>
<th>(Level 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>$1,096,073</td>
<td>$1,096,073</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>1,597,860</td>
<td>1,597,860</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Money market funds</td>
<td>14,001</td>
<td>14,001</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td>2,707,934</td>
<td>2,707,934</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Beneficial interest in Community Foundation</td>
<td>388,855</td>
<td>-</td>
<td>-</td>
<td>388,855</td>
</tr>
<tr>
<td>Investment commercial property</td>
<td>42,500</td>
<td>-</td>
<td>-</td>
<td>42,500</td>
</tr>
<tr>
<td>Long term receivables</td>
<td>10,642</td>
<td>-</td>
<td>-</td>
<td>10,462</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$3,149,931</td>
<td>$2,707,934</td>
<td>$</td>
<td>$441,997</td>
</tr>
</tbody>
</table>
NOTE G - INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at December 31, 2016:

<table>
<thead>
<tr>
<th></th>
<th>Fair Value</th>
<th>(Level 1)</th>
<th>(Level 2)</th>
<th>(Level 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>$ 385,726</td>
<td>$ 385,726</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>836,317</td>
<td>836,317</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Money market funds</td>
<td>13,820</td>
<td>13,820</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Investments</td>
<td>1,235,863</td>
<td>1,235,863</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Beneficial interest in Community Foundation</td>
<td>352,057</td>
<td>-</td>
<td>-</td>
<td>352,057</td>
</tr>
<tr>
<td>Investment commercial property</td>
<td>42,500</td>
<td>-</td>
<td>-</td>
<td>42,500</td>
</tr>
<tr>
<td>Donated property held for sale</td>
<td>102,937</td>
<td>-</td>
<td>-</td>
<td>102,937</td>
</tr>
<tr>
<td>Long term receivables</td>
<td>24,009</td>
<td>-</td>
<td>-</td>
<td>24,009</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 1,757,366</strong></td>
<td><strong>$ 1,235,863</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ 521,503</strong></td>
</tr>
</tbody>
</table>

Fair Value Measurements Using Significant Unobservable Inputs (Level 3):

<table>
<thead>
<tr>
<th>January 1, 2016</th>
<th>Beneficial interest in Community Foundation</th>
<th>Beneficial interest in investment of property</th>
<th>Long-term pledge receivable</th>
<th>Donated property held for sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends less fees</td>
<td>$ 123,066</td>
<td>$ 42,500</td>
<td>$ 85,812</td>
<td>-</td>
</tr>
<tr>
<td>Contributions and settlements</td>
<td>225,000</td>
<td>-</td>
<td>-</td>
<td>102,937</td>
</tr>
<tr>
<td>Gains and losses</td>
<td>7,763</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Distributions</td>
<td>(6,518)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers in and/or out of Level 3</td>
<td>-</td>
<td>-</td>
<td>(61,803)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 352,057</strong></td>
<td><strong>$ 42,500</strong></td>
<td><strong>$ 24,009</strong></td>
<td><strong>$ 102,937</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>December 31, 2016</th>
<th>Beneficial interest in Community Foundation</th>
<th>Beneficial interest in investment of property</th>
<th>Long-term pledge receivable</th>
<th>Donated property held for sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends less fees</td>
<td>2,385</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Contributions and settlements</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(78,200)</td>
</tr>
<tr>
<td>Sale of donated property</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gains and losses</td>
<td>39,791</td>
<td>-</td>
<td>-</td>
<td>(24,737)</td>
</tr>
<tr>
<td>Distributions</td>
<td>(5,378)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers in and/or out of Level 3</td>
<td>-</td>
<td>-</td>
<td>(13,367)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 388,855</strong></td>
<td><strong>$ 42,500</strong></td>
<td><strong>$ 10,642</strong></td>
<td><strong>$ -</strong></td>
</tr>
</tbody>
</table>

NOTE H—LONG-TERM DEBT

At December 31, 2017 and 2016 the Organization maintained a bank line of credit in the amount of $1,000,000. The line of credit is available to finance operational and capital needs and is secured by substantially all assets of the Organization. Use of the line of credit requires board approval. No amounts were outstanding on the line of credit at December 31, 2017 and 2016.

Read Report of Independent Certified Public Accountants
NOTE I – DONATED MATERIALS, GOODS AND SERVICES

The Organization’s contributed materials, goods and services during the years ended December 31, 2017 and 2016 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>$163,250</td>
<td>$109,181</td>
</tr>
<tr>
<td>Materials and goods</td>
<td>205,776</td>
<td>102,814</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$369,026</strong></td>
<td><strong>$211,995</strong></td>
</tr>
</tbody>
</table>

In-kind contributions are included in the following areas of the Organization:

- Shelter/Adoption Center: $152,990 (2017), $88,668 (2016)
- Community Outreach: $52,915 (2017), $21,324 (2016)
- Fundraising: $121,044 (2017), $102,003 (2016)

**Total**: $369,026 (2017), $211,995 (2016)

NOTE J – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets of the Organization are comprised of cash and receivables at December 31, 2017 and 2016 and are available for the following purposes:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital campaign – expansion purposes/new shelter</td>
<td>$1,090,915</td>
<td>$195,305</td>
</tr>
<tr>
<td>The Community Foundation of Tampa Bay – investment purpose</td>
<td>139,546</td>
<td>127,057</td>
</tr>
<tr>
<td>Donor contributions – time restrictions</td>
<td>10,642</td>
<td>24,009</td>
</tr>
<tr>
<td>Donor contributions restricted for programs/ new shelter</td>
<td>23,728</td>
<td>162,807</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,264,831</strong></td>
<td><strong>$509,178</strong></td>
</tr>
</tbody>
</table>

At December 31, 2017 and 2016, net assets of $288,297 and $64,472, respectively were released from donor restrictions. Of that amount, $111,325 and $45,145 was related to the shelter expansion and $176,972 and $19,327 was related to pet care for the years ended December 31, 2017 and 2016, respectively.

Net assets of $13,367 and $68,321 were released from restrictions in satisfaction of time restrictions during the years ended December 31, 2017 and 2016, respectively.

NOTE K – EMPLOYEE BENEFIT PLAN

All employees are eligible to participate in the Organization’s Section 401(k) defined contribution pension plan. The Organization contributed a 10% match option of employee’s contribution for up to 10% of an employee’s wages for the years ended December 31, 2017 and 2016. The Organization’s contribution for the years ended December 31, 2017 and 2016 was $12,555 and $13,265, respectively.

Read Report of Independent Certified Public Accountants.
NOTE L – ALLOCATION OF JOINT COSTS

During the years ended December 31, 2017 and 2016, the Organization incurred joint costs of $224,080 and $348,651, respectively, for informational material and activities that included a fundraising appeal. These costs were allocated among the various programs as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shelter/Adoption Center</td>
<td>$ 8,948</td>
<td>$ 37,341</td>
</tr>
<tr>
<td>Community Outreach</td>
<td>18,210</td>
<td>44,998</td>
</tr>
<tr>
<td>Animal Health Center</td>
<td>5,518</td>
<td>20,499</td>
</tr>
<tr>
<td>Fundraising and Administration</td>
<td>191,404</td>
<td>245,813</td>
</tr>
<tr>
<td></td>
<td><strong>$ 224,080</strong></td>
<td><strong>$ 348,651</strong></td>
</tr>
</tbody>
</table>

NOTE M – LEASES

The Organization leases certain facilities and equipment for the operation of its programs under long-term operating leases. The following is a schedule by year of future minimum lease payments required under such operating leases which have initial or remaining non-cancelable lease terms as of December 31, 2017:

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$ 64,140</td>
</tr>
<tr>
<td>2019</td>
<td>64,140</td>
</tr>
<tr>
<td>2020</td>
<td>64,140</td>
</tr>
<tr>
<td>2021</td>
<td>44,055</td>
</tr>
</tbody>
</table>

Lease expense incurred for facilities and equipment totaled $62,088 and $68,603 for the years ended December 31, 2017 and 2016, respectively.

NOTE N – COMMITMENTS AND CONTINGENCIES

**Agreement Between Organization and Developer**

The Organization entered into a contract with a Design and Development company dated May 12, 2017 for services relating to the new shelter project. The Organization is obligated for direct costs only, not to exceed $200,000. During the year ended December 31, 2017 the Organization paid $90,530 on this contract.

**Agreement Between Organization and Architect**

The Organization entered into a contract with an Architect dated July 14, 2015 in an amount estimated at 6.5% of future construction costs approximated at $10,273,500 for a total fee of $667,777. During the year ended December 2017, the Board of Directors of the Organization terminated the contract and a final payment of $15,025 was issued to the Architect. For the year ended December 31, 2016 the Organization paid $98,497 on this contract.

Read Report of Independent Certified Public Accountants.
NOTE N – COMMITMENTS AND CONTINGENCIES (continued)

Consulting Services
The Organization entered into an agreement for consulting services for the capital campaign for a new shelter. The agreement runs March, 2017 through August, 2018 at a total fee of $50,000. Either party may cancel with a 90 day notice. For the year ended December 31, 2017 the Organization expended $30,000 under the contract.

Laboratory Diagnostic Agreement
The Organization entered into a long term agreement for the period October 1, 2015 to December 31, 2019 with a vendor for diagnostic supplies and lab services. The Organization is required to make annual minimum purchases of $190,388 with the vendor. For the years ended December 31, 2017 and 2016 the Organization expended $341,804 and $431,824, respectively, for such services.

NOTE O– RELATED PARTY TRANSACTIONS

During the year ended December 31, 2017 the Organization had a board member whose legal services were used for the legal matters in the zoning of the new shelter. This legal representation is outside of the expectation of the board member’s responsibilities, so is recognized as an in-kind contribution with a fair value of $14,976.

NOTE P – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 12, 2018, the date the financial statements were available to be issued.