



**HUMANE SOCIETY OF TAMPA BAY, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020 AND 2019**

**HUMANE SOCIETY OF TAMPA BAY, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

TABLE OF CONTENTS

|  | <u>PAGE</u> |
|--|-------------|
| Report of Independent Certified Public Accountants | 1           |
| <b>FINANCIAL STATEMENTS</b>                        |             |
| Statements of Financial Position                   | 3           |
| Statements of Activities and Changes in Net Assets | 4           |
| Statements of Functional Expenses                  | 5           |
| Statements of Cash Flows                           | 7           |
| Notes to Financial Statements                      | 8           |



## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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, 2020 and 2019, 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, 2020 and 2019, 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.

*Reeder & Associates, PA*

Certified Public Accountants  
March 26, 2021

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2020 AND 2019**

| <b>ASSETS</b>                                      | <b>2020</b>          | <b>2019</b>          |
|--|----------------------|----------------------|
| <b>Current Assets</b>                              |                      |                      |
| Cash and cash equivalents                          | \$ 1,724,140         | \$ 1,251,601         |
| Investments  | 3,223,183            | 8,194,418            |
| Bequests receivable                                | 138                  | 1,300,138            |
| Pledges receivable, net of allowance               | 88,126               | 1,229,699            |
| Accounts receivable, net of allowance              | 59,214               | 55,395               |
| Inventory  | 225,803              | 233,882              |
| Prepaid expenses                                   | 91,978               | 77,044               |
|  | <b>5,412,582</b>     | <b>12,342,177</b>    |
| <b>Total Current Assets</b>                        |                      |                      |
| Long-term pledges receivable, net of allowance     | 75,925               | 208,482              |
| Beneficial interest in Community Foundation        | 146,667              | 138,640              |
| Investment in commercial property                  | 42,500               | 42,500               |
| Property and equipment, net                        | 19,620,417           | 2,737,682            |
| Construction in progress                           | -                    | 4,792,922            |
| Deposits   | 25,246               | 11,807               |
|  | <b>19,910,755</b>    | <b>7,932,033</b>     |
| <b>Total Noncurrent Assets</b>                     |                      |                      |
|  | <b>\$ 25,323,337</b> | <b>\$ 20,274,210</b> |
| <b>LIABILITIES AND NET ASSETS</b>                  |                      |                      |
| Liabilities:                                       |                      |                      |
| Accounts payable and accrued expenses              | \$ 1,538,658         | \$ 1,851,938         |
| Deferred revenue                                   | 187,274              | 192,556              |
|  | <b>1,725,932</b>     | <b>2,044,494</b>     |
| <b>Total Liabilities</b>                           |                      |                      |
| Net assets:  |                      |                      |
| Without donor restrictions:                        |                      |                      |
| Undesignated                                       | 3,102,444            | 2,948,576            |
| Invested in property and equipment                 | 19,620,417           | 7,530,604            |
| Board designated for new shelter                   | 619,113              | 3,443,602            |
|  | <b>23,341,974</b>    | <b>13,922,782</b>    |
| <b>Total Net Assets Without Donor Restrictions</b> |                      |                      |
| With donor restrictions:                           |                      |                      |
| Purpose restrictions - new shelter                 | -                    | 4,045,280            |
| Purpose restrictions - investment                  | 146,667              | 138,640              |
| Purpose restrictions - programs                    | 108,764              | 123,014              |
|  | <b>255,431</b>       | <b>4,306,934</b>     |
| <b>Total Net Assets With Donor Restrictions</b>    |                      |                      |
|  | <b>23,597,405</b>    | <b>18,229,716</b>    |
| <b>Total Net Assets</b>                            |                      |                      |
|  | <b>\$ 25,323,337</b> | <b>\$ 20,274,210</b> |
| <b>Total Liabilities and Net Assets</b>            |                      |                      |

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, 2020 AND 2019**

|   | <b>2020</b>          | <b>2019</b>          |
|---|----------------------|----------------------|
| <b><i>Changes in Net Assets Without Donor Restrictions</i></b>      |                      |                      |
| <b>REVENUES AND SUPPORT</b>   |                      |                      |
| Contributions   | \$ 6,584,271         | \$ 4,330,039         |
| Grants  | 1,266,672            | 243,800              |
| In-kind contributions   | 259,284              | 215,129              |
| Program services fees, net of discounts                             | 4,908,699            | 4,367,904            |
| Investment return   | 284,359              | 413,452              |
| Other income  | 12,480               | 15,360               |
| Gain (loss) on disposal of property and equipment                   | <u>(168,462)</u>     | <u>8,716</u>         |
|   | <u>13,147,303</u>    | <u>9,594,400</u>     |
| Product sales   | 2,222,774            | 2,026,846            |
| Less cost of goods sold   | <u>(1,329,950)</u>   | <u>(1,205,084)</u>   |
|   | <u>892,824</u>       | <u>821,762</u>       |
| Special events  | 735,168              | 1,160,586            |
| Less direct costs of special events                                 | <u>(134,649)</u>     | <u>(389,754)</u>     |
|   | <u>600,519</u>       | <u>770,832</u>       |
| Net assets released from restrictions                               | <u>6,251,162</u>     | <u>4,110,498</u>     |
| <b>Total Revenues Without Donor Restrictions</b>                    | <u>20,891,808</u>    | <u>15,297,492</u>    |
| <b>EXPENSES</b>   |                      |                      |
| <i>Program Services:</i>  |                      |                      |
| Shelter/ Adoption Center  | 4,852,428            | 3,341,473            |
| Community Outreach  | 585,991              | 384,223              |
| Animal Health Center  | <u>4,706,930</u>     | <u>4,554,597</u>     |
| <i>Total Program Services</i>                                       | <u>10,145,349</u>    | <u>8,280,293</u>     |
| <i>Support Services:</i>  |                      |                      |
| Management and general  | 573,385              | 467,711              |
| Fundraising and development   | <u>753,882</u>       | <u>913,774</u>       |
| <i>Total Support Services</i>                                       | <u>1,327,267</u>     | <u>1,381,485</u>     |
| <b>Total Expenses</b>   | <u>11,472,616</u>    | <u>9,661,778</u>     |
| <b>Increase (Decrease) in Net Assets Without Donor Restrictions</b> | <u>9,419,192</u>     | <u>5,635,714</u>     |
| <b><i>Changes in Net Assets With Donor Restrictions</i></b>         |                      |                      |
| Contributions   | 2,184,937            | 2,664,025            |
| Investment return   | 14,722               | 137,998              |
| Net assets released from restrictions                               | <u>(6,251,162)</u>   | <u>(4,110,498)</u>   |
| <b>Increase (Decrease) in Net Assets With Donor Restrictions</b>    | <u>(4,051,503)</u>   | <u>(1,308,475)</u>   |
| <b>CHANGE IN NET ASSETS</b>   | 5,367,689            | 4,327,239            |
| <b>NET ASSETS, beginning of year</b>                                | <u>18,229,716</u>    | <u>13,902,477</u>    |
| <b>NET ASSETS, end of year</b>                                      | <u>\$ 23,597,405</u> | <u>\$ 18,229,716</u> |

Read Report of Independent Certified Public Accountants.  
The accompanying notes are an integral part  
of these financial statements.

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

|  | Program Services            |                       |                         | Total<br>Program<br>Services | Support Services          |                             | Total Support<br>Services | Total<br>Expenses    |
|--|-----------------------------|-----------------------|-------------------------|------------------------------|---------------------------|-----------------------------|---------------------------|----------------------|
|  | Shelter/<br>Adoption Center | Community<br>Outreach | Animal<br>Health Center |                              | Management<br>and General | Fundraising/<br>Development |                           |                      |
| Salaries                                   | \$ 1,538,457                | \$ 255,440            | \$ 2,042,169            | \$ 3,836,066                 | \$ 404,446                | \$ 186,497                  | \$ 590,943                | \$ 4,427,009         |
| Payroll taxes                              | 120,596                     | 16,656                | 156,552                 | 293,804                      | 28,616                    | 14,220                      | 42,836                    | 336,640              |
| Employee benefits                          | 205,967                     | 16,365                | 279,139                 | 501,471                      | 33,106                    | 19,795                      | 52,901                    | 554,372              |
| <b>Total salaries and related expenses</b> | <b>1,865,020</b>            | <b>288,461</b>        | <b>2,477,860</b>        | <b>4,631,341</b>             | <b>466,168</b>            | <b>220,512</b>              | <b>686,680</b>            | <b>5,318,021</b>     |
| Professional fees                          | 425,329                     | 14,440                | 940,030                 | 1,379,799                    | 5,676                     | 10,613                      | 16,289                    | 1,396,088            |
| Contract services                          | 149,724                     | 801                   | 24,356                  | 174,881                      | 4,786                     | 13                          | 4,799                     | 179,680              |
| Printing and publications                  | 43,233                      | 20,364                | 33,101                  | 96,698                       | 16,487                    | 30,575                      | 47,062                    | 143,760              |
| Advertising                                | 5,877                       | -                     | 249                     | 6,126                        | -                         | 1,355                       | 1,355                     | 7,481                |
| Direct Mail/newsletter                     | 7,781                       | 16,380                | 5,733                   | 29,894                       | -                         | 265,394                     | 265,394                   | 295,288              |
| Occupancy                                  | 116,059                     | 8,088                 | 72,916                  | 197,063                      | 29,481                    | 31,049                      | 60,530                    | 257,593              |
| Repairs and maintenance                    | 684,847                     | 1,952                 | 71,978                  | 758,777                      | 1,726                     | 1,228                       | 2,954                     | 761,731              |
| Program supplies                           | 805,265                     | 167,131               | 660,762                 | 1,633,158                    | -                         | 36                          | 36                        | 1,633,194            |
| In-kind goods and services                 | 159,561                     | 26,126                | -                       | 185,687                      | -                         | 73,597                      | 73,597                    | 259,284              |
| Office expense                             | 308,005                     | 12,925                | 134,372                 | 455,302                      | 19,549                    | 49,052                      | 68,601                    | 523,903              |
| Travel, training and meetings              | 39,854                      | 5,474                 | 3,449                   | 48,777                       | 4,572                     | 3,696                       | 8,268                     | 57,045               |
| Recognition                                | 10,899                      | 5,911                 | 5,968                   | 22,778                       | 1,746                     | 1,557                       | 3,303                     | 26,081               |
| Insurance                                  | 67,994                      | 8,859                 | 18,200                  | 95,053                       | 3,098                     | 9,403                       | 12,501                    | 107,554              |
| Bank service charges                       | 28,257                      | -                     | 86,576                  | 114,833                      | 8,530                     | 46,156                      | 54,686                    | 169,519              |
| Bad Debt                                   | -                           | -                     | 4,248                   | 4,248                        | -                         | -                           | -                         | 4,248                |
| <b>Total expenses before depreciation</b>  | <b>4,717,705</b>            | <b>576,912</b>        | <b>4,539,798</b>        | <b>9,834,415</b>             | <b>561,819</b>            | <b>744,236</b>              | <b>1,306,055</b>          | <b>11,140,470</b>    |
| Depreciation                               | 134,723                     | 9,079                 | 167,132                 | 310,934                      | 11,566                    | 9,646                       | 21,212                    | 332,146              |
| <b>Total expenses</b>                      | <b>\$ 4,852,428</b>         | <b>\$ 585,991</b>     | <b>\$ 4,706,930</b>     | <b>\$ 10,145,349</b>         | <b>\$ 573,385</b>         | <b>\$ 753,882</b>           | <b>\$ 1,327,267</b>       | <b>\$ 11,472,616</b> |

Read Report of Independent Certified Public Accountants.  
The accompanying notes are an integral part  
of these financial statements.

**HUMANE SOCIETY OF TAMPA BAY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

|  | <u>Program Services</u>             |                               |                                 | <u>Total</u>        | <u>Support Services</u>     |                                   | <u>Total Support</u> | <u>Total</u>        |
|--|-------------------------------------|-------------------------------|---------------------------------|---------------------|-----------------------------|-----------------------------------|----------------------|---------------------|
|  | <u>Shelter/<br/>Adoption Center</u> | <u>Community<br/>Outreach</u> | <u>Animal<br/>Health Center</u> |                     | <u>Program<br/>Services</u> | <u>Management<br/>and General</u> |                      |                     |
| Salaries                                       | \$ 1,388,490                        | \$ 113,324                    | \$ 2,135,166                    | \$ 3,636,980        | \$ 338,974                  | \$ 230,718                        | \$ 569,692           | \$ 4,206,672        |
| Payroll taxes                                  | 103,242                             | 8,471                         | 154,765                         | 266,478             | 25,189                      | 20,512                            | 45,701               | 312,179             |
| Employee benefits                              | 191,864                             | 15,591                        | 288,507                         | 495,962             | 33,483                      | 21,137                            | 54,620               | 550,582             |
| <b>Total salaries and<br/>related expenses</b> | <b>1,683,596</b>                    | <b>137,386</b>                | <b>2,578,438</b>                | <b>4,399,420</b>    | <b>397,646</b>              | <b>272,367</b>                    | <b>670,013</b>       | <b>5,069,433</b>    |
| Professional fees                              | 301,013                             | 19,231                        | 637,352                         | 957,596             | 9,118                       | 40,171                            | 49,289               | 1,006,885           |
| Contract services                              | 95,741                              | 12,630                        | 48,735                          | 157,106             | 2,293                       | 3,703                             | 5,996                | 163,102             |
| Printing and publications                      | 54,434                              | 25,720                        | 39,655                          | 119,809             | 8,253                       | 37,939                            | 46,192               | 166,001             |
| Advertising                                    | 896                                 | -                             | 1,789                           | 2,685               | -                           | 2,789                             | 2,789                | 5,474               |
| Direct Mail/newsletter                         | 7,852                               | 16,493                        | 5,791                           | 30,136              | -                           | 242,366                           | 242,366              | 272,502             |
| Occupancy                                      | 90,336                              | 5,554                         | 81,257                          | 177,147             | 8,938                       | 60,142                            | 69,080               | 246,227             |
| Repairs and maintenance                        | 137,221                             | 8,121                         | 64,900                          | 210,242             | 857                         | 1,253                             | 2,110                | 212,352             |
| Program supplies                               | 566,257                             | 80,493                        | 639,804                         | 1,286,554           | -                           | 52                                | 52                   | 1,286,606           |
| In-kind goods and services                     | 57,450                              | 57,576                        | -                               | 115,026             | -                           | 91,303                            | 91,303               | 206,329             |
| Office expense                                 | 128,714                             | 10,711                        | 139,420                         | 278,845             | 12,549                      | 62,481                            | 75,030               | 353,875             |
| Travel, training and meetings                  | 26,013                              | 2,132                         | 15,169                          | 43,314              | 7,307                       | 8,765                             | 16,072               | 59,386              |
| Recognition                                    | 13,411                              | 5,028                         | 14,576                          | 33,015              | 3,484                       | 4,010                             | 7,494                | 40,509              |
| Insurance                                      | 69,692                              | 2,595                         | 22,766                          | 95,053              | 2,190                       | 6,572                             | 8,762                | 103,815             |
| Miscellaneous                                  | 1,929                               | 51                            | 2,558                           | 4,538               | -                           | 12,868                            | 12,868               | 17,406              |
| Bank service charges                           | 21,601                              | 2                             | 78,734                          | 100,337             | 4,457                       | 66,451                            | 70,908               | 171,245             |
| Bad Debt                                       | -                                   | -                             | 5,695                           | 5,695               | -                           | -                                 | -                    | 5,695               |
| <b>Total expenses before<br/>depreciation</b>  | <b>3,256,156</b>                    | <b>383,723</b>                | <b>4,376,639</b>                | <b>8,016,518</b>    | <b>457,092</b>              | <b>913,232</b>                    | <b>1,370,324</b>     | <b>9,386,842</b>    |
| Depreciation                                   | 85,317                              | 500                           | 177,958                         | 263,775             | 10,619                      | 542                               | 11,161               | 274,936             |
| <b>Total expenses</b>                          | <b>\$ 3,341,473</b>                 | <b>\$ 384,223</b>             | <b>\$ 4,554,597</b>             | <b>\$ 8,280,293</b> | <b>\$ 467,711</b>           | <b>\$ 913,774</b>                 | <b>\$ 1,381,485</b>  | <b>\$ 9,661,778</b> |

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, 2020 AND 2019**

|   | <b>2020</b>         | <b>2019</b>         |
|---|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                     |                     |
| Change in Net Assets  | \$ 5,367,689        | \$ 4,327,239        |
| <i>Adjustments to reconcile change in net assets to net cash provided (used) by operational activities:</i> |                     |                     |
| Depreciation  | 332,146             | 274,936             |
| Bad debt expense  | 4,248               | 5,695               |
| (Gain) loss on disposal of property and equipment   | 168,462             | (8,716)             |
| Unrealized (gain) loss on investments   | (135,013)           | (298,718)           |
| Unrealized (gain) loss on beneficial interest in Community Foundation                                       | (13,737)            | (19,662)            |
| Donated property and equipment  | -                   | (8,800)             |
| (Increase) decrease in bequests receivable  | 1,300,000           | (1,120,600)         |
| (Increase) decrease in pledges receivable   | 1,269,882           | 1,204,401           |
| (Increase) decrease in accounts receivable  | (3,819)             | 6,947               |
| (Increase) decrease in inventory  | 8,079               | (20,774)            |
| (Increase) decrease in prepaid expenses   | (14,934)            | (3,265)             |
| Increase (decrease) in deposits   | (13,439)            | 125                 |
| Increase (decrease) in accounts payable and accrued expenses  | (313,280)           | 1,108,435           |
| Increase (decrease) in deferred revenue   | (5,282)             | 40,055              |
| Total adjustments   | 2,583,313           | 1,160,059           |
| <b>Net cash provided (used) by operating activities</b>   | <b>7,951,002</b>    | <b>5,487,298</b>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |                     |                     |
| Cash payments for the purchase of property and equipment  | (12,590,421)        | (36,119)            |
| Cash payments for the purchase of construction in progress  | -                   | (3,911,884)         |
| Proceeds from sale of property and equipment  | -                   | -                   |
| Purchases of investments  | (1,287,404)         | (3,073,696)         |
| Proceeds from sale of investments   | 6,393,652           | 1,704,679           |
| Proceeds from sale of donated property  | -                   | 79,000              |
| Purchases of beneficial interest in Community Foundation  | (985)               | (1,166)             |
| Sales of beneficial interest in Community Foundation  | 6,695               | 5,602               |
| <b>Net cash provided (used) by investing activities</b>   | <b>(7,478,463)</b>  | <b>(5,233,584)</b>  |
| <b>Net increase (decrease) in cash and cash equivalents</b>   | 472,539             | 253,714             |
| <b>CASH AND CASH EQUIVALENTS, beginning of year</b>   | 1,251,601           | 997,887             |
| <b>CASH AND CASH EQUIVALENTS, end of year</b>   | <b>\$ 1,724,140</b> | <b>\$ 1,251,601</b> |
| <b>Disclosure of non-cash investing activities:</b>   |                     |                     |
| Transfer of construction in progress to property and equipment  | \$ (4,792,922)      | -                   |
| Retirement of fully depreciated property and equipment  | \$ (1,302,589)      | \$ (39,665)         |

Read Report of Independent Certified Public Accountants.  
The accompanying notes are an integral part  
of these financial statements.

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**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 pet owners 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.

Education Center is designed to educate kids who love animals and wish to learn more about animals in our care while spending quality time with them. These programs include Paws for Literacy, Critter Camp, Teen Volunteering, Family Volunteer Days and Girl Scout programs.

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 owned 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:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations, including restricted contributions whose restrictions are met in the same reporting period.

Read Report of Independent Certified Public Accountants.

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basis of Presentation (continued)**

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations:

- may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.
- are 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 the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash and cash equivalents are defined as cash on hand and amounts in depository and money market accounts at the bank. Money market funds managed as part of investment accounts, are not included.

**Pledges and Accounts Receivable**

The Organization uses the allowance method to account for uncollectible accounts. The Organization provides an allowance for uncollectible accounts based on collection history, existing economic conditions and the financial stability of its customers.

**Inventory**

Inventory, valued at cost (first-in, first-out) is comprised of microchips used for identification through implantation, resale medicines, pet supplies and Humane Society of Tampa Bay branded shirts and caps.

**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 – Animal Health Center (AHC) building, AHC building and land improvements, 39 years, New shelter building, 50 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, short term investments, bequests receivable, accounts and pledges 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.

Read Report of Independent Certified Public Accountants.

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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, 2020 and 2019, deferred grant revenue in the amount of \$69,879 and \$78,478, respectively, are reflected in the statement of financial position for amounts received but not earned. For the years ended December 31, 2020 and 2019 deferred revenue also includes \$117,395 and \$114,078, respectively, related to special events yet to be held.

**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 possessing 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.

**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 one financial institution. Accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The amounts in excess of the FDIC limit totaled \$1,917,055 and \$1,382,747 at December 31, 2020 and 2019, 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**

Expenses are shown by natural expense classification and function in the accompanying consolidated statement of functional expenses. Expenses that are attributable to more than one program or supporting function are allocated on a reasonable basis that is consistently applied. Allocations are based on direct usage or management's estimate of the benefit derived by each activity. Management's estimates may be based on factors such as time and effort, square footage, clients served, or any other reasonable basis. The expenses that are allocated on the basis of estimates of time and effort are salaries, employee benefits and payroll taxes. Facilities, maintenance, insurance, utilities and depreciation are allocated on a square footage basis.

Read Report of Independent Certified Public Accountants.

**HUMANE SOCIETY OF TAMPA BAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Income Taxes**

The Organization is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and similar state provisions. The Organization is treated as a public supported organization, and not as a private foundation. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements. The Organization accounts for uncertain tax positions, if any, in accordance with ASC Section 740.

Management is not aware of any activities that would jeopardize the organization's tax-exempt status. The Organization is not aware of any tax positions that it has taken that are subject to a significant degree of uncertainty. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to December 31, 2017.

**Reclassification**

Certain 2019 amounts have been reclassified to conform to the 2020 presentation.

**NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Organization's financial assets as of the statement of financial position date. These financial assets are required to be reduced by those not available for general use within one year of the statement of financial position date.

|  | <u>2020</u>         | <u>2019</u>         |
|--|---------------------|---------------------|
| Financial assets:  |                     |                     |
| Cash and cash equivalents  | \$1,724,140         | \$1,251,601         |
| Investments  | 3,223,183           | 8,194,418           |
| Bequests receivable  | 138                 | 1,300,138           |
| Pledges receivable   | 164,051             | 1,438,181           |
| Accounts receivable  | 59,214              | 55,395              |
| Beneficial interest in Community Foundation  | 146,667             | 138,640             |
|  | <u>5,317,393</u>    | <u>12,378,373</u>   |
| Less those unavailable for general expenditure within one year due to:                 |                     |                     |
| Restricted by donors for new shelter   | ( - )               | (4,045,280)         |
| Restricted by donors for programs  | (108,764)           | (123,014)           |
| Board designated for new shelter   | (619,113)           | (3,443,602)         |
| Beneficial interest in Community Foundation  | (146,667)           | (138,640)           |
|  | <u>(874,544)</u>    | <u>(7,750,536)</u>  |
| Total amounts unavailable to management for general expenditures within one year       | <u>(874,544)</u>    | <u>(7,750,536)</u>  |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 4,442,849</u> | <u>\$ 4,627,837</u> |

Read Report of Independent Certified Public Accountants.

**HUMANE SOCIETY OF TAMPA BAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS, (continued)**

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due and strives to operate within a prudent range of financial soundness and stability, maintain adequate liquid assets to fund near-term operating needs, and maintain sufficient reserves to provide reasonable assurance that any long-term obligations will be discharged. Financial assets in excess of daily cash requirements may be invested in certificates of deposit, money market funds or other short-term investments.

**NOTE D – 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 December 31, 2020 and 2019 total \$138 and \$1,300,138, respectively, and are included in net assets without donor restrictions.

**NOTE E – PLEDGES RECEIVABLE**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a donor-imposed restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions.

Expected pledge receivable collections are as follows:

|                                      | 2020       | 2019         |
|--------------------------------------|------------|--------------|
| Receivable in less than one year     | \$ 106,354 | \$ 1,295,304 |
| Receivable in two to five years      | 75,925     | 208,482      |
|                                      | 182,279    | 1,503,786    |
| Less allowance for doubtful accounts | (18,228)   | (65,605)     |
| Pledges receivable, net              | \$ 164,051 | \$ 1,438,181 |

The Organization’s management reviews amounts related to pledges outstanding on an annual basis and determines amounts that should be written off. \$9,000 in pledges was written off in 2020. No pledges were written off in 2019.

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

Read Report of Independent Certified Public Accountants.

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE F- 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.

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

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

Beneficial interest in Community Foundation represents funds held in a trust and are valued at the fair value of the investments of the related trust.

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIALS STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE F- 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, 2020:*

|   | Fair Value          | (Level 1)           | (Level 2)   | (Level 3)         |
|---|---------------------|---------------------|-------------|-------------------|
| Equities                                    | \$ 715,626          | \$ 715,626          | \$ -        | \$ -              |
| Mutual funds                                | 1,543,491           | 1,543,491           | -           | -                 |
| Money market funds                          | 964,066             | 964,066             | -           | -                 |
| Beneficial interest in Community Foundation | 146,667             | -                   | -           | 146,667           |
|   | <u>\$ 3,369,850</u> | <u>\$ 3,223,183</u> | <u>\$ -</u> | <u>\$ 146,667</u> |

*The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at December 31, 2019:*

|   | Fair Value          | (Level 1)           | (Level 2)   | (Level 3)         |
|---|---------------------|---------------------|-------------|-------------------|
| Equities                                    | \$ 674,035          | \$ 674,035          | \$ -        | \$ -              |
| Fixed income funds                          | 5,455,804           | 5,455,804           | -           | -                 |
| Mutual funds                                | 1,332,059           | 1,332,059           | -           | -                 |
| Money market funds                          | 732,520             | 732,520             | -           | -                 |
| Beneficial interest in Community Foundation | 138,640             | -                   | -           | 138,640           |
|   | <u>\$ 8,333,058</u> | <u>\$ 8,194,418</u> | <u>\$ -</u> | <u>\$ 138,640</u> |

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

|                                    | Beneficial<br>interest in<br>Community<br>Foundation |
|------------------------------------|--|
| January 1, 2019                    | \$ 123,414   |
| Interest and dividends, less fees  | 1,167  |
| Contributions and settlements      | -  |
| Gains and losses                   | 19,662   |
| Distributions                      | (5,603)  |
| Transfers in and/or out of Level 3 | -  |
| December 31, 2019                  | <u>\$ 138,640</u>                                    |
| Interest and dividends, less fees  | 985  |
| Contributions and settlements      | -  |
| Gains and losses                   | 13,737   |
| Distributions                      | (6,695)  |
| Transfers in and/or out of Level 3 | -  |
| December 31, 2020                  | <u>\$ 146,667</u>                                    |

Read Report of Independent Certified Public Accountants.

**HUMANE SOCIETY OF TAMPA BAY, INC.  
NOTES TO FINANCIALS STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE G – PROPERTY AND EQUIPMENT**

|                                   | 2020              | 2019             |
|-----------------------------------|-------------------|------------------|
| Land and land improvements        | \$ 2,463,898      | \$ 818,803       |
| Buildings and improvements        | 17,588,622        | 3,752,354        |
| Furniture and equipment           | 1,453,431         | 1,022,502        |
| <br>Total property and equipment  | <br>21,505,951    | <br>5,593,659    |
| <br>Less accumulated depreciation | <br>(1,885,534)   | <br>(2,855,977)  |
|                                   | <br>\$ 19,620,417 | <br>\$ 2,737,682 |

**NOTE H – 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 \$146,667 at December 31, 2020, (\$138,640 at December 31, 2019) and are recorded as donor restricted net assets.

**NOTE I – PAYCHECK PROTECTION PROGRAM**

During the year ended December 31, 2020, the Organization obtained a Paycheck Protection Program loan under the CARES Act in the amount of \$957,823 to help keep the workforce employed during the COVID-19 crisis. Management believes that it has fully complied with the conditions for forgiveness. In accordance with ASC 958-605-25 Not-For-Profit Entities Revenue Recognition, the Organization accounts for the funds as a conditional grant for which it believes all conditions have been met. For the year ended December 31, 2020, the Organization recognized \$957,823 in grant revenue. In January 2021, the entire amount of the loan was forgiven.

Read Report of Independent Certified Public Accountants.

**HUMANE SOCIETY OF TAMPA BAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE J –DONATED MATERIALS, GOODS AND SERVICES**

The Organization's contributed materials, goods and services during the years ended December 31, 2020 and 2019 are as follows:

|                     | <u>2020</u>       | <u>2019</u>       |
|---------------------|-------------------|-------------------|
| Services            | \$ 74,676         | \$ 92,346         |
| Materials and goods | <u>184,608</u>    | <u>122,783</u>    |
|                     | <u>\$ 259,284</u> | <u>\$ 215,129</u> |

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

|                          |                   |                   |
|--------------------------|-------------------|-------------------|
| Shelter/ Adoption Center | \$ 159,561        | \$ 66,250         |
| Community Outreach       | 26,126            | 57,576            |
| Fundraising              | <u>73,597</u>     | <u>91,303</u>     |
|                          | <u>\$ 259,284</u> | <u>\$ 215,129</u> |

Included in in-kind contributions as of December 31, 2019 is \$8,800 of donated equipment that is capitalized.

**NOTE K – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions of the Organization are comprised of cash, short-term investments and receivables at December 31, 2020 and 2019 and are available for the following purposes:

|  | <u>2020</u>       | <u>2019</u>         |
|--|-------------------|---------------------|
| Capital campaign – expansion purposes/new shelter          | \$ -              | \$ 4,045,280        |
| The Community Foundation of Tampa Bay – investment purpose | 146,667           | 138,640             |
| Donor contributions restricted for programs                | <u>108,764</u>    | <u>123,014</u>      |
|  | <u>\$ 255,431</u> | <u>\$ 4,306,934</u> |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of passage of time or other events specified by donors. The net assets released from restrictions at December 31, 2020 and 2019 are as follows:

|   | <u>2020</u>         | <u>2019</u>         |
|---|---------------------|---------------------|
| Capital campaign – expansion purposes/new shelter | \$ 6,121,420        | \$ 3,947,816        |
| Donor contributions restricted for programs       | <u>129,742</u>      | <u>162,682</u>      |
|   | <u>\$ 6,251,162</u> | <u>\$ 4,110,498</u> |

Read Report of Independent Certified Public Accountants.

**HUMANE SOCIETY OF TAMPA BAY, INC.  
NOTES TO FINANCIALS STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE L – 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, 2020 and 2019. The Organization’s contribution for the years ended December 31, 2020 and 2019 was \$18,817 and \$14,771, respectively.

**NOTE M – ALLOCATION OF JOINT COSTS**

During the years ended December 31, 2020 and 2019, the Organization incurred joint costs of \$295,288 and \$272,502, respectively, for informational material and activities that included a fundraising appeal. These costs were allocated among the various programs as follows:

|                                | <u>2020</u>       | <u>2019</u>       |
|--------------------------------|-------------------|-------------------|
| Shelter/Adoption Center        | \$ 7,781          | \$ 7,852          |
| Community Outreach             | 16,380            | 16,493            |
| Animal Health Center           | 5,733             | 5,791             |
| Fundraising and Administration | <u>265,394</u>    | <u>242,366</u>    |
|                                | <u>\$ 295,288</u> | <u>\$ 272,502</u> |

**NOTE N – 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, 2020:

| <u>Year ended December 31,</u> | <u>Amount</u> |
|--------------------------------|---------------|
| 2021                           | \$ 72,360     |
| 2022                           | 72,360        |
| 2023                           | 72,360        |
| 2024                           | 72,360        |
| 2025                           | 21,300        |

Lease expense incurred for facilities and equipment totaled \$62,424 and \$65,404 for the years ended December 31, 2020 and 2019, respectively.

Read Report of Independent Certified Public Accountants.

**HUMANE SOCIETY OF TAMPA BAY, INC.  
NOTES TO FINANCIALS STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE O – COMMITMENTS AND CONTINGENCIES**

The Organization entered into a long-term agreement for the period September 1, 2018 to August 31, 2024 with a vendor for diagnostic supplies and lab services. The Organization is required to make annual minimum purchases of \$315,844 with the vendor. For the years ended December 31, 2020 and 2019 the Organization expended \$596,631 and \$394,428 respectively, for such services.

**NOTE P – AVAILABLE LINES OF CREDIT**

The Organization has a \$1,000,000 bank line of credit available for its periodic borrowing needs. The line of credit expires July 31, 2021. Any borrowings under the line of credit are due on demand and bear interest at Daily LIBOR Rate plus 2.75% (1.76% at December 31, 2020). There were no outstanding borrowings on the line of credit at December 31, 2020.

**NOTE Q –SUBSEQUENT EVENTS**

As a result of the spread of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact revenue and support. As the Organization continues to evaluate the response to COVID-19, there could be additional impact which is unknown at this time.

Management has evaluated subsequent events through March 26, 2021, the date the financial statements were available to be issued.