

# Humane Society of Tampa Bay, Inc.

## Financial Statements

December 31, 2023 and 2022



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

---

**INDEPENDENT AUDITOR'S REPORT** ..... 3 - 4

Financial Statements for the Years Ended December 31, 2023 and 2022:

    Statements of Financial Position.....5

    Statements of Activities and Changes in Net Assets..... 6 - 7

    Statement of Functional Expenses ..... 8 - 9

    Statements of Cash Flows..... 10

    Notes to Financial Statements ..... 11 - 26



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## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the accompanying financial statements of Humane Society of Tampa Bay, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, cash flows, and functional expenses for the year ended December 31, 2023, and the related notes to the financial statements.

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, 2023, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Humane Society of Tampa Bay, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Prior Period Financial Statements

The financial statements of Humane Society of Tampa Bay, Inc. as of December 31, 2022 were audited by other auditors whose report dated March 30, 2023 expressed an unmodified opinion on those statements.

### Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

CONTINUED

## INDEPENDENT AUDITOR'S REPORT - CONTINUED

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*PDR CPAs + Advisors*

Oldsmar, Florida  
April 22, 2024

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**YEAR ENDED DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b><u>ASSETS</u></b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,204,797	\$ 799,706
Investments	6,813,037	6,200,307
Pledges receivable	1,000	2,999
Accounts receivable, net of allowance for credit losses of \$11,596 and \$8,920 for 2023 and 2022, respectively	151,780	161,452
Inventory	166,964	232,583
Prepaid expenses	138,501	125,867
	<b>8,476,079</b>	<b>7,522,914</b>
<b>Total Current Assets</b>		
Beneficial interest in Community Foundation	147,921	137,076
Right-of-use asset, operating leases	91,540	165,485
Investment in commercial property	42,500	42,500
Property and equipment, net	18,920,594	19,247,064
Deposits	25,052	25,052
	<b>19,227,607</b>	<b>19,617,177</b>
<b>Total Noncurrent Assets</b>		
	<b>\$ 27,703,686</b>	<b>\$ 27,140,091</b>
<b>Total Assets</b>		
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 1,425,896	\$ 946,060
Operating lease liability, current portion	70,849	72,360
Deferred revenue	159,935	185,666
	<b>1,656,680</b>	<b>1,204,086</b>
<b>Total current liabilities</b>		
Operating lease liability, long-term portion	20,691	93,125
	<b>1,677,371</b>	<b>1,297,211</b>
<b>Total liabilities</b>		
<b>Net Assets</b>		
Without donor restrictions:		
Board designated for endowment	6,813,037	6,200,307
Invested in property and equipment	18,920,594	19,247,064
Undesignated	(37,990)	122,558
	<b>25,695,641</b>	<b>25,569,929</b>
<b>Total Net Assets Without Donor Restrictions</b>		
With donor restrictions		
Purpose restrictions - investment	147,921	137,076
Purpose restrictions - programs and capital projects	182,753	135,875
	<b>330,674</b>	<b>272,951</b>
<b>Total Net Assets With Donor Restrictions</b>		
	<b>26,026,315</b>	<b>25,842,880</b>
<b>Total Net Assets</b>		
	<b>\$ 27,703,686</b>	<b>\$ 27,140,091</b>
<b>Total Liabilities and Net Assets</b>		

**See accompanying notes to financial statements**

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
<b>Revenues and Other Support</b>				
<b>Public support:</b>				
Contributions	\$ 4,673,947	\$ 181,412	\$ 4,855,359	\$ 5,611,857
Grants	189,349	-	189,349	141,088
Contributed nonfinancial assets	281,456	-	281,456	322,266
Program services fees, net of discounts	5,349,448	-	5,349,448	4,990,892
Other income	155,383	-	155,383	150,221
	<u>10,649,583</u>	<u>181,412</u>	<u>10,830,995</u>	<u>11,216,324</u>
<b>Program:</b>				
Product sales	2,342,399	-	2,342,399	2,291,639
Less cost of goods sold	<u>(1,420,488)</u>	<u>-</u>	<u>(1,420,488)</u>	<u>(1,343,090)</u>
	921,911	-	921,911	948,549
Special events	1,758,589	-	1,758,589	1,824,061
Less direct cost of special events	<u>(621,301)</u>	<u>-</u>	<u>(621,301)</u>	<u>(578,384)</u>
	1,137,288	-	1,137,288	1,245,677
Net assets released from restrictions	<u>140,954</u>	<u>(140,954)</u>	<u>-</u>	<u>-</u>
<b>Total revenues and other support</b>	12,849,736	40,458	12,890,194	13,410,550
<b>Expenses</b>				
<i>Program services:</i>				
Shelter/Adoption Center	5,833,422	-	5,833,422	5,706,856
Community Outreach	1,191,551	-	1,191,551	1,084,084
Animal Hospital	4,659,863	-	4,659,863	4,533,559
<i>Total Program Services</i>	<u>11,684,836</u>	<u>-</u>	<u>11,684,836</u>	<u>11,324,499</u>
<i>Support Services:</i>				
Management and general	586,781	-	586,781	636,508
Fundraising	1,218,546	-	1,218,546	1,001,491
<i>Total Support Services</i>	<u>1,805,327</u>	<u>-</u>	<u>1,805,327</u>	<u>1,637,999</u>
<b>Total expenses</b>	<u>13,490,163</u>	<u>-</u>	<u>13,490,163</u>	<u>12,962,498</u>
<b>Change in Net Assets Before Other Changes</b>	(640,427)	40,458	(599,969)	448,052
<b>Other Changes in Net Assets</b>				
Investment return	<u>766,139</u>	<u>17,265</u>	<u>783,404</u>	<u>(1,052,802)</u>
<b>Change in Net Assets</b>	125,712	57,723	183,435	(604,750)
<b>Net Assets at Beginning of Year</b>	<u>25,569,929</u>	<u>272,951</u>	<u>25,842,880</u>	<u>26,447,630</u>
<b>Net Assets at End of Year</b>	<u>\$ 25,695,641</u>	<u>\$ 330,674</u>	<u>\$26,026,315</u>	<u>\$25,842,880</u>

See accompanying notes to financial statements

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues and Other Support</b>			
<b>Public support:</b>			
Contributions	\$ 5,487,377	\$ 124,480	\$ 5,611,857
Grants	141,088	-	141,088
Contributed nonfinancial assets	322,266	-	322,266
Program services fees, net of discounts	4,990,892	-	4,990,892
Other income	150,221	-	150,221
	<u>11,091,844</u>	<u>124,480</u>	<u>11,216,324</u>
<b>Program:</b>			
Product sales	2,291,639	-	2,291,639
Less cost of goods sold	<u>(1,343,090)</u>	<u>-</u>	<u>(1,343,090)</u>
	948,549	-	948,549
Special events	1,824,061	-	1,824,061
Less direct cost of special events	<u>(578,384)</u>	<u>-</u>	<u>(578,384)</u>
	1,245,677	-	1,245,677
Net assets released from restrictions	<u>143,098</u>	<u>(143,098)</u>	<u>-</u>
<b>Total revenues and other support</b>	13,429,168	(18,618)	13,410,550
<b>Expenses</b>			
<i>Program services:</i>			
Shelter/Adoption Center	5,706,856	-	5,706,856
Community Outreach	1,084,084	-	1,084,084
Animal Hospital	4,533,559	-	4,533,559
<i>Total Program Services</i>	<u>11,324,499</u>	<u>-</u>	<u>11,324,499</u>
<i>Support Services:</i>			
Management and general	636,508	-	636,508
Fundraising	1,001,491	-	1,001,491
<i>Total Support Services</i>	<u>1,637,999</u>	<u>-</u>	<u>1,637,999</u>
<b>Total expenses</b>	<u>12,962,498</u>	<u>-</u>	<u>12,962,498</u>
<b>Change in Net Assets Before Other Changes</b>	466,670	(18,618)	448,052
<b>Other Changes in Net Assets</b>			
Investment return	<u>(1,034,990)</u>	<u>(17,812)</u>	<u>(1,052,802)</u>
<b>Change in Net Assets</b>	(568,320)	(36,430)	(604,750)
<b>Net Assets at Beginning of Year</b>	<u>26,138,249</u>	<u>309,381</u>	<u>26,447,630</u>
<b>Net Assets at End of Year</b>	<u>\$ 25,569,929</u>	<u>\$ 272,951</u>	<u>\$25,842,880</u>

See accompanying notes to financial statements

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2023**

	Program Services			Total Program Services	Support Services		Total Support Services	Total Expenses
	Shelter/ Adoption Center	Community Outreach	Animal Hospital		Management and General	Fundraising/ Development		
<b>Labor expenses</b>								
Salaries	\$ 2,486,005	\$ 442,129	\$ 2,458,157	\$ 5,386,291	\$ 388,411	\$ 333,896	\$ 722,307	\$ 6,108,598
Payroll taxes	184,845	35,233	180,423	400,501	29,383	24,428	53,811	454,312
Employee benefits	278,182	27,275	275,163	580,620	46,196	25,497	71,693	652,313
<b>Total salaries and related expenses</b>	<b>2,949,032</b>	<b>504,637</b>	<b>2,913,743</b>	<b>6,367,412</b>	<b>463,990</b>	<b>383,821</b>	<b>847,811</b>	<b>7,215,223</b>
<b>Other expenses</b>								
Professional fees	34,065	12,958	541,085	588,108	4,730	55,039	59,769	647,877
Contract services	79,605	35,777	1,098	116,480	4,443	4,443	8,886	125,366
Printing and publications	55,408	17,655	35,122	108,185	2,874	21,409	24,283	132,468
Dues and subscriptions	3,331	2,096	8,185	13,612	2,035	5,567	7,602	21,214
Advertising	15,950	220	1,257	17,427	-	553	553	17,980
Direct Mail/newsletter	10,436	20,872	7,026	38,334	-	410,517	410,517	448,851
Occupancy	210,919	22,666	80,103	313,688	22,783	22,666	45,449	359,137
Repairs and maintenance	185,192	6,530	67,199	258,921	5,465	7,809	13,274	272,195
Program supplies	1,222,770	352,958	525,728	2,101,456	-	563	563	2,102,019
In-kind goods and services	96,827	106,741	1,238	204,806	-	76,650	76,650	281,456
Office expense	285,880	26,127	141,386	453,393	26,195	62,337	88,532	541,925
Travel, training and meetings	14,825	3,357	5,076	23,258	4,953	3,339	8,292	31,550
Recognition	26,727	13,250	17,821	57,798	3,391	3,165	6,556	64,354
Insurance	100,919	17,281	29,734	147,934	8,057	24,793	32,850	180,784
Bank service charges	48,647	-	89,638	138,285	13,128	93,239	106,367	244,652
Credit losses	500	-	2,550	3,050	-	-	-	3,050
<b>Total other expenses</b>	<b>2,392,001</b>	<b>638,488</b>	<b>1,554,246</b>	<b>4,584,735</b>	<b>98,054</b>	<b>792,089</b>	<b>890,143</b>	<b>5,474,878</b>
Total expenses before depreciation	5,341,033	1,143,125	4,467,989	10,952,147	562,044	1,175,910	1,737,954	12,690,101
Depreciation	492,389	48,426	191,874	732,689	24,737	42,636	67,373	800,062
<b>Total expenses</b>	<b>\$ 5,833,422</b>	<b>\$ 1,191,551</b>	<b>\$ 4,659,863</b>	<b>\$11,684,836</b>	<b>\$ 586,781</b>	<b>\$ 1,218,546</b>	<b>\$ 1,805,327</b>	<b>\$13,490,163</b>

See accompanying notes to financial statements



**HUMANE SOCIETY OF TAMPA BAY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2022**

	Program Services			Total Program Services	Support Services		Total Support Services	Total Expenses
	Shelter/ Adoption Center	Community Outreach	Animal Hospital		Management and General	Fundraising/ Development		
<b>Labor expenses</b>								
Salaries	\$ 2,330,431	\$ 359,945	\$ 2,163,000	\$ 4,853,376	\$ 372,366	\$ 259,834	\$ 632,200	\$ 5,485,576
Payroll taxes	174,888	27,061	159,283	361,232	28,197	18,961	47,158	408,390
Employee benefits	288,057	27,343	272,467	587,867	39,077	24,044	63,121	650,988
<b>Total salaries and related expenses</b>	<u>2,793,376</u>	<u>414,349</u>	<u>2,594,750</u>	<u>5,802,475</u>	<u>439,640</u>	<u>302,839</u>	<u>742,479</u>	<u>6,544,954</u>
<b>Other expenses</b>								
Professional fees	73,810	12,219	821,043	907,072	9,707	4,942	14,649	921,721
Contract services	65,666	18,711	1,053	85,430	62,312	14,270	76,582	162,012
Printing and publications	53,817	21,886	32,878	108,581	3,442	33,436	36,878	145,459
Dues and subscriptions	1,969	4,267	7,060	13,296	7,564	7,012	14,576	27,872
Advertising	373	-	548	921	-	1,596	1,596	2,517
Direct Mail/newsletter	12,543	25,314	8,507	46,364	-	384,655	384,655	431,019
Occupancy	176,816	18,133	78,075	273,024	18,519	18,133	36,652	309,676
Repairs and maintenance	172,163	16,624	71,004	259,791	12,160	12,535	24,695	284,486
Program supplies	1,299,248	257,445	445,487	2,002,180	-	118	118	2,002,298
In-kind goods and services	126,956	189,283	-	316,239	-	6,027	6,027	322,266
Office expense	286,334	29,520	141,902	457,756	30,009	58,844	88,853	546,609
Travel, training and meetings	25,261	2,886	5,784	33,931	3,672	4,170	7,842	41,773
Recognition	28,883	14,172	18,885	61,940	5,390	2,264	7,654	69,594
Insurance	86,112	18,967	26,611	131,690	6,796	21,569	28,365	160,055
Bank service charges	44,688	-	84,934	129,622	13,345	88,401	101,746	231,368
Credit losses	145	-	6,146	6,291	-	-	-	6,291
<b>Total other expenses</b>	<u>2,454,784</u>	<u>629,427</u>	<u>1,749,917</u>	<u>4,834,128</u>	<u>172,916</u>	<u>657,972</u>	<u>830,888</u>	<u>5,665,016</u>
Total expenses before depreciation	5,248,160	1,043,776	4,344,667	10,636,603	612,556	960,811	1,573,367	12,209,970
Depreciation	458,696	40,308	188,892	687,896	23,952	40,680	64,632	752,528
<b>Total expenses</b>	<u>\$ 5,706,856</u>	<u>\$ 1,084,084</u>	<u>\$ 4,533,559</u>	<u>\$11,324,499</u>	<u>\$ 636,508</u>	<u>\$ 1,001,491</u>	<u>\$ 1,637,999</u>	<u>\$ 12,962,498</u>

See accompanying notes to financial statements

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 183,435	\$ (604,750)
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation	800,062	752,528
Noncash operating lease expense	73,945	72,360
Credit loss expense	3,050	6,291
(Gain) loss on disposal of property and equipment	(952)	-
Realized and unrealized (gains) losses on investments	(569,946)	1,000,638
Change in value in beneficial interest in funds held by others	(10,845)	25,034
<b>(Increase) decrease In:</b>		
Pledges receivable	1,999	58,546
Accounts receivable	6,622	9,014
Inventory	65,619	(26,181)
Prepaid expenses and other assets	(12,634)	11,164
Deposits	-	(304)
<b>Increase (decrease) In:</b>		
Accounts payable and accrued expenses	479,836	54,317
Change in lease liability	(73,945)	(72,360)
Deferred revenue	(25,731)	(18,555)
	<b>920,515</b>	<b>1,267,742</b>
<b>Net cash provided by operating activities</b>		
<b>Cash Flows from Investing Activities:</b>		
Cash payments for the purchase of property and equipment	(476,140)	(474,090)
Proceeds from sale of property and equipment	3,500	-
Purchase of investments	(1,537,318)	(2,240,148)
Proceeds from sale of investments	1,494,534	612,567
	<b>(515,424)</b>	<b>(2,101,671)</b>
<b>Net cash used in investing activities</b>		
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>405,091</b>	<b>(833,929)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>799,706</b>	<b>1,633,635</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 1,204,797</b>	<b>\$ 799,706</b>
<b>Disclosure of non-cash investing activities:</b>		
Non-cash lease liability from obtaining right-of-use asset	<b>\$ -</b>	<b>\$ 165,485</b>

See accompanying notes to financial statements

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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**NOTE A - NATURE 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 Hospital and various outreach and assistance programs in Tampa, Florida that are funded primarily by contributions from the public.

**Shelter/Adoption Center** services include sheltering strays and previously owned animals, preventive medical care, treatment of illness and injury, pet microchipping, spaying, and neutering of all animals prior to adoption by pet owners in the community. The shelter/adoption center saved over 11,000 homeless animals during 2023.

**Community Outreach** programs include:

Pet Food Pantry provides free pet food and pet supplies to pet owners in need, enabling them to retain their pets instead of surrendering them to shelters.

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

Shot Clinics offer complimentary immunization shots to assist individuals in maintaining the health of their pets and keeping them 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.

Community Cat program utilizes Trap/Neuter/Vaccinate/Release (TNVR) which is a humane method to sterilize and vaccinate feral/community cats and return them to their colonies. TNVR is a proven method to keep these cats healthy, control cat populations, and reduce feline euthanasia in our community.

**Animal Hospital** provides affordable veterinary care for owned pets. Services include spay/neuter surgery, vaccines, x-rays, wellness care, heartworm treatment, and specialty surgeries. The hospital opened in 2008 and expanded to a full service hospital in 2012. The hospital became the first non-profit veterinary hospital in Florida to earn AAHA certification in 2014 which is the gold standard of veterinary care and continued to have that certification through 2023. The Animal Hospital provides services to over 43,000 owned pets each year.

**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 accounting principles generally accepted in the United States of America (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Basis of Presentation - Continued**

*Net assets without donor restrictions* - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets without donor restrictions include amounts designated by the Board of Directors as a quasi-endowment invested to generate earnings that can be used to pay for operating expenses and capital outlays. The amounts designated by the Board for endowment include contributions received by the Organization that have been earmarked for this fund.

*Net assets with donor restrictions* - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenue of the net assets without donor restrictions class. Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional.

**Measure of Operations**

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing services. Nonoperating activities, if any, are limited to other activities considered to be of a more unusual or nonrecurring nature.

**Use of Estimates**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates include the collectability of receivables, net realizable value of inventory, allocation of functional expenses, fair value measurement of investments, useful lives of long-term assets, and the valuation of contributed nonfinancial assets.

**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.

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

---

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**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 \$897,722 and \$602,057 at December 31, 2023 and 2022, 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 mutual 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.

**Accounts Receivable and Expected Credit Losses**

Accounts receivable represent balances due from grants and from providing services to individuals and to other not-for-profit organizations. Accounts receivable are stated at the amount the Organization expects to collect from outstanding balances. Management manages credit risk by evaluating each customer's credit worthiness and by requiring prepayments for certain services. Management periodically assesses the collectability of its accounts receivable by reviewing each outstanding balance, as well as bad debt write-offs experienced in the past, and current and developing general economic conditions, and provides for expected credit losses. Determination of delinquent accounts receivable is based upon the contractual terms of the Organization's sales. The Organization provides for expected credit losses through a charge to earnings and a credit to a valuation allowance. Balances that are still outstanding after reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

**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 Hospital building and land improvements, 39 years, New shelter building, 50 years and furniture and equipment, 5-10 years. Acquisitions of buildings and property improvements in excess of \$5,000 are capitalized. Acquisitions of furniture and equipment in excess of \$1,000 are capitalized.

**Inventory**

Inventory is valued at the lower of cost or net realizable value. Cost is determined principally on the first-in, first-out method. Inventory consists of microchips used for identification through implantation, resale medicines, pet supplies and Humane Society of Tampa Bay branded shirts and caps. Management has determined that an allowance for reducing inventory to net realizable value is not necessary at December 31, 2023 and 2022.

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

---

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**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, 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.

**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, 2023 and 2022, deferred grant revenue in the amount of \$32,622 and \$44,026, respectively, are reflected in the statement of financial position for amounts received but not earned.

For the years ended December 31, 2023 and 2022, deferred revenue also includes \$76,252 and \$87,042, respectively, related to special events yet to be held.

For the years ended December 31, 2023 and 2022, deferred revenue also includes \$51,061 and \$54,598 of advance payments from customers at the animal hospital.

**Revenue Recognition**

**Contributions**

The Organization reports contributions as pledges receivable when there is an unconditional promise to give, supported by evidence of the amount, timing, and nature of the contributions. Gifts of cash and other assets are reported as restricted support if they are received with donor-imposed time or purpose restrictions. When a donor restriction expires or is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the Statements of Activities as net assets released from restrictions.

**Program Service Fees**

Revenue from hospital services, which are usually completed in a single day, are measured based on point-of-sale transactions in which customers purchase the services for consideration and the Organization's performance obligation is simultaneously satisfied. Revenue from adoptions and intake fees are measured at the point of adoption which is when transfer of control of the service to the customer in satisfaction of its performance obligation occurs.

**Product Sales**

Revenue from product sales is measured based on point-of-sale transactions in which customers purchase medications and pet supplies for consideration and control of the products is transferred to the customer in satisfaction of its performance obligation.

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

---

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Revenue Recognition - Continued**

**Donated Materials and Goods**

The Organization records various types of contributed nonfinancial assets. 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 contributed nonfinancial assets are offset by like amounts included in expenses or additions to property or inventory.

Unpaid volunteers have made significant contributions of their time to develop and maintain the Organization's programs. Volunteer hours totaled 244,982 in 2023 and 214,401 in 2022 (unaudited). 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.

**Functional Allocation of Expenses**

Expenses are shown by natural expense classification and function in the accompanying statements 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.

**Leases**

The Organization leases certain office equipment. The determination of whether an arrangement is a lease is made at the lease's inception. Under Topic 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

---

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Leases - Continued**

Operating leases are included in right-of-use (“ROU”) assets and lease liabilities in the accompanying statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate in the lease when it is readily determinable. Since the Organization’s leases do not provide an implicit rate to determine the present value of lease payments, management uses a risk free rate at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option.

For leases with an initial term of 12 months or less, an ROU asset and lease liability is not recognized and lease expense is recognized on a straight-line basis over the lease term.

**Advertising**

Advertising costs are expensed as incurred and were approximately \$17,980 and \$2,517, respectively, for the years ended December 31, 2023 and 2022.

**Income Tax Status and Uncertain Tax Positions**

The Organization is recognized by the Internal Revenue Service as an organization described under Section 501(c)(3) of the Internal Revenue Code and is generally exempt from Federal taxes on related income.

The Organization accounts for the effect of any uncertain tax positions based on a “more likely than not” threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a “cumulative probability assessment” that aggregates the estimated tax liability for all uncertain tax positions. The Organization has identified its tax status as a tax-exempt entity as its only significant tax position; however, the Organization has determined that such tax position does not result in an uncertainty requiring recognition. The Organization is not currently under examination by any taxing jurisdiction. The Organization’s federal returns are generally open for examination for three years following the date filed.

**Reclassification**

Certain 2022 amounts have been reclassified to conform to the 2023 presentation. Total net assets and the change in net assets has not been impacted by these reclassifications.



**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Adoption of New Accounting Standard**

Effective January 1, 2023, the Organization adopted FASB ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*, as amended, which modified the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of ASU 2016-13 did not have a material impact on the Organization’s financial statements but did change how the allowance for credit losses is determined.

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

The following represents 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.

	<b>2023</b>	<b>2022</b>
Financial Assets:		
Cash and cash equivalents	\$ 1,204,797	\$ 799,706
Investments	6,813,037	6,200,307
Pledges receivable	1,000	2,999
Accounts receivable	151,780	161,452
Beneficial interest in Community Foundation	147,921	137,076
Total financial assets	8,318,535	7,301,540
Less financial assets unavailable for general expenditures within one year due to:		
Board designated for endowment	6,813,037	6,200,307
Restricted by donors for programs	182,753	154,776
Beneficial interest in Community Foundation	147,921	137,076
Total amounts unavailable to management for general expenditures within one year	7,143,711	6,492,159
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,174,824	\$ 809,381

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.

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

---

**NOTE D - 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 \$147,921 and \$137,076 at December 31, 2023 and 2022, respectively. These beneficial interests are included in net assets with donor restrictions in the accompanying statements of financial position.

**NOTE E - ALLOWANCE FOR CREDIT LOSSES**

Activity in the allowance for credit losses for accounts receivable during the year ended December 31, 2023 is as follows:

	<b>2023</b>
Beginning Balance	\$ 8,920
Adjustment to the allowance due to adoption of Topic ASC 326	-
Credit loss expense	2,950
Write-offs during the year	(274)
Recoveries during the year	-
Ending Balance	\$ 11,596

**NOTE F - INVESTMENTS**

Investments are presented in the financial statements at their fair market values and consist of the following:

	<b>12/31/23</b>		<b>12/31/22</b>	
	<b>Cost</b>	<b>Market</b>	<b>Cost</b>	<b>Market</b>
Cash and cash equivalents	\$ 540,038	\$ 540,038	\$ 125,713	\$ 125,713
Equity securities	3,318,680	4,074,222	2,260,781	2,936,079
Mutual funds - fixed income	2,383,057	2,198,777	3,878,662	3,138,515
	\$ 6,241,775	\$ 6,813,037	\$ 6,265,156	\$ 6,200,307

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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**NOTE F - INVESTMENTS - CONTINUED**

The following schedule summarizes the investment return for the years ended December 31:

	<b>12/31/23</b>	<b>12/31/22</b>
Interest and dividends	\$ 253,151	\$ 220,632
Unrealized gain (loss)	652,459	(1,000,638)
Realized gain (loss)	(82,513)	(214,511)
Investment fees	(39,693)	(41,546)
	<b>\$ 783,404</b>	<b>\$ (1,036,063)</b>

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of financial position.

**NOTE G - 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 below:

**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.

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE G - FAIR VALUE MEASUREMENTS - CONTINUED**

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

- Investments in equities, mutual funds, 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.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2023 and 2022:

<u>Assets by Designated Type</u>	<u>December 31, 2023</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 4,074,222	\$ 4,074,222	\$ -	\$ -
Mutual funds	2,198,777	2,198,777	-	-
Money market funds	540,038	540,038	-	-
Beneficial interest in Community Foundation	147,921	-	-	147,921
<b>Total fair value</b>	<b>\$ 6,960,958</b>	<b>\$ 6,813,037</b>	<b>\$ -</b>	<b>\$ 147,921</b>

<u>Assets by Designated Type</u>	<u>December 31, 2022</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 2,936,079	\$ 2,936,079	\$ -	\$ -
Mutual funds	3,138,515	3,138,515	-	-
Money market funds	125,713	125,713	-	-
Beneficial interest in Community Foundation	137,076	-	-	137,076
<b>Total fair value</b>	<b>\$ 6,337,383</b>	<b>\$ 6,200,307</b>	<b>\$ -</b>	<b>\$ 137,076</b>

The following table illustrates a roll-forward for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Community Foundation of Tampa Bay, Inc. funds at beginning of year	\$ 137,076	\$ 162,110
Interest and dividends, less fees	1,486	1,414
Contributions and settlements	-	-
Gains and losses	15,781	(19,226)
Distributions	(6,422)	(7,222)
Transfers in and/or out of Level 3	-	-
Community Foundation of Tampa Bay, Inc. funds at end of year	<u>\$ 147,921</u>	<u>\$ 137,076</u>

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE H - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at December 31:

	<b>2023</b>	<b>2022</b>
Land	\$ 2,455,191	\$ 2,455,191
Land improvements	410,998	243,968
Buildings and improvements	18,130,938	17,968,834
Furniture and equipment	1,890,368	1,872,437
Construction in progress	121,787	-
 Total property and equipment	 23,009,282	 22,540,430
 Less accumulated depreciation	 4,088,688	 3,293,366
 <b>Total</b>	 <b>\$ 18,920,594</b>	 <b>\$ 19,247,064</b>

Depreciation expense was \$800,062 and \$752,528 for the years ended December 31, 2023 and 2022, respectively.

Construction in progress at December 31, 2023 represents amounts paid for engineering and architecture fees for the animal hospital expansion project.

**NOTE I - LEASES**

The Organization leases office equipment under non-cancellable operating leases which expire through August 2025. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option. The Organization has determined these extensions are not reasonably certain to be elected and therefore these extensions are not included in the lease calculations. Total rent expense under these leases was approximately \$72,400 for each of the years ended December 31, 2023 and 2022.

Future minimum lease payments under noncancelable operating leases (with initial or remaining terms in excess of one year) as of December 31, 2023 are as follows:

<b>Years Ending December 31,</b>	<b>Amount</b>
2024	\$ 72,360
2025	20,765
Total undiscounted cash flows	93,125
Less: present value discount	(1,585)
Total lease liabilities	\$ 91,540

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE I - LEASES - CONTINUED**

As of December 31, 2023 and 2022, the weighted-average remaining lease term for the Organization's operating leases was 1.3 and 2.5 years, respectively and the weighted discount rate associated with operating leases was 2.84% for 2023 and 2022. Cash paid in connection with operating leases was approximately \$72,400 and \$72,300 for the years ended December 31, 2023 and 2022, respectively. Rent expense incurred by the Organization for short-term leases was approximately \$19,400 and \$23,700 for the years ended December 31, 2023 and 2022, respectively.

**NOTE J - CONTRIBUTED NONFINANCIAL ASSETS**

Contributed nonfinancial assets included in the accompanying statements of activities are as follows for each of the years ended December 31:

<b>2023</b>					
	<b>Community Outreach</b>	<b>Shelter</b>	<b>Fundraising</b>	<b>AHC</b>	<b>Total</b>
Pet food & supplies	\$ 105,673	\$ 97,895	\$ -	\$ -	\$ 203,568
Google grants	-	-	76,650	-	76,650
Microchips	-	-	-	1,238	1,238
	<u>\$ 105,673</u>	<u>\$ 97,895</u>	<u>\$ 76,650</u>	<u>\$ 1,238</u>	<u>\$ 281,456</u>
<b>2022</b>					
	<b>Community Outreach</b>	<b>Shelter</b>	<b>Fundraising</b>	<b>AHC</b>	<b>Total</b>
Pet food & supplies	\$ 189,283	\$ 126,956	\$ -	\$ -	\$ 316,239
Google grants	-	-	6,027	-	6,027
	<u>\$ 189,283</u>	<u>\$ 126,956</u>	<u>\$ 6,027</u>	<u>\$ -</u>	<u>\$ 322,266</u>

All donated assets were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated services and assets. Donated supplies are valued at the estimated wholesale prices that would be received for selling similar products in the United States.

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**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, 2023 and 2022 and are available for the following purposes:

	<b>2023</b>	<b>2022</b>
The Community Foundation of Tampa Bay - investment purpose	\$ 147,921	\$ 137,076
Donor contributions restricted for programs	82,753	-
Donor contributions restricted for capital projects	100,000	135,875
	<u>\$ 330,674</u>	<u>\$ 272,951</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, 2023 and 2022 were \$140,954 and \$143,098, respectively.

**NOTE L - ALLOCATION OF JOINT COSTS**

During the years ended December 31, 2023 and 2022, the Organization incurred joint costs of \$448,851 and \$431,019, respectively, for informational material and activities that included a fundraising appeal. These costs were allocated among the various programs as follows:

	<b>2023</b>	<b>2022</b>
Shelter/Adoption Center	\$ 10,436	\$ 12,543
Community Outreach	20,872	25,314
Animal Hospital	7,026	8,507
Fundraising and Administration	410,517	384,655
	<u>\$ 448,851</u>	<u>\$ 431,019</u>

**NOTE M - ENDOWMENT**

In 2022, the Board of Directors established two endowment funds, one as a safety net for operational shortfalls (Operating Reserve) and one for capital needs and future expansion (Capital Reserve). Both endowments have been funded with board designations of unrestricted net assets as of December 31, 2023 and 2022. In the future, if a donor restricts funds for endowment purposes, those amounts will be reported as with donor restrictions within the endowment funds.

Net Asset Composition by Endowment and Changes in Endowment Net Assets for the Year Ended December 31, 2023 follows:

<b>Net Assets by Designated Type</b>	<b>December 31, 2023</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Operating Reserve	\$ 2,162,095	\$ -	\$ 2,162,095
Capital Reserve	4,650,942	-	4,650,942
<b>Total</b>	<u>\$ 6,813,037</u>	<u>\$ -</u>	<u>\$ 6,813,037</u>

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE M - ENDOWMENT - CONTINUED**

<b>December 31, 2023</b>	<b>Operating Reserve</b>	<b>Capital Reserve</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 2,007,748	\$ 4,192,559	\$ 6,200,307
Contributions/Transfers	57,577	505,828	563,405
Grants/Disbursements	(156,524)	(535,740)	(692,264)
Investment income	69,839	117,583	187,422
Net appreciation (realized and unrealized)	183,455	370,712	554,167
<b>Endowment net assets, end of year</b>	<b>\$ 2,162,095</b>	<b>\$ 4,650,942</b>	<b>\$ 6,813,037</b>

Net Asset Composition by Endowment and Changes in Endowment Net Assets for the Year Ended December 31, 2022 follows:

<b>Net Assets by Designated Type</b>	<b>December 31, 2022</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Operating Reserve	\$ 2,007,748	\$ -	\$ 2,007,748
Capital Reserve	4,192,559	-	4,192,559
<b>Total</b>	<b>\$ 6,200,307</b>	<b>\$ -</b>	<b>\$ 6,200,307</b>

<b>December 31, 2022</b>	<b>Operating Reserve</b>	<b>Capital Reserve</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 2,681,602	\$ 2,891,762	\$ 5,573,364
Contributions/Transfers	-	2,064,378	\$ 2,064,378
Grants/Disbursements	(289,537)	(120,000)	(409,537)
Investment income	66,898	108,872	175,770
Net appreciation (realized and unrealized)	(451,215)	(752,453)	(1,203,668)
<b>Endowment net assets, end of year</b>	<b>\$ 2,007,748</b>	<b>\$ 4,192,559</b>	<b>\$ 6,200,307</b>



**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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**NOTE M - ENDOWMENT - CONTINUED**

Interpretation of Relevant Law

The Board of Directors has interpreted the law as requiring donor restricted net assets in an endowment fund to remain restricted until appropriated for expenditure by the Organization for the donor's intended purpose. In accordance with the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA), the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The purposes of the Organization and the donor restricted endowment fund
- 2) General economic conditions
- 3) The possible effect of inflation and deflation
- 4) The expected total return on investment
- 5) Other resources of the Organization
- 6) The investment policies of the Organization

Return Objectives and Risk Parameters

The Organization has adopted an Investment Policy for endowment assets that attempts to emphasize continued focus on planned giving. The objective is to obtain maximum total return (income and appreciation) of 5% after inflation, over a full market cycle of 3-5 years. Investments are divided between fixed income and equity securities with approximately 30% in fixed income and 70% in equity. In addition, the Organization will avoid investing in companies whose policies or values are in direct contrast to the ideals of the Organization.

Spending Policy

While the principal in the quasi-endowments may be expended with majority vote of the Board of Directors, the Board intends for the principal to not be expended from the Operating Reserve endowment except in an emergency that threatens the survival of the organization. The principal from the Capital Reserve quasi-endowment may be expended with majority vote of the Board of Directors for capital expansion, major capital repairs, equipment, or other purchases of a capital nature.

**NOTE N - EMPLOYEE BENEFIT PLAN**

The Organization sponsors a Section 401(k) defined contribution pension plan (plan) for the benefit of eligible employees. Employees, who have reached the age of 18 and have been with the Organization for one month meet eligibility. The Plan includes a discretionary employer match subject to the approval of the Board of Directors. The discretionary match for 2023 is based on 100% of an employee's plan contribution up to an amount equal to 3% of the employee's salary. The Organization's contribution for the years ended December 31, 2023 and 2022 was \$107,824 and \$90,301, respectively.

**NOTE O - COMMITMENTS AND CONTINGENCIES**

The Organization entered into a long-term agreement for the period September 1, 2018 to October 31, 2026 with a vendor for diagnostic supplies and lab services for the animal hospital and shelter. The Organization is required to make annual minimum purchases of approximately \$425,000 with the vendor. For the years ended December 31, 2023 and 2022 the Organization expended \$571,669 and \$521,605, respectively, for such services.

**HUMANE SOCIETY OF TAMPA BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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**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, 2024. Any borrowings under the line of credit are due on demand and bear interest at Daily SOFR Rate plus 2.75% (8.13% at December 31, 2023 and 7.06% at December 31, 2022). There were no outstanding borrowings on the line of credit at December 31, 2023 and 2022.

**NOTE Q - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 22, 2024, the financial statements were available to be issued. Management is not aware of any subsequent events which would require recognition or disclosure in the financial statements.