REEDER & ASSOCIATES, PA
Certified Public Accountants

HUMANE SOCIETY OF TAMPA BAY, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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HUMANE SOCIETY OF TAMPA BAY, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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REEDER & ASSOCIATES, PA
Certified Public Accountants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Opinion

We have audited the accompanying financial statements of the Humane Society of Tampa Bay, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and 2020, 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.

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, 2021 and 2020, 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.

Basis for Opinion

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

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; 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.

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 Humane Society of Tampa Bay, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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, including omissions, 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 Humane Society of Tampa Bay, Inc.'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 Humane Society of Tampa Bay, Inc.'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.

Reeder & Associates, PA

Certified Public Accountants

March 25, 2022

HUMANE SOCIETY OF TAMPA BAY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,633,635	$ 1,724,140
Investments	5,573,364	3,223,183
Pledges receivable, net of allowance	56,019	88,126
Accounts receivable, net of allowance	122,159	59,352
Inventory	206,402	225,803
Prepaid expenses	137,031	91,978
Total Current Assets	7,728,610	5,412,582
Long-term pledges receivable, net of allowance	5,526	75,925
Beneficial interest in Community Foundation	162,110	146,667
Investment in commercial property	42,500	42,500
Property and equipment, net	19,525,502	19,620,417
Deposits	24,748	25,246
Total Noncurrent Assets	19,760,386	19,910,755
Total Assets	$ 27,488,996	$ 25,323,337
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 891,743	$ 1,538,658
Deferred revenue	149,623	187,274
Total Liabilities	1,041,366	1,725,932
Net assets:		
Without donor restrictions:		
Board designated for endowment	5,573,364	-
Board designated for new shelter	-	619,113
Invested in property and equipment	19,525,502	19,620,417
Undesignated	1,039,383	3,102,444
Total Net Assets Without Donor Restrictions	26,138,249	23,341,974
With donor restrictions:		
Purpose restrictions - investment	162,110	146,667
Purpose restrictions - programs	147,271	108,764
Total Net Assets With Donor Restrictions	309,381	255,431
Total Net Assets	26,447,630	23,597,405
Total Liabilities and Net Assets	$ 27,488,996	$ 25,323,337

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 ASETS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Changes in Net Assets Without Donor Restrictions		
REVENUES AND SUPPORT		
Contributions	$ 6,529,946	$ 6,584,271
Grants	214,477	1,266,672
In-kind contributions	103,156	259,284
Program services fees, net of discounts	4,942,060	4,908,699
Other income	105,486	12,480
	11,895,125	13,031,406
Product sales	2,531,017	2,222,774
Less cost of goods sold	(1,444,783)	(1,329,950)
	1,086,234	892,824
Special events	1,514,646	735,168
Less direct costs of special events	(433,644)	(134,649)
	1,081,002	600,519
Net assets released from restrictions	107,286	6,251,162
Total Revenues Without Donor Restrictions	14,169,647	20,775,911
EXPENSES		
Program Services:		
Shelter/ Adoption Center	5,178,221	4,852,428
Community Outreach	814,721	585,991
Animal Health Center	4,522,722	4,706,930
Total Program Services	10,515,664	10,145,349
Support Services:		
Management and general	597,455	573,385
Fundraising and development	780,678	753,882
Total Support Services	1,378,133	1,327,267
Total Expenses	11,893,797	11,472,616
Change in Net Assets Without Donor Restrictions Before Other Changes	2,275,850	9,303,295
Other Changes		
Investment return	515,925	284,359
Gain (loss) on disposal of property and equipment	4,500	(168,462)
Change in Net Assets Without Donor Restrictions	2,796,275	9,419,192
Changes in Net Assets With Donor Restrictions		
Contributions	139,057	2,184,937
Investment return	22,179	14,722
Net assets released from restrictions	(107,286)	(6,251,162)
Increase (Decrease) in Net Assets With Donor Restrictions	53,950	(4,051,503)
CHANGE IN NET ASSETS	2,850,225	5,367,689
NET ASSETS, beginning of year	23,597,405	18,229,716
NET ASSETS, end of year	$ 26,447,630	$ 23,597,405

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HUMANE SOCIETY OF TAMPA BAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services			Total	Support Services			
	Shelter/ Adoption Center	Community Outreach	Animal Health Center	Program Services	Management and General	Fundraising/ Development	Total Support Services	Total Expenses
Salaries	$ 2,061,988	$ 356,962	$ 2,125,012	$ 4,543,962	$ 366,754	$ 246,428	$ 613,182	$ 5,157,144
Payroll taxes	156,306	26,114	158,407	340,827	27,742	17,916	45,658	386,485
Employee benefits	209,943	18,737	276,494	505,174	30,739	19,641	50,380	555,554
Total salaries and related expenses	2,428,237	401,813	2,559,913	5,389,963	425,235	283,985	709,220	6,099,183
Professional fees	96,892	16,468	974,873	1,088,233	29,207	6,515	35,722	1,123,955
Contract services	145,555	7,864	19,692	173,111	25,075	917	25,992	199,103
Printing and publications	65,481	22,381	41,495	129,357	12,322	34,832	47,154	176,511
Advertising	259	-	621	880	75	4,263	4,338	5,218
Direct Mail/newsletter	9,634	19,620	5,608	34,862	-	234,143	234,143	269,005
Occupancy	188,803	18,702	77,805	285,310	18,108	18,702	36,810	322,120
Repairs and maintenance	149,088	12,009	79,519	240,616	6,579	6,826	13,405	254,021
Program supplies	1,229,461	204,153	338,626	1,772,240	-	-	-	1,772,240
In-kind goods and services	70,417	32,739	-	103,156	-	-	-	103,156
Office expense	251,507	21,127	127,429	400,063	25,034	49,968	75,002	475,065
Travel, training and meetings	20,699	1,960	10,083	32,742	4,005	6,475	10,480	43,222
Recognition	16,769	4,733	10,471	31,973	8,810	1,207	10,017	41,990
Insurance	72,093	15,652	22,656	110,401	6,220	18,950	25,170	135,571
Bank service charges	40,079	4	83,585	123,668	12,255	77,547	89,802	213,470
Bad Debt	234	-	1,218	1,452	-	-	-	1,452
Total expenses before depreciation and interest	4,785,208	779,225	4,353,594	9,918,027	572,925	744,330	1,317,255	11,235,282
Interest	-	-	-		211	-	211	211
Depreciation	393,013	35,496	169,128	597,637	24,319	36,348	60,667	658,304
Total expenses	$ 5,178,221	$ 814,721	$ 4,522,722	$ 10,515,664	$ 597,455	$ 780,678	$ 1,378,133	$ 11,893,797

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

	Program Services			Total	Support Services			
	Shelter/ Adoption Center	Community Outreach	Animal Health Center	Program Services	Management and General	Fundraising/ Development	Total Support Services	Total Expenses
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
Total salaries and related expenses	1,865,020	288,461	2,477,860	4,631,341	466,168	220,512	686,680	5,318,021
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
Total expenses before depreciation	4,717,705	576,912	4,539,798	9,834,415	561,819	744,236	1,306,055	11,140,470
Depreciation	134,723	9,079	167,132	310,934	11,566	9,646	21,212	332,146
Total expenses	$ 4,852,428	$ 585,991	$ 4,706,930	$ 10,145,349	$ 573,385	$ 753,882	$ 1,327,267	$ 11,472,616

Read Report of Independent Certified Public Accountants.
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HUMANE SOCIETY OF TAMPA BAY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	$ 2,850,225	$ 5,367,689
Adjustments to reconcile change in net assets to net cash provided (used) by operational activities:		
Depreciation	658,304	332,146
Bad debt expense	1,452	4,248
(Gain) loss on disposal of property and equipment	(4,500)	168,462
Unrealized (gain) loss on investments	(363,530)	(135,013)
Unrealized (gain) loss on beneficial interest in Community Foundation	(22,179)	(13,737)
(Increase) decrease in bequests receivable	-	1,300,000
(Increase) decrease in pledges receivable	106,580	1,269,882
(Increase) decrease in accounts receivable	(62,807)	(3,819)
(Increase) decrease in inventory	19,401	8,079
(Increase) decrease in prepaid expenses	(45,053)	(14,934)
Increase (decrease) in deposits	498	(13,439)
Increase (decrease) in accounts payable and accrued expenses	(646,915)	(313,280)
Increase (decrease) in deferred revenue	(37,651)	(5,282)
Total adjustments	(396,400)	2,583,313
Net cash provided (used) by operating activities	2,453,825	7,951,002
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash payments for the purchase of property and equipment	(563,389)	(12,590,421)
Proceeds from sale of property and equipment	4,500	-
Purchases of investments	(2,506,651)	(1,287,404)
Proceeds from sale of investments	520,000	6,393,652
Purchases of beneficial interest in Community Foundation	-	(985)
Sales of beneficial interest in Community Foundation	6,736	6,695
Net cash provided (used) by investing activities	(2,538,804)	(7,478,463)
Net increase (decrease) in cash and cash equivalents	(84,979)	472,539
CASH AND CASH EQUIVALENTS, beginning of year	1,724,140	1,251,601
CASH AND CASH EQUIVALENTS, end of year	$ 1,639,161	$ 1,724,140
Disclosure of non-cash investing activities:		
Transfer of construction in progress to property and equipment	$ -	$ (4,792,922)
Retirement of fully depreciated property and equipment	$ (3,000)	$ (1,302,589)
Cash paid for interest	$ 211	$ -

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

NOTE A - DESCRIPTION OF ORGANIZATION

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

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

Community Outreach programs include:

Food assistance program provides free pet food to 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.

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 Health Center provides affordable 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. Our hospital became the first non-profit veterinary hospital in Florida to earn AAHA certification in 2014 which is the gold standard of veterinary care.

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:

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 stipulations, including restricted contributions whose restrictions are met in the same reporting period.

- Board designated for endowment net assets represent contributions received by the Organization that are earmarked by the Board of Directors as quasi-endowment funds invested to generate earnings that can be used to pay for operating expenses and capital outlays.

- Board designated for new shelter net assets represent amounts set aside by the Board of Directors to pay for construction of the new animal shelter which opened in October 2020.

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

- may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, 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.

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 buildings and property improvements in excess of $5,000 are capitalized. Acquisitions of furniture and equipment in excess of $1,000 are capitalized.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2021 and 2020, deferred grant revenue in the amount of $20,650 and $69,879, respectively, are reflected in the statement of financial position for amounts received but not earned. For the years ended December 31, 2021 and 2020 deferred revenue also includes $128,973 and $117,395, 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 processing those skills, and would typically need to be purchased if not provided by donation. Contributions of goods and property are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property or inventory.

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

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

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 $1,400,683 and $1,917,055 at December 31, 2021 and 2020, 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.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2018.

Reclassification

Certain 2020 amounts have been reclassified to conform to the 2021 presentation.

NOTE C – 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:

	2021	2020
Receivable in less than one year	$ 63,037	$ 106,354
Receivable in two to five years	5,526	75,925
	68,563	182,279
Less allowance for doubtful accounts	(7,018)	(18,228)
Pledges receivable, net	$ 61,545	$ 164,051

The Organization's management reviews amounts related to pledges outstanding on an annual basis and determines amounts that should be written off. $3,500 in pledges were written off in 2021. $9,000 in pledges were written off in 2020.

NOTE D – 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.

	2021	2020
Financial assets:		
Cash and cash equivalents	$1,633,635	$1,724,140
Investments	5,573,364	3,223,183
Pledges receivable	61,545	164,051
Accounts receivable	122,159	59,352
Beneficial interest in Community Foundation	162,110	146,667
	7,552,813	5,317,393
Less those unavailable for general expenditure within one year due to:		
Board designated for endowment	(5,573,364)	-
Board designated for new shelter	-	(619,113)
Restricted by donors for programs	(147,271)	(108,764)
Beneficial interest in Community Foundation	(162,110)	(146,667)
Total amounts unavailable to management for general expenditures within one year	(5,882,745)	(874,544)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,670,068	$ 4,442,849

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 E – BENEFICIAL INTEREST IN COMMUNITY FOUNDATION

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

"Agency restricted funds" which were established for the Organization within the Community Foundation had fair values of approximately $162,110 at December 31, 2021, ($146,667 at December 31, 2020) and are recorded as donor restricted net assets.

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 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.

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, 2021:

	Fair Value	(Level 1)	(Level 2)	(Level 3)
Equities	$ 1,238,321	$ 1,238,321	$ -	$ -
Mutual funds	4,231,099	4,231,099	-	-
Money market funds	103,944	103,944	-	-
Beneficial interest in Community Foundation	162,110	-	-	162,110
	$ 5,735,474	$ 5,573,364	$ -	$ 162,110

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
	$ 3,369,850	$ 3,223,183	$ -	$ 146,667

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

	Beneficial interest in Community Foundation
January 1, 2020	$ 138,640
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	$ 146,667
Interest and dividends, less fees	1,822
Contributions and settlements	-
Gains and losses	20,357
Distributions	(6,736)
Transfers in and/or out of Level 3	-
December 31, 2021	$ 162,110

NOTE G – PROPERTY AND EQUIPMENT

	2021	2020
Land and land improvements	$ 2,486,325	$ 2,463,898
Buildings and improvements	17,840,251	17,588,622
Furniture and equipment	1,739,764	1,453,431
Total property and equipment	22,066,340	21,505,951
Less accumulated depreciation	(2,540,838)	(1,885,534)
	$ 19,525,502	$ 19,620,417

NOTE H – 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. For the year ended December 31, 2020, the Organization recognized $957,823 in grant revenue as all of the conditions of the program were determined to have been met. In January 2021, the entire amount of the loan was forgiven.

NOTE I –DONATED MATERIALS, GOODS AND SERVICES

The Organization's contributed materials, goods and services during the years ended December 31, 2021 and 2020 are as follows:

	2021	2020
Services	$ -	$ 74,676
Materials and goods	103,156	184,608
	$ 103,156	$ 259,284

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

Shelter/ Adoption Center	$ 70,417	$ 159,561
Community Outreach	32,739	26,126
Fundraising	-	73,597
	$ 103,156	$ 259,284

NOTE J – 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, 2021 and 2020 and are available for the following purposes:

	2021	2020
The Community Foundation of Tampa Bay – investment purpose	$ 162,110	$ 146,667
Donor contributions restricted for programs	147,271	108,764
	$ 309,381	$ 255,431

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, 2021 and 2020 are as follows:

	2021	2020
Capital campaign – expansion purposes/new shelter	$ -	$ 6,121,420
Donor contributions restricted for programs	107,286	129,742
	$ 107,286	$ 6,251,162

NOTE K – ALLOCATION OF JOINT COSTS

During the years ended December 31, 2021 and 2020, the Organization incurred joint costs of $269,005 and $295,288, respectively, for informational material and activities that included a fundraising appeal. These costs were allocated among the various programs as follows:

	2021	2020
Shelter/Adoption Center	$ 9,634	$ 7,781
Community Outreach	19,620	16,380
Animal Health Center	5,608	5,733
Fundraising and Administration	234,143	265,394
	$ 269,005	$ 295,288

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 401(k) contribution for the years ended December 31, 2021 and 2020. The Organization's contribution for the years ended December 31, 2021 and 2020 was $19,607 and $18,817, respectively.

NOTE M – ENDOWMENT

In 2021, 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, 2021. In the future, if a donor restricts funds for endowment purposes, those amounts will be reported as donor restricted within the endowment funds.

Net Asset Composition by Endowment and Changes in Endowment Net Assets for the Year Ended December 31, 2021 follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Reserve	$ 2,681,602	-	$ 2,681,602
Capital Reserve	2,891,762	-	2,891,762
	$ 5,573,364	$ -	$ 5,573,364

	Operating Reserve	Capital Reserve	Total
Endowment net assets, beginning of year	$ -	$ -	$ -
Contributions/Transfers	2,269,760	2,788,122	5,057,882
Grants/Distributions	-	-	-
Investment Income	78,618	73,335	151,953
Net appreciation (realized and unrealized)	333,224	30,305	363,529
Endowment net assets, end of year	$ 2,681,602	$ 2,891,762	$ 5,573,364

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

NOTE M – ENDOWMENT, (continued)

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 – LEASES

The Organization leases equipment for the operation of its programs under a long-term operating lease. The following is a schedule by year of future minimum lease payments required under the operating lease which has an initial or remaining non-cancelable lease term as of December 31, 2021:

Year ended December 31,	Amount
2022	$ 72,360
2023	72,360
2024	72,360
2025	21,300

Lease expense incurred totaled $72,360 and $62,424 for the years ended December 31, 2021 and 2020, respectively.

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 for the animal hospital. The Organization is required to make annual minimum purchases of $315,844 with the vendor. For the years ended December 31, 2021 and 2020 the Organization expended $520,067 and $596,631, respectively, for such services.

In October 2021, the Organization entered into another long-term agreement with the same company for diagnostics supplies and lab services for the animal shelter. The agreement runs through October 2026. The Organization is required to make additional annual minimum purchases of $108,689 with the vendor. For the year ended December 31, 2021, the Organization expended $18,224, three months of activity.

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, 2022. Any borrowings under the line of credit are due on demand and bear interest at Daily LIBOR Rate plus 2.75% (2.84% at December 31, 2021). There were no outstanding borrowings on the line of credit at December 31, 2021.

NOTE Q –SUBSEQUENT EVENTS

As a result of the spread of the COVID-19 Coronavirus, economic uncertainties have arisen which may 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 25, 2022, the date the financial statements were available to be issued.