

Humane Society of Tampa Bay, Inc.

Financial Statements

December 31, 2024 and 2023



HUMANE SOCIETY OF TAMPA BAY, INC
TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT 3 - 4

Financial Statements for the Years Ended December 31, 2024 and 2023:

 Statements of Financial Position.....5

 Statements of Activities 6 - 7

 Statements of Functional Expenses 8 - 9

 Statements of Cash Flows..... 10

 Notes to Financial Statements 11 - 26



Oldsmar / Tampa / St. Petersburg

727-785-4447

813-498-1294

727-784-5491 Fax

www.pdr-cpa.com

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 statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, cash flows, and functional expenses 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, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended, in conformity 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 the 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 22, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

PDR CPAs + Advisors

Oldsmar, Florida
April 21, 2025

HUMANE SOCIETY OF TAMPA BAY, INC
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	2024	2023
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 1,013,450	\$ 1,204,797
Investments	9,854,436	6,813,037
Pledges receivable	-	1,000
Accounts receivable, net of allowance for credit losses of \$23,521 and \$11,596 for 2024 and 2023, respectively	164,608	151,780
Inventory	183,643	166,964
Prepaid expenses	171,307	138,501
Total Current Assets	11,387,444	8,476,079
Beneficial interest in Community Foundation	153,105	147,921
Right-of-use asset, operating leases	20,691	91,540
Investment in commercial property	42,500	42,500
Property and equipment, net	18,992,567	18,920,594
Deposits	25,031	25,052
Total Noncurrent Assets	19,233,894	19,227,607
Total Assets	\$ 30,621,338	\$ 27,703,686
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,686,038	\$ 1,425,896
Operating lease liability, current portion	20,691	70,849
Deferred revenue	193,190	159,935
Total current liabilities	1,899,919	1,656,680
Operating lease liability, long-term portion	-	20,691
Total liabilities	1,899,919	1,677,371
Net Assets		
Without donor restrictions:		
Board designated for endowment	9,854,436	6,813,037
Invested in property and equipment	18,992,567	18,920,594
Undesignated	(1,313,546)	(37,990)
Total Net Assets Without Donor Restrictions	27,533,457	25,695,641
With donor restrictions		
Purpose restrictions - investment	153,105	147,921
Purpose restrictions - programs and capital projects	1,034,857	182,753
Total Net Assets With Donor Restrictions	1,187,962	330,674
Total Net Assets	28,721,419	26,026,315
Total Liabilities and Net Assets	\$ 30,621,338	\$ 27,703,686

See accompanying notes to financial statements

HUMANE SOCIETY OF TAMPA BAY, INC
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2024	2023
Revenues and Other Support				
Public support:				
Contributions	\$ 7,144,436	\$ 1,033,517	\$ 8,177,953	\$ 4,855,359
Grants	136,632	-	136,632	189,349
Contributed nonfinancial assets	338,378	-	338,378	281,456
Special events, net of direct costs of \$591,544 and \$621,301 for 2024 and 2023, respectively	1,158,311	-	1,158,311	1,137,288
Net assets released from restrictions	188,235	(188,235)	-	-
Total public support	8,965,992	845,282	9,811,274	6,463,452
Program:				
Product sales, net of cost of goods sold of \$1,410,178 and \$1,420,488 for 2024 and 2023, respectively	872,761	-	872,761	921,911
Program services fees, net of discounts	5,702,191	-	5,702,191	5,349,448
Other income	66,261	-	66,261	155,383
Total program	6,641,213	-	6,641,213	6,426,742
Total revenues and other support	15,607,205	845,282	16,452,487	12,890,194
Expenses				
<i>Program services:</i>				
Shelter/Adoption Center	6,205,490	-	6,205,490	5,833,422
Community Outreach	1,272,833	-	1,272,833	1,191,551
Animal Hospital	5,042,921	-	5,042,921	4,659,863
<i>Total Program Services</i>	12,521,244	-	12,521,244	11,684,836
<i>Support Services:</i>				
Management and general	661,761	-	661,761	586,781
Fundraising	1,325,149	-	1,325,149	1,218,546
<i>Total Support Services</i>	1,986,910	-	1,986,910	1,805,327
Total expenses	14,508,154	-	14,508,154	13,490,163
Change in Net Assets Before Other Changes	1,099,051	845,282	1,944,333	(599,969)
Other Changes in Net Assets				
Investment return	738,765	12,006	750,771	783,404
Change in Net Assets	1,837,816	857,288	2,695,104	183,435
Net Assets at Beginning of Year	25,695,641	330,674	26,026,315	25,842,880
Net Assets at End of Year	\$ 27,533,457	\$ 1,187,962	\$28,721,419	\$26,026,315

See accompanying notes to financial statements

HUMANE SOCIETY OF TAMPA BAY, INC
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Other Support			
Public support:			
Contributions	\$ 4,673,947	\$ 181,412	\$ 4,855,359
Grants	189,349	-	189,349
Contributed nonfinancial assets	281,456	-	281,456
Special events, net of direct costs of \$621,301	1,137,288	-	1,137,288
Net assets released from restrictions	140,954	(140,954)	-
Total public support	6,422,994	40,458	6,463,452
Program:			
Product sales, net of cost of goods sold of \$1,420,488	921,911	-	921,911
Program services fees, net of discounts	5,349,448	-	5,349,448
Other income	155,383	-	155,383
Total program	6,426,742	-	6,426,742
Total revenues and other support	12,849,736	40,458	12,890,194
Expenses			
<i>Program services:</i>			
Shelter/Adoption Center	5,833,422	-	5,833,422
Community Outreach	1,191,551	-	1,191,551
Animal Hospital	4,659,863	-	4,659,863
Total Program Services	11,684,836	-	11,684,836
<i>Support Services:</i>			
Management and general	586,781	-	586,781
Fundraising	1,218,546	-	1,218,546
Total Support Services	1,805,327	-	1,805,327
Total expenses	13,490,163	-	13,490,163
Change in Net Assets Before Other Changes	(640,427)	40,458	(599,969)
Other Changes in Net Assets			
Investment return	766,139	17,265	783,404
Change in Net Assets	125,712	57,723	183,435
Net Assets at Beginning of Year	25,569,929	272,951	25,842,880
Net Assets at End of Year	\$ 25,695,641	\$ 330,674	\$26,026,315

See accompanying notes to financial statements

HUMANE SOCIETY OF TAMPA BAY, INC
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	<u>Program Services</u>			<u>Total Program Services</u>	<u>Support Services</u>		<u>Total Support Services</u>	<u>Total Expenses</u>
	<u>Shelter/ Adoption Center</u>	<u>Community Outreach</u>	<u>Animal Hospital</u>		<u>Management and General</u>	<u>Fundraising/ Development</u>		
Labor expenses								
Salaries	\$ 2,604,321	\$ 466,498	\$ 2,713,358	\$ 5,784,177	\$ 448,861	\$ 376,216	\$ 825,077	\$ 6,609,254
Payroll taxes	197,740	33,196	197,359	428,295	33,221	27,170	60,391	488,686
Employee benefits	298,482	30,501	308,808	637,791	51,668	29,432	81,100	718,891
Total salaries and related expenses	<u>3,100,543</u>	<u>530,195</u>	<u>3,219,525</u>	<u>6,850,263</u>	<u>533,750</u>	<u>432,818</u>	<u>966,568</u>	<u>7,816,831</u>
Other expenses								
Professional fees	38,802	12,250	586,264	637,316	4,315	39,905	44,220	681,536
Contract services	29,496	41,261	2,806	73,563	-	-	-	73,563
Printing and publications	57,632	16,043	37,692	111,367	3,459	26,453	29,912	141,279
Dues and subscriptions	2,956	(374)	24,918	27,500	2,585	4,055	6,640	34,140
Advertising	321	-	-	321	-	750	750	1,071
Direct Mail/newsletter	8,299	16,598	4,322	29,219	-	420,323	420,323	449,542
Occupancy	201,357	20,106	79,690	301,153	18,271	20,106	38,377	339,530
Repairs and maintenance	239,955	11,503	145,574	397,032	9,009	9,444	18,453	415,485
Program supplies	1,405,499	403,370	470,055	2,278,924	-	-	-	2,278,924
In-kind goods and services	95,992	109,306	-	205,298	-	127,916	127,916	333,214
Office expense	306,446	27,948	135,026	469,420	25,392	63,142	88,534	557,954
Travel, training and meetings	15,769	2,960	8,977	27,706	4,079	10,513	14,592	42,298
Recognition	24,466	13,181	11,957	49,604	15,282	1,849	17,131	66,735
Insurance	113,708	19,307	39,737	172,752	8,924	28,400	37,324	210,076
Bank service charges	49,336	-	81,959	131,295	12,457	95,812	108,269	239,564
Credit losses	-	-	11,685	11,685	-	-	-	11,685
Total other expenses	<u>2,590,034</u>	<u>693,459</u>	<u>1,640,662</u>	<u>4,924,155</u>	<u>103,773</u>	<u>848,668</u>	<u>952,441</u>	<u>5,876,596</u>
Total expenses before depreciation	5,690,577	1,223,654	4,860,187	11,774,418	637,523	1,281,486	1,919,009	13,693,427
Depreciation	514,913	49,179	182,734	746,826	24,238	43,663	67,901	814,727
Total expenses	<u>\$ 6,205,490</u>	<u>\$ 1,272,833</u>	<u>\$ 5,042,921</u>	<u>\$12,521,244</u>	<u>\$ 661,761</u>	<u>\$ 1,325,149</u>	<u>\$ 1,986,910</u>	<u>\$14,508,154</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		
Labor expenses								
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
Total salaries and related expenses	2,949,032	504,637	2,913,743	6,367,412	463,990	383,821	847,811	7,215,223
Other expenses								
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
Total other expenses	2,392,001	638,488	1,554,246	4,584,735	98,054	792,089	890,143	5,474,878
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
Total expenses	\$ 5,833,422	\$ 1,191,551	\$ 4,659,863	\$11,684,836	\$ 586,781	\$ 1,218,546	\$ 1,805,327	\$ 13,490,163

See accompanying notes to financial statements

HUMANE SOCIETY OF TAMPA BAY, INC
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Cash Flows from Operating Activities:		
Change in net assets	\$ 2,695,104	\$ 183,435
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	814,727	800,062
Noncash operating lease expense	70,849	73,945
Credit loss expense	11,685	2,950
Gain on disposal of property and equipment	(5,000)	(952)
Realized and unrealized gains on investments	(486,064)	(569,946)
Change in value in beneficial interest in funds held by others	(5,184)	(10,845)
Contributions restricted for expansion project	(1,402,885)	(100,000)
(Increase) decrease In:		
Pledges receivable	1,000	1,999
Accounts receivable	(24,512)	6,722
Inventory	(16,679)	65,619
Prepaid expenses and other assets	(32,806)	(12,634)
Deposits	21	-
Increase (decrease) In:		
Accounts payable and accrued expenses	260,141	479,836
Change in lease liability	(70,849)	(73,945)
Deferred revenue	33,255	(25,731)
	1,842,803	820,515
Net cash provided by operating activities		
Cash Flows from Investing Activities:		
Cash payments for the purchase of property and equipment	(886,700)	(476,140)
Proceeds from sale of property and equipment	5,000	3,500
Purchase of investments	(8,290,529)	(1,537,318)
Proceeds from sale of investments	5,735,194	1,494,534
	(3,437,035)	(515,424)
Net cash used in investing activities		
Cash Flows from Financing Activities:		
Collection of contributions restricted for expansion project	1,402,885	100,000
	1,402,885	100,000
Net cash provided by financing activities		
Net (Decrease) Increase in Cash and Cash Equivalents	(191,347)	405,091
Cash and Cash Equivalents at Beginning of Year	1,204,797	799,706
Cash and Cash Equivalents at End of Year	\$ 1,013,450	\$ 1,204,797

See accompanying notes to financial statements

HUMANE SOCIETY OF TAMPA BAY, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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. We also rescued sick and injured animals for the public. The shelter/adoption center saved over 9,948 homeless animals during 2024.

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 2024. The Animal Hospital provides services to over 42,000 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, 2024 AND 2023

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, 2024 AND 2023

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 \$928,298 and \$897,722 at December 31, 2024 and 2023, 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. Accounts receivable were \$188,129, \$163,376, and \$115,775, at December 31, 2024, 2023, and 2022, respectively.

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, 2024 and 2023.

HUMANE SOCIETY OF TAMPA BAY, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024 and 2023, deferred grant revenue in the amount of \$27,990 and \$32,622, respectively, are reflected in the statement of financial position for amounts received but not earned.

For the years ended December 31, 2024 and 2023, deferred revenue also includes \$129,178 and \$76,252, respectively, related to special events yet to be held.

For the years ended December 31, 2024, 2023, and 2022, deferred revenue also includes \$36,022, \$51,061, and \$54,598, respectively, 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, 2024 AND 2023

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 220,286 in 2024 and 244,982 in 2023 (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, 2024 AND 2023

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 \$1,071 and \$17,980, respectively, for the years ended December 31, 2024 and 2023.

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.

HUMANE SOCIETY OF TAMPA BAY, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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.

	<u>2024</u>	<u>2023</u>
Financial Assets:		
Cash and cash equivalents	\$ 1,013,450	\$ 1,204,797
Investments	9,854,436	6,813,037
Pledges receivable	-	1,000
Accounts receivable, net	164,608	151,780
Beneficial interest in Community Foundation	<u>153,105</u>	<u>147,921</u>
Total financial assets	11,185,599	8,318,535
Less financial assets unavailable for general expenditures within one year due to:		
Board designated for endowment	9,854,436	6,813,037
Restricted by donors for programs	1,034,857	182,753
Beneficial interest in Community Foundation	<u>153,105</u>	<u>147,921</u>
Total amounts unavailable to management for general expenditures within one year	<u>11,042,398</u>	<u>7,143,711</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 143,201</u>	<u>\$ 1,174,824</u>

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. Investments included in the board designated endowment are available to meet liquidity needs upon approval by the Organization's board of directors. Financial assets in excess of daily cash requirements may be invested in certificates of deposit, money market funds or other short-term investments. As described in **NOTE P**, the Organization also has a line-of-credit available to use in meeting financial obligations.

HUMANE SOCIETY OF TAMPA BAY, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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 generally accepted accounting 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 \$153,105 and \$147,921 at December 31, 2024 and 2023, 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 years ended December 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Beginning Balance	\$ 11,596	\$ 8,920
Credit loss expense	11,685	2,950
Write-offs during the year	-	(274)
Recoveries during the year	<u>240</u>	<u>-</u>
Ending Balance	<u>\$ 23,521</u>	<u>\$ 11,596</u>

NOTE F - INVESTMENTS

Investments are presented in the financial statements at their fair values and consist of the following at December 31:

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Cash and cash equivalents	\$ 5,428,750	\$ 5,428,750	\$ 540,038	\$ 540,038
Equities	3,105,407	3,158,415	3,318,680	4,074,222
Fixed income	<u>1,312,972</u>	<u>1,267,271</u>	<u>2,383,057</u>	<u>2,198,777</u>
	<u>\$ 9,847,129</u>	<u>\$ 9,854,436</u>	<u>\$ 6,241,775</u>	<u>\$ 6,813,037</u>

HUMANE SOCIETY OF TAMPA BAY, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE F - INVESTMENTS - CONTINUED

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

	2024	2023
Interest and dividends	\$ 292,664	\$ 253,151
Unrealized gain (loss)	(507,751)	652,459
Realized gain (loss)	993,815	(82,513)
Investment fees	(27,957)	(39,693)
	\$ 750,771	\$ 783,404

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, 2024 AND 2023

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, 2024 and 2023:

<u>Assets by Designated Type</u>	<u>December 31, 2024</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 3,158,415	\$ 3,158,415	\$ -	\$ -
Fixed income	1,267,271	1,267,271	-	-
Money market funds	5,428,750	5,428,750	-	-
Beneficial interest in Community Foundation	153,105	-	-	153,105
Total fair value	\$10,007,541	\$ 9,854,436	\$ -	\$ 153,105

<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	\$ -	\$ -
Fixed income	2,198,777	2,198,777	-	-
Money market funds	540,038	540,038	-	-
Beneficial interest in Community Foundation	147,921	-	-	147,921
Total fair value	\$ 6,960,958	\$ 6,813,037	\$ -	\$ 147,921

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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Community Foundation of Tampa Bay, Inc. funds at beginning of year	\$ 147,921	\$ 137,076
Interest and dividends, less fees	2,115	1,486
Contributions and settlements	-	-
Gains and losses	9,892	15,781
Distributions	(6,823)	(6,422)
Transfers in and/or out of Level 3	-	-
Community Foundation of Tampa Bay, Inc. funds at end of year	<u>\$ 153,105</u>	<u>\$ 147,921</u>

HUMANE SOCIETY OF TAMPA BAY, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE H - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2024	2023
Land	\$ 2,455,191	\$ 2,455,191
Land improvements	510,237	410,998
Buildings and improvements	18,148,367	18,130,938
Furniture and equipment	2,089,755	1,890,368
Construction in progress	689,432	121,787
 Total property and equipment	 23,892,982	 23,009,282
 Less accumulated depreciation	 4,900,415	 4,088,688
 Total	 \$ 18,992,567	 \$ 18,920,594

Depreciation expense was \$814,727 and \$800,062 for the years ended December 31, 2024 and 2023, respectively.

Construction in progress at December 31, 2024 and 2023 represents amounts paid for construction, engineering, and architecture fees for the animal hospital expansion project. Depreciation will commence when the construction project is completed and placed into service, which is expected to occur during the third quarter of 2025.

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, 2024 and 2023.

Future minimum lease payments under noncancelable operating leases (with initial or remaining terms in excess of one year) as of December 31, 2024 are as follows:

Years Ending December 31,	Amount
2025	\$ 20,765
Total undiscounted cash flows	20,765
Less: present value discount	(74)
Total lease liabilities	\$ 20,691

HUMANE SOCIETY OF TAMPA BAY, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE I - LEASES - CONTINUED

As of December 31, 2024 and 2023, the weighted-average remaining lease term for the Organization's operating leases was 0.3 and 1.3 years, respectively and the weighted discount rate associated with operating leases was 2.84% for 2024 and 2023. Cash paid in connection with operating leases was approximately \$72,400 for each of the years ended December 31, 2024 and 2023. Rent expense incurred by the Organization for short-term leases was approximately \$28,600 and \$19,400 for the years ended December 31, 2024 and 2023, 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:

2024	Community Outreach	Shelter	Fundraising	AHC	Total
Pet food & supplies	\$ 109,306	\$ 101,156	\$ -	\$ -	\$ 210,462
Google grants	-	-	127,916	-	\$ 127,916
	<u>\$ 109,306</u>	<u>\$ 101,156</u>	<u>\$ 127,916</u>	<u>\$ -</u>	<u>\$ 338,378</u>
2023	Community Outreach	Shelter	Fundraising	AHC	Total
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>

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, and microchips are valued at the estimated wholesale prices that would be received for selling similar products in the United States. Donated advertising space through Google grants are valued at the market price that would be paid for purchasing advertisement space from Google.

HUMANE SOCIETY OF TAMPA BAY, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024 and 2023 and are available for the following purposes:

	<u>2024</u>	<u>2023</u>
The Community Foundation of Tampa Bay - investment purpose	\$ 153,105	\$ 147,921
Donor contributions restricted for programs	89,147	82,753
Donor contributions restricted for capital projects	<u>945,710</u>	<u>100,000</u>
Total net assets with donor restrictions	<u>\$ 1,187,962</u>	<u>\$ 330,674</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, 2024 and 2023 were \$188,235 and \$140,954, respectively.

NOTE L - ALLOCATION OF JOINT COSTS

During the years ended December 31, 2024 and 2023, the Organization incurred joint costs of \$449,542 and \$448,851, respectively, for informational material and activities that included a fundraising appeal. These costs were allocated among the various programs as follows:

	<u>2024</u>	<u>2023</u>
Shelter/Adoption Center	\$ 8,299	\$ 10,436
Community Outreach	16,598	20,872
Animal Hospital	4,322	7,026
Fundraising and Administration	<u>420,323</u>	<u>410,517</u>
	<u>\$ 449,542</u>	<u>\$ 448,851</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, 2024 and 2023. 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, 2024 follows:

	<u>December 31, 2024</u>		
	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>
<u>Net Assets by Designated Type</u>	<u>Restrictions</u>	<u>Restrictions</u>	
Operating Reserve	\$ 2,479,387	\$ -	\$ 2,479,387
Capital Reserve	7,375,049	-	7,375,049
Total	<u>\$ 9,854,436</u>	<u>\$ -</u>	<u>\$ 9,854,436</u>

HUMANE SOCIETY OF TAMPA BAY, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE M - ENDOWMENT - CONTINUED

December 31, 2024	Operating Reserve	Capital Reserve	Total
Endowment net assets, beginning of year	\$ 2,162,095	\$ 4,650,942	\$ 6,813,037
Contributions/Transfers	1,425,683	6,611,490	8,037,173
Grants/Disbursements	(1,472,318)	(4,243,656)	(5,715,974)
Investment income	53,832	190,196	244,028
Net appreciation (realized and unrealized)	310,095	166,077	476,172
Endowment net assets, end of year	\$ 2,479,387	\$ 7,375,049	\$ 9,854,436

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

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

December 31, 2023	Operating Reserve	Capital Reserve	Total
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
Endowment net assets, end of year	\$ 2,162,095	\$ 4,650,942	\$ 6,813,037

HUMANE SOCIETY OF TAMPA BAY, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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 2024 and 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, 2024 and 2023 was \$108,792 and \$107,824, 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, 2024 and 2023, the Organization expended \$526,855 and \$571,669, respectively, for such services.

HUMANE SOCIETY OF TAMPA BAY, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2025. Any borrowings under the line of credit are due on demand and bear interest at Daily SOFR Rate plus 2.75% (7.24% at December 31, 2024). There were no outstanding borrowings on the line of credit at December 31, 2024 and 2023.

NOTE Q - SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 21, 2025, 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.