

**Humane Society of Pinellas, Inc.**

**Financial Statements**

**December 31, 2019 and 2018**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Humane Society of Pinellas, Inc.

We have audited the accompanying financial statements of Humane Society of Pinellas, Inc., a nonprofit organization, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

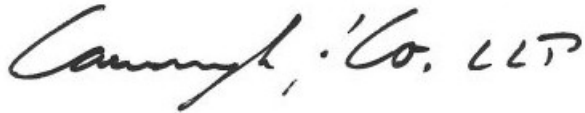
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Humane Society of Pinellas, Inc. as of December 31, 2019 and 2018, 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.

A handwritten signature in black ink that reads "Cammy Co. LLP". The signature is written in a cursive, flowing style.

Sarasota, Florida  
January 6, 2021

**Humane Society of Pinellas, Inc.**

**Statements of Financial Position**

December 31, 2019 and 2018

**ASSETS**

	<u>2019</u>	<u>2018</u>
Current assets:		
Cash and cash equivalents	\$ 5,594,111	1,065,142
Investments	3,412,969	3,085,896
Inventory	46,853	34,276
Grants receivable	2,756	2,262
Prepaid expenses	<u>125,544</u>	<u>9,462</u>
Total current assets	<u>9,182,233</u>	<u>4,197,038</u>
Property and equipment, net	1,142,193	1,262,957
Deposits	<u>5,673</u>	<u>5,673</u>
Total assets	<u>\$ 10,330,099</u>	<u>5,465,668</u>

**LIABILITIES AND NET ASSETS**

Current liabilities:		
Current portion of long term debt	\$ 19,986	47,160
Accounts payable	43,595	123,399
Accrued salaries and benefits	93,179	88,153
Deferred revenue	<u>176,763</u>	<u>243,299</u>
Total current liabilities	333,523	502,011
Long term debt, net of current portion	<u>59,694</u>	<u>79,665</u>
Total liabilities	<u>393,217</u>	<u>581,676</u>
Net assets		
Without donor restrictions	5,904,382	4,851,492
With donor restrictions	<u>4,032,500</u>	<u>32,500</u>
Total net assets	<u>9,936,882</u>	<u>4,883,992</u>
Total liabilities and net assets	<u>\$ 10,330,099</u>	<u>5,465,668</u>

See accompanying notes to financial statements.

**Humane Society of Pinellas, Inc.**

**Statement of Activities and Changes in Net Assets**

Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, gains and support:</b>			
Bequests	\$ 1,279,277	-	1,279,277
Contributions	777,172	4,000,000	4,777,172
Adoption fees	218,003	-	218,003
Program fees	806,685	-	806,685
Special events, net expense \$ 64,827	95,145	-	95,145
Grants/contracts	107,138	-	107,138
In-kind contributions	26,160	-	26,160
Merchandise sales	373,875	-	373,875
Investment income, net	457,008	-	457,008
Loss on sale of assets	(2,209)	-	(2,209)
Other income	62,659	-	62,659
Total revenues, gains and support	4,200,913	4,000,000	8,200,913
<b>Expenses:</b>			
Program services	2,723,037	-	2,723,037
Supporting services:			
Management and general	179,011	-	179,011
Fundraising	245,975	-	245,975
Total supporting services	424,986	-	424,986
Total expenses	3,148,023	-	3,148,023
Change in net assets	1,052,890	4,000,000	5,052,890
Net assets at beginning of year	4,851,492	32,500	4,883,992
Net assets at end of year	\$ 5,904,382	4,032,500	9,936,882

See accompanying notes to financial statements.

**Humane Society of Pinellas, Inc.**

**Statement of Activities and Changes in Net Assets**  
Year Ended December 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, gains and support:</b>			
Bequests	\$ 548,760	-	548,760
Contributions	1,109,838	-	1,109,838
Adoption fees	177,111	-	177,111
Program fees	534,533	-	534,533
Special events, net expense \$ 63,211	88,709	-	88,709
Grants/contracts	82,597	-	82,597
In-kind contributions	39,517	-	39,517
Merchandise sales	273,232	-	273,232
Investment loss, net	(199,765)	-	(199,765)
Loss on sale of assets	(12,411)	-	(12,411)
Other income	263,040	-	263,040
Total revenues, gains and support	2,905,161	-	2,905,161
<b>Expenses:</b>			
Program services	2,259,899	-	2,259,899
Supporting services:			-
Management and general	261,375	-	261,375
Fundraising	402,645	-	402,645
Total supporting services	664,020	-	664,020
Total expenses	2,923,919	-	2,923,919
Change in net assets	(18,758)	-	(18,758)
Net assets at beginning of year	4,870,250	32,500	4,902,750
Net assets at end of year	\$ 4,851,492	32,500	4,883,992

See accompanying notes to financial statements.

**Humane Society of Pinellas, Inc.**

**Statement of Functional Expenses**

Year Ended December 31, 2019

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 1,372,094	95,727	127,637	1,595,458
Fringe benefits	238,215	16,620	22,160	276,995
Total salaries and related expenses	<u>1,610,309</u>	<u>112,347</u>	<u>149,797</u>	<u>1,872,453</u>
Kennel feed and supplies	74,626	-	-	74,626
Mailer expense	-	-	48,496	48,496
Grooming and mobile clinic	137,348	-	-	137,348
Medical supplies	153,590	-	-	153,590
Utilities	81,442	5,682	7,576	94,700
Occupancy	76,780	5,357	7,142	89,279
Veterinary spay and neuter	6,723	-	-	6,723
Professional fees	100,566	33,760	11,681	146,007
Insurance	30,518	2,129	2,839	35,486
Licenses and permits	59,464	225	350	60,039
Merchandise sold	187,078	-	-	187,078
Supplies	9,547	666	888	11,101
Travel and training	10,961	765	1,020	12,746
Postage and delivery	-	5,941	-	5,941
Equipment rental and office equipment	4,045	282	376	4,703
Promotional activities	1,093	76	102	1,271
Vehicle expenses	10,088	-	-	10,088
Interest expense	2,937	205	273	3,415
Dues and subscriptions	1,861	130	173	2,164
Bank and merchant fees	46,457	3,241	4,322	54,020
Other	6,997	488	651	8,136
Total expenses before depreciation	<u>2,612,430</u>	<u>171,294</u>	<u>235,686</u>	<u>3,019,410</u>
Depreciation	110,607	7,717	10,289	128,613
Total expenses	<u>\$ 2,723,037</u>	<u>179,011</u>	<u>245,975</u>	<u>3,148,023</u>

See accompanying notes to financial statements.



## Humane Society of Pinellas, Inc.

### Statement of Functional Expenses

Year Ended December 31, 2018

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 1,125,596	168,839	112,560	1,406,995
Fringe benefits	192,707	28,906	19,271	240,884
Total salaries and related expenses	<u>1,318,303</u>	<u>197,745</u>	<u>131,831</u>	<u>1,647,879</u>
Kennel feed and supplies	105,453	-	-	105,453
Mailer expense	-	-	218,817	218,817
Grooming and mobile clinic	83,558	-	-	83,558
Medical supplies	117,040	-	-	117,040
Utilities	61,576	7,197	11,196	79,969
Occupancy	80,151	9,368	14,573	104,092
Veterinary spay and neuter	2,490	-	-	2,490
Professional fees	58,853	17,579	-	76,432
Insurance	30,536	-	-	30,536
Licenses and permits	47,245	225	350	47,820
Merchandise sold	149,457	-	-	149,457
Supplies	10,047	1,174	1,827	13,048
Travel and training	10,782	1,260	1,960	14,002
Postage and delivery	-	4,609	-	4,609
Equipment rental and office equipment	-	5,293	-	5,293
Promotional activities	6,242	730	1,135	8,107
Vehicle expenses	3,534	-	-	3,534
Interest expense	3,341	390	607	4,338
Dues and subscriptions	4,032	471	733	5,236
Bank and merchant fees	27,046	3,161	4,918	35,125
Clinic expansion	50,256	-	-	50,256
Other	11,607	3,015	452	15,074
Total expenses before depreciation	<u>2,181,549</u>	<u>252,217</u>	<u>388,399</u>	<u>2,822,165</u>
Depreciation	78,350	9,158	14,246	101,754
Total expenses	<u>\$ 2,259,899</u>	<u>261,375</u>	<u>402,645</u>	<u>2,923,919</u>

See accompanying notes to financial statements.

## Humane Society of Pinellas, Inc.

### Statements of Cash Flows Years Ended December 30, 2019 and 2018

	2019	2018
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 5,052,890	(18,758)
Adjustments to reconcile change in net assets to to net cash from operating activities:		
Depreciation	128,613	101,754
Loss on sale of property and equipment	2,209	12,411
Unrealized loss (gain) on investments	(356,621)	248,917
Contributions received for new shelter	(4,000,000)	-
(Increase) decrease in:		
Grants receivable	(494)	1,871
Inventory	(12,577)	(10,063)
Prepaid expenses	(116,082)	14,224
Increase (decrease) in:		
Accounts payable	(79,804)	43,494
Accrued salaries and benefits	5,026	19,103
Deferred revenue	(66,536)	(136,853)
Net cash flows from operating activities	556,624	276,100
 <b>Cash flows from investing activities:</b>		
Purchases of investments	(168,519)	(735,610)
Proceeds from sale of investments	198,067	-
Purchases of property and equipment	(10,058)	(216,060)
Net cash flows from investing activities	19,490	(951,670)
 <b>Cash flows from financing activities:</b>		
Contributions received for new shelter	4,000,000	-
Payments of long-term debt	(47,145)	(81,798)
Net cash from financing activities	3,952,855	(81,798)
 Net (decrease) increase in cash and cash equivalents	4,528,969	(757,368)
 Beginning cash and cash equivalents	1,065,142	1,822,510
 Ending cash and cash equivalents	\$ 5,594,111	1,065,142
 <b>Other items:</b>		
Assets acquired with capital leases	\$ -	84,481
Interest paid	\$ 3,415	4,338

See accompanying notes to financial statements.

## Humane Society of Pinellas, Inc.

### Notes to Financial Statements

December 31, 2019 and 2018

#### **Note 1 – Nature of Organization:**

Humane Society of Pinellas, Inc. (the Organization) is a Florida not for profit organization organized under the laws of the State of Florida and founded on October 8, 1949 to serve the community through the compassionate care of all animals. The Organization operates as an animal shelter providing lifesaving services to the community's sick, injured, abused, and abandoned pets and wildlife. The Organization is funded primarily through contributions from concerned Pinellas County residents and through fees received from the animal adoption program.

#### **Note 2 – Summary of Significant Accounting Policies:**

##### Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards *Financial Statements of Not-for-Profit Organizations (FASB Accounting Standards Codification (ASC) 958, Not-for-Profit Entities*. Accordingly, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. A description of the net asset categories follows:

Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board of Directors has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

##### Basis of Accounting

The Organization's financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

##### Contributions

Contributions are recognized when the donor makes a promise to give to the Organization's that is, in substance, unconditional. Promises to give include split-interest amounts (contributions shared by the Organization and other beneficiaries, which may include the donor) and are recorded at present value based on the estimated lives of the donors. Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

## Humane Society of Pinellas, Inc.

### Notes to Financial Statements – Continued

December 31, 2019 and 2018

#### **Note 2 – Summary of Significant Accounting Policies - continued:**

##### Donated Materials and Services

Services that create or enhance non-financial assets or require a specialized skill, are provided by individuals possessing those skills and contributed assets that would need to be purchased, if not provided by contribution, are recognized in the financial statements at the estimated fair market value at the date of receipt. A substantial number of volunteers have donated significant amounts of time to the Organization's program services and to its fund-raising campaigns, however, these donated services are not reflected in the financial statements since these services do not require specialized skills.

##### Cash and Cash Equivalents

For purposes of the financial statements, the Organization considers all short-term debt instruments, with original maturities of three months or less to be cash equivalents.

##### Inventory

Inventories consist primarily of informational books, pet related household items and pet supplies. Inventory is valued at the lower of cost or net realizable value as determined using first-in first-out (FIFO) accounting method.

##### Investments

Investments are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

##### Property and Equipment

Property and equipment in excess of \$1,000 are recorded at cost at the date of acquisition or fair market value at the date of donation. Depreciation of property and equipment is computed principally by the straight-line method over the estimated useful lives of the related assets.

##### Functional Allocation of Expenses

The costs of providing the Organization's various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefitted.

##### Income Taxes

The Organization has been recognized by the Internal Revenue Service as a tax-exempt organization described in Section 501c (3) of the Internal Revenue Code. Income earned in furtherance of the Organization's tax-exempt purpose is exempt from Federal and State income taxes. Accordingly, no provision for income taxes has been included in the accompanying financial statements. The Organization has adopted the provisions of ASC Topic 740 relating to "Accounting for Uncertainty in Income Taxes" and does not believe it has any material income tax exposure related to uncertain tax positions. The Organization's income tax filings are subject to examination by the Internal Revenue Service generally for three years after they were filed. Tax filings generally remain open for examination for three years after filing.

**Humane Society of Pinellas, Inc.**

**Notes to Financial Statements – Continued**

December 31, 2019 and 2018

**Note 2 – Summary of Significant Accounting Policies - continued:**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases or decreases in net assets during the period. Actual results could differ from those estimates.

**Note 3 – Investments:**

At December 31, the fair value of investments were as follows:

	<u>2019</u>	<u>2018</u>
Cash	\$ 80,087	1,122,257
U.S. Equity – large cap	1,043,630	599,714
U.S. Equity – mid cap	213,049	-
U.S. Equity – small cap	48,325	-
International developed markets	737,197	-
International emerging markets	251,600	185,306
Real estate securities	20,785	126,260
Fixed income	891,875	944,222
Community foundation	126,421	108,137
Total	<u>\$ 3,412,969</u>	<u>3,085,896</u>

The following schedule summarizes investment return for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Realized and unrealized gains and (losses)	\$ 356,621	(248,917)
Interest and dividends	120,201	60,885
Investment fees	(19,814)	(11,733)
Total	<u>\$ 457,008</u>	<u>(199,765)</u>

**Note 4 – Property and Equipment:**

At December 31, property and equipment consist of the following:

	<u>2019</u>	<u>2018</u>
Building and improvements	\$ 1,790,868	1,790,868
Furniture and equipment	226,192	221,542
Landscaping and improvements	270,274	270,274
Automobile	147,726	147,726
Land	8,215	8,215
Construction in progress	134,145	130,945
Total	<u>2,577,420</u>	<u>2,569,570</u>
Less accumulated depreciation	<u>1,435,227</u>	<u>1,306,613</u>
Total	<u>\$ 1,142,193</u>	<u>1,262,957</u>

**Humane Society of Pinellas, Inc.**

**Notes to Financial Statements – Continued**

December 31, 2019 and 2018

**Note 4 – Property and Equipment - continued:**

Depreciable lives are as follows:

Building and improvements	10-40 years
Furniture and equipment	5-10 years
Landscaping and improvements	10-40 years
Automobile	5 years

Included in transportation equipment are vehicles purchased with state grants. Under the terms of the grants, the grantor retains a reversionary interest on the vehicle for a period of seven years.

**Note 5 – Long-Term Debt:**

At December 31, long-term debt consists of the following:

	2019	2018
First mortgage-note payable with a variable interest rate that adjusts every five years to 2.75% over LIBOR. The current monthly payment is \$723 including interest (5.00% as of December 31, 2019 and 2018) and principal, maturing June 2028.	\$ 63,989	69,866
Obligations under capital leases for equipment. Monthly payments are \$3,044 through April 2020	15,691	56,959
Total long-term debt	79,680	126,825
Less: current portion of long-term debt	(19,986)	(47,160)
Long-term debt, net of current portion	\$ 59,694	79,665

Future principal payments on long-term debt are as follows:

Year ending December 31,		
2020	\$	19,986
2021		6,543
2022		6,878
2023		7,229
2024		7,599
Thereafter		31,445
Total	\$	79,680

**Humane Society of Pinellas, Inc.**

**Notes to Financial Statements – Continued**

December 31, 2019 and 2018

**Note 6 – Net Assets With Donor Restrictions:**

At December 31, the Organization’s net assets with donor restrictions for a specified purpose include the following:

	<u>2019</u>	<u>2018</u>
New shelter	\$ 4,000,000	-
Clinic expansion	25,000	25,000
Fire alarm	<u>7,500</u>	<u>7,500</u>
Total	<u>\$ 4,032,500</u>	<u>32,500</u>

**Note 7 – Credit and Funding Concentrations:**

The Organization maintains several deposit accounts with what management believes to be high credit quality financial institutions. The accounts at the financial institutions are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per customer. Cash balances in excess of FDIC limits at December 31, 2019 were approximately \$254,000.

**Note 8 – Retirement Plan:**

The Organization’s 401(k) retirement plan, effective in 2010, was open to all employees, 21 years of age or older who worked over 1,000 hours in a year. Employees’ contributions are immediately fully vested. Employer’s contributions are vested from 2 to 6 years of service. The Organization’s match is evaluated on an annual basis as a percentage of employee-elected deferrals, up to a maximum of 3% of eligible salaries. The Organization’s contribution to the plan for the years ended December 31, 2019 and 2018 was \$- and \$3,852, respectively.

**Note 9 – Operating Leases:**

The Organization entered into a lease for additional clinic space under an operating lease, which will expire in 2021. Rent expense on this lease for the years ended December 31, 2019 and 2018 was \$30,280 and \$ 17,663, respectively.

Future minimum lease payments required under non-cancelable operating leases as of December 31, 2019 are as follows:

2020	\$ 32,280
2021	<u>10,093</u>
	<u>\$ 42,373</u>

**Humane Society of Pinellas, Inc.**

**Notes to Financial Statements – Continued**

December 31, 2019 and 2018

**Note 10 – Fair Value of Financial Assets and Liabilities:**

The Organization adopted the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification. The Fair Value Measurements and Disclosures Topic provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions.

The following tables present information about the Organization’s assets and liabilities that are measured at fair value on a recurring and non-recurring basis as of December 31, 2019 and 2018, and indicate that fair value hierarchy of the valuation techniques used to determine such fair value. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities, such as publicly traded equity securities.

Level 2 – inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quoted prices (interest rates, yield curves, etc.) or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability (for example, hedge funds, private equity and other). The inputs reflect the Organization’s assumptions based on the best information available in the circumstance.

Assets at fair value on a recurring basis at December 31, 2019:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Equity – mid cap	\$ 213,049	213,049	-	-
U.S. Equity – small cap	48,325	48,325	-	-
International developed markets	737,197	737,197	-	-
International emerging markets	251,600	251,600	-	-
Real estate securities	20,785	20,785	-	-
Fixed income	891,875	891,875	-	-
Community foundation	126,421	-	-	126,421
<b>Total assets at fair value</b>	<b>\$ 2,289,252</b>	<b>2,162,831</b>	<b>-</b>	<b>126,421</b>



**Humane Society of Pinellas, Inc.**

**Notes to Financial Statements – Continued**

December 31, 2019 and 2018

**Note 10 – Fair Value of Financial Assets and Liabilities - continued:**

Assets at fair value on a recurring basis at December 31, 2018:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Equity – large cap	\$ 599,714	599,714	-	-
International emerging markets	185,306	185,306	-	-
Real estate securities	126,260	126,260	-	-
Fixed income	944,222	944,222	-	-
Community foundation	108,137	-	-	108,137
<b>Total assets at fair value</b>	<b>\$ 1,963,639</b>	<b>1,855,502</b>	<b>-</b>	<b>108,137</b>

The following is a reconciliation of the beginning and ending balances for assets measured at fair value on a recurring and non-recurring basis using significant unobservable inputs (Level 3) during the periods ended December 31:

	2019	2018
Balance – beginning of year	\$ 108,137	117,203
Interest and dividends	2,120	2,247
Realized and unrealized gains	17,524	(10,004)
Fees	(1,360)	(1,309)
<b>Balance – end of year</b>	<b>\$ 126,421</b>	<b>108,137</b>

**Note 11 – Functionalized Expenses:**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

**Humane Society of Pinellas, Inc.**

**Notes to Financial Statements – Continued**

December 31, 2019 and 2018

**Note 12 – Liquidity:**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet, comprise the following:

Cash and cash equivalents	\$ 5,594,111
Legacy fund investments	<u>3,412,969</u>
Total assets available	9,007,080
Less restricted amounts	<u>4,032,500</u>
Total assets and credit available	<u>\$ 4,974,580</u>

As part of the organization’s liquidity management plan, a policy was established to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

**Note 13 – Subsequent Events:**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020.

Other subsequent events have been evaluated through January 6, 2021, which is the date the financial statements were available to be issued.