

**HUMANE SOCIETY OF SARASOTA COUNTY, INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**HUMANE SOCIETY OF SARASOTA COUNTY, INC.**  
**FINANCIAL STATEMENTS**

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## **INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors  
Humane Society of Sarasota County, Inc.  
Sarasota, Florida**

### **Opinion**

We have audited the accompanying financial statements of the Humane Society of Sarasota County, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, 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 Sarasota County, Inc. (the "Organization") as of December 31, 2024 and 2023, 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 Organization 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.

### **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.

CS&L CPAs

CS&L CPA's, P.A.

Sarasota, Florida  
October 28, 2025

**HUMANE SOCIETY OF SARASOTA COUNTY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND 2023**

|  | <b>2024</b>          | <b>2023</b>          |
|--|----------------------|----------------------|
| <b>ASSETS</b>                                    |                      |                      |
| Cash and cash equivalents                        | \$ 490,541           | \$ 1,384,234         |
| Contributions receivable                         | 106,763              | 72,001               |
| Promises to give, net                            | 372,790              | -                    |
| Other receivables                                | 166                  | -                    |
| Investments                                      | 9,263,266            | 9,620,603            |
| Inventory  | 64,788               | 127,281              |
| Prepaid expenses and other assets                | 99,668               | 51,196               |
| Contributions receivable from a charitable trust | 1,657,130            | 1,466,525            |
| Beneficial interest in assets held by others     | 1,253,281            | 1,165,479            |
| Beneficial interest in a charitable trust        | 2,186,359            | 1,857,108            |
| Property and equipment, net                      | 8,878,781            | 9,086,807            |
| <b>TOTAL ASSETS</b>                              | <b>\$ 24,373,533</b> | <b>\$ 24,831,234</b> |
| <b>LIABILITIES AND NET ASSETS</b>                |                      |                      |
| Liabilities                                      |                      |                      |
| Line of credit                                   | \$ -                 | \$ 800,000           |
| Accounts payable                                 | 197,629              | 161,466              |
| Accrued payroll and benefits                     | 150,941              | 113,855              |
| Unearned revenue                                 | 12,340               | -                    |
| Total liabilities                                | 360,910              | 1,075,321            |
| Net Assets                                       |                      |                      |
| Without donor restrictions                       | 20,077,096           | 20,186,186           |
| With donor restrictions                          | 3,935,527            | 3,569,727            |
| Total net assets                                 | 24,012,623           | 23,755,913           |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>          | <b>\$ 24,373,533</b> | <b>\$ 24,831,234</b> |

The accompanying notes are an integral part of these financial statements

**HUMANE SOCIETY OF SARASOTA COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                       |
|--|-------------------------------|----------------------------|-----------------------------|
| <b>Revenues, gains (losses) and other support</b>        |                               |                            |                             |
| Contributions  | \$ 1,713,487                  | \$ 107,860                 | \$ 1,821,347                |
| Grants   | 602,761                       | 75,000                     | 677,761                     |
| Bequests   | 1,362,414                     | -                          | 1,362,414                   |
| Change in value of contributions from a charitable trust | -                             | 190,605                    | 190,605                     |
| Change in beneficial interest in assets held by others   | 87,801                        | -                          | 87,801                      |
| Change in beneficial interest in a charitable trust      | -                             | 329,251                    | 329,251                     |
| Investment income (losses)                               | 920,423                       | 12,402                     | 932,825                     |
| Special events   |                               |                            |                             |
| Net of expenses of \$167,612                             | (60,849)                      | -                          | (60,849)                    |
| Retail center sales                                      | 426,880                       | -                          | 426,880                     |
| Program services   | 592,863                       | -                          | 592,863                     |
| Other income   | 582                           | -                          | 582                         |
| Net assets released from restriction                     | 349,318                       | (349,318)                  | -                           |
| <b>Total revenues, gains (losses) and other support</b>  | <u>5,995,680</u>              | <u>365,800</u>             | <u>6,361,480</u>            |
| <b>Operating expenses</b>                                |                               |                            |                             |
| Program services   | 5,534,486                     | -                          | 5,534,486                   |
| Management and general                                   | 155,860                       | -                          | 155,860                     |
| Fundraising  | 414,424                       | -                          | 414,424                     |
| <b>Total operating expenses</b>                          | <u>6,104,770</u>              | <u>-</u>                   | <u>6,104,770</u>            |
| <b>Increase (decrease) in net assets</b>                 | (109,090)                     | 365,800                    | 256,710                     |
| <b>Net assets at beginning of year</b>                   | <u>20,186,186</u>             | <u>3,569,727</u>           | <u>23,755,913</u>           |
| <b>Net assets at end of year</b>                         | <u><u>\$ 20,077,096</u></u>   | <u><u>\$ 3,935,527</u></u> | <u><u>\$ 24,012,623</u></u> |

The accompanying notes are an integral part of these financial statements

**HUMANE SOCIETY OF SARASOTA COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                       |
|---|-------------------------------|----------------------------|-----------------------------|
| <b>Revenues, gains (losses) and other support</b>       |                               |                            |                             |
| Contributions   | \$ 1,048,097                  | \$ 413,816                 | \$ 1,461,913                |
| Grants  | 103,942                       | 84,375                     | 188,317                     |
| Bequests  | 2,083,369                     | 2,256,069                  | 4,339,438                   |
| Change in value of contributions from charitable trusts | –                             | 215,243                    | 215,243                     |
| Change in beneficial interest in assets held by others  | 114,375                       | –                          | 114,375                     |
| Change in beneficial interest in a charitable trust     | –                             | 91,039                     | 91,039                      |
| Investment income (losses)                              | 1,259,446                     | –                          | 1,259,446                   |
| Special events  |                               |                            |                             |
| Net of expenses of \$162,735                            | (11,367)                      | –                          | (11,367)                    |
| Retail center sales                                     | 550,117                       | –                          | 550,117                     |
| Program services  | 989,929                       | –                          | 989,929                     |
| Gain (loss) on disposal of assets                       | (12,381)                      | –                          | (12,381)                    |
| Other income  | 2,097                         | –                          | 2,097                       |
| Net assets released from restriction                    | 857,145                       | (857,145)                  | –                           |
| <b>Total revenues, gains (losses) and other support</b> | <u>6,984,769</u>              | <u>2,203,397</u>           | <u>9,188,166</u>            |
| <b>Operating expenses:</b>                              |                               |                            |                             |
| Program services  | 5,251,203                     | –                          | 5,251,203                   |
| Management and general                                  | 79,701                        | –                          | 79,701                      |
| Fundraising   | 597,831                       | –                          | 597,831                     |
| <b>Total operating expenses</b>                         | <u>5,928,735</u>              | <u>–</u>                   | <u>5,928,735</u>            |
| <b>Increase (decrease) in net assets</b>                | 1,056,034                     | 2,203,397                  | 3,259,431                   |
| <b>Net assets at beginning of year</b>                  | <u>19,130,152</u>             | <u>1,366,330</u>           | <u>20,496,482</u>           |
| <b>Net assets at end of year</b>                        | <u><u>\$ 20,186,186</u></u>   | <u><u>\$ 3,569,727</u></u> | <u><u>\$ 23,755,913</u></u> |

The accompanying notes are an integral part of these financial statements

**HUMANE SOCIETY OF SARASOTA COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

|                                 | Program Services |              |                    |                        | Supporting Services        |             |                                 |  |
|---------------------------------|------------------|--------------|--------------------|------------------------|----------------------------|-------------|---------------------------------|--|
|                                 | Shelter          | Clinic       | Community Outreach | Total Program Expenses | General and Administrative | Fundraising | Total Support Services Expenses | Program and Supporting Services Expenses |
| Salaries                        | \$ 1,987,782     | \$ 710,850   | \$ 22,516          | \$ 2,721,148           | \$ 80,493                  | \$ 123,612  | \$ 204,105                      | \$ 2,925,253                             |
| Employee benefits and taxes     | 388,723          | 122,890      | 3,252              | 514,865                | 12,813                     | 22,987      | 35,800                          | 550,665                                  |
| Retail purchases for sale       | 27,627           | 290,161      | 913                | 318,701                | -                          | 5,181       | 5,181                           | 323,882                                  |
| Animal care supplies            | 153,887          | 735          | 14                 | 154,636                | 15                         | 44          | 59                              | 154,695                                  |
| Veterinary medical services     | 338,774          | 99,264       | 150                | 438,188                | -                          | -           | -                               | 438,188                                  |
| Contracts and services          | 83,593           | 60,401       | 5,190              | 149,184                | 2,360                      | 50,025      | 52,385                          | 201,569                                  |
| Utilities                       | 76,797           | 26,372       | 2,292              | 105,461                | 2,291                      | 6,878       | 9,169                           | 114,630                                  |
| Repairs and maintenance         | 130,555          | 43,084       | 3,608              | 177,247                | 3,199                      | 36,475      | 39,674                          | 216,921                                  |
| Insurance                       | 102,357          | 36,488       | 3,038              | 141,883                | 2,971                      | 9,114       | 12,085                          | 153,968                                  |
| Advertising & donor development | 88,734           | 30,460       | 2,649              | 121,843                | 2,648                      | 72,351      | 74,999                          | 196,842                                  |
| Accounting and legal            | -                | -            | -                  | -                      | 23,600                     | 750         | 24,350                          | 24,350                                   |
| Telephone                       | 2,491            | 591          | 51                 | 3,133                  | 51                         | 154         | 205                             | 3,338                                    |
| Auto                            | 5,315            | -            | -                  | 5,315                  | 63                         | 48          | 111                             | 5,426                                    |
| Office expenses                 | 6,755            | 3,186        | 275                | 10,216                 | 196                        | 15,301      | 15,497                          | 25,713                                   |
| Bank charges                    | 7,612            | 21,065       | -                  | 28,677                 | 3,458                      | 9,512       | 12,970                          | 41,647                                   |
| Program materials               | 18,556           | 9,269        | 3,858              | 31,683                 | 2,699                      | 11,888      | 14,587                          | 46,270                                   |
| Taxes                           | 5,053            | 1,734        | 151                | 6,938                  | 153                        | 452         | 605                             | 7,543                                    |
| Dues and subscriptions          | 88,379           | 36,034       | 2,365              | 126,778                | 2,434                      | 10,413      | 12,847                          | 139,625                                  |
| Seminars and training           | 32,027           | 8,499        | 467                | 40,993                 | 6,338                      | 12,218      | 18,556                          | 59,549                                   |
| Interest                        | -                | 41,225       | -                  | 41,225                 | 1,567                      | -           | 1,567                           | 42,792                                   |
| Miscellaneous                   | 28,900           | 9,711        | 805                | 39,416                 | 751                        | 3,742       | 4,493                           | 43,909                                   |
| Total Direct Expenses           | 3,573,917        | 1,552,019    | 51,594             | 5,177,530              | 148,100                    | 391,145     | 539,245                         | 5,716,775                                |
| Depreciation                    | 259,957          | 89,239       | 7,760              | 356,956                | 7,760                      | 23,279      | 31,039                          | 387,995                                  |
| Total Expenses                  | \$ 3,833,874     | \$ 1,641,258 | \$ 59,354          | \$ 5,534,486           | \$ 155,860                 | \$ 414,424  | \$ 570,284                      | \$ 6,104,770                             |

The accompanying notes are an integral part of these financial statements



**HUMANE SOCIETY OF SARASOTA COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                 | Program Services    |                     |                    |                        | Supporting Services        |                   |                                 |  |
|---------------------------------|---------------------|---------------------|--------------------|------------------------|----------------------------|-------------------|---------------------------------|--|
|                                 | Shelter             | Clinic              | Community Outreach | Total Program Expenses | General and Administrative | Fundraising       | Total Support Services Expenses | Program and Supporting Services Expenses |
| Salaries                        | \$ 1,689,593        | \$ 754,160          | \$ 52,629          | \$ 2,496,382           | \$ 28,400                  | \$ 201,896        | \$ 230,296                      | \$ 2,726,678                             |
| Employee benefits and taxes     | 271,587             | 114,236             | 4,899              | 390,722                | 3,011                      | 33,803            | 36,814                          | 427,536                                  |
| Retail purchases for sale       | 32,519              | 251,707             | -                  | 284,226                | -                          | 6,458             | 6,458                           | 290,684                                  |
| Animal care supplies            | 149,085             | 1,134               | 392                | 150,611                | -                          | -                 | -                               | 150,611                                  |
| Veterinary medical services     | 216,377             | 176,502             | -                  | 392,879                | -                          | -                 | -                               | 392,879                                  |
| Contracts and services          | 42,806              | 106,724             | 3,401              | 152,931                | 129                        | 19,396            | 19,525                          | 172,456                                  |
| Utilities                       | 88,385              | 15,739              | 2,928              | 107,052                | 1,107                      | 8,071             | 9,178                           | 116,230                                  |
| Repairs and maintenance         | 170,345             | 34,159              | 3,849              | 208,353                | 1,502                      | 14,441            | 15,943                          | 224,296                                  |
| Insurance                       | 81,498              | 31,879              | 3,304              | 116,681                | 1,525                      | 5,459             | 6,984                           | 123,665                                  |
| Advertising & donor development | -                   | 46                  | -                  | 46                     | -                          | 196,766           | 196,766                         | 196,812                                  |
| Accounting and legal            | -                   | -                   | -                  | -                      | 22,160                     | 4,087             | 26,247                          | 26,247                                   |
| Telephone                       | 16,230              | 7,965               | 979                | 25,174                 | 1,349                      | 2,631             | 3,980                           | 29,154                                   |
| Auto                            | 2,914               | 317                 | 1                  | 3,232                  | 321                        | 68                | 389                             | 3,621                                    |
| Rent expense                    | -                   | 45,136              | -                  | 45,136                 | -                          | -                 | -                               | 45,136                                   |
| Office expenses                 | 6,526               | 3,799               | 188                | 10,513                 | 151                        | 11,072            | 11,223                          | 21,736                                   |
| Bank charges                    | 7,171               | 35,745              | -                  | 42,916                 | 2,341                      | 9,136             | 11,477                          | 54,393                                   |
| Program materials               | 48,224              | 6,765               | 8,678              | 63,667                 | -                          | 87                | 87                              | 63,754                                   |
| Taxes                           | 4,319               | 1,728               | 133                | 6,180                  | 66                         | 399               | 465                             | 6,645                                    |
| Dues and subscriptions          | 62,749              | 36,476              | 5,403              | 104,628                | 2,306                      | 37,314            | 39,620                          | 144,248                                  |
| Seminars and training           | 29,154              | 1,706               | 110                | 30,970                 | 1,951                      | 5,021             | 6,972                           | 37,942                                   |
| Interest                        | 53,893              | -                   | -                  | 53,893                 | -                          | -                 | -                               | 53,893                                   |
| Miscellaneous                   | 17,961              | 6,561               | 797                | 25,319                 | 812                        | 4,410             | 5,222                           | 30,541                                   |
| Bad debt                        | 104,005             | 70,792              | 17,483             | 192,280                | 8,835                      | 14,902            | 23,737                          | 216,017                                  |
| Total Direct Expenses           | 3,095,341           | 1,703,276           | 105,174            | 4,903,791              | 75,966                     | 575,417           | 651,383                         | 5,555,174                                |
| Depreciation                    | 242,815             | 97,126              | 7,471              | 347,412                | 3,735                      | 22,414            | 26,149                          | 373,561                                  |
| Total Expenses                  | <u>\$ 3,338,156</u> | <u>\$ 1,800,402</u> | <u>\$ 112,645</u>  | <u>\$ 5,251,203</u>    | <u>\$ 79,701</u>           | <u>\$ 597,831</u> | <u>\$ 677,532</u>               | <u>\$ 5,928,735</u>                      |

The accompanying notes are an integral part of these financial statements

**HUMANE SOCIETY OF SARASOTA COUNTY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

|   | 2024         | 2023         |
|---|--------------|--------------|
| <b>Cash Flows from Operating Activities</b>   |              |              |
| Increase (decrease) in net assets   | \$ 256,710   | \$ 3,259,431 |
| Adjustments to reconcile increase (decrease) in net assets to cash provided (used) by operating activities: |              |              |
| Depreciation  | 387,995      | 373,561      |
| (Gain) loss on disposal of assets   | -            | 12,381       |
| Realized and unrealized gains (losses)  | (727,791)    | (1,259,446)  |
| Change in value of contributions receivable from a charitable trust   | (190,605)    | (215,243)    |
| Change in value of beneficial interest in assets held by others   | (136,197)    | (163,882)    |
| Change in value of beneficial interest in a charitable trust  | (434,188)    | (91,039)     |
| Discount on promises to give  | 2,210        | -            |
| Provision for Employee Retention Credit   | -            | 215,728      |
| (Increase) decrease in:   |              |              |
| Trade accounts receivable   | -            | 13,771       |
| Employee Retention Credit receivable  | -            | 15,231       |
| Contributions receivable  | (34,762)     | 5,574        |
| Promises to give  | (375,000)    | -            |
| Other receivables   | (166)        | -            |
| Inventory   | 62,493       | (50,806)     |
| Prepaid expenses and other assets   | (48,472)     | (4,340)      |
| Increase (decrease) in:   |              |              |
| Accounts payable  | 36,163       | 68,839       |
| Accrued payroll and benefits  | 37,086       | 33,896       |
| Unearned revenue  | 12,340       | (21,500)     |
| Net cash provided (used) by operating activities  | (1,152,184)  | 2,192,156    |
| <b>Cash Flows from Investing Activities</b>   |              |              |
| Purchase of property and equipment  | (179,969)    | (705,469)    |
| Proceeds from sale of equipment   | -            | 13,000       |
| Proceeds from beneficial interest in assets held by others  | 48,395       | 49,507       |
| Proceeds from beneficial interest in charitable trusts  | 104,937      | -            |
| Proceeds from sale of investments   | 11,124,459   | 175,298      |
| Purchases of investments  | (10,039,331) | (140,464)    |
| Net cash provided (used) by investing activities  | 1,058,491    | (608,128)    |
| <b>Cash Flows from Financing Activities</b>   |              |              |
| Proceeds from line of credit  | -            | 185,000      |
| Repayments of line of credit  | (800,000)    | -            |
| Contribution from beneficial interest in charitable trusts  | -            | (1,766,069)  |
| Net cash provided (used) by financing activities  | (800,000)    | (1,581,069)  |
| <b>Net Increase (Decrease) in Cash</b>  | (893,693)    | 2,959        |
| <b>Cash, Beginning of Year</b>  | 1,384,234    | 1,381,275    |
| <b>Cash, End of Year</b>  | \$ 490,541   | \$ 1,384,234 |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>   |              |              |
| Interest paid   | \$ 42,792    | \$ 53,893    |

The accompanying notes are an integral part of these financial statements

HUMANE SOCIETY OF SARASOTA COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Humane Society of Sarasota County, Inc. (the “Organization”) is a Florida nonprofit corporation formed in 1954. The Organization’s purpose is to provide pet adoption and related services in Sarasota County, Florida.

The Organization relies on community funding to pursue its mission to engage the hearts, hands, and minds of the community to help animals. The Organization offers pet adoptions; humane education; veterinary clinic services; pet therapy for children, seniors, and those living with special needs; and a large community outreach program.

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP) as prescribed by the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC).

Financial Statement Presentation

The financial statement presentation follows the provisions of the FASB for Not-for-Profit Entities. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Contributions Receivable and Promises to Give

Unconditional contributions receivable and promises to give are recognized as contribution revenue when the promise is received. Receivables with a donor-imposed condition are recognized when the condition, or barrier, is overcome.

Contributions receivable and promises to give are recorded at net realizable value. An allowance for doubtful accounts is established based on specific assessment of all amounts that remain unpaid following normal payment periods. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period the determination is made. Management has determined that the entire amount of contributions receivable and promises to give are considered fully collectible and as a result, no allowance has been established. Similarly, there was no allowance established against the contributions receivable as of December 31, 2023.

HUMANE SOCIETY OF SARASOTA COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Investments

The Organization reports its investments at fair market value in accordance with GAAP. Unrealized gains and losses are included in the statements of activities, and reported as either net assets without donor restrictions or net assets with donor restrictions depending on the nature of specified restrictions or lack thereof.

Investment types as of December 31, 2024 and 2023 include:

|                    | <u>2024</u>         | <u>2023</u>         |
|--------------------|---------------------|---------------------|
| Equity securities  | \$ 5,625,101        | \$ 6,482,709        |
| Fixed income       | 2,916,823           | 2,701,584           |
| Money market funds | 721,342             | 436,310             |
| Total              | <u>\$ 9,263,266</u> | <u>\$ 9,620,603</u> |

Inventory

Inventory consists of pet supplies, pet medications, and food which are used on the first-in first-out method. Inventory is stated at the lower of cost or net realizable value.

Beneficial Interest in Assets Held by Others

The Organization has transferred assets to the Community Foundation of Sarasota County, Inc. (the Foundation) to manage their investments. In accordance with GAAP, the Organization records the beneficial interest in the assets held by the Foundation at fair value in its statements of financial position. The fair value is re-measured annually and the change in fair value is reflected in the Organization's statements of activities.

Beneficial Interest in Charitable Trust

The Organization was named a sole beneficiary in the Elizabeth K. Moebus Trust for the benefit of Humane Society of Sarasota, Inc. In accordance with GAAP, the Organization records the beneficial interest in the charitable trust at fair value in its statements of financial position. The fair value is re-measured at least annually and the change in fair value is reflected in the Organization's statements of activities.

Property and Equipment

Property and equipment are stated at cost, if purchased, or estimated fair value at the date of receipt if acquired by gift. Property and equipment are recorded as net assets without donor restrictions or net assets with donor restrictions when the donations have a time stipulation. Expenditures over \$2,500 that significantly add to the productivity or extend the useful lives of property and equipment are capitalized. Other expenditures for maintenance and repairs are expensed to operations in the period the costs are incurred. It is the policy of the Organization to maintain all property and equipment in good condition.

HUMANE SOCIETY OF SARASOTA COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Property and Equipment – Continued

Depreciation of buildings and equipment is provided for using straight-line depreciation over the estimated useful lives of the respective assets. Estimated useful lives of assets range from 39 years for buildings; 5 to 15 years for building improvements; and 5 to 7 years for furniture, equipment and vehicles.

Unearned Revenue

Contributions, fees and other revenue sources collected in advance of special events that are held subsequent to year-end are deferred and recognized in the year in which the event occurs.

Net Assets

Net assets without donor restrictions are net assets that are available for general activities and obligations of the Organization. Net assets with donor restrictions are net assets that are restricted by donors to be used for specific purposes or are time-restricted.

Donated Materials and Services

The Organization's policy is to record donated materials and equipment at their estimated fair market values at the date of receipt. A substantial number of volunteers donated significant amounts of their time by working directly with the adoptable animals in training and enhancing the overall quality of their lives as well as providing the Organization services in its fund-raising efforts. No amounts have been reflected in the statements for donated services, since no objective basis is available to measure the value of such services.

Revenue Recognition from Contracts

The Organization's revenues from contracts with customers result primarily from program services (adoption and veterinary fees) and retail center sales. The Organization records revenue from contracts with customers based on a five-step model: identify the contract, identify performance obligations, determine the transaction price, allocate the contract transaction price to the performance obligations, and recognize the revenue when the control of goods or services is transferred to the customer.

Revenues from program services are recorded at the point of time the service is provided. Similarly, revenues from retail center sales are recognized at the point of time in which the control of the goods are transferred to the customer. Revenues for program services were \$592,863 and \$989,929 for the years ended December 31, 2024 and 2023, respectively. Revenues for retail center sales were \$426,880 and \$550,117 for the years ended December 31, 2024 and 2023, respectively.

HUMANE SOCIETY OF SARASOTA COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Contributions

Contributions received are recorded as either changes in net assets without donor restrictions, or depending on the existence and/or nature of any donor restrictions, changes in net assets with donor restrictions. When a stipulated time restriction ends or purpose restriction is accomplished, 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. If the restriction is fulfilled in the same time period in which the contribution is received, the Organization records the support as a contribution without donor restrictions.

Bequests are recorded as revenue when the donor is deceased, the estate has been finalized, and the amount to be received can be estimated and is reasonably certain.

Contributions from charitable trusts are recorded when the trust is irrevocable and the amount to be received can be estimated and is reasonably certain.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as revenue until the conditions are substantially met.

Fair Value Measurements

The fair value measurement accounting literature under GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs consist of unadjusted quoted prices in the active markets for identical assets and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1). Level 3 inputs are unobservable and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs were not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs were not available.

The asset 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 inputs and minimize the use of unobservable inputs. There have been no changes in valuation methodologies used for the years ended December 31, 2024 and 2023.

HUMANE SOCIETY OF SARASOTA COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been detailed in the statements of functional expenses and summarized on a functional basis in the statements of activities.

The financial statements report certain categories of expenses that are attributable to either a program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated included rent, utilities and depreciation which are allocated on a square-footage basis, as well as salaries, payroll taxes and employee benefits which are allocated on the basis of estimates of time and effort.

Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code except for unrelated business income. The Organization is required to pay income taxes on the excess revenues derived from activities unrelated to the tax exempt purpose of the Organization over the related expenses.

The Organization applies the provision for accounting for uncertainty in income taxes which requires all tax positions that meet a more-likely-than-not recognition threshold to be recognized. Management has reviewed their tax positions and concluded no liability or uncertain tax positions, or any interest or penalties related to uncertain tax positions, should be recognized in the Organization's financial statements. The Organization files income tax returns in the U.S. and the State of Florida, as applicable. The Organization's tax returns are subject to examination by the Internal Revenue Service for the three previous tax years.

Risk Concentrations

Financial instruments that potentially subject the Organization to concentrations of credit risk are cash and cash equivalents. The Organization maintains cash and cash equivalent balances at a financial institution and is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization has not experienced any losses, and believes it is not exposed to any significant credit risk on cash and cash equivalents. The balance in excess of FDIC limits as of December 31, 2024 was approximately \$237,800.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**HUMANE SOCIETY OF SARASOTA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 2 – PROMISES TO GIVE**

During 2024, the Organization received a \$500,000 unconditional promise to give from the Golisano Foundation. Promises to give are recorded after being discounted to the anticipated net present value of the future cash flows using a risk-free rate of return. The discount rate used was based on the five-year U.S. Treasury note rate of 4.27%, which was established at the time the pledge was recognized. The balance of the promises to give, net at December 31, 2024 is as follows:

|                       |                          |
|-----------------------|--------------------------|
| 2025                  | \$ 125,000               |
| 2026                  | 125,000                  |
| 2027                  | <u>125,000</u>           |
| Total                 | 375,000                  |
| Less discount         | <u>(2,210)</u>           |
| Promises to give, net | <u><u>\$ 372,790</u></u> |

**NOTE 3 – CONTRIBUTIONS RECEIVABLE FROM A CHARITABLE TRUST**

In 1998, a donor established a trust naming the Organization as a 100% beneficiary of a charitable remainder trust. The fair market value of the assets held in the charitable remainder trust totaled \$1,921,762 and \$1,743,227 at December 31, 2024 and 2023, respectively. The Organization is to receive the remainder interest of the trust upon the death of the last of the income beneficiaries. Based on the beneficiary's life expectancy and use of a 2.5% discount rate, the present value of the future benefit expected to be received by the Organization was estimated to be \$1,657,130 and \$1,466,525 at December 31, 2024 and 2023, respectively.

The Organization is aware that it is named a beneficiary in certain other wills and trusts. It is difficult to estimate a value for such intentions to give because individuals retain the ability to modify their wills and trusts during their lifetimes. Because of this uncertainty, no revenue or receivable has been recognized, nor is it possible to reasonably estimate a meaningful range of the total amount anticipated. Also, due to potential market fluctuations, it is reasonably possible that the amount of the Organization's contributions receivable from charitable trusts that is expected to be realized might change in the near future.

**NOTE 4 – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

The Organization has transferred assets to the Community Foundation of Sarasota County, Inc. (the Foundation) to establish the Humane Society of Sarasota County Endowment Fund (the Fund). The Fund shall be used for support of the charitable and educational purposes of the Organization.

The beneficial interest is recorded at the fair market value of the Fund as reported by the Foundation. Changes in the value of the Fund are recorded as changes in beneficial interest in assets held by others in the statements of activities. For the year ended December 31, 2024, the fair market value of the Fund was \$1,253,281 and the change in value was \$87,801. For the year ended December 31, 2023, the fair market value of the Fund was \$1,165,479 and the change in value was \$114,375.



**HUMANE SOCIETY OF SARASOTA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 5 – BENEFICIAL INTEREST IN CHARITABLE TRUSTS**

In 2023, the Organization received notification it was named the sole beneficiary of the Elizabeth K. Moebus Trust for the benefit of the Humane Society of Sarasota, Inc. (the Trust). The Trust is an irrevocable testamentary trust administered by a third party and requires annual distributions to be paid to the Organization equal to 5% of the fair market value of the trust in perpetuity. Distributions are directed to be paid in semi-annual installments on June 30 and December 31. The Trust shall be used for support of the charitable purposes of the Organization.

The beneficial interest is recorded at the fair market value of the Trust as reported by the trust administrator. Changes in the value of the Trust are recorded as a change in beneficial interest in a charitable trust in the statements of activities. The initial contribution received from the Trust was \$1,766,069 and reported in the statement of activities as a bequest for the year ended December 31, 2023. The fair market value of the Fund was \$2,186,359 and the change in value was \$329,251 for the year ended December 31, 2024. The fair market value of the Fund was \$1,857,108 and the change in value was \$91,039 for the year ended December 31, 2023.

**NOTE 6 – PROPERTY AND EQUIPMENT**

Property and equipment, net of accumulated depreciation is as follows at December 31, 2024 and 2023:

|                                   | <u>2024</u>                | <u>2023</u>                |
|-----------------------------------|----------------------------|----------------------------|
| Land                              | \$ 336,860                 | \$ 336,860                 |
| Buildings and improvements        | 9,096,634                  | 9,058,552                  |
| Furniture and equipment           | 964,790                    | 846,796                    |
| Vehicles                          | <u>98,361</u>              | <u>74,468</u>              |
| Total property and equipment      | 10,496,645                 | 10,316,676                 |
| Less accumulated depreciation     | <u>(1,617,864)</u>         | <u>(1,229,869)</u>         |
| Total property and equipment, net | <u><u>\$ 8,878,781</u></u> | <u><u>\$ 9,086,807</u></u> |

Depreciation expense for the years ended December 31, 2024 and 2023 was \$387,995 and \$373,561, respectively.

**NOTE 7 – LINE OF CREDIT**

The Organization had a revolving line of credit with a financial institution. The maximum amount available on the line of credit was \$4,200,000 with interest at the monthly SOFR rate plus 2.4%. The line is unsecured and only requires monthly interest payments until the line of credit matures. For the year ended December 31, 2023, the balance outstanding was \$800,000. The line of credit had a maturity date of October 2024 and was not renewed.

**HUMANE SOCIETY OF SARASOTA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions relate to amounts from donors restricted for specific purposes or contributions from trusts for future periods. Net assets with donor restrictions consisted of the following for the years ended December 31:

|   | 2024                | 2023                |
|---|---------------------|---------------------|
| Contributions receivable from charitable trusts | \$ 1,657,130        | \$ 1,466,525        |
| Beneficial interest in charitable trusts        | 2,186,359           | 1,857,108           |
| Military adoptions                              | –                   | 15,553              |
| Capital equipment and improvements              | 73,316              | 183,273             |
| Other   | 18,722              | 47,268              |
|   | <u>\$ 3,935,527</u> | <u>\$ 3,569,727</u> |

Net assets were released from donor restrictions by incurring expense satisfying the restricted purposes specified by the donor in the amount of \$349,318 and \$857,145 for the years ended December 31, 2024 and 2023, respectively.

**NOTE 9 – FAIR VALUE MEASUREMENTS**

The Organization measured the fair value of the following assets using the fair value hierarchy inputs (see Note 1 for definitions) at December 31:

|   | Fair Value Measurements at<br>December 31, 2024 |             |                     |                      |
|---|---|-------------|---------------------|----------------------|
|   | Level 1   | Level 2     | Level 3             | Total                |
| Investments   |   |             |                     |                      |
| Money market funds                                  | \$ 721,342                                      | \$ –        | \$ –                | \$ 721,342           |
| Equity securities                                   | 5,625,101                                       | –           | –                   | 5,625,101            |
| Fixed income  | 2,916,823                                       | –           | –                   | 2,916,823            |
| Total   | <u>9,263,266</u>                                | <u>–</u>    | <u>–</u>            | <u>9,263,266</u>     |
| Contributions Receivable from a<br>Charitable Trust | <u>–</u>  | <u>–</u>    | <u>1,657,130</u>    | <u>1,657,130</u>     |
| Beneficial Interest in<br>Assets Held by Others     | <u>1,253,281</u>                                | <u>–</u>    | <u>–</u>            | <u>1,253,281</u>     |
| Beneficial Interest in a<br>Charitable Trust        |   |             |                     |                      |
| Money market funds                                  | 36,580  | –           | –                   | 36,580               |
| Equity securities                                   | 1,090,803                                       | –           | –                   | 1,090,803            |
| Mutual funds  | 1,058,976                                       | –           | –                   | 1,058,976            |
| Total   | <u>2,186,359</u>                                | <u>–</u>    | <u>–</u>            | <u>2,186,359</u>     |
| Total Assets at Fair Value                          | <u>\$ 12,702,906</u>                            | <u>\$ –</u> | <u>\$ 1,657,130</u> | <u>\$ 14,360,036</u> |

**HUMANE SOCIETY OF SARASOTA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 – FAIR VALUE MEASUREMENTS – CONTINUED**

|  | Fair Value Measurements at<br>December 31, 2023 |         |              |               |
|--|---|---------|--------------|---------------|
|  | Level 1   | Level 2 | Level 3      | Total         |
| Investments  |   |         |              |               |
| Money market funds                                 | \$ 436,310                                      | \$ –    | \$ –         | \$ 436,310    |
| Equity securities                                  | 6,482,709                                       | –       | –            | 6,482,709     |
| Fixed income                                       | 2,701,584                                       | –       | –            | 2,701,584     |
| Investments Total                                  | 9,620,603                                       | –       | –            | 9,620,603     |
| Contributions Receivable from<br>Charitable Trusts | –   | –       | 1,466,525    | 1,466,525     |
| Beneficial Interest in<br>Assets Held by Others    | 1,165,479                                       | –       | –            | 1,165,479     |
| Beneficial Interest in a<br>Charitable Trust       |   |         |              |               |
| Money market funds                                 | 83,925  | –       | –            | 83,925        |
| Equity securities                                  | 1,001,244                                       | –       | –            | 1,001,244     |
| Mutual funds                                       | 771,939   | –       | –            | 771,939       |
| Total  | 1,857,108                                       | –       | –            | 1,857,108     |
| Total Assets at Fair Value                         | \$ 12,643,190                                   | \$ –    | \$ 1,466,525 | \$ 14,109,715 |

Investments are valued using the closing price reported in actively traded markets.

Contributions receivable from charitable trusts are based on a present value of expected future benefits utilizing mortality tables.

The beneficial interest in assets held by others is valued based on the Foundation's representation as to the distribution of the pooled investments in which the Organization participates using the Foundation's fair value estimates as of December 31, 2024 and 2023.

The beneficial interest in charitable trusts is valued based on the fair market value of the underlying investments in the trust as of December 31, 2024 and 2023.

The following table sets forth a summary of the changes in fair value of the Organization's Level 3 assets for the years ended December 31, 2024 and 2023:

|                            | 2024         | 2023         |
|----------------------------|--------------|--------------|
| Balance, beginning of year | \$ 1,466,525 | \$ 1,251,282 |
| Change in value            | 190,605      | 215,243      |
| Balance, end of year       | \$ 1,657,130 | \$ 1,466,525 |

**NOTE 10 – ENDOWMENT**

The Organization holds an investment account that is established as an endowment. The Organization is subject to the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) and classifies amounts in its endowment fund as net assets without donor restrictions because those net assets are not donor director or have donor imposed time restrictions.

**HUMANE SOCIETY OF SARASOTA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 10 – ENDOWMENT – CONTINUED**

The Board of Directors of the Organization has interpreted FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, when reviewing its endowment, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted FUPMIFA to permit spending from underwater funds in accordance with the prudent measures required under law.

In accordance with FUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate endowment funds:

1. The duration and preservation of the fund;
2. The purposes of the Organization and the endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Organization; and
7. The investment policies of the Organization.

The Organization has adopted investment and spending policies for endowment assets that attempt to protect the principal of the fund, provide consistent long-term income returns, and protect the Organization against long-term inflation trends. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

The Organization has designated the earnings of the endowment funds for the support of the charitable and educational purposes of the Organization. These funds can be used at the discretion of the Board of Directors.

The endowment net asset composition at December 31 is as follows:

|                                  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total at<br>December 31,<br>2024 |
|----------------------------------|-------------------------------|----------------------------|----------------------------------|
| Board-designated endowment funds | <u>\$ 1,253,281</u>           | <u>\$ -</u>                | <u>\$ 1,253,281</u>              |
|                                  |                               |                            | Total at<br>December 31,<br>2023 |
| Board-designated endowment funds | <u>\$ 1,165,479</u>           | <u>\$ -</u>                | <u>\$ 1,165,479</u>              |

**HUMANE SOCIETY OF SARASOTA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 10 – ENDOWMENT – CONTINUED**

The changes in the Organization's endowment net assets are as follows:

|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
|--|-------------------------------|----------------------------|---------------------|
| Endowment net assets, December 31, 2022  | \$ 1,051,104                  | \$ –                       | \$ 1,051,104        |
| Investment return                        |                               |                            |                     |
| Withdrawals                              | (49,507)                      | –                          | (49,507)            |
| Investment income                        | 30,353                        | –                          | 30,353              |
| Net appreciation realized and unrealized | 133,529                       | –                          | 133,529             |
| Total investment return                  | <u>114,375</u>                | <u>–</u>                   | <u>114,375</u>      |
| Endowment net assets, December 31, 2023  | 1,165,479                     | –                          | 1,165,479           |
| Investment return                        |                               |                            |                     |
| Withdrawals                              | (48,395)                      | –                          | (48,395)            |
| Investment income                        | 34,233                        | –                          | 34,233              |
| Net appreciation realized and unrealized | 101,964                       | –                          | 101,964             |
| Total investment return                  | <u>87,802</u>                 | <u>–</u>                   | <u>87,802</u>       |
| Endowment net assets, December 31, 2024  | <u>\$ 1,253,281</u>           | <u>\$ –</u>                | <u>\$ 1,253,281</u> |

**NOTE 11 – EMPLOYEE RETENTION CREDIT**

The Infrastructure Investment and Jobs Act enacted on November 15, 2021 provided an Employee Retention Credit (ERC) which is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages an eligible employer pays to employees after March 12, 2020, and before January 1, 2021. The Organization was eligible to receive an employee retention credit totaling \$230,959. The credit was reported as an Employee Retention Credit during 2021 and the amount remained as a receivable as of December 31, 2022. During 2023, the Organization collected \$15,231 of the receivable. The remaining amount has not subsequently been collected and accordingly, management determined the remaining receivable of \$215,728 may not be collectable and has recorded an allowance for doubtful accounts for the full amount.

**NOTE 12 – RETIREMENT PLAN**

Effective January 1, 2023, the Organization instituted a defined contribution retirement plan under Section 401(k) of the Internal Revenue Code. Under provisions of the plan, eligible employees (as determined by the terms of the plan) may defer a portion of their salaries up to a maximum amount as allowed under the Internal Revenue Code. The Organization may make a discretionary matching contribution as determined by the Board of Directors. The Organization's contributions to the plan were \$52,427 and \$45,631 for the years ended December 31, 2024 and December 31, 2023, respectively.

**HUMANE SOCIETY OF SARASOTA COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 13 – LIQUIDITY AND AVAILABILITY OF RESOURCES**

The following table reflects the Organization's financial assets as of December 31, 2024 and 2023, reduced by amounts not available for general use within one year. Amounts not available include contractual or donor-imposed restrictions and assets not in spendable form.

|   | <u>2024</u>          | <u>2023</u>          |
|---|----------------------|----------------------|
| Financial assets at December 31   | \$ 24,373,533        | \$ 24,831,234        |
| Less those unavailable for general expenditure<br>within one year due to donor restrictions | (3,935,527)          | (3,569,727)          |
| Less assets that are not in spendable form:   |                      |                      |
| Inventory   | (64,788)             | (127,281)            |
| Prepays and other assets  | (99,668)             | (51,196)             |
| Beneficial interest in assets held by others  | (1,253,281)          | (1,165,479)          |
| Property and equipment  | (8,878,781)          | (9,086,807)          |
| Financial assets available for use  | <u>\$ 10,141,488</u> | <u>\$ 10,830,744</u> |

The Organization receives contributions throughout the year that may be subject to donor restriction. Because a donor's restriction requires resources to be used in a particular manner or for a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. As part of the Organization's liquidity measurement, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations that become due within the next year. The Organization also has a line of credit and a board-designated endowment that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

**NOTE 14 – SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through October 28, 2025, which is the date the financial statements were available to be issued.