

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Financial Statements**

**December 31, 2021 and 2020  
(With Independent Auditors' Report Thereon)**

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Table of Contents**

	<b><u>Page</u></b>
Independent Auditors' Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Support and Revenue, Expenses, and Other Changes in Net Assets Without Donor Restrictions	4
Statements of Changes in Net Assets	5
Statement of Functional Expenses	6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 26



## **Independent Auditors' Report**

The Board of Directors  
Society for the Prevention of Cruelty to Animals, Tampa Bay, Florida, Inc.:

### **Opinion**

We have audited the financial statements of Society for the Prevention of Cruelty to Animals, Tampa Bay, Florida, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, the related statement of functional expenses for the year ended December 31, 2021, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended, and its functional expenses for the year ended December 31, 2021, 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditors' 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 for one year after the date that the financial statements are available to be issued.

## **Auditors' 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 auditors' 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 GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

## **Report on Summarized Comparative Information**

We have previously audited the Society for the Prevention of Cruelty to Animals, Tampa Bay, Florida, Inc.'s 2020 financial statements and our report dated May 21, 2021 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Mayer Hoffman McCann P.C.*

June 21, 2022  
St. Petersburg, Florida

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Statements of Financial Position**

**December 31, 2021 and 2020**

<b>Assets</b>	<b>2021</b>	<b>2020</b>
Current assets:		
Cash and cash equivalents	\$ 1,563,614	1,142,655
Accounts receivable:		
Bequests and trusts	1,439,009	255,832
Pledges	361,437	11,235
Other	36,970	30,092
Inventories	71,049	63,937
Prepaid expenses	139,114	99,787
	<hr/>	<hr/>
Total current assets	3,611,193	1,603,538
Investments	6,731,526	6,639,266
Bequests and trusts receivable, less current portion	652,140	681,932
Pledges receivable, less current portion	122,121	-
Receivable under remainder trust	120,314	106,746
Beneficial interest in assets held by others	20,000	20,000
Property and equipment, net	4,261,167	4,384,098
Other assets	5,950	5,950
	<hr/>	<hr/>
	\$ 15,524,411	13,441,530
	<hr/> <hr/>	<hr/> <hr/>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 242,024	90,822
Accrued expenses	313,736	245,299
Deferred revenue	23,128	49,957
Current installments of capital lease obligations	-	12,140
Current installments of long-term debt	83,260	80,788
Current portion of annuity obligation	4,325	5,941
	<hr/>	<hr/>
Total current liabilities	666,473	484,947
Capital lease obligations, less current installments	-	11,553
Long-term debt, less current installments	2,292,949	2,371,004
Annuity obligation, excluding current portion	103,372	129,816
	<hr/>	<hr/>
Total liabilities	3,062,794	2,997,320
Net assets:		
Without donor restrictions:		
Undesignated	-	398,762
Operating reserves	5,856,459	5,970,414
Net investment in property and equipment	1,884,958	1,908,613
Board designated for facility enhancement	255,793	51,459
	<hr/>	<hr/>
	7,997,210	8,329,248
With donor restrictions	4,464,407	2,114,962
	<hr/>	<hr/>
Total net assets	12,461,617	10,444,210
	<hr/> <hr/>	<hr/> <hr/>
	\$ 15,524,411	13,441,530
	<hr/> <hr/>	<hr/> <hr/>

See accompanying independent auditors' report and notes to financial statements.

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Statements of Support and Revenue, Expenses, and Other Changes in Net Assets  
Without Donor Restrictions**

**For the Years Ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
Operating support and revenue:		
Public support:		
Special events	\$ 115,740	73,875
Less: special events costs	(31,497)	(12,163)
	84,243	61,712
Contributions and grants	1,437,383	2,010,711
Bequests and trusts	1,162,614	1,485,070
In-kind support	62,627	95,228
	2,746,867	3,652,721
Revenue:		
Program service fees from:		
Veterinary services	2,553,521	2,367,735
Adoption, intake and other fees	515,781	470,564
Investment return designated for current operations	106,791	103,303
Sales of pet supplies and urns, net	25,663	21,698
Other income	2,227	43,825
	3,203,983	3,007,125
Net assets released from restrictions:		
Expiration of time restrictions - bequests, trusts and annuities	335,623	538,792
Total operating support and revenue	6,286,473	7,198,638
Operating expenses:		
Program services	5,396,478	5,163,471
Supporting services	1,868,061	1,645,576
Total operating expenses	7,264,539	6,809,047
Increase (decrease) in net assets without donor restrictions from operations	(978,066)	389,591
Other changes:		
Investment return in excess of amounts designated for current operations	648,076	179,148
Change in value of split-interest agreements	3,179	(22,040)
Loss on disposal of equipment	(5,227)	(2,862)
Increase (decrease) in net assets without donor restrictions	\$ (332,038)	543,837

See accompanying independent auditors' report and notes to financial statements.

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Statements of Changes in Net Assets**

**For the Years Ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
Net assets without donor restrictions:		
Total operating support and revenue (excluding net assets released from restrictions)	\$ 5,950,850	6,659,846
Total operating expenses	(7,264,539)	(6,809,047)
Investment return in excess of amounts designated for current operations	648,076	179,148
Change in value of split-interest agreements	3,179	(22,040)
Loss on disposal of equipment	(5,227)	(2,862)
Net assets released from restrictions	335,623	538,792
Increase (decrease) in net assets without donor restrictions	(332,038)	543,837
Net assets with donor restrictions:		
Contributions and grants	1,252,893	12,661
Bequests and trusts	1,404,216	244,395
Change in value of split-interest agreements	13,568	(4,807)
Unappropriated endowment earnings	14,391	2,860
Net assets released from restrictions	(335,623)	(538,792)
Increase (decrease) in net assets with donor restrictions	2,349,445	(283,683)
Increase in net assets	2,017,407	260,154
Net assets at beginning of year	10,444,210	10,184,056
Net assets at end of year	\$ 12,461,617	10,444,210

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Statement of Functional Expenses**

**For the Year Ended December 31, 2021  
(With Comparative Totals for 2020)**

	Program Services			Supporting Services			Total Expenses	
	Veterinary Services	Shelter and Other Programs	Total	Management and General	Development	Total	2021	2020
Salaries and wages	\$ 1,116,599	1,665,986	2,782,585	391,961	392,763	784,724	3,567,309	3,383,977
Payroll taxes	84,457	127,256	211,713	28,697	29,507	58,204	269,917	252,282
Employee benefits	90,368	179,270	269,638	25,854	24,453	50,307	319,945	339,842
	<u>1,291,424</u>	<u>1,972,512</u>	<u>3,263,936</u>	<u>446,512</u>	<u>446,723</u>	<u>893,235</u>	<u>4,157,171</u>	<u>3,976,101</u>
Professional fees and contract services	260,306	144,659	404,965	321,612	179,871	501,483	906,448	696,942
Office supplies	4,727	3,736	8,463	1,365	2,033	3,398	11,861	19,898
Kennel food and supplies	3,332	79,314	82,646	-	487	487	83,133	67,599
Clinic medicine and supplies	416,843	195,644	612,487	-	-	-	612,487	599,175
Communications	14,272	27,182	41,454	2,107	1,928	4,035	45,489	43,617
Advertising	18,487	56,507	74,994	-	81,782	81,782	156,776	148,515
Postage and shipping	531	214	745	967	201,695	202,662	203,407	201,114
Building repairs and maintenance	14,408	3,492	17,900	25,021	29,299	54,320	72,220	90,201
Utilities	31,266	59,050	90,316	6,783	7,942	14,725	105,041	100,001
Insurance	21,433	56,020	77,453	4,191	4,761	8,952	86,405	79,884
Equipment rental and maintenance	10,535	36,674	47,209	458	2,712	3,170	50,379	60,758
Printing and publications	-	9,500	9,500	313	17,306	17,619	27,119	30,335
Automotive	324	11,396	11,720	684	66	750	12,470	15,101
Conferences, conventions and meetings	6,376	17,128	23,504	4,247	3,256	7,503	31,007	19,071
Interest expense	120,639	-	120,639	-	-	-	120,639	125,864
Bad debt	29	100,000	100,029	-	-	-	100,029	21,333
Other	62,386	22,888	85,274	14,229	17,357	31,586	116,860	98,784
In-kind expense	-	53,552	53,552	-	9,075	9,075	62,627	95,228
	<u>2,277,318</u>	<u>2,849,468</u>	<u>5,126,786</u>	<u>828,489</u>	<u>1,006,293</u>	<u>1,834,782</u>	<u>6,961,568</u>	<u>6,489,521</u>
Total expenses before depreciation and amortization								
Depreciation and amortization	<u>144,577</u>	<u>125,115</u>	<u>269,692</u>	<u>15,329</u>	<u>17,950</u>	<u>33,279</u>	<u>302,971</u>	<u>319,526</u>
Total expenses	<u>\$ 2,421,895</u>	<u>2,974,583</u>	<u>5,396,478</u>	<u>843,818</u>	<u>1,024,243</u>	<u>1,868,061</u>	<u>7,264,539</u>	
Total expenses - 2020	<u>\$ 2,439,342</u>	<u>2,724,129</u>	<u>5,163,471</u>	<u>641,253</u>	<u>1,004,323</u>	<u>1,645,576</u>		<u>6,809,047</u>

See accompanying independent auditors' report and notes to financial statements.



**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Statements of Cash Flows**

**For the Years Ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
Cash flows from operating activities:		
Increase in net assets	\$ 2,017,407	260,154
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	302,971	319,526
Loss on disposal of equipment	5,227	2,862
Net realized and unrealized gains on investments	(662,467)	(182,008)
Change in values of split-interest agreements	(16,747)	26,847
Donated securities	(5,250)	(28,451)
Noncash contributions of equipment and forgiveness of capital lease payments	(94,703)	-
Changes in operating assets and liabilities:		
Decrease (increase) in receivables	(1,632,586)	278,913
Decrease (increase) in inventories	(7,112)	11,834
Decrease (increase) in prepaid expenses and other assets	(39,327)	22,732
Increase (decrease) in accounts payable	151,202	(109,355)
Increase in accrued expenses	68,437	11,245
Increase (decrease) in deferred revenue	(26,829)	49,957
Net cash provided by operating activities	60,223	664,256
Cash flows from investing activities:		
Property and equipment purchases	(105,729)	(61,152)
Proceeds from the sale of equipment	100	26,915
Purchases of investments	(707,221)	(858,356)
Proceeds from the sale of investments	1,282,678	1,076,473
Net cash provided by investing activities	469,828	183,880
Cash flows from financing activities:		
Principal payments on capital lease obligations	(4,980)	(11,509)
Principal payments on long-term debt	(79,231)	(74,661)
Payments to annuitants	(24,881)	(27,981)
Net cash used in financing activities	(109,092)	(114,151)
Net increase in cash and cash equivalents	420,959	733,985
Cash and cash equivalents at beginning of year	1,142,655	408,670
Cash and cash equivalents at end of year	\$ 1,563,614	1,142,655
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 120,639	125,864

See accompanying independent auditors' report and notes to financial statements.

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Notes to Financial Statements**

**December 31, 2021 and 2020**

**(1) Description of Organization and Summary of Significant Accounting Policies**

**(a) Description of Organization**

The Society for the Prevention of Cruelty to Animals, Tampa Bay, Florida, Inc. (the “Society”), a Florida not-for-profit corporation, has as its mission to improve the community by promoting humane care, preventing animal cruelty, and reducing pet overpopulation.

**(b) Basis of Accounting**

The financial statements of the Society have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

**(c) Net Assets**

***Net Assets Without Donor Restrictions***

Net assets without donor restrictions are available for use at the discretion of the Society’s Board of Directors (the “Board”) and/or management for general operating purposes. From time to time, the Society’s Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management’s discretion. For example, the Society’s Board has designated a portion of net assets without donor restrictions as an operating reserve for the purpose of ensuring the sustainability of the Society’s mission.

***Net Assets With Donor Restrictions***

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Society reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the accompanying statement of support and revenue, expenses and other changes in net assets without donor restrictions as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained in perpetuity while permitting the Society to spend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy.

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Notes to Financial Statements - Continued**

**(1) Description of Organization and Summary of Significant Accounting Policies - Continued**

**(d) Contributions**

The Society recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is recognized are presented as revenues without donor restrictions.

Conditional contributions are recorded as revenue when such amounts become unconditional which generally involves the meeting of a barrier to entitlement. This can include items like meeting a matching provision, incurring specified allowable expenses in accordance with a framework of allowable costs or other barriers. Contributions received pending designation by the donor are considered to be net assets with donor restrictions until donor stipulations are known at which time such amounts are reclassified, if required.

**(e) Cash and Cash Equivalents**

Cash and cash equivalents represent cash and short-term, highly liquid investments with original maturities of three months or less.

**(f) Accounts Receivable**

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Society provides for losses on accounts receivable using the allowance method. The allowance is based on historical experience, third-party contracts, and other circumstances, which may affect the ability of donors or others to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Society's policy to charge off uncollectible accounts when management determines the receivable will not be collected.

**(g) Inventories**

Supplies inventories purchased for use in program and supporting services are carried at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method.

**(h) Investments**

Investments are reported at fair value. Fair value is determined by using quoted market prices, where available. Where not available, the present value of estimated, expected future cash flows or another reasonable method is used. No investment or group of investments represents a significant concentration of market risk.

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Notes to Financial Statements - Continued**

**(1) Description of Organization and Summary of Significant Accounting Policies - Continued**

**(i) Property and Equipment**

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for property and equipment in excess of \$1,000 and with a useful life of at least one year are capitalized. Similarly, donated property and equipment with a fair market value in excess of \$1,000 as of the date of receipt are capitalized.

**(j) Revenue Recognition**

The Society has multiple revenue streams that are accounted for as reciprocal exchange transactions including veterinary services, pet supplies and other sales, and adoption and intake services. Revenue is recognized at a point in time when the Society satisfies a performance obligation when services or products are provided to a customer, or when an animal is delivered to a customer. Veterinary service revenue includes online pharmacy revenue in which the Society is acting as an agent facilitating the sale of third party prescriptions to customers. Online pharmacy revenue is reported net of related expenses. Sales taxes related to these sales are collected from customers and remitted to the appropriate taxing authority and are not reflected in the Society's statements of support and revenue, expenses, and other changes in net assets without donor restrictions as revenue.

**(k) Donated Materials and Services**

Many individuals volunteer their time and perform a variety of tasks that assist the Society with its cruelty prevention and animal care and placement programs. Amounts have been reported in the financial statements for voluntary donations of services when those services create or enhance nonfinancial assets or require specialized skills provided by an individual possessing those skills and which would be typically purchased if not provided by donation. The Society also receives a significant number of volunteer hours per year that have not been recorded in the accompanying financial statements.

**(l) Income Taxes**

The Society has been recognized by the Internal Revenue Service as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986. Income earned in furtherance of the Society's tax-exempt purpose is exempt from Federal and State income taxes. The Society is treated as a publicly supported organization, and not as a private foundation. The Society has adopted the provisions of Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, and does not believe it has any material income tax exposure relating to uncertain tax positions. The Society's income tax filings for the year ended December 31, 2018 and thereafter remain subject to examination.

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Notes to Financial Statements - Continued**

**(1) Description of Organization and Summary of Significant Accounting Policies - Continued**

**(m) Functional Allocation of Expenses**

The costs of providing the Society's various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Expenses directly attributable to a specific functional area of the Society are reported as direct expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the functional areas based on either time spent by employees on each functional area or based on the Society's square footage analysis for all indirect occupancy-related expenses.

**(n) Fair Value Measurements**

The Society has adopted the provisions of ASC Topic 820, *Fair Value Measurement*, which requires the use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices that are observable for the assets or liability (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

**(o) Going Concern Evaluation**

On an annual basis, as required by ASC Topic 205, *Presentation of Financial Statements - Going Concern*, the Society performs an evaluation to determine whether there are conditions or events (known and reasonably knowable), considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern within one year after the date that the financial statements are available to be issued. Management's assessment did not indicate that substantial doubt is raised about the ability to remain a going concern for one year from the date the financial statements were available for issuance.

**(p) 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.

**(q) Advertising**

The Society's policy is to expense advertising costs as incurred. Advertising costs were approximately \$157,000 and \$149,000 during the years ended December 31, 2021 and 2020, respectively.

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Notes to Financial Statements - Continued**

**(1) Description of Organization and Summary of Significant Accounting Policies - Continued**

**(r) Reclassifications**

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

**(s) Comparative Financial Information**

The statement of functional expenses includes certain prior-year summarized comparative information in total but not by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

**(t) Recent Accounting Pronouncements**

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of support and revenue, expenses, and other changes in net assets without donor restrictions. In June 2020, the FASB issued ASU No. 2020-05, which deferred the effective date for all entities that have not yet adopted Topic 842 to annual reporting periods beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Society is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Notes to Financial Statements - Continued**

**(2) Investments**

At December 31, 2021 and 2020, the cost and market values of investments were as follows:

	<u>2021</u>		<u>2020</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Money market funds	\$ 105,274	105,274	665,503	665,503
Common stock	1,492,702	2,258,361	1,500,009	1,834,786
Corporate bonds	1,786,269	1,840,042	1,750,674	1,874,677
Mutual funds - equities	926,699	1,542,104	926,699	1,314,881
U.S. savings bonds	180,000	564,320	180,000	539,834
	<u>4,490,944</u>	<u>6,310,101</u>	<u>5,022,885</u>	<u>6,229,681</u>
Gift annuities:				
Money market funds	51,105	51,105	48,638	48,638
Common stock	111,625	165,401	118,872	148,580
Corporate bonds	171,570	172,745	150,761	157,108
Mutual funds - equities	17,320	32,174	32,700	55,259
	<u>351,620</u>	<u>421,425</u>	<u>350,971</u>	<u>409,585</u>
	<u>\$ 4,842,564</u>	<u>6,731,526</u>	<u>5,373,856</u>	<u>6,639,266</u>

The Society has pledged \$677,750 of its investments to serve as collateral under a construction loan. The loan agreement limits the Society's ability to withdraw funds below the amount of collateral throughout the term of the loan which matures February 2025.

Investment return for the years ended December 31, 2021 and 2020 includes the following:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 144,116	137,806
Net realized and unrealized gains	662,467	182,008
Investment management fees	<u>(37,325)</u>	<u>(34,503)</u>
Total investment return	769,258	285,311
Restricted investment return	14,391	2,860
Investment return designated for current operations	<u>106,791</u>	<u>103,303</u>
Investment return in excess of amounts designated for current operations	<u>\$ 648,076</u>	<u>179,148</u>

The Society designates a portion of its investment return for current operations based on current cash flow needs, as described in Note 10.

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Notes to Financial Statements - Continued**

**(3) Property and Equipment**

Property and equipment at December 31, 2021 and 2020 consists of the following:

	<b>2021</b>	<b>2020</b>
Land	\$ 338,062	338,062
Construction in progress	19,250	-
Buildings and improvements	6,452,093	6,414,825
Shelter equipment	825,228	738,462
Furniture and equipment	62,004	62,004
Transportation equipment	128,400	123,800
	7,825,037	7,677,153
Less: accumulated depreciation	3,563,870	3,293,055
	\$ 4,261,167	4,384,098

Depreciation expense for the years ended December 31, 2021 and 2020, was \$299,323 and \$315,879 respectively.

**(4) Contributions Receivable**

Contributions receivable at December 31, 2021 and 2020 consist of the following:

	<b>2021</b>	<b>2020</b>
Bequests and trusts	\$ 1,366,549	180,062
Trust receivable over 10 years	724,600	757,702
Pledges	585,215	11,235
Total contributions receivable	2,676,364	948,999
Less: unamortized discount on pledges	1,657	-
Less: allowance for doubtful pledges	100,000	-
Net contribution receivable	\$ 2,574,707	948,999
Amounts due in:		
Less than one year	\$ 1,800,446	267,067
One to five years	875,918	681,932
	\$ 2,676,364	948,999

Contributions due in more than one year are discounted to net present value using a discount rate of 1.62%.



**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Notes to Financial Statements - Continued**

**(5) Net Assets With Donor Restrictions**

Net assets with donor restrictions as of December 31, 2021 and 2020 consist of the following:

	<b>2021</b>	<b>2020</b>
Subject to time restrictions:		
Bequests	\$ 2,091,149	937,764
Charitable remainder trust	120,314	106,746
Charitable gift annuities	104,000	137,800
	2,315,463	1,182,310
Subject to use restrictions:		
Unappropriated endowment earnings	33,660	19,269
Animal medical care and adoption fees	60,386	61,400
Restricted for capital expenditures	1,209,415	6,500
	1,303,461	87,169
Endowments subject to the Society's spending policy and appropriation:		
General endowment	153,466	153,466
Feline endowment	92,017	92,017
Education program endowment	150,000	150,000
Summer camp endowment	100,000	100,000
Behavior program endowment	100,000	100,000
Spay/neuter and crisis care endowment	250,000	250,000
	845,483	845,483
Total net assets with donor restrictions	\$ 4,464,407	2,114,962

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Notes to Financial Statements - Continued**

**(6) Long-Term Debt**

The Society's long-term debt consists of the following notes payable at December 31, 2021 and 2020:

	<b>2021</b>	<b>2020</b>
4.75% construction note payable to a commercial bank, due in monthly installments of interest only through the construction period ended February 2017; monthly installments of principal and interest at 4.75% due thereafter through February 2020 (the "Change Date") based on a 25 year amortization. On the Change Date, the interest rate on the loan will be changed to a variable rate equal to the greater of 4.75% or the weekly average Five-Year Treasury Constant Maturities Rate plus 3.5% (4.75% at December 31, 2021). Monthly installments of principal and interest will be due through January 2025, with a final balloon payment due February 2025; secured by real property and \$677,750 of investment securities.	\$ <u>2,387,687</u>	<u>2,466,918</u>
Total long-term debt	2,387,687	2,466,918
Less: unamortized debt issuance costs	<u>11,478</u>	<u>15,126</u>
Long-term debt, less unamortized debt issuance costs	2,376,209	2,451,792
Less: current installments	<u>83,260</u>	<u>80,788</u>
Long-term debt, less current installments	<u>\$ 2,292,949</u>	<u>2,371,004</u>

Total interest expense was \$120,639 and \$125,864 for the years ended December 31, 2021 and 2020, respectively.

Aggregate maturities of long-term debt as of December 31, 2021 for each of the next four years are as follows:

<b>Year Ending December 31,</b>	
2022	\$ 83,260
2023	89,094
2024	93,536
2025	<u>2,121,797</u>
	<u>\$ 2,387,687</u>

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Notes to Financial Statements - Continued**

**(7) Leases**

The Society leases certain office space and equipment under noncancellable operating leases and medical equipment under capital leases which expire over the next four years. Rental expense on operating leases was approximately \$30,000 and \$46,000 for the years ended December 31, 2021 and 2020, respectively.

At December 31, 2021, the gross amount of equipment and related accumulated amortization recorded under capital leases was \$67,195 and \$60,997, respectively. At December 31, 2020, the gross amount of equipment and related accumulated amortization recorded under capital leases was \$67,195 and \$49,798, respectively.

In 2021, the Organization purchased certain equipment and entered into a 6 year purchasing commitment with the capital lease vendor whereby the Organization commits to buying \$158,000 of services and testing supplies annually over the remaining 5 year term in exchange for certain credits which were used to acquire \$75,990 of equipment in 2021 and \$18,713 of capital lease payments which were forgiven.

Future minimum lease payments under noncancellable operating leases (with initial or remaining lease terms in excess of one year) and the remaining purchase commitments for equipment at December 31, 2021 are as follows:

<u>Year Ending December 31,</u>	<u>Purchase Commitment</u>	<u>Operating Leases</u>	<u>Total</u>
2022	\$ 158,000	12,500	170,500
2023	158,000	12,500	170,500
2024	158,000	11,444	169,444
2025	158,000	815	158,815
2026	158,000	-	158,000
	<u>\$ 790,000</u>	<u>37,259</u>	<u>827,259</u>

**(8) Retirement Plan**

In 1994, the Society established a 403(b) retirement plan for eligible employees. Under this plan, the Society matches 25% of employee contributions up to \$1,500. For the years ended December 31, 2021 and 2020, the Society made matching contributions of approximately \$26,000 and \$18,000, respectively.

**(9) Concentration of Credit Risk**

The Society maintains its cash balances with a large regional financial institution. At December 31, 2021, total cash balances exceeded federal insurance limits by approximately \$1,247,000.

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Notes to Financial Statements - Continued**

**(10) Endowments**

The Society's endowments consist of several individual funds established by donors for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

In accordance with the State of Florida *Uniform Prudent Management of Institutional Funds Act* ("UPMIFA") and ASC Topic 958-205-45-28, *Classification of Donor Restricted Endowment Funds Subject to UPMIFA*, the Society classifies investment earnings on endowments as a component of net assets with donor restrictions if not appropriated for expenditure in the period earned. Once investment earnings are appropriated for expenditure, the Society reclassifies the amount appropriated as a component of net assets without donor restrictions.

The Board of Directors has interpreted Florida UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Society classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable and classified as net assets with donor restrictions until appropriated for expenditure.

*Investment Return Objectives, Risk Parameters, and Strategies:* The Society has adopted investment policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. The policies stipulate that the endowment investments should be managed as a long-term goal designed to maximize the returns without exposure to undue risk. Whereas it is understood that fluctuating rates of return are characteristic of the securities markets, the greatest concern should be long-term appreciation of the assets and consistency of total portfolio returns.

*Spending Policy:* The Society has a policy of appropriating for distribution each year the amount of the Society's current operating cash flow deficit. The Society's endowment funds contain certain net assets with donor restrictions that are not subject to general spending policies.

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Notes to Financial Statements - Continued**

**(10) Endowments - Continued**

Endowment net asset composition by type of fund as of December 31, 2021 and 2020 is as follows:

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total Endowment Net Assets</b>
December 31, 2021:			
Board-designated endowment funds	\$ -	-	-
Donor-restricted endowment funds	-	983,143	983,143
	<u>\$ -</u>	<u>983,143</u>	<u>983,143</u>
December 31, 2020:			
Board-designated endowment funds	\$ -	-	-
Donor-restricted endowment funds	-	1,002,552	1,002,552
	<u>\$ -</u>	<u>1,002,552</u>	<u>1,002,552</u>

Changes in endowment net assets for the years ended December 31, 2021 and 2020 are as follows:

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total Endowment Net Assets</b>
Balance at December 31, 2019	\$ -	999,692	999,692
Contributions	-	-	-
Investment income	-	15,870	15,870
Net appreciation	-	24,087	24,087
Withdrawals	-	(37,097)	(37,097)
Balance at December 31, 2020	-	1,002,552	1,002,552
Contributions	-	-	-
Investment income	-	16,015	16,015
Net appreciation	-	99,345	99,345
Withdrawals	-	(134,769)	(134,769)
Balance at December 31, 2021	<u>\$ -</u>	<u>983,143</u>	<u>983,143</u>

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Notes to Financial Statements - Continued**

**(11) Liquidity and Availability of Resources**

The Society is supported by contributions with and without donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Society must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Society's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Occasionally, the Board designates certain bequests and a portion of investment return to its operating reserve, which totaled \$5,856,459 and \$5,970,414 as of December 31, 2021 and 2020, respectively. The operating reserve was established to fund the long-term needs of the Society and 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.

As of December 31, 2021 and 2020, the Society's financial assets available to meet cash needs for general expenditures within one year were as follows:

	<b>2021</b>	<b>2020</b>
Financial assets:		
Cash and cash equivalents	\$ 1,563,614	1,142,655
Bequests and trusts receivable	2,091,149	937,764
Pledges and other receivables	520,528	41,327
Investments	6,731,526	6,639,266
Receivable under remainder trust	120,314	106,746
Beneficial interest in assets held by others	20,000	20,000
Total financial assets	11,047,131	8,887,758
Less amounts unavailable for general expenditure within one year due to:		
Contractual or donor-imposed restrictions:		
Unappropriated earnings on endowment restricted for summer camp	(33,660)	(19,269)
Long-term bequests and trusts receivable	(652,140)	(681,932)
Long-term pledges receivable	(122,121)	-
Donor imposed use restrictions	(26,205)	(30,989)
Charitable gift annuities	(104,000)	(137,800)
Charitable remainder trust	(120,314)	(106,746)
Endowments	(845,483)	(845,483)
Board-designations:		
Operating reserves	(5,856,459)	(5,970,414)
Facility enhancement	(255,793)	(51,459)
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,030,956	1,043,666

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Notes to Financial Statements - Continued**

**(12) Split-Interest Gifts**

***Charitable Gift Annuities***

The Society is certified by the State of Florida to market and manage charitable gift annuity contracts. Under these contracts, a donor transfers assets to the Society at the beginning of the contract and the Society makes predetermined periodic payments to the donor or their named beneficiary over their lifetime. Upon the donors' death, the remaining assets are available for the Society's use. As required by the State of Florida these amounts are segregated from other assets of the Society in separate investment accounts. In connection with these gifts, the Society records a liability representing the estimated present value of the future payments required under the gift annuity contract over the remainder of the donor's life expectancy using discount rates ranging from approximately 1% to 7%. The difference between the total amount of the gift and the estimated liability is considered to be a restricted contribution. During the years ended December 31, 2021 and 2020, no funds were received by the Society under its charitable gift annuity program and therefore, no contributions were recorded.

***Receivable Under Remainder Trust***

The Society has been named a remainder beneficiary under a charitable remainder unitrust agreement. The trust provides for the payment of quarterly distributions to two donors over their lifetimes equal to 7% of the fair value of the trust assets as of the beginning of each year. Upon the death of the two beneficiaries, the remaining assets will be distributed to the Society for its use. The receivable under remainder trust is reported at estimated fair value.

**(13) Funds Held by Community Foundations**

In 1999, the Society established accounts at the Community Foundation of Tampa Bay and Pinellas County Community Foundation (the "Foundations") with payments of \$10,000 each. These amounts are included in the accompanying statements of financial position as the Society's beneficial interest in assets held by others as of December 31, 2021 and 2020. Earnings on these funds are distributed on a periodic basis to the Society. Each Foundation has been granted variance power over the earnings on these funds which provides each Foundation with the unilateral power to redirect the funds to other beneficiaries. Because the Foundations have been granted variance power, funds contributed by donors to the Foundations on behalf of the Society are not considered to be an asset.

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Notes to Financial Statements - Continued**

**(14) In-Kind Support**

For the years ended December 31, 2021 and 2020, in-kind support included the following:

	<u>2021</u>	<u>2020</u>
Pet food, medical, kennel and shelter supplies	\$ 53,552	74,383
Development items	<u>9,075</u>	<u>20,845</u>
	<u>\$ 62,627</u>	<u>95,228</u>

**(15) Fair Value Measurements**

Financial instruments measured at fair value are classified and disclosed in the following categories:

Level 1: Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments included in Level 1 are money market mutual funds, common stock, and equity mutual funds.

Level 2: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. The Society's investments in corporate bonds and U.S. savings bonds are included in Level 2.

Level 3: Valuation is based on unobservable inputs. The Society's receivable under a charitable remainder trust is included in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.



**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Notes to Financial Statements - Continued**

**(15) Fair Value Measurements - Continued**

Fair value of assets measured on a recurring basis at December 31, 2021 are as follows:

	<b>Fair Value as of December 31, 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investments:				
Money market funds	\$ 156,379	156,379	-	-
Corporate bonds	2,012,787	-	2,012,787	-
Common stock:				
Communication services	50,921	50,921	-	-
Consumer discretionary	234,942	234,942	-	-
Consumer staples	203,035	203,035	-	-
Energy	68,184	68,184	-	-
Financials	331,293	331,293	-	-
Healthcare	377,403	377,403	-	-
Industrials	369,632	369,632	-	-
Information technology	396,057	396,057	-	-
Materials	45,639	45,639	-	-
Real Estate	227,725	227,725	-	-
Utilities	118,931	118,931	-	-
Mutual funds:				
Mid cap	813,498	813,498	-	-
Small cap	760,780	760,780	-	-
U.S. savings bonds	564,320	-	564,320	-
	<u>6,731,526</u>	<u>4,154,419</u>	<u>2,577,107</u>	<u>-</u>
Receivable under remainder trust	<u>120,314</u>	<u>-</u>	<u>-</u>	<u>120,314</u>
	<u>\$ 6,851,840</u>	<u>4,154,419</u>	<u>2,577,107</u>	<u>120,314</u>

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Notes to Financial Statements - Continued**

**(15) Fair Value Measurements - Continued**

Fair value of assets measured on a recurring basis at December 31, 2020 are as follows:

	<b>Fair Value as of December 31, 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investments:				
Money market funds	\$ 714,141	714,141	-	-
Corporate bonds	2,031,785	-	2,031,785	-
Common stock:				
Communication services	88,096	88,096	-	-
Consumer discretionary	173,776	173,776	-	-
Consumer staples	289,577	289,577	-	-
Energy	28,291	28,291	-	-
Financials	174,311	174,311	-	-
Healthcare	324,444	324,444	-	-
Industrials	320,139	320,139	-	-
Information technology	249,025	249,025	-	-
Materials	40,983	40,983	-	-
Real Estate	146,252	146,252	-	-
Utilities	148,472	148,472	-	-
Mutual funds:				
Mid cap	686,871	686,871	-	-
Small cap	683,269	683,269	-	-
U.S. savings bonds	539,834	-	539,834	-
	<u>6,639,266</u>	<u>4,067,647</u>	<u>2,571,619</u>	<u>-</u>
Receivable under remainder trust	106,746	-	-	106,746
	<u>\$ 6,746,012</u>	<u>4,067,647</u>	<u>2,571,619</u>	<u>106,746</u>

The following table sets forth a summary of changes in fair value for the years ended December 31, 2021 and 2020 for which the Society has used Level 3 inputs to determine fair value:

Balance at December 31, 2019	\$ 111,553
Change in value	<u>(4,807)</u>
Balance at December 31, 2020	\$ 106,746
Change in value	<u>13,568</u>
Balance at December 31, 2021	<u>\$ 120,314</u>

***Qualitative Information About Significant Unobservable Inputs Used in Level 3 Fair Value Measurements***

The Society utilizes a discounted cash flow method to estimate the fair value of the receivable under remainder trust. At December 31, 2021, significant unobservable inputs include using a discount rate of 1.6% and estimated life expectancies of income beneficiaries ranging from 13 to 14 years.

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Notes to Financial Statements - Continued**

**(16) Commitments and Contingencies**

The Society has an employment agreement with a key employee which expires in 2024. The agreement establishes a base salary, provisions for salary increases and for earning an incentive bonus and other benefits. The agreement may be terminated with or without cause by either party, which could result in separation payments not to exceed six months of base salary under certain circumstances, as defined by the agreement.

The Society is involved in various legal actions arising during the ordinary course of its operations. The potential loss under these claims, if any, is not determinable at this time. Management believes any potential loss would be expected to fall within the Society's insurance policy limits. The only anticipated financial exposure would be payment of the insurance policy deductible, a nominal amount. In the opinion of management, no material liability exists with respect to these claims.

**(17) Risks and Uncertainties**

The novel coronavirus ("COVID-19") spread rapidly across the world in the first quarter of 2020 and was declared a pandemic by the World Health Organization in March 2020. The government and private sector responses to contain its spread began to adversely affect the broader economy and business in general in March 2020 and those impacts will likely affect operations beyond 2021, although such effects may vary significantly. The duration and extent of the pandemic and its effects over longer terms cannot be reasonably estimated as of the date the financial statements were available for issuance. The risks and uncertainties resulting from the pandemic that may affect the results of operating activities, cash flows and financial condition include the nature and duration of the curtailment of various program activities and the long-term effect on governmental support and contributions.

The pandemic has adversely affected global economic activity and greatly contributed to significant deterioration and instability in financial markets. As a result, there has been heightened market risk and the Society's investment portfolio has incurred significant volatility in fair value since March 2020. Because the values of the Society's individual investments have and will fluctuate in response to changing market conditions, the amount of losses that will be recognized in future periods, if any, and the related impact on the Society's liquidity cannot be determined at this time.

**(18) Paycheck Protection Program Loan**

The Society applied for and received a forgivable Paycheck Protection Program loan of \$734,400 as provided under the Federal Coronavirus Aid, Relief and Economic Security Act and the loan was funded on April 9, 2020. Under the terms of the loan, the balance is forgivable to the extent the proceeds are used for certain qualified costs and that certain employment levels are maintained over a specified 24 week period.

**SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,  
TAMPA BAY, FLORIDA, INC.**

**Notes to Financial Statements - Continued**

**(18) Paycheck Protection Program Loan - Continued**

To the extent a portion of the loan does not meet the criteria to be forgiven, principal and interest is payable monthly through the maturity date of April 14, 2022. The loan carries an interest rate of 1%. Through December 31, 2020, the Society fully utilized the proceeds on qualified costs and such amount has been reported as grant revenue in the accompanying statement of support and revenue, expenses and other changes in net assets without donor restrictions. In December 2020, a formal request for forgiveness was submitted. In January 2021, the Society received notice of the legal release of the obligation.

**(19) Subsequent Events**

The Society has evaluated subsequent events through June 21, 2022, the date the financial statements were available for issuance.