

HUMANE SOCIETY OF MANATEE COUNTY, INC.

***REPORT ON AUDIT OF
FINANCIAL STATEMENTS***

***FOR THE YEAR ENDED
SEPTEMBER 30, 2025
(WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR
THE YEAR ENDED SEPTEMBER 30, 2024)***

Walters & Associates, CPAs

HUMANE SOCIETY OF MANATEE COUNTY, INC.

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	6-7
NOTES TO FINANCIAL STATEMENTS	8



BOARD OF DIRECTORS
Humane Society of Manatee County, Inc.
Bradenton, FL

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying financial statements of Humane Society of Manatee County, Inc. ("the Organization") which comprise the statement of financial position as of September 30, 2025 and the related statements of activities, functional expenses, and cash flows for the year 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 Humane Society of Manatee County, Inc. at September 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Humane Society of Manatee County, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Humane Society of Manatee County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



BOARD OF DIRECTORS
Humane Society of Manatee County, Inc.
Page Two

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 Humane Society of Manatee County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Humane Society of Manatee County, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Humane Society of Manatee County, Inc.'s 2024 financial statements, and our report dated January 15, 2025, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Walters & Associates, CPAs

Certified Public Accountants
Sarasota, Florida
January 21, 2026

HUMANE SOCIETY OF MANATEE COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30,

	2025			2024 Total (for comparative purposes only)
	Without Donor Restriction	With Donor Restriction	Total	
ASSETS				
Cash and cash equivalents	\$ 905,295	\$ 18,593	\$ 923,888	\$ 479,038
Investments	4,243,672		4,243,672	3,247,653
Investments in				
Community Foundation	1,239,066		1,239,066	1,127,993
Annuity investment	454,348		454,348	425,882
Accounts receivable	11,756		11,756	12,075
Pledges receivable, net		359,920	359,920	
Prepaid insurance	26,123		26,123	23,251
Inventory	45,753		45,753	13,446
Other assets	426		426	426
Finance lease right-of-use assets	45,695		45,695	66,003
Property and equipment, net	<u>2,833,770</u>		<u>2,833,770</u>	<u>2,768,518</u>
TOTAL ASSETS	<u>\$ 9,805,904</u>	<u>\$ 378,513</u>	<u>\$ 10,184,417</u>	<u>\$ 8,164,285</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable and				
accrued expenses	\$ 254,984	\$	\$ 254,984	\$ 132,204
Deferred revenue	25,059		25,059	96,146
Finance lease liability	<u>50,094</u>		<u>50,094</u>	<u>69,954</u>
TOTAL LIABILITIES	330,137		330,137	298,304
NET ASSETS	<u>9,475,767</u>	<u>378,513</u>	<u>9,854,280</u>	<u>7,865,981</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,805,904</u>	<u>\$ 378,513</u>	<u>\$ 10,184,417</u>	<u>\$ 8,164,285</u>

See independent auditors' report and notes to financial statements.

HUMANE SOCIETY OF MANATEE COUNTY, INC.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30,

	2025			2024 Total (for comparative purposes only)
	Without Donor Restriction	With Donor Restriction	Total	
SUPPORT AND REVENUES				
Donations and grants	\$ 2,603,333	\$ 362,055	\$ 2,965,388	\$ 1,980,438
Medical clinic	1,782,461		1,782,461	1,481,520
Programs	50,803		50,803	55,230
Special events income	53,446		53,446	63,757
Special events expense	(9,808)		(9,808)	(9,804)
In-kind contributions	74,098		74,098	74,964
Miscellaneous	10,591		10,591	5,932
Investment return	395,532		395,532	611,099
Change in surrender value of annuity investment	28,467		28,467	38,957
Net assets released from restrictions	<u>8,863</u>	<u>(8,863)</u>	<u></u>	<u></u>
TOTAL SUPPORT AND REVENUES	4,997,786	353,192	5,350,978	4,302,093
EXPENSES				
Functional expenses:				
Program services	2,922,622		2,922,622	2,611,568
Management and general	199,838		199,838	193,420
Fundraising	<u>240,219</u>	<u></u>	<u>240,219</u>	<u>241,706</u>
TOTAL EXPENSES	<u>3,362,679</u>	<u></u>	<u>3,362,679</u>	<u>3,046,694</u>
CHANGE IN NET ASSETS	1,635,107	353,192	1,988,299	1,255,399
NET ASSETS, beginning of year	<u>7,840,660</u>	<u>25,321</u>	<u>7,865,981</u>	<u>6,610,582</u>
NET ASSETS, end of year	<u>\$ 9,475,767</u>	<u>\$ 378,513</u>	<u>\$ 9,854,280</u>	<u>\$ 7,865,981</u>

See independent auditors' report and notes to financial statements.

HUMANE SOCIETY OF MANATEE COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30,

	2025						2024 Total (for comparative purposes only)
	Shelter	Medical Clinic	Total Program Services	Management and General	Fund- raising	Total	
Leased payroll and benefits	\$ 479,591	\$ 790,087	\$ 1,269,678	\$ 126,708	\$ 187,925	\$ 1,584,311	\$ 1,465,776
Public clinic		618,482	618,482			618,482	520,802
Second Chance expenses	96,535		96,535			96,535	86,293
Retail merchandise	2,059	348,025	350,084			350,084	326,958
Office supplies	1,610	7,617	9,227	1,736	391	11,354	13,555
Utilities	32,326	21,251	53,577	5,003	1,251	59,831	52,706
Repairs and maintenance	37,355	28,676	66,031	5,843	1,461	73,335	47,114
Insurance	26,277	45,958	72,235	5,377	1,043	78,655	69,956
Equipment leases	631	631	1,262			1,262	4,990
Telephone	14,246	7,458	21,704	2,983	746	25,433	25,953
Donor cultivation					7,116	7,116	5,441
Professional fees				19,750		19,750	24,620
Advertising and marketing	22,480	8,090	30,570		690	31,260	27,873
Travel and entertainment	1,350	3,093	4,443	2,128	1,850	8,421	6,112
Bank and other fees	4,362	39,148	43,510		485	43,995	32,267
Printing and copying		2,268	2,268	47		2,315	4,697
Postage		653	653	1,342	1,303	3,298	3,816
Miscellaneous	3,353	599	3,952	4,782	5,016	13,750	13,411
Software and graphics	20,583	26,934	47,517	1,119	671	49,307	46,244
In-kind	41,041	13,695	54,736	1,000	1,000	56,736	59,495
Fundraising					7,251	7,251	14,064
Interest expense	1,651	1,651	3,302	413	413	4,128	5,467
Total expenses before depreciation and amortization	785,450	1,964,316	2,749,766	178,231	218,612	3,146,609	2,857,610
Depreciation and amortization	54,018	118,838	172,856	21,607	21,607	216,070	189,084
Total expenses	<u>\$ 839,468</u>	<u>\$ 2,083,154</u>	<u>\$ 2,922,622</u>	<u>\$ 199,838</u>	<u>\$ 240,219</u>	<u>\$ 3,362,679</u>	<u>\$ 3,046,694</u>

See independent auditors' report and notes to financial statements.

HUMANE SOCIETY OF MANATEE COUNTY, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30,

	2025			2024
	Without Donor	With Donor		Total (for
	<u>Restriction</u>	<u>Restriction</u>	<u>Total</u>	comparative
				purposes
				only)
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	\$ 1,635,107	\$ 353,192	\$ 1,988,299	\$ 1,255,399
Adjustments to reconcile change in net assets				
to net cash provided (used) by operating activities:				
Depreciation and amortization	216,070		216,070	189,084
(Gain) loss on disposal of property and equipment	(558)		(558)	434
Realized and unrealized gains on investments	(357,788)		(357,788)	(572,617)
Change in surrender value of annuity				
investment	(28,466)		(28,466)	(38,957)
(Increase) decrease in:				
Accounts receivable	319		319	(1,527)
Pledges receivable		(359,920)	(359,920)	
Prepaid insurance	(2,872)		(2,872)	(456)
Inventory	(32,307)		(32,307)	40,812
Increase (decrease) in:				
Accounts payable and accrued expenses	122,780		122,780	(39,829)
Deferred revenue	(71,087)		(71,087)	(16,854)
NET CASH PROVIDED (USED) BY OPERATING				
ACTIVITIES	1,481,198	(6,728)	1,474,470	815,489
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(749,304)		(749,304)	(532,213)
Purchase of property and equipment	(260,456)		(260,456)	(321,958)
NET CASH USED BY INVESTING ACTIVITIES	(1,009,760)		(1,009,760)	(854,171)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments on finance lease liability	(19,860)		(19,860)	(18,521)
NET CASH USED BY FINANCING ACTIVITIES	(19,860)		(19,860)	(18,521)

See independent auditors' report and notes to financial statements.

HUMANE SOCIETY OF MANATEE COUNTY, INC.

STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED SEPTEMBER 30,

	2025			2024
	Without Donor <u>Restriction</u>	With Donor <u>Restriction</u>	<u>Total</u>	Total (for comparative purposes only)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	451,578	(6,728)	444,850	(57,203)
CASH AND CASH EQUIVALENTS, beginning of year	<u>453,717</u>	<u>25,321</u>	<u>479,038</u>	<u>536,241</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 905,295</u>	<u>\$ 18,593</u>	<u>\$ 923,888</u>	<u>\$ 479,038</u>
SUPPLEMENTAL DISCLOSURE:				
Interest paid	<u>\$ 4,128</u>	<u>\$</u>	<u>\$ 4,128</u>	<u>\$ 5,467</u>

See independent auditors' report and notes to financial statements.

HUMANE SOCIETY OF MANATEE COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED
SEPTEMBER 30, 2024)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Humane Society of Manatee County, Inc. ("the Organization") is a not-for-profit corporation that serves the residents of Manatee County by promoting the welfare of animals through its adoption and various veterinary services programs. Funding sources include program service fees, private donations, and public and private grants.

Basis of Accounting

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

Basis of Presentation

The Organization follows the standards of accounting and financial reporting prescribed in FASB Accounting Standards Codification Topic 958, Financial Statements of Not-for-Profit Organizations, which requires that the net assets of the Organization and changes therein be classified and reported as follows:

Without donor restriction – Net assets are not subject to donor-imposed stipulations.

With donor restriction – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

Accounts and Bequests Receivable

The Organization records accounts and bequests receivable at their 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. As of September 30, 2025 and 2024, all receivables are considered fully collectible.

HUMANE SOCIETY OF MANATEE COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable

Pledges receivable consist of unconditional promises to give and are recognized when the promise is received. Pledges receivable expected to be collected within one year are recorded at net realizable value. Pledges receivable expected to be collected in future years are recorded at the present value of their estimated future cash flows using U.S. Treasury rates with maturities commensurate with the expected timing of collection. Discounts on pledges receivable are amortized into contribution revenue over the collection period. Management evaluates pledges receivable for collectability and records an allowance for uncollectible pledges when considered necessary.

Inventory

Inventories are stated at the lower of cost or net realizable value determined by the first-in, first-out method and represent items of medicines and supplies.

Property and Equipment

Purchased property and equipment are recorded at cost, except for donated assets, which are recorded at their fair market value at the time of the gift. The Organization capitalizes furniture, fixtures, and equipment with a cost of \$1,000 or greater and capitalizes property improvements and other property and equipment with a cost of \$5,000 or greater. Expenditures below these thresholds are expensed as incurred. Donations of property and equipment are reported as contributions without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long donated or acquired assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. At that time, the Organization reclassifies net assets with donor restrictions to net assets without donor restrictions. Property and equipment are depreciated using the straight-line method over their estimated useful lives.

Deferred Revenue

Revenues received from special events are recognized in the year the event occurs. Revenue received in the fiscal year prior to the event is deferred. Revenue received in advance of services to be rendered are recorded as deferred revenue.

Lease Accounting

The Organization, as lessee, makes a determination with respect to each lease as to whether each should be accounted for as an operating lease or a finance lease. A lease is classified as a finance lease if any one of the following criteria are met: the lease transfers ownership of the asset by the end of the lease term, the lease contains an option to purchase the asset that is reasonably certain to be exercised, the lease term is for a major part of the remaining useful life of the asset or the

HUMANE SOCIETY OF MANATEE COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Lease Accounting (Continued)

present value of the lease payments equals or exceeds substantially all of the fair value of the asset. A lease is classified as an operating lease if it does not meet any one of these criteria. For all leases at the lease commencement date, a right-of-use asset and a lease liability are recognized. The right-of-use asset represents the right to use the leased asset for the lease term and is initially measured at cost, which primarily comprises the initial amount of the lease liability, plus any initial direct costs incurred, less any lease incentives received. All right-of-use assets are reviewed for impairment.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. The Organization made a policy election not to separate lease and nonlease components for all leases. Therefore, all payments are included in the calculation of the right-of-use asset and lease liability. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate.

The discount rate is the implicit rate if it is readily determinable, or otherwise, the Organization uses its incremental borrowing rate based on the information available at the commencement date for all leases to discount certain lease asset class obligations. The Organization has also elected to exclude leases with terms of 12 months or less from right-of-use asset and lease obligation recognition.

Contributions

All contributions are considered without donor restriction, unless specifically restricted by the donor. Contributions received with donor stipulations that limit the use of donated assets are treated as net assets with donor restriction. When the purpose of the restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Donated Services

The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

A substantial number of volunteers donated significant amounts of time to the Organization's program services and to its fundraising campaigns. The estimated value of these donated services has not been recorded in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 MANATEE COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization is generally exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. There was no income tax liability for the years ended September 30, 2025 and 2024.

Management has evaluated the effect of an accounting standard relating to accounting for uncertainty in income taxes. Management has determined that the Organization had no uncertain income tax positions that could have a significant effect on the financial statements for the years ended September 30, 2025 and 2024. The Organization's federal income tax returns are subject to examination by the Internal Revenue Service, generally for three years after the federal income tax returns were filed.

Advertising

The Organization expenses advertising costs as incurred. Advertising expense for the years ended September 30, 2025 and 2024, totaled \$31,260 and \$27,873, respectively.

Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2024, from which the summarized information was derived.

Annuity Investment

During 2021, the Organization purchased a life insurance annuity contract for \$200,000. The annuitant on the contract is the President of the Board. The annuity payout benefit is based on the life of the annuitant. The annuity contract is measured at surrender value which represents the amount that can be taken as a cash benefit under the contract. The change in cash surrender value is recorded as an increase or decrease in net assets on the statement of activities during each period. During the year ended September 30, 2022, the Organization contributed an additional \$200,000 to the life insurance annuity. During the years ended September 30, 2025 and 2024, the change in surrender value of the annuity contract was \$28,467 and \$38,957, respectively. At September 30, 2025 and 2024, the surrender value of the Organization's annuity contract was \$454,348 and \$425,882, respectively.

HUMANE SOCIETY OF MANATEE COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE B - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Land	\$ 265,359	\$ 265,359
Building	2,133,766	2,133,766
Building improvements	591,887	557,678
Furniture, fixtures and equipment	947,011	880,258
Computer and software	86,617	80,691
Vehicles	<u>30,240</u>	<u>30,240</u>
	4,054,880	3,947,992
Less: accumulated depreciation	<u>(1,331,990)</u>	<u>(1,179,474)</u>
	2,722,890	2,768,518
Construction in progress	<u>110,880</u>	<u> </u>
Total property and equipment	<u>\$ 2,833,770</u>	<u>\$ 2,768,518</u>

Construction in progress at September 30, 2025 consists primarily of costs incurred related to a laundry room renovation project and kennel construction project that were ongoing at year-end. These assets are not depreciated until placed in service. Based on information available at September 30, 2025, management estimates that additional costs of approximately \$175,248 will be required to complete these projects. Actual costs to complete may differ from these estimates.

Depreciation expense for the years ended September 30, 2025 and 2024 was \$195,762 and \$168,776, respectively. Depreciable lives are as follows:

	<u>Years</u>
Furniture, fixtures, and equipment	5 - 15
Building and improvements	5 - 40
Computer and software	3 - 5
Vehicles	7

HUMANE SOCIETY OF MANATEE COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE C - INVESTMENTS

The components of investments at September 30, 2025 and 2024, are summarized as follows:

	<u>2025</u>	<u>2024</u>
Investments:		
Cash and cash equivalents	\$ 24,325	\$ 60,570
Certificates of deposit	601,582	602,406
Equities	799,589	586,383
Fixed income	474,383	312,309
Commodities	106,374	71,078
Mutual and bond funds	1,176,251	911,025
Exchange traded funds	<u>1,061,168</u>	<u>703,882</u>
	<u>4,243,672</u>	<u>3,247,653</u>
Investments in Community Foundation:		
Cash and cash equivalents	26,068	6,771
Common and preferred stock	744,392	769,310
Fixed income	443,128	271,453
Commodities	25,478	15,331
Real estate funds		58,091
Other alternative		<u>7,037</u>
	<u>1,239,066</u>	<u>1,127,993</u>
Total investments	<u>\$ 5,482,738</u>	<u>\$ 4,375,646</u>

Investment return for the years ended September 30, 2025 and 2024 consists of the following:

Interest and dividends	\$ 71,458	\$ 67,527
Realized and unrealized gains	357,788	572,617
Investment fees	<u>(33,714)</u>	<u>(29,045)</u>
	<u>\$ 395,532</u>	<u>\$ 611,099</u>

HUMANE SOCIETY OF MANATEE COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE D - FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

The following tables present information about the Organization's assets and liabilities that are measured at fair value on a recurring basis as of September 30, 2025 and 2024, and indicates the fair value hierarchy of the valuation techniques used to determine such fair value. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

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

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

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

Net Asset Value

In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in the following tables are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of financial position.

HUMANE SOCIETY OF MANATEE COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE D - FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

	<u>Fair Value</u>	Quoted Prices in Active Markets (Level 1)
<u>September 30, 2025</u>		
Investments by fair value level:		
Cash and cash equivalents	\$ 24,325	\$ 24,325
Certificates of deposit	601,582	601,582
Equities	799,589	799,589
Fixed income	474,383	474,383
Commodities	106,374	106,374
Mutual and bond funds	1,176,251	1,176,251
Exchange traded funds	1,061,168	1,061,168
Investments in Community Foundation	<u>1,239,066</u>	<u>1,239,066</u>
Total investments measured by fair value level	<u>\$ 5,482,738</u>	<u>\$ 5,482,738</u>
<u>September 30, 2024</u>		
Investments by fair value level:		
Cash and cash equivalents	\$ 60,570	\$ 60,570
Certificates of deposit	602,406	602,406
Equities	586,383	586,383
Fixed income	312,309	312,309
Commodities	71,078	71,078
Mutual and bond funds	911,025	911,025
Exchange traded funds	703,882	703,882
Investments in Community Foundation	<u>1,120,956</u>	<u>1,120,956</u>
Total investments measured by fair value level	<u>4,368,609</u>	<u>\$ 4,368,609</u>
Investments measured at net asset value (NAV):		
Investments in Community Foundation	<u>7,037</u>	
Total investments measured at NAV	<u>7,037</u>	
Total investments measured at fair value	<u>\$ 4,375,646</u>	

HUMANE SOCIETY OF MANATEE COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE BENEFIT PLAN

Employees participate in a 401(k) plan that is administered by the professional employer organization used by the Organization. The Organization does not contribute to the plan.

NOTE F - NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restriction are available for the following programs or uses as of September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Golisano time restricted grant	\$ 359,920	\$
Pet food pantry	5,610	8,967
Medical equipment	3,604	3,604
Paul Muller community room	2,700	2,100
Dog training/grooming	<u>6,679</u>	<u>10,650</u>
	<u>\$ 378,513</u>	<u>\$ 25,321</u>

Net assets released from restriction during the years ended September 30, 2025 and 2024 were for the following purposes:

	<u>2025</u>	<u>2024</u>
Dog training/grooming	\$ 4,471	\$ 6,890
Pet food pantry	<u>4,392</u>	<u>198</u>
	<u>\$ 8,863</u>	<u>\$ 7,088</u>

NOTE G - LEASES

During the year ended September 30, 2023, the Organization acquired copiers under the provisions of a finance lease obligation.

A summary of financing lease expense from leases is as follows for the years ended September 30, 2025 and 2024:

	Year Ending September 30,	
	<u>2025</u>	<u>2024</u>
<u>Lease Expense</u>		
Finance lease expense:		
Amortization of ROU assets	\$ 20,308	\$ 20,308
Interest on lease liabilities	<u>4,128</u>	<u>5,467</u>
	<u>\$ 24,436</u>	<u>\$ 25,775</u>

HUMANE SOCIETY OF MANATEE COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE G - LEASES (CONTINUED)

A summary of net cash outflows from leases, lease terms and discount rates is as follows for the years ended September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
<u>Other Information</u>		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases (i.e. interest)	\$ 4,128	\$ 5,467
Financing cash flows from finance leases (i.e. principal portion)	\$ 19,860	\$ 18,521
Weighted-average remaining lease term in years for finance leases	2.33	3.33
Weighted-average discount rate for finance leases	7.00%	7.00%

The aggregate amount of future minimum lease payments as of September 30, 2025 is as follows:

For the year ended September 30:	<u>Finance</u>
2026	\$ 23,988
2027	23,988
2028	<u>5,997</u>
Total undiscounted cash flows	53,973
Less: present value discount	<u>(3,879)</u>
Total lease liabilities	<u>\$ 50,094</u>

NOTE H - PLEDGES RECEIVABLE

At September 30, 2025, pledges receivable consist primarily of an unconditional multi-year commitment payable in annual installments. Gross pledges receivable totaled \$375,000 at September 30, 2025, of which \$125,000 is expected to be collected within one year.

Pledges receivable expected to be collected within one year are recorded at net realizable value, while amounts due in future periods are recorded at the present value of estimated future cash flows. At September 30, 2025, pledges receivable were discounted using a U.S. Treasury-based discount rate of 4.25%, resulting in a discount of approximately \$15,080 and net pledges receivable of approximately \$359,920. The discount is amortized into contribution revenue over the remaining term of the pledge.

Pledges receivable are reported as net assets with donor restrictions due to the implied time restriction on future installments. Management believes all pledges receivable at September 30, 2025 are fully collectible; accordingly, no allowance for uncollectible pledges has been recorded.

HUMANE SOCIETY OF MANATEE COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE I - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of September 30, 2025 and 2024, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statement of financial position date.

	<u>2025</u>	<u>2024</u>
Financial assets at year-end	\$ 7,232,650	\$ 5,292,641
Less those unavailable for general expenditures within one year, due to:		
Donor-restricted funds to be used for specific purposes	<u>378,513</u>	<u>25,321</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,854,137</u>	<u>\$ 5,267,320</u>

NOTE J - CONCENTRATIONS OF CREDIT RISK AND REVENUE

The Organization maintains cash balances at financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to applicable limits. At times, cash balances may exceed federally insured limits. At September 30, 2025, the Organization had approximately \$87,000 of cash balances in excess of FDIC insured limits. The Organization has not experienced any losses related to these accounts.

During the year ended September 30, 2025, a limited number of donors accounted for a significant portion of the Organization's contribution and grant revenue. Two donors individually accounted for more than 10% of total contribution and grant revenue and, in the aggregate, represented approximately 47% of total contribution and grant revenue for the year.

NOTE K - SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 21, 2026, which is the date the financial statements were available to be issued. Subsequent to September 30, 2025, the Organization received a significant contribution intended to fund the construction of a new animal shelter. Following year-end, marketable securities valued at approximately \$10,000,000 were transferred to the Organization, liquidated, and the proceeds invested in a segregated investment account. As of the date of these financial statements, the Organization is working with legal counsel to finalize donor documentation related to this contribution. This contribution was received after year-end and is not reflected in the accompanying financial statements.