

**Humane Society of Vero Beach and
Indian River County, Inc. and Affiliate**

**ANNUAL FINANCIAL REPORT
(Consolidated)**

September 30, 2019

Humane Society of Vero Beach and Indian River County, Inc. and Affiliate

ANNUAL FINANCIAL REPORT (Consolidated)

September 30, 2019

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
Humane Society of Vero Beach and
Indian River County, Inc.
Vero Beach, Florida

We have audited the accompanying consolidated statements of the Humane Society of Vero Beach and Indian River County, Inc. and Affiliate (a nonprofit organization), which comprise the consolidated statement of financial position as of September 30, 2019 and the related consolidated statements of activities, cash flows and functional expenses, for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Fort Pierce / Stuart

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To the Board of Directors
Humane Society of Vero Beach and Indian River County, Inc.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Humane Society of Vero Beach and Indian River County, Inc. and Affiliate as of September 30, 2019, and the activities, cash flows, and functional expenses for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the consolidated financial statements of the Humane Society of Vero Beach and Indian River County, Inc. and Affiliate as of and for the year ended September 30, 2018, and we expressed an unmodified opinion on those consolidated financial statements in our report dated October 18, 2019. In our opinion the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matters

As noted in Note 11, Humane Society of Vero Beach and Indian River County, Inc. has implemented FASB ASU No. 2016-14 in the current year, applying the changes retrospectively. Our opinion is not modified with respect to this matter.

*Berger Toombs Elam
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

June 9, 2020

Humane Society of Vero Beach and Indian River County, Inc. and Affiliate
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
September 30, 2019
(With Comparative Totals at September 30, 2018)

	2019	2018
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,547,239	\$ 2,052,531
Investments, market value	6,140,036	5,727,425
Certificates of deposit	156,906	155,742
Accounts receivable, net	96,835	413,415
Inventory	14,510	12,537
Deposits	9,336	9,336
Prepaid expenses	106,945	112,731
Total Current Assets	9,071,807	8,483,717
Fixed Assets		
Land and improvements	1,286,232	1,282,232
Construction in progress	-	665,907
Furniture and equipment	806,094	964,884
Buildings and improvements	8,574,134	8,827,205
Leasehold improvements	1,014,246	62,188
Software	14,550	36,093
Less accumulated depreciation	(4,640,311)	(4,581,840)
Net Fixed Assets	7,054,945	7,256,669
TOTAL ASSETS	\$ 16,126,752	\$ 15,740,386
Liabilities		
Current Liabilities		
Accounts payable	\$ 69,972	\$ 108,871
Unearned revenues	66,539	-
Other current liabilities	201,515	135,105
Total Current Liabilities	338,026	243,976
Net Assets		
With donor restrictions	432,831	539,255
Without donor restrictions	15,287,351	14,709,174
Without donor restrictions - designated	68,544	247,981
Total Net Assets	15,788,726	15,496,410
TOTAL LIABILITIES AND NET ASSETS	\$ 16,126,752	\$ 15,740,386

See accompanying notes to financial statements.

Humane Society of Vero Beach and Indian River County, Inc. and Affiliate
CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2019

(With Summarized Comparative Totals for the Year Ended September 30, 2018)

	Without Donor Restrictions	With Donor Restrictions	Total	Total 2018
Support and Revenues				
Public support	\$ 528,452	\$ -	\$ 528,452	\$ 1,601,804
Indian River County contract	291,895	-	291,895	272,315
Bequests	1,949,575	-	1,949,575	362,661
Thrift shop sales (net of \$631,561 expenses)	558,965	-	558,965	585,918
Gift shop sales and other revenue	477,045	-	477,045	493,732
Special events (net of \$205,241 expenses)	229,672	-	229,672	474,259
Adoption fees	95,894	-	95,894	71,946
Investment income	195,935	-	195,935	631,494
Net assets released from restrictions	106,424	(106,424)	-	-
Total Support and Revenues	4,433,857	(106,424)	4,327,433	4,494,129
Expenses				
Program Services				
Animal services	1,921,215	-	1,921,215	1,727,674
Clinic	521,337	-	521,337	441,068
Adoption program	201,531	-	201,531	173,954
Pet behavior	140,044	-	140,044	117,640
Cruelty/outreach	144,235	-	144,235	124,003
Education program	143,710	-	143,710	113,673
Volunteer program	119,685	-	119,685	105,260
Total Program Services	3,191,757	-	3,191,757	2,803,272
Supporting Services				
Management and general	219,124	-	219,124	182,058
Fundraising	535,643	-	535,643	476,711
Total Supporting Services	754,767	-	754,767	658,769
Total Expenses	3,946,524	-	3,946,524	3,462,041
Change in Net Assets Before Loss	487,333	(106,424)	380,909	1,032,088
Loss on disposal of fixed assets	(88,593)	-	(88,593)	-
Change in Net Assets	398,740	(106,424)	292,316	1,032,088
Net Assets, October 1, 2018	14,957,155	539,255	15,496,410	14,464,322
Net Assets, September 30, 2019	\$ 15,355,895	\$ 432,831	\$ 15,788,726	\$ 15,496,410

See accompanying notes to financial statements.

Humane Society of Vero Beach and Indian River County, Inc. and Affiliate
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2019
(With Comparative Totals for the Year Ended September 30, 2018)

	2019	2018
Cash Flows from Operating Activities		
Change in Net Assets	\$ 292,316	\$ 1,032,088
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	511,985	505,384
Securities (gains)/losses	(52,601)	(508,983)
Losses on sales of fixed assets	88,593	-
Decrease/Increase in accounts receivable	316,580	(124,026)
Decrease/Increase in inventory	(1,973)	12,505
Decrease/Increase in prepaid expenses/deposits	5,786	(40,008)
Increase in restricted cash	(1,164)	(226)
Increase in accounts payable and other current liabilities	27,511	64,221
Increase in unearned revenue	66,539	-
Net Cash Provided by Operating Activities	1,253,572	940,955
Cash Flows from Investing Activities		
Proceeds from sale of fixed assets	(398,854)	(906,993)
Purchases of investments	(2,594,742)	(2,459,809)
Proceeds from sales of investments	2,234,732	2,532,532
Net Cash Used by Investing Activities	(758,864)	(834,270)
Net Increase in Cash	494,708	106,685
Cash - October 1, 2018	2,052,531	1,945,846
Cash - September 30, 2019	\$ 2,547,239	\$ 2,052,531

See accompanying notes to financial statements.

Humane Society of Vero Beach and Indian River County, Inc. and Affiliate
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended September 30, 2019
 (With Summarized Comparative Totals for the Year Ended September 30, 2018)

	Program Services										Support Services		Total Support Services	Total 2018
	Animal Services	Clinic	Adoption Program	Pet Behavior	Cruelty/Outreach	Education Program	Volunteer Program	Total Program Services	Management & General	Fundraising	Total	Total 2018		
Payroll														
Salaries and wages	\$ 682,616	\$ 159,017	\$ 153,662	\$ 77,881	\$ 106,315	\$ 84,679	\$ 91,806	\$ 1,355,976	\$ 120,014	\$ 290,011	\$ 410,025	\$ 1,766,001	\$ 1,607,125	
Payroll taxes and benefits	117,503	22,692	26,598	13,906	17,775	11,852	10,692	250,948	22,429	43,785	66,214	287,162	232,522	
Total Payroll	800,119	181,609	180,260	91,787	124,090	96,561	102,498	1,576,924	142,443	333,796	476,239	2,053,163	1,739,647	
Expenses														
Depreciation	424,187	9,158	789	12,075	4,509	15,710	1,755	488,183	14,722	3,838	18,660	486,843	480,566	
Animal medicine and drugs	103,957	152,273	-	1,040	352	381	559	256,230	2,942	804	3,746	256,230	290,527	
Insurance	116,511	4,587	2,746	891	307	341	519	126,166	2,669	984	3,653	129,912	65,977	
Utilities	106,500	4,011	2,404	734	-	-	-	114,973	7,622	-	7,622	118,626	99,083	
Animal wellness vet services	74,770	3,948	1,761	1,108	500	388	469	82,944	3,034	2,204	5,238	104,639	78,569	
Repairs and maintenance	17,093	1,751	1,092	346	262	2,948	270	23,762	2,012	55,213	57,225	88,182	79,080	
Printing and mailing	6,548	3,569	3,663	28,913	3,535	3,885	3,661	53,774	10,993	15,153	26,146	80,987	99,944	
Professional fees	63,584	11,821	33	722	4	494	159	76,817	35	688	723	79,920	63,946	
Supplies	16,913	-	-	1,856	-	20,041	-	38,810	18,450	14,500	32,950	71,760	50,237	
Training and education	31,305	-	-	-	-	-	-	62,609	-	-	-	62,609	37,818	
Grant expenses	9,088	3,292	318	284	181	323	3,052	16,538	4,052	35,101	39,153	55,691	60,494	
Technology	5,594	11,516	6,158	56	69	134	2,268	25,795	-	26,776	26,776	52,571	53,332	
Office expense	31,434	1,019	-	-	2,338	-	-	34,791	-	-	-	34,791	34,775	
Animal assistance	31,688	-	-	-	-	-	-	31,688	-	-	-	31,688	39,013	
Spay/neuter program	22,880	1,169	829	656	968	492	519	27,543	859	658	1,517	29,060	20,815	
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bad debt	-	-	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous	5,659	479	20	65	228	1,066	2,233	9,750	5,164	9,637	24,800	24,800	24,356	
Animal maintenance	21,728	-	-	8	8	-	-	21,737	94	-	94	21,831	25,522	
Real estate taxes	17,255	3,208	9	196	1	134	43	20,846	10	187	197	21,043	29,579	
Recruiting	4,257	360	15	49	172	802	1,660	7,335	3,866	7,252	11,138	18,473	41,324	
Vehicle expense	5,980	-	-	-	6,661	-	-	12,661	-	-	-	12,661	12,217	
Advertising	-	-	1,434	-	-	-	-	1,434	137	3,952	4,089	5,523	15,281	
Cremation	3,430	-	-	-	-	-	-	3,430	-	-	-	3,430	3,865	
Total Expenses	\$ 1,921,215	\$ 521,337	\$ 201,531	\$ 140,044	\$ 144,235	\$ 143,710	\$ 119,685	\$ 3,191,757	\$ 219,124	\$ 535,643	\$ 754,767	\$ 3,946,524	\$ 3,462,041	

See accompanying notes to financial statements.

Humane Society of Vero Beach and Indian River County, Inc. and Affiliate
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Humane Society of Vero Beach and Indian River County, Inc. (the "Society") is a nonprofit corporation primarily concerned with the prevention of cruelty to all living creatures. The Society provides humane care and shelter for homeless animals, placing pets in permanent, loving homes, promoting spaying and neutering of companion animals and responsible pet ownership by showing respect for all life through humane education. The Society also investigates cruelty to animals.

The Society is primarily supported by donor contributions, a local government contract, service fees, two thrift stores and fundraising events.

Affiliated Corporation

The Humane Society of Vero Beach and Indian River County Foundation, Inc. (the "Foundation") is a separate nonprofit corporation. The primary purpose of the Foundation is to manage funds restricted by donors for long-term investment and monies transferred by the Society's Board for the benefit of the Society. Income of the Foundation is distributable to the Society unless restricted.

Financial Statement Presentation

The Society prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for nonprofit organizations. The significant accounting and reporting policies used by the Society are described to enhance the usefulness and understandability of the financial statements.

The consolidated financial statements include the accounts of the Society and the Foundation. All significant intercompany transactions have been eliminated.

The financial statements are presented in accordance with FASB ASC 958, *Not-for-Profit Entities*. Under the FASB ASC 958, the Humane Society of Vero Beach and Indian River County, Inc. is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions on the use that are placed by its donors.

The consolidated financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended September 30, 2018, from which the summarized information was derived. Certain information has been reclassified for comparison purposes.

Humane Society of Vero Beach and Indian River County, Inc. and Affiliate
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash in bank, and money market deposits. For cash flow purposes the Society considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Fixed Assets

The Society follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$1,000 with a useful life of over one year. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Depreciation is provided using the straight-line method over estimated useful lives ranging from 3 to 39 years.

Inventories

Inventories, consisting primarily of prescription medicine, are stated at cost using the first-in, first-out method of inventory.

Estimates

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

Net Assets

Contributions received are recorded as without donor restrictions or with donor restrictions support, depending on the existence and/or nature of any grantor and donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Advertising

Advertising costs are generally expensed as incurred.

Humane Society of Vero Beach and Indian River County, Inc. and Affiliate
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Status

The Society and Foundation have qualified as nonprofit organizations and are exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the Society are tax deductible to donors under Section 170 of the IRC. The income tax return for fiscal years 2016, 2017, and 2018 remain open to examination by the Internal Revenue Service.

The Society adopted the provisions of FASB ASC 740-10 (formerly known as FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*. Under this section, the Society must recognize the tax benefit associated with tax taken for tax return purposes when it is more likely than not the position will be sustained. There was no impact to the Society's financial statements as a result of the implementation of ASC 740-10.

Functional Allocation of Expenses

The costs of providing the Society's programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Fair Value Measurements

The Society reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices for identical assets or liabilities in active markets to which the Society has access at the measurement date.
- Level 2 – Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

When available, the Society measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of demand and time deposits. At September 30, 2019, the Society's cash accounts had a carrying value of \$2,395,252, of which \$1,707,978 was not insured by the Federal Deposit Insurance Corporation (FDIC). At September 30, 2019, the Society had a money market brokerage account with a carrying value of \$146,526, which was fully insured by the Securities Investor Protection Corporation (SIPC).

Humane Society of Vero Beach and Indian River County, Inc. and Affiliate
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2019

NOTE 3 – INVESTMENTS

Investments are stated at fair value and are summarized as follows as of September 30, 2019:

	<u>Cost</u>	<u>Fair Value</u>
Equity securities	\$ 3,089,743	\$ 3,511,574
Mutual funds	2,674,228	2,628,462
Investments in Marketable Securities	<u>\$ 5,763,971</u>	<u>\$ 6,140,036</u>

The Society's investments in equity securities and mutual funds are valued based on level 1 observable inputs as reported by SEC registered brokerage firms.

The following schedule summarizes the total net investment income for the year ended September 30, 2019.

Interest and dividends	\$ 190,822
Net realized and unrealized gains on investments	52,601
Investment expense	(47,488)
	<u>\$ 195,935</u>

NOTE 4 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of September 30, 2019 are:

Cash	\$ 2,547,739
Accounts receivable	96,835
Prepaid expenses	106,945
Certificates of deposit	156,906
Investments	6,140,036
Less amounts with donor restrictions	(432,830)
Less Board designated amounts	(68,544)
Total financial assets available for general expenditure	<u>\$ 8,547,087</u>

Humane Society of Vero Beach and Indian River County, Inc. and Affiliate
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2019

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of financial instruments.

Cash – The carrying amount reported in the balance sheet approximates fair value.

Accounts Receivable, Inventory, Accrued Expenses and Accounts Payable – The carrying amount reported in the balance sheet approximates fair value.

Fixed Assets and Accumulated Depreciation – The carrying amount reported in the balance sheet approximates fair value.

Other Current Assets – The carrying amount reported in the balance sheet approximates fair value.

The Society reports its fair value measurements using a three-level hierarchy that prioritizes inputs used to measure fair value. Assets measured at fair value on a recurring and nonrecurring basis for the year ended September 30, 2019 were determined to be:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual Funds	\$ 2,628,462	\$ -	\$ -
Equities	3,511,574	-	-
Total	<u>\$ 6,140,036</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 6 – FIXED ASSETS

An analysis of fixed assets is as follows:

	<u>September 30, 2019</u>	<u>September 30, 2018</u>
Fixed Assets		
Land and improvements	\$ 1,286,232	\$ 1,282,232
Construction in progress	-	665,907
Buildings	8,574,134	8,827,205
Leasehold improvements	1,014,246	62,188
Furniture and equipment	806,094	964,884
Software	14,550	36,093
Fixed Assets	<u>11,695,256</u>	<u>11,838,509</u>
Less accumulated depreciation	<u>(4,640,311)</u>	<u>(4,581,840)</u>
Total Fixed Assets	<u>\$ 7,054,945</u>	<u>\$ 7,256,669</u>

Depreciation amounted to \$511,985 for the fiscal year ended September 30, 2019.

Humane Society of Vero Beach and Indian River County, Inc. and Affiliate
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2019

NOTE 7 – OPERATING LEASES

The Society maintains an operating lease for its Vero Beach Thrift Shop store. A new amendment to the original lease began January 1, 2014, which shifts the location within the shopping center and expanded the occupied space from 11,000 square feet to 15,000 square feet. The noncancelable term was extended through December 2018. The lease remains in effect with a one-year cancellation notice through December 2023.

Three options to renew for five-year terms are additionally available. The current lease rate is subject to annual increases for the Consumer Price Index (CPI). Lease expense under the operating lease was \$139,155 for the year ended September 30, 2019.

In November 2018, the Society entered into a 63-month operating lease for 4 copiers, with a monthly payment of \$2,321. Lease expense under the operating lease was \$26,600.

In July 2016, the Society entered into a 63-month operating lease for Prism DocRecord Software and 3 scanners, with a monthly payment of \$384. Lease expense under the operating lease was \$4,608.

In August 2017, the Society entered into a 26-month operating lease for Heska Cuattro X-Ray machine and relating software, with a monthly payment of \$899. Lease expense under the operating lease was \$10,788.

The future estimated minimum lease payments for years ending September 30, are as follows:

<u>Years ending September 30:</u>	<u>Amount</u>
2020	\$ 176,371
2021	68,172
2022	28,044
2023	27,852
2024	11,605
Total	<u>\$ 312,044</u>

Humane Society of Vero Beach and Indian River County, Inc. and Affiliate
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2019

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of September 30, 2019, are available for the following:

Purpose restriction		
Animal assistance	\$	20,000
Property and equipment and repairs		<u>96,830</u>
Total Purpose Restriction		116,830
Time restriction		
Accounts receivable		50,000
Endowments		<u>266,000</u>
Net Assets With Donor Restrictions	\$	<u><u>432,830</u></u>

During the year, \$81,624 of net assets with donor restrictions were released for satisfaction of purpose and \$24,800 was released for passage of time.

NOTE 9 – ENDOWMENTS

Changes in endowment net assets for the year ended September 30, 2019, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at September 30, 2018	\$ -	\$ 266,000	\$ 266,000
Investment Income	8,173	-	8,173
Appropriation of endowment assets for expenditure	(8,173)	-	(8,173)
Endowment net assets at September 30, 2019	<u>\$ -</u>	<u>\$ 266,000</u>	<u>\$ 266,000</u>

NOTE 10 – SUBSEQUENT EVENTS

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through June 9, 2020, the date that the financial statements were available to be issued.

Humane Society of Vero Beach and Indian River County, Inc. and Affiliate
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2019

NOTE 11 – CHANGE IN ACCOUNTING PRINCIPLES

The Society implemented FASB ASU No. 2016-14 in the current year, applying the changes retrospectively. The new standards change the following aspects of the financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.

The changes have the following effect on net assets at October 1, 2017:

<u>Net Asset Class</u>	<u>As Originally Presented</u>	<u>After Adoption of ASU 2016-14</u>
Unrestricted	\$ 13,783,794	\$ -
Temporarily restricted net assets	414,528	-
Permanently restricted net assets	266,000	-
Net assets without donor restrictions	-	13,783,794
Net assets with donor restrictions	-	680,528
Total Net Assets	<u>\$ 14,464,322</u>	<u>\$ 14,464,322</u>