FLAGLER COUNTY HUMANE SOCIETY, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR’S REPORT
YEAR ENDED SEPTEMBER 30, 2020
FLAGLER COUNTY HUMANE SOCIETY, INC.

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<th>Page</th>
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</thead>
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INDEPENDENT AUDITOR’S REPORT

Flagler County Humane Society, Inc.
1 Shelter Drive
Palm Coast, FL 32164

To the Board of Directors:

Report on the Financial Statements
We have audited the accompanying statement of financial position of Flagler County Humane Society, Inc. as of September 30, 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 audits. We conducted our audits 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 the disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of Flagler County Humane Society, Inc. as of September 30, 2020, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Certified Public Accountant
July 21, 2021
## Statement of Financial Position
September 30, 2020

### ASSETS

<table>
<thead>
<tr>
<th>Category</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$297,201</td>
<td>$ -</td>
<td>$ -</td>
<td>$297,201</td>
</tr>
<tr>
<td>Accounts &amp; Grants Receivable</td>
<td>70,301</td>
<td>$ -</td>
<td>$ -</td>
<td>70,301</td>
</tr>
<tr>
<td>Inventories</td>
<td>24,674</td>
<td>$ -</td>
<td>$ -</td>
<td>24,674</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$392,176</td>
<td>$ -</td>
<td>$ -</td>
<td>$392,176</td>
</tr>
<tr>
<td><strong>Property and Equipment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment and Vehicles</td>
<td>159,667</td>
<td>$ -</td>
<td>$ -</td>
<td>159,667</td>
</tr>
<tr>
<td>Furniture and Office Equipment</td>
<td>21,710</td>
<td>$ -</td>
<td>$ -</td>
<td>21,710</td>
</tr>
<tr>
<td>Land and Buildings</td>
<td>1,498,005</td>
<td>$ -</td>
<td>$ -</td>
<td>1,498,005</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(741,397)</td>
<td>$ -</td>
<td>$ -</td>
<td>(741,397)</td>
</tr>
<tr>
<td><strong>Total Property and Equipment</strong></td>
<td>937,985</td>
<td>$ -</td>
<td>$ -</td>
<td>937,985</td>
</tr>
<tr>
<td><strong>Intangible Assets, Net</strong></td>
<td>1,405</td>
<td>$ -</td>
<td>$ -</td>
<td>1,405</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$1,331,566</td>
<td>$ -</td>
<td>$ -</td>
<td>$1,331,566</td>
</tr>
</tbody>
</table>

### LIABILITIES & NET ASSETS

<table>
<thead>
<tr>
<th>Category</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>51,735</td>
<td>$ -</td>
<td>$ -</td>
<td>51,735</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>26,597</td>
<td>$ -</td>
<td>$ -</td>
<td>26,597</td>
</tr>
<tr>
<td>Current Portion of Long-term Liabilities</td>
<td>10,860</td>
<td>$ -</td>
<td>$ -</td>
<td>10,860</td>
</tr>
<tr>
<td>SBA PPP Loan Payable</td>
<td>170,000</td>
<td>$ -</td>
<td>$ -</td>
<td>170,000</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>4,743</td>
<td>$ -</td>
<td>$ -</td>
<td>4,743</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>263,935</td>
<td>$ -</td>
<td>$ -</td>
<td>263,935</td>
</tr>
<tr>
<td><strong>Long-term Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes Payable, net of current portion</td>
<td>63,900</td>
<td>$ -</td>
<td>$ -</td>
<td>63,900</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>327,835</td>
<td>$ -</td>
<td>$ -</td>
<td>327,835</td>
</tr>
</tbody>
</table>

### NET ASSETS

<table>
<thead>
<tr>
<th>Category</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>1,003,731</td>
<td>$ -</td>
<td>$ -</td>
<td>1,003,731</td>
</tr>
<tr>
<td>Temporarily Restricted</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Permanently Restricted</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>1,003,731</td>
<td>$ -</td>
<td>$ -</td>
<td>1,003,731</td>
</tr>
</tbody>
</table>

### TOTAL LIABILITIES & NET ASSETS

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Liabilities</th>
<th>Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,331,566</td>
<td>$1,331,566</td>
</tr>
</tbody>
</table>

See Accompanying Independent Auditor's Report and Notes to Financial Statements

2
FLAGLER COUNTY HUMANE SOCIETY, INC.
Statement of Activities
For the Year Ended September 30, 2020

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES AND SUPPORT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Service Fees</td>
<td>$ 646,004</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Sales of Supplies</td>
<td>101,348</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Thrift Store Sales</td>
<td>289,868</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Contributions</td>
<td>261,615</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grants</td>
<td>173,237</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fundraisers and Special Events</td>
<td>44,100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment Income</td>
<td>192</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>1,068</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>1,517,432</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

| OPERATING EXPENSES |                        |                        |        |
| Program Services     |                        |                        |        |
| Animal Care          | 1,050,300              | -                      | -      | 1,050,300     |
| Supporting Services  |                        |                        |        |
| Management & General | 306,423                | -                      | -      | 306,423       |
| Thrift Shop          | 145,892                | -                      | -      | 145,892       |
| Fund Raising         | 11,581                 | -                      | -      | 11,581        |
| Total Expense        | 1,514,196              | -                      | -      | 1,514,196     |

CHANGE IN NET ASSETS
3,236

NET ASSETS, BEGINNING
1,000,495

NET ASSETS, ENDING
$1,003,731
FLAGLER COUNTY HUMANE SOCIETY, INC.
Statement of Functional Expenses
For the Year Ended September 30, 2020

<table>
<thead>
<tr>
<th></th>
<th>Animal Care</th>
<th>Management and General</th>
<th>Thrift Shop</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMPENSATION AND BENEFITS</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Compensation</td>
<td>$394,176</td>
<td>$195,757</td>
<td>$75,906</td>
<td>-</td>
<td>$665,839</td>
</tr>
<tr>
<td>Benefits</td>
<td>9,987</td>
<td>4,949</td>
<td>-</td>
<td>-</td>
<td>14,936</td>
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<tr>
<td>Payroll Taxes</td>
<td>51,857</td>
<td>25,753</td>
<td>9,986</td>
<td>-</td>
<td>87,596</td>
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<tr>
<td>Total Compensation and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td>456,020</td>
<td>226,459</td>
<td>85,892</td>
<td>-</td>
<td>768,371</td>
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<tr>
<td>OTHER OPERATING EXPENSES</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Advertising</td>
<td>6,414</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,414</td>
</tr>
<tr>
<td>Animal Supplies and Services</td>
<td>328,672</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>328,672</td>
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<tr>
<td>Cost of Re-sale Items</td>
<td>64,123</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>64,123</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>52,909</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>52,909</td>
</tr>
<tr>
<td>Fundraising Expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11,581</td>
<td>11,581</td>
</tr>
<tr>
<td>Insurance</td>
<td>38,981</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>38,981</td>
</tr>
<tr>
<td>Interest</td>
<td>22,423</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>22,423</td>
</tr>
<tr>
<td>Legal</td>
<td>-</td>
<td>1,597</td>
<td>-</td>
<td>-</td>
<td>1,597</td>
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<tr>
<td>Miscellaneous</td>
<td>3,682</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,682</td>
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<tr>
<td>Occupancy</td>
<td>-</td>
<td>67,188</td>
<td>60,000</td>
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<td>127,188</td>
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<tr>
<td>Office Expense</td>
<td>26,607</td>
<td>-</td>
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<td>-</td>
<td>26,607</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>-</td>
<td>11,179</td>
<td>-</td>
<td>-</td>
<td>11,179</td>
</tr>
<tr>
<td>Repairs and Maintenance</td>
<td>37,258</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>37,258</td>
</tr>
<tr>
<td>Taxes</td>
<td>2,686</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,686</td>
</tr>
<tr>
<td>Vehicle Expenses</td>
<td>10,525</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10,525</td>
</tr>
<tr>
<td>Total Other Operating</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expense</td>
<td>594,280</td>
<td>79,964</td>
<td>60,000</td>
<td>11,581</td>
<td>745,825</td>
</tr>
<tr>
<td>TOTAL EXPENSES</td>
<td>$1,050,300</td>
<td>$306,423</td>
<td>$145,892</td>
<td>$11,581</td>
<td>$1,514,196</td>
</tr>
</tbody>
</table>
## Cash Flows From Operating Activities

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Assets</td>
<td>$3,236</td>
<td>$-</td>
<td>$-</td>
<td>$3,236</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>$52,909</td>
<td>$-</td>
<td>$-</td>
<td>$52,909</td>
</tr>
<tr>
<td>Decreases (Increases) in Certain Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$15,600</td>
<td>$-</td>
<td>$-</td>
<td>15,600</td>
</tr>
<tr>
<td>Contributions Receivable</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>$5,000</td>
<td>$-</td>
<td>$-</td>
<td>5,000</td>
</tr>
<tr>
<td>Inventory</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>-</td>
</tr>
<tr>
<td>Increases (Decreases) in Certain Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$17,904</td>
<td>$-</td>
<td>$-</td>
<td>17,904</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>$1,447</td>
<td>$-</td>
<td>$-</td>
<td>1,447</td>
</tr>
<tr>
<td>Lines of Credit</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>-</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>$1,422</td>
<td>$-</td>
<td>$-</td>
<td>1,422</td>
</tr>
<tr>
<td><strong>Net Cash Provided by (Used In) Operating Activities</strong></td>
<td>$97,518</td>
<td>$-</td>
<td>$-</td>
<td>97,518</td>
</tr>
</tbody>
</table>

## Cash Flows From Investing Activities

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of Property and Equipment</td>
<td>$(1,161)</td>
<td>$-</td>
<td>$-</td>
<td>$(1,161)</td>
</tr>
<tr>
<td>New Notes Payable</td>
<td>$170,000</td>
<td>$-</td>
<td>$-</td>
<td>170,000</td>
</tr>
<tr>
<td>Principal Payments on Notes Payable</td>
<td>$(11,217)</td>
<td>$-</td>
<td>$-</td>
<td>$(11,217)</td>
</tr>
<tr>
<td><strong>Net Cash Provided by (Used In) Investing Activities</strong></td>
<td>$157,622</td>
<td>$-</td>
<td>$-</td>
<td>157,622</td>
</tr>
</tbody>
</table>

## Net Increase (Decrease) in Cash and Cash Equivalents

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Increase (Decrease) in Cash and Cash Equivalents</strong></td>
<td>$255,140</td>
<td>$-</td>
<td>$-</td>
<td>255,140</td>
</tr>
</tbody>
</table>

## Cash and Cash Equivalents, Beginning of Period

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents, Beginning of Period</td>
<td>$42,061</td>
<td>$-</td>
<td>$-</td>
<td>42,061</td>
</tr>
</tbody>
</table>

## Cash and Cash Equivalents, End of Period

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents, End of Period</td>
<td>$297,201</td>
<td>$-</td>
<td>$-</td>
<td>$297,201</td>
</tr>
</tbody>
</table>

See Accompanying Independent Auditor’s Report and Notes to Financial Statements 5
NOTE 1 – Organization and Summary of Significant Accounting Policies

A. Organization Activities
The Flagler County Humane Society, Inc. (The Society) was established in 1980 as a not-for-profit organization to provide an animal shelter for care, remedial treatment, and cruelty prevention. The Society is supported primarily through donor contributions and fees for services.

B. Basis of Accounting
The Society follows standards of accounting and financial reporting prescribed for not-for-profit organizations. It uses the accrual basis of accounting, which recognizes revenue when earned and expenses as incurred.

C. Cash and Cash Equivalents
The Society considers all highly liquid cash instruments with a maturity of three months or less to be cash equivalents.

D. Financial Statements
The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in ASC 958, Not-for-Profit Entities Presentation of Financial Statements, using the accrual basis of accounting.

These financial statements present unrestricted, temporarily restricted, and permanently restricted net assets to reflect donor imposed limitations and restrictions placed on resources available to the Society.

E. Net Assets
Unrestricted Net Assets – The unrestricted net asset class includes the general and board designated assets and liabilities of the Society. Revenue and support received by the Society without explicit donor restrictions that specify how the donated asset must be used or maintained are reported as unrestricted by the Society. In general, the unrestricted net assets of the Society may be used at the discretion of the Society’s management and board of directors to support the Society’s purposes and operations.

Temporarily Restricted Net Assets – The temporarily restricted net asset class includes expendable assets and related liabilities of the Society. These assets relate to gifts with explicit time or purpose restrictions that have not yet been met. When the time or purpose restriction is met, these assets are re-classified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Permanently Restricted Net Assets – The permanently restricted net asset class includes assets and related liabilities of the Society related to contributions for which the donor has restricted the investment of the gift corpus in perpetuity. The income generated from the investment of corpus is available for the Society’s operations in accordance with donor restrictions. Appreciation related to the permanently restricted net assets, if not specifically restricted otherwise, follows the donor’s income restriction and is included in the appropriate unrestricted or temporarily restricted net asset class.
NOTE 1 – Organization and Summary of Significant Accounting Policies (continued)

F. Contributions
Contributions, including unconditional promises to give, are recorded as received. All contributions are considered to be available for the general programs of the Society unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are reflected as short-term contributions receivable and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term contributions receivable and are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received. The Society reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets.

G. Investments
Investments are stated at fair value. To calculate realized gain or loss on the disposition of investments and unrealized gains and losses, cost is determined by specific identification. All gains and losses and ordinary income from investments are accounted for as unrestricted revenue unless it is restricted for a specific purpose by the donor of the related investment.

H. Accounts Receivable
The accounts receivable arise from fees charges to local municipalities for animal care and shelter. Accounts are charges to bad debt expense as they are deemed uncollectible based upon a periodic review of the accounts.

I. Inventories
Inventories, which consist of animal supplies for resale and medical supplies, are carried at the lower of cost or market determined on a first-in, first-out basis.

J. Property And Equipment
Purchases of property and equipment having a unit cost of $1,000 or more and an estimated useful life of five years or more are capitalized at cost. Donated assets are capitalized at the estimated fair-market value at the time of receipt. Depreciation is computed using the straight-line method over the estimated useful lives of the assets which range from 5 to 39 years. In the absence of donor imposed restrictions on the use of an asset, gifts of long-lived assets are reported as unrestricted contributions.

K. Donated Services
A substantial number of volunteers donate significant amounts of their time to the Society’s programs and supporting services. Such services have not been reflected in the accompanying financial statements because these services do not meet the criteria for recognition as contributed services.
NOTE 1 – Organization and Summary of Significant Accounting Policies (continued)

L. Income Taxes
The Society qualifies for exemption from federal income taxation under Internal Revenue Code (IRC) Section 501(c)(3) and is not classified as a private foundation under IRC Section 509(a)(2). Accordingly, the accompanying financial statements do not reflect a provision for income taxes.

M. Use of Estimates
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

N. 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 services benefited.

O. Fair Value of Financial Instruments
The following methods and assumptions were used by the Society to estimate the fair market values of financial instruments as disclosed herein. All investments are based on level 1 in accordance with generally accepted accounting standards.

Cash and cash equivalents, investments and short-term contributions receivable:
The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Long-term contributions receivable:
The fair value of promises to give that are due in more than one year are estimated by discounting the future cash flows using a current risk-free rate of return based on the yield of a U.S. Treasury security with a maturity date similar to the expected collection periods.

NOTE 2 – Investments
The Society did not maintain any investment accounts as of September 30, 2020.

NOTE 3 – Promises to Give
Contributions receivable consist of amounts donated through bequests by deceased donors. The amounts reflected are an estimate as to what will be collected at the time the estate is settled, and is determined based on the asset and beneficiary disclosure filed by the donors attorney in the estate proceeding.
NOTE 4 – Property and Equipment

Property and Equipment for the Society consists of the following:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$101,210</td>
</tr>
<tr>
<td>Building and improvements</td>
<td>$1,396,795</td>
</tr>
<tr>
<td>Equipment</td>
<td>$97,674</td>
</tr>
<tr>
<td>Furniture and office equipment</td>
<td>$21,710</td>
</tr>
<tr>
<td>Vehicles</td>
<td>$61,993</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$937,985</strong></td>
</tr>
</tbody>
</table>

Less: Accumulated Depreciation (741,397)

Property and Equipment, Net $937,985

NOTE 5 – Retirement Plan

The Society maintained a SIMPLE IRA plan for the benefit of its full time employees. The plan was started in 2016. As of September 30, 2020 the organization had submitted the required employer matching contributions to the SIMPLE IRA.

NOTE 6 – Restriction of Net Assets

The Society does not currently have any temporarily restricted or permanently restricted net assets.

NOTE 7 – Commitments

The Society leases a storefront for its thrift store operation. The current lease is for $5,000 per month.
NOTE 8 – Notes Payable

The Society has a note payable to a bank in monthly installments of $1,112.84 including interest at a rate of 3.5%. The note matures on December 8, 2026. $ 74,760

<table>
<thead>
<tr>
<th>Year-Ended September 30</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$ 10,860</td>
</tr>
<tr>
<td>2021</td>
<td>11,756</td>
</tr>
<tr>
<td>2022</td>
<td>12,812</td>
</tr>
<tr>
<td>2023</td>
<td>13,940</td>
</tr>
<tr>
<td>2024 and beyond</td>
<td>25,392</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 74,760</strong></td>
</tr>
</tbody>
</table>

Less Current Maturities (10,860)

$ 75,117

NOTE 9 – Litigation

For the year ended September 30, 2020, there was no pending or threatened litigation

NOTE 10 – Subsequent Events

Subsequent Events were evaluated as of July 21, 2021. There was one subsequent events requiring disclosure in the notes to financial statements.

On December 22, 2020 a donor passed away leaving a bequest to the Organization. It is estimated that the bequest will be in excess of $200,000, and that this will be received during the 2021-2022 fiscal year.