HUMANE FORT WAYNE, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

December 31, 2021

Katz, Sapper & Miller, LLP
Certified Public Accountants

HUMANE FORT WAYNE, INC.

CONTENTS

Katz, Sapper & Miller, LLP
Certified Public Accountants
202 West Berry Street, Suite 600
Fort Wayne, IN 46802

Independent Auditors' Report

Board of Directors
Humane Fort Wayne, Inc.

Opinion

We have audited the accompanying financial statements of Humane Fort Wayne, Inc., which comprise the statement of financial position as of December 31, 2021, 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 Fort Wayne, Inc. as of December 31, 2021, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Humane Fort Wayne, 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, which raise substantial doubt about Humane Fort Wayne, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

T 260.496.8297 | F 260.496.8187 | W ksmcpa.com

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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Humane Fort Wayne, 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, which raise substantial doubt about Humane Fort Wayne, 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.

Katz, Sapper & Miller, LLP

Ft. Wayne, Indiana
July 22, 2022

HUMANE FORT WAYNE, INC.

STATEMENT OF FINANCIAL POSITION
December 31, 2021

ASSETS

ASSETS	
Cash	$ 332,187
Other receivables	6,409
Accounts receivable	10,634
Investments	3,059,453
Prepaid expenses and other assets	94,943
Cash - donor restricted for capital campaign	1,555,463
Promises to give, net - donor restricted for capital campaign	1,156,902
Investments - board designated for capital campaign	1,013,187
Property and equipment, net	1,404,122
TOTAL ASSETS	$ 8,633,300

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts payable	$ 54,457
Accrued expenses	96,942
Total Liabilities	151,399
NET ASSETS	
Without donor restrictions	5,054,779
With donor restrictions	3,427,122
Total Net Assets	8,481,901
TOTAL LIABILITIES AND NET ASSETS	$ 8,633,300

See accompanying notes.

HUMANE FORT WAYNE, INC.

STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS AND OTHER SUPPORT			
Contributions:			
Donations, grants and bequests	$ 1,410,753	$ 440,659	$ 1,851,412
PPP grant	163,115		163,115
In-kind donations	116,660		116,660
Special events and fundraising, net of direct benefits to donors	175,791		175,791
Contribution received in donation of Fort Wayne Pet Food Pantry	145,901		145,901
Clinic revenue	1,531,674		1,531,674
Adoption fees	156,497		156,497
Membership dues	50,955		50,955
Product sales, net of cost of goods sold	(8,365)		(8,365)
Miscellaneous income	43,439		43,439
Investment return	231,995		231,995
Net assets released from restrictions	91,752	(91,752)	
Total Revenue, Gains and Other Support	4,110,167	348,907	4,459,074
EXPENSES			
Program services	2,693,747		2,693,747
Supporting services:			
Management and general	335,564		335,564
Fundraising	442,201		442,201
Total Expenses	3,471,512		3,471,512
INCREASE IN NET ASSETS	638,655	348,907	987,562
NET ASSETS			
Beginning of Year	4,416,124	3,078,215	7,494,339
End of Year	$ 5,054,779	$ 3,427,122	$ 8,481,901

See accompanying notes.

HUMANE FORT WAYNE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2021

	Clinic and Shelter	Management and General	Fundraising	Total
Advertising and marketing	$ 53,536		$ 2,194	$ 55,730
Animal food, supplies and permits	185,334			185,334
Auto expense	13,176			13,176
Depreciation	43,649	$ 4,157	4,157	51,963
Insurance	21,722	5,692	2,069	29,483
Miscellaneous			11,069	11,069
Occupancy	68,631	6,536	6,536	81,703
Office expense	90,951	10,362	28,700	130,013
Payroll taxes and employee benefits	187,762	21,391	28,521	237,674
Postage and printing			79,175	79,175
Product purchases		37,240		37,240
Professional fees		131,805	3,926	135,731
Repairs and maintenance	26,112	2,487	2,487	31,086
Salaries and wages	1,334,919	152,079	202,773	1,689,771
Special events - food and beverage			29,775	29,775
Special events - marketing			4,669	4,669
Special events - professional services			28,370	28,370
Special events - space rental			2,863	2,863
Special events - loveseat			41,565	41,565
Special events - supplies and other			23,110	23,110
Telephone	11,079	1,055	1,055	13,189
Veterinary and clinic expense	656,876			656,876
TOTAL EXPENSES BY FUNCTION	2,693,747	372,804	503,014	3,569,565
Less: Expenses included with revenues on the statement of activities:				
Product sales - cost of goods sold		(37,240)		(37,240)
Cost of direct benefits to donors			(60,813)	(60,813)
TOTAL EXPENSES ON THE STATEMENT OF ACTIVITIES	$ 2,693,747	$ 335,564	$ 442,201	$ 3,471,512

See accompanying notes.

HUMANE FORT WAYNE, INC.

STATEMENT OF CASH FLOWS
Year Ended December 31, 2021

OPERATING ACTIVITIES	
Increase in net assets	$ 987,562
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	51,963
Net realized and unrealized gain on investments	(216,400)
Contribution received in donation of Fort Wayne Pet Food Pantry	(145,901)
Change in present value of promises to give	(5,862)
Contributions restricted for capital assets	(349,675)
(Increase) decrease in certain current assets:	
Accounts and interest receivable	24,569
Prepaid expenses and other assets	(20,301)
Increase (decrease) in certain current liabilities:	
Accounts payable	53,376
Accrued expenses	48,585
Net Cash Provided by Operating Activities	427,916
INVESTING ACTIVITIES	
Proceeds from sale or redemption of investments	4,550,964
Purchases of investments	(5,901,311)
Purchases of property and equipment	(109,908)
Net Cash Used by Investing Activities	(1,460,255)
FINANCING ACTIVITIES	
Collections of contributions restricted for capital assets	290,945
Net Cash Provided by Financing Activities	290,945
DECREASE IN CASH AND EQUIVALENTS AND RESTRICTED CASH	(741,394)
CASH AND EQUIVALENTS AND RESTRICTED CASH	
Beginning of Year	2,692,016
End of Year	$ 1,950,622
CASH AND EQUIVALENTS AND RESTRICTED CASH	
Cash	$ 332,187
Cash equivalents held in investments	62,972
Cash - donor restricted for capital campaign	1,555,463
TOTAL CASH AND EQUIVALENTS AND RESTRICTED CASH	$ 1,950,622
SUPPLEMENTAL DISCLOSURES	
Noncash investing activities:	
Donated investments	$ (134,862)

See accompanying notes.

HUMANE FORT WAYNE, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: Humane Fort Wayne, Inc. (the Organization) is an Indiana not-for-profit corporation which was formed to provide adoption and pet retention programs, spay/neuter and wellness services, community outreach and education. The Organization works to prevent the incidence of euthanasia and to promote the happiness, safety, and well-being of pets and the people who love them. The Organization receives its funding primarily from donations from the general public, grants, and income for services provided at their low cost spay/neuter clinic.

The Organization was formed through a merger of the Allen County Society for the Prevention of Cruelty to Animals, Inc. (SPCA) and H.O.P.E. for Animals, Inc. (HOPE) on January 1, 2021. The partnership between the SPCA and HOPE was formed to ensure the long-term sustainability of each organization by maximizing the synergies and strategic opportunities made possible by the programs offered and the public support provided by both entities, and to help expand its mission beyond Allen County to the Midwest region.

Basis of Presentation: The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- ***Net Assets Without Donor Restrictions*** are not subject to donor-imposed restrictions and may be used at the discretion of the Organization's management and Board of Directors. This net asset category includes funds designated by the Board of Directors for building renovations and the capital campaign.

- ***Net Assets With Donor Restrictions*** are subject to stipulations imposed by donors. All of the Organization's donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time.

  Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. Restrictions expire when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Gifts associated with the acquisition of long-lived assets are released from restriction when the assets are placed in service.

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, the disclosure of contingent assets and liabilities, and reported amounts of revenue and expenses. Actual results could differ from those estimates.

Cash consists of cash on hand and in demand deposit accounts. Cash does not include cash restricted by donors for long-term purposes or cash equivalents held in investment accounts. The Organization maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. The Organization has not experienced any losses from its bank accounts.

Promises to Give: Unconditional promises to give are expected to be collected within one year and are recorded at net realizable value. Amounts expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted rates applicable in the years in which those promises are received. Amortization of the discounts is included in contributions in the statement of activities. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to give are reviewed for collectability and a provision for doubtful accounts is recorded based on management's judgment and analysis of the creditworthiness of the donors, historical experience, economic conditions, and other relevant factors. Management has determined that no allowance was necessary at December 31, 2021.

Investment Valuation and Income Recognition: Investments initially recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are stated at fair value. See Note 3 for discussion of fair value measurements.

Investment return reported in the statement of activities consists of interest and dividend income and realized and unrealized capital gains and losses, net of external and direct internal investment expenses. Interest income is recorded on the accrual basis, and dividends are recorded on the ex-dividend date. Purchases and sales of investments are recorded on the trade date. Gains and losses on the sale of investments are determined using the specific-identification method.

Property and Equipment are stated at cost for purchased assets, or at fair value at the date of donation for donated assets, less accumulated depreciation. Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives as follows:

Building and improvements	15-40 years
Furniture and equipment	3-15 years
Vehicles	5 years

The Organization's property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amount to future net undiscounted cash flows expected to be generated by the related asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount exceeds the fair market value of the assets. No adjustments to the carrying amount of property and equipment were required in 2021.

Revenue Recognition: The Organization's primary sources of revenue are contributions, clinic revenue, and investment income. Revenue recognition policies for those revenue streams are disclosed under promises to give and investment valuation and income recognition above and under clinic revenue and donations, grants, and bequests below. The revenue recognition policies for other sources of revenue that are material to the financial statements are disclosed below.

- ***Membership Dues:*** The portion of dues that relate to goods and services to be provided by the Organization includes materials from the Organization and an event ticket which represent two distinct performance obligations: (1) the obligation to provide materials and (2) the occurrence of the event. The materials are provided upon receipt of the membership dues and the corresponding revenue is recognized at that time. The portion related to the event ticket is recognized upon occurrence of the event. Membership dues do not include a contribution component.

- ***Adoption Fees:*** The adoption contracts include a single performance obligation which includes providing the adoptable cat or dog to the customer upon completion of the adoption. The adoption fees are recognized at the time the adoption occurs.

- ***Clinic Revenue:*** Clinic revenue from product sales and spay/neuter and wellness services are recognized at the point of purchase for product sales, or at the time services are provided for spay/neuter and wellness services. Any amounts for payments received in advance for services are included in deferred revenue until services are provided.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- ***Special Event Revenue***, including related sponsorship revenue and other contributions, relates to multiple special events where sponsorships and tickets are purchased for the events. Each special event has a single performance obligation, the occurrence of the event, which is satisfied at a point in time. The exchange portion of the tickets and sponsorships are recognized upon occurrence of the event and totaled $24,055 for 2021. Contributions related to the special event sponsorships are recognized when received or unconditionally promised and totaled $212,549 for 2021, and is included in Special events and fundraising, net of direct benefits to donors on the statement of activities. Deferred revenue is recorded for exchange transactions received prior to occurrence of the event.

The Organization determined all revenue sources noted above are earned at a point in time and evaluates the financial performance of these activities primarily by comparing actual financial results against its annual budget.

Donations, Grants and Bequests are recognized as support when they are received or unconditionally promised. Grants and contracts are classified as contributions in instances in which a resource provider is not itself receiving commensurate value for the resources provided. Contributions are considered conditional when the agreement with the resource provider includes a barrier that must be overcome and either a right of return of assets transferred or right of release of a promisor's obligation to transfer assets. Conditional contributions are not recognized as revenue until the conditions are substantially met.

In-kind Donations: Contributions of services, which consisted primarily of veterinary, audit and advertising services, are recorded at estimated fair value when received if such services require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not donated. Volunteers contribute significant amounts of time to the Organization's activities that do not meet recognition criteria, and the value of these contributed services is not reflected in the financial statements. Other in-kind donations, such as contributions of animal food, equipment, and other goods, are recorded at estimated fair value when received.

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Directly identifiable expenses are charged to the specific programs and supporting services benefited. Expenses related to more than one function are allocated among program and support services based on occupied space (including, occupancy, repairs and maintenance, telephone, and depreciation) or time spent by Organization staff (including, salaries and wages, payroll taxes and employee benefits, and office expenses). Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Advertising Costs are expensed as incurred and totaled $55,730 in 2021.

Income Taxes: The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income tax for 2021.

The Organization files U.S. federal and Indiana information returns. The Organization is no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2018. Management believes that the Organization's income tax filing positions will be sustained on audit and does not anticipate any adjustments that will result in a material change.

Subsequent Events: Management has evaluated the financial statements for subsequent events occurring through July 22, 2022, the date the financial statements were available to be issued. See Note 7.

NOTE 2 - AVAILABLE RESOURCES AND LIQUIDITY

The Organization's financial assets available for general expenditure within one year of December 31, 2021 were as follows:

Cash	$ 1,887,650
Interest receivable	5,972
Accounts receivable	10,634
Promises to give, net	1,156,902
Investments	4,072,640
Total Financial Assets	7,133,798
Promises to give restricted for capital campaign	(1,156,902)
Donor-imposed Restrictions:	
Cash restricted for capital campaign	(1,555,463)
Board-designations:	
Capital campaign and building renovations	(1,013,187)
Total Financial Assets and Liquidity Resources Available to Meet General Expenditures Within One Year	$ 3,408,246

For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization considers all expenditures related to its ongoing activities of its program services as well as the conduct of services undertaken to support those activities to be general expenditures.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in short-term investments and money market fund shares.

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

The Organization's Board of Directors has designated a portion of its unrestricted resources for future building renovations and a capital campaign. Those amounts are identified as board-designated in the above table. These funds are held in cash and investments but remain available and may be spent at the discretion of the Board of Directors.

The Organization also has a line of credit available to meet short-term needs. See Note 7.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Organization has categorized its assets and liabilities that are measured at fair value into a three-level fair value hierarchy. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Level 2 – Inputs to the valuation methodology may include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and/or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. In situations where there is little or no market activity for the asset or liability, the Organization makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

Following is a description of the valuation methodologies used by the Organization for assets and liabilities that are measured at fair value on a recurring basis. There have been no changes in the methodologies used at December 31, 2021.

Mutual Fund Shares and Money Market Fund Shares: Valued at the daily closing price as reported by the funds. These funds are required to publish their daily net asset value (NAV) and to transact at that price. These funds are deemed to be actively traded.

Exchange-traded Fund Shares: Valued at the closing price reported on the active market on which the individual securities are traded.

Certificates of Deposit: Valued by discounting cash flows based on interest rates of similar instruments with similar credit ratings and duration.

Following is a summary, by major nature and risks class within each level of the fair value hierarchy, of the Organization's assets that are measured at fair value on a recurring basis as of December 31, 2021:

	Level 1	Level 2	Total
Assets			
Cash Equivalents:			
Money market fund shares	$ 62,972		$ 62,972
Operating Investments:			
Mutual fund shares:			
Equities	787,196		787,196
Fixed income	456,187		456,187
Exchange-traded funds:			
Equities	256,583		256,583
Certificates of deposit		$2,509,702	2,509,702
Total Assets at Fair Value	$1,562,938	$2,509,702	$4,072,640

NOTE 4 - INVESTMENTS

The Organization's investment return consisted of the following for 2021:

Interest and dividends	$ 28,268
Investment management fees	(12,673)
Net realized gain	66,386
Net unrealized gain	150,014
Net Investment Return	$231,995

NOTE 5 - PROMISES TO GIVE

Promises to give were estimated to be collected as follows as of December 31, 2021:

Within one year	$ 385,332
In one to five years	796,410
	1,181,742
Unamortized discounts	(24,840)
Total Promises to Give, net	$1,156,902

Promises to give were discounted at 1.564% as of December 31, 2021.

NOTE 6 - PROPERTY AND EQUIPMENT

The Organization's property and equipment are as follows at December 31, 2021:

Land	$ 199,862
Buildings and improvements	884,744
Equipment and furnishings	327,173
Vehicles	60,047
Construction in progress – capital campaign	547,106
	2,018,932
Less: Accumulated depreciation	(614,810)
Total Property and Equipment, net	$1,404,122

NOTE 7 - DEBT AND CREDIT ARRANGEMENTS

The Organization entered into a $500,000 line of credit agreement in February 2020 which expired on February 28, 2021, and was not renewed. Borrowings under the line of credit agreement bore interest at Daily LIBOR plus 1.50%. The Organization entered a new line of credit agreement in January 2022 which expires in January 2027. Borrowings under the line of credit agreement will bear interest at the Prime Rate minus .25%. Both lines of credit are collateralized with the Organization's investments. There were no borrowings as of December 31, 2021.

NOTE 8 - NET ASSETS

Net Assets Without Donor Restrictions

Net assets without donor restrictions consisted of the following as of December 31, 2021:

Designated for building renovations and capital campaign	$1,013,187
Invested in property and equipment	857,016
Undesignated	3,184,576
Total Net Assets Without Donor Restrictions	$5,054,779

Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31, 2021:

Subject to Expenditures for Specified Purpose:	
Capital campaign	$3,260,287
Angel Fund	90,428
Pet Promise	76,407
Total Net Assets With Donor Restrictions	$3,427,122

NOTE 8 - NET ASSETS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors as follows for the year ended December 31, 2021:

Satisfaction of Purpose Restrictions:	
Capital campaign and capital assets	$10,456
Angel Fund	21,744
Pet Promise / Compassion Foster	22,314
Operation CAT	10,127
Community Cat Program	27,111
Total Net Assets Released from Restrictions	$91,752

NOTE 9 - OPERATING LEASES

The Organization leased office equipment under a long-term operating lease through 2021 which required monthly payments of $275 plus variable amounts based on usage. Lease expense was $12,821 in 2021. On December 31, 2021, the Organization entered into an operating lease for building space for its pet food pantry with monthly lease payments of $1,500 that expires in October 2022.

NOTE 10 - IN-KIND DONATIONS

In-kind donations consisted of the following for the year ended December 31, 2021:

Animal food and supplies	$ 88,016
Advertising	2,194
Professional services	26,450
Total In-kind Donations	$116,660

NOTE 11 - ACQUISITION OF FORT WAYNE PET FOOD PANTRY

On December 31, 2021, the Organization acquired the assets, liabilities and net assets of the Fort Wayne Pet Food Pantry (the “Food Pantry”). The acquisition of the Food Pantry allows the Organization to provide increased resources for pet food, at no cost, to pet owners that are struggling financially. The acquisition of the Food Pantry required the Organization to recognize the assets and liabilities of the Food Pantry at fair value at the date of acquisition. The following is a summary of the assets, liabilities and net assets acquired from the Food Pantry by the Organization on December 31, 2021:

Assets:	
Cash held in banks	$117,525
Investments	28,376
Total Assets	$145,901
Liabilities	$ -
Net Assets without donor restrictions	145,901
Total Liabilities and Net Assets	$145,901

NOTE 12 - MERGER

As discussed in Note 1, the Organization was formed through a merger of the Allen County Society for the Prevention of Cruelty to Animals, Inc. (SPCA) and H.O.P.E. for Animals, Inc. (HOPE) on January 1, 2021. The amounts recognized for each major class of assets, liabilities, and each class of net assets as of the merger date of January 1, 2021 for each organization were as follows:

	SPCA	HOPE	Total
Assets			
Cash	$1,645,828	$ 901,187	$2,547,015
Accounts and interest receivable	27,024	4,588	31,612
Promises to give	1,232,142	10,000	1,242,142
Investments	2,302,189		2,302,189
Prepaid expenses and other assets	440	74,202	74,642
Property and equipment, net	568,860	777,317	1,346,177
Total Assets	$5,776,483	$1,767,294	$7,543,777
Liabilities			
Accounts payable and accrued expenses	$ 27,851	$ 21,587	$ 49,438
Net Assets			
Net assets – without donor restrictions	$2,675,776	$1,717,331	$4,393,107
Net assets – with donor restrictions	3,072,856	28,376	3,101,232
Total Net Assets	5,748,632	1,745,707	7,494,339
Total Liabilities and Net Assets	$5,776,483	$1,767,294	$7,543,777

NOTE 13 - CAPITAL CAMPAIGN

The Organization is in the preliminary stages of a capital campaign to build a new multi-use facility to provide adoption, spay/neuter and wellness services, and wellness clinic services. There were no commitments as of December 31, 2021, related to the campaign.

NOTE 14 - RELATED PARTY TRANSACTIONS

The Organization had contributions of $156,182, including capital campaign promises to give, in the year ended December 31, 2021, from its board members. Also, there was $103,372 in outstanding promises to give from the capital campaign from board members at December 31, 2021.

NOTE 15 - GOVERNMENT ASSISTANCE

On February 3, 2021, the Organization was granted a loan of $163,115 under the Paycheck Protection Program (PPP) established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), as expanded and amended under the Consolidated Appropriations Act, 2021. PPP loans, including accrued interest, are forgivable as long as the entity uses the proceeds for eligible purposes, including payroll, benefits, rent and utilities. Under the PPP, the amount of forgiveness is reduced if the entity terminates employees or reduces salaries during the covered period. The Organization believes it used the proceeds for purposes consistent with the PPP and has received forgiveness from the bank. The Organization substantially met the conditions of the PPP, including incurring qualified expenses. Therefore, the Organization recognized PPP grant of $163,115 in 2021 related to government assistance provided by the PPP. The Organization received full and formal forgiveness from the bank and the SBA for $163,115 on November 12, 2021.

SUPPLEMENTARY INFORMATION

Katz, Sapper & Miller, LLP
Certified Public Accountants
202 West Berry Street, Suite 600
Fort Wayne, IN 46802

Independent Auditors' Report on Supplementary Information

Board of Directors
Humane Fort Wayne, Inc.

We have audited the financial statements of Humane Fort Wayne, Inc. as of and for the year ended December 31, 2021, and our report thereon dated July 22, 2022, which contained an unmodified opinion on those financial statements, appears on pages 1-2. Our audit was performed for the purpose of forming an opinion on the 2021 financial statements as a whole. The schedule of statement of activities information for the year ended December 31, 2020, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. The information presented herein for the year ended December 31, 2020, derived from unaudited financial statements, has not been audited, reviewed, or compiled and accordingly, we express no opinion on it.

Katz, Sapper & Miller, LLP

Ft. Wayne, Indiana
July 22, 2022

T 260.496.8297 | F 260.496.8187 | W ksmcpa.com

HUMANE FORT WAYNE, INC.

SCHEDULE OF STATEMENT OF ACTIVITIES INFORMATION (UNAUDITED)
Year Ended December 31, 2020

	Allen County Society for the Prevention of Cruelty to Animals, Inc.	H.O.P.E. for Animals, Inc.	Total
REVENUE, GAINS AND OTHER SUPPORT			
Contributions:			
Donations, grants and bequests	$ 2,606,562	$ 265,765	$ 2,872,327
PPP grant	145,400		145,400
In-kind donations	115,002		115,002
Special events and fundraising, net of direct benefits to donors	78,118		78,118
Clinic revenue		1,506,719	1,506,719
Adoption fees	134,495		134,495
Membership dues	52,655		52,655
Product sales, net of cost of goods sold	7,442		7,442
Miscellaneous income	8,139	5,853	13,992
Investment return	293,982	2,786	296,768
Total Revenue, Gains and Other Support	3,441,795	1,781,123	5,222,918
EXPENSES			
Program services	1,044,208	1,242,113	2,286,321
Supporting services:			
Management and general	214,918	175,416	390,334
Fundraising	195,861	9,276	205,137
Total Expenses	1,454,987	1,426,805	2,881,792
INCREASE IN NET ASSETS	1,986,808	354,318	2,341,126
NET ASSETS			
Beginning of Year	3,761,824	1,391,389	5,153,213
End of Year	$ 5,748,632	$ 1,745,707	$ 7,494,339