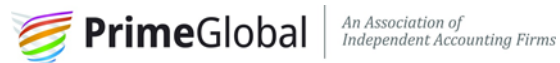


PASADENA HUMANE SOCIETY AND S.P.C.A.

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2015 and 2014



PASADENA HUMANE SOCIETY AND S.P.C.A.

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INDEPENDENT AUDITORS' REPORT

To the Pasadena Humane Society and S.P.C.A.

We have audited the accompanying financial statements of Pasadena Humane Society and S.P.C.A. (a nonprofit organization) (the "Society"), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, changes in net assets, cash flows and functional expenses, 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 audits to obtain reasonable assurance about whether the financial statements are free from 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 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 statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Pasadena Humane Society and S.P.C.A. as of December 31, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter – Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the accompanying table of contents is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Pasadena, California
September 7, 2016

PASADENA HUMANE SOCIETY AND S.P.C.A.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

ASSETS	2015	2014
Current Assets		
Cash and cash equivalents	\$ 3,850,791	\$ 4,136,803
Accounts receivable	102,712	36,297
Contributions receivable, net	2,614,883	1,135,738
Inventory	81,638	64,396
Prepaid expenses and other current assets	170,628	32,971
Total Current Assets	6,820,652	5,406,205
Other Assets		
Investments	10,664,191	7,986,924
Other assets	54,460	98,546
Property and equipment, net	25,990,181	24,847,323
Total Other Assets	36,708,832	32,932,793
Total Assets	\$ 43,529,484	\$ 38,338,998
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 446,757	\$ 263,214
Accrued expenses	529,931	561,755
Note payable, current	249,227	253,134
Capital lease, current	22,577	32,100
Total Current Liabilities	1,248,492	1,110,203
Long-term Liabilities		
Note payable, net of current portion	6,906,733	7,105,389
Capital lease, net of current portion	62,299	75,317
Total Long-term Liabilities	6,969,032	7,180,706
Total Liabilities	8,217,524	8,290,909
Net Assets		
Unrestricted: Operating Fund	18,926,427	16,239,873
Board Designated: Investment Fund	11,117,085	9,578,787
Board Designated: Capital Campaign Fund	5,048,450	1,617,857
Board Designated: Neely Fund	67,709	100,000
Total Unrestricted Net Assets	35,159,671	27,536,517
Temporarily Restricted	152,289	2,511,572
Total Net Assets	35,311,960	30,048,089
Total Liabilities and Net Assets	\$ 43,529,484	\$ 38,338,998

See accompanying notes to financial statements.

**PASADENA HUMANE SOCIETY AND S.P.C.A.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Change in unrestricted net assets		
Support and revenue		
Adoption fees	\$ 126,722	\$ 70,268
Behavior department	110,399	86,028
Boarding fees	142,223	127,913
Contract income	2,292,528	2,263,255
Contributions and bequests	10,178,886	3,301,516
Day care income	20,882	8,130
Events	743,595	734,553
Gain (loss) on sale of fixed assets	(129,173)	6,711
Gifts-in-kind	40,858	35,742
Humane education program	4,695	-
Inoculation fees	36,445	34,890
Interest and dividends	282,530	266,467
License and registration fees	385,331	388,761
Other	71,476	92,104
Other fees	135,982	131,999
Rabies clinic	131,218	84,034
Spay / neuter fees	437,772	359,069
Store sales, net of discounts and cost of goods sold	164,357	95,961
Gain on sale of investments	353,366	492,359
Unrealized gain(loss) on investments	(546,851)	(359,787)
Net assets released from restriction, satisfaction of program restrictions	49,642	93,429
Total unrestricted support and revenue	<u>15,032,883</u>	<u>8,313,402</u>
Expenses		
Program	7,992,899	6,538,184
Management and general	854,844	1,446,117
Fund raising	1,018,262	991,739
Total expenses	<u>9,866,005</u>	<u>8,976,040</u>
Change in unrestricted net assets	<u>5,166,878</u>	<u>(662,638)</u>
Change in temporarily restricted net assets		
Support and revenue		
Contributions and bequests	146,488	2,485,999
Interest and dividends	147	4,516
Net assets released from restrictions	(49,642)	(93,429)
Change in temporarily restricted net assets	<u>96,993</u>	<u>2,397,086</u>
Increase in Net Assets	5,263,871	1,734,448
Net Assets, Beginning of Year	<u>30,048,089</u>	<u>28,313,641</u>
Net Assets, End of Year	<u>\$ 35,311,960</u>	<u>\$ 30,048,089</u>

See accompanying notes to financial statements.

**PASADENA HUMANE SOCIETY AND S.P.C.A.
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Balance, January 1, 2014	\$ 28,133,318	\$ 180,323	\$ 28,313,641
Change in net assets	(662,638)	2,397,086	1,734,448
Transfer of net assets	<u>65,837</u>	<u>(65,837)</u>	<u>-</u>
Balance, December 31, 2014	\$ 27,536,517	\$ 2,511,572	\$ 30,048,089
Change in net assets	5,166,878	96,993	5,263,871
Transfer of net assets	<u>2,456,276</u>	<u>(2,456,276)</u>	<u>-</u>
Balance, December 31, 2015	<u><u>\$ 35,159,671</u></u>	<u><u>\$ 152,289</u></u>	<u><u>\$ 35,311,960</u></u>

See accompanying notes to financial statements.

**PASADENA HUMANE SOCIETY AND S.P.C.A.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
Cash Flows From Operating Activities		
Increase in net assets	\$ 5,263,871	\$ 1,734,448
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	915,727	752,264
(Gain) loss on disposal of assets	129,173	(6,711)
Discount on contributions receivable	(2,588)	(14,091)
Gain on sale of investments	(353,366)	(492,359)
Unrealized loss on investments	546,851	359,787
Increase (decrease) in cash and cash equivalents attributable to changes in operating assets and liabilities		
Accounts receivable	(66,415)	(396)
Accrued interest receivable	-	1,904
Contributions receivable	(1,476,557)	540,806
Inventory	(17,242)	(15,984)
Inventory - SNIP Supplies	-	54,490
Prepaid expenses and other current assets	(137,657)	(9,415)
Other assets	44,086	(98,546)
Accounts payable	183,543	(1,016,308)
Accrued expenses	(31,824)	177,922
Total Adjustments	(266,269)	233,363
Cash Provided by Operating Activities	4,997,602	1,967,811
Cash Flows From Investing Activities		
Proceeds from sale of property and equipment	2,500	6,711
Purchases of property and equipment	(2,190,258)	(2,116,270)
Net proceeds on sale of investments	-	1,545,873
Net purchases on sale of investments	(2,870,752)	-
Cash Used in Investing Activities	(5,058,510)	(563,686)
Cash Flows From Financing Activities		
Net borrowings on note payable	-	1,358,523
Payments on note payable	(202,563)	-
Payments of capital lease obligation	(22,541)	(20,545)
Cash Provided by (Used in) Financing Activities	(225,104)	1,337,978
Increase (Decrease) in cash and cash equivalents	(286,012)	2,742,103
Cash and Cash Equivalents, Beginning of Year	4,136,803	1,394,700
Cash and Cash Equivalents, End of Year	\$ 3,850,791	\$ 4,136,803
Supplemental disclosure of cash flows information:		
Cash paid for interest	\$ 215,500	\$ 132,994

See accompanying notes to financial statements.

**PASADENA HUMANE SOCIETY AND S.P.C.A.
STATEMENT OF FUNCTIONAL EXPENSES - UNRESTRICTED FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Operating Fund				
Salaries	\$ 3,513,609	\$ 415,546	\$ 381,493	\$ 4,310,648
Payroll taxes	302,269	35,749	32,819	370,837
Pension contribution	159,323	18,843	17,298	195,464
Accounting	84,421	4,690	4,690	93,801
Adoption	27,467	-	-	27,467
Animal control	12,054	-	-	12,054
Bank charges	4,319	508	254	5,081
Behavior department	3,897	-	-	3,897
Cat department	1,357	-	-	1,357
Computer	86,078	4,782	4,782	95,642
Credit card fees	39,930	-	12,609	52,539
Depreciation and amortization	906,570	9,157	-	915,727
Development	-	2,129	19,164	21,293
Disposal service	6,536	136	136	6,808
Employee enrichment	10,992	2,061	687	13,740
Events	-	-	217,379	217,379
Gifts-in-kind	40,403	30	425	40,858
Health staff	468	82	-	550
Humane education	9,569	504	-	10,073
Insurance - general	112,262	21,049	7,016	140,327
Insurance - group medical	537,004	100,688	33,563	671,255
Insurance - workers' compensation	275,908	63,384	33,557	372,849
Interest expense	222,574	1,686	1,529	225,789
Kennel food	15,104	-	-	15,104
Kennel supplies	90,252	-	-	90,252
Lease expenses	16,232	2,193	3,510	21,935
Legal fees	71,055	12,539	-	83,594
Legislation lobbying	1,200	225	75	1,500
Maintenance and repairs	135,878	3,552	-	139,430
Membership	5,750	816	3,737	10,303
Miscellaneous	10,045	1,426	2,748	14,219
Mobile adoptions	2,401	-	-	2,401
Office	47,390	9,272	2,820	59,482
Parking lot rent	26,212	4,725	1,586	32,523
Personnel expense	20,860	2,467	2,265	25,592
Postage	54,482	12,613	53,333	120,428
Printing	90,133	15,440	124,361	229,934
Public relations	83,969	1,375	-	85,344
Rabies clinic	169	-	-	169
SNIP veterinary	173,198	221	-	173,419
Subscriptions	907	67	139	1,113
Taxes - property	47,884	115	231	48,230
Taxes - sales and other	2,162	1,594	158	3,914
Telephone	38,764	2,505	7,737	49,006
Temporary services	10,956	19,471	8,312	38,739
Truck operations and maintenance	132,985	8,185	1,175	142,345
Uniforms	33,362	53	13	33,428
Utilities	167,400	-	1,691	169,091
Veterinary services	62,069	-	-	62,069
Veterinary supplies	218,931	-	-	218,931
Volunteer services	13,127	691	-	13,818
Wildlife	9,608	-	-	9,608
Total Operating Fund Expenses	\$ 7,979,838	\$ 785,079	\$ 986,462	\$ 9,751,379

See accompanying notes to financial statements.

**PASADENA HUMANE SOCIETY AND S.P.C.A.
UNRESTRICTED NET ASSETS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Balance forward	\$ 7,979,838	\$ 785,079	\$ 986,462	\$ 9,751,379
Investment Fund				
Investment advisory and trustee fees	-	63,220	-	63,220
Miscellaneous	-	6,110	-	6,110
Total Investment Fund	<u>-</u>	<u>69,330</u>	<u>-</u>	<u>69,330</u>
Capital Campaign Fund				
Miscellaneous	-	-	1,761	1,761
Total Capital Campaign Fund Expenses	<u>-</u>	<u>-</u>	<u>1,761</u>	<u>1,761</u>
Neely Fund				
Miscellaneous	13,061	435	30,039	43,535
Total Capital Campaign Fund Expenses	<u>13,061</u>	<u>435</u>	<u>30,039</u>	<u>43,535</u>
Total Expenses	<u>\$ 7,992,899</u>	<u>\$ 854,844</u>	<u>\$ 1,018,262</u>	<u>\$ 9,866,005</u>

See accompanying notes to financial statements.

PASADENA HUMANE SOCIETY AND S.P.C.A.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Pasadena Humane Society and S.P.C.A. (the “Society”) is a California nonprofit corporation. The Society promotes the humane treatment of all animals, enforces California and local laws for the prevention of cruelty to animals and seeks to instill a humane public attitude toward animals. The Society provides services to the Southern California communities of Arcadia, Glendale, La Canada, Pasadena, San Marino, Sierra Madre, South Pasadena, Monrovia and Bradbury.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

These financial statements have been approved by management and are available for issuance on September 7, 2016, and have been evaluated through this date.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

Cash and Cash Equivalents

Cash and cash equivalents, for purposes of reporting cash flows, consists primarily of cash on hand, cash held in checking accounts and money market accounts held by the custodian of the investment accounts. The Society places its cash in high-quality financial institutions. At times, cash balances were in excess of federally insured limits. The Society believes no significant concentration of credit risk exists with respect to these cash balances.

Concentrations of Credit and Market Risk

The Society, at times, maintains cash balances in excess of the insured amount under the Federal Deposit Insurance Corporation (“FDIC”) of \$250,000. The Securities Investor Protection Corporation (“SIPC”) protects investor against broker-dealer failure up to \$500,000, including a \$250,000 limit for cash. The Society does not believe that it is exposed to any significant credit risk.

Contributions Receivable

Contributions receivable include unconditional promises to give and are recorded at their gross amount less a present value discount at an interest rate of 3.33% and 1.75% per annum for the years ended December 31, 2015 and 2014, respectively. On a periodic basis, management evaluates its contributions receivable and establishes an allowance for doubtful accounts, if necessary, based on a history of past write-offs, collections and credit conditions. Contributions receivable are written-off as uncollectible once the Society has exhausted its collection efforts. The Society considers all contributions receivable to be collectible at December 31, 2015 and 2014 and no allowance for doubtful accounts is deemed necessary.

PASADENA HUMANE SOCIETY AND S.P.C.A.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Society's primary source of revenue is from donor contributions and bequests, which are recorded as revenue upon receipt of cash or unconditional pledges. Contributions and bequests are considered available for unrestricted use unless specifically restricted by the donor. Another source of revenue is contracts with local cities to provide various animal control services. The Society also generates revenue by providing services to pet owners including adoption, spay and neutering, vaccinations and microchipping, behavior classes, boarding and a pet supply store.

Inventory

Inventory consists of animal food and supplies which are held for sale and is accounted for at cost, valued at the most recent purchase price for each item of inventory.

Property and Equipment

Property and equipment are recorded at cost. Major renewals and improvements are capitalized, while replacements, maintenance and repairs, which do not improve or extend the life significantly, are expensed currently. Depreciation and amortization is recorded using the straight-line method over the following useful lives:

	<u>Useful Life</u>
Building and improvements	39 Years
Furniture and fixtures	7 Years
Vehicles	5 Years
Equipment	5-7 Years

In-Kind Contributions and Donated Services

Donated services, goods and facilities are recognized as contributions if the services, goods and facilities (a) create or enhance nonfinancial assets or (b) require specialized skills and are performed by people with those skills and would otherwise be purchased by the Society. During the years ended December 31, 2015 and 2014, the Society did not receive any services, goods and facilities that satisfied both conditions and, as a result, no donated services, goods and facilities are recognized as revenue in the accompanying statements of activities.

Gift Cards

The Society engages in the sale and free distribution of gift cards to customers and patrons of the Society's pet store and facilities. The Society's gift cards are not subjected to administrative fees, gift cards sold do not expire, but gift cards distributed as gifts, incentives or rewards may expire. When distributed, the Society recognizes a liability for the gift card and recognizes revenue from the redemption of the gift card. The Society tracks its gift cards by assigning a serial number to each card. The Society recognized a gift card liability of \$2,404 and \$2,295 for the years ended December 31, 2015 and 2014, respectively.

PASADENA HUMANE SOCIETY AND S.P.C.A.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

In accordance with GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date.

In determining fair value, the Society uses various valuation approaches. In accordance with GAAP, a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Society. Unobservable inputs reflect the Society’s assumptions about the inputs from market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Society has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in active market, valuation of these securities does not entail a significant degree of judgement.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from security and is affected by a wide variety of factors including the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgement. Those estimates values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. According the degree of judgement exercised by the Society in determining the fair value is greater for securities categorized in Level 3.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Society’s own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Society uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

The Society values investments in securities that are freely tradeable and are listed on national securities exchange at their last sales price as of the last business day of the year.

The Society holds two parcels of land in remote areas of California; these are carried on the books at nominal values.

**PASADENA HUMANE SOCIETY AND S.P.C.A.
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (continued)

The Society has elected to establish a conservative investment strategy that is risk-averse and focuses on income and growth.

Classes of Net Assets

Separate net asset accounts are maintained to ensure that limitations or restrictions placed on contributions, endowments and gifts are used for their intended purpose. The Society uses the following classes of net assets:

Unrestricted net assets:

Unrestricted net assets are not subject to donor-imposed stipulations.

Temporarily restricted net assets:

Temporarily restricted net assets are subject to donor-imposed stipulations that will be met by actions of the Society and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets which have their restriction met in the same year are reported as unrestricted in the statement of activities.

Federal and State Income Taxes

The Society is incorporated as a nonprofit corporation under laws of the State of California and is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code and is not subject to federal income taxes except for income from unrelated business activities.

Accounting principles generally accepted in the United States of America require that the board of Directors evaluate tax positions taken by the Society and recognize a tax liability (or asset) if the Society has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service and the California Franchise Tax Board.

The Board of Directors of the Society has analyzed the tax positions taken by the Society and has concluded that, as of December 31, 2015, the tax positions in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. If there were interest and penalties associated with any uncertain tax positions the Society would record them as tax expense. The Society is subject to routine audits by taxing organizations, however there are currently no audits for any tax period in progress. The Board of the Directors of the Society believes it is no longer subject to tax examinations for years prior to December 31, 2012.

Description of Funds

Unrestricted net assets include:

- The Operating Fund, which is used to record all activity relating to the operations of the Society, other than those separately designated by the Board or subject to temporary or permanent restrictions. This also includes net assets released from restriction through the satisfaction of program restrictions or the passage of time.
- The Investment Fund, which was established to hold the investments of the Society, as designated by the Board. The Society hires outside independent advisors to manage the underlying investments.

**PASADENA HUMANE SOCIETY AND S.P.C.A.
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Description of Funds (continued)

- The Capital Campaign Fund, board designated funds to be used for the construction project at 309 Raymond Avenue.
- The Neely Fund, board designated funds to be used for the cattery construction project.

Temporarily restricted net assets include:

- The Falk Foundation, established in 1993 to assist in the funding of adoption counselors. A monthly contribution is received from the Elizabeth M. Falk Foundation.
- The Harris Trust Fund, established in 1990 by the Olga B. Harris Trust to assist in the funding of dog related veterinary services and the care of homeless dogs, to the extent that the funds exceed the veterinary expenses.
- The Glide Wildlife Fund, established by a grant given to the Society by the Thornton S. Glide and Katrina D. Glide Foundation in 1998 to assist in funding wildlife programs.
- The G Fund, established by an anonymous donor to fund specific projects designated by the donor.
- The POOCH Fund, established to fund a local animal park.
- The HART Fund, established to raise funds to reduce euthanasia of animals. The funds are used for transportation and outside veterinary costs needed to aid the Society in transporting the animals to alternate shelters or rescues that will increase the opportunity for the animals to be adopted.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Petty Cash	\$ 2,213	\$ 2,113
Operating	818,350	554,178
Credit Cards	76,840	86,287
Subtotal	<u>897,403</u>	<u>642,578</u>
Falk Foundation Fund	18,683	78,595
Harris Trust Fund	75,971	78,078
Neely Fund	132,121	1,223,379
Capital Campaign Fund	2,372,792	624,591
Investment Fund	353,821	1,489,582
Total Cash and Cash Equivalents	<u>\$ 3,850,791</u>	<u>\$ 4,136,803</u>

**PASADENA HUMANE SOCIETY AND S.P.C.A.
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Cash and cash equivalents listed above totaling \$897,403 and \$642,578 as of December 31, 2015 and 2014, respectively, are allocated among the various funds listed below:

	<u>2015</u>	<u>2014</u>
Operating Fund	774,126	545,830
Glide Wildlife Fund	54,174	29,174
The G Fund	108,237	108,237
Pooch Fund	729	(800)
HART Fund	(39,863)	(39,863)
	<u>\$ 897,403</u>	<u>\$ 642,578</u>

Cash and cash equivalents included in temporarily restricted funds consisted of the following at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Falk Foundation Fund	18,683	78,595
Harris Trust Fund	75,971	78,078
Glide Wildlife Fund	54,174	29,174
The G Fund	108,237	108,237
Pooch Fund	729	(800)
HART Fund	(39,863)	(39,863)
Neely Fund	-	1,123,379
	<u>\$ 217,931</u>	<u>\$ 1,376,800</u>

NOTE 3 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Capital Campaign Fund	\$ 2,545,705	\$ 985,149
Neely Fund	84,001	168,000
	<u>2,629,706</u>	<u>1,153,149</u>
Less: Discount	(14,823)	(17,411)
Total Contribution Receivable, net	<u>\$ 2,614,883</u>	<u>\$ 1,135,738</u>

**PASADENA HUMANE SOCIETY AND S.P.C.A.
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 – CONTRIBUTIONS RECEIVABLE (Continued)

Future contributions receivable consist of the following at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Amounts due in less than one year	2,395,706	668,448
Amounts due in one to five years	234,000	484,701
	<u>\$ 2,629,706</u>	<u>\$ 1,153,149</u>

NOTE 4 – INVESTMENTS

The Society's investments in equity and marketable debt securities with readily redeemable fair values are reported at their fair values based on quoted prices in active markets (Level 1 measurements).

The following is a summary of investments at December 31, 2015:

	<u>Adjusted Cost</u>	<u>Fair Value</u>
U.S. Obligations	\$ 827,902	\$ 824,727
Equities	4,184,528	4,927,663
Mutual Funds	5,277,977	4,911,799
	<u>\$ 10,290,407</u>	<u>\$ 10,664,189</u>

The following is a summary of investments at December 31, 2014:

	<u>Adjusted Cost</u>	<u>Fair Value</u>
U.S. Obligations	\$ -	\$ -
Equities	3,160,094	4,210,268
Mutual Funds	3,906,194	3,776,654
	<u>\$ 7,066,288</u>	<u>\$ 7,986,922</u>

The Society owns two parcels of undeveloped land of undetermined sizes which are carried on the books at a nominal value of \$1 per parcel for a total of \$2 for the years ended December 31, 2015 and 2014. Management has not established the fair value of the parcels.

The following is a summary of return on investments at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Interest and Dividends	\$ 282,677	\$ 266,467
Net Realized Gains	353,366	492,359
Unrealized Losses	(546,851)	(359,787)
Miscellaneous Income	3,673	16,500
	<u>\$ 92,865</u>	<u>\$ 415,539</u>

Investment fees expense was \$63,220 and \$69,465 for the years ended December 31, 2015 and 2014, respectively.

**PASADENA HUMANE SOCIETY AND S.P.C.A.
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 – FAIR VALUE MEASUREMENTS

The Society’s assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with GAAP. See Note 1 for a discussion of the Society’s policies.

The following table presents information about the Society’s assets measured at fair value as of December 31, 2015:

2015

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in money market at fair value (included in cash and cash equivalents)	\$ 353,820	\$ -	\$ -	\$ 353,820
Investments in fixed income at fair value (included in investments)	824,727			824,727
Investments in equities at fair value (included in investments)	4,927,663	-	-	4,927,663
Investments in mutual funds at fair value (included in investments)	4,911,799	-	-	4,911,799
Investments in land at fair value (included in investments)	-	-	2	2
	<u>\$ 11,018,009</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 11,018,011</u>

The following table presents information about the Society’s assets measured at fair value as of December 31, 2014:

2014

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in money market at fair value (included in cash and cash equivalents)	\$ 1,489,582	\$ -	\$ -	\$ 1,489,582
Investments in equities at fair value (included in investments)	4,210,268	-	-	4,210,268
Investments in mutual funds at fair value (included in investments)	3,776,654	-	-	3,776,654
Investments in land at fair value (included in investments)	-	-	2	2
	<u>\$ 9,476,504</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 9,476,506</u>

**PASADENA HUMANE SOCIETY AND S.P.C.A.
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2015:

	Operating Fund	Falk Foundation Fund	Neely Fund	Total
Land	\$ 3,487,138	\$ -	\$ -	\$ 3,487,138
Buildings	24,736,003	-	-	24,736,003
Furniture and Fixtures	958,827	-	-	958,827
Equipment	1,413,531	35,969	-	1,449,500
Vehicles	803,700	-	-	803,700
Building Improvements	559,616	-	-	559,616
Construction in Process	-	-	-	-
	<u>31,958,815</u>	<u>35,969</u>	<u>-</u>	<u>31,994,784</u>
Less: Accumulated Depreciation and Amortization	<u>5,968,634</u>	<u>35,969</u>	<u>-</u>	<u>6,004,603</u>
	<u><u>\$ 25,990,181</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 25,990,181</u></u>

Property and equipment consist of the following at December 31, 2014:

	Operating Fund	Falk Foundation Fund	Neely Fund	Total
Land	\$ 3,487,138	\$ -	\$ -	\$ 3,487,138
Buildings	22,113,062	-	-	22,113,062
Furniture and Fixtures	747,536	-	-	747,536
Equipment	1,240,918	35,969	-	1,276,887
Vehicles	726,275	-	-	726,275
Building Improvements	405,706	-	-	405,706
Construction in Process	34,218	-	1,179,154	1,213,372
	<u>28,754,853</u>	<u>35,969</u>	<u>1,179,154</u>	<u>29,969,976</u>
Less: Accumulated Depreciation and Amortization	<u>5,086,684</u>	<u>35,969</u>	<u>-</u>	<u>5,122,653</u>
	<u><u>\$ 23,668,169</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,179,154</u></u>	<u><u>\$ 24,847,323</u></u>

Construction in progress represents costs incurred for the development of real estate at 361 South Raymond Avenue, Pasadena, California and 76 East Del Mar Boulevard, Pasadena, California for the years ended December 31, 2015 and 2014, respectively. Those costs include a traffic study, architect fees and construction costs.

Depreciation and amortization expense was \$915,727 and \$752,264 for the years ended December 31, 2015 and 2014, respectively.

**PASADENA HUMANE SOCIETY AND S.P.C.A.
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 – PENSION PLAN

The Society maintains a noncontributory defined benefit pension plan (the “Plan”) under Section 403(b) of the Internal Revenue Code covering all eligible employees. Employees become eligible at the attainment of age 21 and the completion of one year of service and enter the plan on January 1 or July 1 coincident with and/or following their completion of the eligibility requirements. Normal retirement age is the participant’s 65th birthday or the 5th anniversary from the participant’s entry date, if later.

The annual pension benefit is 1.00% of average compensation plus 0.65% of average compensation in excess of covered compensation, the resulting sum of which is multiplied by total years of participation, not to exceed 35 years.

The form of pension payment is a straight life annuity for single employees and a reduced joint and 100% survivor annuity for married employees. Optional forms include single sum and installment payments.

There is no provision for early retirement.

The late retirement benefit calculation is the actuarial equivalent of normal retirement pension or normal retirement pension calculated based on average compensation and service as of late retirement date, if greater.

The severance benefit is the accrued pension times vested percentage. The vested percentage varies according to years of service. A pre-retirement death benefit is available to both active and former participants.

There were 70 and 63 employees in the plan as of January 1, 2015 and January 1, 2014, respectively.

The pension benefit obligation is calculated as part of an actuarial valuation performed as of January 1, 2015 and 2014. The actuarial assumptions for both 2015 and 2014 included an interest rate of 7.50% per annum, a retirement age of 65, and an anticipated earnings progression of 0.00% per annum. The actuary uses the interest rates prescribed by the Pension Protection Act of 2006 and the Moving Ahead for Progress in the 21st Century Act, as published by the Internal Revenue Service.

	<u>2015</u>	<u>2014</u>
Assets	<u>\$2,058,625</u>	<u>\$2,137,844</u>
Unfunded vested benefits	<u>\$520,876</u>	<u>\$577,203</u>
Target normal cost as of beginning of year	<u>\$188,946</u>	<u>\$121,955</u>
Present value of accrued benefits (based on greater of plan rates or IRC 417(e) mortality and interest rates, limited by IRC 415(b) maximum rates)	<u>\$2,005,864</u>	<u>\$2,040,701</u>
Minimum required contribution for the plan year	<u>\$151,378</u>	<u>\$26,119</u>
Maximum contribution for the year	<u>\$2,068,772</u>	<u>\$2,114,648</u>

The Plan’s assets are held in trust at a financial institution and consist of U.S. Government bonds, corporate stocks and a money fund account.

**PASADENA HUMANE SOCIETY AND S.P.C.A.
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 – PENSION PLAN (Continued)

During 2015 and 2014, the Society paid \$151,378 and \$ 168,236 to the Plan, respectively. The Society had unpaid contributions of \$90,827 and \$42,059 at December 31, 2015 and 2014, respectively, which is included in accounts payable on the accompanying statements of financial position. The Society is not required to make quarterly contribution payments.

As of January 1, 2015, the summary of plan benefits is as follows:

Lump-sum value of funding target accrued benefits	<u>\$2,005,864</u>
Lump-sum value of Pension Benefit Guaranty Corporation accrued benefits	<u>\$2,719,650</u>

The Plan paid benefits of \$57,741 and \$322,034 for the years ending December 31, 2015 and 2014, respectively, to participants that withdrew from the Plan.

The actuary calculated the estimated future benefit payments as of December 31, 2015 based on expected future service. Estimated future benefits are expected to be paid as follows:

Years Ending December 31,	
2016	\$1,077,605
2017	148,798
2018	17,581
2019	163,887
2020	392,106
Thereafter	<u>627,271</u>
	<u>\$ 2,427,248</u>

NOTE 8 – NOTE PAYABLE

During 2004, the Society signed an agreement with Community Bank (the “Bank”) to establish a Variable Interest Revolving Line of Credit (the “Line of Credit”) in the amount of \$2,500,000 to purchase real estate for future development. During 2012, the Society renegotiated the Line of Credit to increase the amount to \$5,000,000, with a maturity date of October 1, 2013.

During October 2013, the Society exercised the option to extend the Line of Credit and the Bank amended the terms of the agreement. The amended agreement increased the Line of Credit to \$8,000,000, with a maturity date of August 1, 2019 and is collateralized by the real property and related fixtures located at 76 East Del Mar Boulevard and 361 South Raymond Avenue, Pasadena, California . During the period November 1, 2013 through July 31, 2014, the Society was to make interest only payments at a rate of not less than 1.75%. Beginning August 1, 2014 the Line of Credit was converted to a Promissory Note (the “Note”) bearing interest at a rate of 3.33% per annum with a maturity date of August 1, 2019.

The Society has a balance due of \$7,155,960 and \$7,358,523 for the years ended December 31, 2015 and 2014, respectively. Interest expense was \$215,500 and \$181,765 for the years ending December 31, 2015 and 2014, which is included in interest expense on the accompanying statement of functional expenses – unrestricted funds, respectively.

**PASADENA HUMANE SOCIETY AND S.P.C.A.
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 – NOTE PAYABLE (Continued)

Future minimum payments are as follows:

Years Ending December 31,	
2016	\$249,227
2017	235,894
2018	213,816
2019	<u>6,457,023</u>
	<u>\$ 7,155,960</u>

NOTE 9 – CAPITAL LEASES

The Society leases certain equipment pursuant to non-cancelable capital leases, expiring at various dates through March 2019.

Capital leases consist of the following at December 31, 2015 and 2014, respectively:

	<u>2015</u>	<u>2014</u>
Equipment	\$ 130,433	\$ 130,433
Less: Accumulated Amortization	<u>40,841</u>	<u>21,715</u>
	<u>\$ 89,592</u>	<u>\$ 108,718</u>

The following is a schedule of future minimum payments under capital lease together with the present value of net minimum lease payments as of December 31, 2015:

Years Ending December 31,	
2016	\$ 32,100
2017	29,988
2018	29,988
2019	<u>7,497</u>
Total Minimum Lease Payments	99,573
Less: Amount Representing Interest	<u>14,697</u>
	84,876
Less: Current Portion	<u>22,577</u>
	<u>\$ 62,299</u>

Interest expense was \$9,559 and \$11,555 for the years ending December 31, 2015 and 2014, which is included in interest expense on the accompanying statement of functional expenses – unrestricted funds, respectively.

PASADENA HUMANE SOCIETY AND S.P.C.A.
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Major Contract Commitment

During the year ended December 31, 2014, the Society entered into a cost plus construction contract in the amount of approximately \$2,494,000, in connection with the construction project of the Neely Cat Center at 361 S. Raymond Avenue, Pasadena, California.

The contract amount was revised with change orders and contingency adjustments and the final construction contract amount was \$2,275,785. The balance on the contract due was \$0 and \$1,553,278 for the years ended December 31, 2015 and 2014, respectively.

NOTE 11 – SUBSEQUENT EVENT

In June 2015, the Society entered into an agreement to sub-lease approximately 5,000 square feet of office space in the building located at 76 E. Del Mar Blvd., Pasadena, California to a tenant. The lease is scheduled to commence in April 2016 and expires approximately 7 years after the commencement date.

For the period January to June 2016, the Society made additional payments to reduce the note payable balance. The note payable balance was \$1,845,971 at September 7, 2016.

PASADENA HUMANE SOCIETY AND S.P.C.A.
STATEMENT OF FINANCIAL POSITION
UNRESTRICTED NET ASSETS
DECEMBER 31, 2015

	<u>Operating Fund</u>	<u>Investment Fund</u>	<u>Capital Campaign Fund</u>	<u>Neely Fund</u>	<u>Total</u>
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 774,126	\$ 353,821	\$ 2,372,792	\$ 132,121	\$ 3,632,860
Accounts receivable	102,712	-	-	-	102,712
Due from Capital Campaign Fund	-	21,211	-	-	21,211
Due from Investment Fund	-	-	41,719	-	41,719
Due from Operating Fund	-	-	124,268	-	124,268
Due from Neely Fund	-	119,581	-	-	119,581
Due from temporarily restricted funds	-	-	-	-	-
Contributions receivable, net	-	-	2,530,882	84,001	2,614,883
Inventory	81,638	-	-	-	81,638
Prepaid expenses and other current assets	170,628	-	-	-	170,628
Total Current Assets	<u>1,129,104</u>	<u>494,613</u>	<u>5,069,661</u>	<u>216,122</u>	<u>6,909,500</u>
Other Assets					
Investments	-	10,664,191	-	-	10,664,191
Other asset	54,460	-	-	-	54,460
Property and equipment, net	25,990,181	-	-	-	25,990,181
Total Other Assets	<u>26,044,641</u>	<u>10,664,191</u>	<u>-</u>	<u>-</u>	<u>36,708,832</u>
Total Assets	<u>\$ 27,173,745</u>	<u>\$ 11,158,804</u>	<u>\$ 5,069,661</u>	<u>\$ 216,122</u>	<u>\$ 43,618,332</u>
LIABILITIES AND NET ASSETS					
Liabilities					
Accounts payable	\$ 352,283	\$ -	\$ -	\$ 28,832	\$ 381,115
Accrued expenses	529,931	-	-	-	529,931
Due to Investment Fund	-	-	21,211	119,581	140,792
Due to Operating Fund	-	-	-	-	-
Due to Capital Campaign Fund	124,268	41,719	-	-	165,987
Due to temporarily restricted funds	-	-	-	-	-
Note payable, current	249,227	-	-	-	249,227
Capital lease, current	22,577	-	-	-	22,577
Total Current Liabilities	<u>1,278,286</u>	<u>41,719</u>	<u>21,211</u>	<u>148,413</u>	<u>1,489,629</u>
Long-Term Liabilities					
Note payable, net of current portion	6,906,733	-	-	-	6,906,733
Capital lease, net of current portion	62,299	-	-	-	62,299
Total Long-Term Liabilities	<u>6,969,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,969,032</u>
Total Liabilities	<u>8,247,318</u>	<u>41,719</u>	<u>21,211</u>	<u>148,413</u>	<u>8,458,661</u>
Net Assets					
Unrestricted					
Operating	18,926,427	-	-	-	18,926,427
Investment Fund - Board Designated	-	11,117,085	-	-	11,117,085
Capital Campaign Fund	-	-	5,048,450	-	5,048,450
Neely Fund	-	-	-	67,709	67,709
Total Unrestricted Net Assets	<u>18,926,427</u>	<u>11,117,085</u>	<u>5,048,450</u>	<u>67,709</u>	<u>35,159,671</u>
Total Liabilities and Net Assets	<u>\$ 27,173,745</u>	<u>\$ 11,158,804</u>	<u>\$ 5,069,661</u>	<u>\$ 216,122</u>	<u>\$ 43,618,332</u>

See independent auditors' report.

**PASADENA HUMANE SOCIETY AND S.P.C.A.
STATEMENT OF FUND ACTIVITIES
UNRESTRICTED NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Operating Fund</u>	<u>Investment Fund</u>	<u>Campaign Fund</u>	<u>Neely Fund</u>	<u>Total</u>
Support and Revenue					
Adoption fees	\$ 126,722	\$ -	\$ -	\$ -	\$ 126,722
Behavior department	110,399	-	-	-	110,399
Boarding fees	142,223	-	-	-	142,223
Inoculation fees	36,445	-	-	-	36,445
Events	743,595	-	-	-	743,595
License and registration fees	385,331	-	-	-	385,331
Rabies clinic	131,218	-	-	-	131,218
Spay / neuter fees	437,772	-	-	-	437,772
Other fees	135,982	-	-	-	135,982
Contract income	2,292,528	-	-	-	2,292,528
Contributions and bequests	5,308,895	352,737	3,981,310	\$ 535,944	10,178,886
Store sales, net of discounts and cost of goods sold	164,357	-	-	-	164,357
Interest and dividends	532	280,581	-	1,417	282,530
Loss on sale of fixed assets	(129,173)	-	-	-	(129,173)
Day care income	20,882	-	-	-	20,882
Humane Education	4,695	-	-	-	4,695
Other	67,803	3,673	-	-	71,476
Gifts-in-kind	40,858	-	-	-	40,858
Net assets released from restriction	49,642	-	-	-	49,642
Total Support and Revenue	10,070,706	636,991	3,981,310	537,361	15,226,368
Expenses					
Program	7,979,838	-	-	43,535	8,023,373
Management and general	785,079	69,330	-	-	854,409
Fund raising	986,462	-	1,761	-	988,223
Total Expenses	9,751,379	69,330	1,761	43,535	9,866,005
Excess (deficiency) of support and revenue over expenses	319,327	567,661	3,979,549	493,826	5,360,363
Transfer from temporarily restricted	88,000	-	-	2,368,276	2,456,276
Interfund transfers	2,279,227	1,164,122	(548,956)	(2,894,393)	-
Gain on sale of investments	-	353,366	-	-	353,366
Unrealized loss on investments	-	(546,851)	-	-	(546,851)
Decrease in Unrestricted Net Assets	2,686,554	1,538,298	3,430,593	(32,291)	7,623,154
Net Assets, Beginning of Year	16,239,873	9,578,787	1,617,857	100,000	27,536,517
Net Assets, End of Year	\$ 18,926,427	\$ 11,117,085	\$ 5,048,450	\$ 67,709	\$ 35,159,671

See independent auditors' report.

PASADENA HUMANE SOCIETY AND S.P.C.A.
STATEMENTS OF FINANCIAL POSITION
TEMPORARILY RESTRICTED NET ASSETS
DECEMBER 31, 2015

	<u>Falk Foundation Fund</u>	<u>Harris Trust Fund</u>	<u>Glide Wildlife Fund</u>	<u>The G Fund</u>	<u>Pooch Fund</u>	<u>HART Fund</u>	<u>Total</u>
ASSETS							
Current Assets							
Cash and cash equivalents	\$ 18,683	\$ 75,971	\$ 54,174	\$ 108,237	\$ 729	\$ (39,863)	\$ 217,931
Due from unrestricted funds	-	-	-	-	-	-	-
Contributions receivable, net	-	-	-	-	-	-	-
Prepaid expenses and other current assets	-	-	-	-	-	-	-
Total Current Assets	18,683	75,971	54,174	108,237	729	(39,863)	217,931
Property and equipment, net	-	-	-	-	-	-	-
Total Assets	<u>\$ 18,683</u>	<u>\$ 75,971</u>	<u>\$ 54,174</u>	<u>\$ 108,237</u>	<u>\$ 729</u>	<u>\$ (39,863)</u>	<u>\$ 217,931</u>
LIABILITIES AND NET ASSETS							
Liabilities							
Accounts payable	\$ 16,000	\$ 49,642	\$ -	\$ -	\$ -	\$ -	\$ 65,642
Due to unrestricted funds	-	-	-	-	-	-	-
Total Liabilities	16,000	49,642	-	-	-	-	65,642
Net Assets							
Temporarily Restricted	2,683	26,329	54,174	108,237	729	(39,863)	152,289
	<u>\$ 18,683</u>	<u>\$ 75,971</u>	<u>\$ 54,174</u>	<u>\$ 108,237</u>	<u>\$ 729</u>	<u>\$ (39,863)</u>	<u>\$ 217,931</u>

See independent auditors' report.

**PASADENA HUMANE SOCIETY AND S.P.C.A.
STATEMENT OF FUND ACTIVITIES
TEMPORARILY RESTRICTED NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Falk Foundation Fund	Harris Trust Fund	Glide Wildlife Fund	The G Fund	Pooch Fund	HART Fund	Neely Fund	Total
Support and Revenue								
Contributions and bequests	\$ 48,000	\$ 73,088	\$ 25,000	\$ -	\$ 400	\$ -	\$ -	\$ 146,488
Interest and dividends	88	59	-	-	-	-	-	147
Net assets released from restriction	-	(49,642)	-	-	-	-	-	(49,642)
Total support and revenue in excess (under) net assets released from restriction	48,088	23,505	25,000	-	400	-	-	96,993
Expenses								
Program	-	-	-	-	-	-	-	-
Management and general	-	-	-	-	-	-	-	-
Fund raising	-	-	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-	-	-
Excess (Deficiency) of Support and Revenue over Expenses	48,088	23,505	25,000	-	400	-	-	96,993
Transfer to Unrestricted Net Assets	(88,000)	-	-	-	-	-	(2,368,276)	(2,456,276)
Increase (Decrease) in Net Assets	(39,912)	23,505	25,000	-	400	-	(2,368,276)	(2,359,283)
Net Assets, Beginning of Year	42,595	2,824	29,174	108,237	329	(39,863)	2,368,276	2,511,572
Net Assets, End of Year	\$ 2,683	\$ 26,329	\$ 54,174	\$ 108,237	\$ 729	\$ (39,863)	\$ -	\$ 152,289

See independent auditors' report.