



Pasadena Humane

Financial Statements

With supplementary information

And independent auditors' report

December 31, 2020 and 2019

Pasadena Humane

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Independent Auditors' Report

To the Pasadena Humane

We have audited the accompanying financial statements of Pasadena Humane (a nonprofit organization) (the "Society"), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, changes in net assets, cash flows and functional expenses, 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 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 Pasadena Humane as of December 31, 2020 and 2019, 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.

Emphasis of a Matter

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The Society is considered to be an essential service and has remained open through the report date. As of the report date, it is unclear what the related financial impact will be to the Society's financial statements for the 2021 fiscal year.

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 8, 2021

PASADENA HUMANE

Statements of Financial Position

December 31, 2020 and 2019

	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,444,872	\$ 3,599,807
Investments	16,753,688	14,271,507
Accounts receivable	332,513	154,931
Note receivable	-	62,753
Contributions receivable	440,427	-
Inventory	78,824	91,201
Prepaid expenses and other current assets	285,382	228,917
Total current assets	20,335,706	18,409,116
Other assets:		
Deferred rental income	68,889	30,239
Property and equipment, net	23,070,233	23,866,568
Total other assets	23,139,122	23,896,807
Total assets	\$ 43,474,828	\$ 42,305,923

PASADENA HUMANE**Statements of Financial Position**

December 31, 2020 and 2019

	2020	2019
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 567,268	\$ 439,012
Accrued expenses	747,644	615,281
Accrued pension	-	56,000
Capital lease, current	23,040	23,545
Refundable advance- Paycheck Protection Program	1,422,000	-
Total current liabilities	2,759,952	1,133,838
Long-term liabilities:		
Capital lease, net of current portion	76,023	99,064
Total long-term liabilities	76,023	99,064
Total liabilities	2,835,975	1,232,902
Net assets		
Unrestricted: Operating Fund	22,951,174	25,905,629
Board Designated: Investment Fund	17,372,148	14,888,294
Board Designated: Capital Campaign Fund	-	-
Board Designated: Steve McNall Heart Fund	10,350	10,350
Total net assets without donor restrictions	40,333,672	40,804,273
Net assets with donor restrictions	305,181	268,748
Total net assets	40,638,853	41,073,021
Total liabilities and net assets	\$ 43,474,828	\$ 42,305,923

PASADENA HUMANE

Statements of Activities

For the years ended December 31, 2020 and 2019

	2020	2019
Change in net assets without donor restrictions		
Support and revenue:		
Animal control services	\$ 15,745	\$ 13,330
Adoption fees, net of discounts	128,454	329,760
Behavior fees	16,087	53,299
Boarding income, net of discounts	32,068	217,204
Contract income	3,643,918	3,281,460
Contributions and bequests	4,530,137	5,504,922
Gains on sale of fixed assets	30	43,866
Gifts-in-kind	221,722	149,750
Helping paws income, net of discounts	-	12,932
Humane education	3,888	38,379
Impound fees	15,450	8,639
Interest and dividends	323,585	381,970
Kids club	2,881	11,599
License fees	271,717	451,613
Outreach events	5,605	3,509
Rental income	165,572	160,970
Scout Sundays	1,139	630
Service fees, net of discounts	34,023	143,424
Special events - golf	139,569	227,196
Special events - Wiggle Waggle Walk	209,582	220,861
Store sales, net of discounts and cost of goods sold	90,845	130,327
Volunteer income	5	570
Wellness clinic, net of discounts	165,943	368,276
Gain on sale of investments	527,492	269,350
Unrealized gains (losses) on investments	1,685,782	1,990,954
Net assets released from restrictions	705,533	245,274
Total support and revenue without donor restrictions	12,936,772	14,260,064
Expenses:		
Program	10,248,942	9,876,112
Management and general	1,763,983	1,922,578
Fundraising	1,394,448	1,432,630
Total expenses	13,407,373	13,231,320
Change in net assets without donor restrictions	\$ (470,601)	\$ 1,028,744

See accompanying notes to financial statements.

PASADENA HUMANE

Statements of Activities

For the years ended December 31, 2020 and 2019

	2020	2019
Change in net assets with donor restrictions		
Support and revenue:		
Contributions and bequests	\$ 741,956	\$ 299,625
Interest and dividends	10	357
Net assets released from restrictions	(705,533)	(245,274)
Total support and revenue with donor restrictions	36,433	54,708
Expenses:		
Program	-	-
Management and general	-	-
Fundraising	-	-
Total expenses	-	-
Change in net assets with donor restrictions	36,433	54,708
Increase (decrease) in net assets	(434,168)	1,083,452
Net assets, beginning of year	41,073,021	39,989,569
Net assets, end of year	\$ 40,638,853	\$ 41,073,021

PASADENA HUMANE

Statements of Changes in Net Assets

For the years ended December 31, 2020 and 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, January 1, 2019	\$ 39,775,529	\$ 214,040	\$ 39,989,569
Change in net assets	1,028,744	54,708	1,083,452
Balance, December 31, 2019	40,804,273	268,748	41,073,021
Change in net assets	(470,601)	36,433	(434,168)
Balance, December 31, 2020	\$ 40,333,672	\$ 305,181	\$ 40,638,853

PASADENA HUMANE

Statements of Cash Flows

For the years ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (434,168)	\$ 1,083,452
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,182,238	1,116,543
Losses on disposal of assets	-	19,561
Extinguishment of capital lease liability	-	70,643
Gain on sale of investments	(527,492)	(269,350)
Unrealized gain on investments	(4,233,845)	(2,548,063)
Increase (decrease) in cash and cash equivalents attributable to changes in operating assets and liabilities		
Accounts receivable	(177,582)	292,811
Contributions receivable	(440,427)	8,000
Other receivables	-	(62,753)
Inventory	12,377	(38,759)
Prepaid expenses and other current assets	(56,465)	(75,534)
Other assets	(38,650)	(1,458)
Accounts payable	128,256	(95,044)
Accrued expenses	132,363	12,757
Accrued pension	(56,000)	-
Total adjustments	(4,075,227)	(1,570,646)
Net cash used in operating activities	(4,509,395)	(487,194)
Cash flows from investing activities:		
Purchases of property and equipment	(386,508)	(233,069)
Net proceeds on sale of investments	2,279,156	303,791
Proceeds from note receivable	62,753	898
Net cash provided by investing activities	1,955,401	71,620
Cash flows from financing activities:		
Payments on capital lease obligation	(22,941)	(106,129)
Proceeds from Paycheck Protection Program	1,422,000	-
Net cash provided by (used in) financing activities	1,399,059	(106,129)
Net decrease in cash and cash equivalents	(1,154,935)	(521,703)

See accompanying notes to financial statements.

PASADENA HUMANE

Statements of Cash Flows

For the years ended December 31, 2020 and 2019

Cash and cash equivalents, beginning of year	\$ 3,599,807	\$ 4,121,510
Cash and cash equivalents, end of year	<u>2,444,872</u>	<u>3,599,807</u>
Supplemental disclosure of cash flows information:		
Cash paid for interest	\$ 3,676	\$ 7,889
Noncash investing and financing activities:		
Property and equipment acquired through capital lease	\$ -	\$ 125,000

PASADENA HUMANE

Statements of Functional Expenses

For the year ended December 31, 2020

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Operating Fund				
Staff Expenses				
Wages	\$ 5,516,893	\$ 789,092	\$ 539,929	6,845,914
Bonus	98,017	5,139	6,426	109,582
Insurance, Benefits	851,862	84,464	56,360	992,686
Insurance, Work Comp	231,680	31,188	13,366	276,234
Payroll Tax	421,460	52,240	37,632	511,332
403(b) Expense	275,320	52,824	32,498	360,642
Training	67,890	5,027	2,039	74,956
Parking	620	75,570	3,849	80,039
Temporary Help	-	6,715	341	7,056
Employee Related Expense	3,351	(372)	4,336	7,315
Total Staff Expenses	7,467,094	1,101,886	696,776	9,265,756
Facilities Expenses				
Depreciation & Amortization	1,066,509	76,770	38,958	1,182,238
Repairs & Maintenance	408,483	29,475	14,958	452,916
Software	64,109	4,465	2,266	70,840
Utilities	166,877	19,857	6,689	193,422
Vehicle Repairs & Maintenance	75,839	56	28	75,923
Telephone	80,162	5,494	2,519	88,174
Total Facilities Expenses	1,861,979	136,117	65,417	2,063,513
Other Operating Expenses				
Administrative	2,326	122,160	9,745	134,231
Advertising	55,746	-	-	55,746
Animal Care	107,370	-	-	107,370
Animal Control	122,148	-	-	122,148
Development Program	-	-	584,738	584,738
Dues & Subscriptions	25,787	1,513	1,870	29,169
HP Program	30,007	-	-	30,007
Humane Ed Program Expense	6,284	-	-	6,284
Insurance	-	162,373	8,256	170,629
Lease Expense	2,284	31,486	1,601	35,371
Legal & Audit	80,211	57,238	7,844	145,293

PASADENA HUMANE**Statements of Functional Expenses**

For the year ended December 31, 2020

	Program	Management and General	Fund Raising	Total
Operating Fund				
Other Operating Expenses				
Meeting	2,911	50	23	2,984
Misc Equipment	25,680	2,871	928	29,479
Outreach	620	-	-	620
Outside Services	53,941	180	77	54,198
Printing	688	118	10,891	11,697
Public Relations	3,963	-	-	3,963
Supplies	39,815	27,767	4,869	72,452
Taxes & Licenses	21,422	8,011	1,010	30,442
Travel	7,736	45	23	7,804
Uniforms	25,444	309	380	26,134
Vet Health	298,085	-	-	298,085
Volunteer	7,401	-	-	7,401
Total Other Operating Expenses	919,869	414,121	632,255	1,966,245
Total Operating Fund Expenses	\$ 10,248,942	\$ 1,652,124	\$ 1,394,448	\$ 13,295,514
Investment Fund				
Investment advisory and trustee fees	-	107,351	-	107,351
Miscellaneous	-	4,508	-	4,508
Total Investment Fund	-	111,859	-	111,859
Capital Campaign Fund				
Miscellaneous	-	-	-	-
Total Capital Campaign Fund Expenses	-	-	-	-
Steve McNall Heart Fund				
Miscellaneous	-	-	-	-
Total Capital Campaign Fund Expenses	-	-	-	-
Total Expenses	\$ 10,248,942	\$ 1,763,983	\$ 1,394,448	\$ 13,407,373

See accompanying notes to financial statements.

PASADENA HUMANE

Statements of Functional Expenses

For the year ended December 31, 2019

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Operating Fund				
Accounting	\$ -	\$ 58,665	\$ -	\$ 58,665
Adoption	12,977	-	-	12,977
Advertising	31,235	-	-	31,235
Alarm expense	10,060	782	335	11,177
Animal control	9,040	-	-	9,040
Bank charges	-	1,918	-	1,918
Behavior department	7,405	-	-	7,405
Board expenses	-	21,101	-	21,101
City license	194,828	-	-	194,828
Clinic medical supplies	31,915	-	-	31,915
Clinic permits	14,969	-	-	14,969
Computer	121,936	18,150	5,165	145,251
Credit card fees	-	51,047	2,394	53,441
Depreciation and amortization	1,004,889	78,158	33,496	1,116,543
Development	-	-	98,721	98,721
Disposal service	27,445	2,135	915	30,495
Dues	9,852	2,845	2,127	14,824
Employee benefits	-	1,875	-	1,875
Employee enrichment	20,747	3,996	2,131	26,874
Employee training	31,038	14,855	3,466	49,359
Employee travel	29,729	5,498	-	35,227
Facility rental	3,086	4,711	-	7,797
Fostering	33,836	-	-	33,836
Gifts-in-kind	268	-	205,100	205,368
Harris canine expense	52,164	-	-	52,164
Helping paws expenses	67,228	-	-	67,228
Human resource expenses	-	10	-	10
Humane education	8,169	-	-	8,169
Insurance - general	152,814	9,278	8,490	170,582
Insurance - group medical	674,972	114,008	43,214	832,194
Insurance - workers' compensation	223,851	40,178	22,959	286,988
Interest expense	7,090	412	387	7,889
Kennel food	25,935	-	-	25,935
Kennel supplies	96,689	-	-	96,689

See accompanying notes to financial statements.

PASADENA HUMANE

Statements of Functional Expenses

For the year ended December 31, 2019

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Kitten nursery expenses	20,161	-	-	20,161
Landscape	27,044	2,104	902	30,050
Lease expenses	33,040	1,797	1,797	36,634
Legal fees	-	59,753	1,539	61,292
License fee	787	-	-	787
Licensing expense	10,034	-	-	10,034
Maintenance and repairs	184,237	11,698	5,013	200,948
Marketing	44,853	-	-	44,853
Mileage reimbursements	3,294	-	-	3,294
Miscellaneous	2,873	1,394	33	4,300
Office	17,103	4,188	960	22,251
Outreach	3,150	-	-	3,150
Parking lot rent	80,716	1,230	217	82,163
Payroll fee	84,634	19,714	8,504	112,852
Payroll taxes	414,504	66,982	43,485	524,971
Pension fees	-	5,615	-	5,615
Personnel expense	-	159,914	-	159,914
Pest control	11,772	916	392	13,080
Postage	463	46,761	93,025	140,249
Printing	18,806	1,234	201,126	221,166
Private cremations	13,610	-	-	13,610
Property taxes	28,911	2,366	964	32,241
expense	-	7,563	-	7,563
Retirement expense	208,546	41,476	28,879	278,901
Salaries	4,875,686	860,168	493,333	6,229,187
Sales taxes	1,599	-	-	1,599
Shelter expense	148,348	-	-	148,348
Signage	-	-	3,377	3,377
Special events - golf expenses	-	-	61,648	61,648
Special events - Wiggle Waggle Walk	-	-	47,868	47,868
State permit	-	20	-	20
Subscriptions	4,480	2,081	79	6,640
Summer camp supplies	1,296	-	-	1,296
Supplies - other	42	-	-	42
Taxes and licenses	4	-	-	4
Taxes- other	124	2,029	-	2,153

PASADENA HUMANE**Statements of Functional Expenses**

For the year ended December 31, 2019

	Program	Management and General	Fund Raising	Total
Telephone	40,747	6,506	3,459	50,712
Temporary services	-	66,317	-	66,317
Transfer expenses	1,755	-	-	1,755
maintenance	71,513	24	10	71,547
Uniforms	41,204	1,796	16	43,016
Utilities	213,130	16,577	7,104	236,811
Veterinary services	121,153	-	-	121,153
Volunteer services	47,886	-	-	47,886
Wellness clinic expenses	181,264	-	-	181,264
Wildlife	13,176	-	-	13,176
Total Operating Fund Expenses	\$ 9,876,112	\$ 1,819,845	\$ 1,432,630	\$ 13,128,587
Investment Fund				
Investment advisory and trustee fees	-	83,378	-	83,378
Miscellaneous	-	19,355	-	19,355
Total Investment Fund	-	102,733	-	102,733
Capital Campaign Fund				
Miscellaneous	-	-	-	-
Total Capital Campaign Fund Expenses	-	-	-	-
Steve McNall Heart Fund				
Miscellaneous	-	-	-	-
Total Capital Campaign Fund Expenses	-	-	-	-
Total Expenses	\$ 9,876,112	\$ 1,922,578	\$ 1,432,630	\$ 13,231,320

Notes to Financial Statements

NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

Pasadena Humane (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, Bradbury, and Los Angeles County.

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 were available for issuance on September 8, 2021, 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.

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 investors 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. 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.

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% per annum for the years ended December 31, 2020 and 2019. 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.

Notes to Financial Statements

NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions receivable (continued)

The Society considers all contributions receivable to be collectible at December 31, 2020 and 2019 and no allowance for doubtful accounts is deemed necessary.

Revenue recognition

The Society adopted Accounting Standards Update (“ASU”) 2014-09, Revenue from Contracts with Customers (Topic 606) (“ASC 606”) and ASU 2018-08 effective January 1, 2020, see “Recent Accounting Pronouncements” section. The Society elected to apply a practical expedient described in ASC 606 allowing for the grouping of individual contracts with similar characteristics if applying the guidance to individual contracts would not result in a material difference in the recognition of revenue. The Society identified their revenue categories and their performance obligations as follows:

Revenue from Contracts

The Society has contracts with several cities in Los Angeles County to provide animal control, licensing and other community services on a continual basis. Revenue is recognized on a monthly basis as contract payments are made. The Society’s performance obligation is considered to be the field services provided to the cities and is considered to directly correspond with the value received from each city in the form of monthly payments. As a result the Society has adopted the “right to invoice” practical expedient outlined in section 606-10-55-18, which states that “if an entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity’s performance completed to date, the entity may recognize revenue in the amount to which the entity has a right to invoice.” There is no change to the recognition of revenue from contracts as a result of the adoption of ASC 606 or ASU 2018-08.

Adoptions, Animal Care Services and Veterinary Health Clinic Services

The Society recognizes revenue from services provided for animal adoptions, animal care services and veterinary health clinic services at the point in time that the service is provided to the customer. The service is considered to be the performance obligation, which is fulfilled in real time and paid for at the time of service. There was no change to the recognition of revenue from adoptions, animal care services and veterinary care services as a result of the adoption of ASC 606 or ASU 2018-08.

Retail Sales

The Society recognizes revenue from sales at the Shelter Store at the point in time when the goods are handed to the buyer. Returns and refunds are minimal and are recognized at the point in time that the refund is given. There was no change to the recognition of revenue from retail sales as a result of the adoption of ASC 606 or ASU 2018-08.

Notes to Financial Statements

NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Rental Income

The Society recognizes revenue from the rental of a portion of their office space to the Cancer Support Community Pasadena. Revenue is recognized as payments are made on a monthly basis according to the practical expedient outlined in section 606-10-55-18 (see “Revenue from Contracts” section above for full paragraph text). There is no change to the recognition of rent revenue as a result of the adoption of ASC 606 or ASU 2018-08.

Contributions

There were no changes to the classification of contribution items as a result of the implementation of ASC 606 or ASU 2018-08. The Society currently recognizes contributions as bequests, other donations, event revenues and gifts in kind. These items continue to be recognized with respect to ASC 958-605.

Advertising

The Society expenses advertising costs as they are incurred. Advertising costs were \$55,746 and \$0 for the years ended December 31, 2020 and 2019, respectively.

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 or net realizable value.

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
Equipment	5 - 7 Years
Vehicles	5 Years
Software	3 Years

NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The Society received services, goods and facilities that satisfied both conditions in the amount of \$250,943 and \$205,368 for the years ended December 31, 2020 and 2019, respectively, and is included in the accompanying statement of functional expenses.

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 \$4,691 and \$4,427 for the years ended December 31, 2020 and 2019, respectively, and is included in accrued expenses in the accompanying statements of financial position.

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 that 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 markets, 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.

NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (continued)

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.

Accordingly, 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 exchanges 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.

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:

Net assets without donor restrictions:

Net assets without donor restrictions are not subject to donor-imposed stipulations.

Notes to Financial Statements

NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classes of net assets (continued)

Net assets with donor restrictions:

Net assets with donor restrictions 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, 2020, 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.

Description of funds

Net assets without donor restriction 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 of Directors (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.
- The Capital Campaign Fund, Board designated funds to be used for the construction project at 309 Raymond Avenue.
- The Steve McNall Heart Fund, Board designated funds in honor of Steve McNall for his 36 years of service to be used for saving lives of animals in the community.

Notes to Financial Statements

NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of funds (continued)

Net assets with donor restrictions 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.
- The Neely Fund, established to fund the cattery construction project and the interactive cat toy project.
- The Operating Fund – temporarily restricted, established to fund specific designation requests of smaller designated contributions.

Joint costs

The Society incurs costs that are shared by program, management and general fundraising activities. The amount allocated to each area depends on the purpose, audience and content of each program. The Society determined the allocation of joint costs based on current and historical data.

Recent accounting pronouncements

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers (Topic 606)” (“ASC 606”). In June 2018, the FASB also issued ASU 2018-08, “Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made”. The Society has elected to adopt ASC 606 and ASU 2018-08 beginning January 1, 2020. Collectively, these standards replaced existing revenue recognition guidance with a comprehensive revenue measurement and recognition standard and expanded disclosure requirements.

Notes to Financial Statements

NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
Recent accounting pronouncements (continued)

The new standards' core principle states that revenue should only be recognized after the goods or services have transferred control from the service provider to the customer. The Society adopted both ASC 606 and ASU 2018-08 retrospectively however there was no impact to net assets for either adoption, or to the classification of revenue in the current year.

Subsequent Events

Management has evaluated subsequent events and updated its statements through September 8, 2021, the date the financial statements were available to be issued.

AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Society's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include amounts set aside for long-term investing in the investment fund that could be drawn upon if the governing board approves that action. However, amounts already appropriated from either the donor-restricted fund or investment fund for general expenditure within one year of the balance sheet date have not been subtracted as unavailable.

	2020	2019
	<hr/>	<hr/>
Net assets, end of year	\$ 40,638,853	\$ 41,073,021
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions	(305,181)	(268,748)
Board Designated: Investment Fund	(17,372,148)	(14,888,294)
Board Designated: Capital Campaign Fund	-	-
Board Designated: Steve McNall Heart Fund	(10,350)	(10,350)
	<hr/>	<hr/>
Financial assets available to meet cash needs for general expenditures within one year	\$ 22,951,174	\$ 25,905,629
	<hr/> <hr/>	<hr/> <hr/>

Pasadena Humane

Notes to Financial Statements

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at December 31, 2020 and 2019:

	2020	2019
Petty cash	\$ 2,500	\$ 2,613
Operating	1,819,470	2,761,084
Credit cards	4,442	112,476
Subtotal	<u>1,826,412</u>	<u>2,876,173</u>
Falk Foundation Fund	-	7,501
Harris Trust Fund	-	73,992
Neely Fund	-	25,352
Investment Fund	618,460	616,789
Total cash and cash equivalents	<u><u>\$ 2,444,872</u></u>	<u><u>\$ 3,599,807</u></u>

Cash and cash equivalents listed above totaling \$1,826,412 and \$2,876,173 as of December 31, 2020 and 2019, respectively, are considered cash held in trust by the operating fund on behalf of other funds maintained by the Society. The breakdown of cash held by the operating fund is as follows:

	2020	2019
Operating Fund	\$ 1,510,881	\$ 2,742,261
Falk Foundation Fund	3,007	-
Harris Trust Fund	153,215	-
Neely Fund	25,397	-
Glide Wildlife Fund	54,159	54,159
The G Fund	108,237	108,237
Pooch Fund	1,029	1,029
HART Fund	(39,863)	(39,863)
Steve McNall Heart Fund	10,350	10,350
	<u><u>\$ 1,826,412</u></u>	<u><u>\$ 2,876,173</u></u>

Pasadena Humane

Notes to Financial Statements

CASH AND CASH EQUIVALENTS (CONTINUED)

Cash and cash equivalents included in temporarily restricted funds consisted of the following at December 31, 2020 and 2019:

	2020	2019
Falk Foundation Fund	\$ 3,007	\$ 7,501
Harris Trust Fund	153,215	73,992
Glide Wildlife Fund	54,159	54,159
The G Fund	108,237	108,237
Pooch Fund	1,029	1,029
HART Fund	(39,863)	(39,863)
Neely Fund	25,397	25,352
Operating Fund	-	35,000
	<u>\$ 305,181</u>	<u>\$ 265,407</u>

Cash and cash equivalents included \$1,422,000 received by the Society as part of the Paycheck Protection Program ("PPP"). See note "Refundable Advances- Paycheck Protection Program" note for further discussion of the treatment of the funds received during the year ended December 31, 2020.

CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following at December 31, 2020 and 2019:

	2020	2019
Operating Fund	\$ 440,427	\$ -
Less: Discount	-	-
Total contribution receivable, net	<u>\$ 440,427</u>	<u>\$ -</u>

Future contributions receivable consist of the following at December 31, 2020 and 2019:

	2020	2019
Amounts due in less than one year	\$ 440,427	\$ -
Amounts due in one to five years	-	-
	<u>\$ 440,427</u>	<u>\$ -</u>

Notes to Financial Statements

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, 2020:

	Adjusted Cost	Fair Value
U.S. Obligations	\$ 1,332,381	\$ 1,452,393
Equities	6,397,575	10,306,835
Mutual Funds	4,806,662	5,011,234
	<u>\$ 12,536,618</u>	<u>\$ 16,770,462</u>

The following is a summary of investments at December 31, 2019:

	Adjusted Cost	Fair Value
U.S. Obligations	\$ 1,296,468	\$ 1,359,266
Equities	6,015,692	8,522,424
Mutual Funds	4,411,282	4,389,815
	<u>\$ 11,723,442</u>	<u>\$ 14,271,505</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, 2020 and 2019. Management has not established the fair value of the parcels.

The following is a summary of return on investments at December 31, 2020 and 2019:

	2020	2019
Interest and Dividends	\$ 323,595	\$ 382,327
Net Realized Gains	527,492	269,350
Unrealized Gains (Losses)	1,685,782	1,990,954
	<u>\$ 2,536,869</u>	<u>\$ 2,642,631</u>

Investment fees expense was \$107,351 and \$83,378 for the years ended December 31, 2020 and 2019, respectively.

Pasadena Humane

Notes to Financial Statements

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 "Nature of Organization and Significant Accounting Policies" note for a discussion of the Society's policies.

FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents information about the Society's assets measured at fair value as of December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in fixed income at fair value (included in investments)	\$ 1,452,393	\$ -	\$ -	\$ 1,452,393
Investments in equities at fair value (included in investments)	10,306,835	-	-	10,306,835
Investments in mutual funds at fair value (included in investments)	5,011,234	-	-	5,011,234
Investments in land at nominal value (included in investments)	-	-	2	2
Total nonliquid investments	<u>16,770,462</u>	<u>-</u>	<u>2</u>	<u>16,770,464</u>
Plus: investments in money market at fair value (included in cash and cash equivalents)	82,029	-	-	82,029
	<u>\$ 16,852,491</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 16,852,493</u>

Pasadena Humane

Notes to Financial Statements

FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents information about the Society's assets measured at fair value as of December 31, 2019

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in fixed income at fair value (included in investments)	\$ 1,359,266	\$ -	\$ -	\$ 1,359,266
Investments in equities at fair value (included in investments)	8,522,424	-	-	8,522,424
Investments in mutual funds at fair value (included in investments)	4,389,815	-	-	4,389,815
Investments in land at nominal value (included in investments)	-	-	2	2
	<u>\$ 14,271,505</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 14,271,507</u>
Investments in money market at fair value (included in cash and cash equivalents)	22,540	-	-	22,540
	<u>\$ 14,294,045</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 14,294,047</u>

Pasadena Humane

Notes to Financial Statements

PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2020:

	Operating Fund	Falk Foundation Fund	Total
Land	\$ 3,487,138	\$ -	\$ 3,487,138
Buildings	25,265,525	-	25,265,525
Building improvements	1,033,707	-	1,033,707
Furniture and fixtures	1,214,589	-	1,214,589
Equipment	1,913,522	35,969	1,949,491
Vehicles	1,215,300	-	1,215,300
Software	10,436	-	10,436
	<u>34,140,217</u>	<u>35,969</u>	<u>34,176,186</u>
Less: Accumulated depreciation and amortization	11,069,984	35,969	11,105,953
	<u>\$ 23,070,233</u>	<u>\$ -</u>	<u>\$ 23,070,233</u>

Property and equipment consist of the following at December 31, 2019:

	Operating Fund	Falk Foundation Fund	Total
Land	\$ 3,487,138	\$ -	\$ 3,487,138
Buildings	25,179,344	-	25,179,344
Building improvements	1,027,531	-	1,027,531
Furniture and fixtures	1,110,930	-	1,110,930
Equipment	1,751,011	35,969	1,786,980
Vehicles	1,238,543	-	1,238,543
Software	10,436	-	10,436
	<u>33,804,933</u>	<u>35,969</u>	<u>33,840,902</u>
Less: Accumulated depreciation and amortization	9,938,365	35,969	9,974,334
	<u>\$ 23,866,568</u>	<u>\$ -</u>	<u>\$ 23,866,568</u>

Depreciation and amortization expense was \$1,182,238 and \$1,116,543 for the years ended December 31, 2020 and 2019, respectively.

Pasadena Humane

Notes to Financial Statements

RETIREMENT PLANS

Defined benefit plan

The Society maintained a noncontributory defined benefit pension plan (the "Plan") under Section 403(b) of the Internal Revenue Code covering all eligible employees. Employees became 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 Society terminated the Plan on December 31, 2016 and accrued an estimated payment of \$1,164,000 due to the Plan. The Society has an estimated balance of \$0 and \$56,000 due to the Plan as of December 31, 2020 and 2019, respectively.

403(b) retirement plan

Effective January 1, 2017, the Society has a qualified 403(b) retirement plan (the "Retirement Plan") covering all eligible employees, as defined in the Society's plan document. The Retirement Plan allows the Society to match the employees' contributions up to certain statutory limits. The Society made contributions of \$360,642 and \$281,604 to the Retirement Plan for the years ended December 31, 2020 and 2019, respectively, and is included in the statement of functional expenses.

CONTINGENCIES

The Society is involved in various claims, lawsuits and disputes with third parties, actions involving discrimination, accidental injuries or damages incidental to the normal operations of the business. The ultimate outcome of the lawsuits is uncertain as of the date of the report. Management believes that the litigation would not have any material adverse effect on its financial position or result of operations.

REFUNDABLE ADVANCE-PAYCHECK PROTECTION PROGRAM

On May 2, 2020 the Society received loan proceeds of \$1,422,000 under the Small Business Administration's ("SBA") Paycheck Protection Program ("PPP1") with interest of 1% per annum. Any unforgiven portion of the PPP loan is due two years from the disbursement date on May 2, 2022.

The Society has determined that the loan proceeds constitute a conditional contribution under ASU 2018-08 and that final approval of the waiver of the loan from the SBA and the lender constitutes a significant barrier. As a result, the Society has recorded a refundable advance liability for the full amount of the loan as of December 31, 2020.

On January 26, 2021, the SBA approved forgiveness of the Society's PPP loan. The Society will recognize the full amount of the forgiven loan as a contribution made in the year ended December 31, 2021.

CAPITAL LEASES

The Society leases certain equipment pursuant to non-cancelable capital leases, expiring at various dates through August 2025.

Pasadena Humane

Notes to Financial Statements

CAPITAL LEASES (CONTINUED)

Capital leases consist of the following at December 31, 2020 and 2019, respectively:

	2020	2019
Equipment	\$ 171,800	\$ 171,800
Less: Accumulated amortization	111,731	56,092
	<u>\$ 60,069</u>	<u>\$ 115,708</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, 2020:

Years ending December 31,		
2021		\$ 25,968
2022		25,968
2023		25,968
2024		25,968
2025		2,163
Total minimum lease payments		106,035
Less: Amount representing interest		6,972
		99,063
Less: Current portion		23,040
		<u>\$ 76,023</u>

Interest expense was \$3,676 and \$10,593 for the years ending December 31, 2020 and 2019, respectively, which is included in interest expense on the accompanying statement of functional expenses.

SUBSEQUENT EVENTS

In January 2021, the Society applied and was approved for the second round of the Paycheck Protection Program ("PPP2") to help continue to fund payroll. The Society received a loan \$1,630,870 pursuant to the PPP2 loan agreement, which would mature in 2023 if not forgiven.

The PPP1 and PPP2, established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expense. The loan and accrued interest are forgivable if the proceeds are used for qualifying expenses. Qualifying expenses include payroll costs, costs used to continue group healthcare benefits, mortgage payments, rent and utilities.

SUBSEQUENT EVENTS (CONTINUED)

Any unforgiven portion of the PPP2 loan is payable over five years if amended with the lender, at an interest rate of 1%, with a deferral of payments until the SBA has determined whether the loan will qualify for forgiveness or not. The Society intends to use the proceeds for purposes consistent with the PPP2.

PASADENA HUMANE**Statement of Financial Position
Net Assets Without Donor Restrictions
For the year ended December 31, 2020**

	Operating Fund	Investment Fund	Capital Campaign	Steve McNall Heart Fund	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,510,881	\$ 618,460	\$ -	\$ 10,350	\$ 2,139,691
Investments	-	16,753,688	-	-	16,753,688
Accounts receivable	332,513	-	-	-	332,513
Contributions receivable	440,427	-	-	-	440,427
Inventory	78,824	-	-	-	78,824
Prepaid expenses and other current assets	285,382	-	-	-	285,382
Total current assets	2,648,027	17,372,148	-	10,350	20,030,525
Other assets:					
Deferred rental income	68,889	-	-	-	68,889
Property and equipment, net	23,070,233	-	-	-	23,070,233
Total assets	\$ 25,787,149	\$ 17,372,148	\$ -	\$ 10,350	\$ 43,169,647

PASADENA HUMANE

Statement of Financial Position Net Assets Without Donor Restrictions For the year ended December 31, 2020

	Operating Fund	Investment Fund	Capital Campaign	Steve McNall Heart Fund	Total
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	\$ 567,268	\$ -	\$ -	\$ -	\$ 567,268
Accrued expenses	747,644	-	-	-	747,644
Capital lease, current	23,040	-	-	-	23,040
Refundable advance- Paycheck Protection Program	1,422,000	-	-	-	1,422,000
Total current liabilities	2,759,952	-	-	-	2,759,952
Long-Term liabilities:					
Capital lease, net of current portion	76,023	-	-	-	76,023
Total long-term liabilities	76,023	-	-	-	76,023
Total liabilities	2,835,975	-	-	-	2,835,975
Net assets					
Without donor restrictions					
Operating	22,951,174	-	-	-	22,951,174
Investment Fund - Board Designated	-	17,372,148	-	-	17,372,148
Capital Campaign Fund	-	-	-	-	-
Steve McNall Heart Fund	-	-	-	10,350	10,350
Total net assets without donor restrictions	22,951,174	17,372,148	-	10,350	40,333,672
Total liabilities and net assets	\$ 25,787,149	\$ 17,372,148	\$ -	\$ 10,350	\$ 43,169,647

PASADENA HUMANE

Statement of Financial Position
Net Assets Without Donor Restrictions
For the year ended December 31, 2019

	Operating Fund	Investment Fund	Capital Campaign	Steve McNall Heart Fund	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 2,707,261	\$ 616,789	\$ -	\$ 10,350	\$ 3,334,400
Investments	-	14,271,505	-	-	14,271,505
Accounts receivable	154,931	-	-	-	154,931
Note receivable	62,753	-	-	-	62,753
Inventory	91,201	-	-	-	91,201
Prepaid expenses and other current assets	228,917	-	-	-	228,917
Total current assets	3,245,063	14,888,294	-	10,350	18,143,707
Other assets:					
Deferred rental income	30,239	-	-	-	30,239
Property and equipment, net	23,866,568	-	-	-	23,866,568
Total assets	\$ 27,141,870	\$ 14,888,294	\$ -	\$ 10,350	\$ 42,040,514

PASADENA HUMANE

Statement of Financial Position
Net Assets Without Donor Restrictions
For the year ended December 31, 2019

	Operating Fund	Investment Fund	Capital Campaign	Steve McNall Heart Fund	Total
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	\$ 439,012	\$ -	\$ -	\$ -	\$ 439,012
Accrued expenses	618,620	-	-	-	618,620
Accrued pension	56,000	-	-	-	56,000
Capital lease, current	23,545	-	-	-	23,545
Total current liabilities	1,137,177	-	-	-	1,137,177
Long-Term liabilities:					
Capital lease, net of current portion	99,064	-	-	-	99,064
Total long-term liabilities	99,064	-	-	-	99,064
Total liabilities	1,236,241	-	-	-	1,236,241
Net assets					
Without donor restrictions					
Operating	25,905,629	-	-	-	25,905,629
Investment Fund - Board Designated	-	14,888,294	-	-	14,888,294
Capital Campaign Fund	-	-	-	-	-
Steve McNall Heart Fund	-	-	-	10,350	10,350
Total net assets without donor restrictions	25,905,629	14,888,294	-	10,350	40,804,273
Total liabilities and net assets	\$ 27,141,870	\$ 14,888,294	\$ -	\$ 10,350	\$ 42,040,514

PASADENA HUMANE

Statement of Fund Activities

Net Assets Without Donor Restrictions

For the Year Ended December 31, 2020

	Operating Fund	Investment Fund	Capital Campaign Fund	Steve McNall Heart Fund	Total
Support and Revenue					
Animal control services	\$ 15,745	\$ -	\$ -	\$ -	\$ 15,745
Adoption fees, net of discounts	128,454	-	-	-	128,454
Behavior fees	16,087	-	-	-	16,087
Boarding income, net of discounts	32,068	-	-	-	32,068
Contract income	3,643,918	-	-	-	3,643,918
Contributions and bequests	4,530,137	-	-	-	4,530,137
Gains on disposal of fixed assets	30	-	-	-	30
Gifts-in-kind	221,722	-	-	-	221,722
Humane education	3,888	-	-	-	3,888
Impound fees	15,450	-	-	-	15,450
Interest and dividends	-	323,585	-	-	323,585
Kids club	2,881	-	-	-	2,881
License fees	271,717	-	-	-	271,717
Outreach events	5,605	-	-	-	5,605
Rental income	165,572	-	-	-	165,572
Scout Sundays	1,139	-	-	-	1,139
Service fees, net of discounts	34,023	-	-	-	34,023
Special events - golf	139,569	-	-	-	139,569
Special events - Wiggle Waggle Walk	209,582	-	-	-	209,582
Store sales, net of discounts and cost of goods sold	90,845	-	-	-	90,845
Volunteer income	5	-	-	-	5
Wellness clinic, net of discounts	165,943	-	-	-	165,943
Net assets released from restriction	705,533	-	-	-	705,533
Total support and revenue	\$ 10,399,913	\$ 323,585	\$ -	\$ -	\$ 10,723,498

PASADENA HUMANE

Statement of Fund Activities

Net Assets Without Donor Restrictions

For the Year Ended December 31, 2020

	Operating Fund	Investment Fund	Capital Campaign Fund	Steve McNall Heart Fund	Total
Expenses:					
Program	10,248,942	-	-	-	10,248,942
Management and general	1,652,124	111,859	-	-	1,763,983
Fund raising	1,394,448	-	-	-	1,394,448
Total Expenses	13,295,514	111,859	-	-	13,407,373
Excess (deficiency) of support and revenue over expenses	(2,895,601)	211,726	-	-	(2,683,875)
Transfer from temporarily restricted	-	-	-	-	-
Interfund transfers	(58,854)	58,854	-	-	-
Gain on sale of investments	-	527,492	-	-	527,492
Unrealized gain on investments	-	1,685,782	-	-	1,685,782
Increase (Decrease) in net assets without donor restrictions	(2,954,455)	2,483,854	-	-	(470,601)
Net assets, beginning of year	25,905,629	14,888,294	-	10,350	40,804,273
Net assets, end of year	\$ 22,951,174	\$ 17,372,148	\$ -	\$ 10,350	\$ 40,333,672

PASADENA HUMANE

Statement of Fund Activities

Net Assets Without Donor Restrictions

For the Year Ended December 31, 2019

	<u>Operating Fund</u>	<u>Investment Fund</u>	<u>Capital Campaign Fund</u>	<u>Steve McNall Heart Fund</u>	<u>Total</u>
Support and Revenue					
Animal control services	\$ 13,330	\$ -	\$ -	\$ -	\$ 13,330
Adoption fees, net of discounts	329,760	-	-	-	329,760
Behavior fees	53,299	-	-	-	53,299
Boarding income, net of discounts	217,204	-	-	-	217,204
Contract income	3,281,460	-	-	-	3,281,460
Contributions and bequests	5,504,922	-	-	-	5,504,922
Gains on disposal of fixed assets	43,866	-	-	-	43,866
Gifts-in-kind	149,750	-	-	-	149,750
Helping paws income, net of discounts	12,932	-	-	-	12,932
Humane education	38,379	-	-	-	38,379
Impound fees	8,639	-	-	-	8,639
Interest and dividends	-	381,970	-	-	381,970
Kids club	11,599	-	-	-	11,599
License fees	451,613	-	-	-	451,613
Outreach events	3,509	-	-	-	3,509
Rental income	160,970	-	-	-	160,970
Scout Sundays	630	-	-	-	630
Service fees, net of discounts	143,424	-	-	-	143,424
Special events - golf	227,196	-	-	-	227,196
Special events - Wiggle Waggle Walk	220,861	-	-	-	220,861
Store sales, net of discounts and cost of goods sold	130,327	-	-	-	130,327
Volunteer income	570	-	-	-	570
Wellness clinic, net of discounts	368,276	-	-	-	368,276
Net assets released from restriction	215,274	-	-	-	215,274
Total support and revenue	<u>\$ 11,587,790</u>	<u>\$ 381,970</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,969,760</u>

PASADENA HUMANE

Statement of Fund Activities Net Assets Without Donor Restrictions For the Year Ended December 31, 2019

	<u>Operating Fund</u>	<u>Investment Fund</u>	<u>Capital Campaign Fund</u>	<u>Steve McNall Heart Fund</u>	<u>Total</u>
Expenses:					
Program	\$ 9,876,112	\$ -	\$ -	\$ -	\$ 9,876,112
Management and general	1,819,845	102,733	-	-	1,922,578
Fund raising	1,432,630	-	-	-	1,432,630
Total Expenses	13,128,587	102,733	-	-	13,231,320
Excess (deficiency) of support and revenue over expenses	(1,540,797)	279,237	-	-	(1,261,560)
Transfer from temporarily restricted	30,000	-	-	-	30,000
Interfund transfers	165,060	(157,060)	(8,000)	-	-
Gain on sale of investments	-	269,350	-	-	269,350
Unrealized gain on investments	-	1,990,954	-	-	1,990,954
Increase (Decrease) in net assets without donor restrictions	(1,345,737)	2,382,481	(8,000)	-	1,028,744
Net assets, beginning of year	27,251,366	12,505,813	8,000	10,350	39,775,529
Net assets, end of year	\$ 25,905,629	\$ 14,888,294	\$ -	\$ 10,350	\$ 40,804,273

PASADENA HUMANE**Statement of Financial Position****Net Assets With Donor Restrictions**

For the year ended December 31, 2020

	Falk Foundation Fund	Harris Trust Fund	Glide Wildlife Fund	The G Fund	Pooch Fund	HART Fund	Neely Fund	Operating Fund	Total
ASSETS									
Current assets:									
Cash and cash equivalents	\$ 3,007	\$153,215	\$ 54,159	\$108,237	\$ 1,029	\$(39,863)	\$ 25,397	\$ -	\$305,181
Due from unrestricted operating fund	-	-	-	-	-	-	-	-	-
Contributions receivable, net of allowance	-	-	-	-	-	-	-	-	-
Prepaid expenses and other current assets	-	-	-	-	-	-	-	-	-
Total current assets	3,007	153,215	54,159	108,237	1,029	(39,863)	25,397	-	305,181
Property and equipment, net	-	-	-	-	-	-	-	-	-
Total assets	\$ 3,007	\$153,215	\$ 54,159	\$108,237	\$ 1,029	\$(39,863)	\$ 25,397	\$ -	\$305,181
LIABILITIES AND NET ASSETS									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to unrestricted operating fund	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-
Net assets									
With donor restrictions	3,007	153,215	54,159	108,237	1,029	(39,863)	25,397	-	305,181
Total liabilities and net assets	\$ 3,007	\$153,215	\$ 54,159	\$108,237	\$ 1,029	\$(39,863)	\$ 25,397	\$ -	\$305,181

PASADENA HUMANE

Statement of Financial Position
Net Assets With Donor Restrictions
For the year ended December 31, 2019

	Falk Foundation Fund	Harris Trust Fund	Glide Wildlife Fund	The G Fund	Pooch Fund	HART Fund	Neely Fund	Operating Fund	Total
ASSETS									
Current assets:									
Cash and cash equivalents	\$ 7,501	\$ 73,992	\$ 54,159	\$108,237	\$ 1,029	\$(39,863)	\$ 25,397	\$ 35,000	\$265,452
Due from unrestricted operating fund	-	-	-	-	-	-	-	-	-
Contributions receivable, net of allowance	-	-	-	-	-	-	-	-	-
Prepaid expenses and other current assets	-	7,791	-	-	-	-	-	-	7,791
Total current assets	7,501	81,783	54,159	108,237	1,029	(39,863)	25,397	35,000	273,243
Property and equipment, net	-	-	-	-	-	-	-	-	-
Total assets	\$ 7,501	\$ 81,783	\$ 54,159	\$108,237	\$ 1,029	\$(39,863)	\$ 25,397	\$ 35,000	\$273,243
LIABILITIES AND NET ASSETS									
Liabilities:									
Accounts payable	\$ 4,495	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,495
Due to unrestricted operating fund	-	-	-	-	-	-	-	-	-
Total liabilities	4,495	-	-	-	-	-	-	-	4,495
Net assets									
With donor restrictions	3,006	81,783	54,159	108,237	1,029	(39,863)	25,397	35,000	268,748
Total liabilities and net assets	\$ 7,501	\$ 81,783	\$ 54,159	\$108,237	\$ 1,029	\$(39,863)	\$ 25,397	\$ 35,000	\$273,243

PASADENA HUMANE

Statement of Fund Activities

Net Assets With Donor Restrictions

For the year ended December 31, 2020

	Falk Foundation Fund	Harris Trust Fund	Glide Wildlife Fund	The G Fund	Pooch Fund	HART Fund	Neely Fund	Operating Fund	Total
Support and revenue									
Contributions and bequests	\$ -	\$ 71,423	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 670,533	\$ 741,956
Interest and dividends	1	9	-	-	-	-	-	-	10
Net assets released from restriction	-	-	-	-	-	-	-	(705,533)	(705,533)
Total support and revenue in excess (under) net assets released from restriction	1	71,432	-	-	-	-	-	(35,000)	36,433
Expenses:									
Program	-	-	-	-	-	-	-	-	-
Management and general	-	-	-	-	-	-	-	-	-
Fund raising	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of support and revenue over expenses	1	71,432	-	-	-	-	-	(35,000)	36,433
Transfer to net assets without donor restrictions	-	-	-	-	-	-	-	-	-
Increase (Decrease) in net assets	1	71,432	-	-	-	-	-	(35,000)	36,433
Net assets, beginning of year	3,006	81,783	54,159	108,237	1,029	(39,863)	25,397	35,000	268,748
Net assets, end of year	\$ 3,007	\$ 153,215	\$ 54,159	\$ 108,237	\$ 1,029	\$ (39,863)	\$ 25,397	\$ -	\$ 305,181

PASADENA HUMANE

Statement of Fund Activities

Net Assets With Donor Restrictions

For the year ended December 31, 2019

	Falk Foundation Fund	Harris Trust Fund	Glide Wildlife Fund	The G Fund	Pooch Fund	HART Fund	Neely Fund	Operating Fund	Total
Support and revenue									
Contributions and bequests	\$ 30,000	\$ 71,515	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198,110	\$ 299,625
Interest and dividends	111	246	-	-	-	-	-	-	357
Net assets released from restriction	-	(52,164)	-	-	-	-	-	(163,110)	(215,274)
Total support and revenue in excess (under) net assets released from restriction	30,111	19,597	-	-	-	-	-	35,000	84,708
Expenses:									
Program	-	-	-	-	-	-	-	-	-
Management and general	-	-	-	-	-	-	-	-	-
Fund raising	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of support and revenue over expenses	30,111	19,597	-	-	-	-	-	35,000	84,708
Transfer to net assets without donor restrictions	(30,000)	-	-	-	-	-	-	-	(30,000)
Increase (Decrease) in net assets	111	19,597	-	-	-	-	-	35,000	54,708
Net assets, beginning of year	2,895	62,186	54,159	108,237	1,029	(39,863)	25,397	-	214,040
Net assets, end of year	\$ 3,006	\$ 81,783	\$ 54,159	\$ 108,237	\$ 1,029	\$ (39,863)	\$ 25,397	\$ 35,000	\$ 268,748

PASADENA HUMANE

Statement of Fund Activities

Net Assets With Donor Restrictions

For the year ended December 31, 2019
