



Pasadena Humane

Financial Statements

With supplementary information

And independent auditors' report

December 31, 2021 and 2020

Pasadena Humane

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Independent Auditors' Report

To the Pasadena Humane

Opinion

We have audited the financial statements of Pasadena Humane (a nonprofit organization) (the "Society"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Society and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, no such opinion is expressed.⁴
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 2022 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
October 3, 2022

PASADENA HUMANE

Statements of Financial Position

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,645,759	\$ 2,444,872
Investments	18,886,007	16,753,688
Accounts receivable	243,217	332,513
Contributions receivable	1,000,000	440,427
Inventory	77,540	78,824
Prepaid expenses and other current assets	263,372	285,382
Total current assets	<u>24,115,895</u>	<u>20,335,706</u>
Other assets:		
Deferred rental income	40,958	68,889
Property and equipment, net	22,693,785	23,070,233
Total other assets	<u>22,734,743</u>	<u>23,139,122</u>
Total assets	<u>\$ 46,850,638</u>	<u>\$ 43,474,828</u>

PASADENA HUMANE

Statements of Financial Position

December 31, 2021 and 2020

	2021	2020
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 651,940	\$ 567,268
Accrued expenses and other liabilities	707,548	747,644
Capital lease, current	23,814	23,040
Refundable advance- Paycheck Protection Program	1,630,870	1,422,000
Total current liabilities	3,014,172	2,759,952
Long-term liabilities:		
Capital lease, net of current portion	52,210	76,023
Total long-term liabilities	52,210	76,023
Total liabilities	3,066,382	2,835,975
Net assets		
Unrestricted: Operating Fund	24,053,626	22,951,174
Board Designated: Investment Fund	19,383,458	17,372,148
Board Designated: Capital Campaign Fund	-	-
Board Designated: Steve McNall Heart Fund	10,350	10,350
Total net assets without donor restrictions	43,447,434	40,333,672
Net assets with donor restrictions	336,822	305,181
Total net assets	43,784,256	40,638,853
Total liabilities and net assets	\$ 46,850,638	\$ 43,474,828

PASADENA HUMANE

Statements of Activities

For the years ended December 31, 2021 and 2020

	2021	2020
Change in net assets without donor restrictions		
Support and revenue:		
Animal control services	\$ 14,430	\$ 15,745
Adoption fees, net of discounts	212,442	128,454
Behavior fees	13,960	16,087
Boarding income, net of discounts	-	32,068
Contract income	3,943,555	3,643,918
Contributions and bequests	8,659,326	4,530,137
(Loss) gains on sale of fixed assets	-	30
Gifts-in-kind	152,862	221,722
Humane education	19,098	3,888
Impound fees	9,952	15,450
Interest and dividends	406,951	323,585
Kids club	9,698	2,881
License fees	239,816	271,717
Outreach events	2,615	5,605
Rental income	161,999	165,572
Scout Sundays	2,250	1,139
Service fees, net of discounts	35,045	34,023
Special events - golf	173,054	139,569
Special events - Wiggle Waggle Walk	231,986	209,582
Store sales, net of discounts and cost of goods sold	61,426	90,845
Volunteer income	-	5
Wellness clinic, net of discounts	208,896	165,943
Gain on sale of investments	1,451,185	527,492
Unrealized gains (losses) on investments	324,609	1,685,782
Net assets released from restrictions	1,221,051	705,533
Total support and revenue without donor restrictions	17,556,206	12,936,772
Expenses:		
Program	11,520,871	10,248,942
Management and general	1,577,608	1,763,983
Fundraising	1,343,965	1,394,448
Total expenses	14,442,444	13,407,373
Change in net assets without donor restrictions	\$ 3,113,762	\$ (470,601)

PASADENA HUMANE

Statements of Activities

For the years ended December 31, 2021 and 2020

	2021	2020
Change in net assets with donor restrictions		
Support and revenue:		
Contributions and bequests	\$ 1,252,692	\$ 741,956
Interest and dividends	-	10
Net assets released from restrictions	(1,221,051)	(705,533)
Total support and revenue with donor restrictions	31,641	36,433
Expenses:		
Program	-	-
Management and general	-	-
Fundraising	-	-
Total expenses	-	-
Change in net assets with donor restrictions	31,641	36,433
Increase (decrease) in net assets	3,145,403	(434,168)
Net assets, beginning of year	40,638,853	41,073,021
Net assets, end of year	\$ 43,784,256	\$ 40,638,853

PASADENA HUMANE

Statements of Changes in Net Assets

For the years ended December 31, 2021 and 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, January 1, 2020	\$ 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
Change in net assets	3,113,762	31,641	3,145,403
Balance, December 31, 2021	\$ 43,447,434	\$ 336,822	\$ 43,784,256

PASADENA HUMANE

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 3,145,403	\$ (434,168)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,341,773	1,182,238
Losses on disposal of assets	-	-
Gain on sale of investments	(1,451,185)	(527,492)
Paycheck protection loan income	(1,422,000)	-
Unrealized gain on investments	(4,550,110)	(4,233,845)
Increase (decrease) in cash and cash equivalents attributable to changes in operating assets and liabilities		
Accounts receivable	89,296	(177,582)
Contributions receivable	(559,573)	(440,427)
Inventory	1,284	12,377
Prepaid expenses and other current assets	22,010	(56,465)
Other assets	27,931	(38,650)
Accounts payable	84,672	128,256
Accrued expenses	(40,096)	76,363
Total adjustments	(6,455,998)	(4,075,227)
Net cash used in operating activities	(3,310,595)	(4,509,395)
Cash flows from investing activities:		
Purchases of property and equipment	(965,325)	(386,508)
Net proceeds on sale of investments	3,868,976	2,279,156
Proceeds from note receivable	-	62,753
Net cash provided by investing activities	2,903,651	1,955,401
Cash flows from financing activities:		
Payments on capital lease obligation	(23,039)	(22,941)
Proceeds from Paycheck Protection Program	1,630,870	1,422,000
Net cash provided by (used in) financing activities	1,607,831	1,399,059
Net increase in cash and cash equivalents	1,200,887	(1,154,935)

See accompanying notes to financial statements.

PASADENA HUMANE

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

	2021	2020
Cash and cash equivalents, beginning of year	\$ 2,444,872	\$ 3,599,807
Cash and cash equivalents, end of year	\$ 3,645,759	\$ 2,444,872
Supplemental disclosure of cash flows information:		
Cash paid for interest	\$ 3,934	\$ 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, 2021

	Program	Management and General	Fund Raising	Total
Operating Fund				
Staff Expenses				
Wages	\$ 6,115,790	\$ 477,131	\$ 570,647	7,163,568
Bonus	110,554	8,612	7,664	126,830
Insurance, Benefits	710,527	49,314	49,900	809,740
Insurance, Work Comp	231,904	105,709	18,469	356,081
Payroll Tax	492,351	37,002	43,407	572,760
403(b) Expense	341,667	29,372	34,868	405,908
Training	46,843	3,116	756	50,715
Parking	64,445	14,914	8,185	87,544
Employee Related Expense	19,408	6,862	1,534	27,804
Total Staff Expenses	8,133,488	732,032	735,430	9,600,950
Facilities Expenses				
Depreciation & Amortization	1,080,895	204,154	56,724	1,341,773
Repairs & Maintenance	443,476	158,806	61,532	663,814
Software	55,694	38,959	25,404	120,057
Utilities	170,299	58,963	22,757	252,019
Vehicle Repairs & Maintenance	92,507	2,394	89	94,990
Telephone	65,093	29,069	6,605	100,767
Total Facilities Expenses	1,907,964	492,345	173,111	2,573,420
Other Operating Expenses				
Advertising	56,842	2,368	-	59,211
Donor cultivation	-	698	10,929	11,627
Dues & Subscriptions	11,177	2,992	2,120	16,289
Employee Enrichment	19,406	6,838	2,188	28,432
Event Expenses	-	6,745	105,672	112,417
Fee Rev. Returned to Cities	39,210	538	-	39,748
Food Bank	46,325	598	-	46,923
Gifts in kind	152,862			152,862
Insurance	142,155	32,531	17,830	192,516
Interest & bank charges	58,578	10,131	2,792	71,501
Lease Expense	29,304	4,726	1,299	35,329
Legal & Audit	107,407	40,587	37,825	185,818

PASADENA HUMANE**Statements of Functional Expenses**

For the year ended December 31, 2021

	Program	Management and General	Fund Raising	Total
Operating Fund				
Other Operating Expenses				
Meeting	5,626	2,092	1,135	8,853
Miscellaneous	41,321	15,335	12,092	68,747
Outside Services	148,347	6,726	821	155,893
Postage & Shipping	26,664	9,667	80,908	117,239
Printing	16,148	9,880	143,694	169,722
Public Relations	11,263	983	8,953	21,199
Supplies	166,861	13,961	4,716	185,539
Taxes & Licenses	29,809	5,952	2,147	37,908
Travel	1,179	26	5	1,211
Uniforms	24,011	700	298	25,009
Vet Health	344,924	8,024	-	352,948
Total Other Operating Expenses	1,479,419	182,098	435,424	2,096,941
Total Operating Fund Expenses	\$ 11,520,871	\$ 1,406,475	\$ 1,343,965	\$ 14,271,311
Investment Fund				
Investment advisory and trustee fees	-	164,534	-	164,534
Miscellaneous	-	6,599	-	6,599
Total Investment Fund	-	171,133	-	171,133
Capital Campaign Fund				
Miscellaneous	-	-	-	-
Total Capital Campaign Fund Expenses	-	-	-	-
Steve McNall Heart Fund				
Miscellaneous	-	-	-	-
Total Capital Campaign Fund Expenses	-	-	-	-
Total Expenses	\$ 11,520,871	\$ 1,577,608	\$ 1,343,965	\$ 14,442,444

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	\$ 789,091	\$ 539,929	6,845,914
Bonus	98,016	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	14,957	452,916
Software	64,109	4,465	2,265	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

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				
Lease Expense	2,284	31,486	1,601	35,371
Legal & Audit	80,211	57,238	7,844	145,293
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	-	-	-	-

PASADENA HUMANE

Statements of Functional Expenses

For the year ended December 31, 2020

Steve McNall Heart Fund

Miscellaneous	-	-	-	-
Total Capital Campaign Fund Expenses	-	-	-	-
Total Expenses	<u>\$ 10,248,942</u>	<u>\$ 1,763,983</u>	<u>\$ 1,394,448</u>	<u>\$ 13,407,373</u>

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 October 3, 2022, 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, 2021 and 2020. 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, 2021 and 2020 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 \$59,211 and \$55,746 for the years ended December 31, 2021 and 2020, 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 greater than the Society’s \$5,000 capitalization threshold 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 \$152,862 and \$250,943 for the years ended December 31, 2021 and 2020, 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 \$4,994 and \$4,691 for the years ended December 31, 2021 and 2020, 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, 2021, 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 October 3, 2022, 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.

	2021	2020
	<hr/>	<hr/>
Net assets, end of year	\$ 43,784,256	\$ 40,638,853
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions	(336,822)	(305,181)
Board Designated: Investment Fund	(19,383,458)	(17,372,148)
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	\$ 24,053,626	\$ 22,951,174
	<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, 2021 and 2020:

	2021	2020
Petty cash	\$ 2,500	\$ 2,500
Operating	3,181,872	1,819,470
Clearing account	2,213	-
Credit cards	12,319	4,442
Subtotal	3,198,904	1,826,412
Falk Foundation Fund	-	-
Harris Trust Fund	-	-
Neely Fund	-	-
Investment Fund	446,855	618,460
Total cash and cash equivalents	\$ 3,645,759	\$ 2,444,872

Cash and cash equivalents listed above totaling \$3,198,904 and \$1,826,412 as of December 31, 2021 and 2020, 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:

	2021	2020
Operating Fund	\$ 2,883,373	\$ 1,510,881
Falk Foundation Fund	3,007	3,007
Harris Trust Fund	153,215	153,215
Neely Fund	25,397	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
	\$ 3,198,904	\$ 1,826,412

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, 2021 and 2020:

	2021	2020
Falk Foundation Fund	\$ 3,007	\$ 3,007
Harris Trust Fund	153,215	153,215
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	25,397
Operating Fund	31,641	-
	<u>\$ 336,822</u>	<u>\$ 305,181</u>

Cash and cash equivalents included \$1,630,870 and \$1,422,000 for the years ended December 31, 2021 and 2020, respectively, 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, 2021 and 2020.

CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following at December 31, 2021 and 2020:

	2021	2020
Operating Fund	\$ 1,000,000	\$ 440,427
Less: Discount	-	-
Total contribution receivable, net	<u>\$ 1,000,000</u>	<u>\$ 440,427</u>

Future contributions receivable consist of the following at December 31, 2021 and 2020:

	2021	2020
Amounts due in less than one year	\$ 1,000,000	\$ 440,427
Amounts due in one to five years	-	-
	<u>\$ 1,000,000</u>	<u>\$ 440,427</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, 2021:

	Adjusted Cost	Fair Value
U.S. Obligations	\$ 1,711,120	\$ 1,773,768
Equities	7,363,787	11,615,767
Mutual Funds	5,260,990	5,496,472
	\$ 14,335,897	\$ 18,886,007

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	10,290,062
Mutual Funds	4,806,662	5,011,234
	\$ 12,536,618	\$ 16,753,689

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, 2021 and 2020. Management has not established the fair value of the parcels.

The following is a summary of return on investments at December 31, 2021 and 2020:

	2021	2020
Interest and Dividends	\$ 406,951	\$ 323,595
Net Realized Gains	1,451,185	527,492
Unrealized Gains (Losses)	324,609	1,685,782
	\$ 2,182,745	\$ 2,536,869

Investment fees expense was \$164,534 and \$107,351 for the years ended December 31, 2021 and 2020, respectively.

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.

The following table presents information about the Society's assets measured at fair value as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Investments in fixed income at fair value (included in investments)	\$ 1,773,768	\$ -	\$ -	\$ 1,773,768
Investments in equities at fair value (included in investments)	11,615,767	-	-	11,615,767
Investments in mutual funds at fair value (included in investments)	5,496,472	-	-	5,496,472
Total nonliquid investments	18,886,007	-	-	18,886,007
Plus: investments in money market at fair value (included in cash and cash equivalents)	22,332	-	-	22,332
	\$ 18,908,339	\$ -	\$ -	\$ 18,908,339

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, 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)	10,290,062	-	-	10,290,062
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
	<u>\$ 16,753,689</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 16,753,691</u>
Investments in money market at fair value (included in cash and cash equivalents)	82,029	-	-	82,029
	<u>\$ 16,835,718</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 16,835,720</u>

Pasadena Humane

Notes to Financial Statements

PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2021:

	Operating Fund	Falk Foundation Fund	Total
Land	\$ 3,487,138	\$ -	\$ 3,487,138
Buildings	25,179,344	-	25,179,344
Building improvements	1,459,966	-	1,459,966
Furniture and fixtures	1,360,744	-	1,360,744
Equipment	1,529,280	35,969	1,565,249
Vehicles	841,241	-	841,241
Software	10,436	-	10,436
	<u>33,868,149</u>	<u>35,969</u>	<u>33,904,118</u>
Less: Accumulated depreciation and amortization	11,174,364	35,969	11,210,333
	<u>\$ 22,693,785</u>	<u>\$ -</u>	<u>\$ 22,693,785</u>

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>

Depreciation and amortization expense was \$1,341,773 and \$1,182,238 for the years ended December 31, 2021 and 2020, respectively.

Notes to Financial Statements

RETIREMENT PLAN

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 \$405,908 and \$360,642 to the Retirement Plan for the years ended December 31, 2021 and 2020, 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.

In February 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 2024 if not forgiven.

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 loans as of December 31, 2021 and 2020.

On January 26, 2021, the SBA approved forgiveness of the Society's PPP loan in the amount of \$1,422,000. The Society will recognize the full amount of the forgiven loan as a contribution made in the year ended December 31, 2021, which is included in contributions on the accompanying statement of changes in net assets.

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, 2021 and 2020, respectively:

	2021	2020
Equipment	\$ 171,800	\$ 171,800
Less: Accumulated amortization	129,588	111,731
	<u>\$ 42,212</u>	<u>\$ 60,069</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, 2021:

Years ending December 31,		
2022		\$ 25,968
2023		25,968
2024		25,968
2025		2,164
		<hr/>
Total minimum lease payments		80,068
Less: Amount representing interest		4,045
		<hr/>
		76,023
Less: Current portion		23,814
		<hr/>
		\$ 52,209
		<hr/> <hr/>

Interest expense was \$2,928 and \$10,593 for the years ending December 31, 2021 and 2020, respectively, which is included in interest expense on the accompanying statement of functional expenses.

SUBSEQUENT EVENTS

In February 2022, the SBA approved forgiveness of the Society's PPP2 loan of \$1,630,870. The Society will recognize the full amount of the forgiven loan as a contribution made in the year ended December 31, 2022.

PASADENA HUMANE

Statement of Financial Position
Net Assets Without Donor Restrictions
For the year ended December 31, 2021

	Operating Fund	Investment Fund	Capital Campaign	Steve McNall Heart Fund	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 2,851,732	\$ 446,855	\$ -	\$ 10,350	\$ 3,308,937
Investments	-	18,886,007	-	-	18,886,007
Accounts receivable	243,217	-	-	-	243,217
Contributions receivable	1,000,000	-	-	-	1,000,000
Inventory	77,540	-	-	-	77,540
Prepaid expenses and other current assets	263,372	-	-	-	263,372
Total current assets	4,435,861	19,332,862	-	10,350	23,779,073
Other assets:					
Deferred rental income	40,958	-	-	-	40,958
Property and equipment, net	22,693,785	-	-	-	22,693,785
Total assets	\$ 27,170,604	\$ 19,332,862	\$ -	\$ 10,350	\$ 46,513,816

PASADENA HUMANE
Statement of Financial Position
Net Assets Without Donor Restrictions
 For the year ended December 31, 2021

	Operating Fund	Investment Fund	Capital Campaign	Steve McNall Heart Fund	Total
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	\$ 651,940	\$ -	\$ -	\$ -	\$ 651,940
Accrued expenses	758,144	(50,596)	-	-	707,548
Capital lease, current	23,814	-	-	-	23,814
Refundable advance- Paycheck Protection Program	1,630,870				1,630,870
Total current liabilities	3,064,768	(50,596)	-	-	3,014,172
Long-Term liabilities:					
Capital lease, net of current portion	52,210	-	-	-	52,210
Total long-term liabilities	52,210	-	-	-	52,210
Total liabilities	3,116,978	(50,596)	-	-	3,066,382
Net assets					
Without donor restrictions					
Operating	24,053,626	-	-	-	24,053,626
Investment Fund - Board Designated	-	19,383,458	-	-	19,383,458
Capital Campaign Fund	-	-	-	-	-
Steve McNall Heart Fund	-	-	-	10,350	10,350
Total net assets without donor restrictions	24,053,626	19,383,458	-	10,350	43,447,434
Total liabilities and net assets	\$ 27,170,604	\$ 19,332,862	\$ -	\$ 10,350	\$ 46,513,816

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
Contribution 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 Fund Activities****Net Assets Without Donor Restrictions**

For the Year Ended December 31, 2021

	Operating Fund	Investment Fund	Capital Campaign Fund	Steve McNall Heart Fund	Total
Support and Revenue					
Animal control services	\$ 14,430	\$ -	\$ -	\$ -	\$ 14,430
Adoption fees, net of discounts	212,442	-	-	-	212,442
Behavior fees	13,960	-	-	-	13,960
Boarding income, net of discounts	-	-	-	-	-
Contract income	3,943,555	-	-	-	3,943,555
Contributions and bequests	8,659,326	-	-	-	8,659,326
Loss on disposal of fixed assets	-	-	-	-	-
Gifts-in-kind	152,862	-	-	-	152,862
Humane education	19,098	-	-	-	19,098
Impound fees	9,952	-	-	-	9,952
Interest and dividends	-	406,951	-	-	406,951
Kids club	9,698	-	-	-	9,698
License fees	239,816	-	-	-	239,816
Outreach events	2,615	-	-	-	2,615
Rental income	161,999	-	-	-	161,999
Scout Sundays	2,250	-	-	-	2,250
Service fees, net of discounts	35,045	-	-	-	35,045
Special events - golf	173,054	-	-	-	173,054
Special events - Wiggle Waggle Walk	231,986	-	-	-	231,986
Store sales, net of discounts and cost of goods sold	61,426	-	-	-	61,426
Wellness clinic, net of discounts	208,896	-	-	-	208,896
Net assets released from restriction	1,221,051	-	-	-	1,221,051
Total support and revenue	\$ 15,373,461	\$ 406,951	\$ -	\$ -	\$ 15,780,412

PASADENA HUMANE**Statement of Fund Activities****Net Assets Without Donor Restrictions**

For the Year Ended December 31, 2021

	Operating Fund	Investment Fund	Capital Campaign Fund	Steve McNall Heart Fund	Total
Expenses:					
Program	11,520,871	-	-	-	11,520,871
Management and general	1,406,475	171,133	-	-	1,577,608
Fund raising	1,343,965	-	-	-	1,343,965
Total Expenses	14,271,311	171,133	-	-	14,442,444
Excess (deficiency) of support and revenue over expenses	1,102,150	235,818	-	-	1,337,968
Transfer from temporarily restricted	-	-	-	-	-
Interfund transfers	302	(302)	-	-	-
Gain on sale of investments	-	1,451,185	-	-	1,451,185
Unrealized gain on investments	-	324,609	-	-	324,609
Increase (Decrease) in net assets without donor restrictions	1,102,452	2,011,310	-	-	3,113,762
Net assets, beginning of year	22,951,174	17,372,148	-	10,350	40,333,672
Net assets, end of year	\$ 24,053,626	\$ 19,383,458	\$ -	\$ 10,350	\$ 43,447,434

PASADENA HUMANE

Statement of Fund Activities

Net Assets Without Donor Restrictions

For the Year Ended December 31, 2020

	<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	\$ 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	<u>\$ 10,399,913</u>	<u>\$ 323,585</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,723,498</u>

PASADENA HUMANE

Statement of Fund Activities

Net Assets Without Donor Restrictions

For the Year Ended December 31, 2020

	<u>Operating Fund</u>	<u>Investment Fund</u>	<u>Capital Campaign Fund</u>	<u>Steve McNall Heart Fund</u>	<u>Total</u>
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	<u>13,295,514</u>	<u>111,859</u>	<u>-</u>	<u>-</u>	<u>13,407,373</u>
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	<u>(2,954,455)</u>	<u>2,483,854</u>	<u>-</u>	<u>-</u>	<u>(470,601)</u>
Net assets, beginning of year	<u>25,905,629</u>	<u>14,888,294</u>	<u>0</u>	<u>10,350</u>	<u>40,804,273</u>
Net assets, end of year	<u>\$ 22,951,174</u>	<u>\$ 17,372,148</u>	<u>\$ -</u>	<u>\$ 10,350</u>	<u>\$ 40,333,672</u>

PASADENA HUMANE
Statement of Financial Position
Net Assets With Donor Restrictions
 For the year ended December 31, 2021

	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	\$ 31,641	\$336,822
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	31,641	336,822
Property and equipment, net	-	-	-	-	-	-	-	-	-
Total assets	\$ 3,007	\$153,215	\$ 54,159	\$108,237	\$ 1,029	\$(39,863)	\$ 25,397	\$ 31,641	\$336,822
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	31,641	336,822
Total liabilities and net assets	\$ 3,007	\$153,215	\$ 54,159	\$108,237	\$ 1,029	\$(39,863)	\$ 25,397	\$ 31,641	\$336,822

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 Fund Activities

Net Assets With Donor Restrictions

For the year ended December 31, 2021

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,252,692	\$ 1,252,692
Interest and dividends	-	-	-	-	-	-	-	-	-
Net assets released from restriction	-	-	-	-	-	-	-	(1,221,051)	(1,221,051)
Total support and revenue in excess (under) net assets released from restriction	-	-	-	-	-	-	-	31,641	31,641
Expenses:									
Program	-	-	-	-	-	-	-	-	-
Management and general	-	-	-	-	-	-	-	-	-
Fund raising	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of support and revenue over expenses	-	-	-	-	-	-	-	31,641	31,641
Transfer to net assets without donor restrictions	-	-	-	-	-	-	-	-	-
Increase (Decrease) in net assets	-	-	-	-	-	-	-	31,641	31,641
Net assets, beginning of year	3,007	153,215	54,159	108,237	1,029	(39,863)	25,397	-	305,181
Net assets, end of year	\$ 3,007	\$153,215	\$ 54,159	\$108,237	\$ 1,029	\$ (39,863)	\$ 25,397	\$ 31,641	\$ 336,822

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