



Pasadena Humane

Financial Statements

With supplementary information

And independent auditors' report

December 31, 2022 and 2021

Pasadena Humane

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Independent Auditors' Report

To 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, 2022 and 2021, 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, 2022 and 2021, 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.

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 15, 2023

Pasadena Humane

Statements of Financial Position

December 31, 2022 and 2021

	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,855,159	\$ 3,645,759
Investments	15,269,143	18,886,007
Accounts receivable	206,872	243,217
Contributions receivable	-	1,000,000
Inventory	45,991	77,540
Finance lease right of use, current portion	26,376	-
Prepaid expenses and other current assets	242,533	263,372
Total current assets	20,646,074	24,115,895
Other assets:		
Deferred rental income	-	40,958
Property and equipment, net	22,187,376	22,693,785
Finance lease right of use, net of current portion	92,317	-
Total other assets	22,279,693	22,734,743
Total assets	\$ 42,925,767	\$ 46,850,638

Pasadena Humane

Statements of Financial Position

December 31, 2022 and 2021

	2022	2021
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 573,238	\$ 651,940
Accrued expenses and other liabilities	827,269	707,548
Capital lease, current portion	-	23,814
Finance lease liability, current portion	17,356	-
Refundable advance- Paycheck Protection Program	-	1,630,870
Total current liabilities	1,417,863	3,014,172
Long-term liabilities:		
Capital lease, net of current portion	-	52,210
Finance lease liability, net of current portion	107,831	-
Total long-term liabilities	107,831	52,210
Total liabilities	1,525,694	3,066,382
Net assets		
Unrestricted: Operating Fund	25,004,252	24,053,626
Board Designated: Investment Fund	15,942,675	19,383,458
Board Designated: Capital Campaign Fund	-	-
Board Designated: Steve McNall Heart Fund	10,350	10,350
Total net assets without donor restrictions	40,957,277	43,447,434
Net assets with donor restrictions	442,796	336,822
Total net assets	41,400,073	43,784,256
Total liabilities and net assets	\$ 42,925,767	\$ 46,850,638

Pasadena Humane

Statements of Activities

For the years ended December 31, 2022 and 2021

	2022	2021
Change in net assets without donor restrictions		
Support and revenue:		
Animal control services	\$ 21,525	\$ 14,430
Fundraising events	501,499	405,040
Program and service fees	578,134	504,004
Contract income	4,086,719	3,943,555
Contributions and bequests	9,225,196	8,659,326
(Loss) on sale of fixed assets	(8,249)	-
Gifts-in-kind	321,295	152,862
Impound fees	13,049	9,952
Interest and dividends	368,927	406,951
License fees	316,130	239,816
Rental income	154,082	161,999
Store sales, net of discounts and cost of goods sold	71,900	61,426
Gain on sale of investments	327,412	1,451,185
Unrealized gains (losses) on investments	(3,993,842)	324,609
Net assets released from restrictions	342,311	1,221,051
Total support and revenue without donor restrictions	12,326,088	17,556,206
Expenses:		
Program	11,902,604	11,520,871
Management and general	1,368,071	1,577,608
Fundraising	1,545,570	1,343,965
Total expenses	14,816,245	14,442,444
Change in net assets without donor restrictions	\$ (2,490,157)	\$ 3,113,762

Pasadena Humane

Statements of Activities

For the years ended December 31, 2022 and 2021

	2022	2021
Change in net assets with donor restrictions		
Support and revenue:		
Contributions and bequests	\$ 448,285	\$ 1,252,692
Net assets released from restrictions	(342,311)	(1,221,051)
Total support and revenue with donor restrictions	105,974	31,641
Expenses:		
Program	-	-
Management and general	-	-
Fundraising	-	-
Total expenses	-	-
Change in net assets with donor restrictions	105,974	31,641
Increase (decrease) in net assets	(2,384,183)	3,145,403
Net assets, beginning of year	43,784,256	40,638,853
Net assets, end of year	\$ 41,400,073	\$ 43,784,256

Pasadena Humane

Statements of Changes in Net Assets

For the years ended December 31, 2022 and 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, January 1, 2021	\$ 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
Change in net assets	(2,490,157)	105,974	(2,384,183)
Balance, December 31, 2022	\$ 40,957,277	\$ 442,796	\$ 41,400,073

Pasadena Humane

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (2,384,183)	\$ 3,145,403
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,021,219	1,341,773
Losses on disposal of assets	8,249	-
Gain on sale of investments	(327,412)	(1,451,185)
Noncash lease expenses, net	6,494	-
Paycheck protection loan income	(1,630,870)	(1,422,000)
Unrealized (gain) loss on investments	3,993,842	(4,550,110)
Increase (decrease) in cash and cash equivalents attributable to changes in operating assets and liabilities		
Accounts receivable	36,345	89,296
Contributions receivable	1,000,000	(559,573)
Inventory	31,549	1,284
Prepaid expenses and other current assets	20,839	22,010
Other assets	40,958	27,931
Accounts payable	(78,702)	84,672
Accrued expenses	119,721	(40,096)
Total adjustments	4,242,232	(6,455,998)
Net cash provided by (used in) operating activities	1,858,049	(3,310,595)
Cash flows from investing activities:		
Purchases of property and equipment	(523,059)	(965,325)
Purchases of investment	(3,649,452)	-
Net proceeds from sale of investments	3,599,886	3,868,976
Net cash provided by (used in) investing activities	(572,625)	2,903,651
Cash flows from financing activities:		
Payments on finance lease obligation	(76,024)	(23,039)
Proceeds from Paycheck Protection Program	-	1,630,870
Net cash provided by (used in) financing activities	(76,024)	1,607,831
Net increase in cash and cash equivalents	1,209,400	1,200,887

See accompanying notes to financial statements.

Pasadena Humane

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

	2022	2021
Cash and cash equivalents, beginning of year	\$ 3,645,759	\$ 2,444,872
Cash and cash equivalents, end of year	\$ 4,855,159	\$ 3,645,759
Supplemental disclosure of cash flows information:		
Cash paid for interest	\$ -	\$ 3,934
Noncash investing and financing activities:		
Property and equipment acquired through finance lease	\$ 138,475	\$ -

Pasadena Humane

Statements of Functional Expenses

For the years ended December 31, 2022 and 2021

	Program	Management and General	Fund Raising	2022 Total	2021 Total**
Operating Fund					
Staff Expenses					
Wages	\$ 6,563,041	\$ 430,473	\$ 555,335	7,548,849	7,163,568
Bonus	151,382	7,720	8,148	167,250	126,830
Insurance, Benefits	706,024	37,310	46,269	789,603	809,740
Insurance, Work Comp	220,834	89,225	13,859	323,918	356,081
Payroll Tax	527,264	31,729	42,613	601,606	572,760
403(b) Expense	390,915	27,528	33,540	451,982	405,908
Training	44,266	5,271	1,993	51,530	50,715
Parking	63,210	20,084	1,293	84,587	87,544
Temporary Help	-	125	12,368	12,494	-
Employee Related Expense	26,705	8,933	1,730	37,368	27,804
Total Staff Expenses	8,693,641	658,398	717,148	10,069,187	9,600,950
Facilities Expenses					
Depreciation & Amortization	871,988	142,801	6,430	1,021,219	1,341,773
Repairs & Maintenance	387,527	111,819	7,702	507,048	663,814
Software	93,210	48,107	8,758	150,075	120,057
Utilities	200,138	58,393	3,989	262,520	252,019
Vehicle Repairs & Maintenance	110,919	1,460	23	112,402	94,990
Telephone	87,044	26,562	5,661	119,267	100,767
Total Facilities Expenses	1,750,826	389,142	32,563	2,172,531	2,573,420
Other Operating Expenses					
Advertising	87,959	3,665	-	91,624	59,211
Donor cultivation	-	200	19,761	19,961	11,627
Dues & Subscriptions	10,475	2,941	2,337	15,753	16,289
Employee Enrichment	38,964	13,311	2,895	55,170	28,432
Event Expenses	87	1,359	134,584	136,030	112,417
Cities	-	-	-	-	39,748
Food Bank	-	-	-	-	46,923
Helping Paws Services	85,080	-	-	85,080	-
Insurance	160,589	50,464	3,248	214,301	192,516
Interest & bank charges	90,530	14,366	647	105,543	71,501
Lease Expense	20,434	7,261	908	28,603	35,329
Legal & Audit	70,976	17,236	4,882	93,094	185,818

** With summarized financial information for the year ended December 31, 2021

Pasadena Humane

Statements of Functional Expenses

For the years ended December 31, 2022 and 2021

	Program	Management and General	Fund Raising	2022 Total	2021 Total**
Operating Fund					
Other Operating Expenses					
Meeting	28,957	8,183	1,786	38,926	8,853
Miscellaneous	56,986	18,477	6,842	82,305	68,747
Outside Services	185,207	7,792	255	193,254	155,893
Postage & Shipping	21,194	4,289	91,234	116,717	117,239
Printing	16,797	2,803	197,844	217,444	169,722
Public Relations	10,770	279	1,473	12,522	21,199
Supplies	166,181	13,064	4,698	183,943	185,539
Taxes & Licenses	26,658	5,383	350	32,391	37,908
Travel	16,506	910	57	17,473	1,211
Uniforms	46,154	2,317	763	49,234	25,009
Vet Health	317,633	3,203	-	320,836	352,948
Total Other Operating Expenses	1,458,137	177,503	474,564	2,110,204	1,944,079
Gifts in kind			321,295	321,295	152,862
Total Operating Fund Expenses	\$11,902,604	\$ 1,225,043	\$1,545,570	\$14,673,217	\$14,271,311
Investment Fund					
Investment advisory and trustee fees	-	135,045	-	135,045	164,534
Miscellaneous	-	7,983	-	7,983	6,599
Total Investment Fund	-	143,028	-	143,028	171,133
Capital Campaign Fund					
Miscellaneous	-	-	-	-	-
Total Capital Campaign Fund Expenses	-	-	-	-	-
Steve McNall Heart Fund					
Miscellaneous	-	-	-	-	-
Total Capital Campaign Fund Expenses	-	-	-	-	-
Total Expenses	\$11,902,604	\$ 1,368,071	\$1,545,570	\$14,816,245	\$14,442,444

** With summarized financial information for the year ended December 31, 2021

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 15, 2023, 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, 2022 and 2021. 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 no allowance for doubtful accounts is deemed necessary. There were no contributions receivable at December 31, 2022.

Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified for consistency with the current year presentation.

Revenue recognition

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."

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.

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.

Pasadena Humane

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).

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.

There are no contract assets or liabilities as of December 31, 2022 and 2021.

Advertising

The Society expenses advertising costs as they are incurred. Advertising costs were \$91,624 and \$59,211 for the years ended December 31, 2022 and 2021, respectively, included in the accompanying statement of functional expenses.

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 \$321,295 and \$152,862 for the years ended December 31, 2022 and 2021, 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 \$4,915 and \$4,994 for the years ended December 31, 2022 and 2021, 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, 2022, 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 February 2016, the Financial Accounting Standards Board issued ASU 2016-02, Leases, and has subsequently issued several supplemental and/or clarifying ASU's (collectively, "ASC 842"), which requires a dual approach for lease accounting under which a lessee would account for leases as finance leases or operating leases. Both finance leases and operating leases result in the lessee recognizing a right of use ("ROU") asset and a corresponding lease liability. For finance leases, the lessee would recognize interest expense and amortization of the ROU asset, and for operating leases, the lessee would recognize lease expense on a straight-line basis. The Society adopted ASC 842 effective January 1, 2022.

Pasadena Humane

Notes to Financial Statements

NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent accounting pronouncements (continued)

Lease rights are costs incurred to acquire the right to lease a specific property. Lease rights are recorded at cost and are amortized over the estimated useful term of the lease.

The Society adopted ASC 842 using the modified retrospective approach, electing the effective method that allows the Society not to restate its comparative periods prior to the adoption of the standard on January 1, 2022. As such, the disclosures required under ASC 842 are not presented for periods before the date of adoption. For the comparative periods prior to adoption, the Society presented the disclosures which were required under ASC 840.

Subsequent Events

Management has evaluated subsequent events and updated its statements through September 15, 2023, 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.

	<u>2022</u>	<u>2021</u>
Net assets, end of year	\$ 41,400,073	\$ 43,784,256
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions	(442,796)	(336,822)
Board Designated: Investment Fund	(15,942,675)	(19,383,458)
Board Designated: Capital Campaign Fund	-	-
Board Designated: Steve McNall Heart Fund	(10,350)	(10,350)
Financial assets available to meet cash needs for general expenditures within one year	\$ 25,004,252	\$ 24,053,626

Pasadena Humane

Notes to Financial Statements

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at December 31, 2022 and 2021:

	2022	2021
Petty cash	\$ 2,500	\$ 2,500
Operating	4,203,772	3,181,872
Clearing account	2,713	2,213
Credit cards	13,881	12,319
Subtotal	4,222,866	3,198,904
Falk Foundation Fund	-	-
Harris Trust Fund	-	-
Neely Fund	-	-
Investment Fund	632,293	446,855
Total cash and cash equivalents	\$ 4,855,159	\$ 3,645,759

Cash and cash equivalents listed above totaling \$4,222,866 and \$3,198,904 as of December 31, 2022 and 2021, 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:

	2022	2021
Operating Fund	\$ 3,907,335	\$ 2,883,373
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
	\$ 4,222,866	\$ 3,198,904

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, 2022 and 2021:

	2022	2021
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	137,615	31,641
	<u>\$ 442,796</u>	<u>\$ 336,822</u>

Cash and cash equivalents included \$1,630,870 for the year ended December 31, 2021 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.

CONTRIBUTIONS RECEIVABLE

There were no contributions receivable at December 31, 2022. Contributions receivable consist of the following at December 31, 2021:

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

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

	2021
Amounts due in less than one year	\$ 1,000,000
Amounts due in one to five years	-
	<u>\$ 1,000,000</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, 2022:

	Adjusted Cost	Fair Value
U.S. Obligations	\$ 1,546,996	\$ 1,432,175
Equities	7,711,624	9,070,699
Mutual Funds	5,462,946	4,766,267
	\$ 14,721,566	\$ 15,269,141

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	11,615,765
Mutual Funds	5,260,990	5,496,472
	\$ 14,335,897	\$ 18,886,005

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, 2022 and 2021. Management has not established the fair value of the parcels.

The following is a summary of return on investments at December 31, 2022 and 2021:

	2022	2021
Interest and Dividends	\$ 368,927	\$ 406,951
Net Realized Gains	327,412	1,451,185
Unrealized Gains (Losses)	(3,993,842)	324,609
	\$ (3,297,503)	\$ 2,182,745

Investment fees expense was \$135,045 and \$164,534 for the years ended December 31, 2022 and 2021, respectively, which is included in investment advisory and trustee fees on the accompanying statement of functional expenses.

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, 2022:

	<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)	\$ 1,432,175	\$ -	\$ -	\$ 1,432,175
Investments in equities at fair value (included in investments)	9,070,699	-	-	9,070,699
Investments in mutual funds at fair value (included in investments)	4,766,267	-	-	4,766,267
Investments in land at nominal value (included in investments)	-	-	2	2
Total nonliquid investments	15,269,141	-	2	15,269,143
Plus: investments in money market at fair value (included in cash and cash equivalents)	22,316	-	-	22,316
	\$ 15,291,457	\$ -	\$ 2	\$ 15,291,459

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, 2021

	<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)	\$ 1,773,768	\$ -	\$ -	\$ 1,773,768
Investments in equities at fair value (included in investments)	11,615,765	-	-	11,615,765
Investments in mutual funds at fair value (included in investments)	5,496,472	-	-	5,496,472
Investments in land at nominal value (included in investments)	-	-	2	2
	<u>\$ 18,886,005</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 18,886,007</u>
Investments in money market at fair value (included in cash and cash equivalents)	22,332	-	-	22,332
	<u>\$ 18,908,337</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 18,908,339</u>

Pasadena Humane

Notes to Financial Statements

PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2022:

	Operating Fund	Falk Foundation Fund	Total
Land	\$ 3,487,138	\$ -	\$ 3,487,138
Buildings	25,224,325	-	25,224,325
Building improvements	1,653,552	-	1,653,552
Furniture and fixtures	1,381,887	-	1,381,887
Equipment	1,609,234	35,969	1,645,203
Vehicles	951,962	-	951,962
Software	10,436	-	10,436
	<u>34,318,534</u>	<u>35,969</u>	<u>34,354,503</u>
Less: Accumulated depreciation and amortization	12,131,158	35,969	12,167,127
	<u>\$ 22,187,376</u>	<u>\$ -</u>	<u>\$ 22,187,376</u>

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>

Depreciation and amortization expense was \$1,021,219 and \$1,341,773 for the years ended December 31, 2022 and 2021, respectively.

Notes to Financial Statements

403B 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 \$451,982 and \$405,908 to the Retirement Plan for the years ended December 31, 2022 and 2021, 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

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.

On February 15, 2022, the SBA approved forgiveness of the Society’s PPP2 loan in the amount of \$1,630,870. The Society recognized the full amount of the forgiven loan as a contribution made in the year ended December 31, 2022, 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.

There were no capital leases at December 31, 2022. Capital leases consist of the following at December 31, 2021:

	2021
Equipment	\$ 171,800
Less: Accumulated amortization	129,588
	<u>\$ 42,212</u>

Interest expense was \$0 and \$2,928 for the years ending December 31, 2022 and 2021, respectively, which is included in interest expense on the accompanying statement of functional expenses.

Notes to Financial Statements

LEASES

The Society has adopted ASC 842 effective January 1, 2022. The standard provides a number of optional practical expedients and policy elections in transition. The Society has elected to apply the package of practical expedients under which the Society will not reassess under the standard our prior conclusions about lease classification and initial direct costs. The Society has elected the short-term lease recognition exemption for all leases that qualify (under one year term), meaning that the Society will recognize rent payments as expenses incurred and will not include the recognition of a right-of-use asset or lease liability. The Society will account for lease and non-lease components as a single-lease component for all leases.

The Society leases property and equipment under finance leases. For leases with terms greater than 12 months, the Society records the related assets and obligation at the present value of lease payments over the term. The Society's leases does not include any rental escalation clauses, renewal options and/or termination options that are factored into the Society's determination of lease payments when appropriate.

Right-of-use ("ROU") assets represent the Society's right to use an underlying asset for the lease term and lease liabilities represent the Society's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. The Society uses the rate implicit in the lease to discount lease payments to present value. The Society leases certain office equipment under finance leases. The lease term consists of the noncancellable period of the lease. The Society's lease agreements do not contain any residual value guarantees.

Lease position

The following table presents the lease-related assets and liabilities recorded on the statement of position as of December 31, 2022:

	<u>2022</u>
Assets	
Current	
Finance lease assets	\$ 26,376
Total current assets	<u>26,376</u>
Non-current assets:	
Finance lease assets	92,317
Total non-current assets	<u>92,317</u>
Total lease assets	<u><u>\$ 118,693</u></u>
Liabilities	
Current liabilities:	
Finance	17,356
Total current lease liabilities	<u>17,356</u>
Long-term obligations:	
Finance	107,831
Total non-current lease liabilities	<u>107,831</u>
Total lease liabilities	<u><u>\$ 125,187</u></u>

Pasadena Humane

Notes to Financial Statements

LEASES (CONTINUED)

Lease position (continued)

	<u>2022</u>
Weighted-average remaining lease term:	
Finance leases	4.5 years
Weighted-average discount rate:	
Finance leases	24.53%

The following is a schedule of future minimum payments under finance lease together with the present value of net minimum lease payments as of December 31, 2022:

Undiscounted Cash Flows

Fiscal Year	<u>Finance Leases</u>
2023	\$ 46,200
2024	46,200
2025	46,200
2026	46,200
2027	23,100
Thereafter	-
Total lease payments	<u>207,900</u>
Less amount representing interest	<u>82,713</u>
Total lease liability	<u><u>\$ 125,187</u></u>

Interest expense was \$21,775 for the year ending December 31, 2022, respectively, which is included in interest expense on the accompanying statement of functional expenses.

SUBSEQUENT EVENTS

The Society evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompany financial statements considered events through September 15, 2023 which is the date the financial statements were available for release.

PASADENA HUMANE**Statement of Financial Position
Net Assets Without Donor Restrictions**

December 31, 2022

	Operating Fund	Investment Fund	Capital Campaign Fund	Steve McNall Heart Fund	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 3,769,720	\$ 632,293	\$ -	\$ 10,350	\$ 4,412,363
Investments	-	15,269,143	-	-	15,269,143
Accounts receivable	206,872	-	-	-	206,872
Contributions receivable	-	-	-	-	-
Inventory	45,991	-	-	-	45,991
Prepaid expenses and other current assets	242,533	-	-	-	242,533
Finance lease right of use asset, current portion	26,376	-	-	-	26,376
Total current assets	4,291,492	15,901,436	-	10,350	20,203,278
Long-Term assets:					
Finance lease right of use asset, net of current portion	92,317	-	-	-	92,317
Total long-term assets	92,317	-	-	-	92,317
Other assets:					
Property and equipment, net	22,187,376	-	-	-	22,187,376
Total assets	\$ 26,571,185	\$ 15,901,436	\$ -	\$ 10,350	\$ 42,482,971

PASADENA HUMANE**Statement of Financial Position
Net Assets Without Donor Restrictions**

December 31, 2022

	Operating Fund	Investment Fund	Capital Campaign Fund	Steve McNall Heart Fund	Total
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	\$ 573,238	\$ -	\$ -	\$ -	\$ 573,238
Accrued expenses	868,508	(41,239)	-	-	827,269
Finance lease liability, current portion	17,356	-	-	-	17,356
Total current liabilities	1,459,102	(41,239)	-	-	1,417,863
Long-Term liabilities:					
Finance lease liability, net of current portion	107,831	-	-	-	107,831
Total long-term liabilities	107,831	-	-	-	107,831
Total liabilities	1,566,933	(41,239)	-	-	1,525,694
Net assets					
Without donor restrictions					
Operating	25,004,252	-	-	-	25,004,252
Investment Fund - Board Designated	-	15,942,675	-	-	15,942,675
Capital Campaign Fund	-	-	-	-	-
Steve McNall Heart Fund	-	-	-	10,350	10,350
Total net assets without donor restrictions	25,004,252	15,942,675	-	10,350	40,957,277
Total liabilities and net assets	\$ 26,571,185	\$ 15,901,436	\$ -	\$ 10,350	\$ 42,482,971

PASADENA HUMANE**Statement of Financial Position
Net Assets Without Donor Restrictions
December 31, 2021**

	<u>Operating Fund</u>	<u>Investment Fund</u>	<u>Capital Campaign Fund</u>	<u>Steve McNall Heart Fund</u>	<u>Total</u>
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
Contribution 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**

December 31, 2021

	Operating Fund	Investment Fund	Capital Campaign Fund	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 Fund Activities Net Assets Without Donor Restrictions For the Year Ended December 31, 2022

	Operating Fund	Investment Fund	Capital Campaign Fund	Steve McNall Heart Fund	Total
Support and Revenue					
Animal control services	\$ 21,525	\$ -	\$ -	\$ -	\$ 21,525
Contract income	4,086,719	-	-	-	4,086,719
Contributions and bequests	9,225,196	-	-	-	9,225,196
Fundraising events	501,499	-	-	-	501,499
Gifts-in-kind	321,295	-	-	-	321,295
Impound fees	13,049	-	-	-	13,049
Interest and dividends	-	368,927	-	-	368,927
Loss on disposal of fixed assets	(8,249)	-	-	-	(8,249)
License fees	316,130	-	-	-	316,130
Program and service fees	578,134	-	-	-	578,134
Rental income	154,082	-	-	-	154,082
Store sales, net of discounts and cost of goods sold	71,900	-	-	-	71,900
Net assets released from restriction	342,311	-	-	-	342,311
Total support and revenue	\$ 15,623,591	\$ 368,927	\$ -	\$ -	\$ 15,992,518

PASADENA HUMANE

Statement of Fund Activities Net Assets Without Donor Restrictions For the Year Ended December 31, 2022

	Operating Fund	Investment Fund	Capital Campaign Fund	Steve McNall Heart Fund	Total
Expenses:					
Program	11,902,604	-	-	-	11,902,604
Management and general	1,225,043	143,028	-	-	1,368,071
Fund raising	1,545,570	-	-	-	1,545,570
Total Expenses	14,673,217	143,028	-	-	14,816,245
Excess (deficiency) of support and revenue over expenses	950,374	225,899	-	-	1,176,273
Transfer from temporarily restricted	-	-	-	-	-
Interfund transfers	252	(252)	-	-	-
Gain on sale of investments	-	327,412	-	-	327,412
Unrealized gain on investments	-	(3,993,842)	-	-	(3,993,842)
Increase (Decrease) in net assets without donor restrictions	950,626	(3,440,783)	-	-	(2,490,157)
Net assets, beginning of year	24,053,626	19,383,458	-	10,350	43,447,434
Net assets, end of year	\$ 25,004,252	\$ 15,942,675	\$ -	\$ 10,350	\$ 40,957,277

PASADENA HUMANE

Statement of Fund Activities

Net Assets Without Donor Restrictions

For the Year Ended December 31, 2021

	<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	\$ 14,430	\$ -	\$ -	\$ -	\$ 14,430
Contract income	3,943,555	-	-	-	3,943,555
Contributions and bequests	8,659,326	-	-	-	8,659,326
Fundraising events	405,040	-	-	-	405,040
Gifts-in-kind	152,862	-	-	-	152,862
Impound fees	9,952	-	-	-	9,952
Interest and dividends	-	406,951	-	-	406,951
License fees	239,816	-	-	-	239,816
Program and service fees	504,004	-	-	-	504,004
Rental income	161,999	-	-	-	161,999
Store sales, net of discounts and cost of goods sold	61,426	-	-	-	61,426
Net assets released from restriction	1,221,051	-	-	-	1,221,051
Total support and revenue	<u>\$ 15,373,461</u>	<u>\$ 406,951</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,780,412</u>

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 Financial Position
Net Assets With Donor Restrictions**

December 31, 2022

	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	\$ 137,615	\$ 442,796
Total current assets	3,007	153,215	54,159	108,237	1,029	(39,863)	25,397	137,615	442,796
Property and equipment, net	-	-	-	-	-	-	-	-	-
Total assets	\$ 3,007	\$ 153,215	\$ 54,159	\$ 108,237	\$ 1,029	\$ (39,863)	\$ 25,397	\$ 137,615	\$ 442,796
LIABILITIES AND NET ASSETS									
Liabilities:									
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	137,615	442,796
Total liabilities and net assets	\$ 3,007	\$ 153,215	\$ 54,159	\$ 108,237	\$ 1,029	\$ (39,863)	\$ 25,397	\$ 137,615	\$ 442,796

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

December 31, 2021

	<u>Falk Foundation Fund</u>	<u>Harris Trust Fund</u>	<u>Glide Wildlife Fund</u>	<u>The G Fund</u>	<u>Pooch Fund</u>	<u>HART Fund</u>	<u>Neely Fund</u>	<u>Operating Fund</u>	<u>Total</u>
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
Total current assets	<u>3,007</u>	<u>153,215</u>	<u>54,159</u>	<u>108,237</u>	<u>1,029</u>	<u>(39,863)</u>	<u>25,397</u>	<u>31,641</u>	<u>336,822</u>
Property and equipment, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 3,007</u>	<u>\$ 153,215</u>	<u>\$ 54,159</u>	<u>\$ 108,237</u>	<u>\$ 1,029</u>	<u>\$ (39,863)</u>	<u>\$ 25,397</u>	<u>\$ 31,641</u>	<u>\$ 336,822</u>
LIABILITIES AND NET ASSETS									
Liabilities:									
Due to unrestricted operating fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets									
With donor restrictions	<u>3,007</u>	<u>153,215</u>	<u>54,159</u>	<u>108,237</u>	<u>1,029</u>	<u>(39,863)</u>	<u>25,397</u>	<u>31,641</u>	<u>336,822</u>
Total liabilities and net assets	<u>\$ 3,007</u>	<u>\$ 153,215</u>	<u>\$ 54,159</u>	<u>\$ 108,237</u>	<u>\$ 1,029</u>	<u>\$ (39,863)</u>	<u>\$ 25,397</u>	<u>\$ 31,641</u>	<u>\$ 336,822</u>

PASADENA HUMANE

Statement of Fund Activities

Net Assets With Donor Restrictions

For the year ended December 31, 2022

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 448,285	\$ 448,285
Net assets released from restriction	-	-	-	-	-	-	-	(342,311)	(342,311)
Total support and revenue in excess (under) net assets released from restriction	-	-	-	-	-	-	-	105,974	105,974
Expenses:									
Program	-	-	-	-	-	-	-	-	-
Management and general Fund raising	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of support and revenue over expenses	-	-	-	-	-	-	-	105,974	105,974
Transfer to net assets without donor restrictions	-	-	-	-	-	-	-	-	-
Increase (Decrease) in net assets	-	-	-	-	-	-	-	105,974	105,974
Net assets, beginning of year	3,007	153,215	54,159	108,237	1,029	(39,863)	25,397	31,641	336,822
Net assets, end of year	\$ 3,007	\$ 153,215	\$ 54,159	\$ 108,237	\$ 1,029	\$ (39,863)	\$ 25,397	\$ 137,615	\$ 442,796

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
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