



Pasadena Humane

Financial Statements

With supplementary information

And independent auditors' report

December 31, 2023 and 2022

Pasadena Humane

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Independent Auditors' Report

To the Management and Audit Committee of 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, 2023 and 2022, 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, 2023 and 2022, 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.
- 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
October 15, 2024

Pasadena Humane

Statements of Financial Position

December 31, 2023 and 2022

	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,695,123	\$ 4,855,159
Investments	18,006,611	15,269,143
Accounts receivable	171,791	206,872
Contributions receivable	50,000	-
Inventory	38,422	45,991
Finance lease right of use, current portion	26,376	26,376
Prepaid expenses and other current assets	287,700	242,533
Total current assets	23,276,023	20,646,074
Other assets:		
Property and equipment, net	21,954,209	22,187,376
Finance lease right of use, net of current portion	65,941	92,317
Total other assets	22,020,150	22,279,693
Total assets	\$ 45,296,173	\$ 42,925,767

Pasadena Humane

Statements of Financial Position

December 31, 2023 and 2022

	2023	2022
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 645,664	\$ 573,238
Accrued expenses and other liabilities	819,192	827,269
Finance lease liability, current portion	22,127	17,356
Total current liabilities	1,486,983	1,417,863
Long-term liabilities:		
Finance lease liability, net of current portion	85,704	107,831
Total long-term liabilities	85,704	107,831
Total liabilities	1,572,687	1,525,694
Net assets		
Unrestricted: Operating Fund	23,008,231	25,004,252
Board Designated: Investment Fund	18,714,371	15,942,675
Board Designated: Capital Campaign Fund	-	-
Board Designated: Steve McNall Heart Fund	-	10,350
Total net assets without donor restrictions	41,722,602	40,957,277
Net assets with donor restrictions	2,000,884	442,796
Total net assets	43,723,486	41,400,073
Total liabilities and net assets	\$ 45,296,173	\$ 42,925,767

Pasadena Humane

Statements of Activities

For the years ended December 31, 2023 and 2022

	2023	2022
Change in net assets without donor restrictions		
Support and revenue:		
Contributions	\$ 2,687,876	\$ 4,171,598
Bequests	4,925,579	5,053,598
Fundraising events	576,303	501,499
Net assets released from restrictions	1,150,331	342,311
Gifts-in-kind	217,725	321,295
Contract income	4,290,727	4,086,719
Program and service fees	828,740	578,134
Animal control services	18,300	21,525
License fees	454,445	316,130
Impound fees	15,301	13,049
Store sales, net of discounts and cost of goods sold	59,381	71,900
Rental income	48,803	154,082
Interest and dividends	452,288	368,927
Gain on sale of investments	305,599	327,412
(Loss) on sale of fixed assets	-	(8,249)
Unrealized gains (losses) on investments	2,151,859	(3,993,842)
Transfer from net assets with donor restrictions	442,796	-
Total support and revenue without donor restrictions	18,626,053	12,326,088
Expenses:		
Program	14,072,618	11,902,604
Management and general	1,501,772	1,368,071
Fundraising	2,286,338	1,545,570
Total expenses	17,860,728	14,816,245
Change in net assets without donor restrictions	\$ 765,325	\$ (2,490,157)

Pasadena Humane

Statements of Activities

For the years ended December 31, 2023 and 2022

	2023	2022
Change in net assets with donor restrictions		
Support and revenue:		
Contributions	\$ 3,013,600	\$ 448,285
Interest and dividends	-	-
Net assets released from restrictions	(1,012,716)	(342,311)
Transfer to net assets without donor restrictions	(442,796)	-
Total support and revenue with donor restrictions	1,558,088	105,974
Expenses:		
Program	-	-
Management and general	-	-
Fundraising	-	-
Total expenses	-	-
Change in net assets with donor restrictions	1,558,088	105,974
Increase (decrease) in net assets	2,323,413	(2,384,183)
Net assets, beginning of year	41,400,073	43,784,256
Net assets, end of year	\$ 43,723,486	\$ 41,400,073

Pasadena Humane

Statements of Changes in Net Assets

For the years ended December 31, 2023 and 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, January 1, 2022	\$ 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
Change in net assets	765,325	1,558,088	2,323,413
Balance, December 31, 2023	\$ 41,722,602	\$ 2,000,884	\$ 43,723,486

Pasadena Humane

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 2,323,413	\$ (2,384,183)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	991,430	1,021,219
Losses on disposal of assets	-	8,249
Gain on sale of investments	(305,599)	(327,412)
Noncash lease expenses, net	134,207	6,494
Paycheck protection loan income	-	(1,630,870)
Unrealized (gain) loss on investments	(2,151,859)	3,993,842
Increase (decrease) in cash and cash equivalents attributable to changes in operating assets and liabilities		
Accounts receivable	35,081	36,345
Contributions receivable	(50,000)	1,000,000
Inventory	7,569	31,549
Prepaid expenses and other current assets	(45,167)	20,839
Other assets	-	40,958
Accounts payable	72,426	(78,702)
Accrued expenses	(8,077)	119,721
Total adjustments	(1,319,989)	4,242,232
Net cash provided by (used in) operating activities	1,003,424	1,858,049
Cash flows from investing activities:		
Purchases of property and equipment	(758,263)	(523,059)
Purchases of investment	(3,290,645)	(3,649,452)
Net proceeds from sale of investments	3,010,635	3,599,886
Net cash provided by (used in) investing activities	(1,038,273)	(572,625)
Cash flows from financing activities:		
Proceeds from line of credit	500,000	-
Payments on line of credit	(500,000)	-
Payments on finance lease obligation	(125,187)	(76,024)
Net cash provided by (used in) financing activities	(125,187)	(76,024)
Net increase in cash and cash equivalents	(160,036)	1,209,400

Pasadena Humane

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

	2023	2022
Cash and cash equivalents, beginning of year	\$ 4,855,159	\$ 3,645,759
Cash and cash equivalents, end of year	\$ 4,695,123	\$ 4,855,159
Supplemental disclosure of cash flows information:		
Cash paid for interest	\$ 9,545	\$ -
Noncash investing and financing activities:		
Property and equipment acquired through finance lease	\$ -	\$ 138,475

Statements of Functional Expenses

For the years ended December 31, 2023 and 2022

	Program	Management and General	Fund Raising	2023 Total	2022 Total**
Operating Fund					
Staff Expenses					
Wages	\$ 7,898,995	\$ 485,911	\$ 733,295	9,118,201	7,548,849
Bonus	62,401	2,720	4,014	69,135	167,250
Insurance, Benefits	751,524	42,542	87,326	881,392	789,603
Insurance, Work Comp	289,977	113,569	17,904	421,450	323,918
Payroll Tax	621,315	36,342	54,495	712,152	601,606
403(b) Expense	445,435	29,772	42,851	518,058	451,982
Training	49,707	6,381	2,615	58,703	51,530
Parking	57,079	16,811	7,705	81,595	84,587
Temporary Help	7,131	117	4,405	11,653	12,494
Employee Related Expense	16,021	4,520	1,104	21,645	37,368
Total Staff Expenses	10,199,585	738,685	955,714	11,893,984	10,069,187
Facilities Expenses					
Depreciation & Amortization	833,359	145,951	38,496	1,017,806	1,021,219
Repairs & Maintenance	616,543	149,438	79,003	844,984	507,048
Utilities	235,915	57,603	30,436	323,954	150,075
Maintenance	142,283	1,831	206	144,320	262,520
Computer Hardware & Software	115,215	58,940	7,705	181,860	112,402
Telephone	94,020	25,397	5,779	125,196	119,267
Total Facilities Expenses	2,037,335	439,160	161,625	2,638,120	2,172,531
Other Operating Expenses					
Advertising	83,218	3,467	-	86,685	91,624
Donor cultivation	-	203	20,083	20,286	19,961
Dues & Subscriptions	13,814	3,834	2,489	20,137	15,753
Employee Enrichment	43,157	9,844	2,193	55,194	55,170
Event Expenses	45	1,857	183,799	185,701	136,030
Helping Paws Services	62,937	-	-	62,937	85,080
Insurance	175,461	51,158	23,446	250,065	214,301
Interest & bank charges	112,729	18,298	4,722	135,749	105,543
Lease Expense	16,172	8,324	1,087	25,583	28,603
Legal & Audit	52,249	11,993	23,168	87,410	93,094

** With summarized financial information for the year ended December 31, 2022

Statements of Functional Expenses

For the years ended December 31, 2023 and 2022

	Program	Management and General	Fund Raising	2023 Total	2022 Total**
Meeting	31,114	8,245	3,673	43,032	38,926
Miscellaneous	49,388	12,827	8,078	70,293	82,305
Outside Services	252,532	9,020	1,683	263,235	193,254
Postage & Shipping	12,453	3,075	109,542	125,070	116,717
Printing	13,502	6,158	552,568	572,228	217,444
Public Relations	18,348	286	398	19,032	12,522
Rose Parade	109,566	4,565	-	114,131	
Supplies	282,360	15,946	5,480	303,786	183,943
Taxes & Licenses	24,740	4,692	2,252	31,684	32,391
Travel	37,677	1,415	7,979	47,071	17,473
Uniforms	40,497	4,415	811	45,723	49,234
Vet Health	403,739	4,078	-	407,817	320,836
Total Other Operating Expenses	1,835,698	183,700	953,451	2,972,849	2,110,204
Gifts in kind		2,177	215,548	217,725	321,295
Total Operating Fund Expenses	\$ 14,072,618	\$ 1,363,722	\$ 2,286,338	\$ 17,722,678	\$ 14,673,217
Investment Fund					
Investment advisory and trustee fees	-	131,294	-	131,294	135,045
Miscellaneous	-	6,756	-	6,756	7,983
Total Investment Fund	-	138,050	-	138,050	143,028
Capital Campaign Fund					
Miscellaneous	-	-	-	-	-
Total Capital Campaign Fund Expenses	-	-	-	-	-
Steve McNall Heart Fund					
Miscellaneous	-	-	-	-	-
Total Capital Campaign Fund Expenses	-	-	-	-	-
Total Expenses	\$ 14,072,618	\$ 1,501,772	\$ 2,286,338	\$ 17,860,728	\$ 14,816,245

** With summarized financial information for the year ended December 31, 2022

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 15, 2024, 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, 2023 and 2022. 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.

NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions receivable (continued)

Contributions receivable were \$50,000 at December 31, 2023 and no allowance for doubtful accounts is deemed necessary. There were no contributions receivable at December 31, 2022.

Allowance for credit losses

The Society determines whether an allowance should be provided for program service fees receivable. The Society adopted measurement of credit losses on financial instruments in 2023 and the measurement is based on management's assessment of the aged basis of its accounts, current economic conditions, subsequent receipts and historical information (See "Recently adopted accounting pronouncements"). Accounts receivable are written off against the allowance for credit losses when all reasonable collection efforts have been exhausted. As of December 31, 2023 and 2022, there was no allowance for credit losses considered necessary and no write offs occurred during either of the years then ended.

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.

NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

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.

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, 2023 and 2022.

Advertising

The Society expenses advertising costs as they are incurred. Advertising costs were \$86,685 and \$91,624 for the years ended December 31, 2023 and 2022, 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.

NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation and amortization is recorded using the straight-line method over the following useful lives:

	Useful life
Building and improvements	39 Years
Furniture and fixtures	7 Years
Equipment	5 - 7 Years
Vehicles	5 Years
Software	3 Years

In-Kind contributions and donated services

Donated services, goods and facilities are recognized as contributions if the services, goods and facilities (a) create or enhance nonfinancial assets or (b) require specialized skills and are performed by people with those skills and would otherwise be purchased by the Society. The Society received services, goods and facilities that satisfied both conditions in the amount of \$217,725 and 321,295 for the years ended December 31, 2023 and 2022, respectively, and is included in the accompanying statement of functional expenses.

Non-monetary exchange

The Society engaged in a GAAP basis nonmonetary exchange with a lessee during the year ended December 31, 2023. In exchange for forgiveness on the lessee's remaining rent, the Society received fixed assets of approximately the same value.

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 \$4,874 and \$4,915 for the years ended December 31, 2023 and 2022, 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.

NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (continued)

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.

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.

NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (continued)

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.

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. The Society considers that all restricted donations under \$5,000 to be automatically used for their respective purposes.

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, 2023, 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.

NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal and state income taxes (continued)

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. Effective December 31, 2023, the Society determined that the remaining fund balances should be closed out to the Operating Fund.

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. Effective December 31, 2023, the Society determined that any restrictions on remaining fund balances have lapsed and the balance of the fund should be closed out to the Operating Fund.
- 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. Effective December 31, 2023, the Society determined that any restrictions on remaining fund balances have lapsed and the balance of the fund should be closed out to the Operating Fund.
- 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. Effective December 31, 2023, the Society determined that any restrictions on remaining fund balances have lapsed and the balance of the fund should be closed out to the Operating Fund.

NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of funds (continued)

- The G Fund, established by an anonymous donor to fund specific projects designated by the donor. Effective December 31, 2023, the Society determined that any restrictions on remaining fund balances have lapsed and the balance of the fund should be closed out to the Operating Fund.
- The POOCH Fund, established to fund a local animal park. Effective December 31, 2023, the Society determined that any restrictions on remaining fund balances have lapsed and the balance of the fund should be closed out to the Operating Fund.
- 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. Effective December 31, 2023, the Society determined that any restrictions on remaining fund balances have lapsed and the balance of the fund should be closed out to the Operating Fund.
- The Neely Fund, established to fund the cattery construction project and the interactive cat toy project. Effective December 31, 2023, the Society determined that any restrictions on remaining fund balances have lapsed and the balance of the fund should be closed out to the Operating Fund.
- 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 ("FASB") issued Accounting Standards Update ("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. 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.

NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent accounting pronouncements (continued)

In March 2022, FASB issued ASU No. 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The Society adopted this standard for the year ended December 31, 2023. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology.

CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts. Financial assets held by the Society that are subject to the guidance in ASU 2016-03 include program service fees receivable. See “Allowance for credit losses” note above.

Subsequent Events

Management has evaluated subsequent events and updated its statements through October 15, 2024, 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.

	2023	2022
	<hr/>	<hr/>
Net assets, end of year	\$ 43,723,486	\$ 41,400,073
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions	(2,000,884)	(442,796)
Board Designated: Investment Fund	(18,714,371)	(15,942,675)
Board Designated: Capital Campaign Fund	-	-
Board Designated: Steve McNall Heart Fund	-	(10,350)
	<hr/>	<hr/>
Financial assets available to meet cash needs for general expenditures within one year	\$ 23,008,231	\$ 25,004,252
	<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, 2023 and 2022:

	2023	2022
Petty cash	\$ 2,500	\$ 2,500
Operating	818,104	4,203,772
Clearing account	2,093,354	2,713
Credit cards	83,019	13,881
Subtotal	2,996,977	4,222,866
Falk Foundation Fund	-	-
Harris Trust Fund	-	-
Neely Fund	-	-
Investment Fund	1,698,146	632,293
Total cash and cash equivalents	\$ 4,695,123	\$ 4,855,159

Cash and cash equivalents listed above totaling \$2,996,977 and \$4,222,866 as of December 31, 2023 and 2022, 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:

	2023	2022
Operating Fund	\$ 2,976,865	\$ 3,907,335
Falk Foundation Fund	-	3,007
Harris Trust Fund	-	153,215
Neely Fund	-	25,397
Glide Wildlife Fund	-	54,159
The G Fund	-	108,237
Pooch Fund	-	1,029
HART Fund	-	(39,863)
Steve McNall Heart Fund	-	10,350
	\$ 2,976,865	\$ 4,222,866

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, 2023 and 2022:

	2023	2022
Falk Foundation Fund	\$ -	\$ 3,007
Harris Trust Fund	-	153,215
Glide Wildlife Fund	-	54,159
The G Fund	-	108,237
Pooch Fund	-	1,029
HART Fund	-	(39,863)
Neely Fund	-	25,397
Operating Fund	990,386	137,615
	<u>\$ 990,386</u>	<u>\$ 442,796</u>

CONTRIBUTIONS RECEIVABLE

There were no contributions receivable at December 31, 2022. Contributions receivable consist of the following at December 31, 2023:

	2023	2022
Operating Fund	\$ 50,000	\$ -
Less: Discount	-	-
Total contribution receivable, net	<u>\$ 50,000</u>	<u>\$ -</u>

Future contributions receivable consist of the following at December 31, 2023:

	2023	2022
Amounts due in less than one year	\$ 50,000	\$ -
Amounts due in one to five years	-	-
	<u>\$ 50,000</u>	<u>\$ -</u>

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).

INVESTMENTS (CONTINUED)

The following is a summary of investments at December 31, 2023:

	Adjusted Cost	Fair Value
U.S. Obligations	\$ 1,558,998	\$ 1,483,035
Equities	8,116,083	11,268,898
Mutual Funds	5,637,837	5,254,676
	\$ 15,312,918	\$ 18,006,609

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 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, 2023 and 2022.

Management has not established the fair value of the parcels.

The following is a summary of return on investments at December 31, 2023 and 2022:

	2023	2022
Interest and Dividends	\$ 452,288	\$ 368,927
Net Realized Gains	305,599	327,412
Unrealized Gains (Losses)	2,151,859	(3,993,842)
	\$ 2,909,746	\$ (3,297,503)

Investment fees expense was \$138,050 and \$143,028 for the years ended December 31, 2023 and 2022, respectively, which is included in investment advisory and trustee fees on the accompanying statement of functional expenses.

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, 2023:

	Level 1	Level 2	Level 3	Total
Investments in fixed income at fair value (included in investments)	\$ 1,483,035	\$ -	\$ -	\$ 1,483,035
Investments in equities at fair value (included in investments)	11,268,898	-	-	11,268,898
Investments in mutual funds at fair value (included in investments)	5,254,676	-	-	5,254,676
	-	-	2	2
Total nonliquid investments	18,006,609	-	2	18,006,611
Plus: investments in money market at fair value (included in cash and cash equivalents)	1,057,399	-	-	1,057,399
	\$ 19,064,008	\$ -	\$ 2	\$ 19,064,010

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FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents information about the Society's assets measured at fair value as of December 31, 2022

	Level 1	Level 2	Level 3	Total
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
	<u>\$ 15,269,141</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 15,269,143</u>
Investments in money market at fair value (included in cash and cash equivalents)	22,316	-	-	22,316
	<u>\$ 15,291,457</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 15,291,459</u>

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Pasadena Humane
Notes to Financial Statements

PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2023:

	Operating Fund	Falk Foundation Fund	Total
Land	\$ 3,487,138	\$ -	\$ 3,487,138
Buildings	25,224,325	-	25,224,325
Building improvements	1,969,851	-	1,969,851
Furniture and fixtures	1,508,337	-	1,508,337
Equipment	1,844,226	-	1,844,226
Vehicles	1,068,453	-	1,068,453
Software	10,436	-	10,436
	<u>35,112,766</u>	<u>-</u>	<u>35,112,766</u>
Less: Accumulated depreciation and amortization	13,158,557	-	13,158,557
	<u>\$ 21,954,209</u>	<u>\$ -</u>	<u>\$ 21,954,209</u>

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>

Depreciation and amortization expense was \$1,017,806 and \$1,021,219 for the years ended December 31, 2023 and 2022, respectively.

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 \$518,058 and \$451,982 to the Retirement Plan for the years ended December 31, 2023 and 2022, 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.

LINE OF CREDIT

In April 2021, the Society entered into a line of credit agreement with a maximum amount of \$2 million. Advances on the line of credit bear interest at the London Interbank Offer Rate ("LIBOR") plus a spread of 1.5%. The Society incurred interest at rates between 6.90% and 6.89% for the year ended December 31, 2023, amounting to interest expense of \$7,656. The Society had no borrowings during the year ended December 31, 2022, and as a result incurred no interest. The line of credit balance was \$0 at December 31, 2023 and 2022.

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.

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.

LEASES (CONTINUED)

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, 2023:

	<u>2023</u>	<u>2022</u>
Assets		
Current		
Finance lease assets	\$ 26,376	\$ 26,376
Total current assets	26,376	26,376
Non-current assets:		
Finance lease assets	65,941	92,317
Total non-current assets	65,941	92,317
Total lease assets	<u>\$ 92,317</u>	<u>\$ 118,693</u>
Liabilities		
Current liabilities:		
Finance	22,127	17,356
Total current lease liabilities	22,127	17,356
Long-term obligations:		
Finance	85,704	107,831
Total non-current lease liabilities	85,704	107,831
Total lease liabilities	<u>\$ 107,831</u>	<u>\$ 125,187</u>
	<u>2023</u>	<u>2022</u>
Weighted-average remaining lease term:		
Finance leases	3.5 years	4.5 years
Weighted-average discount rate:		
Finance leases	24.53%	24.53%

LEASES (CONTINUED)

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, 2023:

Fiscal Year	Finance Leases
2024	46,200
2025	46,200
2026	46,200
2027	23,100
Total lease payments	161,700
Less amount representing interest	53,869
Total lease liability	\$ 107,831

Interest expense was \$28,844 for the year ending December 31, 2023, respectively, which is included in interest expense on the accompanying statement of functional expenses.

SUBSEQUENT EVENTS

On April 19, 2024, the Society increased their line of credit to \$4,300,000. In 2024, the Society has drawn on the line of credit, which had a balance of \$1,300,000 as of the date of this report.

PASADENA HUMANE

Statement of Financial Position

Net Assets Without Donor Restrictions

December 31, 2023

	Operating Fund	Investment Fund	Capital Campaign Fund	Steve McNall Heart Fund	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,986,479	\$ 1,698,146	\$ -	\$ -	\$ 3,684,625
Investments	-	18,006,611	-	-	18,006,611
Accounts receivable	171,791	-	-	-	171,791
Contributions receivable	50,000	-	-	-	50,000
Inventory	38,422	-	-	-	38,422
Finance lease right of use asset, current portion	26,376	-	-	-	26,376
Prepaid expenses and other current assets	287,700	-	-	-	287,700
Total current assets	2,560,768	19,704,757	-	-	22,265,525
Long-Term assets:					
Finance lease right of use asset, net of current portion	65,941	-	-	-	65,941
Total long-term assets	65,941	-	-	-	65,941
Other assets:					
Property and equipment, net	21,954,209	-	-	-	21,954,209
Total assets	\$ 24,580,918	\$ 19,704,757	\$ -	\$ -	\$ 44,285,675

PASADENA HUMANE

Statement of Financial Position

Net Assets Without Donor Restrictions

December 31, 2023

	Operating Fund	Investment Fund	Capital Campaign Fund	Steve McNall Heart Fund	Total
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	\$ 645,664	\$ -	\$ -	\$ -	\$ 645,664
Accrued expenses	819,192	-	-	-	819,192
Interfund payable	-	990,386	-	-	990,386
Finance lease liability, current portion	22,127	-	-	-	22,127
Total current liabilities	1,486,983	990,386	-	-	2,477,369
Long-Term liabilities:					
Finance lease liability, net of current portion	85,704	-	-	-	85,704
Total long-term liabilities	85,704	-	-	-	85,704
Total liabilities	1,572,687	990,386	-	-	2,563,073
Net assets					
Without donor restrictions					
Operating	23,008,231	-	-	-	23,008,231
Investment Fund - Board Designated	-	18,714,371	-	-	18,714,371
Capital Campaign Fund	-	-	-	-	-
Steve McNall Heart Fund	-	-	-	-	-
Total net assets without donor restrictions	23,008,231	18,714,371	-	-	41,722,602
Total liabilities and net assets	\$ 24,580,918	\$ 19,704,757	\$ -	\$ -	\$ 44,285,675

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
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	<u>\$ 26,571,185</u>	<u>\$ 15,901,436</u>	<u>\$ -</u>	<u>\$ 10,350</u>	<u>\$ 42,482,971</u>

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
Capital lease, current	17,356	-	-	-	17,356
Total current liabilities	1,459,102	(41,239)	-	-	1,417,863
Long-Term liabilities:					
Capital lease, 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 Fund Activities

Net Assets Without Donor Restrictions

For the Year Ended December 31, 2023

	Operating Fund	Investment Fund	Capital Campaign Fund	Steve McNall Heart Fund	Total
Support and Revenue					
Contributions	\$ 2,687,876	\$ -	\$ -	\$ -	\$ 2,687,876
Bequests	4,925,579				4,925,579
Fundraising events	576,303				576,303
Net assets released from restriction	1,150,331	-	-	-	1,150,331
Gifts-in-kind	217,725	-	-	-	217,725
Contract income	4,290,727	-	-	-	4,290,727
Program and service fees	828,740	-	-	-	828,740
Animal control services	18,300	-	-	-	18,300
License fees	454,445	-	-	-	454,445
Impound fees	15,301	-	-	-	15,301
Store sales, net of discounts and cost of goods sold	59,381	-	-	-	59,381
Rental income	48,803	-	-	-	48,803
Interest and dividends	-	452,288	-	-	452,288
Total support and revenue	\$ 15,273,511	\$ 452,288	\$ -	\$ -	\$ 15,725,799

PASADENA HUMANE

Statement of Fund Activities

Net Assets Without Donor Restrictions

For the Year Ended December 31, 2023

	Operating Fund	Investment Fund	Capital Campaign Fund	Steve McNall Heart Fund	Total
Expenses:					
Program	14,072,618	-	-	-	14,072,618
Management and general	1,363,722	138,050	-	-	1,501,772
Fund raising	2,286,338	-	-	-	2,286,338
Total Expenses	17,722,678	138,050	-	-	17,860,728
Excess (deficiency) of support and revenue over expenses	(2,449,167)	314,238	-	-	(2,134,929)
Transfer from temporarily restricted	442,796	-	-	-	442,796
Interfund transfers	10,350	-	-	(10,350)	-
Gain on sale of investments	-	305,599	-	-	305,599
Unrealized gain on investments	-	2,151,859	-	-	2,151,859
Increase (Decrease) in net assets without donor restrictions	(1,996,021)	2,771,696	-	(10,350)	765,325
Net assets, beginning of year	25,004,252	15,942,675	-	10,350	40,957,277
Net assets, end of year	\$ 23,008,231	\$ 18,714,371	\$ -	\$ -	\$ 41,722,602

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
Gains on disposal of fixed assets	(8,249)	-	-	-	(8,249)
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
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 Financial Position
Net Assets With Donor Restrictions
December 31, 2023

	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	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,010,498	\$ 1,010,498
Interfund receivable	-	-	-	-	-	-	-	990,386	990,386
Total current assets	-	-	-	-	-	-	-	2,000,884	2,000,884
Property and equipment, net	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,000,884</u>	<u>\$ 2,000,884</u>
LIABILITIES AND NET ASSETS									
Liabilities:									
Due to unrestricted operating fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	-	-	-	-	-	-	-	-	-
Net assets									
With donor restrictions	-	-	-	-	-	-	-	2,000,884	2,000,884
Total liabilities and net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,000,884</u>	<u>\$ 2,000,884</u>

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	<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>\$ 137,615</u>	<u>\$ 442,796</u>
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	<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>\$ 137,615</u>	<u>\$ 442,796</u>

PASADENA HUMANE

Statement of Financial Position Net Assets With Donor Restrictions

December 31, 2023

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,013,600	\$ 3,013,600
Interest and dividends	-	-	-	-	-	-	-	-	-
Net assets released from restriction	-	-	-	-	-	-	-	(1,012,716)	(1,012,716)
Total support and revenue in excess (under) net assets released from restriction	-	-	-	-	-	-	-	2,000,884	2,000,884
Expenses:									
Program	-	-	-	-	-	-	-	-	-
Management and general	-	-	-	-	-	-	-	-	-
Fund raising	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of support and revenue over expenses	-	-	-	-	-	-	-	2,000,884	2,000,884
Transfer to net assets without donor restrictions	(3,007)	(153,215)	(54,159)	(108,237)	(1,029)	39,863	(25,397)	(137,615)	(442,796)
Increase (Decrease) in net assets	(3,007)	(153,215)	(54,159)	(108,237)	(1,029)	39,863	(25,397)	1,863,269	1,558,088
Net assets, beginning of year	3,007	153,215	54,159	108,237	1,029	(39,863)	25,397	137,615	442,796
Net assets, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,884	\$ 2,000,884

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
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