

PASADENA HUMANE

FINANCIAL STATEMENTS

DECEMBER 31, 2024

PASADENA HUMANE

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Pasadena Humane

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pasadena Humane, which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year 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 Pasadena Humane as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. 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 Pasadena Humane and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 these 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 Pasadena Humane's ability to continue as a going concern for one year after the date that the financial statements are available to be 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 auditors' 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 U.S. 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 controls. 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 U.S. 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 Pasadena Humane's internal controls. 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 Pasadena Humane'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.

EisnerAmper LLP

EISNERAMPER LLP
La Jolla, California
September 30, 2025



PASADENA HUMANE

Statement of Financial Position December 31, 2024

ASSETS

Current assets:

Cash and cash equivalents	\$ 2,232,737
Restricted cash	1,086,367
Investments	18,213,667
Accounts receivable	393,543
Prepaid expenses	322,384
Other assets	52,974

Total current assets	<u>22,301,672</u>
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Noncurrent assets:

Finance lease right-of-use assets	63,744
Property and equipment, net	<u>21,535,578</u>

Total noncurrent assets	<u>21,599,322</u>
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Total assets	<u><u>\$ 43,900,994</u></u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable and accrued expenses	\$ 662,950
Accrued payroll	838,575
Current portion of finance lease liabilities	46,200
Line of credit	<u>800,000</u>

Total current liabilities	<u>2,347,725</u>
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Finance lease liabilities, less current portion	<u>37,407</u>
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Total liabilities	<u>2,385,132</u>
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Net assets:

Without donor restrictions	40,429,495
With donor restrictions	<u>1,086,367</u>

Total net assets	<u>41,515,862</u>
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Total liabilities and net assets	<u><u>\$ 43,900,994</u></u>
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PASADENA HUMANE

Statement of Activities Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions and bequests	\$ 6,928,781	\$ 928,342	\$ 7,857,123
Program service revenue	6,025,807	-	6,025,807
Donations in-kind	272,037	-	272,037
Special events, net of direct benefits to donors of \$181,615	444,712	-	444,712
Investment income, net	2,439,764	-	2,439,764
Net assets released from restrictions	1,842,859	(1,842,859)	-
	<u>17,953,960</u>	<u>(914,517)</u>	<u>17,039,443</u>
Expenses:			
Program services:			
Animal care and control	12,840,481	-	12,840,481
Other community programs	2,861,625	-	2,861,625
	<u>15,702,106</u>	<u>-</u>	<u>15,702,106</u>
Supporting services:			
Management	1,556,313	-	1,556,313
Fundraising	1,988,648	-	1,988,648
	<u>3,544,961</u>	<u>-</u>	<u>3,544,961</u>
	<u>19,247,067</u>	<u>-</u>	<u>19,247,067</u>
Change in net assets	<u>(1,293,107)</u>	<u>(914,517)</u>	<u>(2,207,624)</u>
Net assets, beginning of year	41,722,602	2,000,884	43,723,486
Net assets, end of year	<u>\$ 40,429,495</u>	<u>\$ 1,086,367</u>	<u>\$ 41,515,862</u>

See notes to financial statements.

PASADENA HUMANE

Statement of Functional Expenses Year Ended December 31, 2024

	Program Services			Supporting Services		
	Animal Care and Control	Other Community Programs	Total Program Services	Management	Fundraising	Total
Staff	\$ 8,882,055	\$ 1,778,484	\$ 10,660,539	\$ 642,356	\$ 956,761	\$ 12,259,656
Insurance	1,216,005	250,126	1,466,130	171,430	127,630	1,765,190
Facility and equipment	947,957	165,981	1,113,938	311,830	45,844	1,471,612
Depreciation	584,940	134,296	719,237	300,306	119,367	1,138,910
Veterinary services	566,216	179,795	746,011	8,823	-	754,834
Outside services	115,129	134,330	249,459	37,648	407,341	694,448
Supplies	258,239	47,408	305,647	8,657	272,073	586,377
Other	140,206	32,108	172,314	62,520	59,380	294,214
Events	42,246	51,609	93,855	5,452	181,867	281,174
Marketing	87,488	87,488	174,976	7,291	-	182,267
Total expenses	12,840,481	2,861,625	15,702,106	1,556,313	2,170,263	19,428,682
Less: direct benefit to donors	-	-	-	-	(181,615)	(181,615)
Total expenses per statement of activities	<u>\$ 12,840,481</u>	<u>\$ 2,861,625</u>	<u>\$ 15,702,106</u>	<u>\$ 1,556,313</u>	<u>\$ 1,988,648</u>	<u>\$ 19,247,067</u>

See notes to financial statements.

PASADENA HUMANE

Statement of Cash Flows Year Ended December 31, 2024

Cash flows from operating activities:

Change in net assets	\$ (2,207,624)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	1,138,910
Amortization of finance lease right-of-use assets	28,573
Net realized gains on investments	(968,379)
Net unrealized gains on investments	(1,115,755)
(Increase) decrease in:	
Accounts receivable	(159,758)
Prepaid expenses	(47,010)
Other assets	(14,552)
(Decrease) increase in:	
Accounts payable and accrued expenses	(135,245)
Accrued payroll	172,246
Net cash used in operating activities	(3,308,594)

Cash flows from investing activities:

Proceeds from sales of investments	10,800,543
Purchases of investments	(8,923,465)
Acquisition of property and equipment	(720,279)
Net cash provided by investing activities	1,156,799

Cash flows from financing activities:

Draws on line of credit	1,300,000
Repayments on line of credit	(500,000)
Repayments of finance lease liabilities	(24,224)
Net cash provided by financing activities	775,776

Net change in cash, cash equivalents and restricted cash

Cash, cash equivalents and restricted cash, beginning of year	(1,376,019)
	4,695,123

Cash, cash equivalents and restricted cash, end of year

\$ 3,319,104

Supplemental disclosure of cash flow information:

Cash paid for interest	\$ 90,313
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PASADENA HUMANE

Notes to Financial Statements December 31, 2024

NOTE A - DESCRIPTION OF THE SOCIETY AND NATURE OF OPERATIONS

Society:

Pasadena Humane (the "Society") is a nonprofit organization incorporated in California in 1903. The Society promotes the humane treatment of all animals, enforces California and local laws for the prevention of cruelty to animals and seeks to install 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 the County of Los Angeles.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Basis of accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations.

[2] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

[3] Cash and cash equivalents:

Cash and cash equivalents consists of short-term, highly liquid investments with original maturities of three months or less at the date of acquisition. The carrying value of cash approximates fair value because of the short maturities of those financial instruments. Restricted cash on the statement of financial position represents cash received with donor-imposed restrictions of \$1,086,367 as of December 31, 2024.

[4] Accounts receivable:

Accounts receivable are stated at the amount the Society expects to collect from outstanding balances. Management determines the allowance for credit losses for financial assets carried at amortized cost to present the net amount expected to arise over the life of the asset (contractual term) by reviewing the individual accounts considering aging, financial condition of the debtor, recent payment history, current and forecasted economic conditions, and other relevant factors.

The Society writes off receivables when there is information available that there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized as income or an offset to credit losses in the year of recovery, in accordance with the Society's accounting policy elections. No allowance for current expected credit losses is recorded at December 31, 2024 as all amounts were collected after year end. The Society did not record any bad debt expense for the year ended December 31, 2024.

[5] Prepaid expenses:

Prepaid expenses consist of expenses paid in advance of services. Expenses are recognized when the future economic benefit is realized.

PASADENA HUMANE

**Notes to Financial Statements
December 31, 2024**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[6] Leases:

The Society determines if an arrangement is a lease at inception.

Finance leases are recorded as finance lease right-of-use (“ROU”) assets and finance lease liabilities on the accompanying statement of financial position. Finance lease ROU assets and the related lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The finance lease ROU assets are amortized on a straight-line basis over the lease term, with the related interest expense of the lease liability payment recognized over the lease term using the effective interest method.

The Society had no operating leases as of December 31, 2024.

[7] Investments:

The Society records its equity securities, mutual funds, and bonds at fair value. Investments acquired by gift are recorded at their fair value on the date of gift. The fair value of investments in securities traded on national security exchanges is based on the closing price on the last business day of the calendar year. Bonds are valued using pricing models that consider observable market inputs such as benchmark yields, reported trades, broker/dealer quotes, and other market data.

Investment transactions are recorded on a trade-date basis. Dividend income is recorded as of the ex-dividend date and interest income is recorded as earned using the accrual basis. Net investment income includes realized and unrealized gains and losses on investments held or sold during the year. Realized gains or losses on the sale of share or unit-based investments are calculated using the specific-identification method. Unrealized gains and losses represent the change in the fair value of the individual investments for the year, or since the acquisition date if acquired during the year and are recorded as a component of net assets without donor restrictions.

[8] Property and equipment:

Property and equipment are recorded at cost on the date of purchase, or fair value on the date of gift. The Society’s policy is to capitalize assets with a useful life of greater than one year and a value of at least \$5,000. Non-leasehold property and equipment are depreciated using the straight-line method over the estimated useful life of the related asset. Estimated useful lives assigned to the Society’s assets are as follows:

Description	Useful Life
Buildings	39 years
Building improvements	39 years
Furniture and fixtures	7 years
Equipment	5 to 7 years
Vehicles	5 years

The Society reviews its property and equipment for impairment when events or changes in business circumstances indicate the carrying amount of the assets may not be fully recoverable or that the useful lives of the assets are no longer appropriate. No impairment was recognized for 2024.

PASADENA HUMANE

Notes to Financial Statements December 31, 2024

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[9] Net assets:

The Society reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

(i) *Net assets without donor restrictions:*

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Society. These net assets may be used at the discretion of the Society's management and the Board of Directors.

(ii) *Net assets with donor restrictions:*

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Society or by the passage of time. As of December 31, 2024, the Society had net assets with donor restrictions of \$1,086,367, which represents cash with donor-imposed restrictions.

[10] Revenue recognition:

(i) *Contributions and bequests:*

The Society receives support from individual donors as well as from corporate and private foundations. Contributions to the Society are recognized as revenue upon the receipt of either cash or other assets, or of unconditional pledges. Contributions received and promises to give are recorded as net assets with or without donor restrictions depending upon the existence and/or nature of any donor restrictions. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. During the year ended December 31, 2024, \$1,601,359 in net assets were released from restrictions as the Society fulfilled the purpose restriction related to the contributions received.

(ii) *Program service revenue:*

Program services revenue is recognized in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606, *Revenue Recognition*, as follows:

Contract services income: The Society enters into contracts with various cities and counties to provide animal control, licensing, and other related community services. These contracts generally require the Society to provide services on a continual basis over the term of the twelve-month agreement. The Society's performance obligation is to provide the contracted services on an ongoing basis. Because the services provided are substantially the same month to month and the customer benefits from the services as they are performed, revenue is recognized over time as the performance obligation is satisfied.

The transaction price for these contracts is a fixed monthly fee, and the Society has elected to apply the "right to invoice" practical expedient in ASC 606-10-55-18. Under this expedient, the Society recognizes revenue in the amount it has the right to invoice each month, as this corresponds directly to the value of the Society's performance completed to date.

There are no contract assets or liabilities as of December 31, 2024.

PASADENA HUMANE

Notes to Financial Statements December 31, 2024

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[10] Revenue recognition: (continued)

(ii) *Program service revenue: (continued)*

Adoptions, animal care, and veterinary health clinic services income: The Society generates revenue from fees charged for adoptions, animal care services and veterinary health clinic services. Each of these arrangements involves a single performance obligation, which is to provide the specified service to the customer. The transaction price for these services is generally based on a published fee schedule or contractually agreed upon amounts. Revenue is recognized at the point in time when the service is rendered, as is when the performance obligation is satisfied and the customer obtains the benefit of the service. Payment is received at the time of the service.

Other income: Other income consists of cash receipts related to various other minor activities, which are individually not material to the Society's primary programs or fundraising activities and are recognized when received, which is when control of the goods or services have transferred to the customer and the performance obligations are satisfied.

(iii) *Donations in-kind:*

Donations in-kind consist primarily of items contributed for use in fundraising auctions and supplies to support program and administrative activities. These contributions are recorded at their estimated fair value at the date of donation. Auction items are valued based on estimated retail value provided by the donor or determine by the Society based on market data for similar items. Donated supplies are valued based on estimated replacement cost or current market prices for comparable goods. Donations in-kind are recorded as income in the statement of activities and totaled \$272,037 for the year ended December 31, 2024.

[11] Income taxes:

The Society is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and corresponding sections of the California Revenue and Taxation Code, except for taxes on net unrelated business income.

In accordance with FASB ASC 740, *Accounting for Uncertainty in Income Taxes*, the Society evaluates annually any uncertain tax positions taken or expected to be taken in a tax return by applying a threshold of more likely than not for recognition. Management evaluated its tax positions and determined that it has no uncertain tax positions at December 31, 2024. There have been no related tax penalties or interest, which would be classified as tax expense in the statement of activities.

PASADENA HUMANE

Notes to Financial Statements December 31, 2024

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[12] Functional expenses:

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program and supporting services benefited based on estimates of management. The expenses that are allocated and their method of allocation include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Staff	Time and effort
Insurance	Use of expense and time and effort
Facility and equipment	Use of expense and time and effort
Depreciation	Use of expense and time and effort
Veterinary services	Use of expense
Outside services	Use of expense and time and effort
Supplies	Use of expense
Other	Use of expense and time and effort
Events	Use of expense
Marketing	Use of expense

NOTE C - AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

The following represents the Society's financial assets:

Financial assets at year-end:	
Cash and cash equivalents	\$ 2,232,737
Restricted cash	1,086,367
Accounts receivable	393,543
Investments	18,213,667
Total financial assets available within one year	21,926,314
Less: amounts not available to be used within one year:	
Restricted cash	1,086,367
Financial assets available to meet general expenditures over the next twelve months	\$ 20,839,947

As a part of the Society's liquidity management, the Society maintains cash and investment balances without donor restrictions which account for 46.57% of total assets as of December 31, 2024 as well as a line of credit with funds eligible to withdraw to help manage unanticipated liquidity needs (see Note H).

PASADENA HUMANE

Notes to Financial Statements December 31, 2024

NOTE D - INVESTMENTS AND NET INVESTMENT INCOME

The Society's investments consisted of the following as of December 31, 2024:

	<u>Cost Basis</u>	<u>Fair Value</u>
Equities	\$ 8,119,913	\$ 11,775,450
Mutual funds	2,439,532	2,718,640
Government bonds	1,320,697	1,284,700
Corporate bonds	1,892,417	1,871,357
Municipal bonds	587,576	563,520
	<u> </u>	<u> </u>
Total investments	<u>\$ 14,360,135</u>	<u>\$ 18,213,667</u>

The Society's net investment income consisted of the following for the year ended December 31, 2024:

Interest and dividends	\$ 497,844
Net realized gains	968,379
Net unrealized gains	1,115,755
Investment fees	<u>(142,214)</u>
Total investment income, net	<u>\$ 2,439,764</u>

NOTE E - FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurement*, defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The provisions of FASB ASC 820 establish a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs by requiring that observable inputs be used when available. The three-level hierarchy for fair value measurements is defined as follows:

- Level 1: Quoted prices for identical assets or liabilities in active markets as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data. May include quoted prices in a market that is not active.
- Level 3: Unobservable inputs that cannot be corroborated by market data. These inputs reflect management's best estimate of fair value using its own assumptions about the assumptions a market participant would use in pricing the asset or liability.

The Society endeavors to utilize the best available information in measuring fair value. Investments are reported at fair value and assigned a hierarchy based on the inputs to valuation techniques used to measure fair value. The Society measures fair value at the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Equities and mutual funds that trade on an active exchange are valued using quoted market prices and are classified within Level 1.

PASADENA HUMANE

Notes to Financial Statements December 31, 2024

NOTE E - FAIR VALUE MEASUREMENTS (CONTINUED)

Corporate, government, and municipal bonds are classified as Level 2 within the fair value hierarchy. These are valued using pricing models that consider observable market inputs such as benchmark yields, reported trades, broker/dealer quotes, and other market data.

The following table summarizes the Society's assets carried at fair value within the fair value hierarchy as of December 31, 2024:

Description	Unadjusted Quoted Prices Level 1	Other Observable Inputs Level 2	Unobservable Inputs Level 3	Balance as of December 31, 2024
Equities	\$ 11,775,450	\$ -	\$ -	\$ 11,775,450
Mutual funds	2,718,640	-	-	2,718,640
Government bonds	1,284,700	-	-	1,284,700
Corporate bonds	-	1,871,357	-	1,871,357
Municipal bonds	-	563,520	-	563,520
Total	<u>\$ 15,778,790</u>	<u>\$ 2,434,877</u>	<u>\$ -</u>	<u>\$ 18,213,667</u>

NOTE F - PROPERTY AND EQUIPMENT

The Society's property and equipment, net of accumulated depreciation, consists of the following:

Land	\$ 3,487,138
Buildings	26,617,390
Building improvements	982,360
Furniture and fixtures	1,594,185
Equipment	1,929,965
Vehicles	1,195,631
	<u>35,806,669</u>
Less: accumulated depreciation	<u>(14,271,091)</u>
Total property and equipment, net	<u>\$ 21,535,578</u>

Depreciation expense was \$1,138,910 for the year ended December 31, 2024.

PASADENA HUMANE

Notes to Financial Statements December 31, 2024

NOTE G - LEASE COMMITMENTS

[1] Finance leases:

The Society leases several pieces of office equipment which are classified as finance leases. The leases mature in June 2027.

The components of finance lease expense for the year ended December 31, 2024 are as follows.

Finance lease costs:	
Amortization of ROU assets	\$ 28,573
Interest on lease liabilities	<u>17,627</u>
	<u>\$ 46,200</u>

[2] Additional disclosures:

Financing cash flows paid on the finance leases totaled \$46,200 for the year ended December 31, 2024.

The weighted average remaining lease terms in years and discount rate as of December 31, 2024 are 2.42 years and 24.53%, respectively.

The approximate future minimum payments on the finance lease liabilities as of December 31, 2024 are as follows:

<u>Year Ending December 31,</u>	<u>Finance Leases</u>
2025	\$ 46,200
2026	46,200
2027	<u>19,250</u>
Total	111,650
Less: amount representing interest	<u>(28,043)</u>
Present value of minimum lease payments	83,607
Less: current portion of lease liabilities	<u>(46,200)</u>
Lease liabilities, net of current portion	<u>\$ 37,407</u>

NOTE H - LINE OF CREDIT

In April 2021, the Society entered into a line of credit agreement with a maximum amount of \$2,000,000 eligible for withdrawal. On April 19, 2024, the Society increased their line of credit to \$4,300,000. Advances on the line of credit bear interest at the London Interbank Offer Rate ("LIBOR") plus a spread of 1.5%. The line of credit is a demand note and can be called upon by the creditor for repayment at any time. Interest expense totaled \$66,140 for 2024. The line of credit outstanding balance was \$800,000 at December 31, 2024 and was repaid in 2025. The line of credit is collateralized by the investments held.

PASADENA HUMANE

Notes to Financial Statements December 31, 2024

NOTE I - NET ASSETS

Net assets with donor restrictions as of December 31, 2024 are as follows:

Animal care	\$ 917,897
Facilities	12,500
Community programs	<u>155,970</u>
Total net assets with donor restrictions	<u>\$ 1,086,367</u>

Net assets released from net assets with donor restrictions for the year ended December 31, 2024 are as follows:

Animal care	\$ 1,605,343
Facilities	29,630
Community programs	<u>207,886</u>
Total releases from net assets with donor restrictions	<u>\$ 1,842,859</u>

NOTE J - PROGRAM SERVICE REVENUE

Program service revenue is comprised of the following for the year ended December 31, 2024:

Contract services income	\$ 4,419,448
Adoptions, animal care, and veterinary health clinic services income	1,359,667
Other income	<u>246,692</u>
Total program service revenue	<u>\$ 6,025,807</u>

NOTE K - CONCENTRATIONS OF CREDIT RISK

The Society maintains cash balances at three financial institutions. Accounts at these institutions are secured by the Federal Deposit Insurance Corporation ("FDIC") and the Securities Investor Protector Corporation ("SIPC") up to \$250,000. At various times, there were balances in these institutions that were in excess of the FDIC limit. At December 31, 2024, the Society had uninsured cash balances of \$1,145,681. The Society has historically not experienced any losses in such accounts.

Major Donors:

During the year ended December 31, 2024, 30% and 17% of contract income was derived from two separate agreements, respectively. Each of these two contracts have renewal options exercised annually. One donor contributed 17% of total contributions and bequests revenue.

PASADENA HUMANE

Notes to Financial Statements December 31, 2024

NOTE L - RETIREMENT PLAN

The Society offers full-time employees the opportunity to participate in a 403(b) retirement plan (the "Plan"). Employees are eligible upon hiring and may contribute to the Plan up to the maximum allowed by the Internal Revenue Code. The Society's contributions to the Plan, determined as matching contributions up to a specified percentage of the participant's contribution, were \$594,062 for the year ended December 31, 2024.

NOTE M - SUBSEQUENT EVENTS

The Society evaluated subsequent events through September 30, 2025, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure in the financial statements, other than those described below.

The Society repaid the amount owed on its line of credit in January 2025 (see Note H).

On January 8, 2025, the Eaton Fire devastated Altadena, California — one of the Society's contract communities — destroying over 9,000 homes. In response, the Society mobilized quickly, providing emergency boarding for hundreds of displaced pets, medical care for injured animals and wildlife, leading search and rescue efforts, and distributing essential supplies to help families keep their pets. To support these efforts, the Society issued an urgent call for donations to fund medical supplies, emergency resources, and lifesaving programs that enable the organization to respond swiftly to this and future crises and to ensure every animal receives the care they need for a happy ending. The community's response was extraordinary, and the support received will help sustain Pasadena Humane's lifesaving work going forward.