



Pasado's Safe Haven

Financial Statements
Years Ended June 30, 2020 and 2019

The report accompanying these financial statements was issued by

BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.



Pasado's Safe Haven

Financial Statements
Years Ended June 30, 2020 and 2019

Pasado's Safe Haven

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Independent Auditor's Report

To the Board of Directors
Pasado's Safe Haven
Monroe, Washington

Report on Financial Statements

We have audited the accompanying financial statements of Pasado's Safe Haven, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with accounting principles generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pasado's Safe Haven as of June 30, 2020, 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.

Report on Prior-Period Financial Statements

The financial statements of Pasado's Safe Haven as of and for the year ended June 30, 2019, were audited by Peterson Sullivan LLP ("PS"), whose partners and professional staff joined BDO USA, LLP as of November 1, 2019, and has subsequently ceased operations. PS expressed an unmodified opinion on those statements in their report dated November 4, 2019.

BDO USA, LLP

January 28, 2021

Financial Statements

Pasado's Safe Haven

Statements of Financial Position

<i>June 30,</i>	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,051,716	\$ 836,878
Investments	3,439,909	3,722,943
Contribution and other receivables	48,155	6,435
Inventory	65,256	58,525
Prepaid expenses	105,393	89,607
Total Current Assets	6,710,429	4,714,388
Investments - board-designated for long-term purposes	3,000,000	3,000,000
Receivables - capital campaign	1,355,466	1,343,021
Property and equipment, net	4,129,731	3,154,722
Total Assets	\$ 15,195,626	\$ 12,212,131
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 258,614	\$ 182,850
Accrued salaries and benefits	160,779	132,184
Total Current Liabilities	419,393	315,034
Payroll Protection Program Loan	389,600	-
Total Liabilities	808,993	315,034
Net Assets		
Without donor restrictions		
Undesignated	7,697,779	6,871,524
Board-designated reserve	3,000,000	3,000,000
Total without donor restrictions	10,697,779	9,871,524
With donor restrictions	3,688,854	2,025,573
Total Net Assets	14,386,633	11,897,097
Total Liabilities and Net Assets	\$ 15,195,626	\$ 12,212,131

See accompanying notes to financial statements.

Pasado's Safe Haven

Statements of Activities

Year Ended June 30,	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities						
Support and Revenue						
Contributions	\$ 1,311,580	\$ -	\$ 1,311,580	\$ 1,025,608	\$ -	\$ 1,025,608
Bequests	1,404,557	-	1,404,557	890,597	-	890,597
Special events	315,759	-	315,759	626,054	-	626,054
Grants	78,531	17,460	95,991	5,891	611,587	617,478
Investment income	240,414	-	240,414	361,170	-	361,170
Appeals	397,958	-	397,958	335,161	-	335,161
Program fees	178,061	-	178,061	208,372	-	208,372
Noncash contributions	131,852	-	131,852	144,653	-	144,653
Sales, net of cost of goods sold	30,075	-	30,075	30,075	-	30,075
Other income	13,411	-	13,411	-	-	-
Net assets released from restrictions	306,754	(306,754)	-	338,667	(338,667)	-
Total Support and Revenue	4,408,952	(289,294)	4,119,658	3,966,248	272,920	4,239,168
Expenses						
Program services	3,262,038	-	3,262,038	3,088,513	-	3,088,513
Management and general	291,975	-	291,975	345,233	-	345,233
Fundraising	28,684	-	28,684	30,010	-	30,010
Total Expenses	3,582,697	-	3,582,697	3,463,756	-	3,463,756
Change in Net Assets from Operations	826,255	(289,294)	536,961	502,492	272,920	775,412
Capital Campaign Activities						
Contributions - capital campaign	-	2,383,610	2,383,610	-	1,676,501	1,676,501
Expenses - capital campaign	(431,035)	-	(431,035)	(352,451)	-	(352,451)
Net assets released from restriction	431,035	(431,035)	-	352,451	(352,451)	-
Change in Net Assets from Capital Campaign Activities	-	1,952,575	1,952,575	-	1,324,050	1,324,050
Change in Net Assets	826,255	1,663,281	2,489,536	502,492	1,596,970	2,099,462
Net Assets, beginning of year	9,871,524	2,025,573	11,897,097	9,369,032	428,603	9,797,635
Net Assets, end of year	\$ 10,697,779	\$ 3,688,854	\$ 14,386,633	\$ 9,871,524	\$ 2,025,573	\$ 11,897,097

See accompanying notes to financial statements.

Pasado's Safe Haven

Statements of Functional Expenses

Year Ended June 30,	2020				2019			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries, payroll taxes, and benefits	\$1,986,899	\$ 137,631	\$ 150,770	\$2,275,300	\$ 1,775,967	\$ 173,187	\$ 146,115	\$ 2,095,269
Supplies	417,040	9,184	6,843	433,067	445,468	5,153	12,120	462,741
Fundraising and marketing	32,995	-	223,575	256,570	36,141	-	120,971	157,112
Depreciation	158,985	28,056	-	187,041	123,924	53,110	-	177,034
Professional fees	68,897	38,843	38,259	145,999	155,658	37,630	56,362	249,650
In-kind expenses	131,852	-	-	131,852	144,653	-	-	144,653
Contract services	101,447	-	-	101,447	126,653	-	-	126,653
Repairs and maintenance	71,495	2,275	2,390	76,160	65,797	1,338	3,281	70,416
Taxes, licenses, and fees	37,690	5,497	23,316	66,503	22,350	4,737	28,781	55,868
Advertising	59,792	-	3,520	63,312	52,088	-	4,550	56,638
Utilities	54,326	3,940	1,503	59,769	39,814	4,343	3,999	48,156
Other	53,915	2,126	3,069	59,110	8,949	489	2,551	11,989
Insurance	38,000	16,286	-	54,286	25,943	17,296	-	43,239
Investment expense	-	45,757	-	45,757	-	44,994	-	44,994
Travel	32,384	-	3,053	35,437	52,473	337	2,232	55,042
Rent	9,131	1,386	462	10,979	6,783	1,965	655	9,403
Training and education	6,416	-	-	6,416	2,959	294	299	3,552
Postage and shipping	774	994	2,959	4,727	2,893	360	545	3,798
Total Expenses	3,262,038	291,975	459,719	4,013,732	3,088,513	345,233	382,461	3,816,207
Capital Campaign Expenses	-	-	(431,035)	(431,035)	-	-	(352,451)	(352,451)
Total Functional Expenses on the Statement of Activities	\$3,262,038	\$ 291,975	\$ 28,684	\$3,582,697	\$ 3,088,513	\$ 345,233	\$ 30,010	\$ 3,463,756

See accompanying notes to financial statements.

Pasado's Safe Haven

Statements of Functional Expenses

Year Ended June 30,	2020				2019			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries, payroll taxes, and benefits	\$1,986,899	\$ 137,631	\$ 150,770	\$2,275,300	\$ 1,775,967	\$ 173,187	\$ 146,115	\$ 2,095,269
Supplies	417,040	9,184	6,843	433,067	445,468	5,153	12,120	462,741
Fundraising and marketing	32,995	-	223,575	256,570	36,141	-	120,971	157,112
Depreciation	158,985	28,056	-	187,041	123,924	53,110	-	177,034
Professional fees	68,897	38,843	38,259	145,999	155,658	37,630	56,362	249,650
In-kind expenses	131,852	-	-	131,852	144,653	-	-	144,653
Contract services	101,447	-	-	101,447	126,653	-	-	126,653
Repairs and maintenance	71,495	2,275	2,390	76,160	65,797	1,338	3,281	70,416
Taxes, licenses, and fees	37,690	5,497	23,316	66,503	22,350	4,737	28,781	55,868
Advertising	59,792	-	3,520	63,312	52,088	-	4,550	56,638
Utilities	54,326	3,940	1,503	59,769	39,814	4,343	3,999	48,156
Other	53,915	2,126	3,069	59,110	8,949	489	2,551	11,989
Insurance	38,000	16,286	-	54,286	25,943	17,296	-	43,239
Investment expense	-	45,757	-	45,757	-	44,994	-	44,994
Travel	32,384	-	3,053	35,437	52,473	337	2,232	55,042
Rent	9,131	1,386	462	10,979	6,783	1,965	655	9,403
Training and education	6,416	-	-	6,416	2,959	294	299	3,552
Postage and shipping	774	994	2,959	4,727	2,893	360	545	3,798
Total Expenses	3,262,038	291,975	459,719	4,013,732	3,088,513	345,233	382,461	3,816,207
Capital Campaign Expenses	-	-	(431,035)	(431,035)	-	-	(352,451)	(352,451)
Total functional expenses on the statement of activities	\$3,262,038	\$ 291,975	\$ 28,684	\$3,582,697	\$ 3,088,513	\$ 345,233	\$ 30,010	\$ 3,463,756

See accompanying notes to financial statements.

Pasado's Safe Haven

Statements of Cash Flows

Year Ended June 30,	2020	2019
Cash Flows from (for) Operating Activities		
Change in net assets	\$ 2,489,536	\$ 2,099,462
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Realized and unrealized gains on investments	(227,547)	(84,811)
Loss on disposal of fixed assets	18,220	-
Depreciation	187,041	177,034
Capital campaign contributions	(2,383,610)	(1,636,053)
Changes in operating assets and liabilities		
Receivables	(41,720)	420,125
Inventory	(6,731)	(10,351)
Prepaid expenses	(15,786)	(31,741)
Accounts payable	(69,312)	(68,607)
Accrued salaries and benefits	28,595	18,515
Net Cash Flows from (for) Operating Activities	(21,314)	883,573
Cash Flows for Investing Activities		
Sales (purchase) of investments, net	510,581	(827,990)
Purchase of property and equipment	(1,035,194)	(625,682)
Net Cash Flows for Investing Activities	(524,613)	(1,453,672)
Cash Flow from Financing Activity		
Proceeds from capital campaign contributions	2,371,165	293,032
Issuance of Note Payable	389,600	-
Net Cash Flows from Financing Activities	2,760,765	293,032
Net Change in Cash and Cash Equivalents	2,214,838	(277,067)
Cash and Cash Equivalents, beginning of year	836,878	1,113,945
Cash and Cash Equivalents, end of year	\$ 3,051,716	\$ 836,878

Purchases of Fixed Assets in Accounts Payable	\$ 145,076	\$ 79,669
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See accompanying notes to financial statements.

Pasado's Safe Haven

Notes to Financial Statements

1. Organization and Significant Accounting Policies

Organization

Founded in 1993, Pasado's Safe Haven ("PSH") is a nonprofit animal welfare organization dedicated to ending animal cruelty. PSH's vision is a world where every animal is recognized as an individual who is free from abuse, abandonment, neglect, and exploitation.

PSH offers an integrated approach to ending suffering for companion and farmed animals. PSH's comprehensive programs include the following:

Sanctuary - The 85-acre sanctuary is home to over 250 dogs, cats, and farmed animals, most of whom arrived from cases of cruelty or neglect.

Cruelty Investigations and Rescue - PSH is improving the response to crimes against animals through investigations, rescue, and training programs.

Education and Advocacy - PSH engages tens of thousands of people every year through education and advocacy initiatives designed to reduce animal suffer and grow compassion.

Pet Homelessness Prevention - PSH is preventing shelter overpopulation and unnecessary euthanasia through targeted spay & neuter, and food bank programs serving income-qualified families in Pierce, King and Snohomish counties.

PSH strives to make a significant difference in the lives of animals and the people who love them. The following is a summary of PSH's general impact in 2020 (unaudited):

Sanctuary

- 200+ animals continued to live in peace and safety at our 85-acre sanctuary
- 156 animals were adopted into loving homes
- 66 animals were placed in foster homes
- PSH maintained its accreditation from GFAS (Global Federal of Animal Sanctuaries)
- 600+ volunteers logged more than 10,500 hours

Animal Cruelty Investigations and Rescue

- 169 cases of cruelty and neglect investigated or resourced in counties across Washington State
- PSH completed the first ever training class for Prosecutors throughout Washington State to help improve enforcement of animal cruelty laws.

Education and Advocacy

- 1,500+ K-12 and college students learned about compassion through PSH's education programs
- 5M+ people engaged through online and sanctuary-based education and advocacy opportunities
- PSH successfully championed pro animal legislation at both the state and local level

Pasado's Safe Haven

Notes to Financial Statements

Homelessness Prevention

- 3,368 dogs and cats were spayed/neutered for income qualified families throughout three counties
- 33 tons of pet food were distributed to families with pets in need

Animal cruelty is a complex issue, and PSH knows that a thoughtful, coordinated response is necessary to work towards ending it. PSH believes its unique combination of programs fight the issue from every angle. PSH works not only to get laws changed, but also provide law enforcement, animal control and prosecuting attorneys with the training they need to enforce these laws effectively. PSH not only investigates animal cruelty and rescues animals from dire situations, but also provides sanctuary and medical treatment for these animals to heal while PSH works to place them in loving homes. PSH continues to work to educate the public about all the many ways they can help end animal cruelty, from reporting suspected abuse/neglect to spaying/neutering their animals, to eating plant-based diets.

PSH is currently involved in a capital campaign with a fundraising goal of \$10 million, with \$7.1M pledged to date. PSH plans to use the campaign funds to build several new structures on the sanctuary property, including a cow barn (completed in the fall of 2018), kitty city, dog town (expected completion in the fall of 2020), and a new center for compassion which will be the onsite learning center for community outreach. The campaign is expected to run through 2022.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from the estimated amounts.

Financial Statement Presentation

PSH reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Contributions are recorded depending on the existence and/or nature of any donor restrictions.

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Pasado's Safe Haven

Notes to Financial Statements

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of unexpended contributions restricted for particular purposes or time periods. Net assets with donor restrictions are transferred to net assets without donor restrictions as expenditures are incurred for the restricted purpose or as time restrictions are met, unless restrictions relate to capital projects. If the restriction is related to capital projects, the restrictions are released when the asset is placed into service. Net assets with donor restrictions consist of the following at June 30:

	2020	2019
Capital campaign	\$ 3,442,895	\$ 1,490,320
Spay station - Pierce County	130,975	366,826
Development	51,140	57,222
Spay station - Snohomish County	16,867	44,646
Education and training	27,048	36,162
Outreach	4,685	4,685
Food bank - Pierce County	296	11,050
Spay Station - South King County	14,948	14,662
	\$ 3,688,854	\$ 2,025,573

Board-Designated Net Assets

During 2019, PSH's Board of Directors voted to create an operating reserve representing one year's worth of operating expenses. As of June 30, 2020 and 2019, the operating reserve was \$3 million and is held in the same investment account as the other investments.

Fair Value Measurements

Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels that prioritize the inputs used in measuring fair value as follows:

Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

PSH reports its investments (discussed in Note 3) at fair value using Level 1 inputs (quoted prices on national exchanges).

Pasado's Safe Haven

Notes to Financial Statements

Cash and Cash Equivalents

PSH considers highly liquid investments with an original maturity of three months or less to be cash equivalents. PSH has amounts deposited with a financial institution in excess of federally insured limits.

Contributions and Other Receivables

Receivables are stated at the outstanding principal balances and consist primarily of amounts due from bequests and pledges that are expected to be collected within one year. Management reviews the collectability of contributions receivable (and all other receivables) on a periodic basis and determines the appropriate amount of any allowance. PSH charges off receivables to the allowance when management determines that a receivable is not collectible. At June 30, 2020, an amount receivable from two donors comprised 74% of total receivables. At June 30, 2019, an amount receivable from two donors comprised 94% of total receivables.

Inventory

Inventory is stated at the lower of average cost or net realizable value, and consists of merchandise to be sold through PSH's gift shop, dog and cat food stored in the food bank, and veterinary supplies used by PSH's in-house veterinarian.

Property and Equipment

Property and equipment are recorded at cost if purchased, or at fair value at the date of receipt if donated (unless the estimated future undiscounted cash flows expected to result from either the use of an asset or its eventual disposition is less than the carrying amount, in which case an impairment loss is recognized based on the fair value of the asset). PSH's policy is to capitalize assets with a cost greater than \$2,500 and a useful life greater than three years. Depreciation of property and equipment is computed by the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	7 - 39 years
Machinery and equipment	5 - 10 years
Vehicles	3 - 6 years
Mobile clinics	5 years
Temporary structures and improvements	3 - 7 years
Furniture and fixtures	5 - 10 years

Contribution and Grant Revenue Recognition

Contributions and grants are recorded when unconditionally pledged depending on the existence and/or nature of any donor restrictions. During the year ended June 30, 2019, contributions from one donor comprised 14% of total revenue. There were no similar concentrations for the year ended June 30, 2020.

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Notes to Financial Statements

Bequest Revenue Recognition

PSH records bequests as revenue after (1) the death of the donor, (2) PSH is notified by the executor as to the amount of the bequest to be received, and (3) the estate has passed through probate. During the years ended June 30, 2020 and 2019, no bequests from donors exceeded 10% of total revenue.

Special Event Revenue Recognition

Revenue from special events includes ticket sales and contributions. Special event revenue is recognized when the event takes place.

Program Fee Revenue Recognition

Program fees are earned primarily through adoption fees and spay station services. Program fee revenue is recognized when the adoption or service takes place.

Noncash Contributions

Noncash contributions consist of donated legal services as well as donated vehicles and food for animals. Revenue for vehicle donations is recognized upon sale of the vehicles. PSH waits to recognize the revenue for vehicle donations because it is otherwise difficult to determine an appropriate value. Revenue for donated animal food is recognized at fair value on the donation date.

A substantial number of unpaid volunteers have made significant contributions of their time to develop PSH's programs, principally in assisting operations and fundraising events. The value of this contributed time is not reflected in these statements, as it does not meet accounting requirements for recognition.

Functional Allocation of Expenses

The costs of providing the various program services and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated between the program and supporting services benefited.

PSH allocates salaries and related expenses, professional and consulting services, office expenses, and insurance based on estimates of employees' time and effort by function. PSH allocates IT expenses based on their specific utilization, communications/marketing expenses based on the benefits received, and depreciation based on the functional use of the asset.

Income Taxes

PSH is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Recent Accounting Pronouncement Adopted

In June 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-08, Not-for-Profit Entities ("Topic 958"), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This ASU was issued to

Pasado's Safe Haven

Notes to Financial Statements

standardize how grants and other contracts received and made are classified across the sector, as either an exchange transaction or a contribution. The standard provides guidance to assist in the determination of whether a transaction is a contribution or an exchange transaction. If the transaction is deemed to be a contribution, the guidance provides factors to consider with regard to whether the contribution is conditional or unconditional. For contributions received, if determined to be an unconditional contribution, the determination will then need to be made as to whether the contribution is restricted. The ASU assists in the determination of the nature of the transaction, which then governs the revenue recognition methodology and timing of the transaction. The ASU is effective for contributions received by PSH in periods beginning after December 15, 2018. PSH adopted this update in fiscal year 2020 under the modified prospective basis. The adoption of this update did not materially impact contribution revenue in the financial statements.

In May 2014, FASB issued ASU 2014-09, Revenue from Contracts with Customers ("Topic 606"), related to revenue recognition which replaces numerous requirements in GAAP, including industry-specific requirements, and provides companies with a single revenue recognition model for recognizing revenue from contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services in accordance with the five-step model outlined in Topic 606: (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations, and (v) recognize revenue when (or as) performance obligations are satisfied. The two permitted transition methods under the new standard are the full retrospective method, in which the standard is applied to each prior reporting period presented and the cumulative effect of applying the standard is recognized at the earliest period presented, and the modified retrospective method, in which the cumulative effect of applying the standard is recognized at the date of initial application.

In May 2020, the FASB voted to approve the proposed deferral of the effective date for Topic 606 for one year for all non-public entities that have not yet issued financial statements as of the date the final ASU is issued.

As such, PSH is electing to defer implementation of Topic 606 until the year ending June 30, 2021.

Subsequent Events

PSH has evaluated subsequent events through the date these financial statements were available to be issued, which was January 28, 2021.

2. Liquidity and Availability of Resources

PSH regularly monitors liquidity required to meet its operating needs and other contractual commitments while also striving to maximize the investment of its available funds. PSH has various sources of liquidity at its disposal, including cash and cash equivalents, exchange-traded funds, certificates of deposit, and managed mutual funds.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, PSH considers all expenditures related to its ongoing program activities of investigations and rescue, pet homelessness prevention initiatives, education and advocacy, and sanctuary operations as well as the conduct of services undertaken to support those activities to be general expenditures.

Pasado's Safe Haven

Notes to Financial Statements

In addition to the financial assets available to meet general expenditures over the next 12 months, PSH operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The following table shows the financial assets held by PSH available to meet general expenditures over the next 12 months as of June 30:

	2020	2019
Cash and cash equivalents	\$ 3,051,716	\$ 836,878
Investments	6,439,909	6,722,943
Contribution and other receivables	48,155	6,435
Total Financial Assets	9,539,780	7,566,256
Less: Financial assets not available for general expenditures		
Board-designated operating reserve	(3,000,000)	(3,000,000)
Donor-restricted net assets	(3,688,854)	(2,025,573)
Financial assets available for general expenditures within one year	\$ 2,850,926	\$ 2,540,683

3. Investments

Investments are reported at fair value in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

Investments consist of the following at June 30:

	2020	2019
Certificates of Deposit	\$ 248,380	\$ 708,383
Exchange-Traded Funds		
Large blend	483,815	452,979
Small blend	418,654	443,818
Large value	321,186	343,928
Intermediate-term bond	350,356	335,686
Mid-cap blend	325,034	325,795
World bond	271,273	261,002
Mutual Funds		
Large growth	1,767,187	1,609,419
World allocation	808,969	829,773
World large stock	376,577	367,612
Diversified emerging markets	353,935	337,374
Small growth	297,491	293,043
Multisector bonds	222,430	228,761
Mid-cap growth	194,622	185,370
	\$ 6,439,909	\$ 6,722,943

Pasado's Safe Haven

Notes to Financial Statements

Investments are presented on the statements of financial position as follows at June 30:

	2020	2019
Investments - current	\$ 3,439,909	\$ 3,722,943
Investments - board-designated for long-term purposes	3,000,000	3,000,000
	\$ 6,439,909	\$ 6,722,943

Investment income consists of the following for the years ended June 30:

	2020	2019
Unrealized gains	\$ 227,197	\$ 84,763
Realized gains (losses)	350	48
Interest and dividends	12,867	276,359
	\$ 240,414	\$ 361,170

4. Property and Equipment

Property and equipment consist of the following at June 30:

	2020	2019
Buildings and improvements	\$ 2,071,468	\$ 2,071,468
Machinery and equipment	320,873	427,673
Mobile clinics (spay stations)	394,315	364,365
Vehicles	50,898	164,438
Temporary structures and improvements	119,213	141,398
Furniture and fixtures	29,109	39,161
	2,985,876	3,208,503
Less: Accumulated depreciation	(1,847,278)	(1,925,512)
	1,138,598	1,282,991
Land	1,298,492	1,298,493
Construction in progress	1,692,641	573,238
	\$ 4,129,731	\$ 3,154,722

As of June 30, 2020, construction in progress is for new facilities related to the capital campaign being constructed at PSH's sanctuary as well as additional upgrades to the sanctuary planned to be completed in several phases over the next several years.

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5. Contribution and Other Receivables

Receivables consist of unconditional promises to give and uncollected bequests and are expected to be received as follows:

	2020	2019
Due within one year	\$ 673,120	\$ 236,813
Due in one to five years	793,759	1,210,643
	1,466,879	1,447,456
Less: Discount on long-term receivables (3%)	(41,977)	(71,577)
Less: Allowance for doubtful accounts	(21,281)	(26,423)
	\$ 1,403,621	\$ 1,349,456

Receivables are shown on the statements of financial position as follows at June 30:

	2020	2019
Receivables - current	\$ 48,155	\$ 6,435
Contribution receivables - capital campaign	1,355,466	1,343,021
	\$ 1,403,621	\$ 1,349,456

6. COVID-19 and the CARES Act

Impact of COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on PSH's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce.

CARES Act

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security ("CARES") Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

It also appropriated funds for the Small Business Administration ("SBA") Payroll Protection Program ("PPP") loans that are forgivable in certain situations to promote continued employment, as well

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as Economic Injury Disaster Loans to provide liquidity to small business and nonprofits harmed by the COVID-19 outbreak. PSH applied for and received a PPP loan on May 4, 2020, totaling \$389,600. The note payable incurs interest at 1% and is unsecured. The principal and interest of the note is forgivable if the proceeds are spent on qualifying costs during the 24-week period following the date the note is issued. Qualified costs are considered as 60% of the loan amount on payroll costs, and 40% on non-payroll costs, including rent and utilities. Interest payments are deferred for the first ten months of the note period, following the 24-week period. Should any portion of the principal of the note not meet the forgiveness provisions, monthly principal and interest payments will be repayable using a monthly amortization schedule starting from the end of the deferral period until maturity on May 4, 2022. See Note 7 for further discussion on long-term debt.

PSH has examined the impact that the CARES Act will have on its financial condition, results of operation, and liquidity. Outside of the PPP loan, management believes the impact of the CARES Act will be limited.

7. Payroll Protection Loan Program Loan

On May 4, 2020, PSH received a PPP Loan for \$389,600. As discussed in Note 6, the principle and interest of the note is forgivable if the proceeds are spent on qualifying costs during the 24-week period following the date the note is issued. Qualified costs are considered as 60% of the loan amount on payroll costs, and 40% on non-payroll costs, including rent and utilities. Interest payments are deferred for the first ten months of the note period, following the 24-week period. Should any portion of the principal of the note not meet the forgiveness provisions, monthly principal and interest payments will be repayable using a monthly amortization schedule starting from the end of the deferral period until maturity on May 4, 2022. As no principle payments are expected during the year ended June 30, 2021, the full balance of the note is considered a non-current liability.