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**BERKELEY-EAST BAY**  
**HUMANE SOCIETY**  
**dba Berkeley Humane**

**FINANCIAL STATEMENTS**

**December 31, 2019**

**(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2018)**

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**CROSBY & KANEDA**

Certified Public Accountants  
for Nonprofit Organizations

**BERKELEY-EAST BAY HUMANE SOCIETY**  
**dba Berkeley Humane**

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**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Berkeley-East Bay Humane Society (dba Berkeley Humane)  
Berkeley, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of Berkeley-East Bay Humane Society (dba Berkeley Humane), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, cash flows and functional expenses 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards 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.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Berkeley-East Bay Humane Society (dba Berkeley Humane) as of December 31, 2019, 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 Summarized Comparative Information**

We have previously audited the Berkeley-East Bay Humane Society (dba Berkeley Humane)'s December 31, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 29, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

  
Crosby & Lameda CPAs LLP  
Oakland, California  
May 15, 2020

**BERKELEY-EAST BAY HUMANE SOCIETY**  
**dba Berkeley Humane**

**Statement of Financial Position**  
**December 31, 2019**

**(With Comparative Totals as of December 31, 2018)**

	2019	2018
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 267,708	\$ 345,930
Investments (Note 3)	700,634	842,734
Accounts receivable	563	2,246
Grants receivable	525,000	507,610
Prepaid expenses	40,467	42,247
Total Current Assets	1,534,372	1,740,767
Investments - long term (Note 3)	2,285,403	1,424,666
Property and equipment, net (Note 5)	927,303	910,020
Grants receivable, long-term	-	500,000
Beneficial interest in trust (Note 6)	53,871	54,911
Total Assets	\$ 4,800,949	\$ 4,630,364
<b>Liabilities and Net Assets</b>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 95,038	\$ 99,093
Accrued vacation	57,886	64,458
Total Liabilities	152,924	163,551
Net Assets		
Without donor restrictions (Note 9)	2,734,154	2,904,292
With donor restrictions (Note 10)	1,913,871	1,562,521
Total Net Assets	4,648,025	4,466,813
Total Liabilities and Net Assets	\$ 4,800,949	\$ 4,630,364

See Notes to the Financial Statements

**BERKELEY-EAST BAY HUMANE SOCIETY**  
**dba Berkeley Humane**

**Statement of Activities**  
**For the Year Ended December 31, 2019**  
**(With Comparative Totals for the Year Ended December 31, 2018)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2019	2018
<b>Support and Revenue</b>				
Support				
Foundation and community grants	\$ 50,250	\$ 492,030	\$ 542,280	\$ 1,691,592
Contributions	1,104,740	25,424	1,130,164	865,367
Bequests	85,427		85,427	145,970
Special event, net (Note 11)	426,509		426,509	365,015
In-kind support (Note 12)	79,646		79,646	90,541
Total support	<u>1,746,572</u>	<u>517,454</u>	<u>2,264,026</u>	<u>3,158,485</u>
Revenue				
Adoptions	149,050		149,050	147,820
Hospital services	79,927		79,927	77,050
Training	84,405		84,405	85,503
Investment activity (Note 3)	141,130		141,130	9,673
Change in beneficial interest in trusts	(1,040)		(1,040)	(3,609)
Other income	17,990		17,990	19,976
Total revenue	<u>471,462</u>	<u>-</u>	<u>471,462</u>	<u>336,413</u>
Support provided by expiring time and purpose restrictions	<u>166,104</u>	<u>(166,104)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>2,384,138</u>	<u>351,350</u>	<u>2,735,488</u>	<u>3,494,898</u>
<b>Expenses</b>				
Program	2,226,545		2,226,545	2,138,798
Management and general	123,395		123,395	143,637
Fundraising	204,336		204,336	185,388
Total Expenses	<u>2,554,276</u>	<u>-</u>	<u>2,554,276</u>	<u>2,467,823</u>
Change in net assets	(170,138)	351,350	181,212	1,027,075
Net Assets, beginning of year	<u>2,904,292</u>	<u>1,562,521</u>	<u>4,466,813</u>	<u>3,439,738</u>
Net Assets, end of year	<u>\$ 2,734,154</u>	<u>\$ 1,913,871</u>	<u>\$ 4,648,025</u>	<u>\$ 4,466,813</u>

See Notes to the Financial Statements

**BERKELEY-EAST BAY HUMANE SOCIETY**  
**dba Berkeley Humane**

**Statement of Cash Flows**  
**For the Year Ended December 31, 2019**  
**(With Comparative Totals for the Year Ended December 31, 2018)**

	2019	2018
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 181,212	\$ 1,027,075
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	66,437	62,341
Investment activity	(141,130)	(9,673)
Donated stock	(6,995)	(10,690)
Contributions intended for long term use	(436,940)	(1,500,000)
Changes in assets and liabilities:		
Accounts receivable	1,683	(1,936)
Grants receivable	482,610	(1,007,610)
Prepaid expenses	1,780	3,706
Beneficial interest in trust	1,040	3,609
Accounts payable and accrued expenses	(4,055)	7,226
Accrued vacation	(6,572)	6,868
Net cash provided (used) by operating activities	139,070	(1,419,084)
<b>Cash flows from investing activities</b>		
Purchases of investments	(1,210,000)	(650,000)
Proceeds from investments	639,488	643,460
Purchase of property and equipment	(83,720)	(17,288)
Net cash provided (used) by investing activities	(654,232)	(23,828)
<b>Cash flows from financing activities</b>		
Contributions intended for long term use	436,940	1,500,000
Net cash provided (used) by financing activities	436,940	1,500,000
Net change in cash and cash equivalents	(78,222)	57,088
Cash and cash equivalents, beginning of year	345,930	288,842
Cash and cash equivalents, end of year	\$ 267,708	\$ 345,930
Supplemental Disclosure:		
Interest paid	\$ -	\$ 811

See Notes to the Financial Statements

**BERKELEY-EAST BAY HUMANE SOCIETY**  
**dba Berkeley Humane**

**Statement of Functional Expenses**  
**For the Year Ended December 31, 2019**  
**(With Comparative Totals for the Year Ended December 31, 2018)**

	Program	Management and General	Fundraising	Total	
				2019	2018
Salaries	\$ 1,201,976	\$ 79,219	\$ 95,353	\$ 1,376,548	\$ 1,277,630
Employee benefits	110,886	7,309	8,796	126,991	160,600
Payroll taxes	98,471	6,789	7,786	113,046	106,269
Total Personnel	<u>1,411,333</u>	<u>93,317</u>	<u>111,935</u>	<u>1,616,585</u>	<u>1,544,499</u>
Professional services	6,164	10,694	14,348	31,206	39,780
Advertising and events	230,271	507	31,816	262,594	248,859
Supplies and office expenses	62,867	4,563	14,713	82,143	87,905
Occupancy	89,914	3,041	11,054	104,009	101,262
Information technology	23,308	616	7,499	31,423	24,118
Travel and meals	1,427	102	1,389	2,918	2,911
Interest	-	-	-	-	811
Conferences and meetings	9,104	103	117	9,324	8,229
Depreciation	61,786	3,322	1,329	66,437	62,341
Insurance	31,961	-	-	31,961	33,025
Medical and other supplies/services	200,380	741	183	201,304	197,369
Dues, licenses, service fees	5,800	450	5,660	11,910	-
Other expenses	12,758	5,939	4,119	22,816	26,173
In-kind services	79,472	-	174	79,646	90,541
Expenses by function	<u>2,226,545</u>	<u>123,395</u>	<u>204,336</u>	<u>2,554,276</u>	<u>2,467,823</u>
Expenses reported on a net basis					
Event expense - donor benefit	-	-	23,945	23,945	23,110
Total Expenses	<u>\$ 2,226,545</u>	<u>\$ 123,395</u>	<u>\$ 228,281</u>	<u>\$ 2,578,221</u>	<u>\$ 2,490,933</u>

See Notes to the Financial Statements



**BERKELEY-EAST BAY HUMANE SOCIETY  
DBA BERKELEY HUMANE**

**Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(With Comparative Totals for the Year Ended December 31, 2018)**

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**NOTE 1: NATURE OF ACTIVITIES**

The Berkeley-East Bay Humane Society dba Berkeley Humane (the Organization) is a California nonprofit public benefit corporation, which serves the people and animals of the community by providing life-saving programs for cats and dogs, cultivating compassion, and strengthening the human-animal bond.

The Organization provides the following programs.

**Adoption Center**

The primary purpose of the Organization is to place 100% of healthy and treatable animals in loving homes and to offer programs that enrich animals' lives and make them more adoptable.

**Veterinary Hospital**

The on-site veterinary hospital provides animals with continuous medical oversight and care during their stay with us. Berkeley Humane runs the only veterinary hospital in the East Bay dedicated to exclusively serving shelter animals, and can treat conditions that fall well outside the range of what most shelters can care for, including a variety of medical procedures from eye surgeries to hip surgeries.

**PAWS Safety Net Services**

PAWS Safety Net Services provide resources that prevent animals from entering the public shelter system whenever possible. Safety net services include:

Behavior Advice Line and Training Classes: The Organization offers affordable dog training classes (from Puppy Kindergarten through Advanced Obedience) using gentle, positively reinforced training methods and a behavior advice line that provides expert advice on managing a range of behavioral issues.

Subsidized Veterinary Care and Pet Food Pantry: The Subsidized Veterinary Care and Pet Food Pantry program supports individuals and families who are low-income. The Pet Food Pantry provides the resource boost needed to keep animals out of the shelters and in their homes. With dedicated grant funding, the Organization is also able to offer free or subsidized veterinary care to low-income pet guardians.

Low-Cost Spay/Neuter and Vaccine Services: In the fall of 2016, the Organization launched Spay the Bay, a low-cost spay/neuter and vaccine clinic to help assist seniors, students, and other low-income and vulnerable populations in Berkeley and the surrounding region by offering spay/neuter and vaccination services on a sliding scale.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

**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 (GAAP).

**BERKELEY-EAST BAY HUMANE SOCIETY  
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**Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(With Comparative Totals for the Year Ended December 31, 2018)**

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**Net Assets**

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

*Net assets without donor restrictions* – are resources available to support operations. The only limits on the use of the net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

*Net assets with donor restrictions* – are resources that are restricted by a donor for use for a particular purpose or in a particular period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor’s instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor’s instructions.

The Organization’s unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds and its beneficial interest in perpetual trust held by a bank or trustee.

When a donor’s restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor imposed restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those net assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

**Classification of Transactions**

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses, other than losses on endowment investments, are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

**Accounts and Grants Receivable**

Accounts and grants receivable are primarily unsecured non-interest bearing amounts due from grantors on a cost reimbursement or performance basis. The Organization considers all accounts and grants receivable to be fully collectible at December 31, 2019. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

**BERKELEY-EAST BAY HUMANE SOCIETY  
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**Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(With Comparative Totals for the Year Ended December 31, 2018)**

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**Accounting for Contributions**

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

**Income Taxes**

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under IRC 501(c)(3) and California RTC 23701(d). The Organization has evaluated its current tax positions as of December 31, 2019 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively, after they are filed.

**Contributed Services**

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

**Estates and Trusts**

The Organization may be a named beneficiary of estates and trusts. Unless the ultimate amount available for distribution can be determined before the close of probate proceedings, the Organization does not record these amounts until the time of asset distribution. Trusts in which the Organization is named as an irrevocable beneficiary are recorded when the Organization is notified by the trustee of the Organization's interest in the trust and the ownership percentage and valuation of the interest is determined.

**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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

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**Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(With Comparative Totals for the Year Ended December 31, 2018)**

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**Concentration of Credit Risk**

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

**Property and Equipment**

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$2,500; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment or the related lease terms as follows:

Furniture and equipment	5-10 years
Vehicles	10 years
Building improvements	15 years

Construction in progress is depreciated over the useful lives of the respective assets when they are ready for their intended use.

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable.

**Expense Recognition and Allocation**

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions using a reasonable allocation method that is consistently applied as follows:

Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.

Occupancy, depreciation, and amortization, and interest are allocated on a square foot basis dependent on the programs and supporting activities occupying the space.

Office expenses and supplies, insurance, and other expenses that cannot be directly identified are allocated on the basis of employee full time equivalents for each program and supporting activity.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgments contain requests for contributions, joint costs

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**Notes to the Financial Statements  
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have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

**Prior Year Summarized Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

**Reclassifications**

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

**NOTE 3: INVESTMENTS**

Investments are stated at fair value and consisted of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Money market mutual funds	\$ 435,975	\$ 394,243
Domestic equities	1,981	-
Exchange traded funds	<u>2,548,081</u>	<u>1,873,157</u>
Total	2,986,037	2,267,400
Less portion held for long term use	<u>(2,285,403)</u>	<u>(1,424,666)</u>
Investments, current portion	<u>\$ 700,634</u>	<u>\$ 842,734</u>

**Investment Activity**

Investment activity consisted of the following for the year ended December 31:

	<u>2019</u>	<u>2018</u>
Dividends and interests	\$ 79,339	\$ 61,790
Realized and unrealized gain (loss), net	<u>61,791</u>	<u>(52,117)</u>
Total	<u>\$ 141,130</u>	<u>\$ 9,673</u>

**NOTE 4: FAIR VALUE MEASUREMENTS**

The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

Fair value of investments measured on recurring basis were as follows as of December 31, 2019.

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**Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(With Comparative Totals for the Year Ended December 31, 2018)**

	<u>Level 1</u>
Money market mutual fund	\$ 435,975
Domestic equities	1,981
Exchange traded funds	
Short and ultra short term bond	2,441,482
Long term bond	40,136
Mortgage backed	<u>66,463</u>
Total	<u>\$ 2,986,037</u>

The Organization used the following methods to value its investments:

*Money market mutual fund* – Based on the published net asset value per unit at the end of the last trading day of the fiscal year, which is the basis for transactions at that date.

*Exchange traded funds* - Based on the closing price at the end of the last trading day of the fiscal year, which is the basis for transactions at that date.

**NOTE 5: PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Furniture and equipment	\$ 210,418	\$ 208,778
Vehicles	241,528	195,259
Building and improvements	790,221	783,463
Construction in progress	470,938	470,938
Land	85,214	85,214
Less accumulated depreciation	<u>(871,016)</u>	<u>(833,632)</u>
Total	<u>\$ 927,303</u>	<u>\$ 910,020</u>

**NOTE 6: BENEFICIAL INTEREST IN TRUST**

The Organization is the irrevocable beneficiary of certain trusts. These resources are neither in the possession of, nor under the control of the Organization, may include assets that are difficult to liquidate, and may otherwise not be readily available for the Organization's use.

The Organization generally receives periodic distributions from trusts with a final distribution on the termination of the trusts as determined by the trustee and trust terms. Activity and balances for the trusts were as follows for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Beneficial interest in trusts, beginning of year	\$ 54,911	\$ 58,520
Change in beneficial interest in trusts	<u>(1,040)</u>	<u>(3,609)</u>
Beneficial interest in trusts, end of year	<u>\$ 53,871</u>	<u>\$ 54,911</u>

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**Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(With Comparative Totals for the Year Ended December 31, 2018)**

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**NOTE 7: COMMITMENTS**

**Operating Leases**

The Organization leases office space under non-cancelable leases that expire on January 31, 2021. Future minimum lease payments were as follows for the years ended December 31:

2020	\$ 63,372
2021	8,642
2022	<u>2,600</u>
Total	<u>\$ 74,614</u>

Rent for the years ended December 31, 2019 and 2018 was \$58,387 and \$57,228, respectively.

**NOTE 8: CONTINGENCIES**

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

**NOTE 9: NET ASSETS WITHOUT DONOR RESTRICTIONS**

Net assets without donor restriction consisted of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Designated for rebuilding activities	\$ 924,666	\$ 924,666
Invested in property and equipment	927,303	910,020
Undesignated	<u>882,185</u>	<u>1,069,606</u>
Total	<u>\$ 2,734,154</u>	<u>\$ 2,904,292</u>

In 2010, the Board of Directors designated a portion of insurance proceeds related to a fire damage claim and certain general donations for rebuilding activity along with investment gains and losses on such amounts. Certain expenses related to rebuilding activities result in a release of such designation.

**NOTE 10: NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were available as follows as of December 31:

	<u>2019</u>	<u>2018</u>
Restricted for capital improvements – rebuild	\$ 1,500,000	\$ 1,500,000
Restricted for future use	53,871	54,911
Restricted for capital campaign	350,000	-
Restricted for specific programs	<u>10,000</u>	<u>7,610</u>
Total	<u>\$ 1,913,871</u>	<u>\$ 1,562,521</u>

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**Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(With Comparative Totals for the Year Ended December 31, 2018)**

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**NOTE 11: SPECIAL EVENT**

The Organization held fundraising events during the year at which an admission fee was charged. Activity related to these events was as follows during the years ended December 31:

	<u>2019</u>	<u>2018</u>
Event proceeds	\$ 450,454	\$ 388,125
Less: Costs of direct donor benefit	<u>(23,945)</u>	<u>(23,110)</u>
Total	<u>\$ 426,509</u>	<u>\$ 365,015</u>

**NOTE 12: IN-KIND SUPPORT**

In-kind support consisted of the following for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Donated pet food	\$ -	\$ 1,856
Donated advertising services	<u>79,646</u>	<u>88,685</u>
Total	<u>\$ 79,646</u>	<u>\$ 90,541</u>

**NOTE 13: VOLUNTEER EFFORT**

In addition to the activity reflected on the financial statements, the Organization receives significant volunteer support in the areas of animal care, foster care, adoption counseling and other Organizational activities. Total estimated hours were 64,299 and 69,036 during the years ended December 31, 2019 and 2018, respectively.

**NOTE 14: JOINT COSTS OF ACTIVITIES THAT INCLUDED FUNDRAISING APPEALS**

The Organizations engaged in direct mail activity and advertising activity that included both a program and fundraising component. The costs of these activities were allocated between fundraising and program costs as follows for the year ended December 31, 2019:

Costs allocated to program activities	\$ 158,507
Costs allocated to fundraising activities	<u>28,244</u>
Total	<u>\$ 186,751</u>

**NOTE 15: CONCENTRATIONS**

**Support**

The Organization received 33% of its foundation and corporate support from one funder during the year ended December 31, 2019.

**NOTE 16: LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2019 are:

Financial assets:	
Cash and cash equivalents	\$ 267,708
Accounts and grants receivable	525,563
Investments	2,986,037



**BERKELEY-EAST BAY HUMANE SOCIETY  
DBA BERKELEY HUMANE**

**Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(With Comparative Totals for the Year Ended December 31, 2018)**

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Beneficial interest in trust	<u>53,871</u>
Total financial assets	3,833,179
Less financial assets held to meet donor-imposed restrictions:	
Net assets with donor restrictions	(1,913,871)
Less financial assets not available within one year:	
Board designated funds	<u>(924,666)</u>
Amount available for general expenditures within one year	<u>\$ 994,642</u>

The above reflects donor-restricted and board designated endowment funds as unavailable because it is the Organization's intention to invest those resources for the long-term support of the Organization. However, in the case of need, the Board of Directors could appropriate resources from board designated funds. As part of the Organization's liquidity management plan, the Organization invests cash in excess of daily requirements in cash and cash equivalents and primarily fixed income investments.

**NOTE 17: SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events and has concluded that as of May 15, 2020, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose beyond the following:

**Public Health Order - Coronavirus**

The Organization operates in an area which was affected by the COVID-19 coronavirus, and in March 2020 was subject to a public health order which affected activities of the Organization, and may have an effect on the Organization's chapters.