

Marin Humane Society

dba Marin Humane

Financial Statements

June 30, 2021 and 2020



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Marin Humane Society
dba Marin Humane
Novato, California

We have audited the accompanying financial statements of Marin Humane Society dba Marin Humane (a California nonprofit corporation) ("Marin Humane"), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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.



An independent firm
associated with Moore
Global Network Limited

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marin Humane Society dba Marin Humane as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Armanino LLP". The signature is written in a cursive, flowing style.

Armanino^{LLP}
San Ramon, California

November 11, 2021

Marin Humane Society
 dba Marin Humane
 Statements of Financial Position
 June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 2,134,099	\$ 2,681,152
Accounts receivable	28,010	53,824
Contributions and grants receivable, net	112,170	32,454
Prepaid expenses and other assets	117,806	93,118
Inventory	18,887	21,063
Investments	13,748,033	9,340,428
Bequests receivable, net	395,887	355,696
Investments held for long-term purposes	1,676,968	1,536,688
Property and equipment, net	4,889,231	4,954,701
Beneficial interest in perpetual trust	317,039	257,411
Total assets	\$ 23,438,130	\$ 19,326,535
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 185,036	\$ 223,618
Accrued expenses	770,443	578,789
Deferred revenue	55,444	23,700
Conditional grant (Paycheck Protection Program)	-	317,912
Total liabilities	1,010,923	1,144,019
Net assets		
Without donor restrictions	19,203,387	15,363,043
With donor restrictions	3,223,820	2,819,473
Total net assets	22,427,207	18,182,516
Total liabilities and net assets	\$ 23,438,130	\$ 19,326,535

The accompanying notes are an integral part of these financial statements.

Marin Humane Society
 dba Marin Humane
 Statement of Activities
 For the Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Animal services and other county fees	\$ 3,666,351	\$ -	\$ 3,666,351
Fees for services	272,619	-	272,619
Education fees	675,196	-	675,196
Contributions	1,431,660	243,522	1,675,182
Bequests	3,306,630	10,191	3,316,821
Grants	58,000	167,042	225,042
Conditional grant revenue (Paycheck Protection Program)	317,912	-	317,912
In-kind contributions	229,218	-	229,218
Special events, net of expenses of \$104,351	76,986	217,920	294,906
Interest and dividend income, net	135,124	17,995	153,119
Realized gains, net	325,424	29,755	355,179
Unrealized gains, net	1,891,240	326,026	2,217,266
Merchandise sales	49,972	-	49,972
Thrift shop sales	31,998	20,510	52,508
Change in value of beneficial interest in perpetual trust	-	59,628	59,628
Other revenue	5,088	-	5,088
Net assets released from restriction	688,242	(688,242)	-
Total revenues, gains, and other support	<u>13,161,660</u>	<u>404,347</u>	<u>13,566,007</u>
Functional expenses			
Program services	7,126,350	-	7,126,350
Management and general	1,060,056	-	1,060,056
Fundraising and development	<u>1,134,910</u>	<u>-</u>	<u>1,134,910</u>
Total functional expenses	<u>9,321,316</u>	<u>-</u>	<u>9,321,316</u>
Change in net assets	3,840,344	404,347	4,244,691
Net assets, beginning of year	<u>15,363,043</u>	<u>2,819,473</u>	<u>18,182,516</u>
Net assets, end of year	<u>\$ 19,203,387</u>	<u>\$ 3,223,820</u>	<u>\$ 22,427,207</u>

The accompanying notes are an integral part of these financial statements.

Marin Humane Society
 dba Marin Humane
 Statement of Activities
 For the Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains (losses), and other support			
Animal services and other county fees	\$ 3,594,462	\$ -	\$ 3,594,462
Fees for services	374,426	-	374,426
Education fees	416,768	-	416,768
Contributions	1,662,402	186,818	1,849,220
Bequests	1,851,791	2,000	1,853,791
Grants	80,000	238,233	318,233
Conditional grant revenue (Paycheck Protection Program)	712,088	-	712,088
In-kind contributions	184,830	-	184,830
Special events, net of expenses of \$193,825	115,637	290,807	406,444
Interest and dividend income, net	165,897	25,928	191,825
Realized losses, net	(115,472)	82,184	(33,288)
Unrealized losses, net	(427,320)	(76,297)	(503,617)
Merchandise sales	113,958	-	113,958
Thrift shop sales	29,793	39,060	68,853
Change in value of beneficial interest in perpetual trust	-	(5,171)	(5,171)
Other revenue	11,056	-	11,056
Net assets released from restriction	<u>1,248,641</u>	<u>(1,248,641)</u>	<u>-</u>
Total revenues, gains (losses), and other support	<u>10,018,957</u>	<u>(465,079)</u>	<u>9,553,878</u>
Functional expenses			
Program services	7,192,105	-	7,192,105
Management and general	970,322	-	970,322
Fundraising and development	<u>1,055,706</u>	<u>-</u>	<u>1,055,706</u>
Total functional expenses	<u>9,218,133</u>	<u>-</u>	<u>9,218,133</u>
Change in net assets	800,824	(465,079)	335,745
Net assets, beginning of year	<u>14,562,219</u>	<u>3,284,552</u>	<u>17,846,771</u>
Net assets, end of year	<u>\$ 15,363,043</u>	<u>\$ 2,819,473</u>	<u>\$ 18,182,516</u>

The accompanying notes are an integral part of these financial statements.

Marin Humane Society
dba Marin Humane
Statement of Functional Expenses
For the Year Ended June 30, 2021

	Animal Services	Clinic, Adoption, and Foster Care	Education and Community Engagement	Animal Outfitters	Thrift Shop	Total Program Services	Management and General	Fundraising and Development	Total
Personnel expenses									
Salaries and wages	\$ 1,947,204	\$ 1,142,673	\$ 1,145,825	\$ -	\$ -	\$ 4,235,702	\$ 613,893	\$ 581,986	\$ 5,431,581
Payroll taxes and benefits	492,614	325,029	284,469	-	-	1,102,112	133,254	167,863	1,403,229
Total personnel expenses	<u>2,439,818</u>	<u>1,467,702</u>	<u>1,430,294</u>	<u>-</u>	<u>-</u>	<u>5,337,814</u>	<u>747,147</u>	<u>749,849</u>	<u>6,834,810</u>
Supplies and services									
Supplies	50,754	174,887	41,394	-	475	267,510	17,605	4,836	289,951
Depreciation	109,983	55,141	58,738	-	-	223,862	47,950	27,870	299,682
Professional services	55,160	19,623	63,568	-	8	138,359	58,883	211,122	408,364
Cost of goods sold	-	33,663	-	-	-	33,663	-	-	33,663
Utilities	62,511	32,458	33,385	-	2,732	131,086	29,251	15,841	176,178
In-kind expense	18,163	23,580	123,060	-	-	164,803	58,550	5,865	229,218
Veterinary services	-	14,487	227,973	-	-	242,460	-	-	242,460
Computer expenses	7,377	4,059	10,734	-	293	22,463	2,942	5,094	30,499
Fees	6,615	15,219	23,831	-	842	46,507	2,499	27,925	76,931
Administration expense	8,048	3,779	33,748	-	-	45,575	3,172	3,996	52,743
Maintenance	57,173	30,521	40,202	-	1,904	129,800	24,927	14,488	169,215
Insurance	41,023	24,500	19,068	-	544	85,135	13,831	8,039	107,005
Telephone	18,319	9,458	9,658	-	1,829	39,264	8,462	3,913	51,639
Printing	3,805	1,543	22,063	-	-	27,411	7,910	2,488	37,809
Advertising	-	-	590	-	-	590	27	-	617
Vehicle expenses	54,039	2,116	1,094	-	-	57,249	8,277	-	65,526
Rent	2,320	-	5,674	-	23,558	31,552	8,784	-	40,336
Travel	2,430	1,774	4,614	-	-	8,818	639	249	9,706
Meetings	3,648	2,077	5,459	-	-	11,184	11,492	2,265	24,941
Postage	7,218	171	11,848	-	-	19,237	4,787	49,720	73,744
Feed	36,462	138	11,064	-	-	47,664	-	-	47,664
Taxes and licenses	5,500	3,294	2,844	-	-	11,638	2,823	1,350	15,811
Uniforms	2,706	-	-	-	-	2,706	98	-	2,804
Special event expenses	-	-	-	-	-	-	-	104,351	104,351
Total supplies and services	<u>553,254</u>	<u>452,488</u>	<u>750,609</u>	<u>-</u>	<u>32,185</u>	<u>1,788,536</u>	<u>312,909</u>	<u>489,412</u>	<u>2,590,857</u>
Less expenses included in revenues, gains (losses), and other support: special events	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(104,351)</u>	<u>(104,351)</u>
Total expenses included in expense section on the statement of activities	<u>\$ 2,993,072</u>	<u>\$ 1,920,190</u>	<u>\$ 2,180,903</u>	<u>\$ -</u>	<u>\$ 32,185</u>	<u>\$ 7,126,350</u>	<u>\$ 1,060,056</u>	<u>\$ 1,134,910</u>	<u>\$ 9,321,316</u>

The accompanying notes are an integral part of these financial statements.

Marin Humane Society
dba Marin Humane
Statement of Functional Expenses
For the Year Ended June 30, 2020

	Animal Services	Clinic, Adoption, and Foster Care	Education and Community Engagement	Animal Outfitters	Thrift Shop	Total Program Services	Management and General	Fundraising and Development	Total
Personnel expenses									
Salaries and wages	\$ 1,918,889	\$ 1,256,375	\$ 1,064,294	\$ 10,049	\$ -	\$ 4,249,607	\$ 564,807	\$ 556,477	\$ 5,370,891
Payroll taxes and benefits	455,251	320,742	251,134	4,779	-	1,031,906	134,161	135,610	1,301,677
Total personnel expenses	<u>2,374,140</u>	<u>1,577,117</u>	<u>1,315,428</u>	<u>14,828</u>	<u>-</u>	<u>5,281,513</u>	<u>698,968</u>	<u>692,087</u>	<u>6,672,568</u>
Supplies and services									
Supplies	63,309	197,622	39,294	100	396	300,721	17,472	5,224	323,417
Depreciation	101,713	114,266	49,570	-	-	265,549	42,485	13,841	321,875
Professional services	71,091	28,855	82,991	-	-	182,937	53,225	179,748	415,910
Cost of goods sold	-	-	-	76,153	-	76,153	-	-	76,153
Utilities	53,684	62,014	26,163	-	2,013	143,874	22,963	7,305	174,142
In-kind expense	21,425	25,308	81,938	2,750	-	131,421	28,034	25,375	184,830
Veterinary services	-	30,569	177,909	-	-	208,478	-	-	208,478
Computer expenses	5,929	4,536	9,936	-	-	20,401	1,994	2,534	24,929
Fees	9,014	13,164	20,820	4,032	153	47,183	3,694	33,819	84,696
Administration expense	12,483	6,628	9,736	77	-	28,924	20,999	30,475	80,398
Maintenance	54,191	62,112	26,409	-	1,829	144,541	22,692	7,374	174,607
Insurance	32,493	32,616	11,875	-	978	77,962	8,357	2,724	89,043
Telephone	14,982	8,251	8,107	-	941	32,281	6,887	2,427	41,595
Printing	5,497	2,134	46,346	18	672	54,667	10,356	7,757	72,780
Advertising	-	-	7,150	-	-	7,150	-	-	7,150
Vehicle expenses	45,032	917	1,142	-	-	47,091	499	-	47,590
Rent	-	-	8,725	-	22,810	31,535	-	-	31,535
Travel	1,479	1,890	9,574	2	-	12,945	12,023	2,219	27,187
Meetings	1,312	2,139	2,865	-	-	6,316	12,150	1,159	19,625
Postage	7,541	383	14,771	13	-	22,708	4,904	41,032	68,644
Feed	36,357	-	11,977	-	-	48,334	-	-	48,334
Taxes and licenses	4,886	5,642	2,171	-	-	12,699	2,620	606	15,925
Uniforms	6,722	-	-	-	-	6,722	-	-	6,722
Special event expenses	-	-	-	-	-	-	-	193,825	193,825
Total supplies and services	<u>549,140</u>	<u>599,046</u>	<u>649,469</u>	<u>83,145</u>	<u>29,792</u>	<u>1,910,592</u>	<u>271,354</u>	<u>557,444</u>	<u>2,739,390</u>
Less expenses included in revenues, gains (losses), and other support: special events	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(193,825)</u>	<u>(193,825)</u>
Total expenses included in expense section on the statement of activities	<u>\$ 2,923,280</u>	<u>\$ 2,176,163</u>	<u>\$ 1,964,897</u>	<u>\$ 97,973</u>	<u>\$ 29,792</u>	<u>\$ 7,192,105</u>	<u>\$ 970,322</u>	<u>\$ 1,055,706</u>	<u>\$ 9,218,133</u>

The accompanying notes are an integral part of these financial statements.

Marin Humane Society
 dba Marin Humane
 Statements of Cash Flows
 For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 4,244,691	\$ 335,745
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	299,682	321,875
Net realized and unrealized (gains) losses on investments	(2,572,445)	536,905
Change in value of beneficial interest in perpetual trust	(59,628)	5,171
Changes in operating assets and liabilities		
Accounts receivable	25,814	260,553
Contributions and grants receivable, net	(79,716)	250,607
Prepaid expenses and other assets	(24,688)	(2,319)
Inventory	2,176	18,899
Bequests receivable, net	(40,191)	28,980
Accounts payable	(38,582)	(3,137)
Accrued expenses	191,654	(39,170)
Deferred revenue	31,744	(47,800)
Conditional grant (Paycheck Protection Program)	(317,912)	317,912
Net cash provided by operating activities	1,662,599	1,984,221
Cash flows from investing activities		
Purchase of property and equipment	(234,212)	(286,773)
Purchase of investments	(14,342,491)	(4,671,465)
Proceeds from the sale or maturity of investments	12,367,051	4,536,810
Net cash used in investing activities	(2,209,652)	(421,428)
Net increase (decrease) in cash and cash equivalents	(547,053)	1,562,793
Cash and cash equivalents, beginning of year	2,681,152	1,118,359
Cash and cash equivalents, end of year	\$ 2,134,099	\$ 2,681,152

The accompanying notes are an integral part of these financial statements.

Marin Humane Society
dba Marin Humane
Notes to Financial Statements
June 30, 2021 and 2020

1. ORGANIZATION

Marin Humane Society, dba Marin Humane ("Marin Humane"), is a nonprofit corporation organized in 1907. In 2017, Marin Humane created its dba to better articulate its mission and purpose. Marin Humane is not a chapter or affiliate of any other animal welfare organization. Principally serving Marin County, California, Marin Humane's work and impact go beyond the county borders.

Marin Humane's mission is to transform lives through exceptional animal care, humane education, and advocacy. The mission is carried out 24 hours a day, 365 days a year, through many programs and services for the community. Since 1979, Marin Humane has contracted with Marin County and its 11 cities and towns through a Joint Powers Agreement ("JPA") to provide animal services. Marin Humane's Animal Services program is responsible for responding to animal-related complaints, investigating animal cruelty and neglect cases, rescuing animals in distress, assisting with lost and found animal reports, administering dog licensing, and enforcing county and municipal animal ordinances. Marin Humane also responds to wildlife rescue calls and is recognized by the County of Marin as a first responder for animal-related needs in the event of a disaster. All of the programs and services at Marin Humane are intended to bring animals and humans together, forging a bond that not just impacts peoples' homes but makes neighborhoods happier and healthier.

Best known for operating the animal shelter and adoption center on its Novato campus, Marin Humane provides shelter services for thousands of animals surrendered by their guardians, found lost or stray, and transferred from overcrowded or under-resourced shelters. In 2015, Marin Humane opened a satellite cat adoption center ("Kitty Corner") in San Anselmo. Marin Humane's Behavior & Training department assesses the temperament of animals prior to their being made available for adoption; in the best interest of the animals, there is no set time limit once they have been made available for adoption. The Veterinary Clinic team medically evaluates and treats all shelter animals.

Under the Community Engagement department, Marin Humane's Pet Assistance and Pet Safety Net programs provide free pet food, vaccinations, microchips, and financial assistance for veterinary services including spay and neuter surgeries to the pets of hundreds of low-income guardians throughout Marin County. By helping with the costs associated with pets, these programs strive to keep pets in their home as long as possible. The department operates free, mobile clinics throughout the community providing microchips, vaccinations, exams, and other resources. The Community Engagement department also coordinates teams of Animal-Assisted therapy volunteers and their trained dogs to offer reading programs in local schools and libraries as well as thousands of visits to hospitals, senior communities, hospice facilities, and others.

Since 2005, Marin Humane's Pen Pals of San Quentin program has been helping nonviolent, specially-selected inmates learn how to help dogs overcome medical and behavioral issues so they can be ready to find their forever homes. The dogs need quality time with a person, and the inmates who have participated in the program gain self-esteem, learn new skills, and develop more empathy which leads to a lower recidivism rate.

Marin Humane Society
dba Marin Humane
Notes to Financial Statements
June 30, 2021 and 2020

1. ORGANIZATION (continued)

Educational programs are offered to people of all ages, including humane law academies, classroom presentations, dog and cat training classes, workshops, summer camps, and after-school youth programs.

Marin Humane has advocated for all animals since it was founded in 1907. Policy statements guide the work from opposing the use of rodenticides to promoting coexistence with wildlife, opposing slaughter in Marin, and working to end the use of exotic animals for entertainment. The priority this past year was focused on helping to provide practical resources that promote “pet-friendly” rental housing and assist renters with tools to help them keep their pets.

Volunteers are active in all departments, including fostering animals who may be too young or in need of home treatment, recuperation, or extra care before becoming available for adoption. Since 1961, auxiliary volunteers have operated a Thrift Shop in San Anselmo. Revenues from the Thrift Shop support Marin Humane's Veterinary Clinic.

During the year ended June 30, 2021, Marin Humane received and cared for 4,011 animals. Marin Humane met its goal of at least a 90% Live Release Rate (the percentage of animals received leaving with positive outcomes), with the following percentages of animals who left either adopted, returned to guardian or transferred out to another responsible animal organization: 97% of the dogs and puppies, 94% of the cats and kittens, and 94% of all other domestic animals.

Marin Humane rehomed a total of 1,820 animals, returned 450 animals to their guardians, and transferred 283 domestic animals to other animal organizations. Of the total animals cited, 1,271 were considered wildlife. Marin Humane generally releases them back to the wild or if injured, transfers them to a licensed wildlife rehabilitation center.

In September 2020, Marin Humane entered into a collaboration agreement with Hopalong Animal Rescue in order to promote their shared mission to help more animals (see Note As described in Note 12).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

Marin Humane's 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") applicable to non-profit organizations. Accordingly, net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Net assets and changes therein are classified as follows:

- *Net assets without donor restrictions* - net assets not subject to donor-imposed restrictions.

Marin Humane Society
dba Marin Humane
Notes to Financial Statements
June 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting and financial statement presentation (continued)

- *Net assets with donor restrictions* - net assets subject to donor-imposed restrictions that may or will be met by actions of Marin Humane and/or the passage of time and those net assets subject to donor-imposed stipulations that they be maintained permanently by Marin Humane.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Investment income and gains or losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restriction or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Revenue recognition

Revenue other than contributions, bequests, and grants includes animal services, veterinary fees, and educational program revenue and is recognized when services are provided.

Contributions

Contributions received and promises to give are reported as net assets without donor restrictions or net assets with donor restrictions, depending on donor restrictions (if any).

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional, which is when donor stipulated barriers are overcome and Marin Humane is entitled to the assets transferred or promised. Contributions that are promised in one year but are not expected to be collected until after the end of that year are considered contributions receivable and are recorded at fair value by discounting at an appropriate discount rate commensurate with the risks involved. Amortization of any such discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for doubtful contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and current aging of the promise to give.

Donated materials, services, and equipment

Donated materials and equipment are recorded based on the estimated fair value at the date the contribution is made. Donated services are recognized as contribution revenue for certain services received at the fair value of those services, if the services (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills, and would be purchased if not donated.

Marin Humane Society
 dba Marin Humane
 Notes to Financial Statements
 June 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated materials, services, and equipment (continued)

Over 675 unpaid volunteers have made significant contributions of their time to Marin Humane. Throughout the year, volunteers provided services to all programs and departments; the value of these services is not recognized as contributions in the financial statements since the recognition criteria were not met.

Donated materials and services received during each year were valued as follows:

	2021	2020
Legal services	\$ 56,000	\$ 20,545
Kitty Corner rent	21,450	21,450
Other services	92,228	90,296
	169,678	132,291
Contributed supplies	59,540	52,539
	\$ 229,218	\$ 184,830

Cash and cash equivalents

Marin Humane considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. Marin Humane places its cash and temporary cash investments with high-quality institutions. Periodically, such deposits may be in excess of federally insured limits.

Investments

Investments primarily include corporate stocks, real estate funds, and government and corporate bonds. Purchased investments in equity and debt securities with readily determinable fair values are reported at fair value based upon quoted market prices. Investments received by donation are recorded at the fair value at the date of donation.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Marin Humane determines the fair values of its assets and liabilities based on the fair value hierarchy that includes three levels of inputs that may be used to measure fair value (Level 1, Level 2, and Level 3). Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that Marin Humane has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs reflect Marin Humane's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include Marin Humane's own data.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. Marin Humane's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

Management has elected, as a practical expedient, to measure the fair value of investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or one that has the attributes of an investment company, on the basis of the net asset value ("NAV") per share of the investment (or its equivalent) if the NAV of the investment (or its equivalent) is calculated in a manner consistent with the measurement principles of accounting for investment companies as of the entity's measurement date. The relevant guidance also requires disclosures by major category of investment about the attributes of investments. Management elected to adopt the practical expedient for its investment in a limited partnership.

Inventory

Sales merchandise and supplies inventory is stated at lower of cost (on a first-in, first-out basis) or net realizable value. Marin Humane permanently closed the Animal Outfitters store in December 2019, however, continues to sell inventory to new adopters and management believes the inventory is not impaired at June 30, 2021 or 2020.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment are recorded at cost if purchased, or if donated, at the estimated fair value on the date of the donation. Marin Humane generally capitalizes property and equipment with a cost greater than \$5,000 and a life expectancy of more than three years. Maintenance and repair costs are charged to operations as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which ranges from three to fifty years.

Beneficial interest in perpetual trust

Marin Humane has a beneficial interest in a perpetual trust; the donor established and funded a perpetual trust that is administered by an external trustee. Under the terms of the trust, Marin Humane receives 15% of the income, revenue, and profits from the trust in perpetuity, but will not receive the assets held in the trust. The value of Marin Humane's interest in the trust assets is measured annually using the fair value of the trust assets; changes in the fair value of Marin Humane's interest in the beneficial trust are reported as an increase or decrease in net assets with donor restrictions in the accompanying statements of activities. Marin Humane received distributions from the perpetual trust totaling \$13,650 and \$13,350 during the years ended June 30, 2021 and 2020, respectively; these distributions are reported as a component of interest and dividend income, in the accompanying statements of activities.

Functional allocation of expenses

The costs of providing Marin Humane's various programs and supporting activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Direct identification of specific expenses is Marin Humane's preferred method of charging expenses to various functions. Marin Humane has a number of expenses which relate to more than one program or supporting services, or to a combination of programs and supporting services. Expenses are allocated using an allocation methodology based upon time studies, full-time equivalents in the functional categories, and full-time equivalents including volunteers in the functional categories.

Advertising costs

Marin Humane's policy is to expense advertising costs as the costs are incurred. Advertising costs totaled \$617 and \$7,150 for the years ended June 30, 2021 and 2020, respectively.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax status

Marin Humane is a qualified organization exempt from federal income and California franchise taxes under the provisions of Sections 501(c)(3) of the Internal Revenue Code and 23701d of the California Revenue and Taxation Code. Marin Humane recognizes the effect of income tax positions only if those positions are more likely than not of being sustained and changes in recognition or measurement are reflected in the period in which the change in judgment occurs. Marin Humane has evaluated its current tax positions and has concluded that as of June 30, 2021 or 2020, it does not have any significant tax positions for which a reserve would be necessary.

Use of estimates

The preparation of financial statements, in conformity with U.S. GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Uses of estimates include, but are not limited to, accounting for the allocation of operating expenses and depreciation.

Change in accounting principle

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*, which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance. Revenue from contributions and investment income are not impacted by the new standard. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. Marin Humane adopted ASU 2014-09 with a date of the initial application of July 1, 2020 using the full retrospective method.

The adoption of ASU 2014-09 did not have a significant impact on Marin Humane's financial position, result of operations, or cash flows. The majority of Marin Humane's fee for service revenue arrangements consists of a single performance obligation to transfer promised goods or services at a point in time. Based on Marin Humane's evaluation of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenue as a result of the adoption of ASU 2014-09.

3. CONTRIBUTIONS AND GRANTS RECEIVABLE

Unconditional promises to give and grants, which are not expected to be collected until after the year promised or granted, are reflected in the accompanying statements of financial position as contributions and grants receivable, net and revenue in appropriate net asset category.

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3. CONTRIBUTIONS AND GRANTS RECEIVABLE (continued)

Contributions and grants receivable, net consisted of the following:

	2021	2020
Receivable in less than one year	\$ 112,170	\$ 32,454
	<u>\$ 112,170</u>	<u>\$ 32,454</u>

4. BEQUESTS RECEIVABLE, NET

Marin Humane is a beneficiary of two related trusts; under the terms of the trusts, Marin Humane receives an annual distribution of \$20,000 from each of the trusts over the lives of the trusts. The trusts expire fifty years from the date of death of each of the decedents; the trusts will terminate in 2028 and 2023. Upon the termination of the trusts, the trustee may distribute any remaining assets to the specified beneficiaries at the trustee's discretion. Bequests receivable are recorded using discount rates ranging from 2.85% to 2.875% for the years ended June 30, 2021 and 2020.

Bequests receivable, net consisted of the following:

	2021	2020
Receivable in less than one year	\$ 110,000	\$ 40,000
Receivable in one to five years	160,000	160,000
Receivable in more than five years	180,000	220,000
	450,000	420,000
Less: discount to present value	(54,113)	(64,304)
	<u>\$ 395,887</u>	<u>\$ 355,696</u>

5. INVESTMENTS

Investments and investments held for long-term purposes consisted of the following:

	2021	2020
Equities	\$ 8,808,096	\$ 6,321,881
Fixed income securities	5,347,942	4,046,178
Real estate securities	1,268,963	509,057
	<u>\$ 15,425,001</u>	<u>\$ 10,877,116</u>

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5. INVESTMENTS (continued)

Investment (losses) earnings consisted of the following:

	2021	2020
Interest and dividends, net	\$ 153,119	\$ 191,825
Realized and unrealized gains (losses), net	2,572,445	(536,905)
	\$ 2,725,564	\$ (345,080)

Marin Humane incurred investment expenses totaling \$87,416 and \$77,435 for the years ended June 30, 2021 and 2020, respectively; interest and dividend income is presented net of investment expenses in the accompanying statements of activities.

6. FAIR VALUE MEASUREMENTS

The following table sets forth by level, within the fair value hierarchy, Marin Humane's assets at fair value as of June 30, 2021:

	Level 1	Level 2	Level 3	Fair Value
Equities	\$ 8,808,096	\$ -	\$ -	\$ 8,808,096
Fixed income securities	1,004,177	4,343,765	-	5,347,942
Real estate securities	-	1,268,963	-	1,268,963
Beneficial interest in perpetual trust	-	317,039	-	317,039
	\$ 9,812,273	\$ 5,929,767	\$ -	\$ 15,742,040

The following table sets forth by level, within the fair value hierarchy, Marin Humane's assets at fair value as of June 30, 2020:

	Level 1	Level 2	Level 3	Fair Value
Equities	\$ 6,321,881	\$ -	\$ -	\$ 6,321,881
Fixed income securities	-	4,046,178	-	4,046,178
Real estate securities	509,057	-	-	509,057
Beneficial interest in perpetual trust	-	257,411	-	257,411
	\$ 6,830,938	\$ 4,303,589	\$ -	\$ 11,134,527

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7. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following:

	2021	2020
Land	\$ 252,597	\$ 252,597
Buildings and improvements	8,657,292	8,423,080
Furniture and fixtures	798,883	666,962
Equipment	-	144,377
Vehicles	505,878	505,878
	10,214,650	9,992,894
Accumulated depreciation	(5,325,419)	(5,038,193)
	\$ 4,889,231	\$ 4,954,701

Depreciation expense totaled \$299,682 and \$321,875 for the years ended June 30, 2021 and 2020, respectively.

8. ACCRUED EXPENSES

Accrued expenses consisted of the following:

	2021	2020
Accrued vacation	\$ 410,944	\$ 356,992
Accrued salaries and wages	168,517	219,786
Retirement plan contributions payable	188,729	-
Other accrued expenses	2,253	2,011
	\$ 770,443	\$ 578,789

9. CONDITIONAL GRANT (PAYCHECK PROTECTION PROGRAM)

On May 1, 2020, Marin Humane received loan proceeds of \$1,030,000 issued by the Bank of Marin under the federal Paycheck Protection Program ("PPP") which was established under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), and is administered by the U.S. Small Business Administration ("SBA") with the intent of providing small businesses access to short-term cash flow assistance to help cover operating expenses and maintain their payroll levels. Under the terms of the CARES Act, PPP loan recipients may apply for and be granted forgiveness of all or a portion of the loans granted under the PPP. Such forgiveness was determined based on the use of the loan proceeds for payroll costs, rent, and utility expenses, and the maintenance of workforce and compensation levels with certain limitations.

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9. CONDITIONAL GRANT (PAYCHECK PROTECTION PROGRAM) (continued)

Marin Humane accounted for the PPP proceeds received under the accounting guidance for conditional contributions and recognized \$317,912 and \$712,088 in conditional grant revenue based on its determination of eligible expenses paid through June 30, 2021 and 2020, respectively. In March 2021, Marin Humane received forgiveness of its PPP loan and accrued interest from the SBA in full.

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

	2021	2020
Donor-restricted endowment funds corpus	\$ 1,676,968	\$ 1,536,689
Time restricted funds	375,887	380,654
Beneficial interest in perpetual trust	317,039	257,411
Unappropriated endowment earnings	309,304	122,344
Hopalong integration fund	215,079	-
The Joe Willie Project funds	73,587	78,851
Veterinary assistants sponsorship	55,681	-
Outreach vehicle	47,766	106,863
Capital projects	28,286	28,286
Thrift shop bequest	38,888	40,930
Specialized medical and behavior funds	26,435	47,025
Behavior and Training funds	25,012	29,155
Other	19,394	62,888
Pen Pals of San Quentin Program funds	12,255	18,532
Pet Safety Net funds	2,239	109,845
	\$ 3,223,820	\$ 2,819,473

Net assets released from purpose and time restrictions totaled \$688,242 and \$1,248,641 for the years ended June 30, 2021 and 2020, respectively.

11. ENDOWMENT

Marin Humane's endowment consists of several individual donor-restricted endowment funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

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11. ENDOWMENT (continued)

Interpretation of relevant law

Marin Humane's board of directors has interpreted the California enacted version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Marin Humane classifies as donor restricted endowment (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Amounts are classified as net assets with donor restrictions until Marin Humane's board of directors appropriates amounts for expenditure and any purpose restrictions have been met, in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, Marin Humane considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of Marin Humane
- (7) The investment policies of Marin Humane

Return objectives and risk parameters

Marin Humane has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The return objectives are to provide reasonable and stable returns to supplement the operating budget, provide liquidity for the operation of Marin Humane, and support the long-term viability of Marin Humane through accumulation of reserves as well as to assure donors that Marin Humane manages its endowment funds prudently. The primary investment objectives are to preserve capital, maintain an adequately balanced portfolio, and distribute income. Endowment assets are invested in a diversified asset mix, including cash, cash equivalents, fixed income securities, and equity securities.

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11. ENDOWMENT (continued)

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires Marin Humane to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2021 and 2020.

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, Marin Humane relies on a total-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Marin Humane targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives of maintaining the purchasing power of the endowment while producing stable income within prudent risk constraints.

Spending policy

Marin Humane has a policy of transferring any investment returns, other than those which are stipulated by the donor to remain in perpetuity, to either net assets with donor restrictions or net assets without donor restrictions. Marin Humane reinvests the interest and gains to allow its investments to grow annually after distributions to fund future operations and has a policy of appropriating 5.0% of the rolling five-year average fair market value of the endowment funds. This is consistent with Marin Humane's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as provide additional real growth through new gifts and investment returns.

Endowment composition

Endowment net asset composition by type of fund as of June 30, 2021 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 1,986,272	\$ 1,986,272

Endowment net asset composition by type of fund as of June 30, 2020 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 1,659,033	\$ 1,659,033

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11. ENDOWMENT (continued)

Endowment composition (continued)

Changes in endowment net assets for the fiscal year ended June 30, 2021 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, June 30, 2020	\$ -	\$ 1,659,033	\$ 1,659,033
Investment return			
Investment income, net	-	17,995	17,995
Net appreciation	-	355,781	355,781
Total investment return	-	373,776	373,776
Appropriation of net assets	-	(46,537)	(46,537)
	-	327,239	327,239
Balance, June 30, 2021	<u>\$ -</u>	<u>\$ 1,986,272</u>	<u>\$ 1,986,272</u>

Changes in endowment net assets for the fiscal year ended June 30, 2020 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, June 30, 2019	\$ -	\$ 2,067,432	\$ 2,067,432
Investment return			
Investment income, net	-	25,928	25,928
Net appreciation	-	5,887	5,887
Total investment return	-	31,815	31,815
Appropriation of net assets	-	(440,214)	(440,214)
	-	(408,399)	(408,399)
Balance, June 30, 2020	<u>\$ -</u>	<u>\$ 1,659,033</u>	<u>\$ 1,659,033</u>

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12. COLLABORATION AGREEMENT

On September 1, 2020, Marin Humane entered into a collaboration agreement with Hopalong Animal Rescue ("Hopalong"), a California nonprofit public benefit corporation. Marin Humane and Hopalong entered into the collaboration agreement as they believe that they can better fulfill their charitable missions by collaborating and have conceptually agreed to merge organizations in the future. Under the terms of the collaboration agreement, Hopalong authorized Marin Humane to fundraise on its behalf and Hopalong and Marin Humane work cooperatively on fundraising outreach, messaging, and timing of appeals. Any changes to Hopalong's corporate or governance structure, or changes to its legal status, require advance written approval by Marin Humane. The collaboration agreement will continue until terminated by Marin Humane, with or without cause, with thirty days' notice or by Hopalong, only for cause, with sixty days' notice.

13. RETIREMENT PLAN

Marin Humane maintains a defined contribution plan (the "Plan") covering all employees who regularly work more than 20 hours per week. The Plan is a 403(b) elective deferral plan which provides for discretionary contributions to be made by eligible employees. Marin Humane provides a 3.0% matching contribution for eligible employees who have completed the service requirement of one year and worked at least 1,000 hours; the Plan also provides for discretionary contributions to be made by Marin Humane on behalf of plan participants. Discretionary contributions are determined annually by the board of directors. Marin Humane made discretionary contributions equal to 4.0% of eligible compensation during the year ended June 30, 2021. No discretionary contributions were made for the year ended June 30, 2020. Participants become fully vested in employer matching and discretionary contributions over a period of five years. Marin Humane made contributions to the Plan totaling \$248,373 and \$111,718 for the years ended June 30, 2021 and 2020, respectively.

14. COMMITMENTS AND CONTINGENCIES

Obligations under operating lease

Marin Humane leases the retail space for its Thrift Shop under a non-cancelable operating lease agreement that expires in September 2021, leases a copier under a non-cancelable operating lease agreement that expires in September 2024, and leases a postage machine under a non-cancelable operating lease agreement that expires in August 2023. The retail lease currently requires monthly payments of \$1,968, which are subject to nominal annual increases.

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14. COMMITMENTS AND CONTINGENCIES (continued)

Obligations under operating lease (continued)

The scheduled minimum lease payments under the lease terms are as follows:

<u>Year ending June 30,</u>	
2022	\$ 16,008
2023	10,104
2024	8,344
2025	<u>1,364</u>
	<u>\$ 35,820</u>

Rent expense under the operating lease agreements totaled \$51,034 and \$43,116 for the years ended June 30, 2021 and 2020, respectively.

In April 2015, Marin Humane entered into an agreement with a pet supply retailer under which the pet supply retailer provides the space for the Kitty Corner rent free. The initial term of the lease is five years. The estimated fair value of the donated rent was \$21,450 for the years ended June 30, 2021 and 2020 and is reflected as a component of in-kind contributions and in-kind expenses on the accompanying statements of activities.

Litigation

Marin Humane received donated legal services totaling \$56,000 and \$20,545 during the years ended June 30, 2021 and 2020, respectively. Services rendered during 2021 and 2020 were related to Marin Humane serving as plaintiff in a case challenging the U.S. Forest Service's decision to sell wild horses gathered from the Modoc National Forest in a manner for commercial purposes and in a case challenging USDA/National Chicken Council's inhumane to the chicken to increase speeds on the chicken processing lines. The fair value of legal services received was based upon the number of hours contributed at appropriate billing rates and is reflected as an in-kind contribution and expense in the accompanying statements of activities for the years ended June 30, 2021 and 2020.

15. CONCENTRATIONS AND RISKS

Revenue earned under Marin Humane's agreement for animal services with the JPA (see Note 1) comprised 27% and 38% of Marin Humane's total revenue, gains (losses), and other support for the years ended June 30, 2021 and 2020, respectively. If a significant reduction in the revenue earned under the JPA agreement were to occur, it could materially affect Marin Humane's programs and financial position.

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15. CONCENTRATIONS AND RISKS (continued)

Contributions and grants receivable from two donors comprised 97% of Marin Humane's contributions and grants receivable balance as of June 30, 2021. Contributions and grants receivable from one donor comprised 77% of Marin Humane's contributions and grants receivable balance as of June 30, 2020. Grants from two organizations comprised approximately 73% of Marin Humane's total grant revenue for the year ended June 30, 2021. Grants from four organizations comprised approximately 64% of Marin Humane's total grant revenue for the year ended June 30, 2020.

Bequests receivable from two trusts comprised 100% of Marin Humane's bequests receivable balance as of June 30, 2021 and 2020. Bequests from two donors comprised approximately 80% of Marin Humane's total bequest revenue for the year ended June 30, 2021. Bequests from three donors comprised approximately 64% of Marin Humane's total bequest revenue for the year ended June 30, 2020.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders. While the business disruption is expected to be temporary, considerable uncertainty remains around potential future shelter-in-place orders. Marin Humane adjusted certain aspects of its operations to protect its employees and customers and held events virtually. It is possible that these matters will continue to have negative impacts on Marin Humane's operations, however, any such impact is not measurable at the date of these financial statements.

16. LIQUIDITY AND FUNDS AVAILABLE

As part of Marin Humane's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due while also striving to maximize the investment of its available funds. As part of this policy, Marin Humane maintains a minimum balance of \$250,000 in cash equivalents and short-term fixed income instruments within its investment accounts which can be readily liquidated for operating needs.

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

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16. LIQUIDITY AND FUNDS AVAILABLE (continued)

The following is a quantitative disclosure which describes assets that are available within one year of June 30, 2021 to fund general expenditures and other obligations when they become due:

Financial Assets	
Cash and cash equivalents	\$ 2,134,099
Accounts receivable	28,010
Contributions and grants receivable, net	112,170
Bequests receivable, net	395,887
Investments	<u>15,425,001</u>
	<u>18,095,167</u>
Less: amounts unavailable for general expenditure within one year:	
Bequest receivables, net to be collected in more than one year	(285,887)
Endowment fund	(1,986,272)
Other donor restrictions	<u>(544,622)</u>
	<u>(2,816,781)</u>
	<u><u>\$ 15,278,386</u></u>

Marin Humane has financial assets available at June 30, 2021 to cover approximately one year of operating expenses based on its fiscal year 2022 operating budget.

17. SUBSEQUENT EVENTS

Marin Humane has evaluated subsequent events through November 11, 2021, the date the financial statements were available to be issued. No subsequent events have occurred that would have a material impact on the presentation of Marin Humane's financial statements.