

**THE PLACER COUNTY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS**

**FINANCIAL STATEMENTS
December 31, 2023 and 2022**

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Placer County Society for the
Prevention of Cruelty to Animals
Roseville, California

Opinion

We have audited the accompanying financial statements of the Placer County Society for the Prevention of Cruelty to Animals (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Placer County Society for the Prevention of Cruelty to Animals as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Placer County Society for the Prevention of Cruelty to Animals and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate,

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that raise substantial doubt about the Placer County Society for the Prevention of Cruelty to Animals' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Placer County Society for the Prevention of Cruelty to Animals' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Placer County Society for the Prevention of Cruelty to Animals' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Propp Christensen Caniglia LLP

November 6, 2024
Roseville, California

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

STATEMENTS OF FINANCIAL POSITION

December 31, 2023 and 2022

ASSETS

	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 11,099,779	\$ 8,991,962
Certificates of deposit	782,000	750,000
Accounts receivable	233,976	359,865
Investments in marketable securities	5,814,122	4,855,784
Pledges receivable, current portion	742,986	9,191
Other current assets	<u>61,332</u>	<u>60,361</u>
Total current assets	18,734,195	15,027,163
Operating lease right-of-use assets (Note 7)	135,330	220,807
Pledges receivable, net of current portion	2,034,517	3,372
Property and equipment, net	<u>5,669,525</u>	<u>5,525,007</u>
Total assets	<u>\$ 26,573,567</u>	<u>\$ 20,776,349</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 263,517	\$ 150,182
Accrued expenses	170,447	154,112
Operating lease liabilities, current portion	<u>81,147</u>	<u>83,180</u>
Total current liabilities	<u>515,111</u>	<u>387,474</u>
Operating lease liabilities	<u>56,904</u>	<u>139,436</u>
Total liabilities	<u>572,015</u>	<u>526,910</u>
Net assets:		
Without donor restrictions	20,340,078	19,217,209
With donor restrictions	<u>5,661,474</u>	<u>1,032,230</u>
Total net assets	<u>26,001,552</u>	<u>20,249,439</u>
Total liabilities and net assets	<u>\$ 26,573,567</u>	<u>\$ 20,776,349</u>

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

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2023 and 2022

	Without Donor Restrictions	With Donor Restrictions	2023 Total
Support and revenue:			
Public support	\$ 1,841,627	\$ -	\$ 1,841,627
Restricted contributions and grants	-	5,229,713	5,229,713
Fundraising events, net of direct fundraising costs of \$279,647	431,457	-	431,457
Shelter operation revenue	1,635,743	-	1,635,743
In-kind revenue	26,860	-	26,860
Net return on investments	1,239,531	-	1,239,531
Net assets released from restrictions	600,469	(600,469)	-
Total support and revenue	5,775,687	4,629,244	10,404,931
Expenses:			
Program services:			
Animal care and shelter operations	2,239,539	-	2,239,539
Adoption services	587,408	-	587,408
PetMobile	9,894	-	9,894
Behavior program	278,291	-	278,291
Shelter transfer	31,874	-	31,874
Animal lost and found	34,522	-	34,522
Humane education	267,860	-	267,860
Spay/neuter services and subsidies	478,404	-	478,404
Total program services	3,927,792	-	3,927,792
Support services:			
Management, general and administrative	286,992	-	286,992
Fundraising	438,034	-	438,034
Total support services	725,026	-	725,026
Total expenses	4,652,818	-	4,652,818
Change in net assets	1,122,869	4,629,244	5,752,113
Net assets, beginning of year	19,217,209	1,032,230	20,249,439
Net assets, end of year	<u>\$ 20,340,078</u>	<u>\$ 5,661,474</u>	<u>\$ 26,001,552</u>

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

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

STATEMENTS OF ACTIVITIES (CONTINUED)

For the Years Ended December 31, 2023 and 2022

	Without Donor Restrictions	With Donor Restrictions	2022 Total
Support and revenue:			
Public support	\$ 4,362,996	\$ -	\$ 4,362,996
Restricted contributions and grants	-	531,078	531,078
Fundraising events, net of direct fundraising costs of \$187,780	629,497	-	629,497
Shelter operation revenue	1,482,080	-	1,482,080
In-kind revenue	58,640	-	58,640
Net return on investments	(1,168,921)	-	(1,168,921)
Net assets released from restrictions	487,189	(487,189)	-
Total support and revenue	5,851,481	43,889	5,895,370
Expenses:			
Program services:			
Animal care and shelter operations	1,840,876	-	1,840,876
Adoption services	572,162	-	572,162
PetMobile	16,509	-	16,509
Behavior program	240,175	-	240,175
Shelter transfer	53,424	-	53,424
Animal lost and found	30,072	-	30,072
Humane education	254,699	-	254,699
Spay/neuter services and subsidies	328,005	-	328,005
Total program services	3,335,922	-	3,335,922
Support services:			
Management, general and administrative	267,085	-	267,085
Fundraising	337,675	-	337,675
Total support services	604,760	-	604,760
Total expenses	3,940,682	-	3,940,682
Change in net assets	1,910,799	43,889	1,954,688
Net assets, beginning of year	17,306,410	988,341	18,294,751
Net assets, end of year	<u>\$19,217,209</u>	<u>\$ 1,032,230</u>	<u>\$20,249,439</u>

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

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2023 and 2022

	Program Services								Support Services			
	Animal Care and Shelter Operations	Adoption Services	PetMobile	Behavior Program	Shelter Transfer	Animal Lost and Found	Humane Education	Spay/Neuter Services and Subsidies	2023 Total Program Services	Management, General and Administrative	Fundraising	2023 Total Support Services
Advertising	\$ 6,551	\$ 2,070	\$ 31	\$ 994	\$ 116	\$ 116	\$ 954	\$ 1,642	\$ 12,474	\$ 1,038	\$ 1,590	\$ 2,628
Automotive expenses	4,044	1,278	19	614	72	71	589	1,014	7,701	641	982	1,623
Consulting/outside services	50,745	16,034	244	7,700	899	897	7,392	12,722	96,633	8,039	12,315	20,354
Depreciation	93,078	29,409	447	14,124	1,649	1,645	13,558	23,335	177,245	14,745	22,589	37,334
Fundraising events	-	-	-	-	-	-	-	-	-	-	279,647	279,647
Insurance	24,236	7,658	116	3,678	429	428	3,530	6,076	46,151	3,839	5,882	9,721
Occupancy	112,976	35,696	543	17,144	2,002	1,996	16,456	28,323	215,136	18,812	27,417	46,229
Payroll taxes	83,402	26,352	401	12,656	1,478	1,474	12,148	20,909	158,820	13,212	20,240	33,452
Postage and shipping	15,265	4,823	73	2,316	270	270	2,224	3,827	29,068	2,418	3,705	6,123
Printing and office	37,419	11,823	180	5,678	663	661	5,450	9,381	71,255	5,928	9,081	15,009
Salaries and wages	1,238,021	391,170	5,950	187,866	21,935	21,876	180,330	310,374	2,357,522	196,125	300,448	496,573
Supplies	126,275	39,899	607	19,162	2,237	2,231	18,393	31,657	240,461	20,004	30,645	50,649
Telephone	6,981	2,206	34	1,059	124	123	1,017	1,750	13,294	1,106	1,694	2,800
Veterinary spay/neuter	-	-	-	-	-	-	-	18,356	18,356	-	-	-
Veterinary/animal care	440,546	18,990	1,249	5,300	-	2,734	5,819	9,038	483,676	1,085	1,446	2,531
Total expenses	2,239,539	587,408	9,894	278,291	31,874	34,522	267,860	478,404	3,927,792	286,992	717,681	1,004,673
Less expenses included with fundraising events on the statement of activities	-	-	-	-	-	-	-	-	-	-	(279,647)	(279,647)
Total expenses included in the expenses section of the statement of activities	\$ 2,239,539	\$ 587,408	\$ 9,894	\$ 278,291	\$ 31,874	\$ 34,522	\$ 267,860	\$ 478,404	\$ 3,927,792	\$ 286,992	\$ 438,034	\$ 725,026

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

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
For the Years Ended December 31, 2023 and 2022

	Program Services								Support Services			
	Animal Care and Shelter Operations	Adoption Services	PetMobile	Behavior Program	Shelter Transfer	Animal Lost and Found	Humane Education	Spay/Neuter Services and Subsidies	2022 Total Program Services	Management, General and Administrative	Fundraising	2022 Total Support Services
Advertising	\$ 6,448	\$ 2,452	\$ 68	\$ 1,044	\$ 237	\$ 121	\$ 1,100	\$ 1,259	\$ 12,729	\$ 1,173	\$ 1,494	\$ 2,667
Automotive expenses	5,680	2,160	60	920	208	107	969	1,109	11,213	1,033	1,316	2,349
Consulting/outside services	56,078	21,322	590	9,078	2,057	1,052	9,564	10,947	110,688	10,201	12,989	23,190
Depreciation	95,587	36,344	1,006	15,475	3,506	1,794	16,303	18,661	188,676	17,389	22,140	39,529
Fundraising events	-	-	-	-	-	-	-	-	-	-	187,780	187,780
Insurance	28,564	10,860	301	4,624	1,048	536	4,871	5,576	56,380	5,196	6,616	11,812
Occupancy	105,182	39,992	1,107	17,028	3,858	1,974	17,939	20,534	207,614	20,943	24,362	45,305
Payroll taxes	68,012	25,860	716	11,011	2,495	1,276	11,600	13,277	134,247	12,373	15,753	28,126
Postage and shipping	21,058	8,007	222	3,409	772	395	3,591	4,111	41,565	3,831	4,877	8,708
Printing and office	44,623	16,967	470	7,224	1,637	837	7,612	8,711	88,081	8,118	10,336	18,454
Salaries and wages	993,085	377,593	10,454	160,770	36,424	18,638	169,376	193,871	1,960,211	180,659	230,021	410,680
Supplies	25,797	9,809	272	4,176	946	484	4,400	5,036	50,920	4,693	5,975	10,668
Telephone	6,438	2,448	68	1,042	236	121	1,098	1,257	12,708	1,171	1,491	2,662
Veterinary spay/neuter	-	-	-	-	-	-	-	39,564	39,564	-	-	-
Veterinary/animal care	384,324	18,348	1,175	4,374	-	2,737	6,276	4,092	421,326	305	305	610
Total expenses	1,840,876	572,162	16,509	240,175	53,424	30,072	254,699	328,005	3,335,922	267,085	525,455	792,540
Less expenses included with fundraising events on the statement of activities	-	-	-	-	-	-	-	-	-	-	(187,780)	(187,780)
Total expenses included in the expenses section of the statement of activities	\$ 1,840,876	\$ 572,162	\$ 16,509	\$ 240,175	\$ 53,424	\$ 30,072	\$ 254,699	\$ 328,005	\$ 3,335,922	\$ 267,085	\$ 337,675	\$ 604,760

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

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 5,752,113	\$ 1,954,688
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Pledges restricted for long-term purposes	(5,558,941)	-
Change in pledge receivable discount and allowance	705,705	(25,765)
Realized and unrealized gain (loss) on investments	730,998	(1,296,783)
Depreciation	214,579	228,205
Amortization of operating lease right-of-use assets	85,477	33,159
Changes in operating assets and liabilities:		
Accounts receivable	125,889	(135,674)
Other current assets	(971)	3,110
Accounts payable	(58,039)	39,601
Accrued expenses	16,335	6,508
Operating lease liabilities	(84,565)	(31,350)
	1,928,580	775,699
Cash flows from investing activities:		
Purchase of investments	(7,094,487)	(14,559,113)
Proceeds from sale of investments	5,405,151	16,782,363
Purchase of certificates of deposit	(32,000)	(750,000)
Rehabilitation costs for Phase 2 project	(74,127)	(59,443)
Purchase of property and equipment	(113,596)	(53,260)
	(1,909,059)	1,360,547
Cash flows from financing activities:		
Pledges restricted for long-term purposes	2,088,296	37,800
Net change in cash	2,107,817	2,174,046
Cash, beginning of year	8,991,962	6,817,916
Cash, end of year	\$ 11,099,779	\$ 8,991,962
<u>Supplemental schedule of non-cash investing activities:</u>		
Operating lease right-of-use asset and lease liabilities	\$ -	\$ 253,966
Rehabilitation costs for Phase 2 project financed with accounts payable	\$ 173,662	\$ 2,288

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

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 1: ORGANIZATION

The Placer County Society for the Prevention of Cruelty to Animals (the "Placer SPCA") was established in 1973 and opened the shelter in Roseville, California in 1995. The mission of the Placer SPCA is to enhance the lives of companion animals and support the human animal bond.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Placer SPCA have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Placer SPCA presents its financial statements in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, Subtopic 210 (FASB ASC 958-210), Presentation of Financial Statements of Not-for-Profit Entities. Under FASB ASC 958-210, the Placer SPCA is required to report information regarding its financial position and activities according to the following two classes of net assets:

Net assets without donor restrictions - Net assets that are not subject to stipulations.

Net assets with donor restrictions - Net assets that are subject to stipulations that will be met by actions or the passage of time.

Revenues and gains and losses on investments are reported as changes in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as changes in net assets without donor restrictions. Expirations of donor restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

Donor-restricted contributions are reported as revenues which increase net assets with donor restrictions. Expirations of donor restrictions on contributions whose restrictions are met in the same reporting period have been reported as reclassifications between the applicable classes of net assets.

The Placer SPCA follows the provisions of Accounting Standards Update (ASU) No. 2018-08 "Not-for-Profit Entities (Topic 958)". The ASU provides an update to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

In accordance with the provisions of FASB ASC Topic 958-605, *Not-for-Profit Entities – Revenue Recognition* (FASB ASC 958-605), unconditional contributions are generally recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Unconditional promises to give (pledges) are recognized as revenues once a valid pledge has been received. The receivable and corresponding revenue are recognized concurrently. Conditional contributions and pledges are recorded when the conditions have been met.

Unrestricted grants are recognized as support in the statement of activities upon receipt or accrual. The Placer SPCA reports certain grants as restricted support if they are received with grantor stipulations that limit their use.

The Placer SPCA solicits pledges and promises to give. Revenue from contributions is recognized when the donor makes a promise to give that is, in substance, unconditional. Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to unrestricted net assets. The Placer SPCA also receives revenue through fundraising activities and shelter operations.

The Placer SPCA has adopted the provisions of FASB ASC 606 as revised by ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). These provisions focus upon the satisfaction of performance obligations, which represent the unit of accounting for recognizing revenue when promised goods or services are transferred and in an amount that reflects the consideration to which the Placer SPCA expects to be entitled in exchange for those goods or services.

Programs services, including adoption services and spay/neuter services, are considered to be a single performance obligation satisfied at the time the services are performed and compensated through fees charged for these services. The Placer SPCA's fees are recognized in the accounting period they are earned.

Measure of Operations

In its statement of activities, the Placer SPCA includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting services.

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Services

The following is a description of the Placer SPCA's programs:

Animal Care and Shelter Operations - The Placer SPCA provides shelter, specialized care, and medical treatment to thousands of homeless and abandoned animals each year at its Companion Animal Care Center in Roseville and the Pet Resource and Adoption Center in Auburn. For companion animals owned by residents of Placer County, the Placer SPCA offers free emergency pet food and financial assistance to make it possible for loved pets to stay with their owners. The Placer SPCA also offers low-cost rabies vaccinations to the public to help pets stay healthy.

Shelter Transfer - The Placer SPCA envisions a day when every adoptable companion animal in Placer County has a home. The Placer SPCA therefore supports other local animal welfare and sheltering entities by transferring animals from their facilities into its Companion Animal Care Center for medical care and to facilitate adoptions.

PetMobile - The PetMobile is a state-of-the-art, 20-foot custom trailer that travels to areas throughout the county to showcase some of the wonderful animals available for adoption and the programs and services the Placer SPCA has available to the public.

Adoption Services - The Placer SPCA completed and moved into their new adoption and education center in June of 2018. This beautiful 20,000 square foot best in animal welfare practices hospital quality facility is designed to maintain animal health and well-being. The home-like atmosphere contributes to how calm and content the animals are in their cozy habitats. Through innovative programs and services, the Placer SPCA focuses on finding every adoptable animal in its care a loving forever home. In addition to their new adoption and education center, the Placer SPCA provides animal care and adoption services at their Pet Resource and Adoption Center in Auburn. The Placer SPCA also has a satellite cat adoption center in Pet Food Express at Fountains, Roseville. Creative strategies and promotions are used to bring attention to long-term or harder to adopt animals. Senior citizens (over age 55) can adopt an animal five years and older with no fee.

Behavior Program - Through a progressive holistic review process, the Placer SPCA's Behavior Department strives to understand each individual animal's behavioral needs. When behavior challenges are identified, individual behavior intervention plans are developed and implemented for all animals while in care. The behavior team provides free behavior consultations to adopters and as a resource to all dog and cat owners in Placer County. The Behavior Department helps to promote happy, healthy human-animal relationships. Feline and canine guests at the Placer SPCA receive enrichment and positive training to keep them occupied and engaged, and to prepare them for life with their permanent families.

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Services (Continued)

Animal Lost and Found - The Placer SPCA strives to reunite every lost companion animal in Placer County with the original owner. All dogs and cats adopted from the Placer SPCA are microchipped to facilitate them being found if ever lost. The Placer SPCA offers low-cost microchipping services to the public during all business hours. When owners redeem lost animals, they are microchipped at no additional cost. When a stray animal arrives at the Placer SPCA, staff and volunteers perform research to match lost animal reports or track down a new address for an existing microchip.

Humane Education - The Placer SPCA seeks a day when every animal is treated with kindness and respect, offering a variety of educational programs for youth and adults. Through the Humane Education Department, school-age youth and others can perform service projects that benefit the animals and provide lifelong lessons about compassion.

Thrift Store - The Placer SPCA operates a very successful thrift store, the revenue from which supports their many programs and services. The thrift store employs one full-time and one part-time staff and is otherwise operated through the efforts of volunteers. Revenues from the thrift store for the years ended December 31, 2023 and 2022 totaled \$340,148 and \$337,097, respectively. Inventory at any point in time is valued at negligible amounts and not recorded on the statement of financial position.

Spay/Neuter Services and Subsidies - The Placer SPCA envisions every Placer County resident having access to affordable spay and neuter services. The Placer SPCA partners with local veterinarians to offer a subsidized spay and neuter program. The United Auburn Indian Community Spay and Neuter Clinic, operated within the Placer SPCA's Companion Animal Care Center, allows the organization to perform on-site spay and neuter surgeries for adoptable animals in addition to owned pets and community cats.

Donated Services

Donated services are recognized as contributions in accordance with FASB ASC 958-605, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Placer SPCA. Volunteers, businesses and others contribute goods and a substantial amount of services toward the fulfillment of projects initiated by the Placer SPCA. Services donated include assistance with animal care, shelter operations and fundraising events.

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services (Continued)

Contributed materials consist mainly of supplies used in the shelter. Volunteers donated approximately 64,541 and 68,931 hours of service, during 2023 and 2022, respectively. These items are not recognized as contributions in the financial statements since the recognition criteria under FASB ASC 958-605 are not met.

Cash and Cash Equivalents

Cash equivalents consist of all highly liquid investments with original maturities of three months or less. Certificates of deposit with maturity over 90 days are reported at their cost plus accrued interest.

Concentration of Credit Risk

The Placer SPCA maintains its cash and cash equivalents in multiple bank deposit accounts which, at times, exceed the \$250,000 per depositor Federal Deposit Insurance Corporation insured limits. The Placer SPCA also has cash and cash equivalent funds invested with an investment company that is protected up to \$500,000 against institution failure by the Securities Investor Protection Corporation. As of December 31, 2023 and 2022, the uninsured portion was \$585,664 and \$690,993, respectively. The Placer SPCA has not experienced any losses on these accounts and management believes the Placer SPCA is not exposed to any significant risk on cash accounts.

Credit risk for accounts receivable is concentrated because substantially all of the balance is receivable from one entity.

Accounts Receivable

Accounts receivable are believed to be fully collectible by management; therefore, no allowance for credit losses has been established.

Pledges Receivable

Pledges receivable consists of unconditional promises to give for the capital campaign. Pledges that are receivable in more than one year, net of an allowance for uncollectible amounts, are initially reported at fair value, estimated by discounting them to their present value at a risk-adjusted rate. Thereafter, amortization of discounts is recorded as additional contribution revenue. An allowance for uncollectible pledges is provided based upon management's judgment, considering such factors as prior collection history, type of contribution, relationship with donor, and other relevant factors.

Advertising

The Placer SPCA's policy is to expense advertising costs when the advertising first takes place. Advertising expense for the years ended December 31, 2023 and 2022, was \$15,102 and \$15,396, respectively.

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment, carried at cost if purchased or estimated fair market value if donated, is depreciated over the estimated useful life of the asset. The Placer SPCA's policy is to capitalize all assets valued at \$5,000 or more. Depreciation is computed on the straight-line method. Estimated useful lives are as follows:

	<u>Life in Years</u>
Furniture and equipment	3 to 6
Leasehold improvements	3 to 24
Buildings	39

Fair Value Measurements

The Placer SPCA has adopted the provisions of FASB ASC 820-10, *Fair Value Measurements and Disclosures* (FASB ASC 820-10), which defines fair value, establishes a framework for measuring fair value, and expands disclosure requirements for fair value measurements. FASB ASC 820-10 defines fair value 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. The Placer SPCA determines the fair values of its assets and liabilities based on the fair value hierarchy established in FASB ASC 820-10. The standard describes 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 the Placer SPCA 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 on-going 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 the Placer SPCA's own suppositions 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 the Placer SPCA's own data. The fair values of investments are based on unadjusted quoted market prices within active markets.

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets, liabilities and disclosures at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Income Taxes

The Placer SPCA is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. Accordingly, no provision is made for federal or state income taxes. After they are filed, the Placer SPCA's income tax returns remain subject to examination by taxing authorities generally three years for federal returns and four years for state returns.

Program and Functional Expenses

The costs of providing program services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Costs specifically identified with programs or fundraising are directly allocated to those functions. All costs not identifiable with a specific program or fundraising activity, but indispensable to the conduct of such programs and activities and to the Placer SPCA's existence, are included as management and general expenses. Expenses that benefit more than one function of the Placer SPCA are allocated among the functions based generally on the amount of time and effort spent by personnel on each function.

Leases

The Placer SPCA presents its leases in accordance with the provisions of FASB ASC 842, *Leases*. Leases with an initial term of 12 months or less, which are not expected to be renewed beyond one year, have not been recorded on the statement of financial position and are recognized as lease expense on a straight-line basis over the lease term.

Contributed Nonfinancial Assets

Placer SPCA recognized contributed nonfinancial assets within in-kind revenue, including contributed services and other goods. Contributions in-kind, when received, are recognized at fair market value. The majority of contributed nonfinancial assets was used for consulting and outside services and veterinary/animal care. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Nonfinancial Assets (Continued)

For the years ended December 31, 2023 and 2022, contributed nonfinancial assets recognized within the statements of activities included:

	2023	2022
Veterinary/animal care	\$ 14,360	\$ 22,903
Consulting/outside services	12,500	32,500
Other	-	3,237
	\$ 26,860	\$ 58,640

Implementation of New Accounting Standard

On January 1, 2023, the Placer SPCA adopted FASB Accounting Standards Update 2016-13, *Financial Instruments – Credit Losses*, and all related subsequent amendments. The guidance significantly changed how the Placer SPCA will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing the Placer SPCA's exposure to credit risk and the measurement of credit losses. Financial assets held by the Placer SPCA that are subject to this guidance were trade accounts receivables.

The Placer SPCA adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new or enhanced disclosures.

The Placer SPCA adopted the standard using a modified retrospective method for all financial assets measured at amortized cost and off-balance-sheet credit exposures. Results for reporting periods beginning after January 1, 2023, are presented under the standard, while prior period amounts continue to be reported in accordance with previously applicable GAAP.

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Events and transactions have been evaluated for potential recognition or disclosure through November 6, 2024, the date that the financial statements were available to be issued.

NOTE 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As part of the Placer SPCA'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.

The Placer SPCA's financial assets available within one year of the balance sheet date for general expenditures are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 11,099,779	\$ 8,991,962
Certificates of deposit	782,000	750,000
Accounts receivable	233,976	359,865
Investments in marketable securities	5,814,122	4,855,784
Pledges receivable, current portion	742,986	9,191
Other current assets	<u>61,332</u>	<u>60,361</u>
Financial assets	18,734,195	15,027,163
Less those unavailable for general expenditures within one year, due to purpose restrictions stipulated by donors	<u>5,661,474</u>	<u>1,032,230</u>
Financial assets available to meet cash need for expenditures within one year	<u>\$ 13,072,721</u>	<u>\$ 13,994,933</u>

NOTE 4: INVESTMENTS IN MARKETABLE SECURITIES

Investments in marketable securities consist of cash on deposit with an investment company, equities, exchange-traded funds (ETFs) and bond funds. These investments are intended to provide investment income to be used for the Placer SPCA's programs and operations. All investments are unrestricted and presented at fair market value.

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 4: INVESTMENTS IN MARKETABLE SECURITIES (CONTINUED)

At December 31, 2023 and 2022, investments in marketable securities consist of the following:

	2023		2022	
	Cost	Market Value	Cost	Market Value
ETFs:				
Foreign large blend	\$ 472,479	\$ 515,426	\$ 254,203	\$ 255,528
Intermediate core bond	336,714	350,373	-	-
Large blend	1,540,897	1,785,484	498,780	483,386
Large growth	621,030	865,077	303,321	285,138
Large value	549,486	603,216	688,662	662,752
Mid-cap blend	482,416	519,441	83,452	81,348
Small blend	-	-	154,629	145,125
Intermediate core-plus	-	-	1,037,009	982,018
Diversified emerging mkts	377,507	389,213	120,361	118,285
Medium growth	53,268	56,399	-	-
Medium value	-	-	341,302	333,281
Medium blend	-	-	456,158	433,301
Global fixed income	-	-	749,862	732,686
Inflation protection bond	35,316	36,312	201,940	201,582
Emerging markets bond	17,766	18,761	-	-
Foreign large growth	17,744	18,819	-	-
Foreign large value	41,728	43,453	-	-
Fund small blend	210,879	242,417	-	-
Intermediate government	141,899	148,045	-	-
Long government	70,928	77,317	-	-
Technology	17,662	18,693	-	-
Ultrashort bond	106,614	106,174	-	-
Bonds:				
High yield	17,701	18,397	142,806	141,354
Equity:				
Stock funds	345	1,105	-	-
Total investments	<u>\$5,112,379</u>	<u>\$5,814,122</u>	<u>\$5,032,485</u>	<u>\$4,855,784</u>

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 4: INVESTMENTS IN MARKETABLE SECURITIES (CONTINUED)

The following is a summary of net return on investments as of December 31:

	<u>2023</u>	<u>2022</u>
Interest income	\$ 508,533	\$ 127,862
Realized gain (loss)	(51,297)	(456,263)
Unrealized gain (loss)	816,876	(806,326)
Investment fees	<u>(34,581)</u>	<u>(34,194)</u>
Net return on investments	<u>\$ 1,239,531</u>	<u>\$ (1,168,921)</u>

NOTE 5: PLEDGES RECEIVABLE

In 2013, the Placer SPCA began a capital campaign designed to raise funds for renovation of a new facility. Unconditional promises to give consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Receivable in less than one year	\$ 742,986	\$ 9,191
Receivable in one to five years	<u>2,743,350</u>	<u>6,500</u>
Total unconditional promises to give	3,486,336	15,691
Less discounts to net present value	(562,649)	(1,128)
Less allowance for uncollectible pledges	<u>(146,184)</u>	<u>(2,000)</u>
Net unconditional promises to give	<u>\$ 2,777,503</u>	<u>\$ 12,563</u>

Pledges that are receivable in more than one year are discounted at 10%.

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 6: PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	<u>2023</u>	<u>2022</u>
Furniture and equipment	\$ 770,252	\$ 740,578
Leasehold improvements	893,081	893,081
Building and CIP	<u>6,330,200</u>	<u>6,000,777</u>
 Total	 7,993,533	 7,634,436
 Less accumulated depreciation	 <u>2,324,008</u>	 <u>2,109,429</u>
 Property and equipment, net	 <u>\$ 5,669,525</u>	 <u>\$ 5,525,007</u>

As of December 31, 2018, \$7,600,000 of cumulative costs was reimbursed by the City of Roseville under the terms of the agreement and, therefore, are not reflected on the statements of financial position. In 2019, the Placer SPCA began the planning stage of Phase 2. In Phase 2, additional construction will take place at the location of Phase 1 and will include facilities for animal intake, veterinary and other administrative services. On November 17, 2021, it was determined that the City of Roseville's portion of the total cost of Phase 1 was 55.4% and, as such, is the City of Roseville's ownership percentage going forward. See Note 13 for further discussion of this agreement.

Phase 2 is the construction of a veterinary and foster care center. This 8800 square foot facility will offer expanded veterinary services for injured and sick homeless animals entering the shelter and will help pet owners within Placer County who are struggling to find affordable accessible veterinary wellness services. Wellness services will include exams, spay/neuter, vaccinations, microchipping, dental work and flea and heartworm prevention. As of December 31, 2023, the costs to date were \$528,117.

NOTE 7: OPERATING LEASE OBLIGATION

The Placer SPCA is obligated under the following operating leases:

Land and improvements thereon from the City of Roseville

This lease has a term commencing July 10, 2002 and expiring June 30, 2030. The lease calls for initial monthly rental payments of \$1,915. Either party may terminate the lease, without cause, upon 120 days' notice. The lease contains a provision for leasehold improvement reimbursement if the City of Roseville terminates without cause.

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 7: OPERATING LEASE OBLIGATION (CONTINUED)

Space for the operations of the Placer SPCA Thrift Store

A new lease was signed on October 30, 2020 with a lease term commencing on November 1, 2020 and expired on October 31, 2022, at an allocated monthly rent of \$3,500.

A new lease was signed on October 30, 2022 with a lease term commencing on November 1, 2022 and expiring on October 31, 2025. Per the lease agreement, the allocated monthly rent during the period of November 1, 2021 through October 31, 2022 was \$3,500. On November 1, 2022, allocated monthly rent increased to \$4,305.

Additional space for the operations of the Placer SPCA Thrift Store

A new lease was signed on October 30, 2020 with a lease term commencing November 1, 2020 and expired on October 31, 2022, at an allocated monthly rent of \$980.

A new lease was signed on October 19, 2022 with a lease term commencing on November 1, 2022 and expiring on October 31, 2025, at an allocated monthly rent of \$1,150.

Space for the operations of the Placer SPCA Pet Adoption and Resource Center in Auburn

The lease was renewed commencing November 1, 2021 and expiring October 31, 2024, at an allocated monthly rent of \$1,912 with 3% increases beginning on November 1, 2021 and November 1, 2024.

Office Equipment

The lease was renewed commencing April 4, 2021 and expiring July 4, 2024, at an allocated monthly rent of \$239.

Short-term operating lease expenses for the years ended December 31, 2023 and 2022, was \$22,980 each year. Long-term operating lease expenses for the years ended December 31, 2023 and 2022, were \$90,437 and \$77,813, respectively.

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 7: OPERATING LEASE OBLIGATION (CONTINUED)

Future estimated minimum lease payments and a reconciliation of undiscounted cash flows under operating lease liabilities for the next two years are as follows:

Years maturities - undiscounted cash flows		
Due by:	2024	\$ 86,978
	2025	<u>57,880</u>
	Total undiscounted cash flows	144,858
	Less: discount on lease liabilities	<u>(6,807)</u>
	Operating lease liabilities	138,051
	Less: current portion	<u>(81,147)</u>
	Operating lease liabilities, less current portion	<u>\$ 56,904</u>

At December 31, 2023 and 2022, operating lease right-of-use assets were \$135,330 and \$220,807, respectively, and operating lease liabilities were \$138,051 and \$222,616, respectively. In 2023 and 2022, the weighted average remaining lease terms of operating leases is approximately 1.21 and 2.21 years, respectively. Placer SPCA elected to use a risk-free treasury rate using a period comparable with that of the lease term to determine the operating lease liabilities. The weighted average discount rate used is approximately 4.18% and 2.79% as of December 31, 2023 and 2022, respectively.

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 8: FAIR VALUE MEASUREMENTS

The following tables set forth by level, within the fair value hierarchy, the Placer SPCA's assets that are measured at fair value on a recurring basis as of December 31, 2023 and 2022:

Assets at Fair Value as of December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
ETFs:				
Foreign large blend	\$ 515,426	\$ -	\$ -	\$ 515,426
Intermediate core bond	350,373	-	-	350,373
Large blend	1,785,484	-	-	1,785,484
Large growth	865,077	-	-	865,077
Large value	603,216	-	-	603,216
Mid-cap blend	519,441	-	-	519,441
Diversified emerging mkts	389,213	-	-	389,213
Inflation protection bond	36,312	-	-	36,312
Medium growth	56,399	-	-	56,399
Emerging markets bond	18,761	-	-	18,761
Foreign large growth	18,819	-	-	18,819
Foreign large value	43,453	-	-	43,453
Fund small blend	242,417	-	-	242,417
Intermediate government	148,045	-	-	148,045
Long government	77,317	-	-	77,317
Technology	18,693	-	-	18,693
Ultrashort bond	106,174	-	-	106,174
Bonds:				
High yield	18,397	-	-	18,397
Equity:				
Stock funds	1,105	-	-	1,105
Total assets at fair value	<u>\$5,814,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$5,814,122</u>

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 8: FAIR VALUE MEASUREMENTS (CONTINUED)

Assets at Fair Value as of December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
ETFs:				
Foreign large blend	\$ 255,528	\$ -	\$ -	\$ 255,528
Large blend	483,386	-	-	483,386
Large growth	285,138	-	-	285,138
Large value	662,752	-	-	662,752
Mid-cap blend	81,348	-	-	81,348
Small blend	145,125	-	-	145,125
Intermediate core-plus	982,018	-	-	982,018
Diversified emerging mkts	118,285	-	-	118,285
Medium value	333,281	-	-	333,281
Medium blend	433,301	-	-	433,301
Global fixed income	732,686	-	-	732,686
Inflation Protection Bond	201,582	-	-	201,582
Bonds:				
High yield	141,354	-	-	141,354
Total assets at fair value	<u>\$4,855,784</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$4,855,784</u>

NOTE 9: NET ASSETS WITH DONOR RESTRICTIONS

The following net assets with donor restrictions, which are all subject to use for a specific purpose, received by the Placer SPCA consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Cat Spay and Neuter Program	\$ -	\$ 25,895
Phase 2 Building Fund Grant	5,587,837	940,580
SOS Fund	51,528	43,646
Mosquito fire relief	22,109	22,109
Total	<u>\$ 5,661,474</u>	<u>\$ 1,032,230</u>

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 9: NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets released from restrictions due to payments satisfying the purpose restrictions totaled \$600,469 and \$487,189, for the years ended December 31, 2023 and 2022, respectively.

NOTE 10: RELATED PARTY TRANSACTIONS

A current board member of the Placer SPCA is the owner of a financial services company with which the Placer SPCA has a relationship. The total value of assets on deposit, managed by this institution as of December 31, 2023 and 2022, was \$6,706,890 and \$5,704,513, respectively.

Pledges receivable from the board, management, and affiliated parties amounted to \$299,000 and \$10,191 at December 31, 2023 and 2022, respectively.

NOTE 11: CONCENTRATIONS

For the years ended December 31, 2023 and 2022, approximately 14% and 19%, respectively, of the Placer SPCA's revenue, excluding in-kind contributions, was earned under a contract with the City of Roseville, California. The Placer SPCA's market is concentrated in the Placer County, California geographical area.

NOTE 12: EMPLOYEE RETIREMENT PLAN

The Placer SPCA established a Simple IRA plan for its employees effective January 1, 2006. Employees are eligible to enroll one year after their date of hire provided that they have earned \$5,000 in gross wages during the preceding year. The Placer SPCA matches employee contributions up to 3% of their salary. During the years ended December 31, 2023 and 2022, the Placer SPCA made contributions to the plan of \$41,432 and \$32,597, respectively.

NOTE 13: BUILDING CONTRACT WITH CITY OF ROSEVILLE

In July 2015, Placer SPCA entered into a contract with the City of Roseville to transfer 68% of the ownership in real property located at 99 Yosemite Street from Placer SPCA to the City of Roseville. In exchange for this share of ownership, the City of Roseville paid \$7,600,000 to help the Placer SPCA construct Phase 1 of its new facility. As of 2018, Phase 1 has been completed and Phase 2 began in 2019. Beginning July 1, 2027, the start of year 13 of the agreement term, both the City of Roseville and the Placer SPCA shall have the right to exercise an option to purchase the other party's ownership interest in the new facility, subject to terms and conditions. On November 17, 2021, the City of Roseville determined that their ownership interest would be adjusted to be proportionate to their share of the Phase 1 total project costs. Accordingly, the City of Roseville's percentage ownership of the building is 55.4% going forward.

THE PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 14: LINE OF CREDIT

On June 20, 2023, the Placer SPCA obtained an unsecured line of credit (LOC) in the amount of \$4,000,000 from Central Valley Community Bank. The maturity date is January 5, 2027 and the interest rate is 6%. As of December 31, 2023, there was no outstanding balance.