



PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2024 AND 2023**

**MUN CPAs, LLP
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**PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
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DECEMBER 31, 2024 AND 2023**

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Placer County Society for the Prevention of Cruelty to Animals (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, cash flows for the year 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 Placer County Society for the Prevention of Cruelty to Animals as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Placer County Society for the Prevention of Cruelty to Animals as of December 31, 2023, were audited by other auditors whose report dated November 6, 2024 expressed an unmodified opinion on those statements.

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, that raise substantial doubt about 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 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 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.

MUN CPAs, LLP

Sacramento, California
November 4, 2025

**PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>(Restated) 2023</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents (Note 3)	\$ 12,859,503	\$ 11,099,779
Investments in marketable securities (Notes 4 and 6)	7,396,086	5,814,122
Certificates of deposit (Notes 4 and 5)	135,000	782,000
Accounts receivable	216,154	233,976
Promises to give, current portion, net of allowance (Note 7)	541,788	742,986
Other current assets	<u>74,464</u>	<u>61,332</u>
Total Current Assets	<u>21,222,995</u>	<u>18,734,195</u>
Non-Current Assets		
Promises to give, net of current portion and allowance (Note 7)	1,442,504	2,034,517
Property and equipment, net of accumulated depreciation (Note 8)	9,108,870	5,669,525
Operating lease right-of-use asset (Note 9)	<u>244,637</u>	<u>238,252</u>
Total Non-Current Assets	<u>10,796,011</u>	<u>7,942,294</u>
TOTAL ASSETS	<u>\$ 32,019,006</u>	<u>\$ 26,676,489</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 965,450	\$ 263,517
Accrued expenses	183,569	170,447
Operating lease liabilities, current portion (Note 9)	<u>96,000</u>	<u>81,147</u>
Total Current Liabilities	<u>1,245,019</u>	<u>515,111</u>
Non-Current Liabilities		
Operating lease liabilities, net of current portion (Note 9)	<u>151,543</u>	<u>160,119</u>
Total Non-Current Liabilities	<u>151,543</u>	<u>160,119</u>
TOTAL LIABILITIES	<u>1,396,562</u>	<u>675,230</u>
NET ASSETS		
Without donor restrictions	26,919,080	20,339,785
With donor restrictions (Note 12)	<u>3,703,364</u>	<u>5,661,474</u>
TOTAL NET ASSETS	<u>30,622,444</u>	<u>26,001,259</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 32,019,006</u>	<u>\$ 26,676,489</u>

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

**PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<u>SUPPORT AND REVENUES</u>			
Public support	\$ 3,750,745	\$ -	\$ 3,750,745
Restricted contributions and grants	-	1,951,930	1,951,930
Fundraising events, net of direct fundraising costs of \$182,425	618,757	-	618,757
Shelter operation revenue	1,698,553	-	1,698,553
In-kind revenue (Note 15)	70,734	-	70,734
Investment income	1,413,783	-	1,413,783
Total Support and Revenues	7,552,572	1,951,930	9,504,502
Net assets released from restriction	3,910,040	(3,910,040)	-
Total Revenues	11,462,612	(1,958,110)	9,504,502
<u>EXPENSES</u>			
Program services:			
Animal care and shelter operations	2,355,454	-	2,355,454
Adoption services	545,120	-	545,120
PetMobile	16,253	-	16,253
Behavior program	308,212	-	308,212
Shelter transfer	16,879	-	16,879
Animal lost and found	19,527	-	19,527
Humane education	328,697	-	328,697
Spay/neuter services and subsidies	384,824	-	384,824
Total program services	3,974,966	-	3,974,966
Support services:			
Management, general and administrative	312,666	-	312,666
Fundraising	595,685	-	595,685
Total support services	908,351	-	908,351
Total Expenses	4,883,317	-	4,883,317
CHANGE IN NET ASSETS	6,579,295	(1,958,110)	4,621,185
NET ASSETS - BEGINNING OF YEAR	20,339,785	5,661,474	26,001,259
NET ASSETS - END OF YEAR	\$ 26,919,080	\$ 3,703,364	\$ 30,622,444

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

**PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023 (RESTATED)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>SUPPORT AND REVENUES</u>			
Public support	\$ 1,841,626	\$ -	\$ 1,841,626
Restricted contributions and grants	-	5,229,713	5,229,713
Fundraising events, net of direct fundraising costs of \$279,647	431,458	-	431,458
Shelter operation revenue	1,635,745	-	1,635,745
In-kind revenue (Note 15)	26,860	-	26,860
Investment income	<u>1,239,533</u>	<u>-</u>	<u>1,239,533</u>
Total Support and Revenues	<u>5,175,222</u>	<u>5,229,713</u>	<u>10,404,935</u>
Net assets released from restriction	<u>600,469</u>	<u>(600,469)</u>	<u>-</u>
Total Revenues	<u>5,775,691</u>	<u>4,629,244</u>	<u>10,404,935</u>
<u>EXPENSES</u>			
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	<u>478,404</u>	<u>-</u>	<u>478,404</u>
Total program services	<u>3,927,792</u>	<u>-</u>	<u>3,927,792</u>
Support services:			
Management, general and administrative	287,286	-	287,286
Fundraising	<u>438,037</u>	<u>-</u>	<u>438,037</u>
Total support services	<u>725,323</u>	<u>-</u>	<u>725,323</u>
Total Expenses	<u>4,653,115</u>	<u>-</u>	<u>4,653,115</u>
CHANGE IN NET ASSETS	1,122,576	4,629,244	5,751,820
NET ASSETS - BEGINNING OF YEAR	<u>19,217,209</u>	<u>1,032,230</u>	<u>20,249,439</u>
NET ASSETS - END OF YEAR	<u>\$ 20,339,785</u>	<u>\$ 5,661,474</u>	<u>\$ 26,001,259</u>

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

**PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Animal Care and Shelter Operations	Adoption Services	PetMobile	Behavior Program	Shelter Transfer	Animal Lost and Found
Advertising	\$ 10,891	\$ 3,069	\$ 88	\$ 1,761	\$ 98	\$ 100
Automotive expenses	3,967	1,118	32	641	36	36
Bad debt expense	-	-	-	-	-	-
Consulting/outside services	66,094	18,622	535	10,684	594	606
Depreciation	89,738	25,284	727	14,506	807	822
Fundraising events	-	-	-	-	-	-
Insurance	30,833	8,687	250	4,984	277	283
Occupancy	102,052	28,753	826	16,496	917	935
Payroll taxes	92,921	26,181	752	15,020	835	852
Postage and shipping	23,108	6,511	187	3,735	208	212
Printing and office	42,061	11,851	341	6,799	378	385
Salaries and wages	1,362,782	383,965	11,035	220,290	12,248	12,489
Supplies	46,881	13,209	380	7,578	421	430
Telephone	6,637	1,870	54	1,073	60	61
Veterinary spay/neuter	-	-	-	-	-	-
Veterinary/animal care	<u>477,489</u>	<u>16,000</u>	<u>1,046</u>	<u>4,645</u>	<u>-</u>	<u>2,316</u>
Total expenses	<u>2,355,454</u>	<u>545,120</u>	<u>16,253</u>	<u>308,212</u>	<u>16,879</u>	<u>19,527</u>
Less expenses included with fundraising events on the statement of activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses included in the expenses section of the statement of activities	<u>\$ 2,355,454</u>	<u>\$ 545,120</u>	<u>\$ 16,253</u>	<u>\$ 308,212</u>	<u>\$ 16,879</u>	<u>\$ 19,527</u>

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

PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024 (CONTINUED)

	<u>Humane Education</u>	<u>Spay/Neuter Services and Subsidies</u>	<u>Total Program Services</u>	<u>Management, General and Administrative</u>	<u>Fundraising</u>	<u>Total Support Services</u>
Advertising	\$ 1,880	\$ 2,084	\$ 19,971	\$ 1,802	\$ 3,687	\$ 5,489
Automotive expenses	685	759	7,274	656	1,343	1,999
Bad debt expense	-	-	-	-	(41,237)	(41,237)
Consulting/outside services	11,409	12,648	121,192	10,936	22,374	33,310
Depreciation	15,490	17,173	164,547	15,878	30,378	46,256
Fundraising events	-	-	-	-	182,425	182,425
Insurance	5,322	5,900	56,536	5,102	10,437	15,539
Occupancy	17,616	19,529	187,124	16,886	34,546	51,432
Payroll taxes	16,040	17,782	170,383	15,375	31,455	46,830
Postage and shipping	3,989	4,422	42,372	3,823	7,822	11,645
Printing and office	7,260	8,049	77,124	6,960	14,238	21,198
Salaries and wages	235,238	260,788	2,498,835	225,490	461,321	686,811
Supplies	8,092	8,971	85,962	7,757	15,870	23,627
Telephone	1,146	1,270	12,171	1,098	2,247	3,345
Veterinary spay/neuter	-	(6,540)	(6,540)	-	-	-
Veterinary/animal care	<u>4,530</u>	<u>31,989</u>	<u>538,015</u>	<u>903</u>	<u>1,204</u>	<u>2,107</u>
Total expenses	<u>328,697</u>	<u>384,824</u>	<u>3,974,966</u>	<u>312,666</u>	<u>778,110</u>	<u>1,090,776</u>
Less expenses included with fundraising events on the statement of activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(182,425)</u>	<u>(182,425)</u>
Total expenses included in the expenses section of the statement of activities	<u>\$ 328,697</u>	<u>\$ 384,824</u>	<u>\$ 3,974,966</u>	<u>\$ 312,666</u>	<u>\$ 595,685</u>	<u>\$ 908,351</u>

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

**PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023 (RESTATED)**

	Animal Care and Shelter Operations	Adoption Services	PetMobile	Behavior Program	Shelter Transfer	Animal Lost and Found
Advertising	\$ 6,551	\$ 2,070	\$ 31	\$ 994	\$ 116	\$ 116
Automotive expenses	4,044	1,278	19	614	72	71
Consulting/outside services	50,745	16,034	244	7,700	899	897
Depreciation	93,078	29,409	447	14,124	1,649	1,645
Fundraising events	-	-	-	-	-	-
Insurance	24,236	7,658	116	3,678	429	428
Occupancy	112,976	35,696	543	17,144	2,002	1,996
Payroll taxes	83,402	26,352	401	12,656	1,478	1,474
Postage and shipping	15,265	4,823	73	2,316	270	270
Printing and office	37,419	11,823	180	5,678	663	661
Salaries and wages	1,238,021	391,170	5,950	187,866	21,935	21,876
Supplies	126,275	39,899	607	19,162	2,237	2,231
Telephone	6,981	2,206	34	1,059	124	123
Veterinary spay/neuter	-	-	-	-	-	-
Veterinary/animal care	<u>440,546</u>	<u>18,990</u>	<u>1,249</u>	<u>5,300</u>	<u>-</u>	<u>2,734</u>
Total expenses	<u>2,239,539</u>	<u>587,408</u>	<u>9,894</u>	<u>278,291</u>	<u>31,874</u>	<u>34,522</u>
Less expenses included with fundraising events on the statement of activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses included in the expenses section of the statement of activities	<u>\$ 2,239,539</u>	<u>\$ 587,408</u>	<u>\$ 9,894</u>	<u>\$ 278,291</u>	<u>\$ 31,874</u>	<u>\$ 34,522</u>

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

**PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023 (CONTINUED)**

	<u>Humane Education</u>	<u>Spay/Neuter Services and Subsidies</u>	<u>Total Program Services</u>	<u>Management, General and Administrative</u>	<u>Fundraising</u>	<u>Total Support Services</u>
Advertising	\$ 954	\$ 1,642	\$ 12,474	\$ 1,039	\$ 1,590	\$ 2,629
Automotive expenses	589	1,014	7,701	641	982	1,623
Consulting/outside services	7,392	12,722	96,633	8,039	12,315	20,354
Depreciation	13,558	23,335	177,245	15,038	22,589	37,627
Fundraising events	-	-	-	-	279,647	279,647
Insurance	3,530	6,076	46,151	3,839	5,882	9,721
Occupancy	16,456	28,323	215,136	18,812	27,417	46,229
Payroll taxes	12,148	20,909	158,820	13,212	20,240	33,452
Postage and shipping	2,224	3,827	29,068	2,419	3,705	6,124
Printing and office	5,450	9,381	71,255	5,928	9,081	15,009
Salaries and wages	180,330	310,374	2,357,522	196,125	300,451	496,576
Supplies	18,393	31,657	240,461	20,004	30,645	50,649
Telephone	1,017	1,750	13,294	1,105	1,694	2,799
Veterinary spay/neuter	-	18,356	18,356	-	-	-
Veterinary/animal care	<u>5,819</u>	<u>9,038</u>	<u>483,676</u>	<u>1,085</u>	<u>1,446</u>	<u>2,531</u>
Total expenses	<u>267,860</u>	<u>478,404</u>	<u>3,927,792</u>	<u>287,286</u>	<u>717,684</u>	<u>1,004,970</u>
Less expenses included with fundraising events on the statement of activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(279,647)</u>	<u>(279,647)</u>
Total expenses included in the expenses section of the statement of activities	<u>\$ 267,860</u>	<u>\$ 478,404</u>	<u>\$ 3,927,792</u>	<u>\$ 287,286</u>	<u>\$ 438,037</u>	<u>\$ 725,323</u>

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

PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 4,621,185	\$ 5,751,820
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Promises to give restricted for long-term purposes	(176,100)	(5,558,941)
Change in promises to give discount and allowance	(314,650)	705,705
Realized and unrealized gain (loss) on investments	(831,199)	730,998
Depreciation	210,803	214,872
Amortization of operating lease right-of-use assets	83,379	85,477
(Increase) decrease in:		
Accounts receivable	17,822	125,889
Other current assets	(13,132)	(971)
Increase (decrease) in:		
Accounts payable	701,933	(58,039)
Accrued expenses	13,122	16,335
Operating lease liabilities	<u>(84,517)</u>	<u>(84,565)</u>
Net Cash Provided by Operating Activities	<u>4,228,646</u>	<u>1,928,580</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments	(3,188,507)	(7,094,487)
Proceeds from sale of investments	3,084,743	5,405,151
Purchase of certificates of deposit	-	(32,000)
Rehabilitation costs for Phase 2 project	(3,649,119)	(74,127)
Purchase of property and equipment	<u>-</u>	<u>(113,596)</u>
Net Cash Used in Investing Activities	<u>(3,752,883)</u>	<u>(1,909,059)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Promises to give restricted for long-term purposes	<u>1,283,961</u>	<u>2,088,296</u>
Net Cash Provided by Financing Activities	<u>1,283,961</u>	<u>2,088,296</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>1,759,724</u>	<u>2,107,817</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>11,099,779</u>	<u>8,991,962</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 12,859,503</u>	<u>\$ 11,099,779</u>
<u>SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING ACTIVITIES:</u>		
Rehabilitation costs for Phase 2 project financed with accounts payable	<u>\$ 857,076</u>	<u>\$ 173,662</u>

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

PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

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.

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.

Adoption Services - The Placer SPCA completed and moved into their new adoption and education center in June 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 The Fountains in 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.

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.

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.

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.

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 costs. 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.

PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2024 and 2023 totaled \$360,910 and \$340,148, respectively. Inventory at any point in time is valued at negligible amounts and not recorded on the statement of financial position.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (GAAP). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Placer SPCA and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and are available for general operations. The Placer SPCA's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by actions of the Placer SPCA and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassifications were made to enhance comparability between periods and had no impact on previously reported net income, total assets, or total liabilities

Use of Estimates

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

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Placer SPCA considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of three months or less at the time of purchase.

The Placer SPCA maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The Placer SPCA has not experienced any losses in such accounts. Management believes the Placer SPCA is not exposed to any significant credit risk related to cash.

PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Allowance for Credit Loss

Accounts receivable are stated at the unpaid balance. An allowance for credit losses is provided based upon management's judgment, considering such factors as prior collection history, type of contribution, relationship with donor, and other relevant factors. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. At December 31, 2024 and 2023, management deemed all receivables to be collectible and therefore no allowance for credit losses has been recorded.

Promises to Give

Promises to give consist of unconditional promises to give for the capital campaign. Promises to give 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 amounts is provided based upon management's judgment, considering such factors as prior collection history, type of contribution, relationship with donor, and other relevant factors. At December 31, 2024 and 2023, the allowance for uncollectible amounts totaled \$104,436 and \$146,184, respectively.

Property and Equipment

Property and equipment are recorded at cost at the date of purchase, or for donated assets, at fair value at the date of donation. The Placer SPCA capitalizes assets whose costs are in excess of \$5,000. Depreciation is computed using the straight-line method over the asset's estimated useful lives as follows:

Furniture and equipment	3 to 6 years
Leasehold improvements	3 to 24 years
Buildings	39 years

When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expenses as incurred.

Leases

The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Operating leases are included in right-of-use ("ROU") assets and lease liabilities in the statement of financial position.

The ROU asset represents the Placer SPCA's right to use the underlying asset for the lease term, and the lease liability represents the Placer SPCA's obligation to make lease payments. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Placer SPCA uses the implicit rate when it is readily determinable. Since the Placer SPCA's lease does not provide an implicit rate, to determine the present value of lease payments, management uses a risk-free interest rate based on information available at lease commencement. ROU assets include any lease payments made and exclude any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Placer SPCA's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Placer SPCA will exercise the option.

PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Eligible employees may accrue vacation and sick leave based on length of service. At December 31, 2024 and 2023, the compensated absences balance was \$132,254 and \$127,859, respectively, and is included in accrued expenses in the statements of financial position.

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 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.

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.

Program 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.

In-kind Contributions

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Donated securities are included in income at the fair market value at the transaction date.

Functional Expense Allocation

The costs of program 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. 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 expense. 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.

PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Placer SPCA qualifies for exemption from income taxes under provision Section 501 (c)(3) of the Internal Revenue Code and exempt from state income taxes. Accordingly, there is no provision for income taxes recorded in the financial statements. As required by the Income Tax Topic of FASB ASC 740, the Placer SPCA recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. The Placer SPCA does not believe its financial statements include any uncertain tax positions.

Advertising Costs

Advertising costs are expensed as incurred.

Subsequent Events

Subsequent events were evaluated through November 4, 2025, which is the date the financial statements were available to be issued.

NOTE 2: LIQUIDITY AND AVAILABILITY

As of December 31, 2024 and 2023, the following table shows the financial assets held by the Placer SPCA and the amounts of those assets which could be readily available within one year of the statements of financial position date to meet general expenditures:

	<u>2024</u>	<u>2023</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 12,859,503	\$ 11,099,779
Investments in marketable securities	7,396,086	5,814,122
Certificates of deposit	135,000	782,000
Accounts receivable	216,154	233,976
Promises to give, current portion	<u>541,788</u>	<u>742,986</u>
Total financial assets	<u>21,148,531</u>	<u>18,672,863</u>
Less amounts unavailable for general expenditures within one year due to:		
Amounts restricted by donors for a specified purpose (Note 12)	<u>(3,703,364)</u>	<u>(5,661,474)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 17,445,167</u>	<u>\$ 13,011,389</u>

The Placer SPCA's practice is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Placer SPCA maintains operating reserves in cash and short-term investments, and an unsecured line of credit to manage liquidity. The Board of Directors may designate a portion of net assets without donor restrictions as a liquidity reserve; such designations may be modified or removed by the Board as needed.

PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
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NOTE 3: CASH AND CASH EQUIVALENTS

The Placer SPCA maintains its cash balances at four financial institutions. At December 31, 2024, the bank balances totaled \$12,766,729, of which \$1,576,979 was not covered by FDIC insurance coverage. The book balance of cash and cash equivalents at December 31, 2024 totaled \$12,859,503. At December 31, 2023, the bank balances totaled \$10,989,012, of which \$436,537 was not covered by FDIC insurance coverage. The book balance of cash and cash equivalents at December 31, 2023 totaled \$11,099,779.

NOTE 4: FAIR VALUE MEASUREMENT

FASB Accounting Standards Codification 820, Fair Value Measurement, established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Placer SPCA has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liabilities;
- Inputs that are derived principally from or corroborated by observable market data correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Exchange-Traded Funds (ETFs): Valued using quoted market prices in active markets, resulting in a Level 1 classification.

Equities: Valued using quoted market prices in active markets, resulting in a Level 1 classification.

Bond funds: Valued using quoted market prices for similar securities in active markets. For securities where quoted market prices or market prices of similar securities are not available, fair values are calculated using discounted cash flows or other market indicators, resulting in a Level 2 classification.

Certificates of Deposit: Valued using interest rates offered for certificates with similar remaining maturities, resulting in a Level 2 classification.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Placer SPCA believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4: FAIR VALUE MEASUREMENT (CONTINUED)

The following table set forth by level, within the fair value hierarchy, the Placer SPCA's assets at fair value as of December 31, 2024 and 2023.

Assets at Fair Value as of December 31, 2024				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange-traded funds	\$ 6,492,306	\$ -	\$ -	\$ 6,492,306
Equities	6,508	-	-	6,508
Bond funds	-	897,272	-	897,272
Certificates of deposit	<u>-</u>	<u>135,000</u>	<u>-</u>	<u>135,000</u>
Total assets at fair value	<u>\$ 6,498,814</u>	<u>\$ 1,032,272</u>	<u>\$ -</u>	<u>\$ 7,531,086</u>

Assets at Fair Value as of December 31, 2023				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange-traded funds	\$ 5,057,638	\$ -	\$ -	\$ 5,057,638
Equities	1,105	-	-	1,105
Bond funds	-	755,379	-	755,379
Certificates of deposit	<u>-</u>	<u>782,000</u>	<u>-</u>	<u>782,000</u>
Total assets at fair value	<u>\$ 5,058,743</u>	<u>\$ 1,537,379</u>	<u>\$ -</u>	<u>\$ 6,596,122</u>

NOTE 5: CERTIFICATES OF DEPOSIT

As of December 31, 2024, the Placer SPCA had one certificate of deposit for \$135,000 which had an interest rate of 5.40% and matured on January 2, 2025. As of December 31, 2023, the Placer SPCA had six certificates of deposit for \$782,000 with interest rates ranging from 5.35% to 5.45% and maturity dates from April 15, 2024 through June 18, 2024.

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NOTE 6: 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.

At December 31, 2024 and 2023, investments in marketable securities consist of the following:

	2024		2023	
	Cost	Market Value	Cost	Market Value
ETFs:				
Foreign large blend	\$ 586,470	\$ 619,293	\$ 472,479	\$ 515,426
Large blend	2,213,054	2,932,516	1,540,897	1,785,484
Large growth	729,121	1,163,835	621,030	865,077
Large value	23,920	25,080	549,486	603,216
Mid-cap blend	369,400	440,476	482,416	519,441
Small blend	179,704	219,678	-	-
Diversified emerging mkts	442,724	484,072	377,507	389,213
Medium growth	-	-	53,268	56,399
Foreign large growth	41,164	38,375	17,744	18,819
Foreign large value	-	-	41,728	43,453
Fund small blend	-	-	210,879	242,417
Technology	17,302	19,906	17,662	18,693
Government	549,065	549,075	-	-
Bonds:				
Mortgage backed bond	123,445	125,821	-	-
Multi sector bond	87,387	86,786	-	-
Convertible bond	42,546	45,658	-	-
Ultrashort bond	-	-	106,614	106,174
Long government	105,546	105,671	70,928	77,317
Intermediate government	-	-	141,899	148,045
Emerging markets bond	25,423	26,141	17,766	18,761
Inflation protection bond	-	-	35,316	36,312
Global fixed income	39,805	38,796	-	-
Intermediate core bond	460,974	441,927	336,714	350,373
High yield	26,909	26,472	17,701	18,397
Equity:				
Stock funds	-	6,508	345	1,105
Total investments	<u>\$ 6,063,959</u>	<u>\$ 7,396,086</u>	<u>\$ 5,112,379</u>	<u>\$ 5,814,122</u>

The following is a summary of net investment income as of December 31:

	2024	2023
Interest income	\$ 624,496	\$ 508,533
Realized gain (loss)	283,214	(51,295)
Unrealized gain (loss)	547,985	816,876
Investment fees	<u>(41,912)</u>	<u>(34,581)</u>
Investment income, net	<u>\$ 1,413,783</u>	<u>\$ 1,239,533</u>

PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
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NOTE 7: PROMISES TO GIVE

In 2013, the Placer SPCA began a capital campaign designed to raise funds for building a new adoption and education center. Unconditional promises to give consisted of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Receivable in less than one year	\$ 541,788	\$ 742,986
Receivable in one to five years	<u>1,836,687</u>	<u>2,743,350</u>
Total unconditional promises to give	<u>2,378,475</u>	<u>3,486,336</u>
Less: discounts to net present value	(289,747)	(562,649)
Less: allowance for uncollectible pledges	<u>(104,436)</u>	<u>(146,184)</u>
Net unconditional promises to give	<u>\$ 1,984,292</u>	<u>\$ 2,777,503</u>

Promises to give that are receivable in more than one year are discounted at 10%.

NOTE 8: PROPERTY AND EQUIPMENT

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

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 770,252	\$ 770,252
Leasehold improvements	893,081	893,081
Building	5,947,694	5,947,695
Construction in progress	4,031,624	382,505
Less: accumulated depreciation	<u>(2,533,781)</u>	<u>(2,324,008)</u>
Total property and equipment, net	<u>\$ 9,108,870</u>	<u>\$ 5,669,525</u>

Depreciation expense for the years ended December 31, 2024 and 2023 totaled \$209,773 and \$214,579, respectively.

As of December 31, 2018, \$7,600,000 of cumulative costs of construction were 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 of its new facility. 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, the construction of a new Veterinary and Foster Care Center, means a transformative leap forward in animal welfare for owners and animals in the area. With the county's rapid growth and a critical shortage of veterinary services, this new medical facility will meet the urgent needs for animal care in the community. Replacing the current, outdated veterinary space, the new Center will empower the dedicated veterinary team to quadruple the number of spay/neuter surgeries they perform and deliver specialized procedures that save time and -most importantly- more lives.

**PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 8: PROPERTY AND EQUIPMENT (CONTINUED)

Designed with both shelter animals and community pets in mind, the 8,800 square foot center features five surgical suites, numerous specialized recovery rooms and spaces, and two equipped dental tables to ensure safe, efficient, and compassionate care for injured, ill and needy animals. It expands the Placer SPCA's capacity to provide essential services like exams, vaccinations, microchips, dental work, and preventative treatments, while also supporting the growing Foster Program with dedicated spaces for orphaned kittens. With enhanced pharmacy and diagnostic lab facilities and a commitment to best-in-class animal welfare practices, this new Center is more than a building- it's a bold step toward a healthier, happier future for pets and the people who love them. As of December 31, 2024 and 2023, the costs to date were \$4,177,236 and \$528,117, respectively.

NOTE 9: LEASES

The Placer SPCA leases its land and improvements, the Placer SPCA Thrift Store, Placer SPCA Pet Adoption and Resource Center, Corp Yard, and office equipment under operating lease agreements with expiration dates through October 2029. As of December 31, 2024, the leases require combined monthly payments ranging from \$1,150 to \$4,567. At December 31, 2024 and 2023, the weighted average remaining lease term is 2.49 years and 1.72 years, respectively.

In accordance with FASB ASC 842, *Leases*, the Placer SPCA reflects the present value of future operating lease payments (discounted at an appropriate borrowing rate) as a "right-of-use" asset and a corresponding lease liability. As of December 31, 2024, the Placer SPCA has recorded a total lease liability in the amount of \$247,543 for its land and improvements, the Placer SPCA Thrift Store, Placer SPCA Pet Adoption and Resource Center, Corp Yard and office equipment (split between the current amount of \$96,000 and non-current amount of \$151,543), and a corresponding right-of-use asset in the amount of \$244,637. As of December 31, 2023, the Placer SPCA recorded a lease liability in the amount of \$241,266 for its land and improvements, the Placer SPCA Thrift Store, Placer SPCA Pet Adoption and Resource Center, and office equipment (split between the current amount of \$81,147 and non-current amount of \$160,119), and a corresponding right-of-use asset in the amount of \$238,252. The weighted average discount rate associated with the calculation of the present value of the future lease payments as of December 31, 2024 and 2023 was 4.54% and 4.18%, which represents an estimate of the Placer SPCA's incremental borrowing rate.

Maturities of the operating lease liability, are as follows:

Year Ending December 31:	Lease Payments
2025	\$ 104,819
2026	48,170
2027	49,556
2028	44,482
2029	21,439
Total lease payments	268,466
Less interest	(20,923)
Present value of lease liabilities	\$ 247,543

During the years ended December 31, 2024 and 2023, the Placer SPCA incurred \$112,488 and \$120,834, respectively, in lease expenses and had \$71,948 and \$86,798 in total cash payments, respectively.

**PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 10: 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, 2024 and 2023, there was no outstanding balance.

NOTE 11: 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 hire 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, 2024 and 2023, the Placer SPCA made contributions to the plan of \$52,874 and \$41,432, respectively.

NOTE 12: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions, which are all subject to use for a specific purpose, consisted of the following at December 31:

	2024	2023
Phase 2 construction	\$ 3,607,922	\$ 5,587,837
SOS Fund	61,893	51,528
Mosquito fire relief	22,109	22,109
Pet food donations, pet food pantry	7,700	-
Rainbow bridge fund	3,740	-
	\$ 3,703,364	\$ 5,661,474

NOTE 13: BUILDING CONTRACT WITH CITY OF ROSEVILLE

In July 2015, the 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.

NOTE 14: 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, 2024 and 2023, was \$7,531,086 and \$6,596,122, respectively.

Promises to give from the board, management, and affiliated parties amounted to \$188,500 and \$299,000 at December 31, 2024 and 2023, respectively.

**PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
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NOTE 15: IN-KIND CONTRIBUTIONS

The Placer SPCA received the following contribution of non-financial assets for the years ending December 31:

	<u>Valuation Method</u>	<u>2024</u>	<u>2023</u>
Veterinary/animal care	Fair value based on standard billing rate per invoice	\$ 24,636	\$ 14,360
Consulting/outside services	Fair value based on standard billing rate per invoice	<u>46,098</u>	<u>12,500</u>
Total Contributed Non-Financial Assets		<u>\$ 70,734</u>	<u>\$ 26,860</u>

The Placer SPCA received in-kind contributions in the form of veterinary/animal care and consulting/outside services. The value of these donated services have been recognized as revenues and expenses in the financial statements at the estimated fair value of the donated services. The Placer SPCA did not receive in-kind contributions with donor restrictions.

NOTE 16: CONCENTRATIONS

For the years ended December 31, 2024 and 2023, approximately 14% and 11%, 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 17: RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

During the year ended December 31, 2024, management determined the Corp Yard lease was incorrectly not recorded as an operating lease right-of-use asset and operating lease liability during the Placer SPCA's 2023 year end. Management recorded a \$102,922 adjustment to increase operating lease right-of-use asset, a \$103,215 adjustment to increase operating lease liabilities, and a \$293 adjustment to increase depreciation expense.