

PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2025 AND 2024

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PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
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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, 2025, 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, 2025, 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Restatement of Prior Year Financial Statements

The financial statements of Placer County Society for the Prevention of Cruelty to Animals as of and for the year ended December 31, 2024, were audited by MUN CPAs, LLP who joined Eide Bailly LLP on August 17, 2026, and whose report dated November 4, 2025, expressed an unmodified opinion on those statements.

As discussed in Note 17 to the financial statements, the 2024 financial statements have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

As part of our audit of the 2025 financial statements, we also audited the adjustments described in Note 17 that were applied to restate the 2024 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review or apply any procedures to the 2024 financial statements of Placer County Society for the Prevention of Cruelty to Animals other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2024 financial statements as a whole.

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.

Eide Bailly LLP

Sacramento, California
October 22, 2026

PLACER COUNTY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025 AND 2024 (RESTATED)

	2025	(restated) 2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 3)	$ 8,922,477	$ 12,859,503
Investments in marketable securities (Notes 4 and 6)	8,905,535	7,396,086
Certificates of deposit (Notes 4 and 5)	-	135,000
Accounts receivable	353,272	216,154
Promises to give, current portion, net of allowance (Note 7)	237,021	541,788
Other current assets	54,279	74,464
Total Current Assets	18,472,584	21,222,995
Non-Current Assets		
Promises to give, net of current portion and allowance, and discount (Note 7)	622,305	1,442,504
Property and equipment, net of accumulated depreciation (Note 8)	16,658,051	9,108,870
Operating right-of-use asset (Note 9)	361,985	244,637
Total Non-Current Assets	17,642,341	10,796,011
TOTAL ASSETS	$ 36,114,925	$ 32,019,006
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 282,629	$ 965,450
Accrued expenses	222,736	183,569
Operating lease liabilities, current portion (Note 9)	96,000	81,147
Total Current Liabilities	601,365	1,230,166
Non-Current Liabilities		
Operating lease liabilities, net of current portion (Note 9)	269,619	166,396
Total Non-Current Liabilities	269,619	166,396
TOTAL LIABILITIES	870,984	1,396,562
NET ASSETS		
Without donor restrictions	26,761,156	23,269,961
With donor restrictions (Note 12)	8,482,785	7,352,483
TOTAL NET ASSETS	35,243,941	30,622,444
TOTAL LIABILITIES AND NET ASSETS	$ 36,114,925	$ 32,019,006

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, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Public support	$ 3,594,092	$ -	$ 3,594,092
Restricted contributions and grants	-	1,325,723	1,325,723
Fundraising events, net of direct fundraising costs of $33,886	367,733	-	367,733
Thrift store sales	426,238	-	426,238
Shelter operation revenue	2,399,790	-	2,399,790
In-kind revenue (Note 15)	594,654	-	594,654
Employee retention credit (Note 14)	702,324	-	702,324
Net investment income (Note 6)	1,532,698	-	1,532,698
Total Support and Revenues	9,617,529	1,325,723	10,943,252
Net assets released from restriction	195,421	(195,421)	-
Total Revenues	9,812,950	1,130,302	10,943,252
EXPENSES			
Program services:			
Animal care and shelter operations	2,892,199	-	2,892,199
Adoption services	538,057	-	538,057
PetMobile	17,479	-	17,479
Behavior program	329,757	-	329,757
Shelter transfer	18,794	-	18,794
Animal lost and found	20,502	-	20,502
Community engagement	397,421	-	397,421
Spay/neuter services and subsidies	480,096	-	480,096
Thrift store	512,453	-	512,453
Total program services	5,206,758	-	5,206,758
Support services:			
Management, general and administrative	448,620	-	448,620
Fundraising	666,377	-	666,377
Total support services	1,114,997	-	1,114,997
Total Expenses	6,321,755	-	6,321,755
CHANGE IN NET ASSETS	3,491,195	1,130,302	4,621,497
NET ASSETS - BEGINNING OF YEAR AS RESTATED	23,269,961	7,352,483	30,622,444
NET ASSETS - END OF YEAR	$ 26,761,156	$ 8,482,785	$ 35,243,941

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 (RESTATED)

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
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 $106,552	328,176	-	328,176
Thrift store sales	366,454	-	366,454
Shelter operation revenue	1,698,553	-	1,698,553
In-kind revenue (Note 15)	437,188	-	437,188
Net investment income (Note 6)	1,413,783	-	1,413,783
Total Support and Revenues	7,994,899	1,951,930	9,946,829
Net assets released from restriction	260,921	(260,921)	-
Total Revenues	8,255,820	1,691,009	9,946,829
EXPENSES			
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
Community engagement	328,697	-	328,697
Spay/neuter services and subsidies	384,824	-	384,824
Thrift store	446,418	-	446,418
Total program services	4,421,384	-	4,421,384
Support services:			
Management, general and administrative	312,666	-	312,666
Fundraising	591,594	-	591,594
Total support services	904,260	-	904,260
Total Expenses	5,325,644	-	5,325,644
CHANGE IN NET ASSETS	2,930,176	1,691,009	4,621,185
NET ASSETS - BEGINNING OF YEAR	20,339,785	5,661,474	26,001,259
NET ASSETS - END OF YEAR	$ 23,269,961	$ 7,352,483	$ 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 FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Animal Care and Shelter Operations	Adoption Services	PetMobile	Behavior Program	Shelter Transfer	Animal Lost and Found
Advertising	$ 12,395	$ 2,989	$ 92	$ 1,856	$ 108	$ 106
Automotive expenses	8,371	2,019	62	1,253	73	72
Bad debt expense (credit)	-	-	-	-	-	-
Consulting/outside services	17,852	4,306	132	2,673	155	153
Cost of thrift store goods sold	-	-	-	-	-	-
Depreciation	85,327	20,579	631	12,775	743	732
Fundraising events	-	-	-	-	-	-
Insurance	44,957	10,843	333	6,731	391	356
Occupancy	131,924	31,818	976	19,752	1,148	1,132
Payroll taxes	135,384	32,652	1,002	20,270	1,178	1,161
Postage and shipping	26,677	6,434	197	3,994	232	229
Printing and office	45,569	10,991	337	6,823	397	391
Salaries and wages	1,575,740	380,042	11,660	235,921	13,714	13,517
Supplies	64,961	15,668	481	9,726	565	557
Telephone	10,394	2,507	77	1,556	90	89
Veterinary spay/neuter	-	-	-	-	-	-
Veterinary/animal care	732,648	17,209	1,499	6,427	-	2,007
Total expenses	2,892,199	538,057	17,479	329,757	18,794	20,502
Less expenses included with fundraising events on the statement of activities	-	-	-	-	-	-
Total expenses included in the expenses section of the statement of activities	$ 2,892,199	$ 538,057	$ 17,479	$ 329,757	$ 18,794	$ 20,502

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, 2025 (CONTINUED)

	Community Engagement	Spay/Neuter Services and Subsidies	Thrift Store	Total Program Services	Management, General and Administrative	Fundraising	Total Support Services
Advertising	$ 2,244	$ 2,299	$ -	$ 22,089	$ 2,056	$ 4,178	$ 6,234
Automotive expenses	1,516	1,553	-	14,919	1,388	2,822	4,210
Bad debt expense (credit)	-	-	-	-	-	(59,209)	(59,209)
Consulting/outside services	3,232	3,311	-	31,814	92,577	6,018	98,595
Cost of thrift store goods sold	-	-	426,238	426,238	-	-	-
Depreciation	15,450	15,826	-	152,063	14,145	28,765	42,910
Fundraising events	-	-	-	-	-	33,886	33,886
Insurance	8,140	8,338	-	80,089	7,452	15,156	22,608
Occupancy	23,887	24,469	82,424	317,530	21,869	44,474	66,343
Payroll taxes	24,514	25,111	-	241,272	22,442	45,641	68,083
Postage and shipping	4,830	4,948	-	47,541	4,422	8,993	13,415
Printing and office	8,251	8,452	-	81,211	7,554	15,362	22,916
Salaries and wages	285,320	292,264	-	2,808,178	261,209	531,212	792,421
Supplies	11,763	12,049	3,791	119,561	10,769	18,109	28,878
Telephone	1,882	1,928	-	18,523	1,723	3,504	5,227
Veterinary spay/neuter	-	40,345	-	40,345	-	-	-
Veterinary/animal care	6,392	39,203	-	805,385	1,014	1,352	2,366
Total expenses	397,421	480,096	512,453	5,206,758	448,620	700,263	1,148,883
Less expenses included with fundraising events on the statement of activities	-	-	-	-	-	(33,886)	(33,886)
Total expenses included in the expenses section of the statement of activities	$ 397,421	$ 480,096	$ 512,453	$ 5,206,758	$ 448,620	$ 666,377	$ 1,114,997

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 (RESTATED)

	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 (credit)	-	-	-	-	-	-
Consulting/outside services	66,094	18,622	535	10,684	594	606
Cost of thrift store goods sold	-	-	-	-	-	-
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	477,489	16,000	1,046	4,645	-	2,316
Total expenses	2,355,454	545,120	16,253	308,212	16,879	19,527
Less expenses included with fundraising events on the statement of activities	-	-	-	-	-	-
Total expenses included in the expenses section of the statement of activities	$ 2,355,454	$ 545,120	$ 16,253	$ 308,212	$ 16,879	$ 19,527

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)

	Community Engagement	Spay/Neuter Services and Subsidies	Thrift Store	Total Program Services	Management, General and Administrative	Fundraising	Total Support Services
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 (credit)	-	-	-	-	-	(41,237)	(41,237)
Consulting/outside services	11,409	12,648	-	121,192	10,936	22,374	33,310
Cost of thrift store goods sold	-	-	366,454	366,454	-	-	-
Depreciation	15,490	17,173	-	164,547	15,878	30,378	46,256
Fundraising events	-	-	-	-	-	106,552	106,552
Insurance	5,322	5,900	-	56,536	5,102	10,437	15,539
Occupancy	17,616	19,529	75,873	262,997	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	4,091	90,053	7,757	11,779	19,536
Telephone	1,146	1,270	-	12,171	1,098	2,247	3,345
Veterinary spay/neuter	-	(6,540)	-	(6,540)	-	-	-
Veterinary/animal care	4,530	31,989	-	538,015	903	1,204	2,107
Total expenses	328,697	384,824	446,418	4,421,384	312,666	698,146	1,010,812
Less expenses included with fundraising events on the statement of activities	-	-	-	-	-	(106,552)	(106,552)
Total expenses included in the expenses section of the statement of activities	$ 328,697	$ 384,824	$ 446,418	$ 4,421,384	$ 312,666	$ 591,594	$ 904,260

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, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 4,621,497	$ 4,621,185
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Promises to give restricted for long-term purposes	-	(176,100)
Change in promises to give discount and allowance	(209,893)	(314,650)
Realized and unrealized gain on investments	(1,039,129)	(831,199)
Depreciation	194,973	210,803
Amortization of operating right-of-use assets	108,116	83,379
(Increase) decrease in:		
Accounts receivable	(137,118)	17,822
Other current assets	20,185	(13,132)
Increase (decrease) in:		
Accounts payable	(682,821)	701,933
Accrued expenses	39,167	13,122
Operating lease liabilities	(107,388)	(84,517)
Net Cash Provided by Operating Activities	2,807,589	4,228,646
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,563,024)	(3,188,507)
Proceeds from sale of investments	1,227,706	3,084,743
Rehabilitation costs for Phase 2 project	(7,635,239)	(3,649,119)
Purchase of property and equipment	(108,917)	-
Net Cash Used in Investing Activities	(8,079,474)	(3,752,883)
CASH FLOWS FROM FINANCING ACTIVITIES		
Promises to give restricted for long-term purposes	1,334,859	1,283,961
Net Cash Provided by Financing Activities	1,334,859	1,283,961
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(3,937,026)	1,759,724
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	12,859,503	11,099,779
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 8,922,477	$ 12,859,503
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING ACTIVITIES:		
Rehabilitation costs for Phase 2 project financed with accounts payable	$ 16,955	$ 857,076

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, 2025 AND 2024

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, comprehensive veterinary medical care, and individualized treatment to thousands of homeless, abandoned, injured, neglected, and ill animals each year at its Intake Center and Adoption & Education Center in Roseville and the Pet Resource and Adoption Center in Auburn. Through the generous support of donors to the Placer SPCA's Guardian Angel Program, animals receive lifesaving diagnostics, surgery, emergency care, dental treatment, medications, rehabilitation, and other specialized medical services needed to restore their health and prepare them for adoption. In addition, the Placer SPCA offers emergency pet food assistance, financial support to help keep pets with their families, and low-cost rabies vaccinations for Placer County residents, helping strengthen the human-animal bond and prevent unnecessary pet surrender.

Adoption Services - The Placer SPCA's 20,000-square-foot Adoption & Education Center, opened in 2018, was designed using best practices in animal welfare to promote animal health, well-being, and successful adoptions. Its home-like environment helps reduce stress and provides a comfortable setting for animals awaiting adoption. Through innovative programs, personalized adoption counseling, and creative promotions, the Placer SPCA is committed to finding every adoptable animal a loving permanent home. In addition to the Adoption & Education Center, the Placer SPCA operates the Pet Resource and Adoption Center in Auburn, which specializes in the care of special needs animals and cats enrolled in the organization's Career Cat Program. The Placer SPCA also operates a satellite cat adoption center at Pet Food Express at The Fountains in Roseville. To help remove barriers to adoption, adults age 55 and older may adopt dogs and cats age five and older at no adoption 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 their owners. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Community Engagement - The Placer SPCA is committed to strengthening the human-animal bond through education, outreach, and community engagement. Staff and volunteers participate in community events, educational presentations, and tabling opportunities throughout Placer County to promote responsible pet ownership, animal welfare, adoption, fostering, volunteerism, and the many programs and services offered by the organization. Through youth and adult educational programs, school and community presentations, service-learning opportunities, and public outreach events, the Placer SPCA inspires compassion for animals while connecting people with valuable resources that support pets and the families who love them.

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 thrift store that sells donated merchandise to generate resources in support of the Placer SPCA's animal welfare programs and operations. The thrift store employs one full-time and one part-time employee and otherwise operates through the efforts of volunteers. Thrift store sales are reported separately as revenue in the statements of activities. Expenses directly associated with operating the thrift store, including the cost of donated merchandise sold, are reported as thrift store program expenses in the statements of activities and statements of functional expenses. Thrift store sales for the years ended December 31, 2025 and 2024 totaled $426,238 and $366,454, respectively.

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. The Placer SPCA had no board-designated net assets at December 31, 2025 and 2024.

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 total assets, total liabilities, or changes in net assets.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Accounts Receivable and Allowance for Credit Loss

Accounts receivable are stated at the unpaid balance. The Placer SPCA estimates an allowance for credit losses based on historical collection experience, the aging of receivables, the credit quality and payment history of donors and grantors, current economic conditions, and reasonable and supportable forecasts of future economic conditions. Management evaluates accounts receivable on a periodic basis and records an allowance for credit losses when deemed necessary.

Accounts are written off against the allowance when all collection efforts have been exhausted and management determines the balance is uncollectible.

At December 31, 2025 and 2024, management evaluated outstanding receivables utilizing the factors described above and determined that an allowance for credit losses was not necessary, as substantially all receivable balances were considered collectible.

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, 2025 and 2024, the allowance for uncollectible amounts totaled $45,228 and $104,436, 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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The carrying value of equipment is reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2025 and 2024.

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 expensed 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 statements of financial position.

The Placer SPCA elected the practical expedient to not separate lease and non-lease components for its building, real estate, and office equipment leases.

The Placer SPCA has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

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.

Compensated Absences

Eligible employees may accrue vacation and sick leave based on length of service. At December 31, 2025 and 2024, the compensated absences balance was $161,251 and $132,254, respectively, and is included in accrued expenses in the statements of financial position.

Revenue Recognition

The Placer SPCA recognizes revenue in accordance with the applicable accounting guidance based on the nature of the underlying transaction. Contributions and grants are evaluated under FASB ASC Topic 958, *Not-for-Profit Entities*, while revenues arising from contracts with customers are recognized in accordance with FASB ASC Topic 606, *Revenue from Contracts with Customers*.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Grants

Contributions, including unconditional promises to give, are recognized as revenue when received or unconditionally promised. Contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is limited by donor-imposed restrictions. Contributions subject to donor-imposed restrictions are reported as increases in net assets with donor restrictions. When a donor-imposed restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the related net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Conditional contributions are not recognized as revenue until the conditions on which they depend have been substantially met. Amounts received in advance of satisfying such conditions are reported as refundable advances, if applicable.

Revenue from Contracts with Customers

The Placer SPCA earns revenue from shelter operations and other program services, including adoption and spay/neuter services, as well as sales through its thrift store. Revenue from contracts with customers is recognized when the Placer SPCA satisfies its performance obligations by transferring the promised goods or services to its customers in an amount that reflects the consideration to which the Placer SPCA expects to be entitled in exchange for those goods or services.

Revenue from adoption, spay/neuter, and other shelter and program services generally consists of a single performance obligation and is recognized at a point in time when the applicable service has been provided. Amounts received in advance of providing services are recorded as contract liabilities until the related performance obligation is satisfied, if applicable. These revenues are reported within shelter operation revenue on the statement of activities.

Thrift store revenue consists of proceeds from the sale of donated merchandise and is recognized at a point in time when control of the merchandise transfers to the customer at the time of sale. Payment is generally due at the time of purchase. Thrift store sales are reported separately in the statements of activities.

The Placer SPCA had no contract assets or contract receivables related to revenue from contracts with customers as of December 31, 2025 or 2024. Accounts receivable reported in the statements of financial position relate primarily to contributions and grants and are not within the scope of ASC 606.

The Placer SPCA also earns revenue under service arrangements with governmental and other entities. Performance obligations are generally satisfied at a point in time as services are rendered or merchandise is transferred to customers.

Fundraising activities may include both contribution and exchange components. The contribution component is recognized in accordance with ASC Topic 958, while the exchange component, representing the fair value of direct benefits provided to participants, is recognized when the related event or activity occurs.

In-kind Contributions

Contributions of nonfinancial assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial 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.

Donated merchandise received for resale through the thrift store is recognized as contributed nonfinancial asset revenue at its estimated fair value on the date of contribution. The related cost of donated merchandise sold is recognized as an expense when the merchandise is sold. Fair value is estimated based on the expected selling price of the donated merchandise. Due to the rapid turnover of donated merchandise, the amount of thrift store inventory on hand at December 31, 2025 and 2024 was not material to the financial statements and, accordingly, was not recorded.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expense Allocation

The statements of functional expenses present expenses by both natural and functional classification. Costs specifically identifiable with a particular program, management and general activities, or fundraising activities are charged directly to the applicable function. Thrift store operating costs, including the cost of donated merchandise sold, are directly charged to the thrift store program. Costs that benefit more than one function are allocated among the applicable functions based generally on the amount of time and effort spent by personnel on each function. Costs not identifiable with a specific program or fundraising activity, but indispensable to the conduct of the Placer SPCA's programs and activities and to its existence, are reported as management and general expenses.

Income Taxes

The Placer SPCA qualifies for exemption from income taxes under provision Section 501 (c)(3) of the Internal Revenue Code and is 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.

The Placer SPCA recognizes interest and penalties related to uncertain tax positions in management and general expense. No interest or penalties were recognized during the years ended December 31, 2025 and 2024. The Placer SPCA's federal and California informational returns generally remain subject to examination by taxing authorities for the three previous years.

Advertising Costs

Advertising costs are expensed as incurred.

NOTE 2: LIQUIDITY AND AVAILABILITY

As of December 31, 2025 and 2024, 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:

	2025	2024
Financial assets at year-end:		
Cash and cash equivalents	$ 8,922,477	$ 12,859,503
Investments in marketable securities	8,905,535	7,396,086
Certificates of deposit	-	135,000
Accounts receivable	353,272	216,154
Promises to give, current portion	237,021	541,788
Total financial assets	18,418,305	21,148,531
Less amounts unavailable for general expenditures within one year due to:		
Amounts restricted by donors for a specified purpose (Note 12)	(8,482,785)	(7,352,483)
Financial assets available to meet general expenditures within one year	$ 9,935,520	$ 13,796,048

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.

NOTE 3: CASH AND CASH EQUIVALENTS

The Placer SPCA maintains its cash balances at four financial institutions. At December 31, 2025, the bank balances totaled $8,990,774, of which $1,311,779 was not covered by FDIC insurance coverage. The book balance of cash and cash equivalents at December 31, 2025 totaled $8,922,477. 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.

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.

NOTE 4: FAIR VALUE MEASUREMENT (CONTINUED)

The following tables set forth by level, within the fair value hierarchy, the Placer SPCA's assets at fair value as of December 31, 2025 and 2024.

	Assets at Fair Value as of December 31, 2025			
	Level 1	Level 2	Level 3	Total
Exchange-traded funds	$ 8,905,535	$ -	$ -	$ 8,905,535
Total assets at fair value	$ 8,905,535	$ -	$ -	$ 8,905,535

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

NOTE 5: CERTIFICATES OF DEPOSIT

As of December 31, 2025, the Placer SPCA did not hold a certificate of deposit. As of December 31, 2024, the Placer SPCA had one certificate of deposit totaling $135,000 with an interest rate of 5.40%, which matured on January 2, 2025.

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.

NOTE 6: INVESTMENTS IN MARKETABLE SECURITIES (CONTINUED)

At December 31, 2025 and 2024, investments in marketable securities consisted of the following:

	2025		2024	
	Cost	Market Value	Cost	Market Value
ETFs:				
Foreign large blend	$ -	$ -	$ 586,470	$ 619,293
Large blend	-	-	2,213,054	2,932,516
Large growth	-	-	729,121	1,163,835
Large value	-	-	23,920	25,080
Mid-cap blend	-	-	369,400	440,476
Small blend	-	-	179,704	219,678
Diversified emerging mkts	-	-	442,724	484,072
Foreign large growth	-	-	41,164	38,375
Technology	-	-	17,302	19,906
Government	-	-	549,065	549,075
Invesco S&P 500 Quality	39,237	48,632	-	-
Invesco QQQ Trust SRS 1	862,079	1,527,175	-	-
iShares AI Invatn And	50,127	46,387	-	-
iShares Convertible Bond	64,708	69,837	-	-
iShares Core Universal	204,675	205,521	-	-
iShares Flexible Income	160,696	160,949	-	-
iShares Gold ETF	60,423	74,920	-	-
iShares JPMorgan UD MTS	43,429	46,407	-	-
iShares MSCI USA Momntum	41,773	46,057	-	-
iShares S&P 100 ETF	46,047	45,958	-	-
iShares S&P 500 Value	110,414	118,547	-	-
iShares Systematic Bond	114,495	114,444	-	-
iShares US Treasury Bond	91,059	92,238	-	-
iShares US EQT FCTR	100,726	115,661	-	-
Schwab US Aggregate Bond	321,952	319,678	-	-
Vanguard FTSE Emerging	63,055	67,899	-	-
Vanguard Internatnl HGH	62,762	72,810	-	-
Vanguard Long-term Treas	139,331	138,217	-	-
Vanguard Mortgage Backed	201,551	208,800	-	-
Vanguard S&P 500 ETF	1,306,355	2,155,446	-	-
Vanguard Total	114,322	112,392	-	-
Hartford Multifactor US	415,404	599,376	-	-
iShares Core S&P Small	212,749	261,993	-	-
iShares Currency Hedg	971,429	1,060,347	-	-
iShares Russell Mid Cap	482,567	592,350	-	-
Spdr Index Shares Emerg	345,398	469,927	-	-
State Street Spdr Portfl	89,882	133,567	-	-
Bonds:				
Mortgage backed bond	-	-	123,445	125,821
Multi sector bond	-	-	87,387	86,786
Convertible bond	-	-	42,546	45,658
Long government	-	-	105,546	105,671
Emerging markets bond	-	-	25,423	26,141
Global fixed income	-	-	39,805	38,796
Intermediate core bond	-	-	460,974	441,927
High yield	-	-	26,909	26,472
Equity:				
Stock funds	-	-	-	6,508
Total investments	$ 6,716,645	$ 8,905,535	$ 6,063,959	$ 7,396,086

NOTE 6: INVESTMENTS IN MARKETABLE SECURITIES (CONTINUED)

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

	2025	2024
Interest income	$ 523,631	$ 624,496
Realized gain	75,713	283,214
Unrealized gain	963,416	547,985
Investment fees	(30,062)	(41,912)
Investment income, net	$ 1,532,698	$ 1,413,783

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:

	2025	2024
Receivable in less than one year	$ 237,021	$ 541,788
Receivable in one to five years	806,595	1,836,687
Total unconditional promises to give	1,043,616	2,378,475
Less: discounts to net present value	(139,062)	(289,747)
Less: allowance for uncollectible pledges	(45,228)	(104,436)
Net unconditional promises to give	$ 859,326	$ 1,984,292

Promises to give that are receivable in more than one year are discounted at 4.5%.

NOTE 8: PROPERTY AND EQUIPMENT

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

	2025	2024
Furniture and equipment	$ 879,169	$ 770,252
Leasehold improvements	893,081	893,081
Building	5,947,694	5,947,694
Construction in progress	11,666,862	4,031,624
Less: accumulated depreciation	(2,728,755)	(2,533,781)
Total property and equipment, net	$ 16,658,051	$ 9,108,870

Depreciation expense for the years ended December 31, 2025 and 2024 totaled $194,973 and $210,803, respectively.

NOTE 8: PROPERTY AND EQUIPMENT (CONTINUED)

In July 2015, the Placer SPCA entered into an agreement with the City of Roseville to transfer a 68% ownership interest in real property located at 99 Yosemite Street in exchange for $7,600,000 to support construction of Phase 1 of a new facility. As of December 31, 2018, Phase 1 was completed and the City had reimbursed $7,600,000 of cumulative construction costs under the agreement; accordingly, these amounts are not reflected in the statements of financial position. Planning for Phase 2 began in 2019 and will include additional facilities for animal intake, veterinary, and administrative services at the Phase 1 location. Beginning July 1, 2027, the start of year 13 of the agreement term, both the City of Roseville and the Placer SPCA will have the option to purchase the other party's ownership interest, subject to certain terms and conditions. On November 17, 2021, it was determined that the City of Roseville's ownership interest would be adjusted to reflect its proportionate share of total Phase 1 project costs, resulting in an ownership percentage of 55.4% going forward.

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.

Designed with both shelter animals and community pets in mind, the 8,800 square foot center features three surgical suites with five surgery tables, 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 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, 2025 and 2024, the costs to date were $11,812,475 and $4,177,236, respectively. As of December 31, 2025 and 2024, construction in progress totaled $11,666,862 and $4,031,624, respectively. Construction in progress excludes certain non-capitalized project costs.

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, 2025, the leases require combined monthly payments ranging from $1,343 to $5,434. At December 31, 2025 and 2024, the weighted average remaining lease term is 2.99 years and 2.49 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, 2025, the Placer SPCA has recorded a total lease liability in the amount of $365,619 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 $269,619), and a corresponding right-of-use asset in the amount of $361,985. As of December 31, 2024, the Placer SPCA recorded a 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, and office equipment (split between the current amount of $81,147 and non-current amount of $166,396), and a corresponding right-of-use asset in the amount of $244,637. The Placer SPCA elected the practical expedient to utilize risk-free discount rates in determining lease liabilities. The weighted average discount rate associated with the calculation of the present value of the future lease payments as of December 31, 2025 and 2024 was 3.98% and 4.54%, for the respective leases.

NOTE 9: LEASES (CONTINUED)

During the year ended December 31, 2025, the Placer SPCA recognized right-of-use assets obtained in exchange for operating lease liabilities of approximately $47,563 related to a new operating lease agreement entered into during the year.

Maturities of the operating lease liability are as follows:

Year Ending December 31:	Lease Payments
2026	$ 125,084
2027	129,550
2028	113,352
2029	21,439
Total lease payments	389,425
Less interest	(23,806)
Present value of lease liabilities	$ 365,619

During the years ended December 31, 2025 and 2024, the Placer SPCA incurred $122,213 and $112,488, respectively, in lease expenses and had $59,552 and $71,948 in total cash payments, respectively.

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, 2025 and 2024, 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 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, 2025 and 2024, the Placer SPCA made contributions to the plan of $81,029 and $52,874, respectively.

NOTE 12: NET ASSETS WITH DONOR RESTRICTIONS

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

	2025	2024
Phase 2 construction - time	$ 8,372,207	$ 7,257,041
SOS Fund - purpose*	66,634	61,893
Mosquito fire relief - purpose	22,109	22,109
Pet food donations, pet food pantry - purpose	17,988	7,700
Rainbow bridge fund - purpose**	3,847	3,740
	$ 8,482,785	$ 7,352,483

NOTE 12: NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

*SOS Fund – donor-restricted funds intended to support emergency medical treatment and lifesaving care for animals.

**Rainbow Bridge Fund – donor-restricted funds designated to provide compassionate end-of-life care, memorial support, and related animal welfare services.

Donor-imposed restrictions related to the Veterinary and Foster Care Center are satisfied when the related long-lived assets are placed in service.

NOTE 13: RELATED PARTY TRANSACTIONS

During 2024, the Placer SPCA maintained an investment advisory relationship with a financial services firm that was partially owned by a current member of the Board of Directors. The board member did not directly manage the Placer SPCA's investments; investment management services were provided by the board member's business partner.

During 2025, the financial services firm was acquired by Northrock Partners. Following the acquisition, the board member and the former business partner became employees of Northrock Partners. The former business partner continues to provide investment management services for the Placer SPCA through Northrock Partners.

The total value of assets on deposit, managed by this institution as of December 31, 2025 and 2024, was $8,905,535 and $7,531,086, respectively.

Investment management fees paid to this institution totaled $30,062 and $41,912 during the years ended December 31, 2025 and 2024, respectively.

Promises to give from the board, management, and affiliated parties amounted to $51,594 and $188,500 at December 31, 2025 and 2024, respectively.

NOTE 14: EMPLOYEE RETENTION CREDIT

In 2025, the Placer SPCA received $702,324 of refundable tax credits under the Employee Retention Credit (ERC) program authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, as amended by subsequent legislation. Under the ERC program, eligible employers could claim refundable payroll tax credits for qualified wages paid during certain periods in 2020 and 2021 if they experienced a significant decline in gross receipts compared to applicable pre-pandemic periods or were subject to a full or partial suspension of operations as a result of governmental orders related to COVID-19.

The ERC is computed as a percentage of qualified wages, including certain qualified health plan expenses, subject to program limitations. The Placer SPCA recognized ERC revenue when management determined that all eligibility requirements had been satisfied and the related credit was realizable. The ERC amount of $702,324 is included in the statement of activities for the year ended December 31, 2025.

The Placer SPCA's ERC filings remain subject to examination by the Internal Revenue Service through the applicable statute of limitations. Any amounts disallowed as a result of such examinations could be subject to repayment to the federal government

NOTE 15: IN-KIND CONTRIBUTIONS

The Placer SPCA received the following contribution of nonfinancial assets for the years ended December 31:

	Valuation Method	2025	2024
Veterinary/animal care	Fair value based on standard billing rate per invoice	$ 129,086	$ 24,636
Consulting/outside services	Fair value based on standard billing rate per invoice	15,000	46,098
Automotive expenses	Fair value based on standard billing rate per invoice	452	-
Computer services	Fair value based on standard billing rate per invoice	1,044	-
Donated merchandise	Fair value based on sales price	426,238	366,454
Event expenses	Fair value based on standard billing rate per invoice	22,834	-
Total Contributed Nonfinancial Assets		$ 594,654	$ 437,188

Veterinary and animal care services were utilized within shelter operations and animal medical programs. Consulting services supported administrative and operational functions. Automotive expenses supported transportation of animals and supplies. Computer services supported administrative and programmatic activities. Donated merchandise represents goods contributed to the Placer SPCA for resale through its thrift store operations. Event expenses were utilized in fundraising activities.

The Placer SPCA's policy is to utilize contributed nonfinancial assets in carrying out program services and operations whenever possible. Donated merchandise is sold through the Placer SPCA's thrift store, with proceeds used to support animal welfare programs and operations. All contributed nonfinancial assets received during the years ended December 31, 2025 and 2024 were without donor restrictions.

NOTE 16: CONCENTRATIONS

For the years ended December 31, 2025 and 2024, approximately 19% and 14%, 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 FINANCIAL STATEMENTS

During 2025, the Placer SPCA identified errors in its previously issued financial statements as of and for the year ended December 31, 2024 related to (1) the timing of releases of donor restrictions associated with contributions received for construction of the Placer SPCA’s new animal care facility and (2) the accounting and presentation of donated merchandise received and sold through the Placer SPCA’s thrift store.

Certain donor-restricted contributions designated for the acquisition and construction of the facility were previously released from restriction as construction expenditures were incurred. Management subsequently determined that the donor restrictions were not satisfied until the facility was placed in service. Accordingly, the related contributions should have remained classified as net assets with donor restrictions at December 31, 2024. Because the facility was not placed in service until January 2026, the prior releases of donor restrictions were premature.

In addition, donated merchandise received for resale through the thrift store had not previously been recognized as contributed nonfinancial asset revenue and cost of goods sold. The 2024 financial statements have been restated to recognize contributed nonfinancial asset revenue for the fair value of donated thrift store merchandise and the related cost of thrift store goods sold. Thrift store sales and operating expenses were also separately presented to reflect the thrift store as a program service.

NOTE 17: RESTATEMENT OF FINANCIAL STATEMENTS (CONTINUED)

The corrections affected the classification of net assets, net assets released from restrictions, support and revenue, program service expenses, fundraising expenses, and certain natural expense classifications. The corrections had no effect on total assets, total liabilities, total net assets, cash flows, or the previously reported total change in net assets.

The following is a summary of the effects of the restatement on the Placer SPCA's December 31, 2024 statement of financial position:

	As previously reported	Restatement	Restated
Without donor restrictions	$ 26,919,080	$ (3,649,119)	$ 23,269,961
With donor restrictions	3,703,364	3,649,119	7,352,483

The following is a summary of the effects of the restatement on the Placer SPCA's December 31, 2024 statement of activities:

	As previously reported	Restatement	Restated
Fundraising events, net	$ 618,757	$ (290,581)	$ 328,176
Thrift store sales	-	366,454	366,454
In-kind revenue	70,734	366,454	437,188
Total support and revenues	9,504,502	442,327	9,946,829
Net assets released from restriction - without donor restrictions	3,910,040	(3,649,119)	260,921
Net assets released from restriction - with donor restrictions	(3,910,040)	3,649,119	(260,921)
Total revenues - without donor restrictions	11,462,612	(3,206,792)	8,255,820
Total revenues - with donor restrictions	(1,958,110)	3,649,119	1,691,009
Total revenues	9,504,502	442,327	9,946,829
Thrift store expenses	-	446,418	446,418
Total program services	3,974,966	446,418	4,421,384
Fundraising expenses	595,685	(4,091)	591,594
Total support services	908,351	(4,091)	904,260
Total expenses	4,883,317	442,327	5,325,644
Change in net assets - without donor restrictions	6,579,295	(3,649,119)	2,930,176
Change in net assets - with donor restrictions	(1,958,110)	3,649,119	1,691,009
Net assets end of year - without donor restrictions	26,919,080	(3,649,119)	23,269,961
Net assets end of year - with donor restrictions	3,703,364	3,649,119	7,352,483

The following table summarizes the effects of the restatement on the statement of functional expenses for the year ended December 31, 2024:

Statement of Functional Expenses: Affected Functional Classifications

	As previously reported	Restatement	Restated
Thrift store program expenses	$ -	$ 446,418	$ 446,418
Total program services	3,974,966	446,418	4,421,384
Fundraising	595,685	(4,091)	591,594
Total support services	908,351	(4,091)	904,260

NOTE 17: RESTATEMENT OF FINANCIAL STATEMENTS (CONTINUED)

Statement of Functional Expenses: Affected Natural Classifications

	As previously reported	Restatement	Restated
Cost of thrift store goods sold	$ -	$ 366,454	$ 366,454
Fundraising events	182,425	(75,873)	106,552
Occupancy	238,556	75,873	314,429
All other natural expense classifications	4,644,761	-	4,644,761
Total expenses before amounts included with fundraising events	5,065,742	366,454	5,432,196
Less expenses included with fundraising events on the statement of activities	(182,425)	75,873	(106,552)

NOTE 18: SUBSEQUENT EVENT

In January 2026, the Placer SPCA completed and opened its new Veterinary and Foster Care Center, which is the Phase 2 construction project described in Note 8. The 8,800-square-foot facility expands the Placer SPCA's capacity to provide veterinary care, surgical and recovery services, and foster care support for shelter animals and pets in the community. The Placer SPCA held a ribbon-cutting ceremony and public grand opening for the new facility on January 31, 2026.