

MUTTVILLE

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

**YEARS ENDED
DECEMBER 31, 2024 AND 2023**

INDEPENDENT AUDITOR'S REPORT

**Board of Directors
Muttville
San Francisco, California**

Opinion

We have audited the accompanying financial statements of Muttville (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Muttville as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Muttville's 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 Muttville's 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 Muttville's 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.



GILBERT CPAs
Sacramento, California

September 12, 2025

MUTTVILLE

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 10,846,762	\$ 3,340,033
Short-term investments		19,209,095
Current portion of contributions receivable	314,479	5,651,323
Current portion of split-interest agreement assets	1,001,250	1,001,250
Prepaid expenses	177,296	126,453
Property held for sale	<u>285,000</u>	<u>300,000</u>
Total current assets	12,624,787	29,628,154
NON-CURRENT ASSETS:		
Investments	13,013,222	
Contributions receivable, net	64,843	
Split-interest agreement assets, net	4,415,273	4,886,249
Property and equipment, net	<u>33,205,801</u>	<u>25,477,639</u>
TOTAL ASSETS	<u>\$ 63,323,926</u>	<u>\$ 59,992,042</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 895,791	\$ 2,682,193
Accrued expenses	476,939	358,253
Current portion of long-term debt	<u>242,824</u>	<u>286,246</u>
Total current liabilities	1,615,554	3,326,692
LONG-TERM DEBT, Net	<u>8,438,059</u>	<u>8,681,771</u>
Total liabilities	<u>10,053,613</u>	<u>12,008,463</u>
NET ASSETS:		
Without donor restrictions:		
Board designated reserve for facility acquisition/construction	5,000,000	5,000,000
Undesignated	42,227,786	17,142,006
With donor restrictions	<u>6,042,527</u>	<u>25,841,573</u>
Total net assets	<u>53,270,313</u>	<u>47,983,579</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 63,323,926</u>	<u>\$ 59,992,042</u>

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STATEMENTS OF ACTIVITIES YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUES:		
Contributions and grants	\$ 7,832,974	\$ 7,011,466
Fundraising event revenues (net of direct benefit to donors of \$136,215 in 2024 and \$83,697 in 2023)	994,650	1,112,607
In-kind contributions	901,058	1,315,072
Investment income	706,168	524,222
Employee retention tax credit		501,886
Other income	31,566	27,963
Net assets released from restrictions	<u>21,902,027</u>	<u>1,284,982</u>
Total revenues	<u>32,368,443</u>	<u>11,778,198</u>
EXPENSES:		
Program services:		
Animal care and adoption	<u>4,939,237</u>	<u>4,787,689</u>
Supporting services:		
Fundraising	1,491,168	1,461,949
General and administrative	<u>852,258</u>	<u>665,613</u>
Total supporting services	<u>2,343,426</u>	<u>2,127,562</u>
Total expenses	<u>7,282,663</u>	<u>6,915,251</u>
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>25,085,780</u>	<u>4,862,947</u>
NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions and grants	1,572,707	900,288
Change in value of split-interest agreement assets	530,274	(185,479)
Net assets released from restrictions	<u>(21,902,027)</u>	<u>(1,284,982)</u>
DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>(19,799,046)</u>	<u>(570,173)</u>
INCREASE IN NET ASSETS	5,286,734	4,292,774
NET ASSETS, Beginning of Year	<u>47,983,579</u>	<u>43,690,805</u>
NET ASSETS, End of Year	<u>\$ 53,270,313</u>	<u>\$ 47,983,579</u>

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

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STATEMENTS OF FUNCTIONAL EXPENSES YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024				2023			
	Animal care and adoption	Supporting services		Total	Animal care and adoption	Supporting services		Total
		Fundraising	General and administrative			Fundraising	General and administrative	
Personnel	\$ 2,661,268	\$ 744,322	\$ 397,941	\$ 3,803,531	\$ 2,252,899	\$ 606,185	\$ 367,411	\$ 3,226,495
Professional fees	518,575	32,931	126,174	677,680	666,215	193,166	220,880	1,080,261
Animal care	607,011			607,011	813,761			813,761
Supplies	318,309	53,427	23,984	395,720	414,240	47,475	23,834	485,549
Depreciation	251,244	51,598	41,341	344,183	47,077	9,672	7,741	64,490
Facilities and equipment rentals	259,479	12,252	12,366	284,097	325,231	8,801	14,569	348,601
Events	2,143	246,195		248,338		267,085		267,085
Printing	46,728	178,284		225,012	51,519	176,290		227,809
Interest			161,283	161,283				
Insurance	133,659	8,007	6,483	148,149	128,451	2,581	4,189	135,221
Bank fees	8	73,777	18,161	91,946		63,562	23,303	86,865
Postage and shipping	18,611	66,551	120	85,282	22,893	68,511	274	91,678
Moving expenses	70,189	1,851	6,031	78,071				
Bad debt expense			53,332	53,332				
Telecommunications	16,564	4,098	2,456	23,118	14,818	4,089	685	19,592
Other expenses	35,449	17,875	2,586	55,910	50,585	14,532	2,727	67,844
Total	<u>\$ 4,939,237</u>	<u>\$ 1,491,168</u>	<u>\$ 852,258</u>	<u>\$ 7,282,663</u>	<u>\$ 4,787,689</u>	<u>\$ 1,461,949</u>	<u>\$ 665,613</u>	<u>\$ 6,915,251</u>

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

MUTTVILLE

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 5,286,734	\$ 4,292,774
Reconciliation to net cash provided by operating activities:		
Contributed property held for sale		(300,000)
Change in value of property held for sale	15,000	
Donated property and equipment	(245,963)	(113,515)
Receipt of donated investments	(338,499)	(165,325)
Depreciation	344,183	64,490
Loss on disposal of property and equipment	16,968	1,470
Net realized and unrealized gain on investments	(636,570)	(423,815)
Changes in:		
Contributions receivable, net	5,272,001	743,979
Prepaid expenses	(50,843)	(28,979)
Split-interest agreement assets, net	470,976	1,186,729
Accounts payable	(1,786,402)	30,779
Accrued expenses	118,686	99,473
Net cash provided by operating activities	<u>8,466,271</u>	<u>5,388,060</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(38,717,540)	(27,314,450)
Proceeds from sale of investments	45,888,482	24,805,689
Purchases of property and equipment	<u>(7,843,350)</u>	<u>(4,118,794)</u>
Net cash used in investing activities	<u>(672,408)</u>	<u>(6,627,555)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long-term debt	<u>(287,134)</u>	<u>(277,763)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,506,729	(1,517,258)
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>3,340,033</u>	<u>4,857,291</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 10,846,762</u>	<u>\$ 3,340,033</u>
NONCASH INVESTING ACTIVITIES:		
Property and equipment financed through accounts payable	<u>\$</u>	<u>\$ 2,567,383</u>
SUPPLEMENTAL INFORMATION:		
Cash paid for interest	<u>\$ 323,420</u>	<u>\$ 332,792</u>

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

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

1. ORGANIZATION AND NATURE OF ACTIVITIES

Muttville, founded in 2007, is a California nonprofit public benefit corporation dedicated to helping older dogs. Shelters and other animal organizations refer senior dogs, many at the risk of euthanasia, to Muttville. Muttville takes as many as they have capacity for, gives them the care they need, promotes them to find them new homes and works with adopters to help create a lasting bond.

Muttville has its own cage-free facility, housing newly rescued senior dogs while they wait to be matched with foster homes, and its own in-house vet suite, to ensure that dogs are efficiently treated and to inform potential adopters of some health issues.

Muttville advocates for and educates about senior dogs, both to the public at large and within the animal welfare community. Muttville's groundbreaking programs, including foster and hospice, have been studied by other animal welfare organizations around the world seeking to help senior animals.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation – The financial statements are prepared on the accrual basis of accounting and in conformity with professional standards applicable to not-for-profit entities. Muttville reports information regarding its financial position and activities according to two classes of net assets: *without donor restrictions* and *with donor restrictions*. Muttville has no net assets with donor restrictions that are perpetual in nature.

Revenue recognition – Contributions and grants are recognized in full when received or unconditionally promised, in accordance with professional standards. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. All contributions and grants are considered available for unrestricted use unless specifically restricted by donors for future periods or specific purposes. Donor-restricted amounts are reported as increases in net assets with donor restrictions. Net assets with donor restrictions become unrestricted and are reported in the statements of activities as net assets released from restrictions when the time restrictions expire or the contributions are used for the restricted purpose.

Muttville receives certain contributions from donors which are conditional upon the occurrence of certain events. Outstanding conditional contributions totaled \$80,000 and \$110,000 as of December 31, 2024 and 2023, respectively.

Donated goods, facilities, and professional services are recorded as in-kind donations and recognized at the estimated fair value as of the date of donation or service. Contributed services that do not meet the criteria for recognition are not reflected in the financial statements.

Fundraising event revenues are recognized in the year the related event occurs.

Cash and cash equivalents – Muttville considers all highly liquid investments with a maturity date of three months or less to be cash equivalents, unless held for long-term purposes.

Muttville minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. Muttville's deposits of cash held with financial institutions in excess of federal depository insurance limits were \$10,045,799 and \$2,541,418 as of December 31, 2024 and 2023, respectively. Muttville has not experienced any losses in such accounts and management believes Muttville is not exposed to any significant credit risk related to cash.

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Investments are stated at fair value. As of December 31, 2024, \$12,969,457 of the investment portfolio consists of cash and cash equivalents and the remainder of \$43,765 consists of common stock, all of which is held for long-term purposes.

As of December 31, 2023, \$19,209,095 held in the investment portfolio consists of U.S. Treasury bonds/bills. All investments as of December 31, 2024 and 2023, are classified within Level 1 of the fair value hierarchy.

Contributions receivable are considered to be available for general operations unless specifically restricted by the donor. Contributions receivable are recognized when supported by a written contract to make a contribution and are reported net of the allowance for uncollectible accounts. However, management has determined that no allowance is deemed necessary as of December 31, 2024 and 2023, based on their conclusion that all contributions were collectible. Discounts on contributions are computed using interest rates applicable to the year in which the promise is received.

The discount rate used in determining the net present value of contributions receivable was 3.6% as of both December 31, 2024 and 2023.

Contributions receivable as of December 31, 2024 of \$314,479 are expected to be collected within one year and the remaining \$64,843 are expected to be collected within one to three years.

Contributions receivable as of December 31, 2023 of \$5,650,516 are expected to be collected within one year.

Property and equipment – Property and equipment are stated at cost if purchased or, if donated, at fair market value on the date of donation. Muttville capitalizes all expenditures for property and equipment in excess of \$1,000. Depreciation is computed using the straight-line method over estimated useful lives of individual assets ranging from 3 to 39 years.

Split-interest agreement assets are stated at fair value.

Functional allocation of expenses – The costs of providing the program services have been summarized on a functional basis in the statements of activities and functional expenses. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel costs are allocated based on employees' time incurred. Office supplies, printing, equipment rentals, postage and shipping, telecommunications, and professional fees are allocated based on management's estimates of usage of resources. All other costs are based on actual usage of resources.

Income taxes – Muttville is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and the corresponding provision of the California Revenue and Taxation Code.

Fair value measurements – Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same – to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability). In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

Level 1 Inputs	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
Level 2 Inputs	Inputs other than quoted prices in active markets that are observable either directly or indirectly.
Level 3 Inputs	Unobservable inputs for the asset or liability.

When a price for an identical asset or liability is not observable, a reporting entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, a reporting entity's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant when measuring fair value.

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

Subsequent events have been reviewed through September 12, 2025, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2024, except as noted in Note 6, that require recognition or disclosure in such financial statements.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

Muttville's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 10,846,762	\$ 3,340,033
Investments	13,013,222	19,209,095
Contributions receivable, net	379,322	5,651,323
Split-interest agreement assets, net	<u>5,328,618</u>	<u>5,776,449</u>
Total financial assets	29,567,924	33,976,900
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors for time or purpose	(5,041,277)	(24,840,323)
Board-designated:		
Reserve for facility acquisition/construction	<u>(5,000,000)</u>	<u>(5,000,000)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 19,526,647</u>	<u>\$ 4,136,577</u>

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As part of the organization's liquidity management, Muttville structures its financial assets to ensure availability for general expenditures, liabilities, and other obligations as they come due, while also prudently seeking to optimize investment returns and preserve capital on funds not immediately needed. Amounts expected to exceed three to six months of normal operating requirements are invested in short-term fixed-income instruments and money market accounts that can be readily liquidated to meet operating and capital needs.

In 2024, as the Organization substantially completed the purchase and improvements of its headquarters facility, donor restrictions related to the capital campaign were released in accordance with the terms of the contributions. These releases are reflected as increases in net assets without donor restriction and are presented as part of the Organization's building asset. Accordingly, the decrease in net assets with donor restrictions represents amounts expended for the facility. While certain cash and investments are reported as "available for general expenditure within one year," the Board has designated a portion of these resources for facility-related purposes, rather than for ongoing operating activities.

4. PROPERTY AND EQUIPMENT

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

	<u>2024</u>	<u>2023</u>
Land and building	\$ 33,003,643	\$ 15,033,109
Furniture and equipment	715,557	407,153
Leasehold improvements	121,144	122,887
Vehicles	60,255	60,255
Construction in progress		10,249,428
Total	<u>33,900,599</u>	<u>25,872,832</u>
Less accumulated depreciation	<u>(694,798)</u>	<u>(395,193)</u>
Total	<u>\$ 33,205,801</u>	<u>\$ 25,477,639</u>

During 2020, a new facility was purchased for Muttville's headquarters. The building was placed in service in July 2024.

Title to real property in Eugene, Oregon was contributed to Muttville during 2023. As of December 31, 2024 and 2023, the real property held for sale is valued at \$285,000 and \$300,000, respectively. The property was valued at \$300,000 at the time of donation. During 2024, the property value was reassessed, noting a \$15,000 decline in value. As such, real property held for sale is \$285,000 as of December 31, 2024.

5. SPLIT-INTEREST AGREEMENT ASSETS

Split-interest agreement assets include the estimated fair value of Muttville's interest in a charitable lead annuity trust for which Muttville is the lead beneficiary as well as a perpetual trust in which Muttville has the irrevocable right to receive income on trust assets in perpetuity.

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Under the terms of the charitable lead annuity trust, Muttville is to receive approximately \$1,000,000 annually over a ten year period beginning in 2018. The related contribution receivable and revenue were recorded at the estimated fair value using a discount rate of 2.6% at both December 31, 2024 and 2023. The estimated fair value of the interest in the perpetual trust was determined with present value techniques using projected investment returns consistent with the composition of the asset portfolios, estimated future cash disbursements and a discount rate of 5.0% and 5.2% as of December 31, 2024 and 2023, respectively.

Muttville's split-interest agreement assets are classified within Level 3 of the fair value hierarchy because determination of the present value of future cash flows is based on little or no market data and requires management to develop their own assumptions.

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 5,887,499	\$ 7,074,228
Payout of charitable lead annuity trust	(1,001,250)	(1,001,250)
Change in fair value of split-interest agreement assets	<u>530,274</u>	<u>(185,479)</u>
Ending balance	<u>\$ 5,416,523</u>	<u>\$ 5,887,499</u>

6. LONG-TERM DEBT

In January 2020, Muttville entered into a loan agreement with Umpqua Bank to borrow \$10,000,000 to purchase Muttville's new headquarters. The loan bears an interest rate equal to 3.6% for the years ended December 31, 2024 and 2023. Monthly principal and interest payments of \$50,880 are due with a final balloon payment of \$7,073,114 in February 2030. Interest incurred and capitalized for the years ended December 31, 2024 and 2023 totaled \$162,137 and \$332,792, respectively. During the year ended December 31, 2024 an additional \$161,283 of non-capitalizable interest expense was incurred. Muttville has met all loan covenants as of December 31, 2024 and 2023.

In March 2025, subsequent to the year ended December 31, 2024, the interest rate on the loan reset. The outstanding loan balance bears an interest rate equal to 6.06%. Monthly principal and interest payments of \$62,712 are due with a final balloon payment of \$7,387,602 in February 2030.

The future annual principal payments are as follows:

<u>Year Ending</u> <u>December 31,</u>	
2025	\$ 242,824
2026	239,326
2027	254,452
2028	269,136
2029	287,543
Thereafter	<u>7,387,602</u>
Total	<u>\$ 8,680,883</u>

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

7. NET ASSETS

Net assets with donor restrictions are restricted for the following as of December 31:

	<u>2024</u>	<u>2023</u>
Time restricted	\$ 2,899,799	\$ 3,813,144
Purpose restricted:		
Seniors for Seniors	509,921	179,077
Veterinary care	116,083	115,776
Capital campaign		19,621,102
Veterinarian suite renovation		16,119
Other		22,000
Restricted into perpetuity:		
Split-interest agreement asset – interest in a perpetual trust	<u>2,516,724</u>	<u>2,074,355</u>
Total	<u>\$ 6,042,527</u>	<u>\$ 25,841,573</u>

The Board of Directors has designated \$5,000,000 as of December 31, 2024 and 2023, respectively, of Muttville's net assets without donor restrictions as a reserve for the acquisition and improvement of a headquarters facility.

8. IN-KIND CONTRIBUTIONS

Muttville received the following in-kind contributions during the year ended December 31:

	<u>2024</u>	<u>2023</u>
Rent	\$ 122,492	\$ 235,440
Merchandise	254,215	371,437
Professional services	419,354	280,187
Veterinary services	46,987	101,324
Donated property held for sale		300,000
Other	<u>58,010</u>	<u>26,684</u>
Total	<u>\$ 901,058</u>	<u>\$ 1,315,072</u>

Property held for sale includes a donated property (see Note 4). Other in-kind contributions include discounted rent, donated services, medications, and miscellaneous adoption supplies. All items were valued upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor.

The Organization's policy related to in-kind contributions is to utilize the assets given to carry out their mission. All in-kind contributions received by the Organization for the years ended December 31, 2024 and 2023 were considered without donor restrictions.

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

9. RELATED PARTY TRANSACTIONS

Two board members of Muttville are owners of communications consulting firms that perform marketing services for Muttville. Muttville paid \$166,900 in marketing and public relations expenses to these firms for the year ended December 31, 2023. There were no such expenses for the year ended December 31, 2024.

10. EMPLOYEE RETENTION TAX CREDIT

Muttville filed amended quarterly 941-X federal tax returns for the quarters ended June 30, 2020, September 30, 2020, December 31, 2020, March 31, 2021, and June 30, 2021 to receive Employee Retention Tax Credits provided for under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. For the year ended December 31, 2023, Muttville recognized revenue totaling \$501,886 related to the Employee Retention Tax Credits. Payment was received in full prior to December 31, 2023.

Laws and regulations concerning government programs, including the Employee Retention Tax Credit established by the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge Muttville's claim to the Employee Retention Tax Credit, and it is not possible to determine the impact (if any) this would have upon the Muttville.