



**NORTH SHORE ANIMAL LEAGUE AMERICA, INC.
AND THE PET SAVERS FOUNDATION, INC.**



**Consolidated Financial Statements
and Supplementary Information
(Together with Independent Auditors' Report)**

For the Years Ended December 31, 2024 and 2023

**NORTH SHORE ANIMAL LEAGUE AMERICA, INC.
AND THE PET SAVERS FOUNDATION, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
(Together with Independent Auditors' Report)**

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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CBIZ CPAs P.C.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
North Shore Animal League America, Inc. and The Pet Savers Foundation, Inc.
Port Washington, New York

Opinion

We have audited the consolidated financial statements of North Shore Animal League America, Inc. and The Pet Savers Foundation, Inc. (collectively, the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of North Shore Animal League America, Inc. and The Pet Savers Foundation, Inc. as of December 31, 2024 and 2023, and the changes in their net assets and their 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Organization'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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental consolidating information on pages 22 and 23 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual organizations and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CBIZ CPAs P.C.

New York, NY
July 17, 2025

NORTH SHORE ANIMAL LEAGUE AMERICA, INC. AND THE PET SAVERS FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Operating cash (Note 11A)	\$ 1,421,810	\$ 2,956,886
Cash for designated purposes (Notes 2D and 11A)	10,419,614	12,350,937
Total cash	11,841,424	15,307,823
Bequests receivable (Note 2H)	28,820	144,261
Program service fees receivable, net (Note 2I)	7,483	9,755
Contributions and other receivables (Notes 2H and 2Q)	2,763,456	2,828,253
Investments (Notes 2F, 2G, 4 and 11B)	21,553,956	21,172,525
Prepaid expenses and other assets	407,671	319,195
Inventory and supplies (Note 2E)	619,683	687,810
Property and equipment, net (Notes 2J and 5)	24,455,912	24,357,208
TOTAL ASSETS	\$ 61,678,405	\$ 64,826,830
LIABILITIES		
Accounts payable and accrued expenses	\$ 3,919,055	\$ 3,275,247
Annuity payment liability (Note 2K)	288,597	328,375
Accrued pension benefit obligation (Note 6)	3,157,989	3,670,897
TOTAL LIABILITIES	7,365,641	7,274,519
COMMITMENTS AND CONTINGENCIES (Note 13)		
NET ASSETS (Notes 2C and 7)		
Net assets without donor restrictions		
Available for operations	19,713,683	20,816,422
Investment in property and equipment	24,455,912	24,357,208
Total net assets without donor restrictions	44,169,595	45,173,630
Net assets with donor restrictions (Notes 7 and 12)	10,143,169	12,378,681
TOTAL NET ASSETS	54,312,764	57,552,311
TOTAL LIABILITIES AND NET ASSETS	\$ 61,678,405	\$ 64,826,830

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

NORTH SHORE ANIMAL LEAGUE AMERICA, INC. AND THE PET SAVERS FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total 2024	Without Donor Restrictions	With Donor Restrictions	Total 2023
SUPPORT, PROGRAM SERVICE AND OTHER REVENUE:						
Support revenue:						
Special events revenue (net of direct benefits to donors of \$213,626 and \$185,657 in 2024 and 2023, respectively) (Note 2S)	\$ 179,066	\$ 135,400	\$ 314,466	\$ 158,653	\$ 111,758	\$ 270,411
Bequests (Note 2N)	6,564,923	-	6,564,923	8,153,463	231,781	8,385,244
Contributions (Notes 2L and 8)	24,508,672	3,386,478	27,895,150	23,587,688	3,741,385	27,329,073
Noncash contributions (Notes 2M and 14)	<u>657,279</u>	<u>-</u>	<u>657,279</u>	<u>517,824</u>	<u>-</u>	<u>517,824</u>
Total support revenue	<u>31,909,940</u>	<u>3,521,878</u>	<u>35,431,818</u>	<u>32,417,628</u>	<u>4,084,924</u>	<u>36,502,552</u>
Program service revenue (Note 2P):						
Pet Rescue and Adoption	897,306	27,800	925,106	936,276	25,219	961,495
Humane Education	13,855	-	13,855	5,572	-	5,572
Spay/Neuter and Veterinary Care	7,005,500	-	7,005,500	5,830,362	-	5,830,362
Mutt-i-grees® Movement	<u>94,318</u>	<u>-</u>	<u>94,318</u>	<u>65,753</u>	<u>-</u>	<u>65,753</u>
Total program service revenue	<u>8,010,979</u>	<u>27,800</u>	<u>8,038,779</u>	<u>6,837,963</u>	<u>25,219</u>	<u>6,863,182</u>
Other revenue:						
Dividends and interest (Note 4)	910,729	18,590	929,319	893,333	16,871	910,204
Pet store sales (net of cost of goods sold of \$44,497 and \$50,998 in 2024 and 2023, respectively)	15,574	-	15,574	23,095	-	23,095
List rental income (Note 2Q)	458,777	-	458,777	475,786	-	475,786
Other revenue	51,077	-	51,077	72,281	-	72,281
Net assets released from restrictions (Note 7)	<u>5,983,072</u>	<u>(5,983,072)</u>	<u>-</u>	<u>4,618,654</u>	<u>(4,618,654)</u>	<u>-</u>
Total other revenue	<u>7,419,229</u>	<u>(5,964,482)</u>	<u>1,454,747</u>	<u>6,083,149</u>	<u>(4,601,783)</u>	<u>1,481,366</u>
TOTAL SUPPORT, PROGRAM SERVICE AND OTHER REVENUE	<u>47,340,148</u>	<u>(2,414,804)</u>	<u>44,925,344</u>	<u>45,338,740</u>	<u>(491,640)</u>	<u>44,847,100</u>
OPERATING EXPENSES:						
Program Services:						
Pet Rescue and Adoption	18,146,430	-	18,146,430	17,154,321	-	17,154,321
Humane Education	5,906,456	-	5,906,456	5,865,012	-	5,865,012
Spay/Neuter and Veterinary Care	17,116,893	-	17,116,893	17,200,707	-	17,200,707
Mutt-i-grees Movement	<u>43,798</u>	<u>-</u>	<u>43,798</u>	<u>41,443</u>	<u>-</u>	<u>41,443</u>
Total program services	<u>41,213,577</u>	<u>-</u>	<u>41,213,577</u>	<u>40,261,483</u>	<u>-</u>	<u>40,261,483</u>
Supporting Services:						
Management and general	3,630,397	-	3,630,397	2,012,086	-	2,012,086
Fundraising	<u>5,843,790</u>	<u>-</u>	<u>5,843,790</u>	<u>5,842,777</u>	<u>-</u>	<u>5,842,777</u>
Total supporting services	<u>9,474,187</u>	<u>-</u>	<u>9,474,187</u>	<u>7,854,863</u>	<u>-</u>	<u>7,854,863</u>
TOTAL OPERATING EXPENSES	<u>50,687,764</u>	<u>-</u>	<u>50,687,764</u>	<u>48,116,346</u>	<u>-</u>	<u>48,116,346</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>(3,347,616)</u>	<u>(2,414,804)</u>	<u>(5,762,420)</u>	<u>(2,777,606)</u>	<u>(491,640)</u>	<u>(3,269,246)</u>
OTHER CHANGES:						
Net realized and unrealized gain on investments, net of fees (Note 4)	2,155,658	179,292	2,334,950	1,455,709	74,835	1,530,544
Change in value of split-interest agreements (Note 2K)	(13,181)	-	(13,181)	(36,445)	-	(36,445)
Other components of net periodic cost (Note 6)	(358,961)	-	(358,961)	(317,660)	-	(317,660)
Pension related changes other than net periodic pension costs (Note 6)	<u>560,065</u>	<u>-</u>	<u>560,065</u>	<u>(8,454)</u>	<u>-</u>	<u>(8,454)</u>
CHANGE IN NET ASSETS	<u>(1,004,035)</u>	<u>(2,235,512)</u>	<u>(3,239,547)</u>	<u>(1,684,456)</u>	<u>(416,805)</u>	<u>(2,101,261)</u>
Net assets - beginning of year	<u>45,173,630</u>	<u>12,378,681</u>	<u>57,552,311</u>	<u>46,858,086</u>	<u>12,795,486</u>	<u>59,653,572</u>
NET ASSETS - END OF YEAR	<u>\$ 44,169,595</u>	<u>\$ 10,143,169</u>	<u>\$ 54,312,764</u>	<u>\$ 45,173,630</u>	<u>\$ 12,378,681</u>	<u>\$ 57,552,311</u>

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

NORTH SHORE ANIMAL LEAGUE AMERICA, INC. AND THE PET SAVERS FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	For the Year Ended December 31, 2024									
	Program Services				Supporting Services				Total 2024	Total 2023
	Pet Rescue and Adoption	Humane Education	Spay/Neuter and Vet Care	Multi-grees Movement	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Salaries	\$ 6,497,328	\$ 1,804,384	\$ 6,738,351	\$ -	\$ 15,040,063	\$ 1,826,955	\$ 1,781,319	\$ 3,608,274	\$ 18,648,337	\$ 17,372,669
Payroll taxes and employee benefits (Note 6)	2,541,342	682,202	2,595,437	-	5,818,981	712,630	686,736	1,399,366	7,218,347	6,860,398
Salaries and Related Costs	9,038,670	2,486,586	9,333,788	-	20,859,044	2,539,585	2,468,055	5,007,640	25,866,684	24,233,067
Grants to other organizations	10,650	29,200	2,650	-	42,500	-	-	-	42,500	30,378
Professional fees	154,044	120,732	132,409	3,745	410,930	271,533	188,629	460,162	871,092	863,000
Other components of net periodic cost (Note 6)	86,151	43,075	86,151	-	215,377	71,792	71,792	143,584	358,961	317,660
Pet store inventory	44,497	-	-	-	44,497	-	-	-	44,497	50,998
Advertising and promotion (Note 2R)	299,283	114,597	156,840	-	570,720	-	199,220	199,220	769,940	650,125
Office expenses	475,080	197,993	631,745	495	1,305,313	204,474	136,275	340,749	1,646,062	1,471,436
Occupancy	290,767	71,193	131,512	-	493,472	28,906	28,906	57,812	551,284	480,926
Information technology	559,783	230,029	360,164	33,366	1,183,342	22,447	337,863	360,310	1,543,652	1,514,165
Travel	146,620	23,334	22,515	-	192,469	5,306	8,875	14,181	206,650	236,464
Conferences	896	139	158	-	1,193	-	4,237	4,237	5,430	4,887
Insurance	136,245	68,122	136,245	-	340,612	42,576	42,576	85,152	425,764	374,505
Direct response expenses (Notes 2T and 9)	-	-	-	-	-	2,710	1,823,481	1,826,191	1,826,191	2,403,823
Program education materials (Notes 2T and 9)	4,345,763	1,747,142	2,607,982	-	8,700,887	-	-	-	8,700,887	8,981,173
Animal rescue, adoption and medical (Notes 2M and 14)	2,084,050	519,885	2,991,745	-	5,595,680	140,792	331,867	472,659	6,068,339	4,812,839
Events and public relations	33,645	13,259	19,392	-	66,296	-	230,510	230,510	296,806	318,546
Depreciation and amortization (Note 5)	505,822	252,911	505,822	6,192	1,270,747	158,069	158,395	316,464	1,587,211	1,492,449
Bad debt expense (Note 2I)	-	-	-	-	-	3,851	-	3,851	3,851	7,775
Other expenses	65,112	31,334	83,926	-	180,372	210,148	98,527	308,675	489,047	426,445
Subtotal	9,238,408	3,462,945	7,869,256	43,798	20,614,407	1,162,604	3,661,153	4,823,757	25,438,164	24,437,594
Total Costs	18,277,078	5,949,531	17,203,044	43,798	41,473,451	3,702,189	6,129,208	9,831,397	51,304,848	48,670,661
Less: Other components of net periodic cost (Note 6)	(86,151)	(43,075)	(86,151)	-	(215,377)	(71,792)	(71,792)	(143,584)	(358,961)	(317,660)
Less: Cost of goods sold - Pet Store	(44,497)	-	-	-	(44,497)	-	-	-	(44,497)	(50,998)
Less: Direct cost of benefits to donors of special events (Note 2S)	-	-	-	-	-	-	(213,626)	(213,626)	(213,626)	(185,657)
TOTAL EXPENSES	\$ 18,146,430	\$ 5,906,456	\$ 17,116,893	\$ 43,798	\$ 41,213,577	\$ 3,630,397	\$ 5,843,790	\$ 9,474,187	\$ 50,687,764	\$ 48,116,346

NORTH SHORE ANIMAL LEAGUE AMERICA, INC. AND THE PET SAVERS FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services				Supporting Services				Total 2023
	Pet Rescue and Adoption	Humane Education	Spay/Neuter and Vet Care	Mutt-i-grees Movement	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 6,405,502	\$ 1,947,633	\$ 6,841,392	\$ -	\$ 15,194,527	\$ 709,370	\$ 1,468,772	\$ 2,178,142	\$ 17,372,669
Payroll taxes and employee benefits (Note 6)	<u>2,596,590</u>	<u>771,538</u>	<u>2,712,225</u>	<u>-</u>	<u>6,080,353</u>	<u>230,003</u>	<u>550,042</u>	<u>780,045</u>	<u>6,860,398</u>
Salaries and Related Costs	<u>9,002,092</u>	<u>2,719,171</u>	<u>9,553,617</u>	<u>-</u>	<u>21,274,880</u>	<u>939,373</u>	<u>2,018,814</u>	<u>2,958,187</u>	<u>24,233,067</u>
Grants to other organizations	12,989	16,839	550	-	30,378	-	-	-	30,378
Professional fees	174,725	117,036	159,250	3,570	454,581	192,307	216,112	408,419	863,000
Other components of net periodic cost (Note 6)	76,238	38,119	76,238	-	190,595	63,533	63,532	127,065	317,660
Pet store inventory	50,998	-	-	-	50,998	-	-	-	50,998
Advertising and promotion (Note 2R)	262,759	94,657	130,745	-	488,161	-	161,964	161,964	650,125
Office expenses	395,198	143,014	460,534	481	999,227	307,790	164,419	472,209	1,471,436
Occupancy	233,949	49,030	90,239	-	373,218	53,854	53,854	107,708	480,926
Information technology	551,148	226,820	356,612	31,200	1,165,780	54,615	293,770	348,385	1,514,165
Travel	161,168	23,531	25,086	-	209,785	20,490	6,189	26,679	236,464
Conferences	2,872	535	536	-	3,943	-	944	944	4,887
Insurance	89,881	44,941	89,881	-	224,703	74,901	74,901	149,802	374,505
Direct response expenses (Notes 2T and 9)	-	-	-	-	-	-	2,403,823	2,403,823	2,403,823
Program education materials (Notes 2T and 9)	4,487,515	1,800,203	2,693,455	-	8,981,173	-	-	-	8,981,173
Animal rescue, adoption and medical (Notes 2M and 14)	1,270,363	379,024	3,132,675	-	4,782,062	13,342	17,435	30,777	4,812,839
Events and public relations	64,821	25,928	38,893	-	129,642	-	188,904	188,904	318,546
Depreciation and amortization (Note 5)	356,624	178,312	356,624	6,192	897,752	297,186	297,511	594,697	1,492,449
Bad debt expense (Note 2I)	1,322	778	5,675	-	7,775	-	-	-	7,775
Other expenses	<u>86,895</u>	<u>45,193</u>	<u>106,335</u>	<u>-</u>	<u>238,423</u>	<u>58,228</u>	<u>129,794</u>	<u>188,022</u>	<u>426,445</u>
Subtotal	<u>8,279,465</u>	<u>3,183,960</u>	<u>7,723,328</u>	<u>41,443</u>	<u>19,228,196</u>	<u>1,136,246</u>	<u>4,073,152</u>	<u>5,209,398</u>	<u>24,437,594</u>
Total Costs	17,281,557	5,903,131	17,276,945	41,443	40,503,076	2,075,619	6,091,966	8,167,585	48,670,661
Less: Other components of net periodic cost (Note 6)	(76,238)	(38,119)	(76,238)	-	(190,595)	(63,533)	(63,532)	(127,065)	(317,660)
Less: Cost of goods sold - Pet Store	(50,998)	-	-	-	(50,998)	-	-	-	(50,998)
Less: Direct cost of benefits to donors of special events (Note 2S)	-	-	-	-	-	-	(185,657)	(185,657)	(185,657)
TOTAL EXPENSES	<u>\$ 17,154,321</u>	<u>\$ 5,865,012</u>	<u>\$ 17,200,707</u>	<u>\$ 41,443</u>	<u>\$ 40,261,483</u>	<u>\$ 2,012,086</u>	<u>\$ 5,842,777</u>	<u>\$ 7,854,863</u>	<u>\$ 48,116,346</u>

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

NORTH SHORE ANIMAL LEAGUE AMERICA, INC. AND THE PET SAVERS FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (3,239,547)	\$ (2,101,261)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	1,587,211	1,492,449
Change in value of split - interest agreements	13,181	36,445
Bad debt expense	3,851	7,775
Net realized and unrealized gain on investments	(2,561,792)	(1,728,364)
Contributions restricted for endowment	<u>-</u>	<u>(231,781)</u>
Subtotal	(4,197,096)	(2,524,737)
Changes in operating assets and liabilities:		
Decrease (increase) in assets:		
Bequests receivable	115,441	637,293
Program service fees receivable	(1,579)	(9,744)
Contributions and other receivables	64,797	(149,895)
Prepaid expenses and other assets	(88,476)	262,879
Inventory and supplies	68,127	(67,378)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	643,808	80,718
Annuity payment liability	(52,959)	(56,572)
Accrued pension benefit obligation	<u>(512,908)</u>	<u>7,018</u>
Net Cash Used in Operating Activities	<u>(3,960,845)</u>	<u>(1,820,418)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	17,148,412	8,323,721
Purchases of investments	(14,968,051)	(8,187,268)
Purchases of property and equipment	<u>(1,685,915)</u>	<u>(1,574,281)</u>
Net Cash Provided by (Used in) Investing Activities	<u>494,446</u>	<u>(1,437,828)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for endowment	<u>-</u>	<u>231,781</u>
Net Cash Provided by Financing Activities	<u>-</u>	<u>231,781</u>
NET DECREASE IN CASH	(3,466,399)	(3,026,465)
Cash - beginning of year	<u>15,307,823</u>	<u>18,334,288</u>
CASH - END OF YEAR	<u>\$ 11,841,424</u>	<u>\$ 15,307,823</u>

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

**NORTH SHORE ANIMAL LEAGUE AMERICA, INC.
AND THE PET SAVERS FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 1 – DESCRIPTION OF ORGANIZATION

The consolidated financial statements have been prepared by consolidating North Shore Animal League America, Inc. (the “League”) and its affiliate, The Pet Savers Foundation, Inc. (the “Foundation”) (collectively, the “Organization”). The League and the Foundation are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The League was founded to provide, promote and advance the protection, care and humane treatment of animals. The League rescues and cares for orphaned dogs and cats locally and nationally by providing food, shelter and medical care. The League arranges for adoptions, spaying and neutering and conducts ongoing humane education programs. The League’s mission statement highlights its work to Rescue, Nurture, Adopt and Educate.

In accordance with a policy adopted by the Board of Directors, the League solicits contributions through direct mail, specifically designated to support the mission of the League. In addition, the League receives donations, and bequests to fund its operations.

The Foundation was founded to promote and advance the humane treatment of animals, primarily dogs and cats, to foster kindness to animals and to promote their welfare through humane education programs.

The Foundation is an innovator in the field of companion animal welfare by creating mission-driven, groundbreaking programs that are piloted, disseminated and adopted by shelters nationwide.

The Foundation created the American Mutt-i-grees® Movement (the “Movement”), a national program that raises awareness of the plight of shelter animals, elevates the status of mixed-breed dogs and cats that increases shelter adoptions to reduce euthanasia. The Movement is based on the word coined by Pet Savers – Mutt-i-grees – to highlight the availability and desirability of shelter pets and encourage the adoption, rather than purchase of pets from pet stores that are supplied by puppy mills. The Movement began with a focus on adults but was later broadened to include children as they are the next generation of potential adopters. A key component of the Mutt-i-grees® Movement is the Mutt-i-grees Curriculum, designed to be disseminated nationally. The Curriculum includes lessons for children from Pre-K to Grade 12. It highlights humane education and the desirability and unique features of shelter pets within the context of Social and Emotional Learning, with activities, readings and other resources that feature shelter pets. The core curriculum was well received and became popular among children, families and educators. It is now implemented in more than 5,000 schools nationwide as well as in Canada and in several other countries. Since its launch in 2010, the Mutt-i-grees curriculum has grown to include several ancillary programs - *Mutt-i-grees® in the Library*, *Cats are Mutt-i-grees® 2*, *The Shelter Guide to the Mutt-i-grees® Curriculum*, *Paws Down/Tails Up: Physical Fitness Featuring Mutt-i-grees®*, and *Mutt-i-grees® at Home* — that expand its scope and reach. It also includes initiatives such as The School Dog Program and Mutt-i-grees Global Student Ambassadors that provide opportunities for students to make changes that benefit shelter pets and the humane industry. The content from Pre K – Grade 8 lessons and *Cats Are Mutt-i-grees® 2* all have digital counterparts to facilitate classroom use. A team of staff members markets, disseminates and provides implementation training to interested educators. The Curriculum and ancillary products were developed in collaboration with Yale University’s School of the 21st Century. Its faculty continues to be involved in the effort through a volunteer advisory capacity.

The Foundation also operates a co-operative buying program that enables animal shelters to provide needed services at a lower price.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. ***Basis of Accounting and Use of Estimates*** - The Organization’s consolidated financial statements are prepared on the accrual basis of accounting. The Organization adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”). The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NORTH SHORE ANIMAL LEAGUE AMERICA, INC.
AND THE PET SAVERS FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- B. **Principles of Consolidation** - The Organization's accompanying consolidated financial statements include the financial statements of the League and the Foundation. The League has consolidated the Foundation pursuant to U.S. GAAP due to its financial interest and control over it. All material intercompany transactions and balances have been eliminated in the consolidation.
- C. **Net Assets** - U.S. GAAP requires nonprofits to maintain their net assets under the following classes:
- Without donor restrictions – This represents net assets not subject to donor-imposed stipulations and that have no time restrictions. Such resources are available for support of the Organization's operations over which the Board of Directors has discretionary control.
- With donor restrictions – Net assets subject to stipulations, including stipulations that will be met either by actions of the Organization or the passage of time, stipulations that they be maintained in perpetuity by the Organization, including any unappropriated endowment earnings. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified and reported in the consolidated statements of activities as net assets released from restrictions.
- D. **Cash for Designated Purposes** - The Organization holds cash accounts for the purpose of fulfilling purpose restrictions set by donors. Such amounts are reflected as cash for designated purposes in the consolidated statements of financial position.
- E. **Inventory** - Inventory consists of food, drugs and other pet supplies. Inventory is valued at the lower of cost or net realizable value.
- F. **Investments** - Investments are carried at fair value. The value assigned to investments received by gift is the fair value at the date of donation. Changes in the fair value of investments are recorded as unrealized gains or losses and are reflected in the consolidated statements of activities.
- G. **Fair Value Measurements** - Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as reported in Note 4.
- H. **Contributions, Bequests and Other Receivables** - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Contributions, including unconditional promises to give, are recognized in the period received. All contributions, bequests and other receivables as of December 31, 2024 and 2023 are due within one year. There was no allowance for uncollectible contributions, bequests and other receivables as of December 31, 2024 and 2023.
- I. **Allowance for Credit Losses** - The Organization determines whether an allowance for credit losses should be provided for program service fees receivable. The measurement is based on management's assessment of the aged basis of its accounts, current economic conditions, subsequent receipts, reasonable and supportable forecasts and historical information. Accounts receivable are written off against the allowance for credit losses when all reasonable collection efforts have been exhausted. As of December 31, 2024 and 2023, allowance for credit losses amounted to \$10,289 and \$14,632, respectively.

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Changes in the allowance for credit losses for program services fees receivable during the year ended December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 14,632	\$ 11,679
Write-offs	(8,194)	(4,822)
Bad debt expense	<u>3,851</u>	<u>7,775</u>
Balance, end of year	<u>\$ 10,289</u>	<u>\$ 14,632</u>

- J. **Property and Equipment** - Building improvements and equipment are recorded at cost less accumulated amortization and depreciation. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Building improvements are amortized over the term of the lease or useful lives of the assets, whichever is shorter. The Organization's policy is to capitalize purchases greater than \$10,000 with an estimated useful life of at least three years.
- K. **Split-Interest Agreements** - The League has entered into charitable gift annuities with donors. These are agreements between a donor and the League in which the donor contributes an asset in exchange for an obligation for the League to pay a fixed amount to the donor or other designated beneficiaries for a specific period of time. At the time these agreements are entered into, a liability is recognized for the present value of the annuity obligation, the assets are recorded at fair market value and a contribution is recognized for the difference. The liability is recalculated annually, and the adjustment is recorded as change in value of split-interest agreements in the other changes section of the consolidated statements of activities. The split-interest agreements had a loss of \$13,181 and \$36,445, respectively, for the years ended December 31, 2024 and 2023. The discount rate and actuarial assumptions used in calculating the annuity obligation are those provided in Internal Revenue Service guidelines and actuarial tables and varied between 0.60% and 7.00% for each of the years ended December 31, 2024 and 2023. The League invests, manages and administers the annuities. The portfolio of assets meets all requirements concerning permissible investments and mandated reserves as required by law.
- L. **Contributions** - Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as either without donor restrictions or with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Conditional contributions, those with a measurable performance or other barrier and a right of return/release, are not included as support until the conditions are substantially met.

Donated securities acquired by gift or bequest are liquidated as soon as it is practical to do so.

- M. **Contributed Goods and Services** - Contributed goods and services meeting criteria established under U.S. GAAP are reflected as both contribution revenue and expenses in the accompanying consolidated statements of activities at their estimated fair value at the date of receipt. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided. The Organization recorded contributed medicine and pet foods of \$433,123 and \$517,824 for the years ended December 31, 2024 and 2023, respectively. The Organization also received donated advertising valued at \$224,156 for the year ended December 31, 2024.

In addition, the Organization receives services from a large number of volunteers who donate their time to the Organization's programs, special fundraising events and management. No amounts have been recorded for these types of donated services, as they do not meet the criteria for recognition.

- N. **Bequests** - Bequests are recorded as revenues at fair value at the time an unassailable right to the gift has been established and the proceeds are measurable.

**NORTH SHORE ANIMAL LEAGUE AMERICA, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- O. **Functional Allocation of Expenses** - The consolidated 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. Expenses that are allocated include occupancy, insurance and depreciation and amortization, which are allocated on a square footage basis, as well as payroll, benefits, payroll taxes, professional services, information technology and other, which are allocated on the basis of estimates of time and effort incurred by the League's staff members.
- P. **Program Service Revenue** - The League recognizes revenue from services performed at the time the services are provided, based upon agreed pricing. The performance obligation related to the delivery of services is a single delivery element. Payment is generally required at the time of service, and as such, there are no material accounts receivable associated with the service fees revenues.
- Q. **List Rental Income** - The League has an agreement with a third-party in which it provides mailing list information for one-time use to other organizations. The revenue is recognized at the point in time in which the list information is used at the pricing agreed upon in their contract. List rental income accrued at December 31, 2024 and 2023 was \$225,681 and \$222,729, respectively, and is included in contributions and other receivables on the consolidated statements of financial position. List rental income for the years ended December 31, 2024 and 2023 was \$458,777 and \$475,786, respectively.
- R. **Advertising** - Advertising fees are expensed as incurred.
- S. **Direct Costs** - The direct costs of special events include expenses for the benefit of the donor. For example, meals, facilities and rental are considered direct costs of special events.
- T. **Joint Cost Allocations** - The League conducted direct mail campaigns that included requests for contributions as well as program components. The joint costs are allocated between program and fundraising.

NOTE 3 – LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and marketable debt and equity securities.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date, were comprised of the following as of December 31:

Financial assets at year-end:	<u>2024</u>	<u>2023</u>
Cash	\$ 11,841,424	\$ 15,307,823
Program service fees receivable, net	7,483	9,755
Bequests receivable	28,820	144,261
Contributions and other receivables	2,771,270	2,828,253
Investments	<u>21,553,956</u>	<u>21,172,525</u>
	36,202,953	39,462,617
Less:		
Investments held for charitable gift annuities	(1,710,505)	(1,998,964)
Investments held for endowment	(1,649,969)	(1,452,087)
Donor imposed restriction subject to specified purpose or passage of time	<u>(6,782,695)</u>	<u>(8,927,630)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 26,059,784</u>	<u>\$ 27,083,936</u>

**NORTH SHORE ANIMAL LEAGUE AMERICA, INC.
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NOTE 3 – LIQUIDITY AND AVAILABILITY (Continued)

In addition, the Organization has a line of credit totaling \$4,000,000 with a financial institution, which can be drawn upon if needed (see Note 10). The Organization’s endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, except for the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consist of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Equities	\$ 16,323,317	\$ 14,130,922
U.S. Treasuries	4,967,603	5,176,656
Mutual Funds	<u>263,036</u>	<u>1,864,947</u>
	<u>\$ 21,553,956</u>	<u>\$ 21,172,525</u>

Investments are subject to market volatility that could substantially change their fair values in the near term.

Investment income is included in the consolidated statements of activities and consists of the following for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Dividends and interest	\$ 929,319	\$ 910,204
Realized gain	1,612,051	293,841
Unrealized gain	949,741	1,434,523
Less: Investment fees	<u>(226,842)</u>	<u>(197,820)</u>
	<u>\$ 3,264,269</u>	<u>\$ 2,440,748</u>

U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a framework for measuring fair value. The 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). In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value. These inputs also form the basis of the fair value hierarchy which is used to categorize a fair value measurement into one of three levels as follows:

- Level 1 - Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2 - Valuations based on observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets for identical assets or liabilities; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3 - Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to level 3 inputs.

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NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Investments in equities, U.S. Treasuries, corporate bonds and mutual funds are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period.

Financial assets carried at fair value at December 31 are classified in Level 1 as follows:

	2024	2023
Investments, at Fair Value		
Equities	\$ 16,323,317	\$ 14,130,922
U. S. Treasuries	4,967,603	5,176,656
Mutual funds	263,036	1,864,947
Total Investments, at Fair Value	\$ 21,553,956	\$ 21,172,525

NOTE 5 – PROPERTY AND EQUIPMENT, NET

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

	2024	2023	Estimated Useful Lives
Land	\$ 3,997,698	\$ 3,997,698	
Construction in Progress	822,230	-	
Buildings and Building Improvements	31,483,337	31,166,435	10-40 years
Software	676,493	663,993	3-5 years
Furniture, Fixtures and Equipment	4,151,406	3,733,108	5-7 years
Vehicles	2,754,701	2,798,199	5-7 years
	43,885,865	42,359,433	
Less: accumulated depreciation and amortization	(19,429,953)	(18,002,225)	
	\$ 24,455,912	\$ 24,357,208	

Depreciation expense amounted to \$1,587,211 and \$1,492,449 for the years ended December 31, 2024 and 2023, respectively. The Organization wrote off fully depreciated assets with accumulated depreciation and amortization in the amounts of \$159,483 and \$254,440 for the years ended December 31, 2024 and 2023, respectively.

Included in construction in progress as of December 31, 2024 were improvements to the facility as well as the Organization's database. Construction is expected to be completed over various dates through December 2025 with an estimated cost to complete of approximately \$830,000.

**NORTH SHORE ANIMAL LEAGUE AMERICA, INC.
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NOTE 6 – PENSION AND OTHER BENEFIT PLANS

The League had a defined benefit pension plan (the “Plan”) for all eligible employees who were at least 21 years old and had completed 24 months of service. The benefit formula was based on years of service and compensation levels as defined in the Plan document. The League’s policy was to fund all amounts required to pay for the benefits based on periodic calculations by an independent “enrolled actuary.” Amounts contributed to the Plan must have been at least sufficient to meet the minimum funding requirements as determined by the actuary.

On June 30, 2006, the Board of Directors of the League adopted a resolution to freeze the Plan. As of that date, no employee is permitted to commence or recommence participation in the Plan and no further benefits will accrue to any participants. In addition, compensation received on or after that date will not be considered for any purpose under the Plan.

The net periodic pension cost for the years ended December 31, 2024 and 2023 was \$358,961 and \$317,660, respectively. The Organization contributed \$311,804 and \$319,096, respectively, to the Plan while the Plan paid \$810,457 and \$552,265 in benefits during the years ended December 31, 2024 and 2023, respectively. For the year ending December 31, 2025, the League expects to make contributions of \$288,536 to the Plan.

The funded status of the Plan as of December 31 is as follows:

	<u>2024</u>	<u>2023</u>
Projected benefit obligation	\$ (8,865,877)	\$ (9,621,426)
Fair value of Plan assets	<u>5,707,888</u>	<u>5,950,529</u>
Funded status	<u>\$ (3,157,989)</u>	<u>\$ (3,670,897)</u>
Accrued pension benefit obligation recognized in the Consolidated Statements of Financial Position	<u>\$ 3,157,989</u>	<u>\$ 3,670,897</u>

The components of net periodic pension cost for the pension Plan for the years ended December 31 are as follows:

	<u>2024</u>	<u>2023</u>
Interest cost	\$ 456,995	\$ 461,340
Expected return on Plan assets	(316,254)	(360,072)
Net amortization and deferral of net gain	<u>218,220</u>	<u>216,392</u>
Net periodic pension costs	<u>\$ 358,961</u>	<u>\$ 317,660</u>

As a frozen plan, the accumulated benefits obligation for the Plan was \$8,865,877 and \$9,621,426 as of December 31, 2024 and 2023, respectively.

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NOTE 6 – PENSION AND OTHER BENEFIT PLANS (Continued)

The net actuarial loss as of December 31, 2024 and 2023 was \$1,608,835 and \$2,168,900, respectively. Other changes in Plan assets and benefit obligations recognized in net assets without donor restrictions for the years ended December 31 are as follows:

	2024	2023
Amortization of loss	\$ 218,220	\$ 216,392
Net gain (loss) during the year	341,845	(224,846)
Net amount recognized in change in net assets without restrictions	\$ 560,065	\$ (8,454)

The weighted average and other assumptions used in the accounting for net periodic pension cost for the fiscal years ended December 31 are as follows:

	2024	2023
Discount rate used to determine benefit obligations	5.50%	4.90%
Discount rate used for net periodic benefit cost	4.90%	5.10%
Rate of compensation increase	N/A	N/A
Expected return on Plan assets	6.5%	6.5%
Mortality table	PRI-2012	PRI-2012

The defined benefit plan's expected rate of return on Plan assets is determined by the Plan assets' historical long-term investment performance, current asset allocation and estimates of future long-term returns by asset class.

The following schedule of benefit payments for the pension Plan, which reflects expected future services, as appropriate, are expected to be paid as follows:

2025	\$ 600,000
2026	640,000
2027	630,000
2028	660,000
2029	650,000
5 years thereafter	3,250,000
	\$ 6,430,000

Pension Plan assets consist of investments in various mutual funds or commingled trust funds.

There was a change in third-party administrator from Pentegra Retirement Services to Principal Financial Services, Inc. during the year ended December 31, 2023. Principal Financial Services, Inc. continued as the Plan's third-party administrator during the year ended December 31, 2024.

Following is a description of the valuation methodologies used for assets measured at fair value at December 31, 2024 and 2023.

Mutual Funds:

Mutual funds are valued at quoted market prices determined in an active market and are classified as Level 1.

Pooled Separate Accounts:

Pooled separate accounts are valued at the net asset value ("NAV") of shares at year-end as determined by the issuer of the fund. The NAV is based on the value of the underlying assets, minus its liabilities (if any), and then divided by the number of shares outstanding. The Plan owns and transacts units of a pooled separate account, and

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NOTE 6 – PENSION AND OTHER BENEFIT PLANS (Continued)

not the underlying assets, and the unit of account is measured at the fund level, and not the underlying investment level. The NAV is not a publicly quoted price in an active market, but it is available to current investors either through Principal's website or when Plan participants access their account values. The pooled separate account investments can be redeemed at NAV as of the measurement date and Plan management believes this indicates they have a readily determinable fair value as defined by U.S. GAAP. Therefore, because units of the pooled separate accounts are held by the Plan and not the underlying investments, Plan management believes these are Level 2 investments (as described in Note 4).

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan administrator 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 difference in fair value measurement at the reporting date.

Financial assets carried at fair value at December 31, 2024 are classified in the table as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Mutual funds	\$ 2,898,478	\$ 2,898,478	\$ -
Total	<u>2,898,478</u>	<u>2,898,478</u>	<u>-</u>
Principal LDI Pooled Separate Accounts measured at net asset value:			
Short Duration Separate Account	295,705	-	295,705
Intermediate Duration Separate Account	1,168,349	-	1,168,349
Liquid Assets Separate Account	208,544	-	208,544
Long Duration Separate Account	859,235	-	859,235
Extended Duration Separate Account	<u>277,577</u>	<u>-</u>	<u>277,577</u>
Total measured at NAV	<u>2,809,410</u>	<u>-</u>	<u>2,809,410</u>
Total investments, at fair value	<u>\$ 5,707,888</u>	<u>\$ 2,898,478</u>	<u>\$ 2,809,410</u>

Financial assets carried at fair value at December 31, 2023 are classified in the table as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Mutual funds	\$ 3,305,572	\$ 3,305,572	\$ -
Total	<u>3,305,572</u>	<u>3,305,572</u>	<u>-</u>
Principal LDI Pooled Separate Accounts measured at net asset value:			
Short Duration Separate Account	307,666	-	307,666
Intermediate Duration Separate Account	1,210,159	-	1,210,159
Long Duration Separate Account	846,342	-	846,342
Extended Duration Separate Account	<u>280,790</u>	<u>-</u>	<u>280,790</u>
Total measured at NAV	<u>2,644,957</u>	<u>-</u>	<u>2,644,957</u>
Total investments, at fair value	<u>\$ 5,950,529</u>	<u>\$ 3,305,572</u>	<u>\$ 2,644,957</u>

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NOTE 6 – PENSION AND OTHER BENEFIT PLANS (Continued)

The League also offers a 401(k) deferred contributions pension plan, whereby all employees may make contributions pursuant to a salary reduction agreement. Matching employer contributions are discretionary. There were no employer contributions for the years ended December 31, 2024 and 2023.

The League has a 457(b) deferred compensation plan, whereby “highly compensated employees” may make contributions pursuant to a salary reduction agreement. Pursuant to Employee Retirement Income Security Act of 1974 (“ERISA”) guidelines, “highly compensated employees” are defined as a select group of management or highly compensated employees. There were no employer contributions for the years ended December 31, 2024 and 2023.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31 were available for the following purposes:

	<u>2024</u>	<u>2023</u>
Subject to expenditures for specific purpose:		
Unappropriated Endowment Earnings for Scholarship Fund	\$ 855,272	\$ 657,390
Lewyt Capital Fund	4,488,366	5,903,350
Lewyt Administration Fund	559,439	1,809,439
Lewyt Trust Central Stores Renovation	500,000	500,000
Lewyt Trust Medical Center Renovation	500,000	-
Lewyt Trust Dog Runs Fund	497,550	500,000
Rachael’s Rescue Initiative	703,835	470,868
Bianca’s Furry Friends (“BFF”) Wellness Center	713,532	454,359
Rachael Ray Foundation Rescue Fund	300,000	400,000
Family Office Donor Advised Funds	637	278,722
NY Community Trust Mill Rescue	30,000	-
Evelyn H. Kostner Estate	-	267,414
Cat Sanctuary	26,971	100,000
Irene Rita Pierce Charitable Lead Annuity	87,500	62,500
Baby Doge Donation Supplies for Shelter Partners	-	50,000
Lewyt Trust Ark Renovations	455	30,549
Miscellaneous programs	<u>84,915</u>	<u>99,393</u>
Subtotal	9,348,472	11,583,984
Endowment principal held in perpetuity:		
Scholarship fund	372,889	372,889
Endowment fund	<u>421,808</u>	<u>421,808</u>
Total net assets with donor restrictions	<u>\$10,143,169</u>	<u>\$12,378,681</u>

**NORTH SHORE ANIMAL LEAGUE AMERICA, INC.
AND THE PET SAVERS FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets were released from donor restrictions when expenses satisfying the restricted purposes were incurred or by occurrence of other events specified by donors as follows for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Rachael’s Rescue Initiative	\$ 1,137,607	\$ 1,157,724
Lewyt Administration Fund	1,250,000	1,000,000
Lewyt Trust Dog Runs Fund	2,450	-
Rachael Ray Foundation Rescue Fund	850,000	925,000
Lewyt Trust Ark Renovations	30,094	469,451
BFF Wellness Center	328,387	275,947
Evelyn H. Kostner Estate	267,414	-
Family Office Donor Advised Funds	278,084	221,278
Rachael Ray Foundation Memory of Isaboo	-	175,146
Rachael Ray Vet Costs & Animal Care	-	143,112
Rachael Ray Foundation BFF Medical Care	-	125,000
Ann M. Bryand Health Care Fund	84,991	76,338
Baby Doge Donation Supplies for Shelter Partners	80,000	10,000
Cat Sanctuary	163,404	-
Lewyt Capital Fund	1,414,985	-
Miscellaneous programs	95,656	39,658
	<u>\$ 5,983,072</u>	<u>\$ 4,618,654</u>

NOTE 8 – RELATED-PARTY TRANSACTIONS

The League and the Foundation are operated as if they were separate entities. Certain directors of the Foundation are also directors of the League. However, Board membership in one organization is not a condition of Board membership in the other. Members of the Board have made contributions to the League of \$2,225,650 and \$2,083,600 for the years ended December 31, 2024 and 2023, respectively.

It is the League’s intention, at the direction of its Board, to provide support for the Foundation in its efforts to save animals around the world. No grants were made from the League to the Foundation during 2024 and 2023.

NOTE 9 – JOINT COSTS

The Organization incurred joint costs of \$10,189,310 and \$10,770,726 for the years ended December 31, 2024 and 2023, respectively, for informational materials and activities that included fundraising appeals. Of those costs, \$1,747,025 and \$2,005,851, respectively, were allocated to fundraising expense and \$8,442,285 and \$8,764,875, respectively, were allocated to program expense.

NOTE 10 – LINE OF CREDIT

The League has a \$4,000,000 secured line of credit with U.S. Bank National Association (the “Bank”) to be drawn down upon as needed for working capital purposes. The line of credit is collateralized by the league’s investment account and all securities, investments and other property from time to time held in the investment account with an aggregate collateral value equal to or greater than \$6,000,000. The line of credit remains active as long as the investment account is collateralized. The interest rate in effect is a variable rate per month equal to the Secured Overnight Financing Rate (SOFR) published by the Chicago Mercantile Exchange (CME) plus 2.10%. There were no outstanding borrowings as of December 31, 2024 and 2023. The League did not have an outstanding balance as of July 17, 2025.

**NORTH SHORE ANIMAL LEAGUE AMERICA, INC.
AND THE PET SAVERS FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11 – CONCENTRATIONS

- A) Cash and cash equivalents that potentially subject the Organization to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits by approximately \$1,498,000 and \$4,371,000 as of December 31, 2024 and 2023, respectively, at three and two banks.
- B) The Organization maintains its investment balances in two financial institutions. The investment balances at the financial institutions are insured by the Securities Investor Protection Corporation (“SIPC”) up to \$500,000, which is inclusive of \$250,000 protection for claims for cash. At various times, there were balances that were over the SIPC limit. As of July 17, 2025, the Organization has uninsured investment balances of approximately \$27,800,000.

NOTE 12 – ENDOWMENT FUNDS

The Board of the Organization follows the New York State law called the New York Prudent Management of Institutional Funds Act (“NYPMIFA”). NYPMIFA includes a rebuttable presumption of imprudence if an organization appropriates more than 7% of a donor-restricted permanent endowment fund’s fair value (averaged over a period of not less than the preceding five years) in any year. Any unappropriated earnings that would otherwise be considered without restrictions by the donor are reflected as net assets with donor restrictions until appropriated.

The Organization’s Board has interpreted NYPMIFA as allowing the Organization to appropriate for expenditure or accumulate so much of an endowment fund as the Organization determines is prudent for the uses, benefits, purposes and duration for which the endowment fund was established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise, the assets in a donor-restricted endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board.

As a result of this interpretation, the Organization has not changed the way net assets restricted in perpetuity are classified. The remaining portion of the donor-restricted endowment fund that is not classified as restricted in perpetuity is classified as net assets with donor restrictions (purpose and time-restricted for future periods), until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA.

The policy for valuing the Organization’s investments is described in Note 2G. In accordance with U.S. GAAP, any deterioration of the fair value of assets associated with donor-restricted endowment funds that falls below the level the donor requires the Organization to retain in perpetuity is to be reported in net assets with donor restrictions. The fair value of assets associated with individual donor-restricted endowment funds are all above historic dollar value as of December 31, 2024 and 2023.

Changes in endowment net assets for the year ended December 31, 2024 are as follows:

	<u>Unappropriated Earnings</u>	<u>Endowment Corpus</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 657,390	\$ 794,697	\$ 1,452,087
Additions	-	-	-
Investment fees	(14,898)	-	(14,898)
Investment gain	<u>212,780</u>	<u>-</u>	<u>212,780</u>
Endowment net assets, end of year	<u>\$ 855,272</u>	<u>\$ 794,697</u>	<u>\$ 1,649,969</u>

**NORTH SHORE ANIMAL LEAGUE AMERICA, INC.
AND THE PET SAVERS FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 12 – ENDOWMENT FUNDS (Continued)

Changes in endowment net assets for the year ended December 31, 2023 are as follows:

	<u>Unappropriated Earnings</u>	<u>Endowment Corpus</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 565,683	\$ 562,916	\$ 1,128,599
Additions	-	231,781	231,781
Investment fees	(13,068)	-	(13,068)
Investment gain	<u>104,775</u>	<u>-</u>	<u>104,775</u>
Endowment net assets, end of year	<u>\$ 657,390</u>	<u>\$ 794,697</u>	<u>\$ 1,452,087</u>

NOTE 13 – COMMITMENTS AND CONTINGENCIES

- A. The League entered into an agreement with Zeta Global, LLC, which provides database processing services. The expense incurred under the agreement for the years ended December 31, 2024 and 2023 is approximately \$1,103,000 and \$726,000, respectively. The League renewed the agreement with Zeta Global, LLC effective January 1, 2024 for a three-year term which automatically renews for successive one-year periods unless otherwise terminated in accordance with the provisions of the Agreement or the Statement of Work. The estimated monthly cost for each of the years ending December 31, 2025 and 2026 is \$113,900, which will be billed quarterly. The League also entered into a twelve-month data migration agreement with Zeta Global, LLC for a total fee of \$801,325 effective January 1, 2024, which is invoiced in 12 equal payments which began February 1, 2024.
- B. The Organization is subject to various claims and legal proceedings that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or changes in net assets of the Organization. Additionally, management believes that with respect to any pending or threatened litigation charges or claims against the Organization, after the Organization's deductible, the Organization has adequate insurance coverage to cover such claims.
- C. The Organization has no uncertain tax positions as of December 31, 2024 and 2023 in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 740, “Income Taxes,” which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

**NORTH SHORE ANIMAL LEAGUE AMERICA, INC.
AND THE PET SAVERS FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 14 – CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets consisted of the following for the year ended December 31, 2024:

Nonfinancial Asset	2024	Used in Programs/Activities	Donor-imposed Restriction	Fair Value Technique
Medicine and pet foods	\$ 433,123	Programs	No associated donor restrictions	The Organization estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States
Donated advertising	<u>224,156</u>	Programs and Fundraising	No associated donor restrictions	The Organization estimated the fair value on the basis of estimates of fair value on pro bono invoices
Total	<u>\$ 657,279</u>			

Contributed nonfinancial assets consisted of the following for the year ended December 31, 2023:

Nonfinancial Asset	2023	Used in Programs/Activities	Donor-imposed Restriction	Fair Value Technique
Medicine and pet foods	\$ 517,824	Programs	No associated donor restrictions	The Organization estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated events subsequent to the date of the consolidated statement of financial position through July 17, 2025, the date the consolidated financial statements were available to be issued.

**NORTH SHORE ANIMAL LEAGUE AMERICA, INC.
AND THE PET SAVERS FOUNDATION, INC.
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)**

	As of December 31, 2024				
	North Shore Animal League America	Pet Savers Foundation	Consolidating Eliminations	2024 Consolidated Total	2023 Consolidated Total
ASSETS					
Operating Cash	\$ 1,297,189	\$ 124,621	\$ -	\$ 1,421,810	\$ 2,956,886
Cash for designated purposes	10,419,614	-	-	10,419,614	12,350,937
Bequests receivable	28,820	-	-	28,820	144,261
Program service fees receivable, net	7,483	-	-	7,483	9,755
Contributions and other receivables	2,742,664	24,699	(3,907)	2,763,456	2,828,253
Investments	21,553,956	-	-	21,553,956	21,172,525
Prepaid expenses and other assets	407,671	-	-	407,671	319,195
Inventory and supplies	619,683	-	-	619,683	687,810
Property and equipment, net	24,452,653	3,259	-	24,455,912	24,357,208
Total Assets	<u>\$ 61,529,733</u>	<u>\$ 152,579</u>	<u>\$ (3,907)</u>	<u>\$ 61,678,405</u>	<u>\$ 64,826,830</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 3,910,771	\$ 12,191	\$ (3,907)	\$ 3,919,055	\$ 3,275,247
Annuity payment liability	288,597	-	-	288,597	328,375
Accrued pension benefit obligation	3,157,989	-	-	3,157,989	3,670,897
Total Liabilities	<u>7,357,357</u>	<u>12,191</u>	<u>(3,907)</u>	<u>7,365,641</u>	<u>7,274,519</u>
NET ASSETS					
Net assets without donor restrictions	44,029,207	140,388	-	44,169,595	45,173,630
Net assets with donor restrictions	10,143,169	-	-	10,143,169	12,378,681
Total Net Assets	<u>54,172,376</u>	<u>140,388</u>	<u>-</u>	<u>54,312,764</u>	<u>57,552,311</u>
Total Liabilities and Net Assets	<u>\$ 61,529,733</u>	<u>\$ 152,579</u>	<u>\$ (3,907)</u>	<u>\$ 61,678,405</u>	<u>\$ 64,826,830</u>

**NORTH SHORE ANIMAL LEAGUE AMERICA, INC.
AND THE PET SAVERS FOUNDATION, INC.
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR 2023)**

	Year Ended December 31, 2024								
	North Shore Animal League America			Pet Savers Foundation			Consolidating Eliminations	2024 Consolidated Total	2023 Consolidated Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total			
SUPPORT, PROGRAM SERVICE AND OTHER REVENUE:									
Support revenue:									
Special events revenue (net of direct benefit to donors of \$213,626 and \$185,657 in 2024 and 2023, respectively)	\$ 179,066	\$ 135,400	\$ 314,466	\$ -	\$ -	\$ -	\$ -	\$ 314,466	\$ 270,411
Bequests	6,564,923	-	6,564,923	-	-	-	-	6,564,923	8,385,244
Contributions	24,508,544	3,386,478	27,895,022	128	-	128	-	27,895,150	27,329,073
Noncash contributions	657,279	-	657,279	-	-	-	-	657,279	517,824
Total support revenue	<u>31,909,812</u>	<u>3,521,878</u>	<u>35,431,690</u>	<u>128</u>	<u>-</u>	<u>128</u>	<u>-</u>	<u>35,431,818</u>	<u>36,502,552</u>
Program service revenue:									
Pet Rescue and Adoption	897,306	27,800	925,106	-	-	-	-	925,106	961,495
Humane Education	13,855	-	13,855	-	-	-	-	13,855	5,572
Spay/Neuter and Veterinary Care	7,005,500	-	7,005,500	-	-	-	-	7,005,500	5,830,362
Mutt-i-grees® Movement	-	-	-	94,318	-	94,318	-	94,318	65,753
Total program service revenue	<u>7,916,661</u>	<u>27,800</u>	<u>7,944,461</u>	<u>94,318</u>	<u>-</u>	<u>94,318</u>	<u>-</u>	<u>8,038,779</u>	<u>6,863,182</u>
Other revenue:									
Dividends and interest	910,729	18,590	929,319	-	-	-	-	929,319	910,204
Pet store sales (net of cost of goods sold of \$44,497 and \$50,998 in 2024 and 2023, respectively)	15,574	-	15,574	-	-	-	-	15,574	23,095
List rental income	458,777	-	458,777	-	-	-	-	458,777	475,786
Other revenue	51,077	-	51,077	-	-	-	-	51,077	72,281
Net assets released from restrictions	5,983,072	(5,983,072)	-	-	-	-	-	-	-
Total other revenue	<u>7,419,229</u>	<u>(5,964,482)</u>	<u>1,454,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,454,747</u>	<u>1,481,366</u>
TOTAL SUPPORT, PROGRAM SERVICE AND OTHER REVENUE	<u>47,245,702</u>	<u>(2,414,804)</u>	<u>44,830,898</u>	<u>94,446</u>	<u>-</u>	<u>94,446</u>	<u>-</u>	<u>44,925,344</u>	<u>44,847,100</u>
OPERATING EXPENSES:									
Program Services:									
Pet Rescue and Adoption	18,146,430	-	18,146,430	-	-	-	-	18,146,430	17,154,321
Humane Education	5,906,456	-	5,906,456	-	-	-	-	5,906,456	5,865,012
Spay/Neuter and Veterinary Care	17,116,893	-	17,116,893	-	-	-	-	17,116,893	17,200,707
Mutt-i-grees Movement	-	-	-	43,798	-	43,798	-	43,798	41,443
Total program services	<u>41,169,779</u>	<u>-</u>	<u>41,169,779</u>	<u>43,798</u>	<u>-</u>	<u>43,798</u>	<u>-</u>	<u>41,213,577</u>	<u>40,261,483</u>
Supporting Services:									
Management and general	3,623,752	-	3,623,752	6,645	-	6,645	-	3,630,397	2,012,086
Fundraising	5,843,394	-	5,843,394	396	-	396	-	5,843,790	5,842,777
Total supporting services	<u>9,467,146</u>	<u>-</u>	<u>9,467,146</u>	<u>7,041</u>	<u>-</u>	<u>7,041</u>	<u>-</u>	<u>9,474,187</u>	<u>7,854,863</u>
TOTAL OPERATING EXPENSES	<u>50,636,925</u>	<u>-</u>	<u>50,636,925</u>	<u>50,839</u>	<u>-</u>	<u>50,839</u>	<u>-</u>	<u>50,687,764</u>	<u>48,116,346</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>(3,391,223)</u>	<u>(2,414,804)</u>	<u>(5,806,027)</u>	<u>43,607</u>	<u>-</u>	<u>43,607</u>	<u>-</u>	<u>(5,762,420)</u>	<u>(3,269,246)</u>
OTHER CHANGES:									
Net realized and unrealized gain on investments, net of fees	2,155,658	179,292	2,334,950	-	-	-	-	2,334,950	1,530,544
Change in value of split-interest agreements	(13,181)	-	(13,181)	-	-	-	-	(13,181)	(36,445)
Other components of net periodic cost	(358,961)	-	(358,961)	-	-	-	-	(358,961)	(317,660)
Pension related changes other than net periodic pension costs	560,065	-	560,065	-	-	-	-	560,065	(8,454)
CHANGE IN NET ASSETS	<u>(1,047,642)</u>	<u>(2,235,512)</u>	<u>(3,283,154)</u>	<u>43,607</u>	<u>-</u>	<u>43,607</u>	<u>-</u>	<u>(3,239,547)</u>	<u>(2,101,261)</u>
Net assets - beginning of year	<u>45,076,849</u>	<u>12,378,681</u>	<u>57,455,530</u>	<u>96,781</u>	<u>-</u>	<u>96,781</u>	<u>-</u>	<u>57,552,311</u>	<u>59,653,572</u>
NET ASSETS - END OF YEAR	<u>\$ 44,029,207</u>	<u>\$ 10,143,169</u>	<u>\$ 54,172,376</u>	<u>\$ 140,388</u>	<u>\$ -</u>	<u>\$ 140,388</u>	<u>\$ -</u>	<u>\$ 54,312,764</u>	<u>\$ 57,552,311</u>

See independent auditors' report.