



PLANNED PETHOOD OF GEORGIA, INC.

(A Nonprofit Organization)

FINANCIAL STATEMENTS

Years Ended December 31, 2024 and 2023



BRADY WARE
& SCHOENFELD

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BRADY WARE
& SCHOENFELD

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Planned Pethood of Georgia, Inc.
Atlanta, Georgia

Unmodified Opinion on 2024 Financial Statements and 2023 Statements of Financial Position and Qualified Opinion on 2023 Change in Net Assets

We have audited the accompanying financial statements which comprise the statements of financial position of **Planned Pethood of Georgia, Inc.** (a nonprofit organization), as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, except for the possible effects on the statements of activities and changes in net assets, functional expenses, and cash flows for the year ended December 31, 2023 of the matter described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of **Planned Pethood of Georgia, Inc.** as of December 31, 2024 and 2023, and the change in 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 Unmodified Opinion on 2024 Financial Statements and 2023 Statements of Financial Position and Qualified Opinion on 2023 Change in Net Assets

We were unable to perform sufficient audit procedures on inventory in the 2022 financial statements because accounting records for the Thrift Store were inadequate for us to obtain sufficient appropriate audit evidence about the valuation of inventory by other auditing procedures. As a result, we were unable to form an opinion on the 2023 change in net assets.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Planned Pethood of Georgia, Inc.** 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 unmodified audit opinion on the 2024 financial statements and 2023 statements of financial position and qualified opinion on the statements of activities and change in net assets, statement of functional expenses and statement of cash flows for the year ended December 31, 2023.

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INDEPENDENT AUDITORS' REPORT - CONTINUED

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 is 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 **Planned Pethood of Georgia, Inc.'s** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is 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 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 **Planned Pethood of Georgia, Inc.'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 **Planned Pethood of Georgia, Inc.'s** ability to continue as a going concern for a reasonable period of time.

INDEPENDENT AUDITORS' REPORT - CONTINUED

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.

Brady, Ware & Schoenfeld, Inc.

Atlanta, Georgia
July 21, 2025

PLANNED PETHOOD OF GEORGIA, INC.**STATEMENTS OF FINANCIAL POSITION****December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 245,552	\$ 160,954
Accounts receivable, net	48,253	46,096
Inventories	75,172	89,062
Prepaid and other	<u>16,121</u>	<u>8,250</u>
Total current assets	385,098	304,362
PROPERTY AND EQUIPMENT, NET	99,236	111,885
OPERATING LEASE RIGHT-OF-USE ASSETS	227,468	68,479
DEPOSITS	2,445	9,245
BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION	<u>10,094</u>	<u>-</u>
	<u>\$ 724,341</u>	<u>\$ 493,971</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 48,767	\$ 100,439
Accrued liabilities	53,793	77,785
Line of credit	-	35,000
Current maturities of operating lease liabilities	71,269	68,479
Deferred revenue	<u>12,735</u>	<u>23,175</u>
Total current liabilities	186,564	304,878
OPERATING LEASE LIABILITIES, NET OF CURRENT MATURITIES	<u>156,533</u>	<u>-</u>
Total liabilities	<u>343,097</u>	<u>304,878</u>
NET ASSETS		
Net assets without donor restrictions	211,678	174,503
Net assets with donor restrictions	<u>169,566</u>	<u>14,590</u>
Total net assets	<u>381,244</u>	<u>189,093</u>
	<u>\$ 724,341</u>	<u>\$ 493,971</u>

See notes to financial statements.

PLANNED PETHOOD OF GEORGIA, INC.**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS****Year Ended December 31, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Spay and neuter and veterinary services revenue	\$ 1,985,070	\$ -	\$ 1,985,070
Foster and adopt revenue	48,169	-	48,169
Contributions and grants	531,368	310,567	841,935
Contributions of nonfinancial assets	179,221	-	179,221
Fundraising events	106,406	-	106,406
Online pharmacy income	6,323	-	6,323
Change in value of beneficial interests in assets held by community foundation	(70)	-	(70)
Net assets released from restrictions:			
Restrictions satisfied by payments	<u>155,591</u>	<u>(155,591)</u>	<u>-</u>
Total revenue and support	<u>3,012,078</u>	<u>154,976</u>	<u>3,167,054</u>
FUNCTIONAL EXPENSES			
Program services:			
Spay and neuter and veterinary services	927,789	-	927,789
County services	640,000	-	640,000
Wellness	381,951	-	381,951
Outreach	129,585	-	129,585
Foster and adopt	273,203	-	273,203
Supporting services:			
Management and general	379,359	-	379,359
Fundraising	<u>243,016</u>	<u>-</u>	<u>243,016</u>
Total functional expenses	<u>2,974,903</u>	<u>-</u>	<u>2,974,903</u>
CHANGE IN NET ASSETS	37,175	154,976	192,151
NET ASSETS			
Beginning of year	<u>174,503</u>	<u>14,590</u>	<u>189,093</u>
End of year	<u>\$ 211,678</u>	<u>\$ 169,566</u>	<u>\$ 381,244</u>

See notes to financial statements.

PLANNED PETHOOD OF GEORGIA, INC.**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS****Year Ended December 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Spay and neuter and veterinary services revenue	\$ 1,958,802	\$ -	\$ 1,958,802
Foster and adopt revenue	60,763	-	60,763
Thrift store sales	105,061	-	105,061
Contributions and grants	425,129	59,500	484,629
Contributions of nonfinancial assets	190,256	-	190,256
Fundraising events	164,845	-	164,845
Online pharmacy income	7,527	-	7,527
Gain on sale of vehicle	2,800	-	2,800
Net assets released from restrictions:			
Restrictions satisfied by payments	<u>69,956</u>	<u>(69,956)</u>	<u>-</u>
Total revenue and support	<u>2,985,139</u>	<u>(10,456)</u>	<u>2,974,683</u>
FUNCTIONAL EXPENSES			
Program services:			
Spay and neuter and veterinary services	1,242,347	-	1,242,347
County services	442,336	-	442,336
Wellness	241,333	-	241,333
Outreach	155,988	-	155,988
Foster and adopt	240,539	-	240,539
Thrift store	174,814	-	174,814
Supporting services:			
Management and general	249,062	-	249,062
Fundraising	<u>197,366</u>	<u>-</u>	<u>197,366</u>
Total functional expenses	<u>2,943,785</u>	<u>-</u>	<u>2,943,785</u>
CHANGE IN NET ASSETS	41,354	(10,456)	30,898
NET ASSETS			
Beginning of year	<u>133,149</u>	<u>25,046</u>	<u>158,195</u>
End of year	<u>\$ 174,503</u>	<u>\$ 14,590</u>	<u>\$ 189,093</u>

PLANNED PETHOOD OF GEORGIA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2024

	Program Services					Supporting Services		
	Spay and Neuter	County Services	Wellness	Outreach	Foster and Adopt	Management and General	Fundraising	Total
In-kind:								
Medical supplies	\$ 28,082	\$ -	\$ 32,923	\$ 35,828	\$ -	\$ -	\$ -	\$ 96,833
Professional fees	-	-	-	-	-	63,000	-	63,000
Pet food and supplies	-	-	-	4,716	13,422	-	-	18,138
Other	-	-	-	750	-	500	-	1,250
Total In-kind	28,082	-	32,923	41,294	13,422	63,500	-	179,221
Veterinary supplies and other	400,721	119,981	79,068	12,247	60,899	-	-	672,916
Advertising and promotion	-	-	-	-	-	10,773	96,954	107,727
Bank and credit card fees	14,982	-	9,832	-	1,092	936	4,370	31,212
Auto expenses	-	-	-	2,238	597	149	-	2,984
Bad debt expense	2,005	-	-	-	-	-	-	2,005
Employee benefits	15,323	10,641	2,128	1,703	4,257	8,513	-	42,565
Employee expenses	1,345	2,925	351	292	351	585	-	5,849
Depreciation expense	8,735	-	3,397	4,367	4,853	2,911	-	24,263
Insurance	-	-	-	7,019	2,283	7,611	-	16,913
Interest	-	-	-	-	-	308	-	308
Occupancy	26,476	-	15,129	11,347	11,347	11,347	-	75,646
Office expenses	9,939	-	2,130	2,130	13,134	7,278	887	35,498
Professional fees	1,052	1,052	1,052	-	-	49,447	-	52,603
Repairs and maintenance	1,042	-	43	130	87	3,039	-	4,341
Information technology	2,400	-	933	-	667	9,332	-	13,332
Payroll and related	395,580	505,077	225,289	42,739	152,566	194,477	140,805	1,656,533
Travel and related	811	324	243	649	1,216	4,865	-	8,108
Utilities	19,296	-	9,433	3,430	6,432	4,288	-	42,879
Total functional expenses	<u>\$ 927,789</u>	<u>\$ 640,000</u>	<u>\$ 381,951</u>	<u>\$ 129,585</u>	<u>\$ 273,203</u>	<u>\$ 379,359</u>	<u>\$ 243,016</u>	<u>\$ 2,974,903</u>
Percent of total	<u>31%</u>	<u>22%</u>	<u>13%</u>	<u>4%</u>	<u>9%</u>	<u>13%</u>	<u>8%</u>	<u>100%</u>

See notes to financial statements.

PLANNED PETHOOD OF GEORGIA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023

	Program Services						Supporting Services		
	Spay and Neuter	County Services	Wellness	Outreach	Foster and Adopt	Thrift Store	Management and General	Fundraising	Total
In-kind:									
Medical supplies	\$ 41,099	\$ -	\$ 15,078	\$ 11,937	\$ -	\$ -	\$ -	\$ -	\$ 68,114
Professional fees	-	-	-	-	-	-	31,720	-	31,720
Pet food and supplies	-	-	-	8,213	8,212	-	-	-	16,425
Other	-	-	-	-	-	70,361	-	-	70,361
Total In-kind	41,099	-	15,078	20,150	8,212	70,361	31,720	-	186,620
Veterinary supplies and other	447,876	47,253	58,285	31,797	54,004	20,251	-	-	659,466
Advertising and promotion	-	-	-	-	2,860	953	9,535	81,996	95,344
Bank and credit card fees	20,098	-	6,930	-	1,386	2,079	1,733	2,426	34,652
Auto expenses	-	-	-	2,440	651	-	163	-	3,254
Employee benefits	19,463	7,352	865	1,297	3,893	432	9,948	-	43,250
Employee expenses	1,469	154	219	-	110	-	241	-	2,193
Depreciation expense	9,243	-	3,405	4,865	3,648	730	2,432	-	24,323
Insurance	-	-	-	6,334	2,112	-	5,631	-	14,077
Interest	-	-	-	-	-	-	2,274	-	2,274
Occupancy	40,573	-	13,911	3,478	9,274	40,574	8,115	-	115,925
Office expenses	24,443	-	2,716	2,173	16,295	3,259	5,432	-	54,318
Professional fees	-	-	-	-	-	-	21,684	-	21,684
Repairs and maintenance	1,465	-	46	-	46	45	2,975	-	4,577
Information technology	2,171	255	766	-	383	-	9,194	-	12,769
Payroll and related	613,126	387,238	129,079	80,675	129,079	32,270	129,079	112,944	1,613,490
Travel and related	84	84	2,010	419	1,507	84	4,187	-	8,375
Utilities	21,237	-	8,023	2,360	7,079	3,776	4,719	-	47,194
Total functional expenses	<u>\$ 1,242,347</u>	<u>\$ 442,336</u>	<u>\$ 241,333</u>	<u>\$ 155,988</u>	<u>\$ 240,539</u>	<u>\$ 174,814</u>	<u>\$ 249,062</u>	<u>\$ 197,366</u>	<u>\$ 2,943,785</u>
Percent of total	<u>42%</u>	<u>15%</u>	<u>8%</u>	<u>5%</u>	<u>8%</u>	<u>6%</u>	<u>9%</u>	<u>7%</u>	<u>100%</u>

See notes to financial statements.

PLANNED PETHOOD OF GEORGIA, INC.**STATEMENTS OF CASH FLOWS****Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 192,151	\$ 30,898
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	24,263	24,323
Amortization of right-of-use assets	74,593	107,942
Change in beneficial interest in assets held by community foundation	70	-
Gain on sale of vehicle	-	(2,800)
	<u>291,077</u>	<u>160,363</u>
Changes in operating assets and liabilities:		
Accounts receivable, net	(2,157)	(16,262)
Inventories	13,890	7,563
Prepaid and other	(7,871)	(5,750)
Deposits	6,800	-
Accounts payable	(51,672)	32,745
Accrued liabilities	(23,992)	17,887
Deferred revenue	(10,440)	8,175
Operating lease liabilities	<u>(74,259)</u>	<u>(107,942)</u>
Net cash provided by operating activities	<u>141,376</u>	<u>96,779</u>
INVESTING ACTIVITIES		
Purchase of furniture and equipment	(11,614)	-
Proceeds from sale of vehicle	-	2,800
Purchase of assets held by community foundation	<u>(10,164)</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>(21,778)</u>	<u>2,800</u>
FINANCING ACTIVITIES		
Net borrowings (repayment) on line of credit	<u>(35,000)</u>	<u>25,000</u>
NET INCREASE IN CASH	84,598	124,579
CASH		
Beginning of year	<u>160,954</u>	<u>36,375</u>
End of year	<u>\$ 245,552</u>	<u>\$ 160,954</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest expense	<u>\$ 308</u>	<u>\$ 2,274</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Planned Pethood of Georgia, Inc. ("PPOG"), a Georgia nonprofit organization, was founded in 2010 to provide affordable, accessible spay and neuter services to the public, other nonprofit organizations and to county animal shelters. PPOG's primary source of revenue is the offering of veterinary health services to the general public at rates that are substantially lower than for-profit clinics as well as contributions and grants. PPOG operated a thrift store to support the public, as well as generate income to support their mission. The Thrift Store permanently closed on December 16, 2023. PPOG also provides assistance in rescue, fostering, and adopting cats and dogs.

Basis of Presentation - The financial statement presentation follows the recommendations of generally accepted accounting principles. PPOG is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. These net assets may be used at the discretion of PPOG management or designated by the board of directors. There are no board designated net assets as of December 31, 2024 and 2023.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. PPOG did not have any net assets to be held in perpetuity at December 31, 2024 and 2023.

Functional Allocation of Expenses - Directly identifiable expenses are charged to programs and supporting services. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. Expenses are allocated based on direct identification, except for salaries and benefits, occupancy expenses and veterinary supplies and other. Salaries and benefits are allocated based on estimates of time and effort, occupancy and depreciation are allocated on a square footage basis, and veterinary supplies and other are allocated based on the estimated usage of supplies within each of the programs benefited.

Financial 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Contributions and Revenue - Contributions received are recorded as support and revenue without donor restrictions and with donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Adoption of New Accounting Standards - In June 2016, the Financial Accounting Standards Board ("FASB") issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by PPOG that are subject to the guidance in FASB ASC 326 were reported in the statements of financial position as accounts receivable.

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

Accounts Receivable - Accounts receivable consists of amounts due in connection with various arrangements with rural county animal shelters and rescue organizations. PPOG recognizes an allowance for losses on accounts receivable in an amount equal to the current expected credit losses. The estimation of the allowance is based on an analysis of historical loss experience, current receivables aging, and management's assessment of current conditions and reasonable and supportable expectation of future conditions, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible. PPOG assesses collectability by pooling receivables where similar characteristics exist and evaluates receivables individually when specific customer balances no longer share those risk characteristics and are considered at risk or uncollectible. The expense associated with the allowance for expected credit losses is recognized in functional expenses. Management has deemed that an allowance of \$2,005 was necessary at December 31, 2024. No allowance was deemed necessary at December 31, 2023.

The Company writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be offset to credit loss expense in the year of recovery. There were no write-offs of credit losses for the years 2024 and 2023.

Inventories - Inventories consist principally of veterinary supplies and medication and are stated at the lower of cost (first-in, first-out method) and net realizable value, with estimates of quantities and prices used in some cases. Thrift store inventory was received primarily through contributions and recorded at fair market value which approximates net realizable value as defined by generally accepted accounting principles. The thrift store closed permanently in December 2023 and any remaining inventory was donated to other organizations.

Property and Equipment - Property and equipment are stated at cost and depreciated over their estimated useful lives using the straight-line method. Routine repairs and maintenance are charged to expense when incurred and renewals and betterments are capitalized. When property and equipment are retired or sold, the related cost and accumulated depreciation are removed from the respective accounts, and the resulting gains and losses are included in income/loss. Property and equipment no longer in service totaling \$11,861 was retired at December 31, 2024.

PPOG reviews for impairment of long-lived assets in accordance with accounting standards. These standards require companies to determine if changes in circumstances indicate that the carrying amount of its long-lived assets may not be recoverable. If a change in circumstances warrants such an evaluation, undiscounted future cash flows from the use and ultimate disposition of the asset, as well as respective market values, are estimated to determine if an impairment exists. Management believes that there has been no impairment of the carrying value of its long-lived assets at December 31, 2024 and 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Leases - PPOG leases a building for veterinary and administrative space and a retail store. PPOG determines if an arrangement is a lease at inception. Operating leases are included in operating lease ROU assets, and current and long-term operating lease liabilities on the statement of financial position. The retail store lease expired at the end of December 2023 and was not renewed.

ROU assets represent PPOG's right to use an underlying asset for the lease term and lease liabilities represent their obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As PPOG's operating leases do not provide an implicit rate, PPOG uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU assets also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that it will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

PPOG's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

PPOG has elected to apply the short-term lease exemption to one of their classes of underlying assets. In 2023, PPOG has only one lease within this class of underlying asset that qualify for the exemption.

Beneficial Interest in Assets Held by Community Foundation - During 2024, PPOG established the Affordable Pet Care fund that is held with a community foundation ("the CF") where PPOG is named as beneficiary. PPOG granted variance power to the CF, which allows the CF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the CF's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The ordinary income, capital appreciation (realized and unrealized), and principal allocated to the fund, net of fees and expenses, may be committed, granted, or expended pursuant to the spending policy of the CF. The Board of Directors of the CF has the authority to vary donor restrictions if continued adherence to that restriction becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served by the CF. The Board of Directors of PPOG may request to invade the principal of the fund. The Board of Directors of the CF may then approve that request so long as its use will be in keeping with the mission of PPOG. The fund is reported at fair value in the statements of financial position, with changes in fair value recognized in the statement of activities.

Income Taxes - PPOG is a nonprofit organization and is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3), except on net income derived from unrelated business activities. Accordingly, no provision for income taxes is presented in these financial statements. PPOG is not considered to be a private foundation.

Uncertainty in Tax Positions - Accounting standards require the evaluation of tax positions taken, or expected to be taken, in the course of preparing PPOG's tax returns, to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. This statement provides that a tax benefit from an uncertain tax position may be recognized in the financial statements only when it is "more-likely-than-not" the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based upon the technical merits and consideration of all available information. Once the recognition threshold is met, the portion of the tax benefit that is recorded represents the largest amount of tax benefit that is greater than 50 percent likely to be realized upon settlement with a taxing authority. Based on its review, management does not believe PPOG has taken any material uncertain tax positions, including any position that would place PPOG's exempt status in jeopardy, as of December 31, 2024 and 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Reclassifications - Certain prior year amounts have been reclassified to conform with current year presentation.

Subsequent Events - PPOG has evaluated subsequent events through July 21, 2025, the date which the financial statement were available to be issued.

NOTE 2 - REVENUE RECOGNITION

PPOG derives its revenue primarily from contributions, grants, spay and neuter and other veterinary services revenue, foster and adopt revenue, thrift store sales, online pharmacy sales, and fundraising events. Contributions and grants are accounted for under contribution guidance established by ASU 2018-08. Spay and neuter and veterinary services revenue, foster and adopt revenue, thrift store sales, and online pharmacy sales are recognized at the point of sale or time services are rendered, and fundraising events revenue is recognized at the time of the event, in amounts that reflect the consideration PPOG expects to be entitled to and in exchange for the value provided from the goods sold and benefit received during the event. Sales and other taxes PPOG collects concurrent with revenue-producing activities are excluded from revenue. Incidental items that are immaterial in the context of the contracts are recognized as expense. Costs incurred to obtain a contract are expensed as incurred when the amortization period is less than a year.

PPOG's contracts related to fundraising events are cancelable at any time by either party. All spay and neuter revenue, foster and adopt revenue, thrift store sales, and online pharmacy sales are final. PPOG's standard payment terms for fundraising events are typically due before the scheduled event, and payment terms for spay and neuter revenue, foster and adopt revenue, thrift store sales, and online pharmacy sales are due at the point of sale or time services are rendered. Payment terms can vary based upon the entity that is paying. PPOG does not have any significant financing components. There is no variable consideration related to services provided.

Contract assets consist of accounts receivable in connection with veterinary clinic services as of December 31, 2024 and 2023 and are presented on the statement of financial position. At January 1, 2023, accounts receivable totaled \$29,834. Contract liabilities consist of customer deposits for wellness and spay and neuter services as of December 31, 2024 and 2023 and are presented on the statement of financial position as deferred revenue. At January 1, 2023, deferred revenue totaled \$15,000.

Revenue from performance obligations satisfied at a point in time consist of fundraising event revenue, spay and neuter and other veterinary services revenue, foster and adopt revenue, thrift store sales, online pharmacy sales, and registration fees for fundraising events.

PLANNED PETHOOD OF GEORGIA, INC.**NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - LIQUIDITY AND AVAILABILITY

PPOG monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. PPOG has the following financial assets less those unavailable for general expenditure within one year.

	<u>2024</u>	<u>2023</u>
Financial Assets		
Cash	\$ 245,552	\$ 160,954
Accounts receivable, net	48,253	46,096
Beneficial interest in assets held at community foundation	<u>10,094</u>	<u>-</u>
Total financial assets	303,899	207,050
Less those unavailable for general expenditure within one year		
Purpose restrictions	169,566	14,590
Beneficial interest in assets held at community foundation	<u>10,094</u>	<u>-</u>
Financial assets available within one year of statement of financial position date for general expenditure	<u>\$ 124,239</u>	<u>\$ 192,460</u>

In addition to financial assets available to meet general expenditures over the year, PPOG anticipates covering its general expenditures by collecting revenue from program services, contributions and grants and fundraising activities. The beneficial interest in assets held by community foundation included in the financial assets above has no donor restrictions. PPOG is authorized to spend the fund at its discretion, subject to the community foundation's approval. In addition, PPOG has access to a line of credit. See Note 9.

NOTE 4 - ACCOUNTS RECEIVABLE, NET

	<u>2024</u>	<u>2023</u>
Accounts Receivable	\$ 50,258	\$ 46,096
Allowance for expected credit losses	<u>(2,005)</u>	<u>-</u>
	<u>\$ 48,253</u>	<u>\$ 46,096</u>

The allowance for expected credit losses relates to accounts receivables and changes therein during 2024 are as follows:

	<u>2024</u>
Balance, beginning of year	\$ -
Provision for credit losses	<u>2,005</u>
Balance, end of year	<u>\$ 2,005</u>

PLANNED PETHOOD OF GEORGIA, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - INVENTORIES

Inventories at December 31, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Veterinary clinic	\$ 75,172	\$ 88,562
Thrift store	<u>-</u>	<u>500</u>
	<u>\$ 75,172</u>	<u>\$ 89,062</u>

NOTE 6 - PROPERTY AND EQUIPMENT

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 60,513	\$ 60,760
Vehicles	48,718	48,718
Leasehold improvement	<u>107,005</u>	<u>107,005</u>
Total cost	216,236	216,483
Less accumulated depreciation	<u>117,000</u>	<u>104,598</u>
	<u>\$ 99,236</u>	<u>\$ 111,885</u>

Depreciation expense was \$24,263 and \$24,323 for the years 2024 and 2023.

NOTE 7 - FAIR VALUE MEASUREMENTS

The fair value of the PPOG's assets measured on a recurring basis for the year ended December 31, 2024 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Beneficial interest in assets held by community foundation	\$ -	\$ -	\$ 10,094	<u>\$ 10,094</u>

Assets carried at fair value are classified and disclosed in one of the following categories:

Level 1 - Valuations are based on quoted market prices in active markets for identical assets. As of December 31, 2024, PPOG had no Level 1 assets.

Level 2 - Valuations are based on observable market information, including quoted prices from actual market transactions for similar assets in markets that are not active. As of December 31, 2024, PPOG had no Level 2 assets.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. *Beneficial interest in assets held by community foundation*. Valued and held by a community foundation. There were no transfers out of level 3 during 2024.

PLANNED PETHOOD OF GEORGIA, INC.**NOTES TO FINANCIAL STATEMENTS**

NOTE - FAIR VALUE MEASUREMENTS - CONTINUED

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2024:

Balance at December 31, 2023	\$ -
Purchases/contributions of investments	10,164
Investment return, net	<u>(70)</u>
Balance at December 31, 2024	<u>\$ 10,094</u>

NOTE 8 - LEASING ACTIVITIES

PPOG has one operating leases for veterinary and administrative space. The lease was renewed as of December 1, 2024 for 3 additional years with 2 renewal options available. The thrift store lease ended October 2023, then was extended for two months on a month-to-month basis. The lease was not renewed.

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Weighted Average Remaining Lease Term		
Operating leases	2.91 years	0.92 years
Weighted Average Discount Rate		
Operating leases	4.13%	0.95%

The maturities of lease liabilities as of December 31, 2024 were as follows:

Years Ending:	
2025	\$ 79,072
2026	83,024
2027	<u>79,574</u>
Total lease payments	241,670
Less imputed interest	<u>(13,868)</u>
Total lease liabilities	<u>\$ 227,802</u>

The following summarizes the line items in the statements of functional expenses which include the components of lease expense for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Operating lease costs allocated in statements of functional expenses:		
Fixed lease costs	\$ 75,646	\$ 109,000
Short term lease expense	<u>-</u>	<u>6,925</u>
Total operating lease expense	<u>\$ 75,646</u>	<u>\$ 115,925</u>

PLANNED PETHOOD OF GEORGIA, INC.**NOTES TO FINANCIAL STATEMENTS**

NOTE 8 - LEASING ACTIVITIES - CONTINUED

The following summarizes cash flow information related to leases for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of operating lease liabilities:		
Operating cash flows for operating leases	<u>\$ 75,312</u>	<u>\$ 109,000</u>
Lease assets obtained in exchange for lease obligations:	<u>\$ 233,582</u>	<u>\$ -</u>

NOTE 9 - LINE OF CREDIT

PPOG has in place a \$100,000 line of credit with a financial institution. Interest is payable monthly at the prime rate plus 1.85% (9.35% at December 31, 2024 and 10.95% at December 31, 2023) through maturity on November 8, 2025. The balance on the line of credit was \$35,000 at December 31, 2023. There were no borrowings against the line of credit at December 31, 2024.

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purposes:		
Program support	\$ 142,460	\$ 4,100
Spay and neuter	8,823	1,000
Pit bull assistance	3,283	9,490
Educational programs	<u>15,000</u>	<u>-</u>
	<u>\$ 169,566</u>	<u>\$ 14,590</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Satisfaction of purpose restrictions:		
Program support	\$ 56,640	\$ 5,900
Spay and neuter	20,177	19,241
Pit bull assistance	19,207	17,815
Outreach	7,000	24,000
Foster and adopt	<u>52,567</u>	<u>3,000</u>
	<u>\$ 155,591</u>	<u>\$ 69,956</u>

PLANNED PETHOOD OF GEORGIA, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - RETIREMENT PLAN

PPOG has a 401(k) Profit Sharing plan for all eligible employees. The plan provides for voluntary contributions up to the maximum allowed by the Internal Revenue Code. Employees are vested immediately. PPOG made contributions to the plan in the amount of \$1,055 and \$2,088 for 2024 and 2023. The plan was terminated on November 15, 2024 and replaced by a Portable Retirement Plan on January 1, 2025.

NOTE 12 - CONTRIBUTIONS OF NONFINANCIAL ASSETS

	<u>2024</u>	<u>2023</u>
Medical supplies	\$ 96,833	\$ 68,114
Professional services	63,000	31,720
Thrift store merchandise	-	70,361
Pet food and supplies	18,138	16,425
Office supplies	<u>1,250</u>	<u>3,636</u>
	<u>\$ 179,221</u>	<u>\$ 190,256</u>

PPOG recognized contributed professional services, thrift store merchandise, office supplies, medical supplies, and pet food and supplies.

Medical supplies consist of goods donated by other animal welfare organizations and individual donors and are primarily used by the Spay and Neuter clinic, the Wellness clinic and Outreach programs. The nature of the items include pet medication, vaccines, microchips, medical gauze, wipes and surgical gloves. Medical supplies are valued at their retail (or wholesale) price at the time they are acquired.

Professional services consist of donated professional hours, including attorney services and accounting services. Professional services are valued based on the estimated current market price at the date services are provided.

Thrift store merchandise consisted of goods donated by business and individual donors. Revenue derived from the sale of the donated items is reported in thrift store revenue in the accompanying statement of activities and helped fund the operations and services PPOG provides. Thrift store merchandise items were valued based on the thrift store selling price. The thrift store was closed at the end of 2023.

Pet food and supplies consist of nutritional items, and new and gently used blankets, towels, and other comforting items for the animals. These donations come from business and individual donors and are primarily used by the Foster and Adopt and the Outreach programs. Pet food and supplies are valued at their estimated fair market value at the time of donation based on the product's new or gently used status.

Office supplies consists of shelving, computers, gift cards, food, cleaning supplies, workplace supplies, and storage supplies. Office supplies are valued at their estimated fair market value at the time of donation.