PERFORMING ANIMAL WELFARE SOCIETY

Financial Statements

Years Ended
December 31, 2025 and 2024

McCurry & White LLP
Certified Public Accountants
The Fountains
3031 West March Lane, Suite 205 West
Stockton, California 95219

PERFORMING ANIMAL WELFARE SOCIETY
Financial Statements
Years Ended December 31, 2025 and 2024

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McCurry & White LLP
Certified Public Accountants
Richard L. McCurry
John H. White

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Performing Animal Welfare Society
Galt, California

Opinion

We have audited the accompanying financial statements of Performing Animal Welfare Society (PAWS) (a California nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PAWS as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control. Misstatements, including omissions, 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.

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Board of Directors
Performing Animal Welfare Society
Galt, California

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 PAWS' 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 PAWS' 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Detailed Schedules of Functional Expenses on page 21 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounts and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McCurry & White LLP

Stockton, California
April 1, 2026

PERFORMING ANIMAL WELFARE SOCIETY
Statements of Financial Position

	December 31, 2025	December 31, 2024
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	$ 2,935,914	$ 2,128,831
Investment Income Receivable	45,352	47,052
Investments – Current (Note 9, Page 16)	3,412,000	3,334,000
Prepaid Expenses	130,359	151,769
Total Current Assets	6,523,625	5,661,652
OTHER ASSETS:		
Endowments –		
Donor-Restricted (Note 12, Page 19)	40,789	27,181
Board-Designated (Note 12, Pages 19 - 20)	747,212	627,541
Property and Equipment – Net (Note 3, Page 13)	4,774,532	4,831,419
Construction in Progress (Note 4, Page 13)	-0-	15,914
Investments – Long-Term (Note 9, Page 16)	26,372,372	22,167,909
Property Held for Sale (Note 5, Page 13)	10,660	10,660
Bequests Receivable (Note 6, Page 13)	2,490,749	2,880,200
Deposits	15,070	4,530
Total Other Assets	34,451,384	30,565,354
TOTAL ASSETS	$ 40,975,009	$ 36,227,006
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable	$ 71,765	$ 80,735
Accrued Payroll	99,661	47,781
Total Current Liabilities	171,426	128,516
NET ASSETS (Note 10, Page 17):		
Without Donor Restrictions -		
Undesignated	40,276,402	35,571,309
Board-Designated Quasi-Endowment (Note 12, Pages 19 to 20)	500,000	500,000
	40,776,402	36,071,309
With Donor Restrictions -		
Donor-Restricted Endowment (Note 12, Page 19)	27,181	27,181
Total Net Assets	40,803,583	36,098,490
TOTAL LIABILITIES AND NET ASSETS	$ 40,975,009	$ 36,227,006

SEE ACCOMPANYING NOTES.

PERFORMING ANIMAL WELFARE SOCIETY

Statements of Activities

	Year Ended December 31, 2025		
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
SUPPORT AND REVENUE:			
Contributions	$ 1,251,702	$ 1,968	$ 1,253,670
Legacies and Bequests	2,137,360	-0-	2,137,360
Affiliate Program	7,220	-0-	7,220
Noncash Contributions (Note 8, Pg. 15)	34,187	-0-	34,187
Events and Conferences	15,275	-0-	15,275
Pledge Program	101,988	-0-	101,988
Grants	336,000	429,695	765,695
Memorials	17,259	-0-	17,259
Adoptions	19,650	-0-	19,650
Educational Materials	4,139	-0-	4,139
eBay Sales	-0-	-0-	-0-
Wildlife Conference	-0-	-0-	-0-
Miscellaneous	2,797	-0-	2,797
Total Revenue, Gains, and Other Support	3,927,577	431,663	4,359,240
OTHER REVENUES (LOSSES):			
Investment Gains (Losses) (Note 9, Page 15)	5,360,005	-0-	5,360,005
Stock Donations	16,095	-0-	16,095
Gain (Loss) on Asset Disposals	-0-	-0-	-0-
Reclassifications	431,663	(431,663)	-0-
Total Support, Revenue, and Reclassifications	9,735,340	-0-	9,735,340
EXPENSES:			
Direct Program Services	4,315,412	-0-	4,315,412
Supporting Services:			
Management	621,399	-0-	621,399
Fundraising	93,178	-0-	93,178
Total Supporting Services	714,577	-0-	714,577
Total Expenses	5,029,989	-0-	5,029,989
CHANGE IN NET ASSETS	4,705,351	-0-	4,705,351
NET ASSETS (Note 10, Page 17):			
Beginning of Year	36,071,309	27,181	36,098,490
Other Equity Adjustments	(258)	-0-	(258)
End of Year	$ 40,776,402	$ 27,181	$ 40,803,583

SEE ACCOMPANYING NOTES.

	Year Ended December 31, 2024		
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
SUPPORT AND REVENUE:			
Contributions	$ 1,184,900	$ 3,400	$ 1,188,300
Legacies and Bequests	6,236,587	-0-	6,236,587
Affiliate Program	6,169	-0-	6,169
Noncash Contributions (Note 8, Pg. 15)	19,788	-0-	19,788
Events and Conferences	35,034	-0-	35,034
Pledge Program	99,025	-0-	99,025
Grants	841,838	244,100	1,085,938
Memorials	20,803	-0-	20,803
Adoptions	23,835	-0-	23,835
Educational Materials	23,926	-0-	23,926
eBay Sales	23,220	-0-	23,220
Wildlife Conference	76,503	-0-	76,503
Miscellaneous	2,485	-0-	2,485
Total Revenue, Gains, and Other Support	8,594,113	247,500	8,841,613
OTHER REVENUES (LOSSES):			
Investment Gains (Losses) (Note 9, Page 15)	3,318,025	-0-	3,318,025
Stock Donations	109,701	-0-	109,701
Gain (Loss) on Asset Disposals	-0-	-0-	-0-
Reclassifications	247,500	(247,500)	-0-
Total Support, Revenue, and Reclassifications	12,269,339	-0-	12,269,339
EXPENSES:			
Direct Program Services	4,359,419	-0-	4,359,419
Supporting Services:			
Management	571,380	-0-	571,380
Fundraising	86,453	-0-	86,453
Total Supporting Services	657,833	-0-	657,833
Total Expenses	5,017,252	-0-	5,017,252
CHANGE IN NET ASSETS	7,252,087	-0-	7,252,087
NET ASSETS (Note 10, Page 17):			
Beginning of Year	28,818,427	27,181	28,845,608
Other Equity Adjustments	795	-0-	795
End of Year	$ 36,071,309	$ 27,181	$ 36,098,490

PERFORMING ANIMAL WELFARE SOCIETY

Statements of Functional Expenses

	Year Ended December 31, 2025				
	Program Services	Supporting Services: Management	Supporting Services: Fundraising	Supporting Services: Subtotal	Total Expenses
Salaries and Wages	$ 1,466,744	$ 299,014	$ 20,589	$ 319,603	$ 1,786,347
Payroll Taxes	114,754	23,405	1,611	25,016	139,770
Workers' Compensation	41,390	4,599	-0-	4,599	45,989
Total Compensation	1,622,888	327,018	22,200	349,218	1,972,106
Animal Sanctuary Costs	894,439	-0-	-0-	-0-	894,439
Professional Services	-0-	136,826	-0-	136,826	136,826
Operating Supplies	64,609	33,826	648	34,474	99,083
Purchased and Rental Services	765,292	90,106	50,203	140,309	905,601
Occupancy and Utilities	540,573	4,103	1,475	5,578	546,151
Other Expenses	5,816	7,320	18,652	25,972	31,788
	3,893,617	599,199	93,178	692,377	4,585,994
Depreciation	421,795	22,200	-0-	22,200	443,995
Total Functional Expenses	$ 4,315,412	$ 621,399	$ 93,178	$ 714,577	$ 5,029,989

	Year Ended December 31, 2024				
	Program Services	Supporting Services: Management	Supporting Services: Fundraising	Supporting Services: Subtotal	Total Expenses
Salaries and Wages	$ 1,473,107	$ 273,950	$ 15,651	$ 289,601	$ 1,762,708
Payroll Taxes	117,227	20,933	1,396	22,329	139,556
Workers' Compensation	68,431	12,076	-0-	12,076	80,507
Total Compensation	1,658,765	306,959	17,047	324,006	1,982,771
Animal Sanctuary Costs	813,262	-0-	-0-	-0-	813,262
Professional Services	-0-	116,147	-0-	116,147	116,147
Operating Supplies	182,140	31,676	4,117	35,793	217,933
Purchased and Rental Services	726,882	79,455	48,064	127,519	854,401
Occupancy and Utilities	552,113	5,257	1,610	6,867	558,980
Other Expenses	5,625	9,748	15,615	25,363	30,988
	3,938,787	549,242	86,453	635,695	4,574,482
Depreciation	420,632	22,138	-0-	22,138	442,770
Total Functional Expenses	$ 4,359,419	$ 571,380	$ 86,453	$ 657,833	$ 5,017,252

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Such expenses require allocation on a reasonable basis, consistently applied. Allocated expenses include depreciation, directly related to the varied usage of property and equipment within PAWS operations, occupancy and utilities, expensed directly to operations, and salaries and benefits, expensed to program and supporting services on the basis of estimates of personnel time and effort.

SEE ACCOMPANYING NOTES.

PERFORMING ANIMAL WELFARE SOCIETY
Statements of Cash Flows

	Years Ended December 31, 2025	Years Ended December 31, 2024
OPERATING ACTIVITIES:		
Change in Net Assets	$ 4,705,351	$ 7,252,087
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by (Used in) Operating Activities –		
Depreciation and Amortization	443,995	442,770
Net Realized and Unrealized (Gains) Losses:		
Undesignated Investments	(3,119,869)	(2,864,836))
Permanently Restricted Net Assets	(13,608)	-0-
Board-Designated Quasi-Endowment Investments	(54,562)	(22,700)
Contributions in Kind	-0-	(1,764)
Receipt of Contributed Securities	(16,095)	(109,701)
Brokerage Cut-off	-0-	271,663
Other Equity Adjustments	(258)	795
(Increase) Decrease in:		
Bequests Receivable	389,451	(1,681,600)
Investment Income Receivable	1,700	(969)
Prepaid Expenses	10,870	21,586
Increase (Decrease) in:		
Accounts Payable and Accrued Payroll	42,910	(14,085)
Net Cash Provided by Operating Activities	2,389,885	3,293,246
INVESTING ACTIVITIES:		
Proceeds from Sales of Undesignated Investments	3,334,000	6,052,720
Acquisitions of Undesignated Investments	(4,529,695)	(8,442,251))
Acquisition of Board-Designated Investments	-0-	(100,000)
Cash Expended for Construction in Progress	-0-	(15,914)
Cash Expended for Property and Equipment	(387,107)	(74,264)
Net Cash Used in Investing Activities	(1,582,802)	(2,579,709)
FINANCING ACTIVITIES:		
Net Cash Provided by (Used in) Financing Activities	-0-	-0-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	807,083	713,537
CASH AND CASH EQUIVALENTS:		
Beginning of Year	2,128,831	1,415,294
End of Year	$ 2,935,914	$ 2,128,831

SEE ACCOMPANYING NOTES.

PERFORMING ANIMAL WELFARE SOCIETY
Notes to Financial Statements
Years Ended December 31, 2025 and 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -

This summary of significant accounting policies of Performing Animal Welfare Society (PAWS) is presented to assist in understanding PAWS' financial statements. The financial statements and notes are representations of PAWS' management, who is responsible for their integrity and objectivity.

Nature of Activities:

Established in 1984, by co-founders, Pat Derby and Ed Stewart, PAWS provides sanctuary to retired, abused, and abandoned wild animals, while educating the public and media regarding problems associated with the trade in captive wildlife. PAWS is headquartered in Galt, California. Historically, PAWS has operated sanctuaries in Galt, Herald, and San Andreas, California. During 2025, the Galt and Herald sanctuaries were closed and fully vacated, with any remaining, formerly residing, wild animals having been relocated to the San Andreas sanctuary.

Basis of Presentation:

Changes in Accounting Principle -

Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*:

The above standard was adopted in 2022. Revenue is recognized upon a customer or client obtaining control of promised goods or services, reflecting what an entity expects to receive in exchange for those goods or services, and mandating disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from applicable contracts with customers. In June 2020, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, addressing an additional extension of the required effective date for ASU No. 2014-09, for private, not-for-profit entities to years beginning after 2021 (see below). Implementing this new standard for 2022 produced no material effects on PAWS revenue recognition for the year 2022, nor subsequent years, to date.

FASB Accounting Standards Update ASU No. 2016-02, *Leases (Topic 842)*:

The above standard relates to classifying and capitalizing long-term leases as either *financing* or *operating* in nature, mandating prescribed modes of presentation of subject leases to users of lessee- and lessor-issued financial statements. For the years ended December 31, 2025 and 2024, no material long-term PAWS leases fell within the parameters of the above ASU, pertaining to such leasing contracts.

AICPA Statement on Auditing Standards (SAS) No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements*:

The above accounting standard supersedes and replaces *Forming an Opinion and Reporting on Financial Statements*; *Modifications to the Opinion in the Independent Auditor's Report*; and *Emphasis-of-Matter Paragraphs and Other-Matter Paragraphs in the Independent Auditor's Report*. It also adds *Communicating Key Audit Matters in the Independent Auditor's Reports*. Accompanied by a suite of related SAS's, all of these were exposed to comments in 2020, as applicable to specific organizations. PAWS implemented pertinent provisions of SAS No. 134 with respect to the auditor report for the year ended December 31, 2022, and those provisions relating to subsequent years. The AICPA has encouraged financial statement auditors to implement provisions of all relevant SASs in one year, if practical and applicable to an organization under audit.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) -

Basis of Presentation (Continued):

Changes in Accounting Principle (Continued)-

AICPA Statement on Auditing Standards (SAS) No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements* (Continued):

Others in the Suite include –

SAS No. 135, *Omnibus Statement on Auditing Standards – 2019*:

This standard amends 13 sections of Statements on Auditing Standards, including – *Terms of Engagement; Consideration of Fraud in a Financial Statement Audit*; *The Auditor's Communication With Those Charged With Governance*; *Communicating Internal Control Deficiencies Identified in an Audit*; *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*; *Performing Audit Procedures in Response to Assessed Risk and Evaluating the Audit Evidence Obtained*; *Opening Balances – Initial Audit Engagements, Including Re-audit Engagements*; *Related Parties; Subsequent Events and Subsequently Discovered Facts*; *Written Representations*; *Special Considerations- Audits of Group Financial Statements (Including the Work of Component Auditors)*; *Interim Financial Information; and An Audit of Internal Control Over Financial Reporting That is Integrated With an Audit of Financial Statement.* As applicable to PAWS, SAS No. 135 provisions were implemented in 2022, and for purposes of subsequent years.

SAS No. 137, *The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*:

This pronouncement supersedes *Other Information in Documents Containing Audited Financial Statements*, clarifying the nature of other information within the scope of the auditor's procedures. Provisions of SAS No. 137 are in effect with respect to PAWS reporting on supplementary information for the years ended December 31, 2025 and 2024.

SAS No. 138, *Amendments to the Description of the Concept of Materiality*:

This standard eliminates inconsistencies between the description of materiality in the AICPA Professional Standards and the description of materiality used by the U.S. judicial system and other U.S. standard-setters and regulators, such as FASB and PCAOB. Audit procedures adapted from the above SAS relating to assessing management estimates were applied to the years ended December 31, 2025 and 2024.

SAS No. 139, *Amendments to AU-C Sections 800, 805, and 810 to Incorporate Auditor Reporting Changes from SAS No. 134*:

SAS No. 139 provisions generally don't apply to financial statements under generally accepted accounting principles, instead relating to special reporting situations, not applying to PAWS (see, above, SAS No. 134).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) -

Basis of Presentation (Continued):

Changes in Accounting Principle (Continued)-

No. 140, *Amendments to AU-C Sections 725, 730, 930, 935, and 940 to Incorporate Auditor Reporting Changes from SAS Nos. 134 and 137*:

Refer to the preceding discussion of SAS Nos. 134 and 137.

Nos. 141, 142, 143 *Amendments to Effective Dates of SAS Nos. 134-140, Audit Evidence, and Auditing Accounting Estimates and Related Disclosures*, respectively:

The above comprises a portion of the new suite of SAS's. SAS No. 141, *Amendment to the effective Dates of SAS Nos. 134 – 140*, serving to defer the effective dates of SAS No. 134 to 140 for one year.

SAS No. 142 mandates auditors to adopt new and improved audit procedures regarding audit evidence. Mandatory provisions of the standard were adopted for years beginning after December 14, 2022.

SAS No. 143 increases auditor responsibility for accounting estimates, including fair value estimates, and related disclosures in financial statements. Adoption was mandatory for years ending after December 15, 2023, and was, accordingly, implemented as part of the audit for the year ended December 31, 2024, as well as for the year ended December 31, 2025.

Financial Accounting Standards Board (FASB) Standards Update (ASU) 2016-14, or ASC 958-210-50-3, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities:*

The above requires non-profit-organizations, issuing financial statements for 2025, to enhance their presentation of organizational liquidity by disclosing board-designated assets as being unavailable for general expenditure, within those liquidity disclosures.

Reclassifications:

Certain amounts presented in the financial statements for the year ended December 31, 2024, have been reclassified so as to better conform to the presentation adopted for the year ended December 31, 2025.

Estimates:

PAWS management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that its estimates and assumptions are reasonable, within the given circumstances; however, actual results could differ from those estimates.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) -

Income Taxes:

Incorporated in California on March 7, 1986, PAWS is a not-for-profit organization exempt from federal income taxes under Internal Revenue Code section 501 (c) (3), and exempt from California income taxes under R & TC section 23701d. PAWS qualifies as a California public benefit corporation and does not operate as a private foundation. PAWS recognizes tax benefits from a tax position only if it is more likely than not that the tax position will be sustained upon examination by taxing authorities based on the that position's technical merits.

Tax positions include the tax-exempt status of PAWS and various positions relating to potential sources of unrelated business taxable income. Management has analyzed its tax positions taken for filings with the Internal Revenue Service and the state of California. Management believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the entity's financial condition, results of operations, or cash flows. Accordingly, PAWS has not recorded any tax assets or liabilities, or related accruals for interest and penalties, for uncertain income tax positions at December 31, 2025 or 2024. The entity's federal exempt information Forms 990 for the years ended December 31, 2022, 2023, 2024, and 2025 remain subject to Internal Revenue Service examination. The California Franchise Tax Board has a four-year statute of limitations, back to the year ended December 31, 2021.

Cash and Cash Equivalents:

For purposes of the statements of cash flows, PAWS management considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents, unless such investments are held in order to meet restrictions concerning purchases of property and equipment, payments of long-term debt, or endowment purposes.

Expense Allocation:

Costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Investments:

PAWS carries investments in equity securities with readily determinable fair values and all investments in debt securities at fair value in the statements of financial position. Unrealized gains and losses are included in changes in net assets in the accompanying statements of activities.

Donated Assets:

Donated investments and other noncash donations are recorded as contributions at their fair values upon their date of donation.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) -

Investment Income and Gains:

Investment income and gains restricted by donors are reported as increases in net assets, if restrictions are met, a stipulated time period has ended, or purpose restrictions were accomplished within the reporting period in which the income and gains were recognized.

Promises to Give:

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Donated Services:

No amounts have been reflected in the financial statements for donated services. PAWS generally pays for services requiring specific expertise. However, individuals may, from time to time, volunteer their time and talents to PAWS, committing unquantifiable resources to its ongoing and periodic programs, animal campaign solicitations, and various committee assignments.

Property and Equipment:

Property and equipment are stated at cost or fair value at date of donation. Depreciation is provided using the straight-line method over the useful lives of the assets as follows:

Office Equipment	5 to 7 years
Vehicles and Transportation Equipment	5 years
Buildings and Improvements	15 to 31.5 years
Furniture and Fixtures	5 to 10 years
Machinery and Equipment	5 to 20 years

Additions and betterments of $1,000 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Donations of property and equipment to PAWS are recorded as contributions at their estimated fair value at the date of the donation. Assets donated with donor stipulations regarding their use, as well as contributions of cash that must be used to acquire property and equipment, are reported as increases in net assets with donor restrictions.

Property and equipment are reviewed for impairment if the use of these assets significantly changes or another indicator of possible impairment is noted. If the carrying amount for the asset is not recoverable, the value is written down to the asset's fair value.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) -

Inventories and Operating Supplies:

Consumable operating supplies, as well as retail and non-retail promotional items, are stated at the lower of cost or market, determined by the first-in, first-out method.

NOTE 2: FINANCIAL INSTRUMENTS -

Concentrations arising from Cash Deposits in Excess of Insured Limits:

Banks –

Among bank demand deposits held at a number of different financial institutions, PAWS maintains accounts with one regional bank operating in the San Joaquin Valley and local foothill area. Collectively, balances held by this bank are insured by the Federal Deposit Insurance Corporation (FDIC) for up to $250,000. At December 31, 2025 and 2024, PAWS held no such uninsured account balances. Bank balances held with the primary custodial brokerage are managed so as to keep the various savings accounts below the above-noted $250,000 threshold.

Brokerages –

The U.S. Department of the Treasury created a money market fund insurance program in 2008. Participating funds paid premiums to the Treasury Department, and investors were then assured of insurance payouts on losses occurring when such pooled funds broke below the level of $1.00 net asset value per share. However, in 2009, the Treasury Department discontinued this insurance program. Consequently, neither the federal government nor any other agency offers principal protection or insurance on money market funds.

In compensation, United States brokerage firms invariably belong to the Securities Investor Protection Corporation (SIPC). SIPC insures assets held by member firms for up to $500,000 per investor, per firm, relating to a brokerage firm becoming insolvent. Created under federal law, SIPC is not, in itself a governmental agency, instead constituting a nonprofit organization funded by its broker-dealer members. SIPC does not insure losses caused by money market cash equivalents falling below $1.00 per share, arising, for example, from an incidence of severe and major declines in the values of the underlying mutual fund investment pool. At December 31, 2024 and 2023, consistent with its policy, PAWS holds minimal amounts of money market funds.

NOTE 3: PROPERTY AND EQUIPMENT - NET -

Property and equipment consist of the following:

	December 31, 2025	December 31, 2024
Land	$ 1,777,169	$ 1,777,169
Buildings and Structural Components	9,997,093	9,669,654
Equipment	1,378,354	1,359,186
Furnishings	32,328	32,328
Vehicles	202,966	162,466
	13,387,910	13,000,803
Less: Accumulated Depreciation	(8,613,378)	(8,169,384)
Book Value	$ 4,774,532	$ 4,831,419

NOTE 4: CONSTRUCTION IN PROGRESS -

In the Year 2000, PAWS began planning ARK 2000, a free-roam animal sanctuary for hundreds of animals on a 2,300-acre facility, in Calaveras County, near San Andreas. Construction in progress includes continued and ongoing expansion costs of the facilities. Such capitalized costs were $-0- and $15,914 at December 31, 2025 and 2024, respectively.

NOTE 5: PROPERTY HELD FOR SALE -

The above is comprised of unappraised, donated jewelry and other noncash property, available for sale at auction.

NOTE 6: BEQUESTS RECEIVABLE -

Bequests receivable are promises to give to PAWS as of December 31, 2025 and 2024. Such receivables reside in trusts and estates not yet distributed, or in wills contested by alternate beneficiaries. PAWS has not recorded any impairment of these receivables, as all accounts have been determined to be collectible.

NOTE 7: LEASES -

Non-Cancelable Operating Leases:

PAWS has several noncancelable operating leases of equipment, set forth as follows, expiring at various future dates.

NOTE 7: LEASES (Continued) -

Non-Cancelable Operating Leases (Continued):

Copiers -

Galt Office:

PAWS began a new, noncancelable 60-month financing lease of a Xerox Altalink C8145H2 copier in April 14, 2022, calling for base monthly payments of $447.05, expiring April 2027. Copier annual rent is scheduled at $5,364.60. PAWS must pay all copier executory costs, including taxes, maintenance, and insurance. PAWS agreed that meter-reading submittals are integral to the maintenance agreement. Starting 12 months after lease commencement, and for successive 12-month periods, based on meter readings, the lessor may increase the then-current base payment by a maximum of 15%. Copier rental expense approximated was $5,400 for both years ended December 31, 2025 and 2024. At the end of the lease term, PAWS may purchase the copier at its then fair market value or return it to the lessor in good condition.

San Andreas Sanctuary Office:

PAWS began a noncancelable 60-month operating lease of a Xerox Altalink C8045 copier in October 2024. Monthly payments approximating $4,500 encompass the right to transact up to 1,000 black-and-white and 500 color copies per month. Monthly copies exceeding those thresholds are assessed an additional per-copy charge of $.012 and $.075 for black-and-white and color prints, respectively. PAWS must pay all copier executory costs, including taxes, maintenance, and insurance. Copier rental expense approximated $3,600 for both years ended December 31, 2025 and 2024. At the end of the lease term, PAWS may purchase the copier at its then fair market value or return it to the lessor in good condition.

Minimum lease payments for leases with terms in excess of one year at December 31, 2025, are:

Years Ending December 31:	
2026	$ 9,200
2027	5,600
2028	3,800
2029	3,800
	$ 22,400

NOTE 8: OTHER DONATIONS -

Contributed assets are recorded at fair market value when PAWS obtains possession of the asset or an unconditional promise to give is made. During the years ended December 31, 2025 and 2024, PAWS received the following other noncash assets:

	December 31, 2025	December 31, 2024
Food and Medicine for Animals	10,927	8,234
Vehicles	7,000	1,764
Animal Shelter Supplies and Maintenance	4,998	972
Donated Legal Fees	11,012	8,750
Office Supplies and Maintenance	250	68
	$ 34,187	$ 19,788

NOTE 9: INVESTMENTS –

Investment gains and (losses) are as follows:

	Years Ended December 31, 2025	Years Ended December 31, 2024
Investment Income	$ 1,639,312	$ 1,124,075
Net Realized Gains (Losses)	-0-	(335,448)
Net Unrealized Gains (Losses)	3,720,693	2,529,398
Total Investment Gain (Loss)	$ 5,360,005	$ 3,318,025
Net Assets without Donor Restrictions	$ 5,360,005	$ 3,318,025
Net Assets with Donor Restrictions	-0-	-0-
Total Investment Gain (Loss)	$ 5,360,005	$ 3,318,025

Investment classifications are characterized by: Level 1 - Quoted prices in active markets for identical assets or liabilities; Level 2 - Significant other observable inputs; or Level 3 - Significant unobservable inputs. Portfolio investments under Management's control are available for sale at Management's discretion, and included entirely as Level 1 investments for purposes of these financial statements.

PERFORMING ANIMAL WELFARE SOCIETY
Notes to Financial Statements
Years Ended December 31, 2025 and 2024

NOTE 9: INVESTMENTS (Continued) –

Investments are stated at fair value, comprised of the following:

	December 31, 2025	December 31, 2024
Current -		
Equity Securities	$ -0-	$ -0-
Mutual Funds	-0-	-0-
Certificates of Deposit	3,412,000	3,334,000
Exchange-Traded Investments	-0-	-0-
Alternative Investments	-0-	-0-
Total Short-Term Investments	3,412,000	3,334,000
Long-Term -		
Equity Securities	3,943,895	2,793,258
Mutual Funds	13,979,088	12,053,568
Certificates of Deposit	2,500,000	3,412,000
Exchange-Traded Investments	5,944,821	3,904,515
Alternative Investments	4,568	4,568
Total Long-Term Investments	26,372,372	22,167,909
Total -		
Equity Securities	3,943,895	2,793,258
Mutual Funds	13,979,088	12,053,568
Certificates of Deposit	5,912,000	6,746,000
Exchange-Traded Investments	5,944,821	3,904,515
Alternative Investments	4,568	4,568
Total Investments	$29,784,372	$ 25,501,909

Carrying values of investments are:

	December 31, 2025	December 31, 2024
Equity Securities	$ 1,224,795	$ 948,621
Mutual Funds	10,869,172	10,866,420
Certificates of Deposit	5,912,000	6,746,000
Exchange-Traded Investments	4,199,081	2,949,464
Alternative Investments	5,134	5,145
Total Carrying Value	$ 22,210,182	$ 21,515,650

NOTE 10: NET ASSETS -

The following summarizes activity as net asset components:

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Ending Balance – 12/31/2023	$ 28,818,427	$ 27,181	$ 28,845,608
Support and Revenue	8,594,113	-0-	8,594,113
Donations with Donor Restrictions	-0-	247,500	247,500
Investment Income (Loss)	3,318,025	-0-	3,318,025
Stock Donations	109,701	-0-	109,701
Gain/(Loss) on Asset Disposals	-0-	-0-	-0-
Reclassifications	247,500	(247,500)	-0-
Expenses	(5,017,252)	-0-	(5,017,252)
Change in Net Assets	7,252,087	-0-	7,252,087
Other Equity Adjustments	795	-0-	795
Ending Balance – 12/31/2024	$ 36,071,309	$ 27,181	$,36,098,490
Support and Revenue	3,916,565,	-0-	3,916,565
Donations with Donor Restrictions	-0-	431,663	431,663
Investment Income (Loss)	5,360,005	-0-	5,360,005
Stock Donations	16,095	-0-	16,095
Gain/(Loss) on Asset Disposals	-0-	-0-	-0-
Reclassifications	431,663	(431,663)	-0-
Expenses	(5,018,977)	-0-	(5,018,977)
Change in Net Assets	4,705,351	-0-	4,705,351
Other Equity Adjustments	(258)	-0-	(258)
Ending Balance – 12/31/2025	$ 40,776,402	$ 27,181	$ 40,803,583

For the years ended December 31, 2025 and 2024, contributions of $1,968 and $3,400, respectively, were temporarily restricted for specific purposes. Grants for $429,695 and $244,100, for the years ended December 31, 2025 and 2024, respectively, were temporarily restricted for specific purposes. It is Management's policy to not carry over immaterial, temporary restrictions of its net assets, from year to year.

NOTE 11: LIQUIDITY –

The following reflects PAWS' financial assets as of the dates of the statements of position, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the dates of the statements of position.

	December 31, 2025	December 31, 2024
Financial Assets at Year-End:		
Cash and Cash Equivalents	$ 2,935,165	$ 2,128,831
Investment Income Receivable	45,352	47,052
Undesignated Investments	29,784,372	25,501,909
Board-Designated Quasi-Endowment Investments	747,212	627,541
Donor-Restricted Endowment Investments	40,789	27,181
Bequests Receivable	2,490,749	2,880,200
	36,045,339	31,213,017
Less:		
Permanently Restricted Endowment - Cash and Investments (Note 12, Page 19)	(27,181)	(27,181)
Assets unavailable due to Board designations - Cash and Investments (Note 12, Page 20)	(747,212)	(627,571)
Financial Assets available to meet Cash Needs for General Expenditures within One Year	$ 35,270,946	$ 30,558,265

A *financial asset* is a non-physical asset whose value is derived from a contractual claim, such as bank deposits, bonds, and stocks. *Financial assets* are convertible to cash on a fairly easy basis, like cash, receivables, and investments, but do not include assets like prepaid expenses, inventories, and fixed assets. *General expenditures* commit financial assets to core, day-to-day operating costs of PAWS. Sufficient *financial assets* were available within one year of the statements of financial position as of December 31, 2025 and 2024, to meet *general expenditures.* PAWS' policy is to structure its *financial assets* so as to make them available as *general expenditures,* liabilities, and other obligations come due.

As part of PAWS liquidity management, cash exceeding short- or long-term requirements may be invested in publicly-traded mutual funds, exchange traded funds (ETFs) equity and debt securities, financial institutions tiered certificates of deposit, and U.S. Treasuries, in accordance with PAWS investment policies, as applicable.

NOTE 12: ENDOWMENT FUNDS -

As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the PAWS Board of Directors to function as quasi-endowments, are classified and reported based on the existence, or absence, of donor-imposed restrictions.

PAWS Endowment Funds are comprised of the following:

Donor-Restricted Endowment -

A donor-restricted gift was established in the name of the Patricia A. Tabor Endowment Fund. Income earned on the gift principal is to be used exclusively to support the elephant sanctuary, whereby the original gift of $27,181 is to be retained as endowment principal, in perpetuity.

Activity relating to this permanently restricted Endowment Fund was as follows -

	December 31,	
	2025	2024
Cash and Cash Equivalents	$ 9,172	$ 7,030
Investments (Permanently-Restricted Principal)	27,181	27,836
Donor-Restricted Net Assets – Beginning of Year	36,353	34,866
Investment Income	1,725	2,123
Valuation Increase (Decrease)	1,686	467
Amounts Appropriated for Expenditure	1,025	(10,275)
Donor-Restricted Net Assets – End of Year	$ 40,789	$ 27,181

Board-Designated Quasi-Endowment -

Effective for the year beginning January 1, 2020, the Board of Directors designated and characterized $500,000 of PAWS unrestricted and undesignated net assets as a general endowment to support PAWS enterprises on a long-term basis. This internal designation is not donor-restricted, instead being classified and reported as net assets without donor restrictions.

During the year ended December 31, 2024, $100,000 of the accumulated Endowment earnings was reapportioned into additional investments by the Board, to comprise part of the Quasi-Endowment principal.

The intent of the Board of Directors, as of the issuance date of these financial statements, is to maintain the original designation as if it were permanently restricted, and to use investment earnings on this amount as available for operations. Management's investment policies with respect to the underlying securities and mutual funds associated with the designation have been incorporated into ongoing investment policies, already operative and effective.

NOTE 12: ENDOWMENT FUNDS (Continued)-

PAWS Endowment Funds are comprised of the following (Continued):

Board-Designated Quasi-Endowment (Continued) -

Activity relating to the Board-Designated Quasi-Endowment Fund was as follows -

	December 31, 2025	December 31, 2024
Cash and Cash Equivalents	$ 18,581	$ 89,377
Investments	605,112	504,186
Board-Designated Net Assets – Beginning of Year	623,693	593,563
Conversion of Liquid Assets to Additional Investments	-0-	(100,000)
Addition to Investment Principal	-0-	100,000
Investment Income:		
Cash	47,122	22,818
Principal Reinvestments	1,265	15,237
Amount Appropriated for Expenditure	-0-	(26,506)
Quasi-Endowment Principal	672,080	605,112
Valuation Adjustment – Increase (Decrease)	75,132	22,429
Board-Designated Net Assets – End of Year	747,212	$ 627,541

NOTE 13: SUBSEQUENT EVENTS -

Management has evaluated subsequent events through the date the financial statements were available to be issued, which was April 1, 2026.

SUPPLEMENTARY INFORMATION

PERFORMING ANIMAL WELFARE SOCIETY
Detailed Schedules of Functional Expenses

	Year Ended December 31, 2025				
	Program	Supporting Services			Total
	Services	Management	Fundraising	Subtotal	Expenses
Salaries and Wages	$ 1,448,782	$ 281,053	$ 20,589	$ 301,642	$ 1,750,424
Compensation – Directors	17,962	17,961	-0-	17,961	35,923
Total Salaries and Wages	1,466,744	299,014	20,589	319,603	1,786,347
Payroll Taxes	114,754	23,405	1,611	25,016	139,770
Worker's Compensation	41,390	4,599	-0-	4,599	45,989
Total Compensation	1,622,888	327,018	22,200	349,218	1,972,106
Animal Feed and Supplies	319,041	-0-	-0-	-0-	319,041
Animal Shelter Supplies	67,386	-0-	-0-	-0-	67,386
Audit and Accounting Fees	-0-	63,325	-0-	63,325	63,325
Bank and Credit Card Costs	13,413	4,790	958	5,748	19,161
Behavioral Analysis	2,619	-0-	-0-	-0-	2,619
Consultants	97,251	13,117	13,200	26,317	123,568
Clerical Assistance	-0-	550	-0-	550	550
Donor Relations	-0-	-0-	2,521	2,521	2,521
Educational Promotion	28,006	-0-	-0-	-0-	28,006
Employee Recruiting		-0-	-0-	-0-	-0-
Equipment Rental	1,025	13,142	-0-	13,142	14,167
Fire Suppression	291,598	-0-	-0-	-0-	291,598
Fuel and Oil	20,757	2,306	-0-	2,306	23,063
Human Resources	-0-	6,000	-0-	6,000	6,000
Insurance	268,844	31,629	15,814	47,443	316,287
Legal Fees	-0-	67,501	-0-	67,501	67,501
Licenses and Permits	5,719	7,320	5,770	13,090	18,809
Mailing List and Services	5,157	-0-	3,438	3,438	8,595
Media Services	4,063	-0-	2,708	2,708	6,771
Meeting Expenses	7,079	2,183	-0-	2,183	9,262
Office Supplies	5,492	29,579	-0-	29,579	35,071
Postage and Shipping	10,354	1,941	648	2,589	12,943
Printing and Publications	21,128	-0-	14,085	14,085	35,213
Property Taxes	24,072	31	-0-	31	24,103
Rent	34,200	1,800	-0-	1,800	36,000
Repairs and Maintenance	292,183	60	-0-	60	292,243
Security	28,080	-0-	-0-	-0-	28,080
Special Events	97	-0-	8,810	8,810	8,907
Telephone	11,061	2,212	1,475	3,687	14,748
Travel Program	10,393	-0-	-0-	-0-	10,393
Utilities	150,977	-0-	-0-	-0-	150,977
Veterinary Care and Medicine	505,393	-0-	-0-	-0-	505,393
Volunteer Expenses	-0-	-0-	1,551	1,551	1,551
Website and Computers	45,341	24,695	-0-	24,695	70,036
Expenses before Depreciation	3,893,617	599,199	93,178	692,377	4,585,994
Depreciation	421,795	22,200	-0-	22,200	443,995
Total Functional Expenses	$ 4,315,412	$ 621,399	$ 93,178	$ 714,577	$ 5,029,989

SEE INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION.

	Year Ended December 31, 2024				
	Program Services	Supporting Services: Management	Supporting Services: Fundraising	Supporting Services: Subtotal	Total Expenses
Salaries and Wages	$ 1,425,845	$ 271,462	$ 15,651	$ 287,113	$ 1,712,958
Compensation – Directors	47,262	2,488	-0-	2,488	49,750
Total Salaries and Wages	1,473,107	273,950	15,651	289,601	1,762,708
Payroll Taxes	117,227	20,933	1,396	22,329	139,556
Worker's Compensation	68,431	12,076	-0-	12,076	80,507
Total Compensation	1,658,765	306,959	17,047	324,006	1,982,771
Animal Feed and Supplies	282,833	-0-	-0-	-0-	282,833
Animal Shelter Supplies	73,428	-0-	-0-	-0-	73,428
Audit and Accounting Fees	-0-	61,085	-0-	61,085	61,085
Bank and Credit Card Costs	10,772	3,847	769	4,616	15,388
Behavioral Analysis	2,261	-0-	-0-	-0-	2,261
Consultants	42,120	12,960	9,720	22,680	64,800
Clerical Assistance	-0-	45	-0-	45	45
Donor Relations	-0-	-0-	2,506	2,506	2,506
Educational Promotion	144,792	-0-	-0-	-0-	144,792
Employee Recruiting		40	-0-	40	40
Equipment Rental	924	11,604	-0-	11,604	12,528
Fire Suppression	307,725	-0-	-0-	-0-	307,725
Fuel and Oil	21,053	2,339	-0-	2,339	23,392
Human Resources	-0-	6,000	-0-	6,000	6,000
Insurance	263,707	31,024	15,513	46,537	310,244
Legal Fees	-0-	49,062	-0-	49,062	49,062
Licenses and Permits	5,625	9,150	5,426	14,576	20,201
Mailing List and Services	7,435	-0-	3,186	3,186	10,621
Media Services	7,490	-0-	4,033	4,033	11,523
Meeting Expenses	8,464	167	-0-	167	8,631
Office Supplies	5,591	27,690	-0-	27,690	33,281
Postage and Shipping	10,704	1,647	4,117	5,764	16,468
Printing and Publications	27,566	-0-	14,843	14,843	42,409
Property Taxes	23,797	-0-	-0-	-0-	23,797
Rent	34,200	1,800	-0-	1,800	36,000
Repairs and Maintenance	257,149	1,043	-0-	1,043	258,192
Security	27,540	-0-	-0-	-0-	27,540
Special Events	-0-	598	5,743	6,341	6,341
Telephone	12,072	2,414	1,610	4,024	16,096
Travel Program	1,967	-0-	-0-	-0-	1,967
Utilities	197,355	-0-	-0-	-0-	197,355
Veterinary Care and Medicine	454,740	-0-	-0-	-0-	454,740
Volunteer Expenses	-0-	-0-	1,940	1,940	1,940
Website and Computers	48,712	19,768	-0-	19,768	68,480
Expenses before Depreciation	3,938,787	549,242	86,453	635,695	4,574,482
Depreciation	420,632	22,138	-0-	22,138	442,770
Total Functional Expenses	$ 4,359,419	$ 571,380	$ 86,453	$ 657,833	$ 5,017,252