




SPCA of Texas

Independent Auditor's Report and Financial Statements

December 31, 2023 and 2022



**SPCA of Texas
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December 31, 2023 and 2022**

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Independent Auditor's Report

Board of Directors
SPCA of Texas
Dallas, Texas

Opinion

We have audited the financial statements of the SPCA of Texas (SPCA), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of the SPCA as of December 31, 2023 and 2022, 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 (GAAS). 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 the SPCA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with 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 financial statements.

In performing an audit in accordance with GAAS, 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 the SPCA'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 the SPCA'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.

Forvis Mazars, LLP

**Dallas, Texas
June 13, 2024**

SPCA of Texas
Statements of Financial Position
December 31, 2023 and 2022

Assets

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 12,047,123	\$ 10,509,734
Accounts receivable, net	28,927	43,990
Employee retention credit receivable	1,057,770	3,317,143
Contributions receivable, net	29,250	108,750
Inventories, net	53,089	110,244
Prepaid expenses	200,431	95,000
Investments	20,791,885	21,800,127
Property and equipment, net	<u>10,004,990</u>	<u>10,402,383</u>
Total assets	<u>\$ 44,213,465</u>	<u>\$ 46,387,371</u>

Liabilities and Net Assets

Liabilities

Accounts payable	\$ 607,359	\$ 641,451
Accrued expenses	561,482	528,633
Refundable advances	<u>-</u>	<u>126,992</u>
Total liabilities	<u>1,168,841</u>	<u>1,297,076</u>

Net Assets

Without donor restriction		
Undesignated	12,811,357	16,152,539
Designated by the Board	<u>29,004,381</u>	<u>27,719,119</u>
	41,815,738	43,871,658
With donor restriction	<u>1,228,886</u>	<u>1,218,637</u>
Total net assets	<u>43,044,624</u>	<u>45,090,295</u>
Total liabilities and net assets	<u>\$ 44,213,465</u>	<u>\$ 46,387,371</u>

SPCA of Texas
Statements of Activities
Year Ended December 31, 2023

	Without Donor Restriction	With Donor Restriction	Total
Revenues, Gains, and Other Support			
Receiving	\$ 196,068	\$ -	\$ 196,068
Adoption	232,167	-	232,167
Surgery and patient care	1,721,701	-	1,721,701
Merchandise sales	86,797	-	86,797
Contributions of cash and other financial assets	4,775,474	50,000	4,825,474
Contributions of nonfinancial assets	4,358,566	-	4,358,566
Direct mail programs	1,296,965	-	1,296,965
Special events, gross	767,378	-	767,378
Memorials and bequests	3,366,114	-	3,366,114
Investment return, net	3,160,200	-	3,160,200
Miscellaneous revenues	59,134	-	59,134
Net assets released from restrictions	39,751	(39,751)	-
	<u>20,060,315</u>	<u>10,249</u>	<u>20,070,564</u>
Expenses			
Program expenses			
Dallas Animal Care Center	8,608,665	-	8,608,665
Martin Spay/Neuter and Wellness Clinic	2,738,856	-	2,738,856
Ellis County Animal Care Center	733,248	-	733,248
Community relations (volunteer)	472,617	-	472,617
Customer care center	527,527	-	527,527
Animal cruelty investigations unit	797,344	-	797,344
Animal behavior	753,434	-	753,434
Communications	3,951,587	-	3,951,587
	<u>18,583,278</u>	<u>-</u>	<u>18,583,278</u>
Supporting services			
Special events costs of direct benefits to donors	62,260	-	62,260
Development and special events	1,659,979	-	1,659,979
Management and general	1,810,718	-	1,810,718
	<u>3,532,957</u>	<u>-</u>	<u>3,532,957</u>
	<u>22,116,235</u>	<u>-</u>	<u>22,116,235</u>
Change in Net Assets	(2,055,920)	10,249	(2,045,671)
Net Assets, Beginning of Year	<u>43,871,658</u>	<u>1,218,637</u>	<u>45,090,295</u>
Net Assets, End of Year	<u>\$ 41,815,738</u>	<u>\$ 1,228,886</u>	<u>\$ 43,044,624</u>

SPCA of Texas
Statements of Activities
Year Ended December 31, 2022

	Without Donor Restriction	With Donor Restriction	Total
Revenues, Gains, and Other Support			
Receiving	\$ 163,295	\$ -	\$ 163,295
Adoption	273,835	-	273,835
Surgery and patient care	1,439,865	-	1,439,865
Merchandise sales	92,363	-	92,363
Contributions of cash and other financial assets	10,421,642	49,999	10,471,641
Contributions of nonfinancial assets	5,367,821	-	5,367,821
Direct mail programs	1,494,390	-	1,494,390
Special events, gross	847,922	-	847,922
Memorials and bequests	3,218,388	-	3,218,388
Investment return, net	(3,535,829)	-	(3,535,829)
Miscellaneous revenues	53,758	-	53,758
Gain on sale of assets	6,379,158	-	6,379,158
Net assets released from restrictions	281,607	(281,607)	-
	<u>26,498,215</u>	<u>(231,608)</u>	<u>26,266,607</u>
Expenses			
Program expenses			
Dallas Animal Care Center	8,133,850	-	8,133,850
Martin Spay/Neuter and Wellness Clinic	1,324,763	-	1,324,763
Perry Animal Care Center	328,581	-	328,581
Spencer Spay/Neuter and Wellness Clinic	1,987,806	-	1,987,806
Ellis County Animal Care Center	586,018	-	586,018
Community relations (volunteer)	384,034	-	384,034
Customer care center	532,970	-	532,970
Animal cruelty investigations unit	866,307	-	866,307
Animal behavior	688,249	-	688,249
Communications	5,311,371	-	5,311,371
	<u>20,143,949</u>	<u>-</u>	<u>20,143,949</u>
Supporting services			
Special events costs of direct benefits to donors	87,120	-	87,120
Development and special events	2,053,465	-	2,053,465
Management and general	1,750,598	-	1,750,598
	<u>3,891,183</u>	<u>-</u>	<u>3,891,183</u>
	<u>24,035,132</u>	<u>-</u>	<u>24,035,132</u>
Change in Net Assets	2,463,083	(231,608)	2,231,475
Net Assets, Beginning of Year	41,408,575	1,450,245	42,858,820
Net Assets, End of Year	<u>\$ 43,871,658</u>	<u>\$ 1,218,637</u>	<u>\$ 45,090,295</u>

SPCA of Texas
Statements of Functional Expenses
Year Ended December 31, 2023

	Program Expenses								Supporting Services			Total Supporting Services Expenses	Total Expenses	
	Dallas Animal Care Center	Martin Spay/Neuter and Wellness Clinic	Ellis County Animal Care Center	Community Relations (Volunteer)	Customer Care Center	Animal Cruelty Investigations Unit	Animal Behavior	Communications	Total Program Expenses	Special Events Costs of Direct Benefits to Donors	Development and Special Events			Management and General
Salaries and wages	\$3,804,893	\$1,062,825	\$388,747	\$321,267	\$338,733	\$463,093	\$552,253	\$284,058	\$ 7,215,869	\$ -	\$446,962	\$747,195	\$ 1,194,157	\$ 8,410,026
Employee benefits	590,760	224,497	37,913	37,008	47,483	72,675	77,165	81,637	1,169,138	-	87,170	246,463	333,633	1,502,771
Contract labor	134,016	272,621	27,234	-	2,000	-	-	-	435,871	-	9,375	132,939	142,314	578,185
Payroll taxes	287,145	80,896	28,483	24,411	25,702	34,806	41,277	21,138	543,858	-	28,883	58,681	87,564	631,422
Total salaries and related expenses	4,816,814	1,640,839	482,377	382,686	413,918	570,574	670,695	386,833	9,364,736	-	572,390	1,185,278	1,757,668	11,122,404
Professional fees	90,921	43,708	7,950	3,485	4,566	7,001	6,857	8,808	173,296	-	138,431	53,906	192,337	365,633
Operating supplies	1,848,513	579,008	96,021	-	49,693	12,838	9,246	1,788	2,597,107	-	200	9,210	9,410	2,606,517
Postage and printing	1,177	889	241	-	103	54	20	449	2,933	-	53,454	1,808	55,262	58,195
Occupancy costs	191,957	28,633	33,172	7,602	1,027	6,697	-	3,150	272,238	-	6,123	30,310	36,433	308,671
Telephone/communications	16,155	19,971	9,546	2,019	14,145	9,258	5,005	3,794	79,893	-	3,741	7,270	11,011	90,904
Equipment rental	26,539	15,292	5,980	198	260	399	390	501	49,559	-	14,173	3,069	17,242	66,801
Insurance	200,544	33,148	12,759	8,978	3,662	58,253	7,313	4,352	329,009	-	6,233	31,632	37,865	366,874
Bank charges and service fees	33,257	15,988	2,908	1,275	1,670	2,561	2,508	3,222	63,389	-	52,359	67,039	119,398	182,787
Staff support	22,386	4,558	4,569	7,403	1,580	2,811	3,241	5,285	51,833	-	11,229	21,161	32,390	84,223
Repairs and maintenance	269,190	35,850	8,257	10,159	1,372	8,949	-	4,209	337,986	-	4,428	40,470	44,898	382,884
Vehicle expenses	34,144	13,024	9,218	74	376	59,119	36	566	116,557	-	782	10,939	11,721	128,278
Promotion, exhibit and other	-	290	97	1,056	-	-	-	3,471,000	3,472,443	62,260	258,452	220	320,932	3,793,375
Training and seminars	5,072	3,630	1,810	320	1,300	1,344	1,494	-	14,970	-	319	2,216	2,535	17,505
Advertising	97,989	46,756	8,504	3,728	4,884	7,489	7,335	9,422	186,107	-	148,083	57,665	205,748	391,855
Computer costs	86,575	60,602	8,657	10,822	10,822	8,657	19,479	12,986	218,600	-	15,151	38,959	54,110	272,710
Merchandise	44,146	1,173	-	-	-	-	-	-	45,319	-	-	-	-	45,319
Dues and subscriptions	4,841	6,387	505	2,610	-	1,142	1,404	2,906	19,795	-	5,068	7,163	12,231	32,026
Supplies	41,908	2,694	2,215	72	1,338	485	193	169	49,074	-	1,176	9,575	10,751	59,825
Mail solicitation	235,667	113,292	20,605	9,033	11,834	18,147	17,773	22,830	449,181	-	358,813	139,725	498,538	947,719
Miscellaneous	10,117	4,073	1,083	78	2,138	3,050	445	608	21,592	-	213	9,370	9,583	31,175
Total expenses other than salaries and related expenses	3,261,098	1,028,966	234,097	68,912	110,770	208,254	82,739	3,556,045	8,550,881	62,260	1,078,428	541,707	1,682,395	10,233,276
Total expenses before depreciation	8,077,912	2,669,805	716,474	451,598	524,688	778,828	753,434	3,942,878	17,915,617	62,260	1,650,818	1,726,985	3,440,063	21,355,680
Depreciation	530,753	69,051	16,774	21,019	2,839	18,516	-	8,709	667,661	-	9,161	83,733	92,894	760,555
Total expenses	\$ 8,608,665	\$ 2,738,856	\$ 733,248	\$ 472,617	\$ 527,527	\$ 797,344	\$ 753,434	\$ 3,951,587	\$ 18,583,278	\$ 62,260	\$ 1,659,979	\$ 1,810,718	\$ 3,532,957	\$ 22,116,235

SPCA of Texas
Statements of Functional Expenses
Year Ended December 31, 2022

	Program Expenses										Supporting Services			Total Supporting Services Expenses	Total Expenses	
	Dallas Animal Care Center	Martin Spay/Neuter and Wellness Clinic	Perry Animal Care Center	Spencer Spay/Neuter and Wellness Clinic	Ellis County Animal Care Center	Community Relations (Volunteer)	Customer Care Center	Animal Cruelty Investigations Unit	Animal Behavior	Communications	Total Program Expenses	Special Events Costs of Direct Benefits to Donors	Development and Special Events			Management and General
Salaries and wages	\$ 3,620,474	\$ 606,870	\$ 137,388	\$ 817,957	\$ 276,586	\$ 244,731	\$ 255,016	\$ 478,087	\$ 500,178	\$ 283,024	\$ 7,220,311	\$ -	\$ 553,893	\$ 857,490	\$ 1,411,383	\$ 8,631,694
Employee benefits	603,750	120,412	11,915	148,708	36,829	37,122	44,638	73,203	66,590	75,622	1,218,789	-	108,297	255,605	363,902	1,582,691
Contract labor	323,985	64,210	98	134,937	3,140	-	-	38,885	-	1,375	566,630	-	45,677	25,503	71,180	637,810
Payroll taxes	267,074	45,785	10,695	61,353	20,899	18,921	19,596	35,210	37,047	22,049	538,629	-	38,158	61,991	100,149	638,778
Total salaries and related expenses	4,815,283	837,277	160,096	1,162,955	337,454	300,774	319,250	625,385	603,815	382,070	9,544,359	-	746,025	1,200,589	1,946,614	11,490,973
Professional fees	41,385	7,260	1,744	15,399	3,333	1,394	2,422	3,813	3,151	3,828	83,729	-	100,124	24,466	124,590	208,319
Operating supplies	1,486,788	168,654	69,539	507,443	102,593	-	163,805	53,632	17,786	107	2,570,347	-	9,898	967	10,865	2,581,212
Postage and printing	1,112	920	219	625	350	-	893	318	40	34	4,511	-	84,130	2,255	86,385	90,896
Occupancy costs	176,833	22,931	27,036	16,802	27,014	6,980	943	6,149	-	2,892	287,580	-	3,754	30,883	34,637	322,217
Telephone/communications	15,582	13,307	12,405	13,179	14,021	1,359	6,503	9,512	3,691	3,148	92,707	-	7,009	3,895	10,904	103,611
Equipment rental	96,018	11,038	-	9,818	16,845	389	676	1,064	879	1,068	137,795	-	36,483	6,824	43,307	181,102
Insurance	179,879	26,696	24,826	16,887	12,070	9,170	4,110	36,623	7,646	4,000	321,907	-	6,020	25,875	31,895	353,802
Bank charges and service fees	35,864	6,291	1,511	13,344	2,888	1,208	2,099	3,304	2,730	3,317	72,556	-	91,546	65,040	156,586	229,142
Staff support	40,009	4,590	1,702	10,741	3,440	12,659	1,435	4,200	3,966	7,311	90,053	-	14,689	23,649	38,338	128,391
Repairs and maintenance	250,651	34,308	-	21,260	7,834	9,741	1,316	8,581	510	4,036	338,237	-	4,246	37,999	42,245	380,482
Vehicle expenses	24,939	15,121	11,787	-	9,475	286	348	57,906	19	25	119,906	-	1,775	12,506	14,281	134,187
Promotion, exhibit and other	-	100	-	-	-	1,242	141	-	-	4,848,000	4,849,483	87,120	299,297	266	386,683	5,236,166
Training and seminars	11,202	1,029	-	1,309	1,029	150	65	1,969	8,793	5,965	31,511	-	2,912	24,681	27,593	59,104
Advertising	79,046	16,308	3,330	51,393	6,366	2,663	4,626	7,283	6,018	7,312	184,345	-	191,236	46,729	237,965	422,310
Computer costs	81,269	50,012	6,251	29,694	6,251	6,251	10,940	7,814	14,066	9,377	221,925	-	18,754	20,317	39,071	260,996
Merchandise	46,425	181	-	687	117	-	-	-	-	-	47,410	-	-	-	-	47,410
Dues and subscriptions	7,111	6,331	120	2,546	1,215	1,471	-	880	2,051	4,161	25,886	-	2,635	22,863	25,498	51,384
Supplies	28,470	1,816	569	8,277	2,482	480	533	945	95	105	43,772	-	1,630	13,100	14,730	58,502
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	8,484	-	8,484	8,484
Mail solicitation	170,665	29,939	7,191	63,501	13,744	5,749	9,988	15,724	12,993	15,787	345,281	-	412,892	100,892	513,784	859,065
Miscellaneous	5,598	666	255	1,404	496	764	-	2,438	-	-	11,621	-	641	3,698	4,339	15,960
Total expenses other than salaries and related expenses	2,778,846	417,498	168,485	784,309	231,563	61,956	210,843	222,155	84,434	4,920,473	9,880,562	87,120	1,298,155	466,905	1,852,180	11,732,742
Total expenses before depreciation	7,594,129	1,254,775	328,581	1,947,264	569,017	362,730	530,093	847,540	688,249	5,302,543	19,424,921	87,120	2,044,180	1,667,494	3,798,794	23,223,715
Depreciation	539,721	69,988	-	40,542	17,001	21,304	2,877	18,767	-	8,828	719,028	-	9,285	83,104	92,389	811,417
Total expenses	\$ 8,133,850	\$ 1,324,763	\$ 328,581	\$ 1,987,806	\$ 586,018	\$ 384,034	\$ 532,970	\$ 866,307	\$ 688,249	\$ 5,311,371	\$ 20,143,949	\$ 87,120	\$ 2,053,465	\$ 1,750,598	\$ 3,891,183	\$ 24,035,132

SPCA of Texas
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Operating Activities		
Change in net assets	\$ (2,045,671)	\$ 2,231,475
Items not requiring (providing) cash		
Depreciation	760,555	811,417
Gain on disposal of fixed assets	-	(6,379,158)
Donated securities	5,987	491
Net realized and unrealized (gain)/loss on investments	(2,052,819)	4,239,730
Forgiveness of Paycheck Protection Program Loan	-	(1,500,000)
Bad debt expense	-	8,484
Changes in		
Contributions and accounts receivable	94,563	289,893
Employee retention credit receivable	2,259,373	(3,317,143)
Inventories, net	57,155	23,489
Prepaid expenses	(105,431)	94,359
Accounts payable	(34,092)	290,198
Accrued expenses	32,849	71,278
Refundable advances	(126,992)	(17,668)
Net cash used in operating activities	<u>(1,154,523)</u>	<u>(3,153,155)</u>
Investing Activities		
Purchase of property and equipment	(363,162)	(216,573)
Proceeds from sale of property and equipment	-	8,825,867
Proceeds from sale of investments	7,033,100	10,505,963
Purchase of investments	<u>(3,978,026)</u>	<u>(8,274,305)</u>
Net cash provided by investing activities	<u>2,691,912</u>	<u>10,840,952</u>
Increase in Cash and Cash Equivalents	1,537,389	7,687,797
Cash and Cash Equivalents, Beginning of Year	<u>10,509,734</u>	<u>2,821,937</u>
Cash and Cash Equivalents, End of Year	<u>\$ 12,047,123</u>	<u>\$ 10,509,734</u>
Supplemental Information		
Noncash Activity		
Contributions of nonfinancial assets	\$ 4,358,566	\$ 5,367,821

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The SPCA of Texas (SPCA) is dedicated to providing every animal exceptional care and a loving home. Incorporated by the Texas State Charter on September 22, 1938, the SPCA of Texas is more than 85 years old but traces its roots to the late nineteenth century. In 1993, the Dallas SPCA, based in Dallas County, and the Humane Society of Texas, based in Collin County, merged to become the SPCA of Texas.

The SPCA of Texas is a not-for-profit, 501(c)(3) animal welfare organization that operates two animal shelters, one spay/neuter and wellness clinic, an animal rescue center, and a mobile adoption vehicle, all located in Dallas and Ellis Counties. The SPCA of Texas' adoption program, including the two shelters and a vibrant mobile/offsite adoptions program, finds homes for more than 3,500 animals each year.

The organization's clinic provides high-quality pet care at affordable prices and collaborates with pet owners who would otherwise not be able to afford those services. This clinic works together with community partners to spay or neuter, vaccinate and provide wellness care for tens of thousands of animals each year. In January 2023, the SPCA closed the Spencer Spay/Neuter and Wellness Clinic.

Additionally, the SPCA of Texas maintains an Animal Cruelty Investigations Unit, which performs more than 600 animal cruelty/neglect investigations and follow-ups every year, and rescues more than 1,000 each year, from several North Texas counties and beyond.

A robust volunteer program assists in many ways in the shelter and the community, including animal care, animal behavior and enrichment, foster care, animal photography, administrative support, and more. Additionally, SPCA of Texas behavior staff and trained volunteers provide critical behavioral care on a daily basis, including behavior assessments, socialization, obedience training, play, and enrichment.

Giving to the SPCA of Texas is an investment. As a four star-rated charity on Charity Navigator and Candid Platinum charity, donors can be confident in good governance, sound fiscal management, and commitment to accountability and transparency. A host of fundraising programs, as well as the SPCA of Texas' three signature events (Strut Your Mutt, the Race to End Animal Cruelty; Fur Ball; and Home for the Holidays/Bark + Build) help make the organization's animal care work possible. Giving opportunities include general giving, honor and memorial gifts, foundation gifts, corporate sponsorships, charitable bequests, affinity programs, and more.

The SPCA of Texas is not affiliated with the American Society for the Prevention of Cruelty to Animals or any other humane society and does not receive general operating funds from the City of Dallas, State of Texas, federal government or any other national humane organization.

SPCA of Texas
Notes to Financial Statements
December 31, 2023 and 2022

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 revenues, expenses gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

SPCA considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2023, SPCA's cash accounts exceeded federally insured limits by approximately \$11,300,000. Uninvested cash and cash equivalents included in investment accounts, including endowment accounts and accounts restricted internally by the Board of Directors (Board), are not considered to be cash and cash equivalents.

Investments and Net Investment Return

Investments in all debt securities and equity securities, including brokered certificates of deposit, bond mutual funds, and equity mutual funds, having a readily determinable fair value are carried at fair value. Net investment return includes dividends and interest and realized and unrealized gains and losses on investments carried at fair value, net of related expenses.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

SPCA maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Inventories

Inventories, consisting of supplies to be used in operations and gift shop merchandise, are stated at the lower of cost or net realizable value. Costs of inventories are determined using the first-in, first-out method.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Donated property and equipment are stated at fair value as of the date of the donation. The SPCA's policy is to expense repairs and maintenance and all items under \$2,000. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings	7 – 31 1/2 years
Equipment	5 – 15 years
Motor vehicles	5 – 7 years

Long-lived Asset Impairment

The SPCA evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2023 and 2022.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net assets with donor restrictions are subject to donor restrictions. Some 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

SPCA of Texas
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Revenue Recognition

Contributions and Contributions Receivable

Contributions are provided to SPCA either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i> Gifts that depend on SPCA overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i> Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value, if material, determined using the discounted present value of estimated future cash flows technique

When a donor 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 statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

From time to time, gifts are made to the SPCA by members of the board or organizations whose board members or officers are members of the SPCA's Board of Directors.

Gifts, both conditional and unconditional, having donor stipulations which are satisfied in the period the gift is received are reported as revenue and net assets without donor restrictions.

At December 31, 2023 and 2022, the SPCA had contributions receivable of \$29,250 and \$108,750, respectively, expected to be collected within one year.

SPCA of Texas
Notes to Financial Statements
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Direct Mail Programs, Memorials, and Bequests

Direct mail programs, memorials, and bequests revenues are recognized when the gift becomes unconditional.

Special Events

SPCA conducts special fundraising events, including galas and walks. Registration or participation fees, ticket sales and sponsorships, are included in special event revenue. In addition, contributions raised in conjunction with events are included as special event revenue. The cost of the direct benefit to donors that the participant receives at such events is presented on the statements of activities within supporting services expenses. All other expenses related to special events are included in development expenses.

Income Taxes

The SPCA is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state franchise tax law. However, the SPCA is subject to federal income tax on any unrelated business taxable income. The SPCA files tax returns in the U.S. federal jurisdiction.

Advertising and Promotion

Advertising and promotion costs are expensed as incurred. Total advertising and promotion costs for the years ended December 31, 2023 and 2022, were \$4,185,230 and \$5,658,476, respectively, and are included in advertising and promotion, exhibit, and other expenses in the accompanying statements of functional expenses. Of this, approximately \$3,471,000 and \$4,848,000 were nonfinancial contributed media donation values for the years ended December 31, 2023 and 2022, respectively.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Certain costs have been allocated among the program, management and general and fundraising categories based on the relative payroll, headcount, square footage occupied and other methods.

General Litigation

SPCA is subject at times to litigation and other legal matters that arise in the normal course of business. Management is of the opinion that the disposition or ultimate resolution of such matters will not have a material adverse effect on the financial positions or change in net assets and cash flows of SPCA. Events could occur that would change this estimate materially in the near term.

SPCA of Texas
Notes to Financial Statements
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Performance Obligations

Revenue is measured as the amount of consideration SPCA expects to receive in exchange for transferring distinct goods or providing services to customers or event attendees. SPCA's revenue generated from exchange transactions consists substantially of adoption fees and surgery and patient care. SPCA recognizes revenue when performance obligations under the terms of contracts with its customers or patients are satisfied, which occurs at a point in time and over time, respectively. See *Note 11*.

Note 2: Investments and Net Investment Return

Investments at December 31 consisted of the following:

	2023	2022
Cash deposits	\$ 1,078,595	\$ 1,726,300
Brokered certificates of deposit	781,612	761,308
Bond mutual funds	5,551,203	5,667,674
Equity mutual funds	<u>13,380,475</u>	<u>13,644,845</u>
	<u>\$ 20,791,885</u>	<u>\$ 21,800,127</u>

Total net investment return is comprised of the following:

	2023	2022
Interest and dividend income	\$ 1,216,473	\$ 783,915
Management fees	(109,092)	(80,014)
Net realized and unrealized gains/(losses) on investments reported at fair value	<u>2,052,819</u>	<u>(4,239,730)</u>
	<u>\$ 3,160,200</u>	<u>\$ (3,535,829)</u>

SPCA of Texas
Notes to Financial Statements
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Note 3: Property and Equipment

Property and equipment at December 31 consisted of:

	<u>2023</u>	<u>2022</u>
Land	\$ 715,359	\$ 715,359
Buildings	15,820,029	15,820,029
Equipment	1,537,075	1,890,878
Motor vehicles	1,721,002	1,737,214
Construction in progress	<u>361,283</u>	<u>35,341</u>
	20,154,748	20,198,821
Less accumulated depreciation	<u>(10,149,758)</u>	<u>(9,796,438)</u>
	<u>\$ 10,004,990</u>	<u>\$ 10,402,383</u>

During 2022, a former branch location property was sold for approximately \$8.8 million, net and \$6,379,158 is recorded as a gain on sale of assets in the accompanying statement of activities.

Note 4: Net Assets With Donor Restriction

Net Assets With Donor Restriction

Net assets with donor restrictions at December 31 are restricted for the following purposes or periods:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose, passage of time, or both		
Animal cruelty investigations	\$ 46,698	\$ -
Shelter program	2,403	10,397
Community pet program	<u>-</u>	<u>28,455</u>
	49,101	38,852
Endowments		
Earnings subject to SPCA endowment spending policy and appropriation		
Restricted by donors for		
David Ivan Perry Fund	765,000	765,000
Baggarly Fund	<u>414,785</u>	<u>414,785</u>
	<u>\$ 1,228,886</u>	<u>\$ 1,218,637</u>

SPCA of Texas
Notes to Financial Statements
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Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2023</u>	<u>2022</u>
Purpose restrictions accomplished		
Community pet program	\$ 28,455	\$ 48,124
Shelter program expenses	7,996	6,660
Animal cruelty investigations	3,300	50,410
Disaster preparedness and relief efforts	-	176,413
	<u>\$ 39,751</u>	<u>\$ 281,607</u>

Note 5: Endowments

The SPCA's endowments consist of three funds established for a variety of purposes. The endowments include both donor-restricted endowment funds and funds designated by the Board to function as endowments (board-designated endowment funds). The donor-restricted David Ivan Perry Fund and Baggarly Fund do not have purpose restrictions on the endowment earnings. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board has interpreted the Uniform Prudent Management of Institutional Funds Act as adopted by the State of Texas (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the SPCA classifies as net assets with donor restriction as: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment fund is classified as net assets with donor restriction until those amounts are appropriated for expenditure by the SPCA in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the SPCA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- Duration and preservation of the fund
- Purposes of the SPCA and the fund
- General economic conditions
- Possible effect of inflation and deflation
- Expected total return from investment income and appreciation or depreciation of investments
- Other resources of the SPCA
- Investment policies of the SPCA

SPCA of Texas
Notes to Financial Statements
December 31, 2023 and 2022

The composition of net assets by type of endowment fund at December 31, 2023 and 2022, was:

	Without Donor Restriction	With Donor Restriction	Total
December 31, 2023			
Donor-restricted endowment funds	\$ -	\$ 1,179,785	\$ 1,179,785
Board-designated endowment funds	29,004,381	-	29,004,381
	<u>\$ 29,004,381</u> ⁽¹⁾	<u>\$ 1,179,785</u>	<u>\$ 30,184,166</u>
December 31, 2022			
Donor-restricted endowment funds	\$ -	\$ 1,179,785	\$ 1,179,785
Board-designated endowment funds	27,719,119	-	27,719,119
	<u>\$ 27,719,119</u> ⁽²⁾	<u>\$ 1,179,785</u>	<u>\$ 28,898,904</u>

Changes in endowment net assets for the years ended December 31 was:

	2023		
	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 27,719,119	\$ 1,179,785	\$ 28,898,904
Investment return, net			
Investment income	508,297	-	508,297
Net appreciation (depreciation)	1,975,284	-	1,975,284
Total investment return, net	2,483,581	-	2,483,581
Appropriation of endowment assets for expenditure	(6,743,795)	-	(6,743,795)
Board appropriations from unappropriated net assets without donor restriction	5,545,476	-	5,545,476
	<u>\$ 29,004,381</u> ⁽¹⁾	<u>\$ 1,179,785</u>	<u>\$ 30,184,166</u>

SPCA of Texas
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	2022		
	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 24,706,750	\$ 1,179,785	\$ 25,886,535
Investment return, net			
Investment income	567,043	-	567,043
Net appreciation	<u>(4,093,181)</u>	<u>-</u>	<u>(4,093,181)</u>
Total investment return, net	(3,526,138)	-	(3,526,138)
Appropriation of endowment assets for expenditure	(5,299,099)	-	(5,299,099)
Board appropriations from unappropriated net assets without donor restriction and cash proceeds received from sale of assets held for sale	<u>11,837,606</u>	<u>-</u>	<u>11,837,606</u>
	<u>\$ 27,719,119</u> ⁽²⁾	<u>\$ 1,179,785</u>	<u>\$ 28,898,904</u>

(1) Amount includes \$10,723,957 that is recorded within cash and cash equivalents as of December 31, 2023.

(2) Amount includes \$8,790,526 that is recorded within cash and cash equivalents as of December 31, 2022.

The SPCA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the SPCA must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under the SPCA's policies, as approved by the Board, endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The SPCA expects its endowment funds to provide an average rate of return of approximately 8 percent annually over time. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, the SPCA relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The SPCA targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The SPCA's policy permits additions to or drawdowns of board-designated funds to achieve target cash balances in operating accounts. In establishing this policy, the SPCA considered the long-term expected return on its endowments. The SPCA's objective is to maintain the purchasing power of endowment assets held in perpetuity or for a specified term or purpose, as well as to provide additional real growth through new gifts and investment return.

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Notes to Financial Statements
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Note 6: Defined Contribution Plan

The SPCA has a defined contribution plan for all employees meeting certain eligibility requirements. The SPCA will match employees' contributions up to 3 percent of employees' wages. The SPCA made contributions of \$95,105 and \$80,375 for the years ended December 31, 2023 and 2022, respectively.

Note 7: Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets

Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2023 and 2022:

	Fair Value	Fair Value Measurements Using		
		Quoted in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2023				
Brokered certificates of deposits	\$ 781,612	\$ -	\$ 781,612	\$ -
Bond mutual funds	5,551,203	5,551,203	-	-
Equity mutual funds	13,380,475	13,380,475	-	-
	<u>\$ 19,713,290</u>	<u>\$ 18,931,678</u>	<u>\$ 781,612</u>	<u>\$ -</u>

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Notes to Financial Statements
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	Fair Value Measurements Using			
	Fair Value	Quoted in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2022				
Brokered certificates of deposits	\$ 761,308	\$ -	\$ 761,308	\$ -
Bond mutual funds	5,667,674	5,667,674	-	-
Equity mutual funds	13,644,845	13,644,845	-	-
	<u>\$ 20,073,827</u>	<u>\$ 19,312,519</u>	<u>\$ 761,308</u>	<u>\$ -</u>

The following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2023.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The SPCA has no Level 3 investments at December 31, 2023 and 2022.

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Notes to Financial Statements
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Note 8: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2023 and 2022, comprise the following:

	<u>2023</u>	<u>2022</u>
Financial assets		
Cash and cash equivalents	\$ 12,047,123	\$ 10,509,734
Accounts receivable, net	28,927	43,990
Employee retention credit receivable	1,057,770	3,317,143
Investments	20,791,885	21,800,127
Contributions receivable, net	<u>29,250</u>	<u>108,750</u>
Total financial assets	<u>33,954,955</u>	<u>35,779,744</u>
Less: financial assets not available to meet cash needs for general expenditure within one year		
Donor imposed restrictions		
Perpetual restricted endowments	1,179,785	1,179,785
Refundable advances and net assets with donor restrictions	49,101	165,844
Internal designations		
Bequests receivable designated for endowment when received	-	100,000
Board-designated endowment	<u>22,116,381</u>	<u>21,425,119</u>
Total financial assets not available to meet cash needs for general expenditure within one year	<u>23,345,267</u>	<u>22,870,748</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 10,609,688</u>	<u>\$ 12,908,996</u>

The board-designated operating reserve intended to operate as an endowment of \$29,004,381 and \$27,719,119 at December 31, 2023 and 2022, respectively, is subject to annual spending rates determined by the Board. Although SPCA does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

Prior to December 31, 2023 and 2022, the Board approved the use of \$6,888,000 and \$6,294,000 of the board-designated operating reserve in 2023 and 2022, respectively; therefore, these funds have been excluded from the table above.

SPCA of Texas
Notes to Financial Statements
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SPCA manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. SPCA has a liquidity policy to maintain operating bank account balances at a minimum of 30 days operating expenses. SPCA forecasts its future cash flows and monitors its liquidity monthly and evaluates its reserves annually. During the years ended December 31, 2023 and 2022, the level of liquidity and reserves was managed within the policy requirements.

Note 9: Significant Estimates and Concentrations

GAAP requires disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Revenues, Gains, and Other Support

Approximately 71 percent and 83 percent of contributed services and materials were received from two donors in 2023 and 2022, respectively. Fluctuations in funding concentrations for non-profits are most often correlated to new programs, expansion of existing programs or dedicated campaigns, and are for a designated period of time.

Investments

The SPCA invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying statements of financial position.

Note 10: CARES Act

SPCA received a Payroll Protection Program (PPP) loan established by the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) in April 2021 totaling \$1,500,000, which was subject to forgiveness if certain conditions are satisfied. SPCA elected to account for the funding as a conditional contribution by applying ASC Topic 958-605, *Revenue Recognition*. During 2022, SPCA received notification that the PPP loan had been forgiven and recognized contribution revenue in the accompanying statement of activities for the year ended December 31, 2022. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration (SBA), and lender; as a result of such audit, adjustments could be required to the recognition of revenue.

The CARES Act and subsequent legislation provides a refundable employee retention tax credit (ERC) to eligible employers who meet either a gross receipts test or a government mandate test. The tax credit is equal to a specified percentage of qualified wages paid to employees subject to certain limits. The SPCA has elected to account for these employee retention credits in accordance with ASC 958-605, *Revenue Recognition*. The SPCA has determined it qualifies for the tax credit and recognized ERC of \$3,317,143 during the year ended December 31, 2022.

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Management recognized the revenue related to the ERC in contributions of cash and other financial assets. The balance to be collected at December 31, 2023 and 2022 is \$1,057,770 and \$3,317,143, respectively, in the accompanying statements of financial position.

Note 11: Revenue from Contracts with Customers

Adoption Revenue

Revenue is measured as the amount of consideration SPCA expects to receive in exchange for providing the adopted animal to the customer. These amounts are due from customers and do not include variable consideration. Revenue is recognized as performance obligations are satisfied, which is at the time of adoption.

Surgery and Patient Care

Revenue is measured as the amount of consideration SPCA expects to receive in exchange for providing the specific service to the patient. These amounts are due from customers and do not include variable consideration. Revenue is recognized as performance obligations are satisfied, which is as the service is performed, generally within the same day.

Transaction Price and Recognition

SPCA determines the transaction price based on standard charges for goods and services provided. Payment is typically due at the time the contract is entered into, or in accordance with the terms of the specific agreement.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the customer's ability to pay are recorded as bad debt expense.

SPCA has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, customer, event attendees, etc.) that have different reimbursement and payment methodologies
- Geography of the service location
- SPCA's line of business that provided the service

For the years ended December 31, 2023 and 2022, SPCA recognized revenue of \$1,721,701 and \$1,439,865, respectively from services that transfer to the customer or patient over time and \$515,032 and \$529,493, respectively, from goods that transfer to the customer at a point in time.

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Contract Balances

SPCA did not have contract assets, accounts receivable, or contract liabilities related to contracts with customers at beginning of year or end of year 2023 or 2022.

Note 12: Contributed Nonfinancial Assets

For the years ended December 31, 2023 and 2022, contributed nonfinancial assets recognized within the statement of activities included:

	2023	2022
Media	\$ 3,471,000	\$ 4,848,000
Operating supplies	862,501	507,982
Services	25,065	11,839
	<u>\$ 4,358,566</u>	<u>\$ 5,367,821</u>

The nonfinancial assets listed above were recognized within revenue. Contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed Items

Contributed items were utilized in the following programs:

Contributed Items	Programs
Media	Communications
Operating supplies	Shelter and community pet program

The following basis was used for valuing contributed items:

Contributed Items	Valuation Basis
Media	The SPCA used third-party sources representing a "real-time" snapshot, with values varying based on date, time, audience and length of air time (that is, the principal market)
Operating supplies	The SPCA estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States

SPCA of Texas
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Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. Contributed services, primarily legal services, were utilized in all programs and were recognized at fair value based on the current rates for similar services.

Note 13: Subsequent Events

The SPCA has evaluated its financial statements for subsequent events through June 13, 2024, the date the financial statements were available to be issued.