MUTTVILLE

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

YEARS ENDED DECEMBER 31, 2025 AND 2024

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Muttville
San Francisco, California

Opinion

We have audited the accompanying financial statements of Muttville (a nonprofit organization), which comprise the statements of financial position as of December 31, 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 Muttville 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 Muttville and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Muttville's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Muttville's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

July 27, 2026

MUTTVILLE

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 6,444,236	$ 10,846,762
Current portion of contributions receivable	388,162	314,479
Current portion of split-interest agreement assets	1,001,250	1,001,250
Prepaid expenses	196,692	177,296
Property held for sale	123,410	285,000
Total current assets	8,153,750	12,624,787
NON-CURRENT ASSETS:		
Investments	22,161,357	13,013,222
Contributions receivable, net	205,300	64,843
Split-interest agreement assets, net	3,800,824	4,415,273
Property and equipment, net	33,956,999	33,205,801
TOTAL ASSETS	$ 68,278,230	$ 63,323,926
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 951,170	$ 895,791
Accrued expenses	618,186	476,939
Current portion of long-term debt	238,124	242,824
Total current liabilities	1,807,480	1,615,554
LONG-TERM DEBT, Net	8,226,576	8,438,059
Total liabilities	10,034,056	10,053,613
NET ASSETS:		
Without donor restrictions:		
Board designated reserve for facility acquisition/construction	5,000,000	5,000,000
Undesignated	47,478,814	42,227,786
With donor restrictions	5,765,360	6,042,527
Total net assets	58,244,174	53,270,313
TOTAL LIABILITIES AND NET ASSETS	$ 68,278,230	$ 63,323,926

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

MUTTVILLE

STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUES:		
Contributions and grants	$ 9,020,767	$ 7,832,974
Fundraising event revenues (net of direct benefit to donors of $97,398 in 2025 and $136,215 in 2024)	1,104,152	994,650
Investment income	898,929	721,168
In-kind contributions	467,546	901,058
Loss on write-down of asset held for sale	(161,590)	(15,000)
Other income	47,399	31,566
Net assets released from restrictions	1,782,167	21,902,027
Total revenues	13,159,370	32,368,443
EXPENSES:		
Program services:		
Animal care and adoption	5,478,743	4,939,237
Supporting services:		
Fundraising	1,657,097	1,491,168
General and administrative	772,502	852,258
Total supporting services	2,429,599	2,343,426
Total expenses	7,908,342	7,282,663
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	5,251,028	25,085,780
NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions and grants	1,118,199	1,572,707
Change in value of split-interest agreement assets	386,801	530,274
Net assets released from restrictions	(1,782,167)	(21,902,027)
DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS	(277,167)	(19,799,046)
INCREASE IN NET ASSETS	4,973,861	5,286,734
NET ASSETS, Beginning of Year	53,270,313	47,983,579
NET ASSETS, End of Year	$ 58,244,174	$ 53,270,313

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

MUTTVILLE

STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025				2024			
		Supporting services				Supporting services		
	Animal care and adoption	Fundraising	General and administrative	Total	Animal care and adoption	Fundraising	General and administrative	Total
Personnel	$ 2,765,558	$ 876,419	$ 426,193	$ 4,068,170	$ 2,661,268	$ 744,322	$ 397,941	$ 3,803,531
Depreciation	513,237	105,459	84,368	703,064	251,244	51,598	41,341	344,183
Professional fees	504,020	18,534	131,764	654,318	518,575	32,931	126,174	677,680
Animal care	613,520			613,520	607,011			607,011
Interest	328,490	67,498	53,998	449,986			161,283	161,283
Supplies	354,130	60,965	31,870	446,965	318,309	53,427	23,984	395,720
Events	1,730	264,077		265,807	2,143	246,195		248,338
Facilities and equipment rentals	181,123	23,192	12,643	216,958	259,479	12,252	12,366	284,097
Printing	63,751	98,633	47	162,431	46,728	178,284		225,012
Insurance	92,490	13,413	8,573	114,476	133,659	8,007	6,483	148,149
Postage and shipping	19,965	51,299	65	71,329	18,611	66,551	120	85,282
Bank fees		45,530	20,367	65,897	8	73,777	18,161	91,946
Telecommunications	17,241	3,312	1,815	22,368	16,564	4,098	2,456	23,118
Bad debt expense		263		263			53,332	53,332
Moving expenses					70,189	1,851	6,031	78,071
Other expenses	23,488	28,503	799	52,790	35,449	17,875	2,586	55,910
Total	$ 5,478,743	$ 1,657,097	$ 772,502	$ 7,908,342	$ 4,939,237	$ 1,491,168	$ 852,258	$ 7,282,663

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

MUTTVILLE

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	$ 4,973,861	$ 5,286,734
Reconciliation to net cash provided by operating activities:		
Change in fair value of property held for sale	161,590	15,000
Donated property and equipment	(242,685)	(245,963)
Receipt of donated investments	(332,141)	(338,499)
Proceeds from sale of donated investments	350,718	
Depreciation	703,064	344,183
Loss on disposal of property and equipment	42,345	16,968
Net realized and unrealized gain on investments	(743,453)	(636,570)
Changes in:		
Contributions receivable, net	(214,140)	5,272,001
Prepaid expenses	(19,396)	(50,843)
Split-interest agreement assets, net	614,449	470,976
Accounts payable	55,379	(1,786,402)
Accrued expenses	141,247	118,686
Net cash provided by operating activities	5,490,838	8,466,271
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(69,566,259)	(38,717,540)
Proceeds from sale of investments	61,143,000	45,888,482
Purchases of property and equipment	(1,253,922)	(7,843,350)
Net cash used in investing activities	(9,677,181)	(672,408)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long-term debt	(216,183)	(287,134)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,402,526)	7,506,729
CASH AND CASH EQUIVALENTS, Beginning of Year	10,846,762	3,340,033
CASH AND CASH EQUIVALENTS, End of Year	$ 6,444,236	$ 10,846,762
SUPPLEMENTAL INFORMATION:		
Cash paid for interest	$ 449,986	$ 323,420

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

1. ORGANIZATION AND NATURE OF ACTIVITIES

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation – The financial statements are prepared on the accrual basis of accounting and in conformity with professional standards applicable to not-for-profit entities. Muttville reports information regarding its financial position and activities according to two classes of net assets: *without donor restrictions* and *with donor restrictions*.

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

Muttville receives contributions from donors that are conditional upon the occurrence of specified future events. As of December 31, 2025, there were no outstanding conditional contributions. As of December 31, 2024, outstanding conditional contributions totaled $80,000.

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

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

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

Muttville minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. Muttville's deposits of cash held with financial institutions in excess of federal depository insurance limits were $5,309,383 and $10,045,799 as of December 31, 2025 and 2024, respectively. Muttville has not experienced any losses in such accounts and management believes Muttville is not exposed to any significant credit risk related to cash.

Investments are stated at fair value. As of December 31, 2025, $22,011,485 of the investment portfolio consists of fixed income U.S. Treasury bonds/bills, $122,686 consists of cash and cash equivalents, and the remainder of $27,186 consists of common stock, all of which is held for long-term purposes.

As of December 31, 2024, $12,969,457 of the investment portfolio consists of cash and cash equivalents and the remainder of $43,765 consists of common stock. All investments as of December 31, 2025 and 2024, are classified within Level 1 of the fair value hierarchy.

Contributions receivable are considered to be available for general operations unless specifically restricted by the donor. Contributions receivable are recognized when supported by a written contract to make a contribution and are reported net of the allowance for uncollectible accounts. However, management has determined that no allowance is deemed necessary as of December 31, 2025 and 2024, based on their conclusion that all contributions were collectible. Discounts on contributions are computed using interest rates applicable to the year in which the promise is received, however no discount was considered necessary as of December 31, 2025 and 2024.

Contributions receivable as of December 31, 2025 of $388,162 are expected to be collected within one year and the remaining $205,300 are expected to be collected within one to three years.

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

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

Split-interest agreement assets are stated at fair value.

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

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

Fair value measurements – Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same – to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability). In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

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

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

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

Reclassification – Certain 2024 balances have been reclassified to conform with 2025 presentation.

Subsequent events have been reviewed through July 27, 2026, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2025, except as noted in Note 4 and Note 6, that require recognition or disclosure in such financial statements.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

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

	2025	2024
Cash and cash equivalents	$ 6,444,236	$ 10,846,762
Investments	22,161,357	13,013,222
Contributions receivable	593,462	379,322
Split-interest agreement assets	4,802,074	5,416,523
Total financial assets	34,001,129	29,655,829
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donor for time or purpose	(4,764,110)	(5,041,277)
Board-designated:		
Reserve for facility acquisition/construction	(5,000,000)	(5,000,000)
Total financial assets available to management for general expenditure within one year	$ 24,237,019	$ 19,614,552

As part of the organization's liquidity management, Muttville structures its financial assets to ensure availability for general expenditures, liabilities, and other obligations as they come due, while also prudently seeking to optimize investment returns and preserve capital on funds not immediately needed. Management does not intend to spend down the portfolio for current operating needs. Accordingly, the balance is classified as investments in the accompanying financial statements, as it is being held for long-term purposes.

In 2025, as the Organization substantially completed the purchase and improvements of its headquarters facility, donor restrictions related to the capital campaign were released in accordance with the terms of the contributions. These releases are reflected as increases in net assets without donor restriction and are presented as part of the Organization's building asset. Accordingly, the decrease in net assets with donor restrictions represents amounts expended for the facility. While certain cash and investments are reported as "available for general expenditure within one year," the Board has designated a portion of these resources for facility-related purposes, rather than for ongoing operating activities.

4. PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 2025:

	2025	2024
Building	$ 24,482,817	$ 23,648,155
Land	9,355,488	9,355,488
Furniture and equipment	803,538	715,557
Vehicles	61,303	60,255
Leasehold improvements		121,144
Construction in progress	525,078	
Total	35,228,224	33,900,599
Less accumulated depreciation	(1,271,225)	(694,798)
Total	$ 33,956,999	$ 33,205,801

During 2020, a new facility was purchased for Muttville's headquarters. The building was placed in service in July 2024. The building is pledged as security for the loan used to secure its purchase (Note 6).

Title to real property in Eugene, Oregon was contributed to Muttville during 2023. The real property held for sale is valued at $123,410 and $285,000 as of December 31, 2025 and 2024, respectively. The property was valued at $300,000 at the time of donation. During 2024, the property value was reassessed, noting a $15,000 decline in value. Subsequent to December 31, 2025, the property was sold for $123,410. As such, the value of the asset was written-down to the subsequent sale price as of December 31, 2025.

5. SPLIT-INTEREST AGREEMENT ASSETS

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

Under the terms of the charitable lead annuity trust (CLAT), Muttville is to receive approximately $1,000,000 annually over a ten year period beginning in 2018. The related contribution receivable and revenue were recorded at the estimated fair value of future payments in the year received. The estimated fair value of the CLAT is revalued each year with the change in value recorded in change in value of split-interest agreement assets in the statements of activities. The fair value was determined with present value techniques using projected investment returns consistent with the composition of the asset portfolios, estimated future cash disbursements and a discount rate of 2.6% as of December 31, 2025 and 2024.

Under the terms of the perpetual trust, Muttville is to receive an annual payout of income from its share of the underlying assets of the trust, however, Muttville will never receive the underlying assets of the trust. The related contribution receivable and revenue were recorded at the estimated fair value in the year received. The estimated fair value of the perpetual trust is revalued each year with the change in value recorded in change in value of split-interest agreement assets in the statements of activities. The fair value was determined with present value techniques using projected investment returns consistent with the composition of the asset portfolio, estimated future cash disbursements and a discount rate of 4.6% and 5.0% as of December 31, 2025 and 2024, respectively. Distributions from the perpetual trust are recorded in investment income in the statements of activities.

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

	2025	2024
Beginning balance	$ 5,416,523	$ 5,887,499
Payout of charitable lead annuity trust	(1,001,250)	(1,001,250)
Change in fair value of split-interest agreement assets	386,801	530,274
Ending balance	$ 4,802,074	$ 5,416,523

6. LONG-TERM DEBT

In January 2020, Muttville entered into a loan agreement with Columbia Bank to borrow $10,000,000 to purchase Muttville's new headquarters. The loan bore an interest rate equal to 3.6% for the year ended December 31, 2024, with monthly principal and interest payments of $50,880 and a final balloon payment of $7,073,114 due in February 2030. In March 2025, the interest rate was reset according to the original promissory note to 6.06% effective March 1, 2025. Monthly principal and interest payments of $62,712 are due with a final balloon payment of $7,387,602 in February 2030. No interest was capitalized during the year ended December 31, 2025. Interest of $449,986 was incurred during 2025, all of which was expensed as incurred. During the year ended December 31, 2024, Muttville incurred $323,420 of interest expense, of which $162,137 was capitalized and the remaining $161,283 was expensed as incurred. Muttville has met all loan covenants as of December 31, 2025 and 2024. The loan is secured by a Deed of Trust dated January 21, 2020 to a trustee in favor of the lender on real property located in San Francisco County.

Subsequent to year-end, on May 1, 2026, a payment in the amount of $4,302,299 was made toward the Organization's outstanding Commercial Real Estate Loan.

The future annual principal payments are as follows:

Year Ending December 31,	
2026	$ 238,124
2027	254,452
2028	269,136
2029	287,543
2030	7,415,445
Total	$ 8,464,700

7. NET ASSETS

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

	2025	2024
Time restricted	$ 1,962,707	$ 2,899,799
Purpose restricted:		
Capital campaign	399,074	
Seniors for Seniors	524,307	509,921
Veterinary care	29,642	116,083
Other	10,263	
Restricted in perpetuity:		
Split-interest agreement asset – interest in a perpetual trust	2,839,367	2,516,724
Total	$ 5,765,360	$ 6,042,527

The Board of Directors has designated $5,000,000 as of December 31, 2025 and 2024, respectively, of Muttville’s net assets without donor restrictions as a reserve for the acquisition and improvement of the headquarters facility.

8. IN-KIND CONTRIBUTIONS

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

	2025	2024
Merchandise	$ 242,435	$ 254,215
Professional services	209,376	419,354
Veterinary services	15,735	46,987
Rent		122,492
Other		58,010
Total	$ 467,546	$ 901,058

In-kind contributions include discounted rent, donated services, medications, and miscellaneous adoption supplies. All items were valued upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor.

The Organization's policy related to in-kind contributions is to utilize the assets given to carry out their mission. All in-kind contributions received by the Organization for the years ended December 31, 2025 and 2024 were considered without donor restrictions.