



**JOYBOUND PEOPLE AND PETS**



**FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**PASADENA**  
2698 Mataro Street  
Pasadena, CA 91107  
p: 626.403.6801

**A Trusted Nonprofit Partner**

Main Fax: 626.900.9883  
[www.npocpas.com](http://www.npocpas.com)

**WALNUT CREEK**  
2033 N. Main Street, #350  
Walnut Creek, CA 94596  
p: 925.469.8966

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## INDEPENDENT AUDITORS' REPORT

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To the Board of Directors  
Joybound People and Pets

### **Opinion**

We have audited the accompanying financial statements of Joybound People and Pets (a nonprofit organization), which comprise the Statement of Financial Position as of June 30, 2025, and the related Statement of Activities, Functional Expenses, and Cash Flows for the year 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 Joybound People and Pets as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Prior Period Financial Statements**

The financial statements of Joybound People and Pets as of June 30, 2024, were audited by other auditors whose report dated April 25, 2025, expressed an unmodified opinion on those statements.

### **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 Joybound People and Pets' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## INDEPENDENT AUDITORS' REPORT

continued

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### Auditors' 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 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 Joybound People and Pets' 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 Joybound People and Pets' 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.

*Harrington Group*

Walnut Creek, California  
January 29, 2026

# JOYBOUND PEOPLE AND PETS

## STATEMENT OF FINANCIAL POSITION

June 30, 2025

With comparative totals at June 30, 2024

	2025	2024
<b>ASSETS</b>		
Cash	\$ 799,621	\$ 676,256
Cash savings	1,286,485	1,705,993
Pledges receivable (Note 4)	806,940	1,871,364
Accounts receivable - net of allowance for doubtful accounts	257,844	24,610
Other receivable	59,944	73,405
Inventory - net (Note 8)	77,414	53,907
Prepaid expenses	316,156	307,708
Investments (Note 5)	54,746,733	54,541,443
Beneficial interest in assets held by Trustee (Note 5)	108,794	106,453
Deposits and other assets	11,327	4,885
Property and equipment - net (Note 7)	26,445,226	26,639,356
Intangible asset - net (Note 9)	2,681,120	2,965,841
Right of use assets- operating lease (Note 12)	258,659	-
Right of use assets- finance lease (Note 12)	69,705	-
	<b>\$ 87,925,968</b>	<b>\$ 88,971,221</b>
<b>TOTAL ASSETS</b>		
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 351,215	\$ 295,628
Accrued liabilities (Note 10)	982,041	771,456
Deferred revenue	296,242	411,219
Lease liability - operating lease (Note 12)	269,943	-
Lease liability- finance lease (Note 12)	73,828	-
	<b>1,973,269</b>	<b>1,478,303</b>
<b>TOTAL LIABILITIES</b>		
 <b>NET ASSETS</b>		
Without donor restrictions	80,292,107	80,137,751
With donor restrictions (Note 13)	5,660,592	7,355,167
	<b>85,952,699</b>	<b>87,492,918</b>
<b>TOTAL NET ASSETS</b>		
	<b>\$ 87,925,968</b>	<b>\$ 88,971,221</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		

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

## JOYBOUND PEOPLE AND PETS

STATEMENT OF ACTIVITIES  
For the year ended June 30, 2025  
With comparative totals for the year ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2025</u>	<u>2024</u>
<b>REVENUE AND SUPPORT</b>				
Contributions	\$ 6,758,191	\$ 1,034,413	\$ 7,792,604	\$ 7,724,579
Program fees	1,200,597		1,200,597	627,961
Corporate sponsorships	641,572		641,572	453,315
Retail sales	489,933		489,933	531,963
In-kind contribution (Note 15)	415,550		415,550	417,648
Special events - net of expenses of \$250,889 and \$73,418 respectively, for 2025 and 2024	152,155		152,155	154,752
Other revenue	230,982		230,982	366,841
Loss on disposal of fixed assets	(903)		(903)	(5,128)
Net assets released from restrictions (Note 13)	3,012,764	(3,012,764)	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	<u>12,900,841</u>	<u>(1,978,351)</u>	<u>10,922,490</u>	<u>10,271,931</u>
<b>EXPENSES</b>				
Program services	15,141,067		15,141,067	13,006,857
Management and general	883,323		883,323	1,310,023
Fundraising	2,463,201		2,463,201	1,444,105
	<u>18,487,591</u>		<u>18,487,591</u>	<u>15,760,985</u>
<b>CHANGE IN NET ASSETS BEFORE OTHER CHANGES</b>	(5,586,750)	(1,978,351)	(7,565,101)	(5,489,054)
<b>OTHER CHANGES:</b>				
Net investment income including endowment funds (Note 5)	5,741,106	283,776	6,024,882	5,621,022
<b>CHANGE IN NET ASSETS</b>	154,356	(1,694,575)	(1,540,219)	131,968
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>80,137,751</u>	<u>7,355,167</u>	<u>87,492,918</u>	<u>87,360,950</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 80,292,107</u>	<u>\$ 5,660,592</u>	<u>\$ 85,952,699</u>	<u>\$ 87,492,918</u>

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

## JOYBOUND PEOPLE AND PETS

STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended June 30, 2025  
With comparative totals for the year ended June 30, 2024

	Program Services				Total Program	Support Services		Total Expenses	
	Animal Care and Adoptions	Animal Behavior and Training	Veterinary Clinic	Community Outreach and Education		Management and General	Fundraising	2025	2024
Personnel	\$ 3,420,812	\$ 880,538	\$ 3,112,035	\$ 3,475,866	\$ 10,889,251	\$ 613,542	\$ 1,591,085	\$ 13,093,878	\$ 10,307,336
Depreciation	360,679	52,227	85,653	386,560	885,119	13,532	29,177	927,828	852,087
Animal care and supplies	139,854	3,803	354,535	275,493	773,685			773,685	887,880
Occupancy	204,059	49,330	237,670	154,901	645,960	34,142	49,111	729,213	788,554
Professional services	104,181	21,089	99,943	101,407	326,620	53,211	232,565	612,396	792,900
Printing and publication	115,739	26,945	111,291	99,356	353,331	1,360	117,610	472,301	567,785
Other expenses	1,017		3,606	328,667	333,290	26,495	458	360,243	117,413
Amortization	6,747	564	5,033	5,295	17,639	2,682	287,635	307,956	284,721
Equipment rental, repairs and maintenance	76,749	12,798	68,969	67,492	226,008	24,598	33,338	283,944	310,627
Insurance	99,242	23,792	24,602	68,717	216,353	3,755	11,572	231,680	186,225
Taxes, licenses and fees	27,694	11,273	41,924	17,275	98,166	23,272	23,419	144,857	151,099
Travel and transportation	24,896	11,789	10,513	25,989	73,187	32,480	22,109	127,776	102,446
Conferences and education	3,055	2,369	15,882	37,408	58,714	22,190	28,495	109,399	60,413
Cost of goods sold	104,174		125		104,299			104,299	74,526
Advertising and promotion	9,196	2,193	8,968	41,236	61,593	6,476	30,782	98,851	158,016
Supplies	13,860	1,037	13,391	44,929	73,217	8,324	4,348	85,889	106,151
Postage	16		45	418	479	16,670	852	18,001	12,806
Interest expense	1,494	125	1,114	1,173	3,906	594	645	5,145	-
Bad debt expense				250	250			250	-
<b>TOTAL 2025 FUNCTIONAL EXPENSES</b>	<b>\$ 4,713,464</b>	<b>\$ 1,099,872</b>	<b>\$ 4,195,299</b>	<b>\$ 5,132,432</b>	<b>\$ 15,141,067</b>	<b>\$ 883,323</b>	<b>\$ 2,463,201</b>	<b>\$ 18,487,591</b>	
TOTAL 2024 FUNCTIONAL EXPENSES	\$ 4,719,350	\$ 842,067	\$ 3,561,997	\$ 3,883,443	\$ 13,006,857	\$ 1,310,023	\$ 1,444,105		\$ 15,760,985

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

## JOYBOUND PEOPLE AND PETS

### STATEMENT OF CASH FLOWS

For the year ended June 30, 2025

With comparative totals for the year ended June 30, 2024

	2025	2024
<b>CASH FLOWS (TO) OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (1,540,219)	\$ 131,968
Adjustments to reconcile change in net assets to net cash (used)		
by operating activities:		
Depreciation	927,828	852,087
Amortization	284,721	284,721
Change in beneficial interest in assets held by Trustee	(2,341)	(4,589)
Unrealized (gain) on investments	(3,433,959)	(2,448,674)
Realized (gain) on sale of investments	(788,527)	(1,598,841)
Loss on disposal of property and equipment	903	5,128
Provision for bad debts	-	701
Amortization of right-of-use assets - operating lease	23,707	-
Amortization of right-of-use assets - finance lease	46,470	-
Reduction in lease liability- operating lease	(12,423)	-
(Increase) decrease in assets:		
Pledges receivable - net	1,064,424	927,155
Accounts and other receivable - net	(219,773)	(8,747)
Employee retention credit receivable		1,092,083
Inventory	(23,507)	(25,646)
Prepaid expenses	(8,448)	(86,147)
Deposits and other assets	(6,442)	6,400
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	266,172	427,530
Deferred revenue	(114,977)	191,294
	<b>(3,536,391)</b>	<b>(253,577)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net decrease (increase) from investing activities	4,017,196	(288,724)
Purchase of property and equipment	(734,601)	(1,038,602)
	<b>3,282,595</b>	<b>(1,327,326)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on finance lease obligations	(42,347)	-
	<b>(42,347)</b>	<b>-</b>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(296,143)</b>	<b>(1,580,903)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR</b>	<b>2,382,249</b>	<b>3,963,152</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 2,086,106</b>	<b>\$ 2,382,249</b>
<b>NON-CASH OPERATING ACTIVITIES:</b>		
Right-of-use-assets and lease liabilities - new operating leases	\$ 282,366	\$ -
Right-of-use-assets and lease liabilities - new finance leases	\$ 116,175	\$ -

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

# JOYBOUND PEOPLE AND PETS

## NOTES TO FINANCIAL STATEMENTS

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### 1. Organization

Joybound People and Pets (formerly known as Tony La Russa's Animal Rescue Foundation) was incorporated in California in June 1991 as a nonprofit public benefit corporation to inspire and nurture the human-animal bond and bring people and animals together to enrich each other's lives. In February 2024, the organization began doing business as Joybound People and Pets ("Joybound") and legally changed its name in June 2025.

With dog and cat rescue and adoption at the heart of its mission, Joybound forms, supports, elevates, and celebrates the human-animal bond through services such as rescue and adoption, pet training and veterinary care, food and supply assistance, therapy and service-animal programs, vocational training through grooming, and rich learning resources for all pet families.

#### Adoptions

Matching cats and dogs with new families through adoption is the cornerstone of Joybound's work. Each animal rescued is behaviorally and medically evaluated and treated, spayed or neutered, given age-appropriate vaccines, and microchipped. While awaiting adoption, all animals receive ongoing medical care, as well as training and enrichment. Joybound relies on an extensive network of volunteers to assist in this effort.

#### Veterinary Care

Joybound's on-site clinic also provides public spay and neuter programs in a continued effort to reduce the growing number of animals surrendered to shelters and to help to break the cycle of companion animal overpopulation. Additionally, Joybound provides monthly vaccination and microchipping clinics across Contra Costa County, free to the public.

#### Financial Support

The Community Veterinary Care program (formerly known as the Emergency Medical Fund®) provides low-to-no-cost veterinary care for those pet guardians facing financial barriers to veterinary care. The Pet Safety Net program serves families struggling to prevent the surrender of a pet providing resources, counseling, and financial assistance.

#### Food Distribution

The Pet Food Pantry program distributes free food and litter for cats and dogs.

#### Resources

Joybound's Resource Center hotline responds to calls and emails for animal-related advice and assistance.

#### Training

Joybound provides animal training and enrichment classes, as well as individual behavior consultations.

#### Service Dogs

The Shelter to Service program matches Veterans Administration (VA)-referred veterans as well as other provider-referred individuals suffering from psychological trauma with specially trained shelter dogs and cats as both emotional support animals (ESAs) and psychiatric service dogs - at no cost.

# JOYBOUND PEOPLE AND PETS

## NOTES TO FINANCIAL STATEMENTS

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### 1. **Organization**, continued

#### Therapy Visits

Joybound Pet Hug Pack® therapy animal program - comprised of teams of qualified pets and volunteer handlers - visits hospitals, students, and others in need of the unconditional love and support only an animal can offer.

#### Grooming Academy

The Grooming Academy provides hands-on pet grooming training, under the guidance of experienced grooming professionals, to individuals experiencing barriers to employment. The Academy provides grooming services to both shelter dogs and public clients.

### 2. **Summary of Significant Accounting Policies**

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

#### **Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting which reflects revenue when earned and expenses as incurred.

#### **Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Without Donor Restrictions.** Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated some net assets, from net assets without donor restrictions, to create the endowment fund.

**With Donor Restrictions.** Net assets subject to imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

# JOYBOUND PEOPLE AND PETS

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies, continued

#### Cash and Cash Equivalents

Cash is defined as cash in demand deposit account as well as cash on hand. Joybound occasionally maintains cash and investments at a brokerage firm in excess of the Security Investor Protection Corporation. The uninsured balance was approximately \$786,485 at June 30, 2025. Joybound has not experienced any losses in such accounts. At June 2025, Joybound's amount of cash in checking account in excess of FDIC limit totaled \$590,379.

Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash. Generally, only investments with original maturities of three months or less qualify as cash equivalents.

#### Revenue and Revenue Recognition

##### Contributions

Contributions are recognized as revenue when they are unconditionally communicated. Contributions consist principally of donations from individuals and other organizations. Contributions are recorded at their fair value as support without donor restrictions or support with donor restrictions, depending on the absence or existence of donor-imposed restrictions as applicable. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. If donors' restrictions are satisfied in the same period that the contribution is received, the contribution is reported as support without donor restrictions.

##### Promises to Give

Unconditional promises to give are recognized as contribution revenue in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

##### Contributions of Long-Lives Assets

Gifts of long-lived assets, such as equipment, are reported as unrestricted net assets support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire or construct long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

# JOYBOUND PEOPLE AND PETS

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies, continued

#### Contributed Services and Donated Investments

Contributed services are stated at their estimated fair value, if ordinarily purchased and of a specialized nature. Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

#### Revenue from Contracts

Program fees, including adoption and clinic fees among other programs, and retail sales are primarily comprised of an exchange element based on the value of benefits provided and are recognized as revenue when the related performance obligations are satisfied. Performance obligations represent the specified services provided to customers under such contracts and generally consist of a single performance obligation which is satisfied when the service is provided or the event has occurred.

#### **Current Expected Credit Losses**

Accounts receivable are related to income earned from program services. An allowance for credit losses is provided which is an estimate based upon historical account write-off trends, facts about the current financial condition and forecasts of future operating results. Credit quality is monitored through the timing of payments compared to payment terms and known facts about customers. Accounts receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased. The allowance for uncollectible accounts was \$539 for both June 30, 2025 and 2024.

#### **Pledges Receivable**

Pledges receivable are recorded as support when the pledge is unconditionally communicated. All pledges are valued at their estimated net present value at June 30, 2025 and 2024 and are deemed fully collectible. Accordingly, no allowance for uncollectible pledges has been provided.

#### **Inventory**

Inventory consists of boutique and clinic products and are recorded at cost. Goods donated to the thrift shop are not reflected in the financial statements since no objective basis is available to measure their values.

#### **Intangible Assets**

Intangible assets consist of a donated suite license agreement which is recorded at fair value and amortized on a straight-line basis over the 15-year term of the lease. The donated suite lease is reviewed for impairment at least annually.

#### **Beneficial Interest in Assets Held by the Trustee**

Beneficial interests in assets held by the Trustee are recorded with or without donor restrictions dependent on the existence of donor-imposed restrictions. Beneficial interest in assets held by the Trustee are reported at fair value and changes in the value of the beneficial interest are reported as contribution income.

continued

# JOYBOUND PEOPLE AND PETS

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies, continued

#### Investments

Investments consist of money market funds, exchange traded funds, common stock, bond funds, and equity funds, and are reported at fair value in the statements of financial position. Realized and unrealized gains and losses on investments are included in net investment return including endowment funds in the statements of activities. Investment income and gains or losses are reflected as increases or decreases in the net assets without donor restrictions if the restrictions are met (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the investment income and gains or losses are recognized.

#### Fair Value Measurements

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs - quoted prices in active markets for identical assets

Level 2 inputs - quoted prices in active or inactive markets for the same or similar assets

Level 3 inputs - estimates using the best information available when there is little or no market

Joybound is required to measure certain investments, new pledges and in-kind contributions at fair value. The specific techniques used to measure fair value for these financial statement elements are described in the notes below that relate to each element.

#### Leases

Joybound applies Accounting Standards Codification (“ASC”) 842, *Leases*, in determining whether an arrangement is or contains a lease at the lease inception. An arrangement is considered to include a lease if it conveys the right to control the use of identified property, plant, or equipment for a period of time in excess of twelve months in exchange for consideration. Joybound defines control of the asset as the right to obtain substantially all of the economic benefits from use of the identified asset as well as the right to direct the use of the identified asset. Joybound further determined existing leases are operating and finance leases, which are included in Right-of-use (“ROU”) assets and lease liabilities in the Statement of Financial Position.

continued

# JOYBOUND PEOPLE AND PETS

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies, continued

#### Property and Equipment

Property and equipment are stated at cost of acquisition or construction. Donated property and equipment are recorded at their estimated fair market values at the date of donation. The costs of maintenance and repairs below \$5,000 that neither significantly add to the permanent value of property nor prolong its intended useful life is charged to expense as incurred. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the respective assets. The useful lives of the assets are estimated as follows:

- Building and improvements - Various to 39 years
- Furniture and fixtures - 5 to 7 years
- Vehicles - 10 years
- Machinery and equipment - 3 to 5 years
- Website development costs - 3 years
- Leasehold improvements - 7 years

The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any gain or loss is reflected in the Statement of Activities.

#### Construction in Progress

Joybound incurs various costs during the construction phase of projects, including the Oak Grove Project and the Solo's Play Yard. Such costs may include architectural fees, permits, construction management fees, as well as other construction costs. Joybound records these costs as assets (construction in progress) until the projects are placed in service. Construction in progress is not depreciated until the completion of the construction.

#### Deferred Revenue

Deferred revenue primarily includes advance fees received in connection with a contract with Maddie's Fund for support of community clinics, behavior training and humane euthanasia and other funds received in advance for programs and suite hire. Revenue will be recognized over the period in which the related performance obligations are satisfied.

#### Functional Allocation of Expenses

Costs of providing Joybound programs and other activities have been presented in the Statement of Functional Expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services based upon usage, employee ratios, and square footage of occupied space.

#### Advertising and Promotion Costs

Advertising and promotion costs are generally recorded as expenses when the cost is incurred. Such costs totaled \$104,299 and \$158,016 for the years ended June 30, 2025 and 2024, respectively.

continued

# JOYBOUND PEOPLE AND PETS

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies, continued

#### **Income Taxes**

Joybound is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d and the Massachusetts General Law Chapter 180, Section 4, and is considered by the Internal Revenue Service to be an organization other than a private foundation. Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by Joybound in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. Joybound's returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

#### **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 reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Actual results could differ from those estimates.

#### **Comparative Totals**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Joybound's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

#### **Subsequent Events**

Management has evaluated subsequent events through January 29, 2026, the date which the financial statements were available for issue. No events or transactions have occurred during this period that appear to require recognition or disclosure in the financial statements.

#### **Reclassification**

Certain amounts from the June 30, 2024 financial statements have been reclassified to conform to the June 30, 2025 presentation.

# JOYBOUND PEOPLE AND PETS

## NOTES TO FINANCIAL STATEMENTS

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### 3. Liquidity and Availability of Resources

Financial assets at June 30, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Cash	\$ 799,621	\$ 676,256
Cash savings	1,286,485	1,705,993
Accounts receivable	257,844	24,610
Pledges receivable - current portion	761,400	781,000
Investments	<u>54,746,733</u>	<u>54,541,443</u>
	<u>57,852,083</u>	<u>57,729,302</u>
Less: Financial assets not available for general expenditures:		
Pledges receivable for specified purposes	<u>(720,000)</u>	(700,000)
Investments - endowment with donor restrictions	<u>(2,446,434)</u>	<u>(2,162,658)</u>
Financial assets not available for general expenditures within one year	<u>\$54,685,649</u>	<u>\$54,866,644</u>

Financial assets include amounts that will be used to pay accounts payable, accrued expenses and other distributions from operating cash flow, if any, in the subsequent year.

### 4. Pledges Receivable

Joybound recorded pledges receivable at June 30, 2025 and 2024 as follows:

	<u>2025</u>	<u>2024</u>
Pledges receivable	\$812,400	\$2,113,000
Less: present value discount	<u>(5,460)</u>	<u>(241,636)</u>
Pledges receivable, net	<u>\$806,940</u>	<u>\$1,871,364</u>

Pledges receivable at June 30, 2025 of \$812,400 is expected to be collected as follows:

<u>Year ending June 30,</u>	
2026	\$761,400
2027	31,000
2028	10,000
2029	<u>10,000</u>
	<u>\$812,400</u>

continued

# JOYBOUND PEOPLE AND PETS

## NOTES TO FINANCIAL STATEMENTS

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### 5. Investments

Investments at June 30, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Exchange traded funds	\$34,358,640	\$32,897,666
Bond funds	17,793,333	20,229,715
Equity funds	2,456,820	1,321,452
Common stock	<u>137,940</u>	<u>92,610</u>
	<u>\$54,746,733</u>	<u>\$54,541,443</u>

Investment income, including interest on bank accounts and other sources, are as follows:

	<u>2025</u>	<u>2024</u>
Gain on investments	\$4,222,486	\$4,047,515
Interest and dividends	1,870,647	1,640,934
Investment management fees	<u>(68,251)</u>	<u>(67,427)</u>
	<u>\$6,024,882</u>	<u>\$5,621,022</u>

#### Board Designated Endowment Funds

Joybound's Board Investment Committee provides fiduciary oversight of financial reserves to ensure the long-term financial stability of Joybound and the ability to survive serious and/or unexpected negative events.

Annual contributions to the board designated endowment fund will consist of bequests in excess of budget, determined annually, and were budgeted at \$3,656,424 and \$2,225,000 for the years ended June 30, 2025 and 2024, respectively. With that goal in mind, the Board of Directors has designated endowments of \$51,260,337 and \$50,516,766, at June 30, 2025 and 2024, respectively, which are held in Joybound investment accounts and designated for future general programs and operations.

	<u>2025</u>	<u>2024</u>
Board designated endowment funds, beginning	\$50,516,766	\$46,292,903
Dividend income	1,783,866	1,566,425
Net realized and unrealized gains (losses)	4,022,500	3,898,645
Additions/(appropriations)	(4,997,534)	(1,176,484)
Investment fees	<u>(65,261)</u>	<u>(64,723)</u>
	<u>\$51,260,337</u>	<u>\$50,516,766</u>

continued

# JOYBOUND PEOPLE AND PETS

## NOTES TO FINANCIAL STATEMENTS

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### 5. Investments, continued

#### Beneficial Interest in Assets Held by Trustee

During the year ended June 30, 2021, Joybound was named a 10% beneficiary of certain assets which are held by a third-party trustee (the Trustee) for the benefit of Joybound, and which are currently invested in money-market funds, equities and fixed income securities. The Trustee is authorized in its discretion to use the principal and income of the trust for the payment of any legally enforceable obligations or costs in the administration of the estate. These assets will be held by the Trustee until 2049, at which time Joybound 10% beneficial interest in the remaining assets will be distributed to the organization. Joybound reports its 10% beneficial interest in the assets held by the Trustee at fair value net of a present value discount in the statements of financial position and reports changes in the value of the beneficial interest as contribution income in the statements of activities. As of June 30, 2025 and 2024, the discount rate applied was 7.50% and 8.50%, respectively, based on the federal prime rate.

Joybound beneficial interest of assets held by the Trustee, which are recorded at fair value, are as follows, at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Beneficial interest in investments held by the Trustee- without donor restrictions	<b>\$106,483</b>	\$103,802
Beneficial interest in cash held by the Trustee- without donor restrictions	<u>2,311</u>	<u>2,651</u>
	<b><u>\$108,794</u></b>	<b><u>\$106,453</u></b>

The beneficial interest in assets held by the Trustee comprised of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Beneficial interest in assets held by the Trustee	<b>\$ 836,277</b>	\$ 818,279
Present value discount	<u>(727,483)</u>	<u>(711,826)</u>
	<b><u>\$ 108,794</u></b>	<b><u>\$ 106,453</u></b>

Joybound is entitled to annual distributions of income (loss) based on the change in the fair value of the beneficial interest in the assets, which totaled (\$2,341) and (\$4,589) for the years ended June 30, 2025 and 2024, respectively, and is included in contribution income in the accompanying statements of activities. Furthermore, the Trustee can make additional distributions in its sole discretion.

The beneficial interest in assets held by the Trustee has been valued, as a practical expedient, at the fair value of Joybound's share of the Trustee's investment pool as of the measurement date, utilizing valuations provided by the Trustee and discounted as applied.

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# JOYBOUND PEOPLE AND PETS

## NOTES TO FINANCIAL STATEMENTS

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### 6. Fair Value Measurements

The table below presents the balances of assets measured at fair value at June 30, 2025 on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange traded funds	\$34,358,640	\$ -	\$ -	\$34,358,640
Bond funds	17,793,333			17,793,333
Equity funds	2,456,820			2,456,820
Common stock	<u>137,940</u>	<u>          </u>	<u>          </u>	<u>137,940</u>
	<u>\$54,746,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$54,746,733</u>

The table below presents the transactions measured at fair value on a non-recurring basis during the years ended June 30, 2025:

The table below presents the balances of assets measured at fair value at June 30, 2025 on a non-recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
In-kind contributions	\$ -	\$415,550	\$ -	\$415,550
Pledged contributions – new	<u>          </u>	<u>          </u>	<u>80,400</u>	<u>80,400</u>
Fair value at June 30, 2025	<u>\$ -</u>	<u>\$415,550</u>	<u>\$80,400</u>	<u>\$495,950</u>

The fair value of in-kind contributions has been measured on a non-recurring basis using quoted prices for similar assets in inactive markets (Level 2 inputs).

The fair value of pledged contributions-new is measured on a non-recurring basis based on the value provided by the donor at the date of pledge and on an evaluation of their credit worthiness (Level 3 inputs).

### 7. Property and Equipment

Property and equipment at June 30, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Buildings and improvements	\$22,214,412	21,848,160
Land	10,532,895	10,532,895
Furniture and fixtures	896,686	874,045
Vehicles	688,546	688,546
Computer and equipment	649,811	478,644
Construction in progress	103,532	5,940
Website and development costs	82,781	81,031
Leasehold improvements	<u>74,297</u>	<u>8,560</u>
	<u>35,242,960</u>	<u>34,517,821</u>
Less: accumulated depreciation	<u>(8,797,734)</u>	<u>(7,878,465)</u>
	<u>\$26,445,226</u>	<u>\$26,639,356</u>

continued

# JOYBOUND PEOPLE AND PETS

## NOTES TO FINANCIAL STATEMENTS

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### 7. Property and Equipment, continued

Depreciation expense for the years ended June 30, 2025 and 2024 was \$927,828 and \$852,087, respectively.

### 8. Inventory

Inventories are summarized as follows:

	<u>2025</u>	<u>2024</u>
Miscellaneous items	\$56,502	\$50,343
Joybound wear garments	<u>20,912</u>	<u>3,564</u>
	<u>\$77,414</u>	<u>\$53,907</u>

### 9. Intangible Asset

In December 2019, a donor contributed the rights to a prepaid luxury box-suite on the Owner's Suite Level of the San Francisco 49ers football stadium in Santa Clara, California. No purpose or use restrictions were attached to the donation. The prepaid suite, under terms of a Suite License Agreement and Assumption Agreement (Agreement), included an initial 20-year term covering the period from March 1, 2014 through February 28, 2034. Due to COVID-19, and the Joybound's inability to utilize the benefits set forth in the Agreement for the year covering March 1, 2020 through February 28, 2021, the lessor extended the contract term through February 28, 2035 for no further consideration.

The Agreement was recorded at its fair value at date of donation as determined by an appraisal performed specifically for such purpose. The Agreement was valued at \$4,270,811 at date of donation and is amortized on a straight-line basis over the remaining contract term, at date of acquisition, of approximately 15 years. Intangible assets at June 30, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Intangible asset, cost	\$ 4,270,811	\$ 4,270,811
Accumulated amortization	<u>(1,589,691)</u>	<u>(1,304,970)</u>
	<u>\$ 2,681,120</u>	<u>\$ 2,965,841</u>

Joybound reviews the Agreement for impairment whenever events or changes in circumstances indicate that the carrying value of such asset may not be recoverable. Impairment is measured by a comparison of the net carrying amount of the asset to the value of the suite based on the value of comparable suites in comparable stadiums, use of the suite for scheduled events, the performance of the 49ers football team, the opportunity to list the suite on the open market, and other relevant factors. If the asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value of such asset. There were no impairment losses recognized in 2025 or 2024.

continued

# JOYBOUND PEOPLE AND PETS

## NOTES TO FINANCIAL STATEMENTS

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### 9. Intangible Asset, continued

Joybound accepted the donated stadium suite lease with the intent to use the luxury-suite to provide entertainment to donors, employees, volunteers and other associated individuals and organizations that help to promote and sustain Joybound's mission, fundraising goals and program objectives. Joybound also intends to monetize the asset through short-term rental and possible sale of the suite lease agreement. During the years ended June 30, 2025 and 2024, Joybound recognized \$182,625 and \$263,125, respectively, of suite lease income, which is included in other revenue in the statements of activities. Any transfer or sale of the agreement cannot be made without the approval of Forty-Niners SC Stadium Company LLC, the licensor. Joybound will continue to assess its ability to sell the suite but is currently leasing the suite for various events.

### 10. Accrued Liabilities

Accrued liabilities at June 30, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Accrued payroll	\$515,213	\$411,083
Accrued vacation	418,598	360,373
Other accrued expenses	<u>48,230</u>	<u>-</u>
	<u>\$982,041</u>	<u>\$771,456</u>

### 11. Conditional Promises to Give

Joybound periodically receives conditional grants that require grantors' approval of progress toward milestones set forth in the grant agreements. Revenue is recognized upon meeting the specified condition(s). At June 30, 2025 and 2024, the balance of conditional grants was \$261,061 and \$209,094, respectively.

### 12. Right-of-Use Assets and Lease Liabilities

#### Operating Leases

Joybound evaluated current contracts to determine which met the criteria of a lease. The ROU assets represents Joybound right to use underlying assets for the lease term and the lease liabilities represent Joybound's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. Joybound made an election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. Lease terms, in the calculations, may include renewal or extension options to the extent they are reasonably certain to be exercised. The lease expense will be recognized on a straight-line basis over the lease term.

Joybound's operating leases consist of retail and adoption space.

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# JOYBOUND PEOPLE AND PETS

## NOTES TO FINANCIAL STATEMENTS

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### 12. Right-of-Use Assets and Lease Liabilities, continued

The ROU assets and lease liabilities were determined based on the current terms in force as of June 30, 2025. No additional options have been included.

Cash paid for operating leases for the year ended June 30, 2025 was \$20,844. For the year ended June 30, 2025, the weighted average of the discount rate is 6%, and the weighted average of the remaining lease terms is approximately 4.67 years. There were no non-cash financing transactions related to leasing during the year ended June 30, 2025.

Future maturities of the lease liabilities are as follows:

<u>Year ending June 30,</u>	
2026	\$ 63,157
2027	65,052
2028	67,004
2029	69,014
2030	<u>46,920</u>
Total lease payments	311,147
Less: present value discount	<u>(41,204)</u>
	<u>\$269,943</u>

The underlying ROU assets related to the above liabilities are as follows:

ROU asset balance at July 1, 2024	\$ -
Additions	282,366
Less: amortization of lease	<u>(23,707)</u>
ROU asset balance at June 30, 2025	<u>\$ 258,659</u>

Operating lease expense for the year ended June 30, 2025 was \$32,129.

#### Finance leases

Joybound recognized ROU assets of \$69,705 and finance lease liabilities totaling \$73,828 in its Statement of financial position as of June 30, 2025.

Joybound finance leases consist of copiers/printers.

Future minimum payments, by year and in the aggregate, under this lease consists of the following:

<u>Year ending June 30,</u>	
2026	\$26,952
2027	26,952
2028	<u>26,952</u>
	80,856
Less: present value discount	<u>(7,028)</u>
Lease liability	<u>\$73,828</u>

continued

# JOYBOUND PEOPLE AND PETS

## NOTES TO FINANCIAL STATEMENTS

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### 12. Right-of-Use Assets and Lease Liabilities, continued

The assets relating to this finance lease at June 30, 2025 consists of the following:

ROU assets at July 1, 2024	\$ -
Additions	116,175
Less: accumulated amortization	<u>(46,470)</u>
ROU assets at June 30, 2025	<u>\$ 69,705</u>

### 13. Net Assets With Donor Restrictions

Net assets with donor restrictions for purpose or time at June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Endowment funds (Note 14)	<b>\$2,446,434</b>	\$2,162,658
Shelter to Service building maintenance	<b>2,000,000</b>	2,000,000
Canine Grooming Academy	<b>1,042,265</b>	1,500,000
Hope Fund	<b>127,987</b>	107,583
Humane Education program	<b>22,434</b>	27,054
Other programs	<b>21,472</b>	16,306
Shelter to Service program	-	1,241,566
Solo Play Yard	-	<u>300,000</u>
	<u><b>\$5,660,592</b></u>	<u>\$7,355,167</u>

For the years ended June 30, 2025 and 2024, net assets released from restrictions were \$3,012,764 and \$2,892,549, respectively.

### 14. Endowments

Joybound's endowment net assets consist of funds whose corpus is to remain intact and includes those assets of donor-restricted funds that Joybound must hold in perpetuity and board designated endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Joybound has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding of programs supported by its endowment while also maintaining the purchasing power of the endowment assets, assuming an average inflation rate of 2.5%. In establishing this policy, Joybound considered the long-term expected investment return on its endowment assets. Approved by its Board of Directors, endowment assets are invested in a manner that is intended to produce results that exceed the respective benchmark while assuming a moderate level of investment risk. Accordingly, over the long term, Joybound expects its endowment assets, over time, to produce the highest level of return, net of investment fees, for the desired level of risk. Actual returns in any given year may vary from this amount.

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# JOYBOUND PEOPLE AND PETS

## NOTES TO FINANCIAL STATEMENTS

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### 14. Endowments, continued

The Board of Directors of Joybound has full authority and plenary power to manage, invest and reinvest any principal of the fund and any increase or accumulations to it and any income from it; however, the Board of Directors has a fiduciary duty to maintain the corpus of the donor-restricted endowment fund.

#### Board Designated Endowment Funds

Joybound's Board Investment Committee established the board designated Sustainability Fund provide future financial stability and use towards its programs and general charitable purpose.

#### Donor-Restricted Endowment Funds

Joybound has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), signed into law in California in 2008, as requiring the 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, Joybound classifies as net assets with donor restrictions (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. Joybound considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purpose of Joybound and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation and depreciation of investments, and (6) the investment policies of Joybound.

In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable without purpose restriction. Through June 30, 2025, Joybound has received three donor-restricted endowments, of which the earnings on the corpus balance of \$1,717,049 are restricted as to use. Joybound's donors have indicated that the use of the investment income, including net appreciation, resulting from the donor-restricted endowment funds should be used by Joybound exclusively for the well-being, advancement, preservation and care of small animals in California, as well as for Joybound's Humane Education and Pet Hug Pack programs.

The Board of Directors established a spending rate of no more than 7% of the average annual fair value of the investment balance of the endowment funds for the prior two fiscal year ends. In establishing this policy, Joybound considered the long-term expected return on its endowment assets, the nature and duration of the endowment funds, all of which must be maintained in perpetuity because of donor restrictions and possible effects of inflation. Accordingly, over the long term, Joybound expects their spending policy to allow its endowment to grow at a rate exceeding expected inflation. In the event that the endowment were underwater, the spending rate would be 0%.

# JOYBOUND PEOPLE AND PETS

## NOTES TO FINANCIAL STATEMENTS

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### 14. Endowments, continued

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Joybound to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions and generally result from unfavorable market fluctuations that occur shortly after the investment of new contributions with donor restrictions and continued appropriation for certain programs that were deemed prudent by the Board. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level are classified as an increase in net assets with donor restrictions. There were no aforementioned deficiencies at June 30, 2025 and 2024.

Net changes in endowment funds are as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Balance as of June 30, 2024	\$ 523,070	\$2,162,658	\$2,685,728
Dividend income	-	86,781	86,781
Net realized and unrealized gains	-	199,987	199,987
Appropriations	(196,622)	-	(196,622)
Investment fees	-	(2,992)	(2,992)
Balance as of June 30, 2025	<u>\$ 326,448</u>	<u>\$2,446,434</u>	<u>\$2,772,882</u>

	<b>Without Donor Restriction</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Balance as of June 30, 2023	\$340,564	\$2,124,487	\$2,465,051
Dividend income	-	74,509	74,509
Net realized and unrealized gains	-	148,871	148,871
Appropriations	182,506	(182,506)	-
Investment fees	-	(2,703)	(2,703)
Balance as of June 30, 2024	<u>\$523,070</u>	<u>\$2,162,658</u>	<u>\$2,685,728</u>

### 15. In-kind Contributions

Joybound relies heavily on donated goods and services for its programs. In-kind contributions received for the years June 30, 2025 and 2024 are as follows:

	<b>2025</b>	<b>2024</b>
Goods and services	<b>\$388,324</b>	\$387,436
Vehicles	<u>27,226</u>	<u>30,212</u>
Total in-kind contributions	<b><u>\$415,550</u></b>	<b><u>\$417,648</u></b>

Unless otherwise noted, in-kind contributions did not have donor-imposed restrictions. The contributed goods and services were used entirely for Joybound programs, and the contributed vehicles were monetized as part of Joybound's fundraising efforts. The established fair value of each category of contributions received are as follows:

continued

# JOYBOUND PEOPLE AND PETS

## NOTES TO FINANCIAL STATEMENTS

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### 15. In-kind Contributions, continued

#### Contributed Goods and Services

Contributed goods and services are included in the financial statements at their fair value where an objective basis of measurement is available. Such donated goods for the years ended June 30, 2025 and 2024 were reported as donated goods and services of \$388,324 and \$387,436, respectively, with offsetting expenses recorded in the corresponding categories as follows: program services \$381,834 and \$230,583 and fundraising \$6,490 and \$156,853 for the years ended June 30, 2025 and 2024, respectively.

#### Contributed Vehicles

Joybound uses Car Donation Services, Inc., a third party, to solicit, process and sell vehicles. Though donors contact Car Donation Services, Inc. which handles the processing and sale of the vehicles, donors are aware that the vehicle sales benefit Joybound. The estimated fair value of the contributed vehicles is based on sale amounts received by Car Donation Services, Inc. The net sales amounts of \$27,226 and \$30,212 for the years ended June 30, 2025 and 2024, respectively, are recorded by Joybound as an in-kind contribution.. No vehicles are donated directly to Joybound.

A substantial number of unpaid volunteers have made significant contributions of time to Joybound. For the years ended June 30, 2025 and 2024, volunteers donated approximately 56,918 and 71,980 hours to Joybound, respectively. These hours included approximately 12,834 and 12,789 hours of foster care for animals, respectively. No amounts have been reflected in the financial statements for donated volunteer services since no objective basis is available to measure their value.

### 16. Retirement Plan

Joybound has a 403(b) retirement plan which is offered to all employees who have completed one year of eligible service without regard to minimum age. Joybound contributes a dollar for dollar match up to 3% of the employee's gross compensation. All participating employees may contribute up to the annual IRS limit. Employer contributions for 2025 and 2024 were \$142,911 and \$86,417, respectively.

### 17. Joint Costs

In 2025 and 2024, Joybound conducted activities that included requests for contributions as well as a program component. Those activities include direct mail campaigns and licensing fees. The costs of conducting those activities included a total of \$404,255 and \$480,010 of joint costs for the years ended June 30, 2025 and 2024, respectively, which are not specifically attributable to particular components of the activities. For the years ended June 30, 2025 and 2024, total joint costs allocated to program was \$335,851 and \$307,208, respectively, and \$68,404 and \$172,802, respectively, was allocated to fundraising.