

**People for the Ethical Treatment of Animals, Inc.
Financial Statements**

July 31, 2024

With Independent Auditor's Report Thereon

People for the Ethical Treatment of Animals, Inc.

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Independent Auditor's Report

To the Board of Directors of
People for the Ethical Treatment of Animals, Inc.

Opinion

We have audited the accompanying financial statements of People for the Ethical Treatment of Animals, Inc. (a nonprofit organization), which comprise the statement of financial position as of July 31, 2024, and the related statements 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 People for the Ethical Treatment of Animals, Inc. as of July 31, 2024, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of People for the Ethical Treatment of Animals, Inc. 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.

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 People for the Ethical Treatment of Animals, Inc.'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 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 People for the Ethical Treatment of Animals, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about People for the Ethical Treatment of Animals, Inc.'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.

Saggar & Rosenberg P.C.

Rockville, Maryland
November 21, 2024

People for the Ethical Treatment of Animals, Inc.
Statement of Financial Position
July 31, 2024

Assets

Current assets

Cash and cash equivalents	\$ 6,646,348
Property held for sale, current portion	127,900
Legacies receivable	4,049,301
Pledges receivable	1,012,000
Account receivables	1,539,651
Inventory	101,103
Prepaid expenses	<u>1,010,858</u>

Total current assets	14,487,161
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Property and equipment, net	<u>1,384,254</u>
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Operating lease right-of-use asset	6,625,766
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Other assets

Cash, restricted	70,005
Investments	27,521,699
Prepaid hosting arrangements, net	119,435
Property held for sale, non-current portion	2,455,754
Deposits and other assets	<u>32,371</u>

Total other assets	<u>30,199,264</u>
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Total assets	<u><u>\$ 52,696,445</u></u>
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See Accompanying Footnotes

People for the Ethical Treatment of Animals, Inc.
Statement of Financial Position
July 31, 2024

Liabilities and Net Assets

Current liabilities	
Accounts payable	\$ 2,511,088
Related party payable	1,816,288
Accrued expenses	1,441,723
Operating lease liability, current portion	1,235,020
Annuities payable, current portion	358,995
	<hr/>
Total current liabilities	7,363,114
	<hr/>
Long-term liabilities	
Operating lease liability, non-current portion	5,598,620
Annuities payable, non-current portion	2,640,097
	<hr/>
Total long-term liabilities	8,238,717
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Total liabilities	15,601,831
	<hr/>
Net assets	
Without donor restrictions	
Designated by governing board for legal matters	1,000,000
Undesignated	30,632,600
	<hr/>
Total net assets without donor restrictions	31,632,600
	<hr/>
With donor restrictions	
Purpose restricted	564,671
Time restricted	1,012,000
Endowment	3,885,343
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Total net assets with donor restrictions	5,462,014
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Total net assets	37,094,614
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Total liabilities and net assets	\$ 52,696,445
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See Accompanying Footnotes

People for the Ethical Treatment of Animals, Inc.
Statement of Activities
For the Year Ended July 31, 2024

		With		
		Donor Restrictions		
	<u>Without</u>	<u>Temporary</u>	<u>Endowment</u>	<u>Total</u>
	<u>Donor Restrictions</u>	<u>Restrictions</u>	<u>Funds</u>	
Support and revenue				
Public support				
Contributions and donations	\$ 29,886,239	\$ 14,662,816	\$ -	\$ 44,549,055
Donated services and in-kind contributions	5,971,390	-	-	5,971,390
Legacies and bequests	28,045,341	1,006,269	-	29,051,610
Special event				
Special event - contributions	683,632	-	-	683,632
Total public support	<u>64,586,602</u>	<u>15,669,085</u>	<u>-</u>	<u>80,255,687</u>
Other revenue				
Merchandise sales	151,272	-	-	151,272
Service income	1,388,147	-	-	1,388,147
Net investment gain	3,922,198	-	46,399	3,968,597
Total other revenue	<u>5,461,617</u>	<u>-</u>	<u>46,399</u>	<u>5,508,016</u>
Net assets released from restrictions				
Satisfaction of time restrictions	450,000	(450,000)	-	-
Satisfaction of program restrictions	16,098,247	(16,098,247)	-	-
Total support and revenue	<u>86,596,466</u>	<u>(879,162)</u>	<u>46,399</u>	<u>85,763,703</u>
Expenses				
Program services				
Public outreach and education	23,301,275	-	-	23,301,275
International grassroots campaigns	16,046,751	-	-	16,046,751
Research, investigations, and rescue	24,221,616	-	-	24,221,616
Cruelty-free merchandise	531,845	-	-	531,845
Total program services	<u>64,101,487</u>	<u>-</u>	<u>-</u>	<u>64,101,487</u>
Supporting services				
Membership development	12,567,061	-	-	12,567,061
Management and general	959,072	-	-	959,072
Total supporting services	<u>13,526,133</u>	<u>-</u>	<u>-</u>	<u>13,526,133</u>
Total expenses	<u>77,627,620</u>	<u>-</u>	<u>-</u>	<u>77,627,620</u>
Change in net assets	8,968,846	(879,162)	46,399	8,136,083
Net assets at beginning of year	<u>22,663,754</u>	<u>2,455,833</u>	<u>3,838,944</u>	<u>28,958,531</u>
Net assets at end of year	<u>\$ 31,632,600</u>	<u>\$ 1,576,671</u>	<u>\$ 3,885,343</u>	<u>\$ 37,094,614</u>

See Accompanying Footnotes

People for the Ethical Treatment of Animals, Inc.
Statement of Functional Expenses
For the Year Ended July 31, 2024

	Program Services					Supporting Services			Total Expenses
	Public Outreach and Education	International Grassroots Campaigns	Research, Investigations and Rescue	Cruelty-Free Merchandise	Total	Membership Development	Management and General	Total Supporting Services	
Professional services and consultants	\$ 7,459,739	\$ 3,213,262	\$ 8,084,340	\$ 213,289	\$ 18,970,630	\$ 4,846,666	\$ 522,318	\$ 5,368,984	\$ 24,339,614
Media and press support	6,850,970	681,049	374,190	6,073	7,912,282	1,503,370	73,769	1,577,139	9,489,421
Salaries and related expenses	5,090,929	5,023,720	8,385,610	15,276	18,515,535	26,248	53,044	79,292	18,594,827
Education and promotional costs	1,213,318	1,308,534	1,951,876	1,985	4,475,713	3,909,280	277,047	4,186,327	8,662,040
Donations to charitable organizations	-	3,573,450	1,771,033	-	5,344,483	795	-	795	5,345,278
General operating expenses	905,316	544,177	1,477,321	47,335	2,974,149	999,917	19,811	1,019,728	3,993,877
Rent and other building expenses	608,673	379,582	477,194	69,875	1,535,324	42,534	7,269	49,803	1,585,127
Travel and transportation	272,551	408,593	475,995	552	1,157,691	32,185	356	32,541	1,190,232
Postage	671,857	797,573	1,136,524	81,316	2,687,270	616,636	5,172	621,808	3,309,078
Cost of direct benefits to donors	-	-	-	-	-	348,816	-	348,816	348,816
Cost of goods sold	-	-	-	95,474	95,474	-	-	-	95,474
Telephone and misc. office expenses	227,922	116,811	87,533	670	432,936	240,614	286	240,900	673,836
Total expenses	<u>\$ 23,301,275</u>	<u>\$ 16,046,751</u>	<u>\$ 24,221,616</u>	<u>\$ 531,845</u>	<u>\$ 64,101,487</u>	<u>\$ 12,567,061</u>	<u>\$ 959,072</u>	<u>\$ 13,526,133</u>	<u>\$ 77,627,620</u>
Percent of total expenses	<u>30.02%</u>	<u>20.67%</u>	<u>31.20%</u>	<u>0.69%</u>	<u>82.58%</u>	<u>16.19%</u>	<u>1.23%</u>	<u>17.42%</u>	<u>100.00%</u>

See Accompanying Footnotes

People for the Ethical Treatment of Animals, Inc.
Statement of Cash Flows
For the Year Ended July 31, 2024

Cash flows from operating activities:	
Change in net assets	\$ 8,136,083
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Property and equipment depreciation and amortization	337,712
Prepaid hosting arrangements amortization	27,752
Loss on disposal of property and equipment	8,043
Non-cash lease expense	617,964
Accrued interest payable	(732)
Non-cash donations	(1,211,650)
Net realized and unrealized gains in operating investments	(2,630,061)
Net realized and unrealized gains in endowment investments	(70,134)
Net realized and unrealized gains on property held for sale	(483,297)
Change in assets and liabilities:	
Cash receipts of contributed financial assets	1,212,547
Increase in legacies receivable	(1,624,542)
Decrease in pledges receivable	500,500
Decrease in account receivables	(289,758)
Decrease in inventory	5,544
Decrease in prepaid expenses	80,201
Decrease in deposits and other assets	4,446
Increase in accounts payable	1,227,807
Decrease in related party payable	(504,216)
Increase in accrued expenses	208,172
Decrease in lease liabilities	(585,088)
Net cash provided by operating activities	<u>4,967,293</u>
Cash flows from investing activities:	
Reinvestment of matured securities and purchases of investments	(14,921,958)
Maturities and proceeds from sales of investments	15,087,243
Purchase of property and equipment	(599,524)
Proceeds from sale of property and equipment	(11,431)
Net cash used in investing activities	<u>(445,670)</u>
Cash flows from financing activities:	
Proceeds from annuity contracts	(369,115)
Principal payments on annuity contracts	228,022
Net cash used in financing activities	<u>(141,093)</u>
Net increase in cash and cash equivalents	4,380,530
Cash and cash equivalents at beginning of year	<u>2,335,823</u>
Cash and cash equivalents at end of year	<u><u>\$ 6,716,353</u></u>

See Accompanying Footnotes

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization

People for the Ethical Treatment of Animals, Inc., (“PETA” or the “Organization”) a nonprofit organization formed in 1980, disseminates information about animal abuse, animal protection, and related subjects to the public and encourages people to make compassionate choices. PETA is a charity exempt from income tax under section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation.

The following is a list of the various programs conducted by PETA.

Public Outreach and Information

PETA conducts informational campaigns and publishes materials for children, high school and college students, and educators as well as factsheets, booklets, flyers, posters, and a magazine called *PETA Global* for supporters and other members of the public. PETA’s campaigns which reach millions of people and receive extensive international media coverage involve renowned celebrities, interactive social networking, website features, blog posts, and public service announcements, which are typically placed for free in high-exposure outlets.

In fiscal year 2024, PETA secured free advertising space worth nearly \$4.4 million and logged over 100,000 interactions with the media via news releases, letters, social media, and radio, TV, print, and online interviews.

Total expenses incurred in this program were \$23,301,275.

International Grassroots Campaigns

PETA organizes campaigns to inform the public about the abuse and killing of animals in the experimentation, food, clothing, and entertainment industries, among other types of cruelty. In 2024, PETA organized and led 1,317 demonstrations and sent out millions of letters through online advocacy campaigns to urge companies and individuals to make changes that benefit animals.

Animals in the Experimentation Industry

The U.S. Court of Appeals for the District of Columbia Circuit ruled that the National Institutes of Health (NIH) violated the First Amendment by blocking criticism of animal testing. Its decision came in response to a lawsuit brought on behalf of PETA and an individual plaintiff by lawyers at the Foundation to Support Animal Protection, the Knight First Amendment Institute at Columbia University, and the Animal Legal Defense Fund. It says that NIH’s current and past blocking of keywords—including “monkey(s),” “cats,” “mouse,” “experiment,” “testing,” “PETA,” “torture,” and “revolting”—on its social media pages is illegal. This landmark decision reinforces that NIH can no longer distort public discourse over its work by censoring critics of cruel, pointless experiments on animals.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

As the court explained, allowing NIH to block “words related to animal testing as categorically off-topic ... defies common sense.”

The CITES Animals Committee, which sets international policy for the trade in wild animals, has decided to maintain additional scrutiny of endangered monkeys exported from Cambodia, the Philippines, and Vietnam rather than dropping these animals off the list. This will help keep these animals out of U.S. laboratories. PETA had reviewed documents from these countries and submitted analyses raising legitimate questions regarding the reliability and validity of the countries’ claims about their success with captive breeding. PETA also petitioned the U.S. Fish & Wildlife Service to list these animals as endangered under the federal Endangered Species Act, which would provide them with additional protection.

The Louisiana Supreme Court ruled in PETA’s favor and ordered that Louisiana State University (LSU) can’t keep public records about Christine Lattin’s deadly experiments on sparrows hidden. The university had fought PETA to keep Lattin’s records secret since 2019, saying that it had no records or obligation to provide records that it did have. After PETA won both at trial and before the Louisiana Court of Appeal, LSU appealed to the highest court in the state, which affirmed the decisions of both lower courts, finding that LSU must produce the records—including videos of Lattin’s experiments—that PETA had requested. In addition, LSU paid PETA attorney’s fees and costs awarded by the trial court in the amount of \$73,501.

The National Institute of General Medical Sciences, part of the NIH, announced at a recent conference that it would stop funding the most common types of sepsis experiments on animals and instead shift resources toward superior, human-relevant methods. The move follows years of pressure from PETA and its ongoing lawsuit challenging the agency’s continued funding of failed sepsis experiments on mice and other animals. This lawsuit is the first of its kind to challenge an entire area of research.

After pressure and complaints from PETA, a sleep fragmentation experiment that University of Massachusetts–Amherst experimenter Agnès Lacreuse had moved to the University of Wisconsin–Madison’s Wisconsin National Primate Research Center was halted. UW-Madison had received approval to subject 32 marmosets to 24 nights, over two months, of loud, blaring noises to wake them repeatedly. Instead, six marmoset monkeys were deprived of sleep for just one night.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

After PETA provided the University of Washington Board of Regents with evidence of director Michele Basso's failings and called for her dismissal, she was removed as director of the Washington National Primate Research Center (WaNPRC). Basso, who has long history of utter disregard for the monkeys she experiments on, had botched surgical implants in the skulls of monkeys and was responsible for multiple violations of federal animal welfare laws.

Lawmakers in Washington state introduced a bill that would require transparency at the publicly funded WaNPRC, which has received hundreds of millions of tax dollars in the past 10 years alone. The PRIMATE Act would have required that the WaNPRC publish data annually on the number and species of primates in its facilities, how they're used in experimentation, injuries and deaths, unintended infections and illnesses, violations of the federal Animal Welfare Act (AWA), public funding received, and the composition of oversight committees and boards. The bill followed PETA's campaigns and lawsuits and gained nine cosponsors on its first day. While it ultimately did not pass in this session, it was the first act of the Washington State Legislature challenging the primate center and will likely be reintroduced.

The U.S. Court of Appeals for the Ninth Circuit granted PETA a victory in its appeal of a ruling from the U.S. District Court for the Western District of Washington that permitted members of the University of Washington Institutional Animal Care and Use Committee to have their names redacted in public records responses.

PETA's Science Advancement & Outreach division, in collaboration with a multiorganizational group of researchers and advocates, won the Lush Prize, the largest award offered within the animal-free research community, in Major Science Collaboration. The coveted biannual prize is internationally competitive and recognizes the most promising collaborations that are working to develop and promote alternatives to animal testing. PETA's group triumphed over two fierce competitors, securing a prestigious center-stage spotlight on its work to advance non-animal research methods.

PETA's complaint to the U.S. Department of Agriculture (USDA) resulted in a \$1,000 penalty against Hainan Airlines after confirming its allegation that the company had violated federal law in August 2022 by flying 720 monkeys more than 8,000 miles from Cambodia to Chicago—without being registered with the agency as required. PETA has since confirmed that Hainan Airlines still has no registration and appears to be out of the monkey-transport industry.

Local residents in Bainbridge, Georgia, filed a lawsuit against the city government and multiple county agencies that voted, in violation of Georgia's Open Meetings Act, to approve a plan—which included \$58 million in tax abatements—to build the largest monkey-breeding facility in the U.S. The planned facility would import, breed, and warehouse monkeys destined to be poisoned, mutilated, and killed in pointless laboratory experiments, risking the spread of infectious diseases and degrading the environment.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

According to the lawsuit, the agencies failed to publish notices or agendas, record the presence or absence of their members, and identify individual members who voted to approve the project, along with violating the act in other ways. Local residents have also filed a nuisance lawsuit against the company for the harm that would come to them if the facility is built.

More than 24,000 PETA supporters emailed agency officials at the Taiwan Food and Drug Administration to finalize regulations that removes animal testing as an option for companies wanting to make human iron health claims for marketing their food and beverage products. The testing included feeding baby rats an iron-deficient diet to induce anemia and then feeding them a test food, after which their blood was repeatedly taken. The agency now requires only safe and effective human tests for this purpose.

Recommendations formally and repeatedly made by PETA, some nearly verbatim, were included in the NIH approving a plan to invest in and study animal-free, human-relevant research methods. The program is expected to fund \$35 million to \$40 million a year to “significantly advance understanding of human health and disease.”

After the military heard from PETA, a U.S. Army–funded brain damage experiment on ferrets ended more than six months ahead of schedule at Michigan’s Wayne State University. Ferrets will no longer be purposely bombarded with radio waves, killed, and dissected in this gruesome experiment. PETA is urging the Army to stop subjecting any species to crude and pointless weapon-wounding tests and switch to animal-free methods that are actually relevant to human health.

As many as 18 sheep each year in Albania will no longer be cut apart and killed in medical training courses, thanks to PETA’s donation of two state-of-the-art TraumaMan surgical simulators to Albania’s Advanced Trauma Life Support (ATLS) national program. This brings the total number of countries that have ended the crude use of live dogs, pigs, goats, and sheep for ATLS medical training to 23, following PETA’s donations of 124 TraumaMan simulators, worth more than \$3 million, since 2012.

Charles River Laboratories’ plan to build a proposed monkey facility on environmentally sensitive land in Brazoria, Texas, was canceled after a campaign by PETA and hundreds of local residents who objected to the facility. Charles River, a major contract research organization, faces investigations by federal authorities into alleged illegal smuggling of long-tailed macaques, an endangered species, from Asia to sell to U.S. research laboratories.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

Following pressure from PETA, the University of Texas Southwestern Medical Center ended the use of live animals for invasive medical procedures in its obstetrics and gynecology physician residency training program.

After PETA alerted local authorities to the horrific deaths of 47 monkeys at Fundación Instituto de Inmunología de Colombia, a monkey torture facility, the Office of the Attorney General opened an investigation into the laboratory. Evidence gathered by PETA shows that monkeys were denied veterinary care and choked to death or died from heart attacks, sepsis, tetanus, heatstroke, hypothermia, and other conditions.

After PETA exposed a South American research group's mistreatment of monkeys and got the facility shut down, a Colombian environmental agency found malaria experimenters and owners of the NIH-funded Caucaseco Scientific Research Center and Malaria Vaccine and Development Center responsible for lacking the required permits to capture, confine, and experiment on monkeys. Experimenters Sócrates Herrera and Myriam Arévalo were fined more than \$281,000. The ruling also established that "animal mistreatment" had been committed, and the agency has full custody of the monkeys who were rescued from Herrera's and Arévalo's primate facility (Fundación Centro de Primates) in February 2023. Since animal mistreatment is a crime whose investigation and prosecution are not within the agency's jurisdiction, PETA expects the Office of the Attorney General of Colombia to file criminal charges.

After PETA shared with Universidad del Valle (Univalle) overwhelming evidence of the scientific invalidity and cruelty of the forced swim test—in which rats, mice, or other small animals are dropped into inescapable beakers filled with water and forced to swim for their lives—Univalle decided to ban the experiment. Univalle, the most important research institution in southwest Colombia, is an example for other universities in Latin America to follow.

It is now illegal to conduct new forced swim tests on animals in New South Wales, Australia. This action follows PETA's work with local activist groups and expertise our scientists provided to officials.

Animals in the Food Industry

A coalition of organizations, including PETA, filed a federal lawsuit successfully challenging North Carolina's "ag-gag" law, which was designed to stifle and punish the free speech of whistleblowers who try to investigate agricultural businesses in the state. Because the courts agreed that the coalition had proved that the law could not be constitutionally applied to their investigative and newsgathering activity, the coalition was entitled to reimbursement of the fees incurred to successfully prosecute the claim. In May 2024, the United States District Court for the District of North Carolina awarded the coalition of plaintiffs \$884,987 for legal fees.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

Following pressure from PETA, Alaska Airlines, Delta Air Lines, JetBlue Airways, and United Airlines confirmed that they've added a vegan creamer to flights.

After PETA pushed Oscar Mayer to introduce vegan hot dogs for years, including by purchasing stock and asking questions in shareholder meetings, having activists in pig costumes follow Wienermobiles around, and putting out an action alert, e-mail alerts, and social media posts that convinced tens of thousands of PETA supporters to contact the company, the brand released vegan hot dogs and sausages in 2024.

Due to popular demand, Panda Express is doing another test run of Beyond the Original Orange Chicken in restaurants across the country. PETA encouraged the chain to do so via action alerts, demos, and giveaways.

Following discussions with PETA France and intense pressure from PETA entity supporters, global supermarket giant Carrefour cut ties with its supplier in Indonesia and is ending its sale of frog legs from the country.

PETA launched its "Don't Take My Cheese" Super Bowl ad starring Edie Falco, which played ahead of the game and got over an estimated 197,000 impressions along with extensive media pickup. PETA also released a companion video to the ad online with Edie speaking passionately about why she speaks up for mother cows. PETA posted its 2023 top five vegan-friendly NFL stadiums, too.

PETA launched a new TV ad called "Say Cheese," pointing out that PETA and Gen Alpha are saying "no" to the old tradition of saying "cheese" before a photo. It's gotten nearly a million views online and counting.

PETA asked the Toronto Maple Leafs hockey team to ditch its dairy sponsorship ahead of next season for animals, the players' health, and the melting ice caps.

PETA's "Hell on Wheels" pig and chicken trucks drove across the country. PETA's powerful visuals paired with the sounds of actual slaughterhouse audio captured headlines and engaged thousands of spectators.

After a chicken transport truck crashed in rural western South Carolina, PETA mobilized advocates to go out and search for surviving chickens who had hidden from the cleanup crews. Survivors were taken to a sanctuary for medical care.

PETA distributed thousands of copies of its new "Guide to Truly Sustainable Eating" to combat rampant greenwashing, including "regenerative agriculture." The booklet is available in print or a downloadable digital version.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

PETA sent a fun, pun-laden pitch with a cease-and-desist letter from its attorneys to Jason Bateman, telling him to stop misleading his podcast listeners with ads from Organic Valley. PETA wrote a letter to Will Arnett about similar promotions for Happy Egg Co. on the podcast and are working on regulatory complaints about the company's misleading advertisements.

PETA's "I'm ME, Not MEAT" memorial billboard was placed in over a dozen cities across the U.S. and Canada to help bring the animal rights message into the often underreported news stories of crashes of trucks carrying animals used for their flesh, eggs, or milk.

PETA offered a \$5,000 reward for information leading to the arrest and conviction of the person or people who had set the Rock Island Livestock Auction Barn in Illinois on fire while cows were inside. One cow died in the fire, one escaped, and about 25 more were relocated to safety. Three suspects were arrested on animal torture charges a few days later.

PETA called for a sex strike against men on the heels of a new study showing that men eat more meat than women around the world, therefore contributing more to the climate catastrophe. PETA also put out an ad that says, "Don't Give a F**k. Meat Is Linked to Impotence and Clogs Other Arteries, Too."

PETA's "*Sea Things Differently*" optical illusion ad ran in Miami Beach, Florida, just in time for the opening of stone crab season and the South Beach Seafood Festival. PETA also held a vegan seafood giveaway nearby, where attendees had a chance to grab a packet of Good Catch vegan tuna while they checked out PETA's shifting message that shows a "fishmonger" alternately holding the corpse of a fish and the corpse of a cat in their hands.

After Hasbro and Merlin Entertainments announced plans for a new Peppa Pig Theme Park in Dallas, PETA urged the corporations to make the upcoming park fully vegan. The appeal inspired over 17,000 supporters to join the cause.

PETA secured 350 vegan cookbook donations from publishers for its annual Congressional Veggie Dog Lunch on Capitol Hill in Washington, D.C., so that staff could pass out books promoting ethical, healthy, and delicious eating to the staff at the center of U.S. politics.

Ashley Jackson—actor, activist, and daughter of the Reverend Jesse Jackson—joined PETA to launch our nationwide Food Justice campaign at the historic Metropolitan AME Church in Washington, D.C. PETA handed out almost 200 free vegan meals and bags packed with fresh groceries to attendees. The event and campaign—calling on government officials to stop propping up the meat, egg, and dairy industries with taxpayers' money and instead, redirect those funds to subsidize incentives for grocers in food deserts to stock fresh vegetables, fruits, and other healthy, humane vegan foods—was widely covered.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

Animals in the Clothing Industry

After receiving information from PETA about the cruel ways snakes, crocodiles, and other reptiles are killed for their skin in the fashion industry, upscale brand Tory Burch confirmed that it will no longer use reptile skins.

After hearing from PETA that goats in the cashmere industry scream in pain and fear as they're tied down and their hair is torn out, VF Corporation—which owns Timberland, The North Face, Vans, Dickies, Supreme, JanSport, and other brands—confirmed that no new products in development contain cashmere.

Outdoor retailer Krimson Klover made the responsible decision to replace all down with recycled polyester.

After learning from PETA about the cruel ways birds are raised and killed for their feathers, fashion and accessories retailer Claire's pledged that it will no longer buy feathers for its products.

Apple dropped the use of leather in all of its products after a push from PETA.

PETA wrote to GreaterGood, a retailer and fundraiser for its nonprofit arm, regarding its misleading claims that the products it sells are made from "100% verified and cruelty free wool," "[h]umanely gathered alpaca wool," and "cruelty-free" silk, when no such products meet these criteria. At PETA's request, the company removed these claims from its website.

Following multiple letters from PETA and an investigative video narrated by Bryan Adams, the Canadian Armed Forces (CAF) confirmed that it will test faux bear fur ECOPEL should the need for replacement of the bearskin caps arise. PETA will continue to push the Canadian Armed Forces to remove bearskin caps from its ceremonial uniforms entirely, but this is a significant step forward.

PETA entities launched the first-ever worldwide vegan car interiors survey to help conscientious consumers looking for cruelty-free automobiles. PETA called on Audi, Lexus, Nissan, and Subaru to offer vegan car interiors to their customers.

Following multiple investigations and years of campaigning by PETA entities—including hundreds of thousands of e-mails from PETA supporters—African Union leaders have approved a ban that makes the slaughter of donkeys for their skin illegal across the entire continent for the next 15 years. The moratorium is a major blow to the Chinese *ejiao* industry, which relies heavily on imports of donkey skins from Africa to fuel itself, and will prevent millions of donkeys from enduring painful, terrifying deaths.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

Despite attempts from the city's public art commission to prevent PETA from exercising its First Amendment rights, PETA's "E(n)d Shearin'" sheep statue was installed inside the City Hall Annex in San Angelo, Texas—a city formerly known as the "wool capital of the world." The statue's artwork, designed by *New Yorker* cartoonist Harry Bliss, depicts images of protesting sheep holding signs that read, "I'm Someone, Not a Sweater" and "I Love My Family Deeply."

Animals in the Entertainment Industry

A lawsuit brought by PETA and concerned citizens against notorious roadside outfit Waccatee Zoo in South Carolina reached a settlement ensuring the permanent closure of the facility, banning the operators from owning or exhibiting "exotic" animals in the future (with the exception of free-roaming peacocks currently on the facility property), and imposing strict limitations on its ownership of domestic animals. The settlement came exactly three months after PETA rescued nine captive animals from Waccatee who were then transferred to The Wild Animal Refuge in Colorado. PETA is making efforts to rescue several additional animals and transfer them to sanctuaries before formally concluding the lawsuit.

After PETA alerted the USDA to its undercover investigation showing a Bear Country U.S.A. supervisor kicking cubs and workers admitting to using fireworks to scare mother bears out of their dens so that they could snatch the cubs to put them on display, the agency cited the roadside zoo for causing "trauma, behavioral stress, physical harm, or unnecessary discomfort" to bears. In addition, the agency cited it for allowing lynx to repeatedly escape from an enclosure. The U.S. Occupational Safety and Health Administration also investigated and issued the facility a hazard alert warning, finding that conditions there were likely to cause death or serious physical harm to employees who entered enclosures to abduct baby bear cubs from their anguished mothers.

Following numerous complaints from PETA to various federal and state authorities detailing egregious animal welfare issues and numerous injuries to customers at SeaQuest Trumbull in Connecticut, the notorious shopping mall petting zoo closed. After similar complaints from PETA, SeaQuest Littleton in Colorado also closed its doors and New Jersey Fish & Wildlife sent SeaQuest Woodbridge a 32-page notice of violations listing dozens of examples of animals who were diseased, injured, or mistreated. The agency ordered SeaQuest Woodbridge to immediately change its practices, including by ceasing all unauthorized interactions, and to pay a \$2,500 penalty or risk incurring substantial fines and losing its permits and animals.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

In a rare move by the USDA and the U.S. Department of Justice (DOJ), “exotic”-animal dealer Zachery Keeler, owner of Even Keel Exotics in Michigan, was stripped of his license to exhibit animals, had over 140 animals seized by the feds, and agreed never to possess endangered ring-tailed lemurs in the future. PETA had previously reported Even Keel Exotics for roughly handling a capybara for a news story, and this issue was included among the alleged violations in the DOJ’s case.

Following an alert from PETA, the USDA cited roadside zoo Linvilla Orchards in Pennsylvania for over 15 violations of the AWA, including for filthy conditions and improper care of nearly 350 birds, and issued it an official warning.

Tiger King villain and Myrtle Beach Safari operator Bhagavan “Doc” Antle was convicted in Virginia of two counts of wildlife trafficking and two counts of conspiracy to commit wildlife trafficking under state law. The longtime PETA target was also given a \$10,000 fine, a two-year suspended sentence, five years of probation, and a five-year ban on working with, trading, possessing, or engaging in other activities with non-native “exotic” wildlife.

The USDA revoked the license of Thomas Edmonds, operator of the notorious roadside zoo Walnut Prairie Wildside in Illinois, permanently banning him from exhibiting animals regulated by the AWA, and fined him \$25,100. Edmonds had racked up more than 65 alleged violations of the AWA over four years, and many of the citations were issued after PETA repeatedly alerted the USDA to ongoing and serious concerns at his facility.

Following multiple requests for investigations from PETA, the USDA issued tiger exhibitor Lisa Lopez, operator of All Things Wild, a \$16,000 civil penalty for illegally exhibiting tigers without a license and offering dangerous public feeding opportunities at the Alabama and Georgia state fairs in 2020.

Following reports revealing that organ grinder monkey exhibitors featured at the Sandusky County Fair in Ohio had racked up numerous violations of the AWA, including multiple incidents in which children were bitten by a monkey, PETA sent a letter to fair organizers, urging them to end the use of monkeys in fair exhibits. After PETA’s letter got the attention of local media, an organizer reportedly confirmed that the organ grinder exhibits would not be invited to return to any future fairs.

After learning from PETA that capuchin monkeys experience fear and anxiety when strapped to dogs and forced to race at high speeds in exploitative events like the “Banana Derby,” amusement event coordinator and Avon, Ohio, Summer Festival host KevaWorks told us that it “values the ethical treatment of animals” and pledged that it will no longer book the notorious spectacle at any event it manages in the future.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

Following a yearslong PETA campaign that included several lawsuits, celebrity ads, letters to county officials, and numerous rallies, Miami-Dade County announced that, due to “numerous and significant violations,” the county had terminated the Miami Seaquarium’s lease. This was possible because the county, at PETA’s urging, incorporated a provision to the lease requiring that the facility remain in compliance with the AWA, which it repeatedly failed to do. Four parrots who were suffering at the Seaquarium were moved to the Peaceable Primate Sanctuary in Indiana to receive proper care, healthy food, and appropriate social housing. PETA is helping to fund the construction of the birds’ spacious new enclosures.

PETA sent requests to the USDA and Riverside County officials urging them to take immediate action against Wyld Jungle, an illegal roadside zoo in California run by Michael Holston—a social media influencer with a history of violating state wildlife laws. PETA pointed out that Holston was exhibiting “exotic” animals without a federal license and operating in violation of local county zoning laws. Following the complaints and media attention, Riverside County, California, issued Wyld Jungle a cease-and-desist order.

After PETA notified the USDA that an elderly elephant named Viola escaped from Jordan World Circus while in Butte, Montana, for a performance, the agency cited her exhibitor, the notorious Carson & Barnes Circus, for not properly securing her and failing to protect her from potential injury. Viola had escaped at least twice before—in 2010 and 2014.

Following a PETA campaign, Hallmark, the world’s largest greeting card company, has stopped producing and selling cards featuring unnatural and degrading images of young chimpanzees taken away from their mothers—depictions that are known to hinder conservation efforts. The action comes after PETA held lively demonstrations near the company’s headquarters, ran creative ads, and enlisted the help of celebrities, including Judy Greer, to write heartfelt letters—and PETA supporters sent tens of thousands of e-mails to the card company, which also faced pressure from drugstores that had stopped selling these cards. Hallmark was the last major card manufacturer still selling cards with exploitative images of great apes.

For the first time ever, PETA disrupted a Hollywood movie premiere, *Twisters*, for staging a rodeo scene with horses and glamorizing the blood sport. The protest came only as a last resort after PETA wrote to Universal Pictures, the film’s director, and its executive producer but heard nothing back. Within 48 hours, video footage of the disruption had gone viral, with 6.5 million views and widespread media coverage. Just a few hours after launch, PETA’s action alert urging the studio to stop exploiting animals for its productions had nearly 20,000 supporters.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

After PETA released an undercover investigation revealing that Anheuser-Busch InBev was cutting off the tailbones of the iconic Budweiser Clydesdales and launched an intense campaign, the company announced that it was ending the cruel amputation practice, which it had subjected horses to for decades.

PETA contacted Multnomah County Animal Services asking the agency to investigate the Portland Pickles—an Oregon collegiate summer baseball team—for hosting “Animal Appreciation Night” and allowing an alligator to be displayed in apparent violation of a local ordinance. In response, the agency sent the baseball team and Newport Discovery Zoo (the exhibitor that had apparently supplied the alligator) a letter warning against including dangerous or “exotic” animals at future events.

PETA’s presence in Alaska calling for an end to the Iditarod could not be missed at the race’s Mushers Banquet Gala, the Ceremonial Start, and the Restart. After hearing from PETA and over 60,000 of PETA members and supporters, American Pistachio Growers dropped its sponsorship of notorious Iditarod musher Dallas Seavey.

Krabloonik Dogsledding in Colorado, once the largest operation of its kind in the country, officially shut down. Thanks to dedicated, compassionate residents and local PETA supporters, the Town of Snowmass Village was made more aware of entrenched abuse of dogs and moved to evict the shady facility.

UniverSoul Circus went animal-free after decades of exploiting elephants, tigers, zebras, camels, and other animals in cruel acts. This victory followed a major PETA campaign that included e-mails from over 100,000 supporters, dozens of protests, and help from celebrities like TLC’s Chilli.

The Hadi Shrine announced that it will no longer exploit elephants in its circus following more than 250,000 e-mails from PETA supporters, eye-catching protests at circus shows and Shrine events, and dropped sponsorships. The 2024 Yaarab Shrine Circus didn’t exploit elephants or any other wild animals.

Other Cruelty to Animals

After designer Jun Takahashi sent terrarium dresses that included live captive butterflies down the runway at Paris Fashion Week, PETA urged the founder and creative director of UNDERCOVER never to do so again—and he kindly agreed, writing in a heartfelt letter to us that he regrets trapping butterflies, who should “fly freely in the sky,” and promising “never to use butterflies or living animals in my creations.”

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

When they heard from PETA that endangered macaques are chained, whipped, and forced into a lifetime of labor picking coconuts in Thailand, coconut milk producer Chef's Choice Foods Manufacturer Co. stopped sourcing coconuts from farms in Thailand and switched to importing them from other countries. It makes the brands Chef's Choice and Nature's Charm, both of which are sold throughout the U.S.

PETA asked the Georgia Department of Natural Resources to supplement its message about humanely killing tegus—lizards who aren't native to Georgia—and the agency implemented PETA's recommendations and added content and resources on its website to provide the public with more guidance.

After learning from PETA that breathing-impaired breeds (BIBs)—including bulldogs, pugs, boxers, and other flat-faced dogs—suffer from devastating health conditions, Rite Aid stopped selling greeting cards featuring them at its more than 2,100 stores nationwide. And after discussions with PETA, Wieden+Kennedy—one of the largest independent ad agencies in the world—committed to leaving images of BIBs out of its ads.

PETA's *Abduction* tour landed at 16 schools to "abduct" more than 900 students into a virtual reality experience that shows them what it's like for animals in laboratories. Tour stops included high-profile universities such as Yale, Princeton, MIT, Brown, and Johns Hopkins. PETA also brought *Abduction* to the PETA exhibit at the South by Southwest media convention in Austin, Texas. Professionals and creatives around the world were impressed by the exhibit, using words like "strong," "powerful," and "thought-provoking."

PETA brought to life the peta2 "Your Sign to Save Animals" campaign at music events throughout the U.S. Attendees were invited to spin a zodiac wheel to discover their astrological constellation and how they should help animals according to the stars.

PETA's "Cut Out Dissection" campaign features everything a student needs to know about animal dissection and how to get it out of their school. TeachKind Science, PETA's humane science education division, donated nearly 1,500 eMind accounts and 600 SynFrogs to help schools replace archaic animal dissection with superior, modern, humane teaching methods.

peta2's Rewards Program launched in fall 2023, allowing young people to take action for animals on peta2.com, earn points, and turn them into free animal rights merch to spread the word in their communities and at school.

TeachKind released its first kids' book, *Unlocking the Animal World: Incredible Facts and How Kids Can Be Superheroes for Animals*, by Ingrid Newkirk. PETA mailed thousands of copies to public libraries in states including California, Florida, and Texas—the states where PETA sees the most youth-committed cruelty-to-animals cases, ahead of summer reading programs.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

After a string of unsolved dog abuse cases in the Yakima, Washington, area, TeachKind offered to send bundles of empathy-building books and resources to all elementary schools in the district. The superintendent accepted the offer, saying: “Yakima School District values the importance of nurturing compassion and empathy in our students. We gratefully accept PETA’s book donation as a tool to reinforce values and beliefs within parts of our community.”

The U.S. District Court for the Central District of California dealt a blow to the Los Angeles County Metropolitan Transportation Authority (L.A. Metro) regarding PETA’s successful First Amendment lawsuit against the transit agency. PETA filed the lawsuit after L.A. Metro rejected ads featuring a simple plea to show kindness to animals by going vegan (with no graphic imagery).

The court found aspects of L.A. Metro’s advertisement policy “unreasonable,” “unconstitutional,” and “viewpoint discriminatory.” It issued an injunction to prevent L.A. Metro from enforcing these unconstitutional policies, which included a stipulation prohibiting ads for noncommercial speech—unless the ad was sponsored by a government agency. The injunction prompted L.A. Metro to revise its policy to, among other things, remove the government agency exception, and it then filed a motion to vacate the injunction. After extensive briefing, the court denied L.A. Metro’s request. As a result and per the parties’ agreement, the U.S. Court of Appeals for the Ninth Circuit also dismissed a pending appeal from L.A. Metro as moot. In June 2024, the district court awarded PETA \$250,815 plus interest to cover costs and fees.

Southwest Wyoming Regional Airport apparently had no advertising guidelines when PETA first inquired about running an ad encouraging travelers to choose vegan luggage. But rather than allowing the ad to run, the airport, as alleged in a PETA lawsuit, scrambled to create a set of policy guidelines to attempt to justify rejecting it. PETA’s lawsuit, filed in the U.S. District Court of Wyoming, alleges that the airport’s newfound “policy” is being applied in a discriminatory matter and is both unconstitutionally vague and inherently viewpoint-discriminatory, in violation of the First Amendment. PETA supports its allegations, in part, by claiming that the airport has historically promoted the sale of guns and shooting supplies as well as rodeos, hunting, and other industries that kill animals. The lawsuit also quotes Airport Director Devon Brubaker, who remarked during a recorded board meeting that he thought the content of the PETA ad was “less than appropriate for a family environment.”

PETA submitted a shareholder resolution to challenge Whole Foods’ claims that it leads the industry in “responsible sourcing,” because it continues to sell Thai coconut milk—including through its own 365 brand—despite having received ample evidence of widespread cruelty in the Thai coconut milk industry, as revealed in PETA Asia’s previous investigations.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

PETA launched an action alert against Oceania Cruises, which offers excursion tours to Ko Samui, Thailand, where guests can see exploited monkeys forced to pick coconuts. Within 24 hours of its going live, 15,000 supporters had already sent a letter to the company to express their outrage and demand that it stop these excursions. That number quickly climbed up and over 50,000.

German grocery store chain Lidl moved its supply chain outside of Thailand and applied this to all its stores, including those in the U.S. PETA launched its powerful platform, “Every Animal Is Someone,” along with its new empathy kits, one of which was sent to Mark Zuckerberg after he announced that he was raising cows for slaughter on his Hawaii ranch. PETA sent another to New York City Mayor Eric Adams after he discussed his “hatred” for rats.

PETA worked with California Rep. Ted Lieu’s office to introduce the Glue Trap Prohibition Act. It seeks to ban the use and sale of glue traps, which permanently disable, injure, and kill countless animals every single year. Since the bill’s introduction in January 2024, PETA has collected endorsements from 125 organizations around the country—and the bill has inspired elected officials at the state and city levels to pursue their own glue trap bans.

The Ojai City Council voted unanimously to ban the use and sale of all glue traps from the California city. Ojai is now the second city in the country, after West Hollywood, California, to ban these cruel devices. PETA initiated the ordinance, worked closely with city staff, and gave a presentation to the council before their vote.

PETA worked with local activists and a state representative in New Hampshire to introduce and build support for a bill that would ban the use and sale of glue traps across the state. The bill is in “interim study” for future consideration.

PETA worked with New Hampshire Rep. Ellen Read on H.B. 1102, a first-of-its-kind bill that would have banned the breeding and sale of brachycephalic dogs and cats as well as any other animal bred to have painful deformities. While the bill was eventually tabled, 140 state representatives voted to continue discussion of the bill and it’s expected to be reintroduced in the next legislative session.

Total expenses incurred in this program were \$16,046,751.

People for the Ethical Treatment of Animals, Inc.
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Note 1: Organization (continued)

Research, Investigations, and Rescues

PETA receives hundreds of complaints related to animal abuse and neglect each week and works to rescue abused, neglected, and at-risk animals and organize care for them. PETA also investigates cruelty cases, conducts investigations, gathers evidence of legal violations, and take action to ensure the enforcement of laws and regulations. PETA fieldworkers are out every day in impoverished regions where dogs are often chained or penned outdoors. PETA's outreach isn't limited to the continental U.S.

PETA's mobile spay/neuter clinics sterilized 11,879 animals in fiscal year 2024. The clinics completed 998 of these surgeries on pit bulls and 3,181 surgeries for free or at half the usual cost or less.

PETA's annual multishelter adoption event, Poochella, was well-attended by the public and elected officials. PETA's animal shelter was joined by Chesapeake Animal Services Unit, the Chesapeake Humane Society, the Norfolk Animal Care Center, the Norfolk SPCA, the Portsmouth Humane Society, Reba's Rescue, Virginia Beach Animal Control, and the Virginia Beach SPCA.

PETA partnered again with the Humane Society of Puerto Rico to host a two-day spay/neuter event in the underserved community of Guaynabo, Puerto Rico, which is facing a companion animal overpopulation and homelessness crisis. PETA sterilized and vaccinated 206 animals and provided valuable training and support to shelter staff, who closely observed PETA veterinary clinic staff.

PETA continued to expose the rampant suffering inherent in the pet trade—and encourage people to adopt animals instead—by highlighting illegal cruelty at puppy mills in Illinois, Kansas, Missouri, and Wisconsin.

PETA exposed illegal neglect at an Iowa puppy mill and a Virginia pet store.

PETA exposed further neglect in Pennsylvania's massive guinea pig industry.

PETA partnered with Danville Area Humane Society for a spay/neuter clinic in Danville, Virginia, where PETA sterilized 115 dogs and cats. PETA partnered with Halifax County Paws and Claws for a clinic in South Boston, Virginia, where PETA spayed and neutered 86 dogs and cats.

PETA's team visited Galax, Virginia, for a two-day spay-a-thon, where 229 animal companions were sterilized. In addition, fieldworkers canvassed the area, delivered 25 doghouses to dogs who had inadequate or no shelter at all, arranged veterinary care for ailing animals, checked in on chained dogs they visited when last in the area, and found dozens of chained and penned dogs whose lives they had improved.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

After talks with PETA, the town of Rich Square, North Carolina, unanimously passed a ban on unattended chaining. The ordinance also requires that guardians provide adequate food, water, shelter, and veterinary care. It went into effect on October 1, 2024.

PETA coordinated with officials in East Earl, Pennsylvania, to negotiate the surrender of 19 dogs, who were relegated to a cold garage or left in an outdoor pen without shelter.

In Fairfield, Connecticut, PETA pushed for vigorous prosecution of accused serial cat killer Raymond Neuberger, who was sentenced to prison time, probation, and a lifetime ban on owning animals.

PETA research resulted in the swift arrest of and multiple charges for an Upper Darby, Pennsylvania, woman who had posted videos of herself torturing and killing animals in sexually suggestive ways. She was released on bail and is awaiting trial.

In Clayton, Georgia, PETA organized the seizure of and sanctuary for a donkey with severely overgrown hooves, who's now thriving in a sanctuary.

PETA arranged the seizure of several dehydrated and/or wounded dogs used to guard an abandoned property in Phillipsburg, New Jersey. Their owner was charged with two counts of cruelty to animals.

PETA procured charges against a perpetrator who allegedly beat six puppies to death in Buchanan, Georgia, and the seizure of the remaining dogs. PETA asked the district attorney to ensure that he receive the maximum sentence, undergo a psychiatric evaluation, and be prohibited from owning animals if convicted.

PETA continued to press officials to act after a Fayetteville, North Carolina, police officer was recorded punching a K-9 repeatedly and yanking him off the ground by his collar. When police took no further action publicly against the officer and failed to ensure the dog's safety, PETA demonstrated outside the agency's headquarters—and PETA will continue to keep the pressure on.

In Windsor, North Carolina, PETA worked with the police department to confiscate Dave, a young puppy kept chained outside and suffering from a horrific flea infestation as well as internal parasites, anemia, and mange. Dave received the veterinary care he desperately needed and spent several weeks recovering in protective police custody before he was transferred to Reba's Rescue, where he was quickly adopted.

A worker at a Virginia grooming salon who was recorded hitting dogs was fired after PETA contacted the business owner. Following release of the video footage, which triggered local outrage, police tracked down and charged the woman with cruelty to animals.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

Animals in the Experimentation Industry

In a historic plea agreement following PETA's 2021 undercover investigation, Envigo pleaded guilty to a criminal charge of conspiracy to violate the AWA and a felony charge of conspiracy to violate the federal Clean Water Act. These first-ever federal convictions of a supplier of animals for experimentation leave Envigo facing more than \$35 million in penalties, including a \$22 million fine. PETA's investigator tipped off the government to many of the violations cited in the DOJ's filings, including that Envigo staff killed conscious puppies via excruciating injections into the heart, advised other employees to withhold food from nursing mother dogs, falsely told inspectors that the dogs were being fed every day, and falsified records.

PETA successfully worked with Virginia legislators to pass two important bills. An animal testing transparency bill created a task force to identify deficiencies and make recommendations about transparency at publicly funded animal testing facilities in the state. The task force will examine facilities' violations of federal regulations as well as details about how—and how many—animals are experimented on, including species protected by the AWA, such as dogs, cats, and primates, as well as those not covered, including birds, rats, and mice. A ban on the use of bullhooks, a painful tool used to control elephants, was also passed.

Animals in the Food Industry

Based on evidence gathered during PETA's undercover investigation into Plainville Farms, eight more former workers were convicted of cruelty to animals in Pennsylvania. Even though the company claims that turkeys are "humanely raised" in a "stress-free environment," PETA's investigator filmed workers there repeatedly kicking and throwing turkeys. Nine of the men were sentenced to probation, during which time they will be prohibited from working with animals.

Following a whistleblower tip that animals suffered in filthy conditions at the Ontario Water Buffalo Company, PETA investigated and found systemic animal suffering there. Canadian provincial officials claimed to have investigated the company, but a follow-up visit to the farm found that animals were still being kept amid feces and swarmed by flies. PETA's findings led the operator's main customer, a cheesemaker, to cut ties with the farm.

PETA worked with a whistleblower to expose Lone Star Organic Dairy in Texas, where a cow was found treading weakly in a 14-foot-deep pit of feces and urine. Dead cows and calves were strewn across the ground in the farm's "cemetery." Horizon Organic, the largest supplier of organic milk in North America, suspended sourcing milk from the farm after hearing from PETA. The visuals provided by the whistleblower remind consumers that "organic" is just another meaningless buzzword that has no bearing on animal welfare.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

PETA continues to uncover and share with the public stories of animals whose suffering and violent deaths at slaughterhouses would otherwise go untold, with no one held accountable.

PETA exposed that nearly 2,000 chickens were burned alive on trucks bound for a Louisiana slaughterhouse, that thousands of chickens died on trucks in Missouri, that cattle suffocated in South Dakota, that workers repeatedly shot a steer in the head and cut his throat while he was still conscious in Pennsylvania, that a chicken was punched, that a cow's spinal cord was hacked into while she was still conscious, and that a lame steer was whipped for 20 minutes.

PETA called shoppers' and law-enforcement agencies' attention to the illegal suffering of a downed cow who was repeatedly electroshocked and struck in Idaho as well as the latest incident involving a cow who was found conscious while hanging upside down on a South Dakota kill floor.

PETA exposed egregious suffering in North Dakota, where a cow was hoisted upside down and crying out as a worker slashed her throat and left her to slowly bleed to death.

PETA highlighted the prolonged deaths of cattle in slaughterhouses in Maine and Missouri.

Meat industry workers sprayed cows with scalding-hot water in Florida, beat pigs in Michigan, and fatally denied pigs food and water for more than 35 hours while hauling them through extreme temperatures in Idaho.

PETA revealed that a New Jersey man lifted a crowbar above his head and struck a lamb so hard that a federal inspector could hear the impact of the strike. Prosecutors are investigating.

Animals in the Entertainment Industry

PETA launched an undercover investigation into Atlanta Film Animals—a company that trains and provides animals for the film, television, and advertising industries—which revealed that workers warehoused animals in cold, barren cages; virtually starved them to make them easier to train; and denied sick animals veterinary care. After *The Hollywood Reporter* broke the story, the USDA and local law-enforcement authorities opened investigations.

The Starz series *BMF* agreed to stop using all animals and switch to using props instead after a whistleblower complained to PETA that a dead chicken was decapitated on the set and that the production still planned to use a dead deer and film a violent scene with a horse present.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

The Virginia Office of the Attorney General and State Police executed a search warrant at Natural Bridge Zoo, which has long been the subject of PETA's complaints to local, state, and federal agencies. Nearly 100 animals of 17 species were seized—including birds, reptiles, monkeys, and lemurs—and in March, a jury determined that 71 of those animals would remain in the custody of the government.

PETA investigators rescued a filthy, malnourished Thoroughbred mare just yards away from and moments before she was to enter the largest horse slaughterhouse in South Korea. My Elusive Dream was born in the U.S., used for racing for a short time, and then used for breeding. She was sold to the South Korean racing industry, which continued to breed her until it had no further use for her. PETA arranged for the mare to be flown back home to the U.S. She now lives on hundreds of acres on a Florida farm with other horses formerly used for racing, some of whom were also rescued.

Prosecutors in Georgia charged six jockeys with cruelty to animals and a bookie with felony commercial gambling based on evidence gathered in PETA's groundbreaking undercover investigation into unregulated Quarter Horse races at two "bush tracks" in that state. PETA's investigators captured footage of rampant doping of horses, including injections of cocaine, methamphetamine, and Ritalin; jockeys using electroshock devices and whipping horses relentlessly; and gruesome and fatal injuries to horses and jockeys.

California became the first state in the nation to ban its licensees from any involvement in unregulated Quarter Horse races. This follows PETA's presentation of evidence to the California Horse Racing Board, which then passed the groundbreaking regulation to prevent jockeys, trainers, and owners from participating in or even attending unregulated races.

PETA submitted complaints, with supporting evidence, to the Texas Department of Public Safety and the Texas Animal Health Commission about issues at unregulated bush tracks in the state. These agencies then conducted an unannounced investigation into a bush track in Hereford, Texas, to inspect animal disease paperwork, after which the participants left and the races were canceled.

After a complaint from PETA, New York State Police arrested a harness racing trainer for allegedly beating a horse so violently that the animal had to be euthanized. The trainer was reportedly angry at the horse, Finish Line, for accidentally stepping on his foot. He's been charged with interference with or injury to certain domestic animals and criminal mischief in the second degree, both felonies.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

A man was sentenced to 15 years in prison after pleading guilty to setting fire to a barn at the Tioga Downs harness racing track in New York and burning more than two dozen horses and a cat alive. PETA appealed to the Tioga County district attorney to charge the man for each of the animals killed and not just with a single count of arson and assault. The district attorney agreed and handed down a 105-count indictment.

Following a complaint from PETA, the ruling body of international equestrian sports issued a rare yellow card warning to Brazilian team member Carlos Parro. PETA alerted the officials after receiving photos of Parro on the Olympic grounds just days before the competition pulling his horse's head into a painful, exaggerated position—a violation of international regulations. PETA continued to keep these ongoing violations and abuse in the headlines leading up to our renewed call for the elimination of horses, who are unwilling participants, from the Olympic Games.

Working with Scripps News, PETA released exclusive video footage revealing how very young, inexperienced Thoroughbreds, whose bodies are still fragile, are forced to sprint at top speed just to drive up sales prices at auction. The rare footage of a 2-year-old horse's injury and euthanasia on the track was viewed more than 2 million times on social media. The founder of the National Thoroughbred Alliance, a leading racehorse owner, vowed that he would no longer buy these juvenile horses at auctions and that his organization would work to end the deadly sprints.

Other Campaigns

The *New York Post* broke PETA's undercover investigation into The Veterinarians' Blood Bank, a crude operation that perpetually confines nearly 900 dogs and cats and sells their blood to veterinary clinics. PETA's investigator found that workers bled animals every three weeks—even when they were elderly, emaciated, and sick with bone cancer. A manager offered workers \$200 for each cat they brought to the facility. This worker and others acquired cats from online ads and Facebook posts seeking a good home for them. Local law enforcement investigated.

After PETA's undercover exposé, peaceful protests, and e-mails from more than 50,000 PETA supporters, BluePearl Pet Hospital and VCA Animal Hospitals cut ties with the blood bank. PetVet Care Centers—which operates more than 450 veterinary clinics nationwide—also cut ties with it.

After the Indiana State Board of Animal Health failed to act on any of the evidence provided by PETA's damning investigation, PETA sent personalized letters to all 150 members of the Indiana State Legislature and requested that they introduce legislation to regulate the blood banking industry. Several legislators wrote back with positive responses and are considering addressing the issue during the 2025 legislative session.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

Following PETA's 2018 investigation and the hard-fought passage of a landmark California bill to phase out the operation of businesses that keep dogs perpetually caged for their blood, Hemopet—a captive-canine blood bank near Los Angeles—shut down.

PETA's undercover investigation found that animals at Isaiah 11 Ministry—a self-proclaimed “rescue”—were left to suffer from severe infections, wounds, and more and that dead animals were left to rot. Based on our evidence, local authorities opened a criminal investigation into its owner. PETA staff traveled to Indiana to help the Kosciusko County Sheriff's Office remove all animals from the facility, and PETA secured placement at reputable sanctuaries for various farmed animals. PETA is pushing the county prosecutor to ensure that this hoarder is barred from possessing any animals.

After PETA's 2019 investigation into the world's largest privately owned alpaca farm revealed that animals were cut up and left with bloody wounds, which were sewn up without adequate pain relief—among other violent acts of abuse—Peruvian authorities charged five shearers with cruelty to domestic animals, a historic first in the alpaca industry.

PETA exposed American Ostrich Farms, where a whistleblower reported that birds were beaten and froze to death in the muddy pens where ostriches are confined during the harsh Idaho winter. Local grocers that had sold the birds' flesh quickly distanced themselves from the farm. PETA later connected several whistleblowers with reporters to further expose the systemic cruelty to birds they witnessed at this facility.

After PETA met with a prosecutor in Taiwan about the cruelty of over-ocean pigeon races there, the official led a raid of a pigeon-racing club for suspected illegal gambling and cruelty to animals, seizing cash, computers, and other equipment and rescuing 734 pigeons who had been loaded into crates for a deadly over-ocean race.

After PETA provided detailed data about the extremely low number of birds who survived the spring pigeon races, the prosecutor led another task force that busted a pigeon club on the eve of the start of the summer races. They arrested seven people and seized computers, bank accounts, and gambling paraphernalia in the second such raid in a year.

Total expenses incurred in this program were \$24,221,616.

Cruelty-Free Merchandise Program

PETA encourages and facilitates cruelty-free living by providing compassionate people around the world with consumer products—such as cosmetics and household cleaners that aren't tested on animals, animal-care products, and animal rights T-shirts—informational videos and books, animal-rescue equipment, and campaign materials. These items are available online through the PETA Shopping Guide and the PETA Shop.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 1: Organization (continued)

This fiscal year, Beauty Without Bunnies added 381 new companies to PETA's cruelty-free list, bringing our new total to 6,711. Some notable brands include Axe and Lynx (Unilever) and RoC Skincare.

Total expenses incurred in this program were \$531,845.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of PETA have been prepared in accordance with U.S Generally Accepted Accounting Principles ("US GAAP"), which require PETA to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions- Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of PETA's management and the board of directors.

Net Assets With Donor Restrictions- Net assets subject to stipulations imposed by donors. Some donor-imposed restrictions are temporary in nature; those restrictions 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 the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment gains/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment expenses.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statement of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 2: Summary of Significant Accounting Policies (continued)

Promises to Give

PETA records unconditional promises to give expected to be collected within one year at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Conditional promises to give are not included as support until the conditions are substantially met.

Property and Equipment

PETA capitalizes property, equipment, and betterments over \$1,000 with a useful life greater than one year. Property and equipment are recorded at cost. Property and equipment donated to PETA is recorded at fair market value at the date of donation. The cost of maintenance and repairs is recorded as an expense when incurred.

PETA capitalizes certain costs of software developed for internal use when preliminary development efforts are successfully completed, management has committed project resourcing, and it is probable that the project will be completed, and the software will be used as intended. Such costs are amortized over a straight-line basis of the estimated useful life of the related asset. Costs incurred prior to meeting these criteria, together with costs incurred for training and maintenance, are expensed as incurred.

Depreciation is calculated using the straight-line method over estimated lives of the assets as follows:

Mobile spay/neuter clinics and other vehicles	5 - 7 years
Office furniture and equipment	3 - 7 years
Software	1 - 10 years
Buildings and improvements	7 - 40 years

PETA reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. PETA has determined that no long-lived assets were impaired during the fiscal year.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 2: Summary of Significant Accounting Policies (continued)

Prepaid Hosting Arrangements

PETA treats cloud computing arrangements that do not include a software license as a service contract. Fees associated with the hosting element of the arrangement are expensed as incurred. Implementation costs of the arrangement are capitalized and amortized on a straight-line basis over the term of the hosting arrangement. Prepaid hosting arrangements for fiscal year ended July 31, 2024, comprise of prepaid implementation costs on such arrangements.

Leases

PETA determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (“ROU”) assets, and operating lease liabilities on the balance sheet. ROU asset represents the Organization’s right to use an underlying asset for the lease term and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. PETA includes the impacts of options to extend or terminate the lease in its calculation of the lease term when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

PETA has made the accounting policy election permitted under Accounting Standards Classification (“ASC”) 842, *Leases*, to exclude short-term leases (leases which have a lease term of 12-months or less at the commencement date of the lease and which do not include an option to purchase the underlying asset or option to extend the lease that the Company is reasonably certain to exercise) from recognition requirements of ASC 842.

PETA has elected to separate lease components from non-lease components. Non-lease components consist of the pro-rata portion of common area maintenance fees, taxes, and other assessments, as defined in the respective lease agreements. Non-lease components are not included in the calculation of PETAs ROU asset and liabilities. These amounts are expensed as incurred.

Inventory

Inventory consists of cruelty-free merchandise available for sale. Inventory is valued at the lower of cost or net realizable value. Cost is determined by the first in, first out method.

Cruelty-free merchandise sales revenue is recognized upon shipment of goods.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 2: Summary of Significant Accounting Policies (continued)

Charitable Gift Annuities

Under charitable gift annuity contracts, PETA receives immediate and unrestricted title to contributed assets and agrees to make fixed recurring payments over a stipulated period. Contributed assets are recorded at fair value on the date of receipt. The related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. The excess of contributed assets over the annuity liability is recorded as an unrestricted contribution. In subsequent years, the liability for future annuity payments is reduced by payments made to the specified beneficiaries and is adjusted to reflect amortization of the discount and changes in actuarial assumptions at the end of the year. Upon termination of the annuity contract, the remaining liability is removed and recognized as income.

Accounts Receivable

Accounts receivables are stated at amounts estimated by management to be the net realizable value. PETA charges off accounts receivable when it becomes apparent based upon age or customer circumstances that amounts will not be collected.

Allowance for Credit Losses

The allowance for credit losses is established through charges to the provision for credit losses. The Organization evaluates the adequacy of the allowance for credit losses on a periodic basis. The evaluation includes historical trends in collections and write-offs, managements judgement of the probability of collecting accounts and managements evaluation of business risk. The Organization estimates all receivables at July 31, 2024, to be collectible, therefore, no provision for credit losses has been made.

Legacies Receivable

PETA receives indications of gifts in the form of bequests, which are typically revocable during the donor's lifetime, as well as bequests from deceased donors. Due to the uncertain nature of the intentions from active donors, PETA considers these to be intentions to give and these are not recognized in the financial statements. PETA records a receivable and will record legacies and bequests as revenue when they have an irrevocable right to the gift and the proceeds are readily measurable.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 2: Summary of Significant Accounting Policies (continued)

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of the donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to PETA's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. PETA records donated professional services at the respective fair values of the services received.

Advertising Costs

Advertising costs are expensed as incurred and totaled \$8,958,392 for the year ended July 31, 2024.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 2: Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The cost of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated amount program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated included the following:

Expense	Method of Allocation
Professional services and consultants	Time and effort
Media and press support	Time and effort
Salaries and related expenses	Time and effort
Education and promotional costs	Time and effort
Donations to charitable organizations	Time and effort
General operating expenses	Time and effort
Rent and other building expenses	Square footage
Travel and transportation	Time and effort
Postage	Time and effort
Cost of direct benefit to donors	Time and effort
Costs of goods sold	Time and effort
Telephone and misc. office expenses	Time and effort

Income Taxes

People for the Ethical Treatment of Animals, Inc. is exempt from federal income tax under Section 501(C)(3) of the Internal Revenue Code. The People for the Ethical Treatment of Animals, Inc has been classified as other than a private foundation. Any income determined to be unrelated is taxable. Taxable years before July 31, 2024, are subject to federal and other jurisdictions tax authority examination. Management is of the opinion that no liability will result from these actions.

Estimates

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

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 2: Summary of Significant Accounting Policies (continued)

Subsequent Events

For the year ended July 31, 2024, PETA has evaluated subsequent events for potential recognition and disclosure through November 21, 2024, the date the financial statements were available to be issued and believe there to be no further potential recognition or disclosure.

Note 3: Recently Adopted Accounting Guidance

Credit Losses

In June 2016, the FASB issued Accounting Standard Update (“ASU”) No. 2016-13 *Financial Instruments Credit Losses* (Topic 316), which was further amended in November 2019-10 *Financial Instruments-Credit Losses* (Topic 326). This update changes how organizations recognize credit losses. Instead of recording allowances when amounts are “probable” of not being collected, organizations now use current estimates of all expected credit losses with expanded evaluation criteria, including forecasts. Previously, only past events and current conditions were considered. As amended, the ASU is effective for fiscal years beginning after December 15, 2022, and the organization adopted it in fiscal year 2024. The adoption of the Accounting Standard Update has no impact on prior years net assets.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 4: Availability and Liquidity

The following represents PETA's financial assets at July 31, 2024:

Financial assets at year-end:	
Cash and cash equivalents	\$ 6,716,353
Legacy and accounts receivable	6,600,952
Operating investments	23,690,353
Endowment investments	3,831,346
Property held for sale	<u>2,583,654</u>
 Total financial assets	 <u>43,422,658</u>
 Less: amounts not available to be used within one year	
 Endowment investments	(3,332,979)
Property held for sale, non-current portion	<u>(2,455,754)</u>
 Total amounts not available to be used	 <u>(5,788,733)</u>
 Financial assets available to be used over the next twelve months	 \$ <u>37,633,925</u>

As part of PETA's liquidity, management has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, PETA invests cash in excess of daily requirements in short- term investments.

Note 5: Prepaid Hosting Arrangements

Prepaid hosting arrangements at July 31, 2024, consisted of the following:

Prepaid hosting arrangements	\$ 174,403
Less: accumulated amortization	<u>(54,968)</u>
 Prepaid hosting arrangements, net	 \$ <u>119,435</u>

For the year ending July 31, 2024, there was \$27,752 of amortization expense associated with prepaid hosting arrangements.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 6: Property and Equipment

Property and equipment at July 31, 2024, consisted of the following:

Mobile spay / neuter clinic and other vehicles	\$ 2,258,224
Office furniture and equipment	446,278
Software	971,383
Buildings and improvements	226,588
Land	<u>91,170</u>
	3,993,643
 Less: accumulated depreciation and amortization	 (2,624,889)
 Work in process	 <u>15,500</u>
 Total property and equipment, net	 <u>\$ 1,384,254</u>

Depreciation and amortization expense for the year ended July 31, 2024, was \$337,712.

Note 7: Fair Value Measurements

PETA reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity.

Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable prices that are based on inputs not quoted on active markets but corroborated by market data.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 7: Fair Value Measurements (continued)

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

A significant portion of PETA's investment assets are classified within Level 1 because they are comprised of equity securities, exchange traded funds, and stock funds with readily determinable fair values based on the daily redemption values. PETA invests in corporate bonds and real estate funds that are traded in the financial markets. These investments are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, market-rate assumptions, and are classified with Level 2.

The carrying amount of cash held in money market accounts are accounted for at cost and not categorized in the fair value hierarchy below.

Financial assets measured at fair value on a recurring basis as of July 31, 2024, comprise of PETA's investments summarized in the following tables using the fair value hierarchy:

Operating Investments				
	Level 1	Level 2	Level 3	Total
Corporate bonds	\$ --	\$ 6,464,119	\$ --	\$ 6,464,119
Equity securities	15,071,984	--	--	15,071,984
Treasury securities	836,964	--	--	836,964
Real estate investment trust	--	1,317,286	--	1,317,286
	<u>\$ 15,908,948</u>	<u>\$ 7,781,405</u>	<u>\$ --</u>	<u>\$ 23,690,353</u>

Endowments				
	Level 1	Level 2	Level 3	Total
Corporate bonds	\$ --	\$ 1,989,544	\$ --	\$ 1,989,544
Equity securities	1,733,171	--	--	1,733,171
Real estate fund	--	78,853	--	78,853
Real estate investment trust	--	29,778	--	29,778
	<u>\$ 1,733,171</u>	<u>\$ 2,098,175</u>	<u>\$ --</u>	<u>\$ 3,831,346</u>

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 8: Net Assets

Without Donor Restrictions

The Board of Directors designated \$1 million to cover costs of legal matters. These matters would include the challenges brought by PETA to fight animal abuse and could include defense against challenges made by opponents of animal rights. The Board of Directors wishes to be prepared to defend against future challenges without interrupting PETA's programs.

With Donor Restrictions

Purpose restricted funds of \$1,576,671 are available for campaigns against animal testing, factory farming, and animal cruelty.

Endowments are comprised of seven separate endowment funds with a total value of \$3,885,343 as of July 31, 2024. Under terms of the first endowment fund, 20% of the ordinary earnings from investments are permanently restricted while 35% are available for unrestricted use and the remaining 45% are donated to other organizations. Under the terms of the second endowment fund ordinary earnings from one half of the endowment shall be used for capital expenditures. Under the terms of the third endowment earnings from investments are restricted for campaigns against animal cruelty in India. Earnings on the remaining three endowment funds are unrestricted.

Interpretation of Relevant Law

The Board of Directors of PETA has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) 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, PETA classifies as permanently restricted net assets (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 the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by PETA in a manner consistent with the standard of prudence prescribed by SPMIFA.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 8: Net Assets (continued)

In accordance with SPMIFA, PETA 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 purposes of PETA 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 of investments
- (6) Other resources of PETA
- (7) The investment policies of PETA

Endowment Net Asset Composition by Type of Fund
As of July 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment funds	\$ --	\$ 3,885,343	\$ 3,885,343

Changes in Endowment Net Assets
for the Fiscal Year Ended July 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ --	\$ 3,838,944	\$ 3,838,944
Investment return:			
Investment income	--	46,399	46,399
Contributions	--	--	--
Endowment net assets, end of year	\$ --	\$ 3,885,343	\$ 3,885,343

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 8: Net Assets (continued)

Return Objectives and Risk Parameters

PETA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that PETA must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to preserve principal while earning as much income as possible assuming a low level of investing risk.

Note 9: Defined Contribution Retirement Plan

PETA is a participating employer in a defined contribution plan. To be an eligible participant of the plan, full time employees (working at least 1,000 hours during the plan year) must be 21 years of age and complete one year of service. Employer matching contributions to the plan are at the discretion of the Board of Directors of PETA. Employer contributions for the year ended July 31, 2024, were \$168,657.

Note 10: Related Party Transactions

The Foundation to Support Animal Protection (“FSAP”) is a non-profit organization that supports the activities of various animal protection organizations, including PETA. FSAP and PETA are related through a single common board member.

PETA has entered into agreements to lease office space, tangible and intangible assets from FSAP as more fully described in Note 14. Rental payments to FSAP during fiscal year 2024 were \$1,283,658. In addition, the Foundation provided \$21,539,099 in services to PETA during the fiscal year. At year end, PETA owed FSAP \$1,816,288 and was owed \$875,660 from FSAP. A PETA director serves on the boards of directors of affiliated animal rights organizations in the United States, France, the Asia-Pacific region, Netherlands, the United Kingdom, Germany, Australia, and Switzerland, to which PETA donated \$2,500,973 of cash to assist in their operations during the fiscal year.

Note 11: Concentration of Credit Risk

The Federal Deposit Insurance Corporation (FDIC) insures accounts up to \$250,000 at each financial institution. At July 31, 2024, PETA exceeded insured levels by \$1,246,992.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 12: Donated Professional Services and Materials

PETA received donated professional services and goods as follows during the fiscal year:

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>Total</u>
Legal services	\$ 226,117	\$ --	\$ --	\$ 226,117
Professional services	844,205	7,020	266,583	1,117,808
Advertising	4,459,250	--	407	4,459,657
Rent	21,324	--	--	21,324
Goods	70,477	--	76,007	146,484
	<u>\$ 5,621,373</u>	<u>\$ 7,020</u>	<u>\$ 342,997</u>	<u>\$ 5,971,390</u>

The organization receives various items to be sold at its annual auction. Contributed auction items are valued at their estimated fair market value that they would receive for selling similar goods in their principal market. Donors contributing auction items have unrestricted the proceeds from the sale of auction items. Contributed services are recognized as in-kind revenue based on their estimated fair market value if they create or enhance non-financial assets or require specialized skills that would need to be purchased if they were not donated. The estimated fair value of legal and professional services is provided by the service provider, who estimates the fair value based on the date, time, and market in which the services are rendered. The organization receives contributed legal, professional, and advertising services used for various programs benefiting animal rights.

Note 13: Allocation of Joint Costs

During the fiscal year, PETA incurred joint costs of \$11,407,259 for educational material and activities that included fund-raising appeals. Based on an analysis of the content of these mailings, \$104,336 was allocated to management and general, \$4,012,995 was allocated to membership development and \$7,289,928 was allocated to program expenses. Of the amount allocated to program expenses, \$2,087,034 was allocated to international grass roots campaigns, \$1,668,244 was allocated to public outreach and education, \$3,525,367 was allocated to research, investigations and rescue, and \$9,283 was allocated to the cost of merchandise.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 14: Leases

PETA leases office space and equipment under operating arrangements. PETA's leases subject to ASC 842 expire at various times through July 2039.

The components of lease expense are as follows: for the year ended July 31, 2024:

Operating lease costs	\$ 1,215,175
Short term lease costs	<u>68,482</u>
Total lease expense	\$ <u><u>1,283,657</u></u>

The statement of financial position information related to PETA's leases are as follows as of July 31, 2024:

Operating leases	
Operating lease right-of-use assets	6,625,766
Operating lease liability	(6,833,640)

The future payments under PETA's operating lease agreement are as follows as of July 31, 2024:

2025	\$ 1,235,020
2026	1,235,020
2027	1,248,250
2028	1,087,396
Thereafter	<u>6,291,113</u>
Total payments	11,096,799
Less: imputed interest	<u>(4,263,159)</u>
Total	\$ <u><u>6,833,640</u></u>

The weighted average remaining lease term for PETA's operating leases as of July 31, 2024, is 8 years.

The weighted average discounted rate PETA used to determine the right-of-use asset for operating leases in place as of July 31, 2024, is 2.23% per annum.

People for the Ethical Treatment of Animals, Inc.
Notes to Financial Statements

Note 15: Cash Flows

Supplemental disclosure of cash flow information

PETA paid \$163,950 of interest during the fiscal year.