Oregon Humane Society

Financial Statements
For the Year Ended December 31, 2025
With Independent Auditor's Report

Table of Contents

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Independent Auditor's Report

Board of Directors
Oregon Humane Society
Portland, Oregon

Opinion

We have audited the accompanying financial statements of Oregon Humane Society (dba Oregon Humane) (a nonprofit organization) ("OHS"), which comprise the statement of financial position as of December 31, 2025, 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 OHS as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of OHS 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 financial statements in accordance with U.S. GAAP, 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 OHS's ability to continue as a going concern within one year after the date the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of OHS'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 OHS'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.

Report on Summarized Comparative Information

We have previously audited OHS's fiscal year 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 16, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Perkins & Company, P.C.

Perkins & Company, P.C.
Portland, Oregon
April 16, 2026

Oregon Humane Society
Statement of Financial Position
As of December 31, 2025
(*with summarized comparative information as of December 31, 2024*)

	2025	2024
ASSETS		
Cash and cash equivalents	$ 6,014,635	$ 3,932,294
Accounts receivable, net	207,367	507,983
Contributions and grants receivable, net	495,880	787,646
Bequests receivable, net	3,812,163	3,293,019
Note receivable	1,371,617	1,412,947
Prepaid expenses and other assets	706,324	813,339
Investments	37,453,436	36,981,295
Beneficial interest in charitable trusts held by others	2,405,712	2,242,927
Property and equipment, net	61,294,513	62,804,618
Total assets	$113,761,647	$112,776,068
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	$ 829,432	$ 829,344
Accrued payroll and related expenses	1,852,414	1,874,962
Deferred revenue	178,052	154,687
Liabilities under split-interest agreements	1,202,583	1,276,197
Deferred compensation	2,487,051	2,252,141
Total liabilities	6,549,532	6,387,331
NET ASSETS:		
Without donor restrictions:		
Available for programs and general operations	10,144,704	11,423,272
Board-designated endowment	14,395,813	13,290,442
Net investment in capital assets	61,090,468	62,576,168
Total without donor restrictions	85,630,985	87,289,882
With donor restrictions	21,581,130	19,098,855
Total net assets	107,212,115	106,388,737
Total liabilities and net assets	$113,761,647	$112,776,068

See accompanying notes to financial statements.

Oregon Humane Society
Statement of Activities
For the year ended December 31, 2025
(*with summarized comparative information as of December 31, 2024*)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total 2025	Total 2024
OPERATING REVENUES, GAINS, AND OTHER SUPPORT:				
Contributions and grants	$ 6,003,256	$ 4,659,036	$ 10,662,292	$ 12,054,639
Legacies and bequests	6,868,034	3,718,126	10,586,160	14,878,480
Sales and program fees, less costs of sales of $182,000 and $197,264	8,551,991	-	8,551,991	7,060,800
Investment return, net	3,130,102	(1,372,813)	1,757,289	(229,603)
Special events revenue, less costs of direct benefits to donors of $609,475 and $440,920	1,627,143	-	1,627,143	1,693,498
In-kind contributions	1,402,144	-	1,402,144	1,498,434
Rental income	338,385	-	338,385	695,311
Change in value of beneficial interest in charitable trusts held by others	-	162,785	162,785	9,740
Change in actuarial value of liabilities under split-interest agreements	-	(38,125)	(38,125)	(73,853)
Employee Retention Tax Credits income	2,913,362	-	2,913,362	-
Other income	49,065	-	49,065	74,011
Total operating revenues and gains	30,883,482	7,129,009	38,012,491	37,661,457
Appropriation of endowment and Board-designated investment return for expenditure	1,188,879	(459,227)	729,652	913,136
Net assets released from restrictions for operating purposes	6,189,517	(6,189,517)	-	-
Total operating revenues, gains, and other support	38,261,878	480,265	38,742,143	38,574,593
OPERATING EXPENSES:				
Program services	32,805,920	-	32,805,920	29,559,814
Supporting services	8,220,228	-	8,220,228	7,456,593
Total operating expenses	41,026,148	-	41,026,148	37,016,407
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITIES	(2,764,270)	480,265	(2,284,005)	1,558,186
NON-OPERATING ACTIVITIES:				
Contributions restricted for capital purposes	-	-	-	91,795
Total endowment and Board-designated investment return, less appropriation for expenditure	1,105,373	2,002,010	3,107,383	2,361,051
TOTAL NON-OPERATING ACTIVITIES	1,105,373	2,002,010	3,107,383	2,452,846
CHANGE IN NET ASSETS	(1,658,897)	2,482,275	823,378	4,011,032
NET ASSETS, beginning of year	87,289,882	19,098,855	106,388,737	102,377,705
NET ASSETS, end of year	$ 85,630,985	$ 21,581,130	$ 107,212,115	$ 106,388,737

See accompanying notes to financial statements.

Oregon Humane Society

Statement of Functional Expenses

For the year ended December 31, 2025

(*with summarized comparative information as of December 31, 2024*)

	Program Services						Supporting Services			Total	
	Sheltering and Adoptions	Community Veterinary Services	Community and Education Services	Behavior Consultation and Training	Humane Law Enforcement and Rescue	Total Program Services	Management and General	Fundraising	Total Supporting Services	2025	2024
Salaries	$ 10,687,801	$ 4,083,998	$ 1,416,189	$ 1,219,665	$ 626,081	$ 18,033,734	$ 2,221,389	$ 2,310,641	$ 4,532,030	$ 22,565,764	$ 20,122,429
Payroll taxes and benefits	2,473,284	911,714	293,737	346,895	129,495	4,155,125	761,604	525,857	1,287,461	5,442,586	4,811,440
Depreciation	1,414,604	583,067	109,377	129,566	44,065	2,280,679	147,094	160,559	307,653	2,588,332	2,568,940
Feed, shelter, and program supplies	1,142,912	265,980	13,725	14,115	40,210	1,476,942	11,649	970	12,619	1,489,561	1,103,923
Surgical, medications, and lab	612,171	833,073	-	-	30,173	1,475,417	-	-	-	1,475,417	1,301,522
Occupancy and equipment	564,859	268,819	34,382	223,919	41,638	1,133,617	48,028	18,758	66,786	1,200,403	1,100,785
Repairs and maintenance	493,483	247,420	29,223	191,484	42,459	1,004,069	13,680	15,652	29,332	1,033,401	1,059,808
Professional services	137,620	111,713	11,600	29,882	35,498	326,313	477,232	17,404	494,636	820,949	705,146
Information technology	408,585	167,420	31,888	31,910	12,218	652,021	43,891	47,828	91,719	743,740	781,744
Bank fees	37,894	208,464	193,409	4,921	-	444,688	19,891	196,854	216,745	661,433	475,413
Development and promotion	10,368	1,935	120,105	-	173	132,581	8,656	413,298	421,954	554,535	608,029
Public awareness	-	-	405,688	-	-	405,688	-	31	31	405,719	420,514
Travel and training	192,344	66,998	14,606	17,664	37,870	329,482	26,602	21,597	48,199	377,681	427,521
Insurance	164,852	72,168	12,401	21,334	40,325	311,080	41,939	17,049	58,988	370,068	350,652
Office	177,414	74,008	25,364	14,476	6,368	297,630	21,885	22,345	44,230	341,860	323,609
Direct mail	-	-	-	-	-	-	-	298,817	298,817	298,817	239,355
Event promotion	-	-	-	-	-	-	-	208,454	208,454	208,454	254,538
Other	180,626	74,105	14,399	15,652	62,072	346,854	77,526	23,048	100,574	447,428	361,039
Total expenses	$ 18,698,817	$ 7,970,882	$ 2,726,093	$ 2,261,483	$ 1,148,645	$ 32,805,920	$ 3,921,066	$ 4,299,162	$ 8,220,228	$ 41,026,148	$ 37,016,407

See accompanying notes to financial statements.

Oregon Humane Society
Statement of Cash Flows
For the year ended December 31, 2025
(*with summarized comparative information as of December 31, 2024*)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 823,378	$ 4,011,032
Adjustments to reconcile change in net assets to net		
cash (used in) provided by operating activities:		
Allowance for credits losses on accounts receivable	84,283	-
Change in net present value discount on long-term		
contributions and bequests receivable	546,046	(12,047)
Realized gains on investments	(670,087)	(868,697)
Unrealized gains on investments	(3,893,029)	(863,415)
Change in value of beneficial interest in		
charitable trusts held by others	(162,785)	(9,740)
Distributions from charitable trusts held by others	-	155,980
Depreciation expense	2,588,332	2,568,940
Change in actuarial value of liabilities under		
split-interest agreements	38,125	73,853
Contributions received restricted for long-term investment	(1,287,599)	(1,200,000)
Contributions received restricted for capital expenditures	(3,700)	(149,195)
Changes in operating assets and liabilities that		
provided (used) cash:		
Accounts receivable	216,333	(289,951)
Contributions and grants receivables	292,355	263,058
Bequests receivable	(1,065,779)	1,595,052
Note receivable	41,330	13,984
Prepaid expenses and other assets	107,015	28,941
Accounts payable and accrued expenses	(203,957)	(233,956)
Accrued payroll and related expenses	(22,548)	46,242
Deferred revenue	23,365	63,405
Deferred compensation	234,910	317,549
Net cash (used in) provided by operating activities	(2,314,012)	5,511,035
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	8,811,390	1,674,233
Purchases of investments	(4,720,415)	(7,453,156)
Purchases of property and equipment	(874,182)	(1,984,713)
Net cash provided by (used in) investing activities	3,216,793	(7,763,636)

See accompanying notes to financial statements.

Oregon Humane Society
Statement of Cash Flows
For the year ended December 31, 2025
(*with summarized comparative information as of December 31, 2024*)

	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions received restricted for long-term investment	1,287,599	1,200,000
Contributions received restricted for capital expenditures	3,700	149,195
Proceeds from contributions subject to charitable gift annuity agreements	80,737	573,850
Distributions made under charitable gift annuity agreements	(192,476)	(170,688)
Net cash provided by financing activities	1,179,560	1,752,357
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,082,341	(500,244)
CASH AND CASH EQUIVALENTS, beginning of year	3,932,294	4,432,538
CASH AND CASH EQUIVALENTS, end of year	$ 6,014,635	$ 3,932,294
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Noncash investing activities:		
Purchases of property and equipment recorded in accounts payable	$ 204,045	$ 228,450

See accompanying notes to financial statements.

Oregon Humane Society

Notes to Financial Statements

For the year ended December 31, 2025

(*with summarized comparative information as of December 31, 2024*)

1. Organization

Oregon Humane Society (dba Oregon Humane) ("OHS") is a private animal welfare organization founded in 1868 and incorporated in 1880. OHS's mission is to transform compassion into action, creating an ecosystem where all of us – animals and humans – feel safe, valued, and part of something bigger. OHS's vision is a world where all animals and humans amplify joy for each other. OHS is a stand-alone, nonprofit organization, operating with campuses in Portland and Salem, Oregon. OHS is primarily funded by private donations and service revenues to support pet adoption programs, protect animals from cruelty and neglect, provide accessible veterinary care and training resources, and educate the community on the humane treatment of animals. OHS is not an affiliate of national animal welfare organizations.

2. Program Services and Community Support

Program Services:

OHS's program service include the following major categories:

Sheltering and Adoptions – During the years ended December 31, 2025 and 2024, OHS placed 12,478 and 11,907 pets, respectively, with new families in Oregon, the Pacific Northwest, and beyond. The animals that found new homes constituted an overall live release rate (LRR) of 97% in each year. Through the Second Chance Program, OHS saves more lives by accepting animals from shelters and animal service agencies across Oregon as well as partner shelters in other states such as California, Washington, Hawaii, Louisiana, Texas, and Iowa. Many of these shelters are often overwhelmed by too many animals and too few adopters. In 2025, 7,017 animals were accepted from 62 partner organizations. In 2024, 7,468 animals were accepted from 79 partner organizations.

Live Release Rates

OHS uses the LRR to track the outcome of animals that are brought into its shelters. The LRR accurately reflects the many options for pets that come to the shelter in addition to adoptions – for example, animal transfers to other rescue organizations and animals that are returned to their owners. The LRR does not include end-of-life services.

Live Release Rates for 2025:

- OHS released a total of 13,302 animals, including:
  - 4,055 dogs
  - 8,932 cats
  - 315 small animals
- OHS Overall LLR:
  - Portland Campus: 98%
  - Salem Campus: 95%

Live Release Rates for 2024:

- OHS released a total of 12,128 animals, including:
  - 3,566 dogs
  - 8,367 cats
  - 195 small animals
- OHS Overall LRR:
  - Portland Campus: 97%
  - Salem Campus: 96%

Length of Stay

OHS calculates the average length of stay (LOS) by including the day of arrival through the day of disposition (adoption, transfer, euthanasia, or return to owner). The LOS reflects the entirety of the time the animal was in the care of OHS, including stray animal holding periods, time in foster care, behavioral rehabilitation, and protective custody in criminal cases.

Length of Stay for 2025:

- OHS Overall LOS – 15.3 days
- Portland Campus LOS:
  - Dog LOS averaged 17.5 days (puppies averaged 9.3 days)
  - Cat LOS averaged 13.1 days (kittens averaged 16.2 days)
- Salem Campus LOS:
  - Dog LOS averaged 10.1 days (puppies averaged 10.6 days)
  - Cat LOS averaged 16.3 days (kittens averaged 21.7 days)

Length of Stay for 2024:

- OHS Overall LOS – 15.5 days
- Portland Campus LOS:
  - Dog LOS averaged 19.4 days (puppies averaged 10.6 days)
  - Cat LOS averaged 18.4 days (kittens averaged 18.8 days)
- Salem Campus LOS:
  - Dog LOS averaged 12.4 days (puppies averaged 9.3 days)
  - Cat LOS averaged 15.1 days (kittens averaged 20.1 days)

Off-site Adoption

Bringing pets out into the community for adoption is another way that OHS maintains a high LRR. During the years ended December 31, 2025 and 2024, a total of 373 and 411 animals found homes directly through off-site adoption events, respectively.

Medical Services (Shelter-owned pets and pets from other rescue groups)

In 2025, OHS performed 11,921 surgeries in the Holman Animal Medical Learning Center (AMLC) at the Portland Campus, including 6,272 spay and neuter surgeries for shelter pets, 4,980 spay and neuter surgeries for owned pets through the Spay & Save program, and 669 other essential and emergency surgeries. In addition, the AMLC provided 13,221 medical exams for pets, and helped train 115 Oregon State University (OSU) veterinary students. On the Salem Campus, OHS performed 5,842 surgeries for shelter pets, community cats, owned pets, and pets from other rescue groups.

In 2024, OHS performed 7,319 surgeries in the AMLC, including 6,719 spay and neuter surgeries and 600 other essential and emergency surgeries. In addition, the AMLC provided 11,554 medical exams for pets, and helped train 89 OSU veterinary students. On the Salem Campus, OHS performed 5,471 surgeries for shelter pets, community cats, owned pets, and pets from other rescue groups.

Best Friends' Corner

OHS operates a retail store located in the lobby of the Portland shelter. The store stocks a variety of goods that a new adopter may need to make their new pet feel at home.

In 2025, Best Friends' Corner performed as follows:

- Gross sales: $420,455
- Net loss: $61,299
- Percentage of overall sales attributed to new adopters: 53%

In 2024, Best Friends' Corner performed as follows:

- Gross sales: $406,821
- Net loss: $127,665
- Percentage of overall sales attributed to new adopters: 60%

Volunteers

OHS's volunteers change the world for each dog, cat, rabbit, rodent, or bird they help. Volunteers make OHS's work possible and the lives of the organization's animals and team better through kind and compassionate actions, from offering daily walks, acclimating animals to humans, getting animals settled in the shelter to providing a helping hand to the team. Foster Care has contributed significantly to OHS's volunteer hours. Donating 416,720 hours of service to all programs offered in 2025, volunteers provided services equivalent to 200 full-time employees. Donating 493,245 hours of service to all programs offered in 2024, volunteers provided services equivalent to 237 full-time employees.

2025 Adult Volunteers:

- Total volunteer hours – 104,777 (not including foster volunteer hours)
- Total number of individuals volunteering their time was 2,769
- Volunteer hours for general care, behavior, and enrichment totaled 63,533
- OHS had 1 team deploy to help other agencies for emergency animal sheltering

2025 Youth and Community Groups Program:

- A total of 340 individuals participated in the program, providing 10,443 volunteer hours

2025 Foster Care:

- 909 foster care volunteer families, volunteering 311,943 hours
- Animals fostered totaled 2,825

2024 Adult Volunteers:

- Total volunteer hours – 87,553 (not including foster volunteer hours)
- Total number of individuals volunteering their time was 2,165
- Volunteer hours for general care, behavior, and enrichment totaled 58,129
- OHS had 3 teams deploy to help other agencies for emergency animal sheltering

2024 Youth and Community Groups Program:

- A total of 275 individuals participated in the program, providing 11,883 volunteer hours

2024 Foster Care:

- 831 foster care volunteer families, volunteering 396,666 hours
- Animals fostered totaled 2,315

The primary reasons for animals needing foster care include: animals were too young for adoption, were underweight, still nursing, or were recovering from a medical condition.

Community Veterinary Services – During the year ended December 31, 2025, OHS had 18,448 patient visits to the Community Veterinary Hospital (CVH), including 283 spay and neuter surgeries (which were moved to the AMLC in 2025), 339 dental procedures and 553 other urgent surgeries. In 2025, OHS provided $953,328 in subsidized care. During the year ended December 31, 2024, OHS had 17,989 patient visits to the CVH, including 3,587 spay and neuter surgeries, 312 dental procedures and 139 other urgent surgeries. In 2024, OHS provided $555,717 in subsidized care.

Salem Campus - Community Veterinary Services

OHS's Salem Campus provides medical services primarily for shelter animals, plus spay and neuter services for community cats and owned pets. In 2025, OHS Salem provided 5,842 surgeries, including spay and neuter surgeries for 2,460 shelter pets, 1,121 community cats, 1,847 owned pets, and 232 pets from other rescue groups. In 2024, OHS Salem provided 5,471 surgeries, including 1,148 spay and neuter surgeries to community cats and 1,469 privately owned pets.

Community and Education Services – Fostering skills and understanding that enhance connection between animals and humans are central to OHS's work. Additionally, OHS's communications and marketing department strives to promote critical and helpful information to the community through the media, special events, and real-time photos of animals available for adoption on OHS's website.

In 2025:
- Portland campus visitors totaled 64,786 (on average, 180 people visited the Portland campus each day)
- Visitors to the Salem campus totaled 49,514
- Adoptions at the Portland campus averaged 25 per day
- Adoptions at the Salem campus averaged 10 per day
- OHS issued 67 press releases
- OHS had 3,850 television, radio, and web news stories
- OHS’s magazine reached 27,000 readers each quarter
- OHS’s website averaged 4,420 daily visitors; total new website visits approximated 1,400,269 for the year
- The average time spent on OHS’s website was approximately 2 minutes
- OHS has a robust following on social media with 122,327 followers on Facebook, 75,706 on Instagram, and 19,749 on TikTok.

In 2024:
- Portland campus visitors totaled 66,070 (on average, 186 people visited the Portland campus each day)
- Visitors to the Salem campus totaled 47,602
- Adoptions at the Portland campus averaged 24 per day
- Adoptions at the Salem campus averaged 9 per day
- OHS issued 76 press releases
- OHS had 2,302 television, radio, and web news stories
- OHS’s magazine reached 31,000 readers each quarter
- OHS’s website averaged 4,252 daily visitors; total new website visits approximated 1,556,365 for the year
- The average time spent on OHS’s website was approximately 2 minutes

Humane Education

Education is deeply rooted in OHS's history. Focused on teaching compassion, kindness, and empathy toward animals and people, the Humane Education program is for children, teens, and adults.

In 2025:

- Humane Education reached 100,100 people, including 21,490 children and 78,610 adults.
- Humane Education made 326 school visits in Portland and Salem impacting 7,564 youth and 374 adults.
- 13 summer camp sessions were attended by 378 total campers.
- Humane Education hosted nine career days, 61 tours and field trips, and seven after school clubs.

In 2024:

- Humane Education reached 84,781 people, including 17,127 children and 67,654 adults.
- Humane Education made 317 school visits in Portland and Salem impacting 7,574 youth and 371 adults.
- 13 summer camp sessions were attended by 356 total campers.
- Humane Education hosted nine career days, 59 tours and field trips, and seven after school clubs.

Behavior Consultation and Training – OHS's experienced behavior consultation and training team offers a variety of dog, puppy, cat, and kitten trainings services and are summarized as follows:

In 2025:

- Provided 281 private consultations in Portland and 56 in Salem.
- Public training classes offered numbered 646 in Portland and 306 in Salem.
- 144 dogs and 99 cats were helped through the Behavior Modification Program.
- 115 dogs and 95 cats were adopted through the Behavior Modification Program.
- A volume of 1,023 phone calls and emails were handled by the Behavior Help Line, a free service provided to the community by OHS.

In 2024:

- Provided 512 private consultations in Portland and 69 in Salem.
- Public training classes offered numbered 303 in Portland and 128 in Salem.
- 90 dogs and 103 cats were helped through the Behavior Modification Program.
- 80 dogs and 102 cats were adopted through the Behavior Modification Program.
- A volume of 1,230 phone calls and emails were handled by the Behavior Help Line.

Humane Law Enforcement and Rescue – OHS employs three Humane Special Agents (HSAs) who are commissioned by the Superintendent of Oregon State Police to enforce Oregon's tough animal protection laws statewide. Humane Law Enforcement (HLE) handles a variety of animal welfare complaints. In 2025 and 2024, there were 3,793 and 4,387 calls and e-mail messages to the reporting line, respectively. In 2025, HSAs traveled across Oregon to investigate 791 new cases of animal cruelty leading to 852 animals being seized or surrendered, and 12 criminal cases. In 2024, HSAs traveled across Oregon to investigate 478 new cases of animal cruelty leading to 560 animals being seized or surrendered, and 13 criminal cases. In 2025, The HLE Department assisted outside agencies 166 times and provided 203 veterinary forensic services for cases investigated by OHS and other law enforcement agencies. In 2024, The HLE Department assisted outside agencies 210 times and provided 182 veterinary forensic services for cases investigated by OHS and other law enforcement agencies. In total, 2,048 and 1,015 animals were helped by OHS's HLE Department in 2025 and 2024, respectively. OHS's goal is to save lives and enhance the relationship between people and their pets, while ensuring that the roughly two million pets in the region are protected from abuse or neglect.

Rescue

OHS's Technical Animal Rescue (OHSTAR) members with animal first-aid and rescue training are available to respond to animal rescue situations that require critical technical skills. In 2025 and 2024, OHS staff and volunteers deployed 37 times and 36 times to aid in emergency situations, respectively. The OHSTAR team enriches OHS's mission through saving lives and enhancing the relationship between people and their pets.

Community Support:

OHS draws support from Oregon's communities and beyond, including donors from all of Oregon's counties and nearly every city and town. During 2025, 29,155 individuals, businesses, and foundations made donations to support OHS's work. Of these, 1,405 donors were recognized as members of the President's Circle, honoring their annual commitment of $1,000 or more. During 2024, 30,305 individuals, businesses, and foundations made donations to support OHS's work. Of these, 1,331 donors were recognized as members of the President's Circle.

Donors are offered a broad array of giving options, including the following:

During 2025:

- PAWS monthly gift program, 5,800 generous donors participated with a recurring donation.
- The *Autos-for-Animals* vehicle donation program, which received 424 cars, trucks, RVs, and motorcycles.
- Gifts from estates and trusts, which comprise a significant portion of OHS's operating income. OHS encourages supporters to remember the organization in their estate plans. During the year, 82 new probate estates and matured trusts were opened. Additionally, 199 households shared that they had included OHS in their estate plan.
- Charitable gift annuities are offered to support OHS, with four secured during the year.
- Pet owners can ensure the welfare of animals that might outlive them by participating in the *Friends Forever*™ estate-planning-for-pets program. During the year, ten pets were received under the auspices of the program.

During 2024:

- PAWS monthly gift program, 5,802 generous donors participated with a recurring donation.
- The *Autos-for-Animals* vehicle donation program, which received 497 cars, trucks, RVs, and motorcycles.
- During the year, 99 new probate estates and matured trusts were opened. Additionally, 149 households and 46 organizations shared that they had included OHS in their estate plan.
- Charitable gift annuities are offered to support OHS, with one secured during the year.
- During the year, 19 pets were received under the auspices of the *Friends Forever* program.

3. Summary of Significant Accounting Policies

The significant accounting policies followed by OHS are described below to enhance the usefulness of the financial statements to the reader:

a. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

b. Net Assets

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

Net Assets Without Donor Restrictions: Available for use in general operations and not subject to donor-imposed restrictions; may be expended for any purpose in performing the primary objectives of OHS. These net assets may be used at the discretion of OHS's Board of Directors (the "Board"). Net assets without donor restrictions include net assets designated by the Board for specific purposes or objectives.

Net Assets With Donor Restrictions: Subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of OHS or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. All net assets restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are also reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. When a donor 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 as net assets released from restrictions.

c. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

d. Cash and Cash Equivalents

OHS considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash equivalents held as part of OHS's investment portfolio, and where management's intention is to use the funds to acquire investments to be held long-term, are classified as investments.

e. Accounts Receivable

Accounts receivable are stated at their estimated net realizable value and include amounts billed and currently due from customers for which OHS has an unconditional right to receive payment. OHS extends credit to its customers in the normal course of business. An allowance for credit losses is maintained to provide for the estimated amount of receivables that will not be collected. The allowance is based on OHS's assessment of the collectability of receivables with similar risk characteristics on a pooled basis. OHS writes off uncollectible receivables against the allowance when the likelihood of collection is remote. Recoveries of receivables previously written off are recognized as an offset to provision for credit loss in the year of recovery. As of December 31, 2025 and 2024, the allowance for credit losses totaled $243,384 and $159,101, respectively.

f. Contributions and Grants Receivable

Unconditional written promises to give (contributions) are recognized as an asset and contribution revenue in the period received. Promises to give with payments due in future periods, are recorded as increases in net assets with donor restrictions at the estimated present value of future cash flows using credit adjusted discount rates which correspond to the collection period of the respective pledge. Such discount rates are not subsequently revised. Amortization of the discount is recorded as additional contribution revenue in subsequent years in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible promises to give is estimated by OHS based on factors such as estimated present value of future cash flows using credit adjusted discount rates. Conditional promises to give are recognized when the conditions on which they depend, which consist of both a barrier and a right of return or release, are met. As of December 31, 2025 and 2024, there was no allowance for uncollectible promises to give as management determined all amounts to be collectable.

g. Bequests Receivable

Bequests receivable, for which OHS has been named a beneficiary of a donor's estate or a portion of their estate, are recorded at estimated net realizable value at the point in time that the bequests become irrevocable. As of December 31, 2025 and 2024, all bequests receivable are expected to be collectible within one year, with the exception of one bequest that is structured as an annuity with scheduled payments through fiscal year 2046. This annuity bequest was initially recognized at the estimated present value of future payments using a credit adjusted discount rate which aligns with the collection period. OHS has also been named the beneficiary of numerous other estates, which include real property and other assets. However, because the value of OHS's remaining interest in the assets of the estates is dependent upon the future and uncertain sale of estate property, legal costs, and the realization of other assets, no receivables have been included in the accompanying financial statements for these estates.

h. Fair Value Measurements

Included in the accompanying financial statements are certain financial instruments carried at fair value. The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale; similarly, the fair value of a liability is the amount at which the liability could be transferred in a current transaction between willing parties.

Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality.

All financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined under U.S. GAAP. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markers for identical assets and liabilities and the lowest ranking to fair values determined using methodologies and models with unobservable inputs, as follows:

Fair Value Hierarchy

Assets and liabilities recorded at fair value are measured and classified in accordance with a fair value hierarchy consisting of three “levels” based on the observability of valuation inputs:

- **Level 1:** Fair value measurements based on quoted prices (unadjusted) in active markets that the OHS has the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets. The OHS does not adjust the quoted price for such instruments.

- **Level 2:** Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.

- **Level 3:** Fair value measurements based on valuation techniques that use significant unobservable inputs. Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Therefore, OHS must make certain assumptions about the inputs a hypothetical market participant would use to value that asset or liability.

OHS maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Financial instruments with quoted prices in active markets generally have more pricing observability and require less judgment in measuring fair value. Conversely, financial instruments for which no quoted prices are available have less observability and are measured at fair value using valuation models or other pricing techniques that require more judgment. Pricing observability is affected by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction, liquidity and general market conditions.

In certain cases, the inputs used to measure the fair value of an asset or liability may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

i. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are carried at their fair value in the statement of financial position. Whenever available, quotations from organized securities exchanges are used as the basis for fair value. For investments not traded on organized exchanges, fair value estimates are provided by investment managers.

Gains and losses on the sale of investments are determined using the specific identification method. Realized gains and losses arising from the sale of investments and ordinary income from investments are reported as changes in net assets without donor restrictions unless their use is restricted by explicit donor-imposed stipulations or law. Dividend and interest income are accrued as earned. Income and net gains (losses) on investment of endowment funds are reported in the statement of activities as follows:

- As increases (decreases) in net assets without donor restrictions for Board-designated endowment funds;
- As increases (decreases) in net assets with donor restrictions if the terms of the gift that gave rise to the investment require that they be added to the principal of a permanent endowment fund; or
- As increases (decreases) in net assets without donor restrictions in all other cases.

Net investment return, which includes both current yield (interest and dividend income) and net change in the fair value of investments, is reported in the statement of activities, net of investment expenses. Interest income is accrued as earned. All security transactions are recorded on a trade date basis.

j. Beneficial Interest in Charitable Trusts Held by Others

OHS receives contributions of property in which the donor or donor-designated beneficiary may retain a life interest. The assets are invested and administered by a trustee, and distributions are made to the beneficiaries during the term of the agreement. OHS records its interest in these trusts at fair value based on estimated future cash receipts. Subsequent adjustments to the assets' carrying value are reported as a change in the value of beneficial interest in charitable trusts in the accompanying financial statements and are classified as net assets with or without donor restrictions, depending on the existence of donor-imposed purpose or time restrictions, if any.

k. Property and Equipment

Acquisitions of property and equipment of $2,500 or more are capitalized and recorded at cost. Donated property and equipment are recorded at fair value at the date of the gift. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from five to 40 years. OHS periodically reviews and adjusts, as appropriate, the residual values and useful lives of its assets. Repairs and maintenance costs are charged to expense as incurred.

Contributions of capital assets without donor stipulations concerning the use of such long-lived assets are reported as revenues of the net assets without donor restrictions class. Contributions of cash or other assets to be used to acquire capital assets with such donor stipulations are reported as net assets with donor restrictions; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

l. Liabilities Under Split-Interest Agreements

Obligations to beneficiaries of split-interest agreements are recorded when incurred at the present value of the distributions to be made to the donor-designated beneficiaries. Distributions are paid over the lives of the beneficiaries or another specified period. Present values are determined using discount rates established by the Internal Revenue Service (IRS) and actuarially determined expected lives. Obligations to beneficiaries of gift annuities and charitable trusts are revalued annually at December 31 to reflect actual experience; the discount rate is not changed. The net revaluations, together with any remaining recorded obligations after all gift obligations under terminated agreements have been satisfied, are recorded as a net change in the actuarial value of liabilities under split-interest agreements.

m. Revenue Recognition

OHS evaluates whether each transfer of assets is (1) an exchange (reciprocal) transaction in which a resource provider receives commensurate value in return for the assets transferred, or (2) a nonreciprocal transfer (a contribution or a grant), where no value is exchanged.

Exchange Transactions - If the transfer of assets is determined to be an exchange transaction, OHS recognizes revenue when or as it satisfies the required performance obligations and transfers the promised good or service to a customer, and when the customer obtains control of that good or service.

OHS’s exchange transactions include revenues from sales and program fees such as adoption fees, fees for veterinary procedures, and other program fees. These revenues are generally recognized at the point in time the service is complete. As of December 31, 2025 and 2024, deferred revenue totaling $178,052 and $154,687, respectively, was primarily related to amounts collected in advance from customers for Community Veterinary Services and the Animal Medical Learning Center for which the services had not yet been performed. As of January 1, 2024, deferred revenue totaled $91,282.

Contributions and Grants - If the transfer of assets is determined to be a contribution, OHS evaluates whether the contribution is conditional based upon whether the agreement includes both (1) a barrier that must be overcome to be entitled to the funds and (2) either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Outstanding Legacies - OHS is the beneficiary under various wills and trust agreements, for which the total realizable amounts may not be presently determinable. OHS’s share of such bequests is recorded when the probate court has declared the testamentary instrument valid, and the proceeds are measurable.

n. Contributions and Grants Revenue

Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the donor's commitment is received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Grants are deemed to be nonexchange (nonreciprocal) transactions and fall under the contribution accounting guidance. OHS reports these grants as changes in net assets without donor restrictions when restrictions are met in the same period. Unexpended amounts received but not yet earned as of December 31 would be reported as deferred revenue in the statement of financial position.

Contributions and grants received with donor stipulations that limit the use of the donated assets are reported as net assets with donor restrictions.

o. Functional Allocation of Expenses

The costs of providing the various programs and activities of OHS have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Those expenses include depreciation, which is allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, certain professional services, office expenses, information technology, salaried facility costs, and other expenses, which are allocated on the basis of estimates of time and effort or full time-equivalent estimates.

p. Special Events

Special events (fundraising) revenue includes a portion which represents a reciprocal transaction equal to the cost of direct benefits to donors with the remainder representing contribution revenue. During the years ended December 31, 2025 and 2024, OHS incurred fundraising expenses that directly benefited donors which have been presented as a reduction of special events revenue in the statement of activities.

q. Advertising Costs

Advertising costs are expensed as incurred. During the years ended December 31, 2025 and 2024, advertising expense totaled $762,989 and $862,567, respectively, including donated advertising valued at $0 and $113,435 (Note 20).

r. Concentrations of Credit Risk

Financial instruments which potentially subject OHS to concentrations of credit risk consist primarily of cash and cash equivalents, investments, and receivables.

OHS places its cash and cash equivalents with a limited number of high-quality financial institutions and may exceed the amount of insurance provided on such deposits. All interest-bearing checking and savings accounts, money market deposit accounts, and certificates of deposit are insured by the FDIC for up to $250,000 for each institution. OHS utilizes a demand deposit (“DDM”) sweep account, a daily sweep service that provides FDIC insurance coverage to investors by automatically depositing funds into interest-bearing deposit accounts at one or more banks.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near-term could materially affect the amount reported in the statement of financial position. OHS does not maintain collateral for its receivables.

Certain receivables may also, from time to time, subject OHS to concentrations of credit risk. To minimize its exposure to significant losses from customer or donor insolvencies, OHS’s management evaluates the financial condition of its customers and donors, and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics. As of December 31, 2025, two donors comprised 62% of total contributions and grants receivable and three donors comprised 83% of total bequests receivable. During the year ended December 31, 2025, three donors comprised 41% of total legacies and bequests revenue. As of December 31, 2024, one donor comprised 35% of total contributions and grants receivable and four donors comprised 59% of total bequests receivable. During the year ended December 31, 2024, one donor comprised 13% of total contributions and grants revenue and two donors comprised 55% of total legacies and bequests revenue.

s. Income Taxes

OHS is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. OHS may be subject to tax on income which is not related to its exempt purpose. During the years ended December 31, 2025 and 2024, no such unrelated business taxable income was reported and, therefore, no provision for income taxes has been made. OHS follows U.S. GAAP related to the recognition of uncertain tax positions and recognizes accrued interest and penalties associated with uncertain tax positions in the statement of activities when applicable. Management has determined that OHS had no uncertain tax positions as of December 31, 2025 or 2024 and, therefore, no amounts have been accrued.

t. Operating Results

Operating results reported in the statement of activities reflect all transactions that change net assets without donor restriction, except capital contributions and grants, capital releases, and net investment return on endowment and related assets, less the amount appropriated by the Board to support current operations. In accordance with OHS’s endowment distribution policy, only the portion of total investment return distributed under this policy, to meet operating needs is included in operating revenue. Operating investment income consists of dividends, interest and other investment return earned on net assets without donor restrictions, and non-endowed investments.

u. Subsequent Events

OHS's management has evaluated events that occurred after December 31, 2025 through April 16, 2026, which is the date the financial statements were available to be issued.

4. Liquidity and Availability of Resources

Financial assets available for general expenditure within one year consisted of the following as of December 31:

	2025	2024
Financial assets available:		
Cash and cash equivalents	$ 6,014,635	$ 3,932,294
Accounts receivable	207,367	507,983
Contributions and grants receivable due within one year	351,850	593,942
Bequests receivable due within one year	2,563,082	3,293,019
Note receivable, current portion	42,249	41,255
Investments	37,453,436	36,981,295
	46,632,619	45,349,788
Less financial assets unavailable for expenditure within one year:		
Designated by the Board for quasi-endowment (Note 18)	(14,395,813)	(13,290,442)
Restricted by donors for endowment (Note 18)	(13,111,142)	(10,280,760)
Investments associated with charitable gift annuities (Note 11)	(3,289,493)	(3,003,293)
Restricted by donors for the Lulu Madison Fund (Note 15)	-	(449,940)
	(30,796,448)	(27,024,435)
Plus other funds subject to appropriation for expenditure:		
Subsequent fiscal year endowment appropriations for operations	633,955	585,621
Board-designated funds approved for expenditure	501,582	411,256
	$ 16,971,708	$ 19,322,230

Certain donor-restricted net assets that are temporarily restricted as to purpose have not been subtracted from the balance above, as those restrictions can and will be met as part of general operations within the next year. As part of its liquidity management, OHS has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Additionally, although OHS does not intend to spend from its quasi-endowment, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, such funds could be made available if necessary.

5. Contributions and Grants Receivable

Contributions and grants receivable, net, consisted of the following as of December 31:

	2025	2024
Unconditional promises expected to be collected in less than one year	$ 351,850	$ 593,942
Unconditional promises expected to be collected in one to five years	150,000	200,263
	501,850	794,205
Less discount to net present value	(5,970)	(6,559)
	$ 495,880	$ 787,646

As of December 31, 2025 and 2024, the net present value of estimated future cash flows was measured using discount rates of 3.55% and 2.25%, respectively.

6. Bequests Receivable

Bequests receivable, net, consisted of the following as of December 31:

	2025	2024
Balances expected to be collected in less than one year	$ 2,563,082	$ 3,293,019
Balances expected to be collected in one to five years	382,500	-
Balances expected to be collected in more than five years	1,413,216	-
	4,358,798	3,293,019
Less discount to net present value	(546,635)	-
	$ 3,812,163	$ 3,293,019

As of December 31, 2025, the net present value of estimated future cash flows was measured using a discount rate of 3.55%.

7. Note Receivable

In November 2020, OHS received a promissory note for $1,579,171 from a trustee in settlement of a bequest receivable from the Nancy J. Mathews Trust. The bequest pertained to an estate with a mortgaged property in Portland, Oregon. The promissory note bears interest at 2.2% per annum through maturity in November 2050. OHS receives monthly installments of $6,000, consisting of principal and interest. As of December 31, 2025 and 2024, the note receivable that remained outstanding totaled $1,371,617 and $1,412,947, respectively.

8. Investments

Investments consisted of the following as of December 31:

	2025	2024
Stocks	$ 25,484,620	$ 22,889,784
Fixed income mutual funds	10,594,025	11,500,240
Money market funds	136,596	1,304,391
Cash equivalents	40,239	205,408
Other	-	4,835
	36,255,480	35,904,658
Beneficial interest in assets held at the Oregon Community Foundation	1,197,956	1,076,637
	$ 37,453,436	$ 36,981,295

OHS holds a beneficial interest in 10 funds (together the "Oregon Humane Society Fund" or the "Fund") invested and managed by the Oregon Community Foundation ("OCF"), a separate and unaffiliated nonprofit organization. Under the terms of its agreement with OCF, OHS receives semi-annual distributions of income earned on the investment of the Fund's assets, based on a percentage of the aggregate value of the assets held in the Fund.

OHS accounts for its beneficial interest in the Fund by measuring and subsequently re-measuring the fair market value of the Fund using the equity method of accounting, which approximates the present value of the estimated expected future cash flows that will inure to OHS. Under this method, the initial balance of the Fund was recorded at its fair value on the date the Fund was established and is increased or decreased by the Fund's investment return or losses and decreased by any distributions.

The Fund's assets are invested at the discretion of OCF's Board of Directors and are held in a mixture of asset classes designed to maximize return while minimizing risk. OHS's share of the aggregate valuation disclosed in the preceding table has been provided by OCF. OHS generally receives periodic distributions of the net investment return earned on these assets (generally 4.2% of the average fair market value of the funds using a trailing 13-quarter average). Additional distributions can be made at any time by the affirmative vote of a majority of OHS's Board of Directors and the approval of OCF.

Investments in common stocks are reported at market value as quoted on major stock exchanges. Fixed income instruments and money market funds are reported at quoted market prices.

Investment performance for all accounts managed under investment agreements is periodically reviewed by OHS's finance committee and Board of Directors.

Investments were held for the following purposes as of December 31:

	2025	2024
Donor-restricted endowment funds	$ 9,117,110	$ 7,653,846
Unappropriated endowment earnings	3,825,791	2,283,008
Board-designated funds	14,395,813	13,290,441
Other, unrestricted	10,114,722	13,754,000
	$ 37,453,436	$ 36,981,295

Total investment return, net, is summarized as follows for the years ended December 31:

	2025	2024
Net realized and unrealized gains	$ 4,707,641	$ 1,862,094
Interest and dividends	986,490	1,262,442
Investment fees	(99,807)	(79,952)
	$ 5,594,324	$ 3,044,584

	2025	2024
Endowment and Board-designated investment returns	$ 3,837,035	$ 3,274,187
Operating investment gains (losses)	1,757,289	(229,603)
	$ 5,594,324	$ 3,044,584

Total endowment and Board-designated investment return is summarized as follows for the years ended December 31:

	2025	2024
Total endowment and Board-designated investment return	$ 3,837,035	$ 3,274,187
Less endowment assets appropriated for expenditure (Note 19)	(729,652)	(913,136)
	$ 3,107,383	$ 2,361,051

9. Beneficial Interest in Charitable Trusts Held by Others

OHS was the beneficiary of eight irrevocable charitable remainder trusts and four perpetual trusts established by the wills of donors, as follows as of December 31:

	2025	2024
Long term receivables from charitable remainder trusts	$ 1,809,870	$ 1,674,915
Beneficial interest in perpetual trusts	595,842	568,012
	$ 2,405,712	$ 2,242,927

With respect to the charitable remainder trusts, upon the deaths of the income beneficiaries, OHS will receive all or a portion of the remaining assets of the trusts. Total trust assets at December 31, 2025 were valued at $6,237,885, of which $3,277,713 represented assets allocated to OHS. Total trust assets at December 31, 2024 were valued at $8,311,969, of which $3,330,252 represented assets allocated to OHS

A beneficial interest in charitable trusts of $1,809,870 and $1,674,915 was recorded at December 31, 2025 and 2024, respectively, representing the present value of the estimated future cash flows that will inure to OHS, using discount rates which ranged from 3.0% to 5.0% in 2025 and 3.0% to 6.0% in 2024.

OHS has no control over the investment of trust assets, which are managed by independent third parties. One of the trusts included in this balance, with a current valuation of $166,739, is restricted for investment in OHS's endowment when the trust assets are received.

OHS has recorded its interest in four perpetual trusts for which OHS has been named partial beneficiary. OHS's recorded beneficial interests in the trusts is based on the percentage stated in the trust documents multiplied by the fair market value of the trust assets, which consist of money market funds, mutual funds, government bonds, corporate bonds, and equity securities. OHS has no control over the investment of trust assets, which are managed by independent third parties. In accordance with the terms of the trust, OHS receives distributions of income generated by the trust assets. During the years ended December 31, 2025 and 2024, OHS received distributions of $15,145 and $179,589, respectively. These distributions have been included with legacies and bequests revenue in the statement of activities.

10. Fair Value Measurements

The following financial assets were measured at fair value on a recurring basis as of December 31:

	(Level 1)	(Level 2)	(Level 3)	Total Fair Value
December 31, 2025				
Investments (Note 8)	$ 36,255,480	$ -	$ -	$ 36,255,480
Beneficial interest in assets held at OCF (Note 8)	-	-	1,197,956	1,197,956
Contributions receivable from charitable remainder trusts (Note 9)	-	-	1,809,870	1,809,870
Beneficial interest in perpetual trusts (Note 9)	-	-	595,842	595,842
	$ 36,255,480	$ -	$ 3,603,668	$ 39,859,148

	(Level 1)	(Level 2)	(Level 3)	Total Fair Value
December 31, 2024				
Investments (Note 8)	$ 35,904,658	$ -	$ -	$ 35,904,658
Beneficial interest in assets held at OCF (Note 8)	-	-	1,076,637	1,076,637
Contributions receivable from charitable remainder trusts (Note 9)	-	-	1,674,915	1,674,915
Beneficial interest in perpetual trusts (Note 9)	-	-	568,012	568,012
	$ 35,904,658	$ -	$ 3,319,564	$ 39,224,222

The beneficial interest in assets held by OCF is measured at fair value based upon a discounted cash flow analysis of the expected income, which is equivalent to the fair value of the underlying assets held by OCF. Management's estimate of fair value is based solely upon information provided by OCF (Note 8). Contributions receivable from charitable remainder trusts are measured at fair value based upon a discounted cash flow analysis of the expected income, taking the fair value of the assets held in trust and the life expectancy of the current beneficiaries into consideration (Note 9). The beneficial interest in perpetual trusts is measured at fair value based upon a discounted cash flow analysis of the expected income, taking the fair value of the assets held in trust into consideration (Note 9).

Changes in Level 3 Recurring Fair Value Measurements

The following presents information regarding the changes in Level 3 assets measured at fair value using significant unobservable inputs during the years ended December 31:

	Beneficial Interest in Assets held by OCF	Contributions Receivable from Charitable Remainder Trusts	Beneficial Interest in Perpetual Trusts	Total
2025				
Fair value at beginning of year	$ 1,076,637	$ 1,674,915	$ 568,012	$ 3,319,564
Net change in the beneficial interest in assets held by OCF	163,414	-	-	163,414
Distributions of investment earnings	(42,095)	-	-	(42,095)
Net change in the carrying value of contributions receivable from charitable remainder trusts	-	134,955	-	134,955
Net change in the value of perpetual trusts	-	-	27,830	27,830
	$ 1,197,956	$ 1,809,870	$ 595,842	$ 3,603,668

	Beneficial Interest in Assets held by OCF	Contributions Receivable from Charitable Remainder Trusts	Beneficial Interest in Perpetual Trusts	Total
2024				
Fair value at beginning of year	$ 1,012,456	$ 1,684,416	$ 704,752	$ 3,401,624
Net change in the beneficial interest in assets held by OCF	105,787	-	-	105,787
Distributions of investment earnings	(41,606)	-	-	(41,606)
Net change in the carrying value of contributions receivable from charitable remainder trusts	-	(9,501)	-	(9,501)
Net change in the value of perpetual trusts	-	-	13,260	13,260
Distributions of the remainder portions of charitable remainder trusts	-	-	(150,000)	(150,000)
	$ 1,076,637	$ 1,674,915	$ 568,012	$ 3,319,564

11. Property and Equipment

Property and equipment, net, consisted of the following as of December 31:

	2025	2024
Buildings and improvements	$ 59,707,555	$ 59,393,727
Furniture and equipment	6,908,346	6,317,157
Land improvements	1,277,303	1,202,455
Vehicles	1,170,112	1,212,276
Computer equipment	900,368	805,619
	69,963,684	68,931,234
Less accumulated depreciation	(19,447,376)	(16,904,821)
Land	10,778,205	10,778,205
	$ 61,294,513	$ 62,804,618

12. Liabilities Under Split-Interest Agreements

As of December 31, 2025 and 2024, OHS reported obligations to beneficiaries of charitable gift annuities totaling $1,202,583 and $1,276,197, respectively. As of December 31, 2025 and 2024, OHS had entered into 43 and 42 charitable gift annuity agreements, respectively, whereby OHS has agreed, in return for the gifted assets, to make payments to gift beneficiaries for the remainder of their lives. The liability represents the actuarially determined present value of the estimated future payments to be made to the beneficiaries using discount rates that range from 1.11% to 4.96%. Upon the death of the beneficiary (and, in certain cases, the beneficiary's spouse), OHS will, by its own policy, be free to utilize the balance of the remaining assets.

The issuance of charitable gift annuities in the State of Oregon is generally regulated by the Insurance Division of the State of Oregon, Department of Consumer and Business Services. However, Oregon House Bill 2092, signed into law in 2005, eliminated the regulatory program for charitable gift annuities in the State's Insurance Code, replacing it with a conditional exemption from the Insurance Code for organizations, such as OHS, with at least $300,000 in net assets, a continuous history of at least five years, and that maintain a separate trust fund as a reserve fund adequate to meet the future payments under all outstanding annuity agreements.

As of December 31, 2025 and 2024, OHS held as part of its investment portfolio $3,289,493 and $3,003,293, respectively, in assets associated with charitable gift annuities.

13. Deferred Compensation Agreements

OHS has entered into deferred compensation agreements with selected senior management personnel, some of whom have since retired from OHS. The benefits, which are underwritten by OHS’s general assets, are to be paid over a 10-year period or in a lump sum, as specified in each individual agreement. At December 31, 2025 and 2024, the present value of future payments under these agreements totals $2,487,051 and $2,252,141, respectively.

14. Defined Contribution Plan

OHS provides substantially all full-time, and certain part-time, employees with a qualified safe harbor retirement plan, as described under Section 401(k) of the Internal Revenue Code. Employees who have completed at least 90 days of service and are over 18 years of age qualify to participate in the plan. Employees may elect to make voluntary contributions to the plan, up to the limits allowed by law.

OHS matches employee contributions up to 3.0% of their total annual compensation, plus half of employee contributions between 3.0% and 5.0% of their total annual compensation. Employees select from several investment options. Contributions to the plan from employees and matching contributions from OHS are immediately 100% vested. Matching contributions to the plan by OHS totaled $792,946 and $731,411 during the years ended December 31, 2025 and 2024, respectively.

Employees who are active participants on December 31, and who have worked at least 1,000 hours in that service year, are eligible for discretionary contributions by OHS. Discretionary contributions to the plan vest at the rate of 33% upon the completion of one year of service, 66% upon the completion of two years of service, and are fully vested upon completion of the third year of service. For the years ended December 31, 2025 and 2024, OHS accrued $200,000 in discretionary contributions to the plan, to be paid subsequent to year end.

15. Funds Held by the Oregon Community Foundation

In addition to the funds held at OCF described in Notes 8, 10, and 18, OHS has also been named the beneficiary of numerous funds established at OCF and receives a proportionate share of total annual distributions equal to approximately 4.2% of the average fair value of each fund, based on a 13-quarter trailing average. These funds are not reflected in the accompanying financial statements because OCF retains variance power over the use of the funds; thus, OHS is precluded from recognizing its potential for future distributions. Distributions from these funds are reported as contribution revenue in the period received.

16. Net Assets With Donor Restrictions

The following summarizes OHS's net assets with donor-imposed restrictions as of December 31:

	2025	2024
Restricted for specified purposes:		
The Lulu Madison Fund	$ -	$ 449,940
Subsidized care	1,706	344,924
Moreland Cattery Fund	-	124,739
Other restricted purposes	163,499	594,492
	165,205	1,514,095
Restricted as to time:		
Bequests receivable	3,812,163	3,293,019
Net carrying value of charitable gift annuities	2,086,908	1,727,096
Long-term receivables from charitable remainder trusts	1,809,870	1,674,915
Other contributions receivable, unrestricted as to purpose	-	40,958
	7,708,941	6,735,988
Subject to restriction in perpetuity:		
Endowment funds	13,111,142	10,280,760
Beneficial interest in perpetual trusts	595,842	568,012
	13,706,984	10,848,772
	$ 21,581,130	$ 19,098,855

The Lulu Madison Fund, created in 2006 from a previous perpetual trust, allowed withdrawals of no more than 5.0% annually for operations through 2025. Upon the expiration of this time restriction, the fund was released in full for use in operations.

17. Net Assets Released From Restrictions

OHS incurs expenses in satisfaction of the restricted purposes specified by donors, or satisfies the restriction by the occurrence of other events. Accordingly, corresponding net asset reclassifications have been recorded in the accompanying statement of activities, together with other transfers, as described in the following table:

Net assets released from restrictions are as follows for the year ending December 31, 2025:

	Without donor restrictions	With donor restrictions
Operating transactions-		
Satisfaction of donor restrictions for operating purposes	$ 6,189,518	$ (6,189,518)
Non-operating transactions-		
Satisfaction of donor restrictions for capital purposes	-	-
	$ 6,189,518	$ (6,189,518)

Net assets released from restrictions are as follows for the year ending December 31, 2024:

	Without donor restrictions	With donor restrictions
Operating transactions-		
Satisfaction of donor restrictions for operating purposes	$ 7,244,481	$ (7,244,481)
Non-operating transactions-		
Satisfaction of donor restrictions for capital purposes	514,138	(514,138)
	$ 7,758,619	$ (7,758,619)

18. Board-Designated Net Assets

Board-designated net assets consisted of the following as of December 31:

	2025	2024
Board-designated endowment for the following purposes:		
F. Swigert quasi-endowment fund	$ 10,745,210	$ 9,982,675
Building maintenance fund	3,262,667	3,031,132
Other	80,000	-
Funds held at OCF:		
Willamette Humane Society	122,626	110,158
Medical care	74,951	67,330
Animal-assisted interactions	27,134	24,375
Humane education	27,067	24,315
Investigations and rescue	27,134	24,375
Pet rehabilitation and adoption	27,134	24,375
Susan Carey cat advancement	1,890	1,707
	$ 14,395,813	$ 13,290,442

19. Endowment

OHS's endowment includes both donor-restricted endowment funds and funds designated by the Board to function as an endowment ("quasi-endowment"). As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board to function as an endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

The following summarizes OHS's endowment-related activities for years ending December 31:

		With Donor Restrictions		
	Quasi-endowment	Accumulated endowment return	Endowment principal	Total endowment
Endowment, January 1, 2024	$ 11,612,435	$ 1,599,963	$ 6,862,304	$ 20,074,702
Contributions	-	-	1,200,000	1,200,000
Board-designation	1,000,000	-	-	1,000,000
Change in value of beneficial interest in charitable trusts	-	-	(64,552)	(64,552)
Net investment return	1,198,456	1,075,732	-	2,274,188
Appropriation for expenditure	(520,449)	(392,687)	-	(913,136)
Endowment, December 31, 2024	$ 13,290,442	$ 2,283,008	$ 7,997,752	$ 23,571,202

		With Donor Restrictions		
	Quasi-endowment	Accumulated endowment return	Endowment principal	Total endowment
Endowment, January 1, 2025	$ 13,290,442	$ 2,283,008	$ 7,997,752	$ 23,571,202
Contributions	-	-	1,287,599	1,287,599
Board-designation	80,000	-	-	80,000
Net investment return	2,214,250	2,002,010	-	4,216,260
Appropriation for expenditure	(1,188,879)	(459,227)	-	(1,648,106)
Endowment, December 31, 2025	$ 14,395,813	$ 3,825,791	$ 9,285,351	$ 27,506,955

Interpretation of Relevant Law

The Uniform Prudent Management of Institutional Funds Act ('UPMIFA") governs Oregon charitable institutions with respect to the management, investment and expenditure of donor-restricted endowment funds.

OHS's Board has interpreted UPMIFA as requiring OHS to adopt investment and spending policies that preserve the fair value of the original gift as of the date of gift, absent explicit donor stipulations to the contrary. Although OHS has a long-term fiduciary duty to the donor (and to others) for a fund of perpetual duration, the preservation of the endowment's purchasing power is only one of several factors that are considered in managing and investing these funds. Furthermore, in accordance with UPMIFA, a portion of the endowment's original gift may be appropriated for expenditure in support of the restricted purposes of the endowment if this is consistent with a spending policy that otherwise satisfies the requisite standard of prudence under UPMIFA.

As a result of this interpretation, OHS classifies as endowment principal (1) the original value of gifts donated to the donor-restricted endowment, (2) subsequent gifts to the endowment, and (3) accumulations to the endowment made pursuant to the direction of the applicable donor gift instrument.

Net earnings (realized and unrealized) on the investments within endowment assets are classified as accumulated endowment return until those amounts are appropriated for expenditure by the Board in a manner consistent with the standard of prudence prescribed by UPMIFA and until expended in a manner consistent with the purpose or time restrictions, if any, imposed by the donors. Any investment return classified as endowment principal represents only those amounts required to be retained permanently as a result of explicit donor stipulations.

In the absence of donor stipulations or law to the contrary, losses or appropriations of a donor-restricted endowment reduce accumulated endowment return to the extent that donor-imposed restrictions on net appreciation of the fund have not been satisfied before the loss or appropriation occurs. Any remaining loss or appropriation reduces endowment principal.

Endowments with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowments may fall below the level that the donor or UPMIFA requires OHS to retain as a fund of perpetual duration. In addition, the Board interprets UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law, and OHS has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater.

Investment and Spending Policies

In accordance with UPMIFA, OHS's Board has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs and operations supported by its endowment, while also seeking to maintain the long-term purchasing power of the endowment assets. Therefore, the Board considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the OHS and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of OHS
- The investment policies of OHS

Spending Policy and How the Investment Objectives Relate to Spending Policy

To meet its objective, OHS's policies limit spending to 4.5% of the fair value of such investments measured on December 31 of the previous year.

Actual endowment return earned in excess of distributions under this policy is reinvested as part of OHS's endowment management and is reported as a non-operating item in the accompanying statement of activities. For years when actual endowment return is less than distributions under the policy, the shortfall is covered by realized and unrealized returns from prior years. If cumulative endowment return is exhausted, any remaining loss or appropriation reduces endowment principal. In years when the overall endowment is underwater, the Board may permit continued spending from principal only in accordance with its policies for spending from underwater endowments.

During the year ended December 31, 2025, OHS's Board appropriated endowment assets of $459,227 from donor-restricted endowment funds and $1,188,879 from Board-designated quasi-endowment fund in accordance with this policy. During the year ended December 31, 2024, OHS's Board appropriated endowment assets of $392,687 from donor-restricted endowment funds and $520,449 from Board-designated quasi-endowment fund in accordance with this policy.

20. In-Kind Contributions

Under U.S. GAAP, significant services received which create or enhance a non-financial asset or require specialized skills that OHS would have otherwise purchased, if not donated, are recognized in the statement of activities. In-kind contributions of land, buildings, equipment, and other materials are recorded where there is an objective basis upon which to value these contributions and where the contributions are an essential part of OHS's activities.

In-kind contributions, including their utilization by program services or other activities, consisted of the following during the years ended December 31:

	2025	2024
Fundraising		
Vehicle donations, net of vehicle sales processing fees	$ 667,573	$ 692,822
Professional services	34,296	-
Donated merchandise	2,406	233,983
Materials and supplies	-	39,470
Advertising	-	12,000
Sheltering and adoption programs:		
Materials and supplies	654,165	413,665
Other programs:		
Advertising	-	101,435
Materials and supplies	17,359	516
Management and general:		
Materials and supplies	26,345	4,543
	$ 1,402,144	$ 1,498,434

OHS receives contributed services from a large number of volunteers who assist in fundraising and other programmatic efforts on behalf of OHS through their participation in a wide range of businesses and activities. Although OHS benefits significantly from various services provided by the individuals who assist with the care of the animals, no amounts have been recorded in the accompanying financial statements for these contributed services as there is no reasonable method of valuation available nor sufficient control over the time, place, and manner of providing these services to permit recording on a consistent basis.

Contributed materials are valued at the estimated price that would be received for otherwise selling similar products. Contributed professional services and advertising are valued using current rates for similar services. Vehicle donations are valued at their auction sales prices

During the years ended December 31, 2025 and 2024, there was an additional $72,057 and $105,213, respectively, in donated advertising and $140,641 and $97,402, respectively, in donated materials and supplies which are presented within special events revenue in the statement of activities.

21. Operating Leases

OHS leases certain equipment and parking spaces under month-to-month operating lease agreements or agreements with terms less than 12 months. OHS recognizes such rent expense on a straight-line basis in the period incurred. Future minimum rent payments under these leases were not significant as of December 31, 2025.

As a lessor, OHS leases certain other parking and storage spaces to tenants under non-cancelable operating lease agreements expiring at various dates through April 2030. As of December 31, 2025, the following is a schedule of future minimum rental income under tenant leases to be collected during the years ending December 31:

2026	$	84,879
2027		86,742
2028		88,661
2029		90,638
2030		19,241
	$	370,161

22. Commitments and Contingencies

In November 2024, the Portland City Council ("PCC") approved the creation of the NE 11th Ave and Columbia Blvd Local Improvement District ("LID") to address safety concerns at the intersection, specifically focusing on OHS's driveway and pedestrian and bicyclist safety. An emergency ordinance was passed to expedite the process, underscoring the urgency of the public safety concerns. The project includes constructing a new traffic signal, relocating the OHS driveway, and building new sidewalks. OHS actively supported the project, citing safety concerns for their employees, volunteers, and clients, and has committed to pay for the majority of the related construction costs. As of the date these financial statements were available to be issued, OHS does not have a reasonable estimate of the final amount that will be incurred for the project, nor has any construction work begun. Construction will not begin until 2027, at the earliest. No payment or financing arrangements would be due until final assessment of the LID is complete, which is expected to occur in 2027 or 2028.

OHS is a party to legal matters and claims in the normal course of operations. While OHS believes the ultimate outcome of such other matters and claims will not have a material adverse effect on OHS's financial position, results of operations, or cash flows, the outcome of such matters and claims is not determinable with certainty, and negative outcomes may adversely affect OHS.