

**THE AMERICAN ANTI-VIVISECTION
SOCIETY**
Consolidated Financial Report
December 31, 2024 and 2023

THE AMERICAN ANTI-VIVISECTION SOCIETY
December 31, 2024 and 2023

Table of Contents

	Page
Independent Auditors' Report	1 - 3
Consolidated Financial Statements	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5 - 6
Consolidated Statements of Functional Expenses	7 - 8
Consolidated Statements of Cash Flows	9 - 10
Notes to Consolidated Financial Statements	11 - 28
Supplementary Information	
Consolidating Statements of Financial Position	29 - 30
Consolidating Statements of Activities - Without Donor Restrictions	31 - 32
Consolidating Statements of Activities - With Donor Restrictions	33 - 34
Consolidating Statements of Functional Expenses	35 - 36
Consolidating Statements of Cash Flows	37 - 40

Independent Auditors' Report

To the Board of Managers
The American Anti-Vivisection Society
Jenkintown, Pennsylvania

Opinion

We have audited the consolidated financial statements of The American Anti-Vivisection Society and its subsidiary, Alternatives Research and Development Foundation (the Organizations), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organizations as of December 31, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are required to be independent of the Organizations 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 29 through 40 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual organizations, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

DunlapSLK PC

Chalfont, Pennsylvania
April 14, 2025

THE AMERICAN ANTI-VIVISECTION SOCIETY
Consolidated Statements of Financial Position
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and Cash Equivalents	\$ 5,660,501	\$ 4,351,517
Estates and Trusts Receivable	213,845	241,322
Prepaid Expenses	82,112	74,875
Property and Equipment, Net	25,593	31,003
Right of Use Assets, Operating Leases	346,572	90,852
Long-Term Investments	46,106,791	42,336,026
Beneficial Interest in Perpetual Trusts	<u>1,959,602</u>	<u>1,835,838</u>
Total Assets	<u>\$ 54,395,016</u>	<u>\$ 48,961,433</u>
Liabilities and Net Assets		
Liabilities		
Accounts Payable	\$ 19,758	\$ 28,018
Other Payable	3,069	-
Accrued Compensation and Related Items	50,000	42,824
Deferred Dues Revenue	99,060	118,708
Operating Lease Obligations	346,572	90,852
Grants Payable	1,696,297	1,398,705
Gift Annuities Payable	<u>46,582</u>	<u>49,406</u>
Total Liabilities	<u>2,261,338</u>	<u>1,728,513</u>
Net Assets		
Without Donor Restrictions	47,710,601	44,181,791
With Donor Restrictions	<u>4,423,077</u>	<u>3,051,129</u>
Total Net Assets	<u>52,133,678</u>	<u>47,232,920</u>
Total Liabilities and Net Assets	<u>\$ 54,395,016</u>	<u>\$ 48,961,433</u>

See notes to financial statements.

THE AMERICAN ANTI-VIVISECTION SOCIETY
Consolidated Statement of Activities
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Bequests	\$ 591,694	\$ -	\$ 591,694
Contributions and Grants	427,889	1,308,366	1,736,255
Income from Long-Term Investments	523,591	22,505	546,096
Investment Income from Perpetual Trusts	59,377	33,000	92,377
Dues	198,827	-	198,827
Gains on Long-Term Investments	4,979,793	39,393	5,019,186
Gains on Beneficial Interests In Perpetual Trusts	-	118,764	118,764
Other Income	136,454	-	136,454
Net Assets Released from Donor Restrictions			
Satisfaction of Purpose Restrictions	150,080	(150,080)	-
Total Revenues and Support	<u>7,067,705</u>	<u>1,371,948</u>	<u>8,439,653</u>
Expenses			
Program Services			
Campaigns and Outreach	1,475,624	-	1,475,624
Animalearn	270,122	-	270,122
Leaping Bunny	465,620	-	465,620
Alternatives Research	648,559	-	648,559
Total Program Services	<u>2,859,925</u>	<u>-</u>	<u>2,859,925</u>
Support Services			
General and Administrative	274,318	-	274,318
Fundraising	404,652	-	404,652
Total Support Services	<u>678,970</u>	<u>-</u>	<u>678,970</u>
Total Expenses	<u>3,538,895</u>	<u>-</u>	<u>3,538,895</u>
Change in Net Assets	3,528,810	1,371,948	4,900,758
Net Assets			
Beginning of Year	<u>44,181,791</u>	<u>3,051,129</u>	<u>47,232,920</u>
End of Year	<u><u>\$ 47,710,601</u></u>	<u><u>\$ 4,423,077</u></u>	<u><u>\$ 52,133,678</u></u>

See notes to financial statements.

THE AMERICAN ANTI-VIVISECTION SOCIETY
Consolidated Statement of Activities
Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Bequests	\$ 1,540,026	\$ -	\$ 1,540,026
Contributions and Grants	384,952	126,923	511,875
Income from Long-Term Investments	398,095	-	398,095
Investment Income from Perpetual Trusts	57,290	16,720	74,010
Dues	203,139	-	203,139
Gains on Long-Term Investments	7,222,982	11,375	7,234,357
Gains on Beneficial Interests In Perpetual Trusts	-	84,384	84,384
Other Income	131,351	-	131,351
Net Assets Released from Donor Restrictions			
Satisfaction of Purpose Restrictions	114,052	(114,052)	-
Total Revenues and Support	<u>10,051,887</u>	<u>125,350</u>	<u>10,177,237</u>
Expenses			
Program Services			
Campaigns and Outreach	1,008,608	-	1,008,608
Animalearn	241,278	-	241,278
Leaping Bunny	433,691	-	433,691
Alternatives Research	478,143	-	478,143
Total Program Services	<u>2,161,720</u>	<u>-</u>	<u>2,161,720</u>
Support Services			
General and Administrative	263,380	-	263,380
Fundraising	397,837	-	397,837
Total Support Services	<u>661,217</u>	<u>-</u>	<u>661,217</u>
Total Expenses	<u>2,822,937</u>	<u>-</u>	<u>2,822,937</u>
Change in Net Assets	7,228,950	125,350	7,354,300
Net Assets			
Beginning of Year	<u>36,952,841</u>	<u>2,925,779</u>	<u>39,878,620</u>
End of Year	<u><u>\$ 44,181,791</u></u>	<u><u>\$ 3,051,129</u></u>	<u><u>\$ 47,232,920</u></u>

See notes to financial statements.

THE AMERICAN ANTI-VIVISECTION SOCIETY
Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Grants and Contributions	\$ 1,327,821	\$ -	\$ -	\$ 1,327,821
Salaries and Related Expenses	668,308	167,716	162,996	999,020
Professional Services and Consultants	365,122	65,159	3,975	434,256
Occupancy and Related Expenses	108,150	19,607	15,180	142,937
General Operating Expenses	84,262	21,261	37,523	143,046
Communications and Educational Materials	171,021	412	134,620	306,053
Conferences and Travel	76,191	-	-	76,191
Postage and Shipping	59,050	163	50,358	109,571
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 2,859,925</u>	<u>\$ 274,318</u>	<u>\$ 404,652</u>	<u>\$ 3,538,895</u>

See notes to financial statements.

THE AMERICAN ANTI-VIVISECTION SOCIETY
Consolidated Statement of Functional Expenses
Year Ended December 31, 2023

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Grants and Contributions	\$ 794,119	\$ -	\$ -	\$ 794,119
Salaries and Related Expenses	604,611	169,913	144,594	919,118
Professional Services and Consultants	352,184	57,299	1,126	410,609
Occupancy and Related Expenses	104,752	18,996	14,706	138,454
General Operating Expenses	69,629	16,642	35,329	121,600
Communications and Educational Materials	130,853	322	154,235	285,410
Conferences and Travel	48,723	-	-	48,723
Postage and Shipping	56,849	208	47,847	104,904
	<u>56,849</u>	<u>208</u>	<u>47,847</u>	<u>104,904</u>
Total	<u>\$ 2,161,720</u>	<u>\$ 263,380</u>	<u>\$ 397,837</u>	<u>\$ 2,822,937</u>

See notes to financial statements.

THE AMERICAN ANTI-VIVISECTION SOCIETY
Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 4,900,758	\$ 7,354,300
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	15,174	14,256
Gains on Long-Term Investments	(5,019,186)	(7,234,357)
Gains on Beneficial Interests in Perpetual Trusts	(118,764)	(84,384)
Operating Lease Expense	130,578	128,824
Change in Assets and Liabilities		
(Increase) Decrease in		
Receivables From Estates and Trusts	27,477	136,487
Prepaid Expenses	(7,237)	(5,729)
Increase (Decrease) in		
Accounts Payable	(8,260)	4,435
Other Payable	3,069	-
Accrued Compensation and Related Items	7,176	7,124
Deferred Dues Revenue	(19,648)	(6,649)
Grants Payable	297,592	53,107
Operating Lease Obligation	(130,578)	(128,824)
Gift Annuities Payable	(2,824)	(3,036)
Net Cash Provided by Operating Activities	<u>75,327</u>	<u>235,554</u>
Cash Flows from Investing Activities		
Purchase of Property and Equipment	(9,764)	(5,720)
Proceeds from Sale and Maturities of Investments	11,961,490	9,676,971
Purchase of Investments, Net	(10,713,069)	(8,581,293)
Contribution of Beneficial Interest in Perpetual Trust	(5,000)	-
Net Cash Provided by Investing Activities	<u>1,233,657</u>	<u>1,089,958</u>
Net Increase in Cash and Cash Equivalents	1,308,984	1,325,512
Cash and Cash Equivalents		
Beginning of Year	<u>4,351,517</u>	<u>3,026,005</u>
End of Year	<u><u>\$ 5,660,501</u></u>	<u><u>\$ 4,351,517</u></u>

See notes to financial statements.

THE AMERICAN ANTI-VIVISECTION SOCIETY
Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
(Continued)		
Supplemental Disclosure of Cash Flow Information		
Cash Paid for Amounts Included in Operating Lease Obligation	<u>\$ 136,009</u>	<u>\$ 128,065</u>
Supplemental Schedule of Noncash Investing and Financing Activities		
Right-of-Use Asset Obtained in Exchange for New Operating Lease Obligation	<u>\$ 386,298</u>	<u>\$ -</u>

See notes to financial statements.

THE AMERICAN ANTI-VIVISECTION SOCIETY
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

1. NATURE OF ORGANIZATION AND RELATIONSHIPS

The American Anti-Vivisection Society (Society) is a not-for-profit organization incorporated under the laws of the Commonwealth of Pennsylvania formed for charitable and educational purposes and for the prevention of cruelty to animals, particularly to educate the general public about vivisection, alternatives to vivisection and with the goal of abolishing vivisection.

Alternatives Research and Development Foundation (Foundation) is a not-for-profit organization incorporated under the laws of the Commonwealth of Pennsylvania. The purpose of the Foundation is to support the development and utilization of alternatives to the use of animals in biomedical research, testing and education, through provision of research grants and awards and expert information to scientists, media, government agencies and advocacy groups.

Substantially all of The American Anti-Vivisection Society and Alternatives Research and Development Foundation (collectively referred to as Organizations) activities are conducted within the United States, although the Organizations occasionally may provide grants or other financial support to foreign persons or organizations. A majority of the Society's membership resides in the United States. The Organizations' administrative offices are located in Jenkintown, Pennsylvania.

Basis of Consolidation

The consolidated financial statements of The American Anti-Vivisection Society and the Alternatives Research and Development Foundation are consolidated due to common control and economic interests. The individual entities have the same Board of Directors (Managers) and share facilities and equipment. The Society has legal control over the Foundation. All intercompany balances and transactions have been eliminated in consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The consolidated financial statements of the Organizations have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned, and expenses are recognized when incurred.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

THE AMERICAN ANTI-VIVISECTION SOCIETY
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation

Accounting standards prescribe display standards for general-purpose financial statements for all not-for-profit organizations. These standards require the Organizations 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 Organizations. These net assets may be used at the discretion of the Organizations' management and Board of Managers.

Net Assets With Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Organizations or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated 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 consolidated statement of activities.

Measure of Operations

The consolidated statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organizations' ongoing program services, and the interest and dividends earned on cash balances. Nonoperating activities are limited to resources that generate return on investments and other activities considered to be of a more unusual or nonrecurring in nature.

Contributions

Contributions, including unconditional promises to give, bequests and beneficial interests in perpetual trusts, are recorded as revenue when received. Contributions are considered to be available for unrestricted use unless they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from purpose or time restrictions.

Contributed Services

A significant portion of the Organizations' functions are conducted by unpaid volunteer officers and members. The value of this contributed time is not reflected in the accompanying financial statements because it does not meet the criteria necessary for recognition.

Cash and Cash Equivalents

The Organizations' cash accounts are maintained in one commercial bank. The amount on deposit may exceed the federally insured limit. The Organizations have not experienced any losses in such accounts. The Organizations believe they are not exposed to any significant credit risk on cash. For purposes of the statement of cash flows, the Organizations consider all highly liquid investments with an initial maturity of 90 days or less to be cash equivalents.

THE AMERICAN ANTI-VIVISECTION SOCIETY
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Long-term investments consist of marketable securities and are recorded at estimated fair value as determined by quoted market values. Investment gains and losses are included in the change in net assets in the accompanying consolidated statement of activities.

The assets of perpetual and other charitable trusts consist principally of marketable securities. The Organizations' beneficial interests in these various trusts are recorded at estimated fair values.

Fair Value Measurements

Accounting principles generally accepted in the United States of America establish a fair value hierarchy that is based on the valuation inputs used in the fair value measurements. Measurements using quoted prices in active markets for identical assets and liabilities fall within Level 1 of the hierarchy; measurements using significant other observable inputs fall within Level 2; and measurements using significant unobservable inputs within Level 3.

Estates and Trusts Receivable

Receivables from estates and trusts are recorded in the year the Organizations are notified the associated will is valid and has been admitted to probate, and an estimated value is provided by an executor. No credit losses were considered necessary as of December 31, 2024, based on historical experience, current conditions, and reasonable and supportable forecasts.

Furniture and Equipment

Furniture and equipment are stated at cost. Major replacements and betterments are capitalized while maintenance and repairs are expensed as incurred. It is the policy of the Organizations to capitalize any property and equipment over \$1,000. Lesser amounts are expensed. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives of furniture and equipment are 3-7 years.

THE AMERICAN ANTI-VIVISECTION SOCIETY
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition and Deferred Dues Revenue

Dues are recognized as revenue over the applicable term of the membership. Life memberships are recorded as revenue when received. The members pay dues in exchange for a defined set of benefits. The unsatisfied or partially unsatisfied performance obligations are primarily related to distribution of a bi-monthly newsletter at the end of the reporting period. The performance obligations for these membership benefits are evenly distributed throughout the year. The Society believes that this method provides a faithful depiction of the transfers of services over the term of the defined performance obligations based on the inputs needed to satisfy the obligation.

Deferred dues revenue activity for the years ended December 31 was as follows:

	Balance December 31, 2023	Refunds Issued	Revenue Recognized Included in December 31, 2023 Balance	Cash Received in Advance of Performance	Balance December 31, 2024
Deferred Dues Revenue	\$ 118,708	\$ -	\$ 118,708	\$ 99,060	\$ 99,060

	Balance December 31, 2022	Refunds Issued	Revenue Recognized Included in December 31, 2022 Balance	Cash Received in Advance of Performance	Balance December 31, 2023
Deferred Dues Revenue	\$ 125,357	\$ -	\$ 125,357	\$ 118,708	\$ 118,708

The balance of deferred dues revenue at December 31, 2024, less any refunds issued, will be recognized as revenue in 2025.

The Organizations apply the practical expedient in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606-10-50-14 and, therefore, does not disclose information about remaining performance obligations that have original durations of one year or less.

The amount of contract assets and liabilities at January 1, 2023, was as follows:

Receivable from Estates and Trusts	\$377,809
Deferred Dues Revenue	\$125,357

Grants Payable

Grants payable represent grants awarded to other organizations. Grants payable over multiple years are discounted at prevailing interest rates. Grants involving estimates of expenses reimbursable over multiple years include an annual inflation rate based upon current market conditions. Unexpended balances of grants awarded to other organizations are required to be returned. Refunds to the Organizations are recorded when the amount of refund due becomes known, normally when a final accounting by the grantee is submitted.

THE AMERICAN ANTI-VIVISECTION SOCIETY
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status

The Organizations are qualified, not-for-profit organizations under Section 501(c) (3) of the Internal Revenue Code. Accordingly, the Organizations are exempt from federal and state income taxes. The Organizations did not have any unrelated business income for the years ended December 31, 2024 and 2023, that would be subject to federal or state income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

The Organizations account for uncertainty in income taxes using a recognition threshold of more-than-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainties occurs if the recognition threshold is met. Management determined there were no tax uncertainties that met the recognition threshold in 2024.

The Organizations' Forms 990 – *Federal Return of Organization Exempt from Income Tax* – for the previous three years remains subject to examination by the Internal Revenue Service.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2024 and 2023, was \$43,373 and \$19,249, respectively.

Functional Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. An analysis of expenses by both function and natural classification is provided on the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among program, general and administrative and fundraising functions. The expenses that are allocated include salaries, payroll taxes and employee benefits, which are allocated by department, and estimated time and effort, as well as, occupancy, telecommunications, printing and copying, which are allocated, based upon approximate square footage and patterns of use.

Risks and Uncertainties

The Organizations' future results of operations involve a number of risks and uncertainties. Factors that could affect the Organizations' future operating results and cause actual results to vary materially from expectations include, but are not limited to, dependence on key personnel, general economic conditions, reliance on public support and the performance of their long-term investments.

Concentrations of Credit Risk

The Organizations' principal financial instruments subject to credit risk are their cash, cash equivalents, investments and receivables. Fixed income securities are also exposed to interest rate risk. Receivables result primarily from unconditional promises to give, including bequests and other contributions.

THE AMERICAN ANTI-VIVISECTION SOCIETY
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

3. AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditures, that is, without donor restrictions limiting their use within one year of December 31, 2024, comprised the following:

Financial Assets at Period End	
Cash and Cash Equivalents	\$ 5,660,501
Receivables from Estates and Trusts	<u>213,845</u>
Financial Assets Available to Meet General Expenditures	
Over the Next Year	<u>\$ 5,874,346</u>

As of December 31, 2024 and 2023, the Organizations held liquid assets on hand to cover their operating expenses for 583 and 523 days, respectively. The Organizations' practice is to structure their financial assets to be available as their general expenditures, liabilities and other obligations come due. The Organizations' long-term investments consisted of quasi-endowment funds of \$45,394,220 and \$41,655,423 as of December 31, 2024 and 2023, respectively. As described in Note 11, the quasi-endowment has a spending rate of up to 5%. Approximately \$1,910,000 of appropriations from the quasi-endowment will be available within the next 12 months. In the event of an emergency or other financial need, the Board, at its discretion, could expend the quasi-endowed funds.

4. RECEIVABLES FROM ESTATES AND TRUSTS

The Organizations are the beneficiaries of numerous estates and testamentary trusts. In general, the Organizations' policy is to record the receivable from an estate or trust in the year the Organizations are notified and associated will is valid and has been admitted to probate and an estimated value is provided by an executor. The Society has been notified of an estate in which the Society is a beneficiary and has recorded the projected value by the Trustee.

5. FAIR VALUE MEASUREMENT

The Organizations use fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in some instances, there are no quoted market prices for certain financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instruments.

THE AMERICAN ANTI-VIVISECTION SOCIETY
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

5. FAIR VALUE MEASUREMENT (continued)

Fair value accounting guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment. The fair value is a reasonable point within range that is most representative of fair value under current market conditions.

The fair value hierarchy prioritizes the inputs to valuation methods used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are as follows:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organizations have the ability to access. |
| Level 2 | <p>Inputs to the valuation methodology include:</p> <ul style="list-style-type: none">• quoted prices for similar assets or liabilities in active markets;• quoted prices for identical or similar assets or liabilities in inactive markets;• inputs other than quoted prices that are observable for the asset or liability;• inputs that are derived principally from or corroborated by observable market data by correlation or other means. <p>If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.</p> |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2024 and 2023.

Marketable equity securities: Valued using quoted market prices for the identical securities.

Marketable debt securities: Valued based on quoted market prices for the identical security, however, quoted market prices may vary for a variety of reasons, including the number of market makers and the volume of identical securities traded on the date of valuation. If an identical security is not traded on the valuation date, estimated fair value may be determined by using other significant observable inputs, such as quoted prices for similar securities.

THE AMERICAN ANTI-VIVISECTION SOCIETY
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

5. FAIR VALUE MEASUREMENT (continued)

Mutual funds: Valued based on net asset value which is generally determined by the quoted market values of the underlying marketable securities owned.

Beneficial interest in perpetual trust: Valued based on the present value of estimated future cash inflows and the Organizations' percentage interest in the trust asset. This asset is included as Level 3 fair value, and is measured at fair value on a recurring basis based upon the lowest level of input that is significant to the fair value of measurement.

For financial assets measured at fair value on a recurring basis, the fair value measurements by level within the hierarchy used at December 31, 2024 and 2023, were as follows:

December 31, 2024				
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash Equivalents	\$ 3,254,712	\$ 3,254,712	\$ -	\$ -
U.S. Equities	31,673,722	31,673,722	-	-
International Equities	824,013	824,013	-	-
Mutual Funds, Equity	947,269	947,269	-	-
Mutual Funds, Fixed Income	555,426	555,426	-	-
U.S. Corporate Debentures	6,307,423	-	6,307,423	-
U.S. Treasury Securities and Bonds	2,544,226	-	2,544,226	-
Total Endowment Investments	46,106,791	37,255,142	8,851,649	-
Contribution Receivable				
Beneficial Interest in Perpetual Trust	1,959,602	-	-	1,959,602
Total	<u>\$ 48,066,393</u>	<u>\$ 37,255,142</u>	<u>\$ 8,851,649</u>	<u>\$ 1,959,602</u>
December 31, 2023				
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash Equivalents	\$ 3,355,707	\$ 3,355,707	\$ -	\$ -
U.S. Equities	22,114,119	22,114,119	-	-
International Equities	725,673	725,673	-	-
Mutual Funds, Equity	665,138	665,138	-	-
Mutual Funds, Fixed Income	6,702,391	6,702,391	-	-
U.S. Corporate Debentures	6,331,098	-	6,331,098	-
U.S. Treasury Securities and Bonds	2,441,900	-	2,441,900	-
Total Endowment Investments	42,336,026	33,563,028	8,772,998	-
Contribution Receivable				
Beneficial Interest in Perpetual Trust	1,835,838	-	-	1,835,838
Total	<u>\$ 44,171,864</u>	<u>\$ 33,563,028</u>	<u>\$ 8,772,998</u>	<u>\$ 1,835,838</u>

THE AMERICAN ANTI-VIVISECTION SOCIETY
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

5. FAIR VALUE MEASUREMENT (continued)

The following table sets forth a summary of changes in fair value of the Organizations' Level 3 assets for the years ended December 31, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Beginning Value	\$ 1,835,838	\$ 1,751,455
Contribution Received	5,000	-
Net Realized and Unrealized Gains	<u>118,764</u>	<u>84,383</u>
Ending Value	<u><u>\$ 1,959,602</u></u>	<u><u>\$ 1,835,838</u></u>

6. LONG-TERM INVESTMENTS

Long-term investments are carried at fair value in the statements of financial position and realized and unrealized gains and losses are reflected in the statements of activities.

Fair values of long-term investments by net asset classification for the years ended December 31 were as follows:

	<u>2024</u>	<u>2023</u>
Without Donor Restrictions	\$ 45,394,221	\$ 41,665,423
With Donor Restrictions	<u>712,570</u>	<u>670,603</u>
	<u><u>\$ 46,106,791</u></u>	<u><u>\$ 42,336,026</u></u>

THE AMERICAN ANTI-VIVISECTION SOCIETY
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

6. LONG-TERM INVESTMENTS (continued)

Long-term investments as of December 31 were as follows:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Cash Equivalents	\$ 3,246,898	\$ 3,254,712	\$ 3,355,707	\$ 3,355,707
U.S. Equities	19,163,484	31,673,722	14,583,292	22,114,119
International Equities	692,633	824,013	594,367	725,673
Mutual Funds, Equity	677,865	947,269	619,419	665,138
Mutual Funds, Fixed Income	686,980	555,426	4,770,324	6,702,391
U.S. Corporate Debentures	6,391,479	6,307,423	6,553,482	6,331,098
U.S. Treasury Securities and Bonds	2,589,614	2,544,226	2,513,167	2,441,900
Total Restricted Investments	<u>\$ 33,448,953</u>	<u>\$ 46,106,791</u>	<u>\$ 32,989,758</u>	<u>\$ 42,336,026</u>

The relationship between cost and fair values of long-term investments for the years ended December 31 were as follows:

	Fair Value	Cost	Excess Fair Value Over Cost
Long-Term Investment, 2024	\$ 46,106,791	\$ 33,448,953	\$ 12,657,838
Long-Term Investment, 2023	42,336,026	32,989,758	9,346,268
Unrealized Gains, Net			3,311,570
Realized Gains, Net			1,707,616
Total Investment Gains, Net			<u>\$ 5,019,186</u>

The average annual yield based on the fair value of cash equivalents and long-term investments (net of investment expenses) was approximately 0.11% and 0.7%, and the annual total return, including realized and unrealized gains and losses was approximately 20.8% and 24.9%, for the years ended December 31, 2024 and 2023, respectively.

THE AMERICAN ANTI-VIVISECTION SOCIETY
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

7. PROPERTY AND EQUIPMENT

The detail of property and equipment as of December 31 was as follows:

	<u>2024</u>	<u>2023</u>
Furniture and Equipment	\$ 280,059	\$ 270,296
Less Accumulated Depreciation	<u>(254,466)</u>	<u>(239,293)</u>
Property and Equipment, Net	<u>\$ 25,593</u>	<u>\$ 31,003</u>

Depreciation expense totaled \$15,174 and \$14,256 for the years ended December 31, 2024 and 2023, respectively.

8. BENEFICIAL INTEREST IN PERPETUAL TRUSTS

The Society receives income without donor restriction from various perpetual trusts held by third parties. The Society's beneficial interests in these trusts are recorded at their estimated fair values of \$1,530,250 and \$1,421,243 as of December 31, 2024 and 2023, respectively. The Society's average annual yield on the estimated fair value of its beneficial interests in these trusts was approximately 7.05% and 2.64% for the years ended December 31, 2024 and 2023, respectively. The estimated fair value of these beneficial interests is described in Note 5.

The Foundation receives income without donor restriction from a perpetual trust held by a third party. As of December 31, 2024 and 2023, the estimated fair value of the Foundation's beneficial interest in the trust is \$429,352 and \$414,595, respectively, and is considered donor-restricted in perpetuity. The Foundation's average annual yield on the estimated fair value of its beneficial interest in the perpetual trust was approximately 3.50% and 1.77% for the years ended December 31, 2024 and 2023, respectively.

THE AMERICAN ANTI-VIVISECTION SOCIETY
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

9. GRANTS PAYABLE

During 2013, the Society made a grant to another not-for-profit organization. The grant represents a portion of the expenses to care for seven chimpanzees for the remainder of their lifetimes. As of December 31, 2024 and 2023, the chimpanzees' ages range from twelve to fourteen years, and eleven to thirteen years of age, respectively, and have remaining life expectancies ranging from 46 to 48 years and 47 to 49 years, respectively. Annual expense inflation has been assumed at 3.0% and 2.7%, respectively, and the estimated payments have been discounted at 4.5% for both years December 31, 2024 and 2023. As of December 31, 2024 and 2023, the outstanding balance of the grant is \$1,696,297 and \$1,398,705, respectively. Additionally, as of December 31, 2024 and 2023, the Society had no other grants payable.

Future estimated grant payments as of December 31 were as follows:

	<u>2024</u>	<u>2023</u>
Due in Less Than One Year	\$ 49,695	\$ 45,530
Due in One to Five Years	271,751	245,025
Due in Five to Ten Years	<u>4,585,607</u>	<u>3,654,193</u>
	4,907,053	3,944,748
Less Discount to Net Present Value	<u>(3,210,756)</u>	<u>(2,546,043)</u>
 Grant Payable	 <u><u>\$ 1,696,297</u></u>	 <u><u>\$ 1,398,705</u></u>

The components of grant expenses as of December 31 were as follows:

	<u>2024</u>	<u>2023</u>
Gross Grant Payments	\$ 518,872	\$ 390,083
Adjustment on Present Value of Chimp Haven Liability	<u>343,122</u>	<u>110,903</u>
American Anti-Vivisection Society Grant Expense, Net	861,994	500,986
Alternatives Research Development Foundation		
Grant Expense	<u>413,605</u>	<u>266,937</u>
 Grants Expense	 <u><u>\$ 1,275,599</u></u>	 <u><u>\$ 767,923</u></u>

THE AMERICAN ANTI-VIVISECTION SOCIETY
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

10. NET ASSETS

Net assets without donor restrictions are available for the following purposes at December 31 were as follows:

	<u>2024</u>	<u>2023</u>
Society:		
Undesignated	\$ 1,742,388	\$ 1,921,260
Board Designated Endowment	<u>31,343,930</u>	<u>29,031,046</u>
	<u>33,086,318</u>	<u>30,952,306</u>
Foundation:		
Undesignated	573,993	595,108
Board Designated Endowment	<u>14,050,290</u>	<u>12,634,377</u>
	<u>14,624,283</u>	<u>13,229,485</u>
Total	<u>\$ 47,710,601</u>	<u>\$ 44,181,791</u>

Net assets with donor restrictions are available for the following purposes at December 31 were as follows:

	<u>2024</u>	<u>2023</u>
Society:		
Beneficial Interest in Perpetual Trust		
Direct Benefit of Animals	\$ 375,341	\$ 353,815
Undesignated Activities	1,154,909	1,067,428
Endowments		
Direct Benefit of Animals	188,478	182,739
Undesignated Activities	<u>524,093</u>	<u>487,864</u>
	<u>2,242,821</u>	<u>2,091,846</u>
Foundation:		
Subject to Expenditure for Specific Purpose		
Alternatives Award Programs	1,750,904	544,688
Beneficial Interest in Perpetual Trust	<u>429,352</u>	<u>414,595</u>
	<u>2,180,256</u>	<u>959,283</u>
Total	<u>\$ 4,423,077</u>	<u>\$ 3,051,129</u>

THE AMERICAN ANTI-VIVISECTION SOCIETY
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

10. NET ASSETS (continued)

For the years ended December 31, 2024 and 2023, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	<u>2024</u>	<u>2023</u>
Satisfaction of Purpose Restrictions		
Direct Benefit of Animals	\$ 36,487	\$ 24,946
Undesignated Activities	103,593	79,106
Alternatives Award Programs	<u>10,000</u>	<u>10,000</u>
Total Net Assets Released from Purpose Restrictions	<u>\$ 150,080</u>	<u>\$ 114,052</u>

11. ENDOWMENT FUNDS

The Society's endowment consists of three individual funds, one established for the direct benefit of animals and two for general purposes. Long-term investments include both donor-restricted endowment funds and funds that function as endowments (quasi-endowment). Net assets associated with endowment funds, including funds designated by the Board of Managers to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation does not have any formal endowment funds; its donor-restricted net assets consist of a beneficial interest in a perpetual trust held by a third party and long-term investments.

Interpretation of Relevant Law

Pennsylvania law requires the historical dollar amount of a donor-restricted endowment fund to be preserved. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable under Pennsylvania law. The Organizations' donors have not placed restrictions on the use of the net appreciation resulting from the donor-restricted endowment funds. As a result of this interpretation, the Organizations classify as perpetually 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 perpetually restricted net assets is classified as net assets with restrictions until those amounts are appropriated for expenditure by the Organizations.

THE AMERICAN ANTI-VIVISECTION SOCIETY
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

11. ENDOWMENT FUNDS (continued)

The following schedule presents the changes in all net assets attributable to endowment and funds functioning as endowment funds for the years ended December 31:

December 31, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Endowment and Similar Net Assets,			
Beginning of Year	\$ 41,665,423	\$ 670,603	\$ 42,336,026
Investment Return			
Investment Income, Net	473,776	11,289	485,065
Investment Gains, Net	4,979,793	39,393	5,019,186
Total Investment Return	5,453,569	50,682	5,504,251
Transfers for Restricted Purposes	-	(8,714)	(8,714)
Appropriation of Expenditures, Spending Rate	(1,724,772)	-	(1,724,772)
Endowment and Similar Net Assets, End of Year	<u>\$ 45,394,220</u>	<u>\$ 712,571</u>	<u>\$ 46,106,791</u>
December 31, 2023	Without Donor Restrictions	With Donor Restrictions	Total
Endowment and Similar Net Assets,			
Beginning of Year:	\$ 35,527,709	\$ 669,637	\$ 36,197,346
Investment Return:			
Investment Income, Net	398,095	-	398,095
Investment Gains, Net	7,222,982	11,375	7,234,357
Total Investment Return	7,621,077	11,375	7,632,452
Transfers for Restricted Purposes	-	(10,409)	(10,409)
Appropriation of Expenditures, Spending Rate	(1,483,363)	-	(1,483,363)
Endowment and Similar Net Assets, End of Year	<u>\$ 41,665,423</u>	<u>\$ 670,603</u>	<u>\$ 42,336,026</u>

THE AMERICAN ANTI-VIVISECTION SOCIETY
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

11. ENDOWMENT FUNDS (continued)

Funds With Deficiencies

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or law. There were no such deficiencies reported at December 31, 2024 and 2023.

Investment Return Objectives, Risk Parameters and Strategies

The Organizations have adopted investment and spending policies for its quasi-endowment funds that attempt to provide a predictable stream of funding to support the Foundation's program supported by its quasi-endowment while seeking to maintain the purchasing power of its quasi-endowment assets. Under the spending policy, as approved by the Board of Managers, the investments are invested in a manner that is intended to produce results that meet or exceed the performance of the S&P 500 index, while assuming a level of investment risk acceptable to the Board of Managers.

Spending Policies

The Organizations have a policy of appropriating income from quasi-endowment investments as needed, but not in excess of the spending policy. The spending policy is to distribute up to 5.0 percent of a moving three year average as of December 31 based on the fair value quasi-endowment funds. The amount needed to fund the distributions is first taken from the accumulated excess earnings from prior years, then from the accumulated unexpended net appreciation of quasi-endowment funds and, conversely, any undistributed income after the allocation of the total return distribution is added back to the quasi-endowment assets balance of cumulative net unexpended gains. Over the long term, the Foundation expects the current spending policy to allow its quasi-endowments to grow at an average of 4.0 percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of its quasi-endowment assets held for a specified term as well as to provide additional real growth through new gifts and investment return.

12. LEASES

The Society leases its office space under the terms of a noncancelable lease agreement which expired July 31, 2024. The lease was renewed on August 1, 2024 and expires July 31, 2027. Lease payments are increased as of every January 1st of each calendar year after the initial term based on a factor of the Consumer Price Index. The minimum annual rent shall be increased as of the commencement of the second full calendar year. Leases with an initial term of 12 months or less are not recorded on the consolidated statement of financial position and expenses for these leases are recognized on a straight-line basis over the lease term as an operating expense. At December 31, 2024 and 2023, occupancy expense was \$142,937 and \$138,454, respectively.

THE AMERICAN ANTI-VIVISECTION SOCIETY
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

12. LEASES (continued)

Future minimum payments under operating leases as of December 31, 2024, were as follows:

Year Ending December 31,	Amount
2025	\$ 143,020
2026	140,222
2027	81,775
	<u>365,017</u>
Less Interest Portion	<u>(18,445)</u>
Lease Obligation	<u><u>\$ 346,572</u></u>

Lease Obligations

The following table includes supplemental lease information as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Weighted-average remaining lease term	2.57 Years	1.01 Years
Weighted-average discount rate	2.40%	0.85%

13. RETIREMENT PLAN

The Society sponsors a Savings Incentive Match Plan for Employees (SIMPLE) 401(k) plan covering substantially all employees. A SIMPLE is a qualified defined contribution retirement plan for small employers that allows eligible employees to defer compensation on a pre-tax basis, and requires the employer to make either matching contributions for eligible employees who elect to participate, or nonelective contributions for all eligible employees (including those who do not elect to participate but meet eligibility requirements).

Eligible employees of the Society and Foundation have established individual accounts with a qualified plan custodian and are 100 percent vested in their account balances. The amount of expense recognized from employer contributions to the employees' SIMPLE 401(k) accounts for the years ended December 31, 2024 and 2023, was \$41,170 and \$40,479, respectively. The Society's policy is to fund contributions as they become payable.

THE AMERICAN ANTI-VIVISECTION SOCIETY
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

14. RELATED PARTY TRANSACTIONS

The following related-party transactions are recorded in the accompanying financial statements for the years ended December 31, 2024 and 2023:

<u>Relationship to Organization</u>	<u>Transaction</u>	<u>2024</u>	<u>2023</u>
Treasurer of the Board of Managers	Investment advisory services through employer of Treasurer on behalf of the Organizations	\$ 327,184	\$ 277,013
President of the Society, Member of the Board of Directors	Grant disbursed to the Global Federation of Animal Sanctuaries	\$ 26,000	\$ 26,000

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 14, 2025, the date the consolidated financial statements were available to be issued.

THE AMERICAN ANTI-VIVISECTION SOCIETY
Consolidating Statement of Financial Position
December 31, 2024

	The American Anti-Vivisection Society	Alternatives Research and Development Foundation	Total
Assets			
Cash and Cash Equivalents	\$ 3,353,944	\$ 2,306,557	\$ 5,660,501
Estates and Trusts Receivable	195,776	18,069	213,845
Prepaid Expenses	78,862	3,250	82,112
Due from (to) Affiliate	202	(202)	-
Property and Equipment, Net	24,693	900	25,593
Right of Use Assets, Operating Leases	306,314	40,258	346,572
Long-Term Investments	32,056,501	14,050,290	46,106,791
Beneficial Interest in Perpetual Trusts	1,530,250	429,352	1,959,602
Total Assets	<u>\$ 37,546,542</u>	<u>\$ 16,848,474</u>	<u>\$ 54,395,016</u>
Liabilities and Net Assets			
Liabilities			
Accounts Payable	\$ 19,150	\$ 608	\$ 19,758
Other Payable	-	3,069	3,069
Accrued Compensation and Related Items	50,000	-	50,000
Deferred Dues Revenue	99,060	-	99,060
Lease Obligations	306,314	40,258	346,572
Grants Payable	1,696,297	-	1,696,297
Gift Annuities Payable	46,582	-	46,582
Total Liabilities	<u>2,217,403</u>	<u>43,935</u>	<u>2,261,338</u>
Net Assets			
Without Donor Restrictions	33,086,318	14,624,283	47,710,601
With Donor Restrictions	2,242,821	2,180,256	4,423,077
Total Net Assets	<u>35,329,139</u>	<u>16,804,539</u>	<u>52,133,678</u>
Total Liabilities and Net Assets	<u>\$ 37,546,542</u>	<u>\$ 16,848,474</u>	<u>\$ 54,395,016</u>

THE AMERICAN ANTI-VIVISECTION SOCIETY
Consolidating Statement of Financial Position
December 31, 2023

	The American Anti-Vivisection Society	Alternatives Research and Development Foundation	Total
Assets			
Cash and Cash Equivalents	\$ 3,227,158	\$ 1,124,359	\$ 4,351,517
Estates and Trusts Receivable	223,253	18,069	241,322
Prepaid Expenses	71,517	3,358	74,875
Due from (to) Affiliate	(6)	6	-
Property and Equipment, Net	29,503	1,500	31,003
Right of Use Assets, Operating Leases	82,170	8,682	90,852
Long-Term Investments	29,701,649	12,634,377	42,336,026
Beneficial Interest in Perpetual Trusts	1,421,243	414,595	1,835,838
Total Assets	<u>\$ 34,756,487</u>	<u>\$ 14,204,946</u>	<u>\$ 48,961,433</u>
Liabilities and Net Assets			
Liabilities			
Accounts Payable	\$ 20,522	\$ 7,496	\$ 28,018
Other Payable	-	-	-
Accrued Compensation and Related Items	42,824	-	42,824
Deferred Dues Revenue	118,708	-	118,708
Lease Obligations	82,170	8,682	90,852
Grants Payable	1,398,705	-	1,398,705
Gift Annuities Payable	49,406	-	49,406
Total Liabilities	<u>1,712,335</u>	<u>16,178</u>	<u>1,728,513</u>
Net Assets			
Without Donor Restrictions	30,952,306	13,229,485	44,181,791
With Donor Restrictions	2,091,846	959,283	3,051,129
Total Net Assets	<u>33,044,152</u>	<u>14,188,768</u>	<u>47,232,920</u>
Total Liabilities and Net Assets	<u>\$ 34,756,487</u>	<u>\$ 14,204,946</u>	<u>\$ 48,961,433</u>

THE AMERICAN ANTI-VIVISECTION SOCIETY
Consolidating Statement of Activities - Without Donor Restrictions
Year Ended December 31, 2024

	The American Anti-Vivisection Society	Alternatives Research and Development Foundation	Total
Revenues and Support			
Bequests	\$ 591,694	\$ -	\$ 591,694
Contributions and Grants	399,860	28,029	427,889
Income from Long-Term Investments	459,148	64,443	523,591
Investment Income from Perpetual Trusts	36,777	22,600	59,377
Dues	198,827	-	198,827
Gains on Long-Term Investments	3,018,508	1,961,285	4,979,793
Other Income	136,454	-	136,454
Net Assets Released from Restrictions			
Satisfaction of Purpose Restrictions	140,080	10,000	150,080
Total Revenues and Support	<u>4,981,348</u>	<u>2,086,357</u>	<u>7,067,705</u>
Expenses			
Program Services			
Campaigns and Outreach	1,475,624	-	1,475,624
Animalearn	270,122	-	270,122
Leaping Bunny	465,620	-	465,620
Alternatives Research	-	648,559	648,559
Total Program Services	<u>2,211,366</u>	<u>648,559</u>	<u>2,859,925</u>
Support Services			
General and Administrative	235,197	39,121	274,318
Fundraising	400,773	3,879	404,652
Total Support Services	<u>635,970</u>	<u>43,000</u>	<u>678,970</u>
Total Expenses	<u>2,847,336</u>	<u>691,559</u>	<u>3,538,895</u>
Change in Net Assets	2,134,012	1,394,798	3,528,810
Net Assets			
Beginning of Year	<u>30,952,306</u>	<u>13,229,485</u>	<u>44,181,791</u>
End of Year	<u><u>\$ 33,086,318</u></u>	<u><u>\$ 14,624,283</u></u>	<u><u>\$ 47,710,601</u></u>

THE AMERICAN ANTI-VIVISECTION SOCIETY
Consolidating Statement of Activities - Without Donor Restrictions
Year Ended December 31, 2023

	The American Anti-Vivisection Society	Alternatives Research and Development Foundation	Total
Revenues and Support			
Bequests	\$ 1,540,026	\$ -	\$ 1,540,026
Contributions and Grants	357,333	27,619	384,952
Income from Long-Term Investments	355,546	42,549	398,095
Investment Income from Perpetual Trusts	36,090	21,200	57,290
Dues	203,139	-	203,139
Gains on Long-Term Investments	4,525,731	2,697,251	7,222,982
Other Income	131,351	-	131,351
Net Assets Released from Restrictions			-
Satisfaction of Purpose Restrictions	104,052	10,000	114,052
Total Revenues and Support	<u>7,253,268</u>	<u>2,798,619</u>	<u>10,051,887</u>
Expenses			
Program Services			
Campaigns and Outreach	1,008,608	-	1,008,608
Animalearn	241,278	-	241,278
Leaping Bunny	433,691	-	433,691
Alternatives Research	-	478,143	478,143
Total Program Services	<u>1,683,577</u>	<u>478,143</u>	<u>2,161,720</u>
Support Services			
General and Administrative	232,710	30,670	263,380
Fundraising	394,201	3,636	397,837
Total Support Services	<u>626,911</u>	<u>34,306</u>	<u>661,217</u>
Total Expenses	<u>2,310,488</u>	<u>512,449</u>	<u>2,822,937</u>
Change in Net Assets	4,942,780	2,286,170	7,228,950
Net Assets			
Beginning of Year	<u>26,009,526</u>	<u>10,943,315</u>	<u>36,952,841</u>
End of Year	<u><u>\$ 30,952,306</u></u>	<u><u>\$ 13,229,485</u></u>	<u><u>\$ 44,181,791</u></u>

THE AMERICAN ANTI-VIVISECTION SOCIETY
Consolidating Statement of Activities - With Donor Restrictions
Year Ended December 31, 2024

	The American Anti-Vivisection Society	Alternatives Research and Development Foundation	Total
Revenues and Support			
Contributions and Grants	\$ 103,366	\$ 1,205,000	\$ 1,308,366
Income from Long-Term Investments	11,289	11,216	22,505
Investment Income from Perpetual Trusts	33,000	-	33,000
Dues	-	-	-
Gains (Losses) on Long-Term Investments	39,393	-	39,393
Gains (Losses) on Beneficial Interests in Perpetual Trusts	104,007	14,757	118,764
Other Income	-	-	-
Net Assets Released from Restrictions			
Satisfaction of Purpose Restrictions	(140,080)	(10,000)	(150,080)
Total Revenues and Support	<u>150,975</u>	<u>1,220,973</u>	<u>1,371,948</u>
 Change in Net Assets	 150,975	 1,220,973	 1,371,948
 Net Assets			
Beginning of Year	<u>2,091,846</u>	<u>959,283</u>	<u>3,051,129</u>
 End of Year	 <u><u>\$ 2,242,821</u></u>	 <u><u>\$ 2,180,256</u></u>	 <u><u>\$ 4,423,077</u></u>

THE AMERICAN ANTI-VIVISECTION SOCIETY
Consolidating Statement of Activities - With Donor Restrictions
Year Ended December 31, 2023

	The American Anti-Vivisection Society	Alternatives Research and Development Foundation	Total
Revenues and Support			
Contributions and Grants	\$ 76,923	\$ 50,000	\$ 126,923
Income from Long-Term Investments	-	-	-
Investment Income from Perpetual Trusts	16,720	-	16,720
Dues	-	-	-
Gains (Losses) on Long-Term Investments	11,375	-	11,375
Gains (Losses) on Beneficial Interests in Perpetual Trusts	55,114	29,270	84,384
Other Income	-	-	-
Net Assets Released from Restrictions			
Satisfaction of Purpose Restrictions	(104,052)	(10,000)	(114,052)
Total Revenues and Support	<u>56,080</u>	<u>69,270</u>	<u>125,350</u>
 Change in Net Assets	 56,080	 69,270	 125,350
 Net Assets			
Beginning of Year	<u>2,035,766</u>	<u>890,013</u>	<u>2,925,779</u>
 End of Year	 <u><u>\$ 2,091,846</u></u>	 <u><u>\$ 959,283</u></u>	 <u><u>\$ 3,051,129</u></u>

THE AMERICAN ANTI-VIVISECTION SOCIETY
Consolidating Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services			General and Administrative			Fundraising			
	Alternatives			Alternatives			Alternatives			
	The American	Research and		The American	Research and		The American	Research and		
	Anti-Vivisection	Development		Anti-Vivisection	Development		Anti-Vivisection	Development		
	Society	Foundation	Total	Society	Foundation	Total	Society	Foundation	Total	Total
Grants and Contributions	\$ 914,216	\$ 413,605	\$ 1,327,821	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,327,821
Salaries and Related Expenses	631,736	36,572	668,308	153,544	14,172	167,716	159,177	3,819	162,996	999,020
Professional Services and Consultants	215,471	149,651	365,122	41,372	23,787	65,159	3,941	34	3,975	434,256
Occupancy and Related Expenses	89,812	18,338	108,150	18,974	633	19,607	15,180	-	15,180	142,937
General Operating Expenses	74,413	9,849	84,262	20,807	454	21,261	37,497	26	37,523	143,046
Communications and Educational Materials	169,439	1,582	171,021	380	32	412	134,620	-	134,620	306,053
Conferences and Travel	57,272	18,919	76,191	-	-	-	-	-	-	76,191
Postage and Shipping	59,007	43	59,050	120	43	163	50,358	-	50,358	109,571
Total	\$ 2,211,366	\$ 648,559	\$ 2,859,925	\$ 235,197	\$ 39,121	\$ 274,318	\$ 400,773	\$ 3,879	\$ 404,652	\$ 3,538,895

THE AMERICAN ANTI-VIVISECTION SOCIETY
Consolidating Statement of Functional Expenses
Year Ended December 31, 2023

	Program Services			General and Administrative			Fundraising			
	The American	Alternatives		The American	Alternatives		The American	Alternatives		
	Anti-Vivisection	Research and		Anti-Vivisection	Research and		Anti-Vivisection	Research and		
	Society	Foundation	Total	Society	Foundation	Total	Society	Foundation	Total	Total
Grants and Contributions	\$ 527,182	\$ 266,937	\$ 794,119	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 794,119
Salaries and Related Expenses	572,690	31,921	604,611	158,043	11,870	169,913	141,057	3,537	144,594	919,118
Professional Services and Consultants	215,350	136,834	352,184	39,851	17,448	57,299	1,097	29	1,126	410,609
Occupancy and Related Expenses	87,013	17,739	104,752	18,383	613	18,996	14,706	-	14,706	138,454
General Operating Expenses	58,800	10,829	69,629	15,978	664	16,642	35,259	70	35,329	121,600
Communications and Educational Materials	129,869	984	130,853	297	25	322	154,235	-	154,235	285,410
Conferences and Travel	35,914	12,809	48,723	-	-	-	-	-	-	48,723
Postage and Shipping	56,759	90	56,849	158	50	208	47,847	-	47,847	104,904
Total	\$ 1,683,577	\$ 478,143	\$ 2,161,720	\$ 232,710	\$ 30,670	\$ 263,380	\$ 394,201	\$ 3,636	\$ 397,837	\$ 2,822,937

THE AMERICAN ANTI-VIVISECTION SOCIETY
Consolidating Statement of Cash Flows
Year Ended December 31, 2024

	The American Anti-Vivisection Society	Alternatives Research and Development Foundation	Total
Cash Flows from Operating Activities			
Change in Net Assets	\$ 2,284,987	\$ 2,615,771	\$ 4,900,758
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities			
Depreciation	14,574	600	15,174
Gains on Investments	(3,057,901)	(1,961,285)	(5,019,186)
Gain on Beneficial Interest in Perpetual Trust	(104,007)	(14,757)	(118,764)
Operating Lease Expense	115,627	14,951	130,578
Change in Assets and Liabilities			
(Increase) Decrease in			
Receivables From Estates and Trusts	27,477	-	27,477
Prepaid Expenses	(7,345)	108	(7,237)
Due to (from) Affiliate, Net	(208)	208	-
Increase (Decrease) in			
Accounts Payable	(1,372)	(6,888)	(8,260)
Other Payable	-	3,069	3,069
Accrued Compensation and Related Items	7,176	-	7,176
Deferred Dues Revenue	(19,648)	-	(19,648)
Grants Payable	297,592	-	297,592
Operating Lease Liability	(115,627)	(14,951)	(130,578)
Gift Annuities Payable	(2,824)	-	(2,824)
Net Cash Provided by (Used in) Operating Activities	<u>(561,499)</u>	<u>636,826</u>	<u>75,327</u>
Cash Flows from Investing Activities			
Purchase of Property and Equipment	(9,764)	-	(9,764)
Proceeds from Sale and Maturities of Investments	8,887,842	3,073,648	11,961,490
Purchase of Investments	(8,184,793)	(2,528,276)	(10,713,069)
Contribution of Beneficial Interest in Perpetual Trust	(5,000)	-	(5,000)
Net Cash Provided by Investing Activities	<u>688,285</u>	<u>545,372</u>	<u>1,233,657</u>
Net Increase in Cash and Cash Equivalents	126,786	1,182,198	1,308,984
Cash and Cash Equivalents			
Beginning of Year	<u>3,227,158</u>	<u>1,124,359</u>	<u>4,351,517</u>
End of Year	<u><u>\$ 3,353,944</u></u>	<u><u>\$ 2,306,557</u></u>	<u><u>\$ 5,660,501</u></u>

THE AMERICAN ANTI-VIVISECTION SOCIETY
Consolidating Statement of Cash Flows
Year Ended December 31, 2024

	The American Anti-Vivisection Society	Alternatives Research and Development Foundation	Total
	<u> </u>	<u> </u>	<u> </u>

(Continued)

Supplemental Disclosure of Cash Flow Information

Cash Paid for Amounts Included in
Operating Lease Obligation

\$	120,459	\$	15,550	\$	136,009
	<u> </u>		<u> </u>		<u> </u>

**Supplemental Schedule of Noncash Investing and
Financing Activities**

Right-of-Use Assets Obtained in Exchange for New
Operating Lease Obligation

\$	339,771	\$	46,527	\$	386,298
	<u> </u>		<u> </u>		<u> </u>

THE AMERICAN ANTI-VIVISECTION SOCIETY
Consolidating Statement of Cash Flows
Year Ended December 31, 2023

	The American Anti-Vivisection Society	Alternatives Research and Development Foundation	Total
Cash Flows from Operating Activities			
Change in Net Assets	\$ 4,998,860	\$ 2,355,440	\$ 7,354,300
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities			
Depreciation	13,656	600	14,256
Gains on Investments	(4,537,106)	(2,697,251)	(7,234,357)
Gain on Beneficial Interest in Perpetual Trusts	(55,114)	(29,270)	(84,384)
Operating Lease Expense	114,054	14,770	128,824
Change in Assets and Liabilities			
(Increase) Decrease in			
Receivables From Estates and Trusts	154,556	(18,069)	136,487
Prepaid Expenses	(6,583)	854	(5,729)
Due to (from) Affiliate, Net	18,946	(18,946)	-
Increase (Decrease) in			
Accounts Payable	(2,989)	7,424	4,435
Accrued Compensation and Related Items	7,124	-	7,124
Deferred Dues Revenue	(6,649)	-	(6,649)
Grants Payable	53,107	-	53,107
Operating Lease Liability	(114,054)	(14,770)	(128,824)
Gift Annuities Payable	(3,036)	-	(3,036)
Net Cash Used in Operating Activities	<u>634,772</u>	<u>(399,218)</u>	<u>235,554</u>
Cash Flows from Investing Activities			
Purchase of Property and Equipment	(5,720)	0	(5,720)
Proceeds from Sale and Maturities of Investments	7,042,697	2,634,274	9,676,971
Purchase of Investments, Net	(6,376,484)	(2,204,809)	(8,581,293)
Net Cash Provided by Investing Activities	<u>660,493</u>	<u>429,465</u>	<u>1,089,958</u>
Net Increase in Cash and Cash Equivalents	1,295,265	30,247	1,325,512
Cash and Cash Equivalents			
Beginning of Year	<u>1,931,893</u>	<u>1,094,112</u>	<u>3,026,005</u>
End of Year	<u><u>\$ 3,227,158</u></u>	<u><u>\$ 1,124,359</u></u>	<u><u>\$ 4,351,517</u></u>

THE AMERICAN ANTI-VIVISECTION SOCIETY
Consolidating Statement of Cash Flows
Year Ended December 31, 2023

	The American Anti-Vivisection Society	Alternatives Research and Development Foundation	Total
	<u> </u>	<u> </u>	<u> </u>

(Continued)

Supplemental Disclosure of Cash Flow Information

Cash Paid for Amounts Included
in Operating Lease Obligation

\$	112,164	\$	15,901	\$	128,065
	<u> </u>		<u> </u>		<u> </u>

**Supplemental Schedule of Noncash Investing and
Financing Activities**

Right-of-Use Assets Obtained in Exchange for New
Operating Lease Obligation

\$	-	\$	-	\$	-
	<u> </u>		<u> </u>		<u> </u>