

BONK, CUSHMAN, EAGLE & GARCIA
CERTIFIED PUBLIC ACCOUNTANTS

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SPAY NEUTER ACTION PROJECT
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Spay Neuter Action Project, Inc.

Opinion

We have audited the accompanying financial statements of Spay Neuter Action Project (a nonprofit organization), which comprise the statement of financial position as of March 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 Spay Neuter Action Project as of March 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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Auditor's Responsibilities for the Audit of the Financial Statements, continued

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Spay Neuter Action Project'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 Spay Neuter Action Project'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.

Bonk, Cushman, Eagle & Garcia

December 15, 2025

SPAY NEUTER ACTION PROJECT
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2025

ASSETS:

| | | | |
|------------------------------------|--|----|-----------------------|
| Cash and Cash Equivalents | | \$ | 331,433 |
| Total Current Assets | | | <u>331,433</u> |
| Property and Equipment | | | 264,501 |
| Bus #2 | | | 310,192 |
| Less: (Accumulated Depreciation) | | | <u>(305,278)</u> |
| Property & Equipment, Net | | | <u>269,415</u> |
| | | | |
| Cash Restricted to Purchase Bus #2 | | | <u>225,871</u> |
| | | | |
| Total Assets | | \$ | <u><u>826,719</u></u> |

LIABILITIES:

| | | | |
|---------------------------|--|----|----------|
| Accounts Payable | | \$ | - |
| Total Current Liabilities | | | <u>-</u> |

NET ASSETS:

| | | | |
|--------------------------------|--|----|-----------------------|
| Without Donor Restrictions | | | 598,719 |
| With Donor Restrictions | | | 228,000 |
| Total Net Assets | | | <u>826,719</u> |
| | | | |
| Total Liabilities & Net Assets | | \$ | <u><u>826,719</u></u> |

The Accompanying Notes are an Integral Part of the Financial Statements

SPAY NEUTER ACTION PROJECT
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2025

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--------------------------------|-------------------------------|----------------------------|-------------|
| SUPPORT & REVENUE: | | | |
| Spay and Neuter Fees | \$ 686,474 | \$ - | \$ 686,474 |
| Contributions | 398,418 | 228,000 | 626,418 |
| Grants | 175,420 | - | 175,420 |
| Interest | 8,557 | - | 8,557 |
| Employee Retention Tax Credits | 64,818 | - | 64,818 |
| | <hr/> | <hr/> | <hr/> |
| Total Support & Revenue | 1,333,687 | 228,000 | 1,561,687 |
| EXPENSES: | | | |
| Program Services | | | |
| Neuter Scooter Clinics | 1,102,532 | - | 1,102,532 |
| | <hr/> | <hr/> | <hr/> |
| Supporting Services: | | | |
| Management & General | 37,966 | - | 37,966 |
| Fundraising | 69,093 | - | 69,093 |
| | <hr/> | <hr/> | <hr/> |
| Total Supporting Services | 107,059 | - | 107,059 |
| | <hr/> | <hr/> | <hr/> |
| Total Expenses | 1,209,591 | - | 1,209,591 |
| | <hr/> | <hr/> | <hr/> |
| Change in Net Assets | 124,096 | 228,000 | 352,096 |
| Net Assets, Beginning of Year | 474,623 | - | 474,623 |
| | <hr/> | <hr/> | <hr/> |
| Net Assets, End of Year | \$ 598,719 | \$ 228,000 | \$ 826,719 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The Accompanying Notes are an Integral Part of the Financial Statements

SPAY NEUTER ACTION PROJECT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2025

| | <u>SUPPORTING SERVICES</u> | | | <u>Total</u> |
|------------------------------------|----------------------------|---------------------------------|---------------------|---------------------|
| | <u>Program Services</u> | <u>Management & General</u> | <u>Fund Raising</u> | |
| Payroll & Related | | | | |
| Salaries, Wages, Payroll Taxes | \$ 708,183 | \$ - | \$ 30,810 | \$ 738,993 |
| Employee Benefits | 27,399 | - | - | 27,399 |
| Payroll Service | 8,593 | 45 | - | 8,638 |
| Total Payroll & Related | 744,175 | 45.00 | 30,810 | 775,030 |
| Other Expenses | | | | |
| Supplies | 214,877 | - | - | 214,877 |
| Veterinarians | 23,760 | - | - | 23,760 |
| Marketing Consulting | - | - | - | - |
| Bus Repairs and Gasoline | 23,431 | - | - | 23,431 |
| Insurance | 4,156 | 2,649 | - | 6,805 |
| Staff Meals and Travel | 4,590 | 3,124 | - | 7,714 |
| Telephone | 3,300 | 7,647 | - | 10,947 |
| Storage | 9,445 | - | - | 9,445 |
| Special Events | - | - | 10,794 | 10,794 |
| Advertising | - | 1,557 | 13,773 | 15,330 |
| Newsletter | - | - | 12,247 | 12,247 |
| Office Expenses | - | 3,347 | - | 3,347 |
| Miscellaneous | - | - | 902 | 902 |
| Professional fees | - | 9,311 | - | 9,311 |
| Licenses and Permits | 2,026 | 1,034 | - | 3,060 |
| Medical Care | 595 | - | - | 595 |
| Bank Fees | - | 1,263 | - | 1,263 |
| Outreach | 48.00 | 300 | 567 | 915 |
| Website | - | 3,744 | - | 3,744 |
| Recruiting | - | 3,945 | - | 3,945 |
| Total Other Expenses | 286,228 | 37,921 | 38,283 | 362,432 |
| Depreciation | 72,129 | - | - | 72,129 |
| Total Expenses | \$ 1,102,532 | \$ 37,966 | \$ 69,093 | \$ 1,209,591 |

The Accompanying Notes are an Integral Part of the Financial Statements

SPAY NEUTER ACTION PROJECT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

| | | |
|--|----|----------------|
| Change in Net Assets | \$ | 352,096 |
| | | |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: | | |
| Depreciation | | 72,129 |
| (Increase) Decrease in: | | |
| Accounts Receivable | | 25,683 |
| Cash Restricted to Purchase Bus #2 | | (225,871) |
| CASH FLOWS PROVIDED BY OPERATING ACTIVITIES | | <u>224,037</u> |

CASH FLOWS FROM INVESTING ACTIVITIES

| | | |
|--|--|-----------------|
| Equipment Purchased | | (42,653) |
| CASH FLOWS (USED) BY INVESTING ACTIVITIES | | <u>(42,653)</u> |

| | | |
|---|----|-----------------------|
| Net Increase in Cash and Cash Equivalents | | 181,384 |
| Cash & Cash Equivalents, March 31, 2024 | | <u>150,049</u> |
| Cash & Cash Equivalents, March 31, 2025 | \$ | <u><u>331,433</u></u> |

The Accompanying Notes are an Integral Part of the Financial Statements

SPAY NEUTER ACTION PROJECT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025

Note 1. Nature of Organization

Spay Neuter Action Project (SNAP), Inc. (the Organization) is the first and only organization in San Diego County solely dedicated to addressing the root cause of pet overpopulation and its tragic consequences.

SNAP's mission is to achieve zero euthanasia of adoptable and treatable pets in the region through preventative measures, including public awareness campaigns, education materials, affordable spay/neuter services, and subsidies for qualified individuals. SNAP remains the only organization offering high-volume mobile spay/neuter services to the entire community, including unhoused pet owners, military personnel, and residents of Native American reservations

Founded in 1990 by Candy Schumann, SNAP was born from Candy's experience as a volunteer at a local animal shelter. Witnessing the steady stream of stray animals being surrendered, she recognized that adoption alone would not solve the problem. Candy understood that in order to reduce the number of animals euthanized in shelters each year, it was critical to reduce the number of homeless animals entering shelters in the first place.

More than two decades later, SNAP has spayed and neutered over 90,000 animals across San Diego County. The original Neuter Scooter began operations in 2003, fixing over 70,000 pets in southwest San Diego, including City Heights, El Cajon, and Chula Vista. The New Neuter Scooter (SNAP North), a 40-foot mobile surgery bus, began serving North County San Diego and tribal lands in 2020 and has sterilized over 20,000 pets. These Neuter Scooters bring affordable spay/neuter services directly to low-income neighborhoods where they are most needed. In April 2024, SNAP opened its SNAP East Spay Center, which serves Central and East County San Diego fixing over 1,000 pets to date.

While the original Neuter Scooter is temporarily inactive in California due to new emissions regulations, it will continue sterilizing pets in Colorado. SNAP is also building a new Neuter Scooter (SNAP SD) to serve the South Bay and Central areas of San Diego County slated for 2026.

SNAP is funded through grants, private donations, and corporate sponsorships. In addition to spay/neuter services, SNAP offers educational resources, classes, and workshops to promote responsible pet ownership and prevent overpopulation.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting: The accompanying financial statements are prepared on the accrual basis of accounting and accordingly reflect all significant receivables and liabilities.

Fund Accounting: To ensure observance of limitations and restrictions placed on the use of available resources, the accounts of the Organization are maintained in accordance with the principles of fund accounting. Under such principles, resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives.

SPAY NEUTER ACTION PROJECT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025

Note 2. Summary of Significant Accounting Policies, continued

Fund Accounting: continued.

The Organization also prepares financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205 and subsections, as amended by ASU 2016-14. The Organization uses the terms *Net Assets Without Donor Restrictions* and *Net Assets With Donor Restrictions* to describe the two required net asset classes.

Net Assets Without Donor Restrictions: net assets not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions: net assets subject to donor-imposed stipulations.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restriction or by law.

Contributions: Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Cash and Cash Equivalents: The Organization has defined cash and cash equivalents as cash in banks and money market accounts with an initial maturity of three months or less.

Property and Equipment: Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$1,000 and the useful life is greater than one year. Depreciation is computed using the straight-line method over the useful lives of the assets, which vary between five or seven years for buses, equipment, and medical instruments.

Depreciation expense for the year ended March 31, 2024 amounted to \$72,129.

Donated Materials and Services: Donated materials and services are recognized as contributions if the materials or services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers provide services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

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

Functional Allocation of Expenses: The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of the Organization providing these services.

SPAY NEUTER ACTION PROJECT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025

Note 2. Summary of Significant Accounting Policies, continued

Compensated Absences: Compensated absences for sick pay and personal time off have not been accrued since they cannot be reasonably estimated. The Organization’s policy is to recognize these costs when actually paid.

Concentration of Credit and Financial Risks: The Organization maintains cash balances with federally insured institutions. Accounts at federally insured institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Note 3. Income Tax Status

The Organization is a California Not-For-Profit corporation exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and California State Tax Code 23701(d), respectively, whereby only unrelated business income, as defined by Section 509(a)(1) of the Internal Revenue Code is subject to federal income tax. The Organization currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

The FASB Interpretation No.48, *Accounting for Uncertainty in Income Taxes*, (FIN 48) which was subsequently included in the FASB Codification as ASC 740, prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Management of the Organization has evaluated its uncertain tax positions and related income tax contingencies. Management does not believe that any material uncertain tax positions exist. The Organization’s tax returns are subject to examination by Federal taxing authorities for a period of three years from the date they are filed and a period of four years for California taxing authorities.

Note 4. Property and Equipment

Property and equipment consist of the following at March 31, 2025:

| | |
|---|-------------------|
| Shanti House | \$ 91,859 |
| Trailer – SNAP East..... | 53,406 |
| SNAP East Spay Center..... | 57,447 |
| Vehicles..... | 35,533 |
| Equipment and Medical Instruments | <u>26,256</u> |
| Total Property and Equipment | 264,501 |
| Bus #2 | 310,192 |
| Less: Accumulated Depreciation | <u>(305,278)</u> |
| | <u>\$ 269,415</u> |

Note 5. Advertising

The Organization uses advertising to promote its programs. These advertising costs are expensed as incurred.

SPAY NEUTER ACTION PROJECT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025

Note 6. Liquidity and Availability of Financial Assets

The Organization's working capital and cash flows are relatively consistent throughout the year due to year-round grant writing and earning of spay and neuter fees. To manage liquidity the Organization maintains adequate cash balances.

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

| | |
|---|-------------------|
| | <u>03/31/2025</u> |
| Cash and Cash Equivalents | \$ 331,433 |
| Cash Restricted to Purchase Bus #2 | <u>225,871</u> |
| Total Financial assets at year-end | 557,304 |
| Donor Imposed Restrictions: | |
| Subject to expenditure for specified purpose | <u>(228,000)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 329,304</u> |

Note 7. Subsequent Events

The management of the Organization have reviewed the results of operations and evaluated subsequent events for the period of time from its year end March 31, 2025 through December 15, 2025, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.