

Citizens for Animal Protection, Inc.

Financial Statements
and Independent Auditors' Report
for the years ended June 30, 2025 and 2024

Citizens for Animal Protection, Inc.

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Independent Auditors' Report

To the Board of Directors of
Citizens for Animal Protection, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Citizens for Animal Protection, Inc., which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, of functional expenses, and of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Citizens for Animal Protection, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its 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. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Citizens for Animal Protection, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Citizens for Animal Protection, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Citizens for Animal Protection, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Citizens for Animal Protection, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Blazek & Vetterling

April 14, 2026

Citizens for Animal Protection, Inc.

Statements of Financial Position as of June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 416,501	\$ 210,033
Prepaid expenses and other assets	272,844	197,570
Investments (Note 3):		
Undesignated	2,476,851	2,480,957
Endowment	2,284,360	2,144,793
Property and equipment, net (Note 4)	<u>5,595,019</u>	<u>5,713,637</u>
TOTAL ASSETS	<u>\$ 11,045,575</u>	<u>\$ 10,746,990</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 308,368	\$ 147,991
Refundable advances for future special events	177,157	266,661
Note payable (Note 5)	<u>1,799,104</u>	<u>1,863,795</u>
Total liabilities	<u>2,284,629</u>	<u>2,278,447</u>
Net assets (Note 7):		
Without donor restrictions	6,993,190	6,789,874
With donor restrictions (Note 6)	<u>1,767,756</u>	<u>1,678,669</u>
Total net assets	<u>8,760,946</u>	<u>8,468,543</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,045,575</u>	<u>\$ 10,746,990</u>

See accompanying notes to financial statements.

Citizens for Animal Protection, Inc.

Statement of Activities for the year ended June 30, 2025

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contributions:			
Financial assets	\$ 2,291,169	\$ 275,005	\$ 2,566,174
Nonfinancial assets (Note 8)	93,761		93,761
Program fees	937,267		937,267
Special events:			
Financial assets	949,786		949,786
Nonfinancial assets (Note 8)	210,331		210,331
Cost of direct donor benefits	(270,347)		(270,347)
Net investment return	<u>220,006</u>	<u>178,595</u>	<u>398,601</u>
Total revenue	4,431,973	453,600	4,885,573
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>364,513</u>	<u>(364,513)</u>	
Total	<u>4,796,486</u>	<u>89,087</u>	<u>4,885,573</u>
EXPENSES:			
Program services:			
Animal care and shelter	3,320,053		3,320,053
Clinic	<u>279,714</u>		<u>279,714</u>
Total program services	3,599,767		3,599,767
Management and general	660,533		660,533
Fundraising	<u>332,870</u>		<u>332,870</u>
Total expenses	<u>4,593,170</u>		<u>4,593,170</u>
CHANGES IN NET ASSETS	203,316	89,087	292,403
Net assets, beginning of year	<u>6,789,874</u>	<u>1,678,669</u>	<u>8,468,543</u>
Net assets, end of year	<u>\$ 6,993,190</u>	<u>\$ 1,767,756</u>	<u>\$ 8,760,946</u>

See accompanying notes to financial statements.

Citizens for Animal Protection, Inc.

Statement of Activities for the year ended June 30, 2024

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contributions:			
Financial assets	\$ 1,444,615	\$ 87,760	\$ 1,532,375
Nonfinancial assets <i>(Note 8)</i>	197,883		197,883
Program fees	960,035		960,035
Special events:			
Financial assets	1,012,472		1,012,472
Nonfinancial assets <i>(Note 8)</i>	147,168		147,168
Cost of direct donor benefits	(315,222)		(315,222)
Net investment return	199,263	180,553	379,816
Other income	302		302
Total revenue	3,646,516	268,313	3,914,829
Net assets released from restrictions:			
Satisfaction of program restrictions	194,000	(194,000)	
Total	3,840,516	74,313	3,914,829
EXPENSES:			
Program services:			
Animal care and shelter	3,239,319		3,239,319
Clinic	352,594		352,594
Total program services	3,591,913		3,591,913
Management and general	591,642		591,642
Fundraising	361,185		361,185
Total expenses	4,544,740		4,544,740
CHANGES IN NET ASSETS	(704,224)	74,313	(629,911)
Net assets, beginning of year	7,494,098	1,604,356	9,098,454
Net assets, end of year	\$ 6,789,874	\$ 1,678,669	\$ 8,468,543

See accompanying notes to financial statements.

Citizens for Animal Protection, Inc.

Statement of Functional Expenses for the year ended June 30, 2025

	PROGRAM SERVICES			MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES
	ANIMAL CARE AND SHELTER	CLINIC	TOTAL			
Salaries and related expenses	\$ 2,295,347	\$ 95,958	\$ 2,391,305	\$ 382,848	\$ 175,441	\$ 2,949,594
Contract and professional fees	181,551	50,488	232,039	134,506	82,774	449,319
Depreciation	243,786	15,561	259,347	16,485	18,546	294,378
Veterinary medicine and supplies	188,177	93,132	281,309			281,309
Supplies	142,831	6,937	149,768	15,901	8,618	174,287
Utilities	84,897	5,000	89,897	8,050	6,274	104,221
Insurance	55,333	2,497	57,830	18,490	3,057	79,377
Maintenance and repair	48,700	2,671	51,371	5,114	3,052	59,537
Bank and merchant fees				59,022		59,022
Interest	50,391	5,658	56,049			56,049
Printing	3,512	207	3,719	544	23,975	28,238
Dues and subscriptions	10,489	703	11,192	2,470	897	14,559
Security	6,194	365	6,559	566	417	7,542
Equipment purchase, rental, and repair	1,805	71	1,876	1,165	63	3,104
Other	7,040	466	7,506	15,372	9,756	32,634
Total expenses	<u>\$ 3,320,053</u>	<u>\$ 279,714</u>	<u>\$ 3,599,767</u>	<u>\$ 660,533</u>	<u>\$ 332,870</u>	4,593,170
Cost of direct donor benefits						<u>270,347</u>
Total						<u>\$ 4,863,517</u>

See accompanying notes to financial statements.

Citizens for Animal Protection, Inc.

Statement of Functional Expenses for the year ended June 30, 2024

	PROGRAM SERVICES			MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES
	ANIMAL CARE AND SHELTER	CLINIC	TOTAL			
Salaries and related expenses	\$ 2,151,501	\$ 148,674	\$ 2,300,175	\$ 437,435	\$ 167,127	\$ 2,904,737
Contract and professional fees	191,733	62,299	254,032	49,546	125,216	428,794
Depreciation	249,197	14,676	263,873	18,870	16,773	299,516
Veterinary medicine and supplies	258,108	95,941	354,049			354,049
Supplies	135,314	1,544	136,858	3,254	4,633	144,745
Utilities	74,722	4,361	79,083	5,460	5,509	90,052
Insurance	61,207	3,658	64,865	12,312	4,342	81,519
Maintenance and repair	43,497	2,341	45,838	3,872	2,675	52,385
Bank and merchant fees				52,560		52,560
Interest	47,117	5,291	52,408			52,408
Printing	3,089	182	3,271	409	17,455	21,135
Dues and subscriptions	4,114	3,216	7,330	1,401	2,345	11,076
Security	2,241	132	2,373	620	151	3,144
Equipment purchase, rental, and repair	3,581	9,365	12,946	2,111	134	15,191
Other	13,898	914	14,812	3,792	14,825	33,429
Total expenses	<u>\$ 3,239,319</u>	<u>\$ 352,594</u>	<u>\$ 3,591,913</u>	<u>\$ 591,642</u>	<u>\$ 361,185</u>	4,544,740
Cost of direct donor benefits						<u>315,222</u>
Total						<u>\$ 4,859,962</u>

See accompanying notes to financial statements.

Citizens for Animal Protection, Inc.

Statements of Cash Flows for the years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 292,403	\$ (629,911)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Net realized and unrealized gain on investments	(178,552)	(211,057)
Depreciation	294,378	299,516
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(75,274)	25,551
Accounts payable and accrued expenses	160,377	11,513
Refundable advances for future special events	<u>(89,504)</u>	<u>48,409</u>
Net cash provided (used) by operating activities	<u>403,828</u>	<u>(455,979)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(5,818,759)	(2,592,609)
Proceeds from sales of investments	5,860,724	3,030,399
Net change in money market mutual funds	1,126	115,752
Purchases of property and equipment	<u>(175,760)</u>	<u>(25,903)</u>
Net cash provided (used) by investing activities	<u>(132,669)</u>	<u>527,639</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment on note payable	<u>(64,691)</u>	<u>(67,732)</u>
NET CHANGE IN CASH	206,468	3,928
Cash, beginning of year	<u>210,033</u>	<u>206,105</u>
Cash, end of year	<u>\$ 416,501</u>	<u>\$ 210,033</u>
<i>Supplemental disclosure of cash flow information:</i>		
Interest paid	\$56,049	\$52,408

See accompanying notes to financial statements.

Citizens for Animal Protection, Inc.

Notes to Financial Statements for the years ended June 30, 2025 and 2024

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Citizens for Animal Protection, Inc. (CAP), a Texas non-profit organization, was incorporated in January 1973. CAP’s mission is to provide shelter for homeless animals, place animals into responsible loving homes, control pet overpopulation through spay/neuter programs, educate people of all ages about responsible pet care, reunite lost pets with their owners, provide low-cost wellness services to the public, advocate for respect and compassion for all animals and provide humane education to help prevent cruelty to animals. CAP fulfills its mission by focusing its programs and services to enhance the lives of pets and people in the Greater Houston Area and surrounding counties in the following areas:

Animal Care and Shelter provides a temporary home for animals needing care and new homes. Animals are fed, groomed, walked, vaccinated, and provided veterinary care during their stay.

Clinic – CAP operates a clinic to provide immediate veterinary care to animals dropped off at the shelter and to administer care to animals while at the shelter waiting to be adopted. Veterinary services provided include spay/neuter surgeries, treatment for conditions, and further diagnostics. The clinic’s low-cost wellness program provides vaccination services, preventative care and blood work to the public.

Federal income tax status – CAP is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §170(b)(1)(A)(vi).

Investments are reported at fair value. Net investment return consists of interest and dividends, and realized and unrealized gains and losses, net of external and direct internal investment expenses.

Property and equipment is reported at cost, if purchased, and at fair value at the date of gift, if donated. CAP capitalizes property additions and improvements with a cost of more than \$2,500 with an economic life of more than one year. Depreciation is provided on a straight-line basis over estimated useful lives of 3 to 30 years.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.
- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both. Contributions of long-lived assets and of assets restricted for acquisition of long-lived assets are released when those assets are placed in service. Donor-restricted endowment earnings are released when those earnings are appropriated in accordance with spending policies and are used for the stipulated purpose.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as *with donor restrictions*. Conditional contributions are subject to one or more barriers that must be overcome before CAP is entitled to receive or retain funding. Conditional contributions are recognized as revenue at fair value when the conditions have been met. Funding received before conditions are met is reported as a refundable advance.

Program fees consist of adoption and intake fees, education, wellness programs, and pharmacy sales. Intake fees are recognized on the date of intake. Adoption fees are recognized on the date of adoption. Sales are recognized on the date of the sale, procedure, or evaluation. Education fees are recognized on the date of the event. Wellness programs are recognized on the date of the visit. Pharmacy sales are recognized at the point of the sale. There were no accounts receivable or deferred revenues associated with program fees at June 30, 2025 or 2024.

Special events revenue is the total amount paid by sponsors and attendees of an event and includes elements of both contributions and exchange transactions. Special events revenue is recognized when the event occurs. Amounts received for future special events are included in refundable advances. Cost of direct donor benefits represent the cost of goods and services provided to attendees of the special events.

Contributed nonfinancial assets – Donated materials and use of facilities are recognized as unrestricted contributions at fair value when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Fundraising activities include the solicitation of contributions of money, securities, materials, facilities, other assets, and time. Management and general activities are not directly identifiable with specific program or fundraising activities. Expenses that are attributable to more than one activity are allocated among the activities benefitted. Salaries and related expenses are allocated on the basis of estimated time and effort expended. Depreciation and occupancy costs are allocated based on square footage.

Estimates – Management makes estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts reported as revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of June 30 comprise the following:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash	\$ 416,501	\$ 210,033
Contributions receivable	28,653	32,956
Investments	<u>4,761,211</u>	<u>4,625,750</u>
Total financial assets	5,206,365	4,868,739
Less financial assets not available for general expenditure:		
Investments restricted for endowment, less amounts appropriated for use in the coming year	(1,640,762)	(1,523,473)
Board-designated endowment funds, less amounts appropriated for use in the coming year	<u>(570,190)</u>	<u>(519,319)</u>
Total financial assets available for general expenditure	<u>\$ 2,995,413</u>	<u>\$ 2,825,947</u>

For purposes of analyzing resources available to meet expenditures over a 12-month period, CAP considers all expenditures related to its ongoing activities of providing animal care and shelter, as well as the conduct of services undertaken to support those activities, to be general expenditures. CAP relies on contributions and service fees to fund expenditures related to providing its programs. As part of CAP's liquidity management, it has a policy to structure financial assets to be available as its general expenditures, liabilities, and other obligations become due.

CAP's Board of Directors has designated a portion of its resources without donor restrictions as a board-designated endowment to support general operations. These funds remain available to be spent at the discretion of the Board of Directors.

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value 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. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.
- *Level 2* – Inputs are other than quoted prices included in Level 1, which are either directly observable or can be derived from or corroborated by observable market data at the reporting date.
- *Level 3* – Inputs are not observable and are based on the reporting entity's assumptions about the inputs market participants would use in pricing the asset or liability.

Assets measured at fair value at June 30, 2025 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments:				
Exchange-traded funds	\$ 2,212,905			\$ 2,212,905
Certificates of deposit		\$ 1,348,115		1,348,115
Mutual funds:				
Equity	689,054			689,054
Money market	<u>511,137</u>			<u>511,137</u>
Total investments	<u>\$ 3,413,096</u>	<u>\$ 1,348,115</u>	<u>\$ 0</u>	<u>\$ 4,761,211</u>

Assets measured at fair value at June 30, 2024 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments:				
Exchange-traded funds	\$ 1,354,380			\$ 1,354,380
Certificates of deposit		\$ 2,127,744		2,127,744
Mutual funds:				
Equity	631,363			631,363
Money market	<u>512,263</u>			<u>512,263</u>
Total investments	<u>\$ 2,498,006</u>	<u>\$ 2,127,744</u>	<u>\$ 0</u>	<u>\$ 4,625,750</u>

Valuation methods used for assets measured at fair value are as follows:

- *Exchange-traded funds* are valued at the closing price reported on the active market on which the individual securities are traded.
- *Certificates of deposit* are valued by discounting the future cash flows using rates currently offered for deposits with similar remaining maturities.
- *Mutual funds* are valued at the reported net asset value.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while CAP believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

Investments are exposed to various risks such as interest rate, market, and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2025</u>	<u>2024</u>
Land	\$ 1,507,000	\$ 1,507,000
Building and improvements	7,059,611	7,059,611
Furniture, fixtures, and equipment	<u>592,024</u>	<u>416,264</u>
Total property and equipment, at cost	9,158,635	8,982,875
Accumulated depreciation	<u>(3,563,616)</u>	<u>(3,269,238)</u>
Property and equipment, net	<u>\$ 5,595,019</u>	<u>\$ 5,713,637</u>

NOTE 5 – NOTE PAYABLE

In October 2020, CAP entered into a \$2 million Small Business Administration (SBA) loan agreement under the Economic Injury Disaster Loan (EIDL) program. The loan bears interest at 2.75%, requires monthly payments of principal and interest and matures on October 30, 2050. The loan is secured by a deed of trust on land and buildings.

Scheduled maturities of the loan at June 30, 2025 are as follows:

2026	\$ 57,535
2027	59,284
2028	61,080
2029	62,927
2030	64,826
Thereafter	<u>1,493,452</u>
Total	<u>\$ 1,799,104</u>

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose:		
Adoption events	\$ 83,986	\$ 80,528
Endowments subject to spending policy and appropriation:		
Leadership compensation and support	1,570,849	1,493,345
Leadership training	<u>112,921</u>	<u>104,796</u>
Total net assets with donor restrictions	<u>\$ 1,767,756</u>	<u>\$ 1,678,669</u>

NOTE 7 – ENDOWMENTS

CAP maintains endowments that include both donor-restricted and board-designated funds to support leadership and directorship, leadership training and general operating purposes. The leadership training funds are not required to be maintained in perpetuity, but are long-term funds that share CAP’s investment policy and spending policies.

The Board of Directors of CAP has interpreted the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, CAP classifies the original value of gifts donated to the perpetual endowment and accumulated investment return subject to appropriation as *net assets with donor restrictions*. In accordance with TUPMIFA, CAP considers the duration and preservation of the funds and other resources in making a determination to appropriate accumulated donor-restricted funds.

An endowment fund is *underwater* if the fair value of the fund’s investments falls below the amount required to be maintained in perpetuity because of declines in the fair value of investments and/or continued appropriation and spending in accordance with prudent spending policies. There were no such deficiencies at June 30, 2025 or 2024.

Net asset composition as of June 30, 2025:

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
Donor-restricted perpetual endowment funds:			
Original donor-restricted gifts and amounts required to be maintained in perpetuity:			
Leadership compensation and support		\$ 1,000,000	\$ 1,000,000
Accumulated net investment return:			
Leadership compensation and support		570,849	570,849
Donor-restricted long-term endowment funds:			
Leadership training		112,921	112,921
Board-designated endowment funds	<u>\$ 600,590</u>	_____	<u>600,590</u>
Endowment net assets	<u>\$ 600,590</u>	<u>\$ 1,683,770</u>	<u>\$ 2,284,360</u>

Net asset composition as of June 30, 2024:

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
Donor-restricted perpetual endowment funds:			
Original donor-restricted gifts and amounts required to be maintained in perpetuity:			
Leadership compensation and support		\$ 1,000,000	\$ 1,000,000
Accumulated net investment return:			
Leadership compensation and support		493,345	493,345
Donor-restricted long-term endowment funds:			
Leadership training		104,796	104,796
Board-designated endowment funds	<u>\$ 546,652</u>	_____	<u>546,652</u>
Endowment net assets	<u>\$ 546,652</u>	<u>\$ 1,598,141</u>	<u>\$ 2,144,793</u>

Changes in net assets of the endowments and long-term invested funds are as follows:

	<u>BOARD- DESIGNATED ENDOWMENT</u>	<u>WITH DONOR RESTRICTIONS</u>		<u>TOTAL</u>
		<u>NOT REQUIRED TO BE MAINTAINED IN PERPETUITY</u>	<u>REQUIRED TO BE MAINTAINED IN PERPETUITY</u>	
Net assets, June 30, 2023	<u>\$ 524,463</u>	<u>\$ 488,764</u>	<u>\$ 1,000,000</u>	<u>\$ 2,013,227</u>
Contributions / additions	17,500			17,500
Net investment return	61,906	180,553		242,459
Distributions	<u>(57,217)</u>	<u>(71,176)</u>	_____	<u>(128,393)</u>
Net assets, June 30, 2024	<u>546,652</u>	<u>598,141</u>	<u>1,000,000</u>	<u>2,144,793</u>
Contributions / additions	21,178			21,178
Net investment return	62,684	178,595		241,279
Distributions	<u>(29,924)</u>	<u>(92,966)</u>	_____	<u>(122,890)</u>
Net assets, June 30, 2025	<u>\$ 600,590</u>	<u>\$ 683,770</u>	<u>\$ 1,000,000</u>	<u>\$ 2,284,360</u>

Investment Policy

CAP has adopted an investment policy for endowment investments and other invested funds. The investment policy is to preserve and enhance the real value of the principal and to provide CAP with a dependable source of revenue to support its facilities and programs. Endowment assets include those assets of donor-restricted funds that CAP must hold in perpetuity or for a donor-specified period, as well as board-designated funds.

To satisfy its long-term rate-of-return objectives, CAP relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). CAP targets a diversified asset allocation that ordinarily places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy

Distributions from the endowment are made monthly based on the fair value of the endowment. The monthly distribution is calculated using 1/12 of 5% of the market value of the preceding month. Distributions are allocated proportionally between the board-designated and donor-restricted endowments.

NOTE 8 – CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets as of June 30 were recognized as follows:

<u>CONTRIBUTED NONFINANCIAL ASSETS</u>	<u>UTILIZED IN PROGRAMS/ ACTIVITIES</u>	<u>DONOR RESTRICTIONS</u>	<u>VALUATION TECHNIQUES AND INPUTS</u>	<u>2025 REVENUE RECOGNIZED</u>	<u>2024 REVENUE RECOGNIZED</u>
Auction items	Fundraising	None	Fair value estimated based on proceeds from auction.	\$141,898	\$147,168
Animal food and supplies	Program services	None	Fair value estimated on basis of retail price for similar items.	\$76,136	\$165,153
Food and beverage and other gala supplies	Fundraising	None	Fair value estimated on basis of retail price for similar items.	\$68,433	
Professional services	Program services and fundraising	None	Fair value estimated on basis of current rates for similar services.	\$16,710	\$29,436
Other	Utilized for program services, management and general, and fundraising	None	Fair value estimated based on similar goods and services.	\$915	\$3,294
Total contributed nonfinancial assets				<u>\$304,092</u>	<u>\$345,051</u>

A substantial number of volunteers have contributed significant amounts of time in connection with programs, administration, and fundraising for which no amount has been recognized in the financial statements because the services did not meet the criteria for recognition under generally accepted accounting principles. During the years ended June 30, 2025 and 2024, volunteers provided 13,965 hours and 13,101 hours of service to CAP, respectively.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 14, 2026, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.
