

NOT ONE MORE VET, INC.

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2022 AND 2021

NOT ONE MORE VET, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Not One More Vet, Inc.
San Jose, California

Opinion

We have audited the financial statements of Not One More Vet, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and 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 Not One More Vet, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and 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 Financial Statements section of our report. We are required to be independent of Not One More Vet, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Not One More Vet, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

HAWKINS ASH CPAS, LLP

A handwritten signature in cursive script that reads "Hawkins Ash CPAs, LLP".

Manitowoc, Wisconsin
January 2, 2024

NOT ONE MORE VET, INC.
STATEMENTS OF FINANCIAL POSITION

	DECEMBER 31,	
	2022	2021
<u>ASSETS</u>		
Cash	\$ 657,516	\$ 617,931
Unconditional promises to give, net	155,855	254,592
Intangible assets, net	128,000	105,000
TOTAL ASSETS	\$ 941,371	\$ 977,523
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable	\$ 37,909	\$ 3,146
Accrued payroll and related expenses	46,772	10,986
TOTAL LIABILITIES	84,681	14,132
NET ASSETS		
Without donor restrictions	635,758	667,799
With donor restrictions	220,932	295,592
TOTAL NET ASSETS	856,690	963,391
TOTAL LIABILITIES AND NET ASSETS	\$ 941,371	\$ 977,523

The accompanying notes are an integral part of these statements.

NOT ONE MORE VET, INC.
STATEMENTS OF ACTIVITIES

	YEAR ENDED DECEMBER 31,					
	2022			2021		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE, GAINS AND OTHER SUPPORT						
Contributions	\$ 616,391	\$ 85,907	\$ 702,298	\$ 690,507	\$ 295,592	\$ 986,099
In-kind contributions	18,000	-	18,000	-	-	-
Special events	11,576	11,000	22,576	231,160	-	231,160
Sales	34,611	-	34,611	24,695	-	24,695
Net assets released from restrictions	171,567	(171,567)	-	-	-	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	852,145	(74,660)	777,485	946,362	295,592	1,241,954
EXPENSES						
Program	687,925	-	687,925	441,953	-	441,953
Management and general	146,184	-	146,184	93,415	-	93,415
Fundraising	50,077	-	50,077	10,738	-	10,738
TOTAL EXPENSES	884,186	-	884,186	546,106	-	546,106
CHANGE IN NET ASSETS	(32,041)	(74,660)	(106,701)	400,256	295,592	695,848
NET ASSETS AT BEGINNING OF YEAR	667,799	295,592	963,391	267,543	-	267,543
NET ASSETS AT END OF YEAR	\$ 635,758	\$ 220,932	\$ 856,690	\$ 667,799	\$ 295,592	\$ 963,391

The accompanying notes are an integral part of these statements.

NOT ONE MORE VET, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Wages	\$ 292,116	\$ 66,528	\$ 37,123	\$ 395,767
Payroll taxes	24,204	5,512	3,076	32,792
Employee benefits	36,720	8,363	4,666	49,749
Professional fees	11,000	39,582	-	50,582
Cost of sales	22,853	-	-	22,853
Office expense	19,470	4,434	2,475	26,379
Insurance	-	4,582	-	4,582
Grants and assistance	239,354	-	-	239,354
Marketing and recruitment	1,330	817	120	2,267
Travel	10,519	1,680	2,617	14,816
Amortization	25,000	-	-	25,000
Bank and processing fees	-	5,556	-	5,556
Miscellaneous	-	9,130	-	9,130
Licenses and fees	5,359	-	-	5,359
TOTAL EXPENSES	\$ 687,925	\$ 146,184	\$ 50,077	\$ 884,186

The accompanying notes are an integral part of these statements.

NOT ONE MORE VET, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Wages	\$ 164,696	\$ 27,449	\$ 3,922	\$ 196,067
Payroll taxes	13,161	2,194	313	15,668
Employee benefits	12,822	2,137	305	15,264
Professional fees	-	26,406	-	26,406
Cost of sales	30,826	-	3,952	34,778
Office expense	4,433	1,775	2,150	8,358
Insurance	-	4,658	-	4,658
Grants and assistance	211,573	-	-	211,573
Marketing and recruitment	821	356	96	1,273
Travel	975	8,330	-	9,305
Amortization	-	-	-	-
Bank and processing fees	-	5,374	-	5,374
Miscellaneous	-	14,301	-	14,301
License and fees	2,646	435	-	3,081
TOTAL EXPENSES	\$ 441,953	\$ 93,415	\$ 10,738	\$ 546,106

The accompanying notes are an integral part of these statements.

NOT ONE MORE VET, INC.
STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (106,701)	\$ 695,848
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Amortization	25,000	-
Discount on unconditional promises to give	(3,607)	6,052
In-kind donation of intangible assets	(18,000)	-
Changes in assets and liabilities:		
(Increase) decrease in current assets		
Unconditional promises to give, net	102,344	(257,989)
Increase (decrease) in current liabilities		
Accounts payable	34,763	1,752
Accrued payroll and related expenses	35,786	11,136
NET CASH PROVIDED BY OPERATING ACTIVITIES	69,585	456,799
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	(30,000)	(105,000)
NET CASH (USED IN) INVESTING ACTIVITIES	(30,000)	(105,000)
NET INCREASE IN CASH	39,585	351,799
CASH AT BEGINNING OF YEAR	617,931	266,132
CASH AT END OF YEAR	\$ 657,516	\$ 617,931

The accompanying notes are an integral part of these statements.

NOT ONE MORE VET, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 - Nature of Organization and Significant Accounting Policies

Nature of Organization - Not One More Vet, Inc. (the "Organization") addresses wellbeing in veterinary medicine through multiple innovative and inclusive pathways including: evidence-based peer support; comprehensive programs providing leadership focused on well-being; grant programs providing financial support for individuals and clinics experiencing crisis; mentorship and best practices programs addressing mental health from education institutions to the workplace; raising awareness of the status of mental health in the profession; and research to further the advancement of wellness, mental health, and the reduction of suicide in veterinary professionals. The Organization is primarily funded through contributions.

For the year ended December 31, 2021, the Organization received 12.1% of total revenue from one donor. There were no revenue concentrations for 2022.

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all receivables, payables and other liabilities.

Basis of Presentation - The accompanying financial statements are prepared in accordance with the accounting principles generally accepted in the United States of America (U.S. GAAP) as codified by the Financial Accounting Standards Board.

The Organization is required to report information regarding its net assets and its activities based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor or certain grantor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Accounting Pronouncements Adopted - As of January 1, 2022, the Organization adopted the provision of FASB issued Accounting Standards Update 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958). Under the new guidance, gifts-in-kind are required to be presented as a separate line item on the statements of activities and additional disclosures will be required. The presentation and disclosures for contributed nonfinancial assets have been enhanced in accordance with the standard.

Cash and Cash Equivalents - The Organization's cash consists of cash on deposit with banks. For purposes of the statements of cash flows, the Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization does not have any cash equivalents as of December 31, 2022 and 2021.

NOT ONE MORE VET, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022 AND 2021

NOTE 1 - Nature of Organization and Significant Accounting Policies - Continued

Promises to Give - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a nominal interest rate applicable to the year in which the promise is received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Management provides for uncollectible amounts through a provision for uncollectible pledge expense from outstanding balances and an adjustment to a valuation allowance based on its assessment of the current status of individual pledges. Balances that are still outstanding after management used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to unconditional promises to give. Management believes all receivables are collectible; accordingly, no allowance has been recorded.

Intangible Assets - Intangible assets include the development costs for a web-based application that will provide peer support and mentorship across the veterinary community. Acquired intangible assets are initially recognized at cost. Intangible assets are subsequently carried at cost less accumulated amortization. Amortization begins when the asset is available for use as intended by management. Residual values are assumed to be zero and are reviewed at each financial year end.

Costs associated with training or maintenance are recognized as expenses when incurred.

Intangible assets are amortized on a straight-line basis over their estimated useful lives. The useful lives of intangible assets are reviewed annually and are 5 years for the software application.

Revenue Recognition - The Organization records the following exchange transaction revenue in its statements of activities and changes in net assets:

Sales: The Organization operates an on-line store. The performance obligation is the delivery of the good to the customer. The transaction price is established by the Organization based on reasonable retail prices. As each item is individually priced, no allocation of the transaction price is necessary. The Organization recognizes revenue as the customer initiates the sale for the goods.

Contribution Recognition - Contributions are recognized when received or unconditionally pledged. Conditional contributions and promises to give, are recognized as revenue when the barriers to entitlement are overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets is removed. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

In-Kind Contributions - The Organization records the value of donated goods when there is an objective basis to measure the value. Donated goods are reflected as in-kind contribution revenue in the accompanying statements of activities.

NOT ONE MORE VET, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022 AND 2021

NOTE 1 - Nature of Organization and Significant Accounting Policies - Continued

Donated services are recognized as contributions if the services a) create or enhance nonfinancial assets or b) require specialized skills that are performed by people with those skills and would otherwise be purchased by the Organization.

A substantial number of volunteers have made significant contributions of their time to the Organization's program and supporting services. The value of this contributed time is not reflected in these financial statements because the criteria for recognition have not been satisfied.

Functional Allocation of Expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Those expenses include wages, employee benefits, payroll taxes and certain office expenses, which are allocated based on estimates of time and usage tracked through employee time entry.

Advertising Costs - Advertising costs are expensed as incurred.

Use of Estimates - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Tax Status - The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Organization is also exempt from State taxation.

Accounting for Uncertainty in Income Taxes - U.S. GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by a taxing authority. Management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2022 and 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions, however, there are currently no audits in progress for any tax period. The Organization will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

Reclassifications - Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Subsequent Events - The Organization evaluated subsequent events through January 2, 2024, the date which the financial statements were available to be issued.

NOT ONE MORE VET, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022 AND 2021

NOTE 2 - Concentration of Cash and Credit Risk

The Organization may have deposits with a financial institution at times during the year that exceed the Federal Deposit Insurance Corporation (FDIC) insurance threshold of \$250,000. The amount of the accounting loss that the Organization would have incurred had the financial institution not been able to return monies in excess of \$250,000 amounted to \$271,996 and \$230,771 as of December 31, 2022 and 2021, respectively. The Organization does not require collateral or other security to support deposits subject to this credit risk.

NOTE 3 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31:

	2022	2021
Cash	\$ 657,516	\$ 617,931
Unconditional promises to give receivable in less than one year	108,300	160,644
Total financial assets available within one year	765,816	778,575
Less amounts not available for general expenditure within one year:		
Net assets with donor restrictions	115,077	151,000
Board designated net assets	-	-
Total financial assets available to management for general expenditure within one year	\$ 650,739	\$ 627,575

Liquidity Management

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 4 - Unconditional Promises to Give

The aggregate collections of promises to give are as follows at December 31:

	2022	2021
Receivable in less than one year	\$ 108,300	\$ 160,644
Receivables in one to five years	50,000	100,000
Total unconditional promises to give	158,300	260,644
Less: Allowance for unconditional promises to give	-	-
Less: Discount to net present value	(2,445)	(6,052)
NET UNCONDITIONAL PROMISES TO GIVE	\$ 155,855	\$ 254,592

A discount rate of 2.5% was used at December 31, 2022 and 2021, respectively on unconditional promises to give.

There is no allowance for uncollectible promises to give as management considers all unconditional promises to give to be collectible.

NOT ONE MORE VET, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022 AND 2021

NOTE 5 - Intangible Assets

A summary of intangible assets is as follows as of December 31:

	2022	2021
Web-based application	\$ 153,000	\$ 105,000
Less: Accumulated amortization	(25,000)	-
NET INTANGIBLE ASSETS	<u>\$ 128,000</u>	<u>\$ 105,000</u>

The Organization incurred costs for the web based application development during the 2021 year; however, the project was not placed in service until 2022.

Amortization expense amounted to \$25,000 and \$-0- as of December 31, 2022 and 2021, respectively.

Intangible asset amortization for the succeeding years is as follows:

2023	\$ 30,600
2024	30,600
2025	30,600
2026	30,600
2027	5,600

NOTE 6 - Net Assets

Net assets with donor restrictions are restricted for the following purposes or periods at December 31:

	2022	2021
Subject to expenditure for specified purpose:		
Emergency disaster relief grant funds	\$ 30,077	\$ 41,000
Cyberbullying program	35,000	-
Promises to give, the proceeds from which have been restricted by donors for:		
Lifeboat application	-	10,000
CLEAR Blueprint program	97,555	143,948
Emergency disaster relief grant funds	-	50,000
	<u>162,632</u>	<u>244,948</u>
Subject to the passage of time:		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	<u>58,300</u>	<u>50,644</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 220,932</u>	<u>\$ 295,592</u>

NOT ONE MORE VET, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022 AND 2021

NOTE 7 - In-Kind Contributions

The value of donated goods and services included as in-kind contributions in the financial statements and the corresponding expenses or assets are as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Intangible asset (contributed services)	\$ 18,000	\$ -
TOTAL IN-KIND CONTRIBUTIONS	<u>\$ 18,000</u>	<u>\$ -</u>

The Organization receives contributed professional services that are reported using current rates for similar types of services.

Contributed services were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated services.