

NOT ONE MORE VET, INC.

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2023 AND 2022

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, 2023 and 2022, 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, 2023 and 2022, 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



Manitowoc, Wisconsin
November 25, 2024

NOT ONE MORE VET, INC.
STATEMENTS OF FINANCIAL POSITION

	DECEMBER 31,	
	2023	2022
<u>ASSETS</u>		
Cash	\$ 605,189	\$ 657,516
Unconditional promises to give, net	67,103	155,855
Prepaid expenses	6,864	-
Intangible assets, net	180,733	128,000
TOTAL ASSETS	\$ 859,889	\$ 941,371
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable	\$ 20,507	\$ 37,909
Accrued payroll and related expenses	58,565	46,772
TOTAL LIABILITIES	79,072	84,681
NET ASSETS		
Without donor restrictions	686,250	635,758
With donor restrictions	94,567	220,932
TOTAL NET ASSETS	780,817	856,690
TOTAL LIABILITIES AND NET ASSETS	\$ 859,889	\$ 941,371

The accompanying notes are an integral part of these statements.

NOT ONE MORE VET, INC.
STATEMENTS OF ACTIVITIES

	YEAR ENDED DECEMBER 31,					
	2023			2022		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE, GAINS AND OTHER SUPPORT						
Contributions	\$ 1,016,002	\$ 9,603	\$ 1,025,605	\$ 616,391	\$ 85,907	\$ 702,298
In-kind contributions	65,573	-	65,573	18,000	-	18,000
Special events	19,156	-	19,156	11,576	11,000	22,576
Sales	43,145	-	43,145	34,611	-	34,611
Net assets released from restrictions	135,968	(135,968)	-	171,567	(171,567)	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	1,279,844	(126,365)	1,153,479	852,145	(74,660)	777,485
EXPENSES						
Program	899,684	-	899,684	687,925	-	687,925
Management and general	227,100	-	227,100	146,184	-	146,184
Fundraising	102,568	-	102,568	50,077	-	50,077
TOTAL EXPENSES	1,229,352	-	1,229,352	884,186	-	884,186
CHANGE IN NET ASSETS	50,492	(126,365)	(75,873)	(32,041)	(74,660)	(106,701)
NET ASSETS AT BEGINNING OF YEAR	635,758	220,932	856,690	667,799	295,592	963,391
NET ASSETS AT END OF YEAR	\$ 686,250	\$ 94,567	\$ 780,817	\$ 635,758	\$ 220,932	\$ 856,690

The accompanying notes are an integral part of these statements.

NOT ONE MORE VET, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Wages	\$ 437,421	\$ 96,833	\$ 62,109	\$ 596,363
Payroll taxes	36,802	8,363	4,759	49,924
Employee benefits	24,777	4,550	2,848	32,175
Professional fees	29,310	54,277	22,000	105,587
Cost of sales	19,174	-	-	19,174
Office expense	15,034	9,658	2,831	27,523
Insurance	-	5,237	-	5,237
Grants and assistance	237,942	-	-	237,942
Marketing and recruitment	8,741	-	7,908	16,649
Travel	49,376	39,293	113	88,782
Amortization	37,267	-	-	37,267
Bank and processing fees	-	4,947	-	4,947
Licenses and fees	3,840	415	-	4,255
Bad debt expense	-	2,500	-	2,500
Miscellaneous	-	1,027	-	1,027
TOTAL EXPENSES	\$ 899,684	\$ 227,100	\$ 102,568	\$ 1,229,352

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
License and fees	5,359	-	-	5,359
Bad debt expense	-	-	-	-
Miscellaneous	-	9,130	-	9,130
TOTAL EXPENSES	<u>\$ 687,925</u>	<u>\$ 146,184</u>	<u>\$ 50,077</u>	<u>\$ 884,186</u>

The accompanying notes are an integral part of these statements.

NOT ONE MORE VET, INC.
STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (75,873)	\$ (106,701)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Amortization	37,267	25,000
Discount on unconditional promises to give	(2,445)	(3,607)
In-kind donation of intangible assets	(50,000)	(18,000)
Changes in assets and liabilities:		
(Increase) decrease in current assets		
Unconditional promises to give	91,197	102,344
Prepaid expenses	(6,864)	-
Increase (decrease) in current liabilities		
Accounts payable	(17,402)	34,763
Accrued payroll and related expenses	11,793	35,786
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(12,327)	69,585
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	(40,000)	(30,000)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(40,000)	(30,000)
NET INCREASE (DECREASE) IN CASH	(52,327)	39,585
CASH AT BEGINNING OF YEAR	657,516	617,931
CASH AT END OF YEAR	\$ 605,189	\$ 657,516

The accompanying notes are an integral part of these statements.

NOT ONE MORE VET, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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 the year ended December 31, 2023, the Organization received 24.2% of total revenue from two donors. For the year ended December 31, 2022, there were no revenue concentrations.

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.

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, 2023 and 2022.

NOT ONE MORE VET, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023 AND 2022

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 web-based applications 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, 2023 AND 2022

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 charitable contribution deductions and has been classified as an organization other than a private foundation. 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, 2023 and 2022, 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 November 25, 2024, the date which the financial statements were available to be issued.

NOT ONE MORE VET, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023 AND 2022

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 \$136,605 and \$271,996 as of December 31, 2023 and 2022, 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:

	2023	2022
Cash	\$ 605,189	\$ 657,516
Unconditional promises to give receivable in less than one year	67,103	108,300
Total financial assets available within one year	672,292	765,816
Less amounts not available for general expenditure within one year:		
Net assets with donor restrictions	77,464	115,077
Total financial assets available to management for general expenditure within one year	\$ 594,828	\$ 650,739

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:

	2023	2022
Receivable in less than one year	\$ 67,103	\$ 108,300
Receivables in one to five years	-	50,000
Total unconditional promises to give	67,103	158,300
Less: Allowance for unconditional promises to give	-	-
Less: Discount to net present value	-	(2,445)
NET UNCONDITIONAL PROMISES TO GIVE	\$ 67,103	\$ 155,855

A discount rate of 2.5% was used at December 31, 2022, 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, 2023 AND 2022

NOTE 5 - Intangible Assets

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

	2023	2022
Web-based application	\$ 243,000	\$ 153,000
Less: Accumulated amortization	(62,267)	(25,000)
NET INTANGIBLE ASSETS	\$ 180,733	\$ 128,000

Amortization expense amounted to \$37,267 and \$25,000 as of December 31, 2023 and 2022, respectively.

Intangible asset amortization for the succeeding years is as follows:

2024	\$ 48,600
2025	48,600
2026	48,600
2026	23,600
2027	11,333

NOTE 6 - Net Assets

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

	2023	2022
Subject to expenditure for specified purpose:		
Emergency disaster relief grant funds	\$ 15,477	\$ 30,077
Cyberbullying program	11,987	35,000
Promises to give, the proceeds from which have been restricted by donors for:		
CLEAR Blueprint program	50,000	97,555
	77,464	162,632
Subject to the passage of time:		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	17,103	58,300
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ 94,567	\$ 220,932

NOTE 7 - Defined Contribution Plan

The Organization established a 403(b) retirement plan effective January 1, 2023 covering substantially all employees. The plan allows employees to defer a portion of their salary. The Organization may make matching or non-elective contributions to the Plan. During 2023, the Organization did not make any contributions to the Plan.

NOT ONE MORE VET, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2023 AND 2022

NOTE 8 - 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>2023</u>	<u>2022</u>
Intangible asset (contributed services)	\$ 50,000	\$ 18,000
Advertising	15,573	-
TOTAL IN-KIND CONTRIBUTIONS	<u>\$ 65,573</u>	<u>\$ 18,000</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.