

Veteran Companion Animal Services

FINANCIAL STATEMENTS

**For the Years Ended
December 31, 2022 and 2021**

Veteran Companion Animal Services

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Trustees of
Veteran Companion Animal Services
Delaware, Ohio

Management is responsible for the accompanying financial statements of Veteran Companion Animal Services (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Wells, CPA

Columbus, Ohio
March 20, 2023

**Veteran Companion Animal Services
Statements of Financial Position
As of December 31, 2022 and 2021**

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS						
Current Assets						
Cash	\$ 85,490	\$ 20,000	\$ 105,490	\$ 182,243	\$ -	\$ 182,243
Total Current Assets	85,490	20,000	105,490	182,243	-	182,243
TOTAL ASSETS	\$ 85,490	\$ 20,000	\$ 105,490	\$ 182,243	\$ -	\$ 182,243
 LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts Payable	\$ 3,078	\$ -	\$ 3,078	\$ 3,978	\$ -	\$ 3,978
Total Current Liabilities	3,078	-	3,078	3,978	-	3,978
TOTAL LIABILITIES	3,078	-	3,078	3,978	-	3,978
 NET ASSETS						
Net Assets without Donor Restrictions	82,412	-	82,412	178,265	-	178,265
Net Assets with Donor Restrictions	-	20,000	20,000	-	-	-
TOTAL NET ASSETS	82,412	20,000	102,412	178,265	-	178,265
 TOTAL LIABILITIES AND NET ASSETS	\$ 85,490	\$ 20,000	\$ 105,490	\$ 182,243	\$ -	\$ 182,243

See Accountant's Compilation Report and Notes Which Accompany These Financial Statements

Veteran Companion Animal Services
Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>			<u>2021</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES						
Donations	\$ 203,500	\$ 20,000	\$ 223,500	\$ 224,762	\$ -	\$ 224,762
Other Revenue	-	-	-	11,250	-	11,250
Release from Restrictions	-	-	-	8,295	(8,295)	-
TOTAL REVENUES	<u>203,500</u>	<u>20,000</u>	<u>223,500</u>	<u>244,307</u>	<u>(8,295)</u>	<u>236,012</u>
EXPENSES						
Program Expenses	209,926	-	209,926	126,594	-	126,594
Administrative Expenses	53,577	-	53,577	27,346	-	27,346
Fundraising Expenses	35,850	-	35,850	11,675	-	11,675
Total Expenses	<u>299,353</u>	<u>-</u>	<u>299,353</u>	<u>165,615</u>	<u>-</u>	<u>165,615</u>
Change in Net Assets	(95,853)	20,000	(75,853)	78,692	(8,295)	70,397
Net Assets at Beginning of Year	<u>178,265</u>	<u>-</u>	<u>178,265</u>	<u>99,573</u>	<u>8,295</u>	<u>107,868</u>
Net Assets at End of Year	<u>\$ 82,412</u>	<u>\$ 20,000</u>	<u>\$ 102,412</u>	<u>\$ 178,265</u>	<u>\$ -</u>	<u>\$ 178,265</u>

See Accountant's Compilation Report and Notes Which Accompany These Financial Statements

Veteran Companion Animal Services
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (75,853)	\$ 70,397
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities		
Changes in Assets and Liabilities:		
Increase in Accounts Payable	(900)	350
Net Cash (Used In) Provided by Operating Activities	<u>(76,753)</u>	<u>70,747</u>
Net Cash Used In Investing Activities	<u>-</u>	<u>-</u>
Net Cash Used in Financing Activities	<u>-</u>	<u>-</u>
Net Change in Cash	(76,753)	70,747
Cash, Unrestricted and Restricted, at Beginning of Year	<u>182,243</u>	<u>111,496</u>
Cash, Unrestricted and Restricted, at End of Year	<u><u>\$ 105,490</u></u>	<u><u>\$ 182,243</u></u>

See Accountant's Compilation Report and Notes Which Accompany These Financial Statements

Veteran Companion Animal Services
Statements of Functional Expenses
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>				<u>2021</u>			
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Advertising & Marketing	\$ 20,409	\$ 1,392	\$ 1,426	\$ 23,227	\$ 12,419	\$ 3,105	\$ 817	\$ 16,341
Dog Food & Supplies	7,194	-	-	7,194	4,949	-	-	4,949
Event	25,828	1,360	11,416	38,604	7,977	583	4,275	12,835
Insurance	-	846	-	846	1,771	443	116	2,330
Legal & Professional Services	27,112	8,869	2,350	38,331	12,594	3,148	829	16,571
Meals & Entertainment	1,237	229	25	1,491	778	195	51	1,024
Merchandise	3,141	-	-	3,141	1,644	411	108	2,163
Office Expenses	788	20	13	821	1,111	278	73	1,462
Office Supplies & Software	1,800	258	101	2,159	688	172	45	905
Other Business Expenses	2,439	609	417	3,465	1,410	353	93	1,856
Payroll Expenses	101,618	37,247	17,807	156,672	65,577	16,394	4,314	86,285
Pet Insurance	-	-	-	-	1,645	-	-	1,645
Rent & Lease	5,794	1,870	880	8,544	6,126	1,531	403	8,060
Taxes & Licenses	3,171	877	1,415	5,463	2,676	669	176	3,521
Training	-	-	-	-	-	64	375	439
Travel	164	-	-	164	4	-	-	4
Veterinary Expense	9,231	-	-	9,231	5,225	-	-	5,225
	<u>\$ 209,926</u>	<u>\$ 53,577</u>	<u>\$ 35,850</u>	<u>\$ 299,353</u>	<u>\$ 126,594</u>	<u>\$ 27,346</u>	<u>\$ 11,675</u>	<u>\$ 165,615</u>

See Accountant's Compilation Report and Notes Which Accompany These Financial Statements

Veteran Companion Animal Services
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE 1 – ORGANIZATION

Nature of Operations

Veteran Companion Animal Services' ("VCAS") programs serve to enrich the lives of veterans, military families, and dogs through the many benefits of the human-animal bond.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the organization have been prepared utilizing the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Assets

Net assets, revenues, gains, and losses are classified 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) 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 those resources be maintained in perpetuity.

We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) 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 statement of activities as net assets released from restrictions.

There were \$20,000 and \$0 of donor restricted net assets as of December 31, 2022 and 2021, respectively. The donor restriction is for programming that is subsequent to the end of the fiscal year.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results may differ from those estimates.

Veteran Companion Animal Services
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

VCAS recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function: Program, General and Administrative, and Fundraising. Expenses that cannot be directly charged to either Program, Administration, or Fundraising are allocated based on time studies completed by VCAS' employees. The accounts that subjects to the allocation method are Advertising & Marketing, Insurance, Legal & Professional Services, Meals & Entertainment, Merchandise, Office Expenses, Office Supplies & Software, Other Business Expenses, Payroll Expenses, Rent & Lease, and Taxes & Licenses.

Income Taxes

VCAS is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

VCAS follows FASB guidance on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, VCAS may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of VCAS, and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. As of December 31, 2022 and 2021, there were no material unrecognized tax benefits identified or recorded as liabilities.

The Organization files Form 990 in the U.S. federal jurisdiction and the state of Ohio. The Organization's federal exempt organization tax returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed. All tax returns for years ending after December 31, 2019 are open for examination.

Subsequent Events

Generally accepted accounting principles define subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements are issued or are available to be issued. Management has evaluated subsequent events through March 20, 2023, the date on which the financial statements were available to be issued.

Veteran Companion Animal Services
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

VCAS has \$105,490 and \$182,243 of financial assets available, reported as cash on the Statements of Financial Position, as of December 31, 2022 and 2021, respectively, to meet needs for general expenditures. The restricted cash is included as it is anticipated that the program expenses will be incurred during the next fiscal year. VCAS has a goal to maintain financial assets, which consist of cash on hand that are not restricted for long term purposes, to meet 270 days of general expenditures. For the years ended December 31, 2022 and 2021, the 270 days of general expenditures was approximately \$221,000 and \$123,000, respectively.

VCAS has structures in place to ensure that financial assets are available as general expenditures, liabilities, and other obligations come due. VCAS is actively seeking more funding and grant opportunities.

NOTE 4 – LEASE AGREEMENTS

VCAS occupies office and storage space on a month-to-month basis. Office and storage space expense is combined under the rent and lease expense account on the statement of functional expenses for the years ended as of December 31, 2022 and 2021 amounted to \$8,544 and \$8,060, respectively.