



15/10 Foundation

**Financial Statements
as of and for the Year Ended
December 31, 2022 and
Independent Auditors' Report**

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Independent Auditors' Report

To the Board of Directors of
15/10 Foundation:

Opinion

We have audited the accompanying financial statements of 15/10 Foundation (a nonprofit organization) (the "Foundation"), which comprise the statement of financial position as of December 31, 2022, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation 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.

Change in Basis of Accounting

As discussed in Note 2 to the financial statements, the Foundation previously issued financial statements as of and for the year ended December 31, 2022 that were prepared using the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America ("U.S. GAAP"). We audited those financial statements and expressed an unmodified opinion in our report dated August 22, 2024. The accompanying financial statements have been prepared in accordance with U.S. GAAP. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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 aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within 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, including omissions, 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 the Foundation'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 the Foundation'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.

Maxwell Locke & Ritter LLP

Austin, Texas
July 2, 2025

15/10 Foundation

Statement of Financial Position December 31, 2022

Assets

Cash and cash equivalents	\$ 524,480
Intangible assets, net	<u>8,188</u>
Total assets	<u><u>\$ 532,668</u></u>

Liabilities and Net Assets

Liabilities-

Accounts payable	<u>\$ 47,136</u>
Total liabilities	47,136
Net assets:	
Without donor restrictions	333,065
With donor restrictions	<u>152,467</u>
Total net assets	<u>485,532</u>
Total liabilities and net assets	<u><u>\$ 532,668</u></u>

See notes to financial statements.

15/10 Foundation

Statement of Activities Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Contributions	\$ 114,493	307,232	421,725
Membership dues	354,218	-	354,218
Net assets released from restrictions	161,626	(161,626)	-
Total revenues and net assets released from restrictions	630,337	145,606	775,943
Expenses:			
Program services	272,476	-	272,476
Supporting services	71,212	-	71,212
Total expenses	343,688	-	343,688
Change in net assets	286,649	145,606	432,255
Net assets, beginning of year (restated)	46,416	6,861	53,277
Net assets, end of year	\$ 333,065	152,467	485,532

See notes to financial statements.

15/10 Foundation

Statement of Functional Expenses Year Ended December 31, 2022

	Program Services	Supporting Services			
	Direct Care	Management and General	Fundraising	Total Supporting Services	Total
Direct care	\$ 161,626	-	-	-	161,626
Payroll and payroll taxes	36,750	-	15,750	15,750	52,500
Professional fees	48,858	2,238	-	2,238	51,096
Payment processing fees	13,830	21,100	-	21,100	34,930
Advertising and marketing	-	-	19,897	19,897	19,897
Office	-	6,539	-	6,539	6,539
Software	4,788	-	-	-	4,788
Donor management	-	-	3,290	3,290	3,290
Travel	2,375	-	-	-	2,375
Licenses and fees	125	-	-	-	125
Depreciation and amortization	46	-	-	-	46
Miscellaneous	4,078	2,398	-	2,398	6,476
Total expenses	<u>\$ 272,476</u>	<u>32,275</u>	<u>38,937</u>	<u>71,212</u>	<u>343,688</u>

See notes to financial statements.

15/10 Foundation

Statement of Cash Flows Year Ended December 31, 2022

Cash Flows From Operating Activities:

Change in net assets	\$ 432,255
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	46
Changes in liabilities that provided cash:	
Accounts payable	<u>28,732</u>
Net cash provided by operating activities	461,033

Cash Flows From Investing Activities-

Purchases of intangible assets	<u>(8,234)</u>
Net change in cash and cash equivalents	452,799
Cash and cash equivalents, beginning of year	<u>71,681</u>
Cash and cash equivalents, end of year	<u><u>\$ 524,480</u></u>

See notes to financial statements.

15/10 Foundation

Notes to Financial Statements Year Ended December 31, 2022

1. Foundation and Nature of Operations

Founded in 2021, 15/10 Foundation (the “Foundation”) is a nonprofit organization dedicated to providing financial assistance for veterinary care for dogs and other domestic pets in need as well as educational resources to promote mental health and well-being among veterinary professions. The Foundation supports charitable animal rescue and service animal training Foundations. The Foundation’s mission is to make dogs with medical or behavioral needs more adoptable; dogs that would otherwise be unlikely to make it out of the shelter.

2. Change in Basis of Accounting

The accompanying financial statements as of and for the year ended December 31, 2022 have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). These financial statements differ from those previously issued for the same period, which were prepared using the modified cash basis of accounting. An unmodified audit opinion was issued on those financial statements on August 22, 2024. The previously issued modified cash basis financial statements remain available. Users of these financial statements should consider the differences in accounting basis when comparing the two sets of financial statements.

The modified cash basis financial statements emphasized cash receipts and disbursements. In contrast, the current financial statements prepared in accordance with U.S. GAAP reflect the Foundation's financial position, changes in its net assets, and cash flows using the accrual basis of accounting. Management determined that financial statements prepared in accordance with U.S. GAAP are necessary to meet regulatory requirements in certain states where the Foundation is registered. Accordingly, the change in basis of accounting results in a \$47,136 increase in accounts payable and decrease in net assets as of December 31, 2022, and it has necessitated the addition of a statement of cash flows for the year then ended. The effect of the change in basis of accounting on the Foundation's statement of financial position and statement of activities as of and for the year ended December 31, 2022 was as follows:

	As Previously Reported	As Restated
Accounts payable and total liabilities	\$ -	\$ 47,136
Expenses:		
Program services	244,094	272,476
Supporting services	70,862	71,212
Net assets as of December 31, 2021:		
Net assets without donor restrictions	54,176	46,416
Net assets with donor restrictions	17,505	6,861
Net assets as of December 31, 2022:		
Net assets without donor restrictions	333,415	333,065
Net assets with donor restrictions	199,253	152,467
Change in net assets as of December 31, 2022	460,987	432,255

3. Summary of Significant Accounting Policies

Basis of Presentation - The accompanying financial statements have been prepared in accordance with U.S. GAAP as defined by the Financial Accounting Standards Board Accounting Standards Codification.

Net Asset Classifications - Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulation or by law. Net assets without donor restrictions are those currently available for use, or at the discretion of the Board of Directors (the "Board") for the Foundation's use.

With Donor Restrictions - Net assets that are subject to donor-imposed stipulations, which limit their use by the Foundation to a specific purpose and/or the passage of time, or which require them to be maintained permanently. The Foundation had no permanently restricted net assets as of December 31, 2022.

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

Cash and Cash Equivalents - Cash equivalents include highly liquid investments with an original maturity of three months or less.

Intangible Assets - Intangible assets are initially measured at fair value and are amortized using the straight-line method over their estimated useful lives, which is fifteen years for website costs.

Leases - Leases with an initial term of twelve months or less are classified as short-term leases and are not recognized in the statement of financial position unless the lease contains a purchase option that is reasonably certain to be exercised. Management assesses contracts at inception to determine whether an arrangement is or includes a lease, which conveys the Foundation's right to control the use of an identified asset for a period of time in exchange for consideration. A determination is made at inception as to whether the lease is an operating lease or a finance lease, and lease determinations are reassessed in the event of a change in lease terms. Right-of-use ("ROU") assets and associated liabilities are recognized at the commencement date and initially measured based on the present value of future minimum lease payments over the expected lease term, with ROU assets increased for initial direct costs and prepaid lease payments and reduced by any lease incentives received from the lessor. There were no ROU assets or associated liabilities recorded on the Foundation's statement of financial position as of December 31, 2022 as the Foundation was not obligated under any significant lease agreements.

Impairment of Long-Lived Assets - Long-lived assets are reviewed for impairment at the asset group level whenever events or changes in circumstances indicate that the amount recorded may not be recoverable. An impairment loss is recognized by the amount in which the carrying amount of the asset group exceeds fair value, if the carrying amount of the asset group is not recoverable.

Contributions and Membership Dues - The Foundation considers membership dues to be contributions. The Foundation recognizes contributions when cash, securities, other assets, or unconditional promises to give, or a notification of a beneficial interest is received. All contributions, including unconditional promises to give, are recorded at their fair value and are considered to be available for operations unless specifically restricted by the donor. Unconditional promises to give cash and other assets are reported as net assets with donor restrictions, if they are received with donor stipulations that limit the use of donated assets. When donor restrictions expire, that is, when a stipulated time restriction ends or restricted purpose is accomplished, the related restricted net assets are reclassified to net assets without donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire within the fiscal year in which the contributions are received. Conditional promises to give, defined as those with a measurable performance or other barrier and a right to return, are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

In-kind Contributions - In-kind contributions are reflected as contributions at their estimated fair value at date of donation and are reported as net assets without donor restrictions unless explicit donor stipulations specify how donated assets must be used. Contributed services are recognized by the Foundation if the services received (a) create or enhance non-financial assets and (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In-kind contributions were not significant during the year ended December 31, 2022.

Advertising - Advertising costs are charged to expense as incurred.

Functional Allocation of Expenses - The accompanying financial statements present expense by functional and natural classification. Natural expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Accordingly, certain costs have been allocated among the programs and supporting services using a variety of cost allocation techniques, such as time and effort.

Federal Income Taxes - The Foundation is a nonprofit organization exempt from federal income tax under Internal Revenue Code ("IRC") Section 501(c)(3), except to the extent of any unrelated business income. The Foundation did not incur any significant tax liabilities due to unrelated business income during the year ended December 31, 2022. The Foundation files Form 990 tax returns in the U.S. federal jurisdiction and is subject to routine examinations of its returns; however, there are no examinations currently in progress.

4. Concentration of Credit Risk

Financial instruments which potentially subject the Foundation to a concentration of credit risk consist principally of cash and cash equivalents. The Foundation places its cash and cash equivalents with a limited number of high-quality financial institutions and at times may exceed the amount of insurance provided on such deposits.

5. Liquidity and Availability of Financial Assets

The Foundation's financial assets available to management within one year for general expenditure as of December 31, 2022 were cash and cash equivalents in the amount of \$524,480.

The Board ensures the Foundation's financial stability by approving an annual budget prior to the start of each fiscal year. The Foundation maintains financial policies to ensure funds are allocated in a manner consistent with the mission of the Foundation and the Board.

6. Intangible Assets

Intangible assets consisted of the following as of December 31, 2022:

Website costs	\$ 8,234
Less accumulated amortization	<u>(46)</u>
Intangible assets, net	<u><u>\$ 8,188</u></u>

Amortization expense for the year ended December 31, 2022 totaled \$46.

Estimated amortization expense for the next five years and thereafter:

2023	\$ 549
2024	549
2025	549
2026	549
2027	549
Thereafter	<u>5,443</u>
Total	<u><u>\$ 8,188</u></u>

7. Related Party Transactions

During the year ended December 31, 2022, the Foundation received contributions from an organization owned by the Foundation's Board members totaling \$18,318.

8. Subsequent Events

The Foundation evaluated subsequent events through July 2, 2025 (the date the financial statements were available to be issued), and no events have occurred from the statement of financial position date through that date that would impact the financial statements.