



15/10 Foundation

**Financial Statements
as of and for the Year Ended
December 31, 2025 and
Independent Auditors' Report**

MAXWELL LOCKE & RITTER LLP | Accounting & Advisory

AUSTIN 401 Congress Avenue, Suite 2000, Austin, TX 78701

ROUND ROCK 411 West Main Street, Suite 300, Round Rock, TX 78664

MLRPC.COM

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, 2025, 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, 2025, 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.

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 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 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
June 30, 2026

15/10 Foundation

Statement of Financial Position December 31, 2025

Assets

Cash and cash equivalents	\$ 512,210
Accounts receivable	60,954
Investments	3,451,221
Fixed assets, net	14,363
Intangible assets, net	<u>15,922</u>
Total assets	<u><u>\$ 4,054,670</u></u>

Liabilities and Net Assets

Liabilities:

Accounts payable	\$ 127,945
Accrued expenses	<u>27,358</u>
Total liabilities	155,303

Net assets:

Without donor restrictions	2,835,594
With donor restrictions	<u>1,063,773</u>
Total net assets	<u>3,899,367</u>

Total liabilities and net assets	<u><u>\$ 4,054,670</u></u>
----------------------------------	----------------------------

See notes to financial statements.

15/10 Foundation

Statement of Activities Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Contributions	\$ 1,058,205	2,049,275	3,107,480
Membership dues	1,363,401	-	1,363,401
Investment income, net	110,068	-	110,068
Other	72,024	-	72,024
Net assets released from restrictions	<u>1,616,211</u>	<u>(1,616,211)</u>	<u>-</u>
Total revenues and net assets released from restrictions	4,219,909	433,064	4,652,973
Expenses:			
Program services	2,356,672	-	2,356,672
Fundraising	61,888	-	61,888
Management and general	<u>143,158</u>	<u>-</u>	<u>143,158</u>
Total expenses	<u>2,561,718</u>	<u>-</u>	<u>2,561,718</u>
Change in net assets	1,658,191	433,064	2,091,255
Net assets, beginning of year	<u>1,177,403</u>	<u>630,709</u>	<u>1,808,112</u>
Net assets, end of year	<u><u>\$ 2,835,594</u></u>	<u><u>1,063,773</u></u>	<u><u>3,899,367</u></u>

See notes to financial statements.

15/10 Foundation

Statement of Functional Expenses Year Ended December 31, 2025

	Program Services	Supporting Services			
	Direct Care	Management and General	Fundraising	Total Supporting Services	Total
Direct care	\$ 1,616,211	-	-	-	1,616,211
Payroll and payroll taxes	368,901	39,132	25,030	64,162	433,063
Professional fees	236,232	16,540	-	16,540	252,772
Payment processing fees	54,439	64,329	-	64,329	118,768
Software	40,519	-	-	-	40,519
Office	-	23,157	-	23,157	23,157
Advertising and marketing	-	-	22,778	22,778	22,778
Licenses and fees	17,479	-	-	-	17,479
Donor management	-	-	14,080	14,080	14,080
Travel	10,554	-	-	-	10,554
Depreciation and amortization	8,748	-	-	-	8,748
Miscellaneous	3,589	-	-	-	3,589
Total expenses	<u>\$ 2,356,672</u>	<u>143,158</u>	<u>61,888</u>	<u>205,046</u>	<u>2,561,718</u>

See notes to financial statements.

15/10 Foundation

Statement of Cash Flows Year Ended December 31, 2025

Cash Flows From Operating Activities:

Change in net assets	\$ 2,091,255
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Net realized and unrealized gain on investments	(130,575)
Depreciation and amortization	8,748
Changes in assets and liabilities that provided (used) cash:	
Accounts receivable	(5,154)
Accounts payable	11,921
Accrued expenses	18,628
Net cash provided by operating activities	1,994,823

Cash Flows From Investing Activities:

Purchases of fixed assets	(10,848)
Purchases of investments	(2,536,615)
Sales of investments	548,054
Net cash used in investing activities	(1,999,409)

Net change in cash and cash equivalents	(4,586)
Cash and cash equivalents, beginning of year	516,796
Cash and cash equivalents, end of year	<u>\$ 512,210</u>

See notes to financial statements.

15/10 Foundation

Notes to Financial Statements Year Ended December 31, 2025

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 professionals. The Foundation supports charitable animal rescue and service animal training organizations. The Foundation’s mission is to increase access to medical care and behavioral support for dogs who need us most.

2. Summary of Significant Accounting Policies

Basis of Accounting - The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“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, 2025. Net assets with donor restrictions totaled \$1,063,773 as of December 31, 2025 and were temporarily restricted for purpose to provide care for dogs.

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.

Fair Value Measurements - 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. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

Level 1 - Inputs based on quoted prices in active markets for identical assets or liabilities.
An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

Level 3 - Unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value: 1) market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities, 2) cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost), and 3) income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.

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

Investments - Investments are reported at fair value in the statement of financial position. Investment transactions are recorded on the trade date and investment income is recorded in the statement of activities when earned. Investment income includes interest, dividends, and realized and unrealized gains and losses. Realized gains and losses are recorded as the difference between historical cost and the proceeds earned from the sale of an investment. Unrealized gains and losses are recorded for the change in fair value of investments between reporting periods. This activity is reported as investment income in the statement of activities and is recorded net of related investment expenses.

Fixed Assets - Fixed asset additions exceeding \$1,000 are recorded at cost if purchased or estimated fair value if donated, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which is three years for computers and equipment. Repair and maintenance costs are charged to expense as incurred.

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. Leases are classified as either operating or finance leases at the lease commencement date. Right-of-use (“ROU”) assets and lease liabilities are recognized at the lease commencement date and measured at the present value of future minimum lease payments over the expected lease term. ROU assets are adjusted for any initial direct costs, prepaid lease payments, and lease incentives received. There were no ROU assets or associated liabilities recorded in the Foundation’s statement of financial position as of December 31, 2025 as the Foundation was not obligated under any 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 as dues do not provide commensurate value to members. 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, 2025.

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, 2025. 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.

3. Concentrations of Credit Risk

Financial instruments which potentially subject the Foundation to a concentration of credit risk consist principally of cash and cash equivalents and investments. 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. Investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain securities, it is at least reasonably possible that changes in the near-term could materially affect the amounts reported in the statement of financial position. One donor accounted for 16% of contribution revenue during the year ended December 31, 2025.

4. Liquidity and Availability of Financial Assets

The Foundation’s financial assets available to management within one year for general expenditure were as follows as of December 31, 2025:

Cash and cash equivalents	\$ 512,210
Accounts receivable	60,954
Investments	<u>3,451,221</u>
Total financial assets available to management for general expenditure within one year	<u><u>\$ 4,024,385</u></u>

The Foundation invests its funds in liquid investments to meet its cash flow requirements and minimize interest rate risk. 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. Net assets with donor restrictions that are temporarily restricted as to purpose have not been removed from the balance disclosed as available for general expenditure within one year, as those restrictions can or will be met as part of general operations within the next year.

5. Investments

Investments consisted of the following as of December 31, 2025:

Exchange-traded funds	\$ 1,400,154
Mutual funds	1,397,478
Fixed income funds	558,838
Money market funds and other cash alternatives	<u>94,751</u>
Total investments	<u><u>\$ 3,451,221</u></u>

All investments were valued using the market approach and inputs were considered Level 1 under the fair value hierarchy.

6. Fixed Assets

Fixed assets consisted of the following as of December 31, 2025:

Computers and equipment	\$ 28,760
Less accumulated depreciation	<u>(14,397)</u>
Total fixed assets, net	<u><u>\$ 14,363</u></u>

Depreciation expense for the year ended December 31, 2025 totaled \$7,487.

7. Intangible Assets

Intangible assets consisted of the following as of December 31, 2025:

Website costs	\$ 18,922
Less accumulated amortization	<u>(3,000)</u>
Intangible assets, net	<u><u>\$ 15,922</u></u>

Amortization expense for the year ended December 31, 2025 totaled \$1,261.

Estimated amortization expense for the next five years and thereafter:

2026	\$ 1,261
2027	1,261
2028	1,261
2029	1,261
2030	1,261
Thereafter	<u>9,617</u>
Total	<u><u>\$ 15,922</u></u>

8. Retirement Plan

Effective June 15, 2023, the Foundation established a defined contribution 401(k) retirement plan (the “Plan”) for eligible employees. The Plan is an IRS Safe Harbor plan and is administered by a third-party administrator. Employee contributions are made through direct salary reductions of up to the maximum allowed by the IRC. The Foundation makes discretionary employer matching contributions up to 5.0% of the eligible employee’s wages. The Foundation contributed \$11,004 in employer safe harbor matching contributions to the Plan during the year ended December 31, 2025.

9. Related Party Transactions

During the year ended December 31, 2025, the Foundation received contributions from an organization owned by certain members of the Board totaling \$720,662, which were restricted for the purpose of providing care for dogs.

10. Subsequent Events

The Foundation evaluated subsequent events through June 30, 2026 (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.