

MILITARY ANIMAL PROJECT

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

PARTNERS:

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MEMBERS OF:

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American Institute of Certified
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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Military Animal Project
Chatsworth, California

We have reviewed the accompanying financial statements of Military Animal Project (a California Non-profit Corporation), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

KKAJ, LLP

March 28, 2024

KKAJ, LLP

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Military Animal Project
Statement of Financial Position
As of December 31, 2023

ASSETS

Current assets:		
Cash		\$ <u>278,299</u>
Total current assets		278,299
Property and equipment:		
Land	\$ 325,930	
Building	25,000	
Equipment	9,545	
Website	9,897	
Less accumulated depreciation	<u>(2,480)</u>	
Net property and equipment		<u>367,892</u>
Total assets		<u>\$ 646,191</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses		\$ <u>3,435</u>
Total current liabilities		<u>3,435</u>
Total liabilities		3,435
Net assets without donor restrictions		<u>642,756</u>
Total liabilities and net assets		<u>\$ 646,191</u>

See accompanying notes and accountants' report.

Military Animal Project
Statement of Activities
For the Year Ended December 31, 2023

Revenue:		
Contributions		\$ 321,479
Interest income		<u>232</u>
Total revenue		321,711
Expenses:		
Program services	112,123	
General and administrative expenses	<u>7,820</u>	
Total expenses		<u>119,943</u>
Change in net assets		201,768
Net assets without donor restrictions - beginning of year		<u>440,988</u>
Net assets without donor restrictions - end of year		<u><u>\$ 642,756</u></u>

See accompanying notes and accountants' report.

Military Animal Project
Statement of Cash Flows
For the Year Ended December 31, 2023

Cash flows from operating activities:		
Change in net assets		\$ 201,768
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation		2,246
Increase/(decrease) in operating liabilities:		
Accounts payable		<u>3,435</u>
Net cash provided by operating activities		207,449
Cash flows from investing activities:		
Acquisition of fixed assets	<u>\$ (19,442)</u>	
Net cash (used) by investing activities		<u>(19,442)</u>
Net increase in cash		188,007
Cash - beginning of year		<u>90,292</u>
Cash - end of year		<u><u>\$ 278,299</u></u>

See accompanying notes and accountants' report.

Military Animal Project
Notes to Financial Statements
December 31, 2023

1. NATURE OF OPERATIONS

Organization

Military Animal Project (the “Organization”) is a California nonprofit organization whose mission is to provide military veterans suffering from Post-Traumatic Stress (PTS), Traumatic Brain Injury (TBI), Military Sexual Trauma (MST), Anxiety and Depression comfort, support, companionship, and a means to heal through various programs.

Veteran Canine Program

Emotional Support or Physical/Psychiatric Service Dogs professionally trained specifically for the veteran’s needs. The level to be determined on the recommendation of veteran’s therapist/doctor.

Certified Insured Therapy Dog Teams

Visit veterans in nursing homes, assisted living, rehabilitation, therapy sessions, VA hospitals, hospice facilities, Vet Centers, military veteran funerals, and also in the privacy of their own home.

Equine Buddies Program (EBP)

This program helps the veteran form a close bond with the horse providing insight on how to earn trust & respect in order to gain leadership qualities and nurture interpersonal relationships.

Veteran Pet Support Services

Providing support for veterinary care, grooming, boarding, and resources for military veteran’s pets in need. Approval is on a case by case basis.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Financial Statement Presentation

The net assets of the Organization are reported in each of the following two classes: without donor restrictions and with donor restrictions.

Without Donor Restrictions: Contributions and allocations, the uses of which are not restricted by donors or grantors, are recorded in net assets without donor restrictions.

See accountants’ report

Military Animal Project
Notes to Financial Statements
December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (continued)

With Donor Restrictions: Contributions and allocations, the uses of which are limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations, are recorded as net assets with donor restrictions. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions.

Revenue Recognition

The Organization recognizes income from various contributions, grants received, and fundraising activities when it is reasonably assured the money will be received. This generally occurs when money is actually received by the Organization, or in the event of a grant or larger contribution, such communication has been made from the grantor or donor, respectively.

Contributions received, including unconditional promises to give, are recognized as revenue at their fair value in the period received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable values. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using interest rates applicable to the year in which the promises are received to discount the amounts. Contributions are recorded as with donor restrictions or without donor restrictions depending on the nature of the contribution. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the estimated fair value at the date of donation. Expenditures for maintenance and repairs are charged to expenses as incurred. The provision for depreciation and amortization is calculated using the straight-line method based on the estimated useful lives of the assets ranging from 3 to 15 years, except for leasehold improvements, for which amortization is provided over the shorter of the estimated useful life or remaining lease term.

Maintenance, repairs and investments in minor equipment are charged to operations. Expenditures that materially increase the value of properties or extend useful lives are capitalized.

Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of activities.

See accountants' report

Military Animal Project
Notes to Financial Statements
December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services which have benefited.

Allocation of General and Administrative Expenses

General and administrative expenses are allocated to the various programs, projects and functions of the Organization by using an allocation base deemed most appropriate for the expense and that accurately measures the benefit provided to each activity.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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. Actual results could differ from those estimates.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

For certain of the Organization's financial instruments, including cash, accounts receivable, accounts payable and other current assets and liabilities, the carrying amounts approximate fair value due to their short maturities.

4. CONCENTRATION RISK

Approximately 82% of the Organization's contributions for the year ended December 31, 2023 was from a single donor.

5. INCOME TAXES

No provision is made for income taxes since the Organization has been determined to be exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Management estimates that no tax positions taken by the Organization would be adjusted by taxing authorities under examination. The Organization's tax returns are still subject to examination by various tax authorities for tax years ending on or after December 31, 2019.

See accountants' report

Military Animal Project
Notes to Financial Statements
December 31, 2023

6. FUNCTIONAL EXPENSES

General and administrative expenses include costs for services such as bank charges, legal and professional fees, office supplies, and software expenses. The cost of providing various programs and other activities are summarized on a functional basis as follows:

	Program Services	General and Administrative	Fundraising	Combined Total
Advertising	\$ -	\$ 1,260	\$ -	\$ 1,260
Bank charges	-	35	-	35
Commissions and fees	-	290	-	290
Insurance	2,912	-	-	2,912
Legal and professional fees	-	4,157	-	4,157
Meals and entertainment	513	69	-	582
Events - Booth fees	849	-	-	849
Events - Other expenses	7,694	-	-	7,694
Email and website	2,335	-	-	2,335
Merchandise	7,226	-	-	7,226
Office supplies	-	137	-	137
Postage and shipping	-	333	-	333
Software	-	714	-	714
Pet expenses	2,266	-	-	2,266
Pet trainer expenses	8,869	-	-	8,869
Pet veterinary expenses	4,956	-	-	4,956
Property insurance	493	-	-	493
Property taxes	1,130	-	-	1,130
Repairs and maintenance	1,768	-	-	1,768
Supplies - Equestrian facility	1,400	-	-	1,400
Contributions	5,714	-	-	5,714
Travel	9,351	-	-	9,351
Uniforms	4,011	-	-	4,011
Contracted services	49,215	-	-	49,215
Depreciation	1,421	825	-	2,246
Total	<u>\$ 112,123</u>	<u>\$ 7,820</u>	<u>\$ -</u>	<u>\$ 119,943</u>

See accountants' report

Military Animal Project
Notes to Financial Statements
December 31, 2023

7. FAIR VALUES OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of financial instruments:

Cash and cash equivalents

The carrying amount reported in the balance sheet for cash and cash equivalents approximates fair value.

Accounts receivable and accounts payable

The carrying amount of accounts receivable and accounts payable in the balance sheet approximates fair value.

8. NET ASSETS WITHOUT DONOR RESTRICTIONS

None of the Organization's net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as net assets without donor restrictions.

9. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through March 28, 2024, the date in which these financial statements were available to be issued. As of this date, there have been no significant events that have occurred for which the Organization has deemed such disclosure necessary.

10. LIQUIDITY

At December 31, 2023, the Organization has \$278,299 cash from operations available to meet needs for general expenditures. None of the financial assets are subject to donor or other contractual restrictions. Accordingly, all such funds are available to meet the cash needs of the Organization in the next 12 months.

The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. Cash needs of the Organization are expected to be met on a monthly basis from donor contributions.

See accountants' report