

VETS: VETERANS EXPLORING TREATMENT SOLUTIONS, INC.
FINANCIAL STATEMENTS

DECEMBER 31, 2021

CONTENTS

FINANCIAL STATEMENTS

Independent Auditors' Report	1 - 3
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 15

Guzman & Gray

Certified Public Accountants

4510 East Pacific Coast Highway, Suite 270
Long Beach, California 90804

(562) 498-0997 Fax: (562) 597-7359

Mark Gray, C.P.A.
Patrick S. Guzman, C.P.A.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
VETS: Veterans Exploring Treatment Solutions, Inc.

Opinion

We have audited the accompanying financial statements of VETS: Veterans Exploring Treatment Solutions, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and 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 VETS: Veterans Exploring Treatment Solutions, Inc. as of December 31, 2021, 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 VETS: Veterans Exploring Treatment Solutions, 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 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.

INDEPENDENT AUDITORS' REPORT (Continued)

Responsibilities of Management for the Financial Statements (Continued)

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 VETS: Veterans Exploring Treatment Solutions Inc.'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:

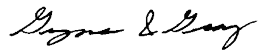
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 VETS: Veterans Exploring Treatment Solutions 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.

INDEPENDENT AUDITORS' REPORT (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about VETS: Veterans Exploring Treatment Solutions 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.



Guzman & Gray, CPAs
Long Beach, CA
August 25, 2022

VETS: VETERANS EXPLORING TREATMENT SOLUTIONS, INC.
STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

ASSETS	
Cash	\$ 1,000,584
Promises to give	3,505,919
Other receivable	<u>3,409</u>
TOTAL ASSETS	<u>\$ 4,509,912</u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable and accrued liabilities	<u>\$ 38,515</u>
TOTAL LIABILITIES	<u>38,515</u>
NET ASSETS	
Without donor restrictions	997,278
With donor restrictions	<u>3,474,119</u>
TOTAL NET ASSETS	<u>4,471,397</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,509,912</u>

See Independent Auditors' Report and accompanying Notes to Financial Statements.

VETS: VETERANS EXPLORING TREATMENT SOLUTIONS, INC.
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Restrictions	With Restrictions	Total
SUPPORT AND REVENUE			
Grants and contributions	\$ 1,395,119	\$ 3,486,119	\$ 4,881,238
PPP loan forgiveness	18,500		18,500
Donated services	1,810		1,810
Gross special events revenue	\$ 589,959		
Less: cost of direct benefit to donors	(280,506)		
Net special event revenue	309,453		309,453
Interest	1		1
	1,724,883	3,486,119	5,211,002
NET ASSETS RELEASED FROM RESTRICTION			
	12,000	(12,000)	
TOTAL SUPPORT AND REVENUE			
	1,736,883	3,474,119	5,211,002
EXPENSES			
Program	881,392		881,392
Management and general	206,576		206,576
Fundraising	43,143		43,143
TOTAL EXPENSES			
	1,131,111		1,131,111
CHANGE IN NET ASSETS			
	605,772	3,474,119	4,079,891
BEGINNING NET ASSETS			
	391,506		391,506
ENDING NET ASSETS			
	\$ 997,278	\$ 3,474,119	\$ 4,471,397

See Independent Auditors' Report and accompanying Notes to Financial Statements.

VETS: VETERANS EXPLORING TREATMENT SOLUTIONS, INC.
STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021

	Program	Supporting Services		Cost of Direct Benefit to Donors	Total
		Management and General	Fundraising		
Salaries and wages	\$ 146,654	\$ 29,888	\$ 18,000		\$ 194,542
Payroll taxes	11,473	3,273	1,414		16,160
Workers compensation insurance		395			395
Total personnel expenses	158,127	33,556	19,414		211,097
Accounting		14,075			14,075
Bank fees		304			304
Conferences, conventions, and meetings	682	4,861	781		6,324
Facility	1,069	790			1,859
Gifts		1,118			1,118
Insurance		2,634			2,634
Interest		25			25
Legal		27,769			27,769
License, fees, and permits		20			20
Marketing	16,773	9,393	8,319		34,485
Merchant processing fees		17,260			17,260
Other professional services	6,174	56,167			62,341
Postage and shipping	253	1,019			1,272
Program - grants	465,044				465,044
Program - coaching	110,563				110,563
Program - grantee travel	24,085				24,085
Program - travel	45,738				45,738
Program - other	16,994				16,994
Software, computer, and information technology	35,775	26,322			62,097
Special events				\$ 280,506	280,506
Subscriptions	75	175			250
Supplies	40	2,723			2,763
Telecommunications		1,234			1,234
Travel		428	14,629		15,057
Website		6,703			6,703
	881,392	206,576	43,143	280,506	1,411,617
Less expenses included with revenues on the statement of activities:					
Cost of direct benefit to donors				(280,506)	(280,506)
Total expenses included in expense section on the statement of activities	\$ 881,392	\$ 206,576	\$ 43,143	\$ -	\$ 1,131,111

See Independent Auditors' Report and accompanying Notes to Financial Statements.

VETS: VETERANS EXPLORING TREATMENT SOLUTIONS, INC.
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 4,079,891
Adjustments to reconcile change in net assets to net cash provided by operating activities	
PPP loan forgiveness	(18,500)
(Increase) decrease in assets:	
Promises to give	(3,505,919)
Other receivable	(3,404)
Increase (decrease) in liabilities:	
Accounts payable and accrued liabilities	34,146
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>586,214</u>
NET INCREASE IN CASH	586,214
BEGINNING CASH	<u>414,370</u>
ENDING CASH	<u><u>\$ 1,000,584</u></u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

INTEREST PAID	\$ 25
INCOME TAXES	<u><u>NONE</u></u>

See Independent Auditors' Report and accompanying Notes to Financial Statements.

VETS: VETERANS EXPLORING TREATMENT SOLUTIONS, INC.
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

VETS: Veterans Exploring Treatment Solutions, Inc. ("VETS"), formerly known as Sons of Light, Inc., is a not-for-profit organization that was established in California, and incorporated in 2019.

VETS is the leading organization focused on ending the veteran suicide epidemic and addressing traumatic brain injury with psychedelic therapy. VETS provides grants, coaching, and resources for veterans to receive psychedelic-assisted treatments in countries where they are legal, but still unregulated. VETS helps veterans and their spouses access treatment with psychedelic therapies.

Basis of Accounting

VETS uses the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Basis of Presentation

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

Net assets without donor restrictions

Net assets that are not subject to donor-imposed or grantor-imposed restrictions and may be expended for any purpose in performing the primary objectives of VETS. The board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions

Net assets subject to stipulations imposed by donors or grantors. Some donor-restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed or grantor-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.

Net assets released from donor restrictions

Net assets are released by incurring expenses satisfying the restriction or by occurrence of other events specified by donors or grantors.

VETS: VETERANS EXPLORING TREATMENT SOLUTIONS, INC.
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents

VETS considers all highly-liquid investments, which are readily convertible to known amounts of cash and which have an original maturity of three months or less, to be cash equivalents. There were no cash equivalents at December 31, 2021.

Promises to Give

Promises to give are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, donor restrictions are reclassified to net assets without donor restrictions. No allowance for doubtful accounts was established as all promises to give were determined by management to be collectable at December 31, 2021.

Revenue Recognition

VETS applies the five-step model to contracts when it is probable that the VETS will collect the consideration it is entitled. To determine revenue recognition for arrangements within the scope of ASC Topic 606, Revenue from Contracts with Customers, VETS performs the following five steps: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when or as VETS satisfies a performance obligation. VETS then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when or as the performance obligation is satisfied.

A summary of significant revenue recognition policies is as follows:

Grants and Contributions

VETS recognizes contributions when cash, other assets, or unconditional promise to give are received. Grants and contributions that are not restricted by the grantor or donor are reported as increases in net assets without donor restrictions. Grantor or donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with grantor or donor restrictions are reclassified to net assets without donor restrictions. Grants and donor-restricted contributions whose restrictions are met in the same reporting period are reported as increases in net assets without donor restriction. Conditional promises to give, that is,

VETS: VETERANS EXPLORING TREATMENT SOLUTIONS, INC.
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants and Contributions (Continued)

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 substantially met.

Paycheck Protection Program

VETS has adopted a policy to recognize its Paycheck Protection Program ("PPP") loan as revenue once the loan has been forgiven.

Donated Services

Donated services are recorded at fair value at the time the services are performed or time of receipt only if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. VETS received donated services totaling \$1,810 for the year ended December 31, 2021.

Special Events

Special events are organized to raise contributions to support the activities of VETS. The participants of these events are offered something of value for a sum that exceeds the costs of the benefits provided to the participants. The difference between the amount paid by the donor and the fair value of the benefit received by the donor is considered a contribution. The items of value given to the donor are referred to as "cost of direct benefit to donors." These are the actual costs of the items and services furnished to the donor to attend the special event. The cost of direct benefit to donors is presented as a line item deducted from gross special events revenue in the statement of activities.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Expenses directly identified with a functional area are charged to that area. Expenses affecting more than one functional area are allocated to the respective areas based on estimated usage.

Income Taxes

VETS is exempt from federal income and state franchise taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code, respectively. VETS has been classified as "other than a private foundation" by the Internal Revenue Service. VETS recognizes the financial statement benefit of tax positions, such as filing status of tax exempt, only after determining that the relevant tax authority would more likely than not sustain the position following an audit.

VETS: VETERANS EXPLORING TREATMENT SOLUTIONS, INC.
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

VETS is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and California state purposes is generally three and four years, respectively.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) (ASU 2016-02). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within fiscal years beginning after December 15, 2022. VETS is currently evaluating the impact of the adoption of the new standard on the financial statements.

In September 2020, the FASB issued ASU 2020-07 (the "Update"), Not-for-Profit Entities (Topic 958), *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU aims to increase transparency of contributed nonfinancial assets, commonly known as gifts-in-kind, through enhancement to presentation and disclosures. Not-for-Profit entities are required to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets and to disclose the disaggregation of the amount contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets. Each category is subject to certain additional disclosures. The Update should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. VETS is currently evaluating the impact of the adoption of the Update on the financial statements.

In November 2021, the FASB issued ASU 2021-09, *Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities*, which allows lessees that are not public business entities to elect, as an accounting policy, to use a risk-free rate as the discount rate for all leases. ASU 2021-09 allows those lessees to make the risk-free rate election by class of underlying asset, rather than at the entity-wide level. An entity that makes the risk-free rate election is required to disclose which asset classes it has elected to apply a risk-free rate. ASU 2021-09 requires that when the rate implicit in the lease is readily determinable for any individual lease, the lessee use that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of whether it has made the risk-

VETS: VETERANS EXPLORING TREATMENT SOLUTIONS, INC.
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued)

free rate election. Entities that have not yet adopted ASU 2016-02, *Leases (Topic 842)* as of November 11, 2021, are required to adopt ASU 2021-09 at the same time they adopt ASU 2016-02, *Leases (Topic 842)*. For entities that have adopted ASU 2016-02, *Leases (Topic 842)* as of November 11, 2021, ASU 2021-09 is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Earlier application is permitted. VETS is currently evaluating the impact of the adoption of ASU 2021-09 on the financial statements.

NOTE 2 – PROMISES TO GIVE

The fair value of promises to give is as follows at December 31, 2021:

Without donor restrictions	\$ 31,800
With donor restrictions	3,474,119
Less: Discount to net present value	-
	<u>\$ 3,505,919</u>

Promises to give are expected to be collected at December 31, 2021, as follows:

Receivable in less than one year	\$ 3,505,919
Receivable in one to five years	-
Receivable in more than five years	-
Less: Discount to net present value	-
	<u>\$ 3,505,919</u>

NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2021, are as follows:

Janice B. Brittingham Fund	<u>\$ 3,474,119</u>
----------------------------	---------------------

VETS: VETERANS EXPLORING TREATMENT SOLUTIONS, INC.
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 4 – PPP LOAN FORGIVENESS

In 2020, the Organization received loan proceeds in the amount of \$18,500 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The PPP loan was recorded as a liability at December 31, 2020, and was forgiven by the U.S. Small Business Administration on March 1, 2021. As a result, the PPP loan forgiveness was recognized as revenue for the year ended December 31, 2021.

NOTE 5 – ENDOWMENT FUNDS

VETS’ endowment consists of the Janice B. Brittingham Fund which is donor-restricted, the income from which shall be used for direct assistance to injured warriors.

As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

General Board Policy on Administration of Endowment Funds

VETS has interpreted the UPMIFA (California Uniform Prudent Management of Institutional Funds Act) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, VETS classifies net assets with donor restrictions which are perpetual in nature as: (a) the original value of the gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment.

Investment Policy for Endowment Funds

The remaining portion of the donor-restricted endowment fund that is not perpetual in nature is considered to be temporary in nature until those amounts are appropriated for expenditure by VETS in a manner consistent with the standard of prudence prescribed by UPMIFA, which became effective in California on January 1, 2009.

VETS has utilized investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and operations supported by its endowment while seeking to maintain the purchasing power of the endowment assets. As a result, the endowment assets are invested in a manner that is intended to produce results that, over the long-term, allow it to grow at a rate exceeding expected inflation.

VETS: VETERANS EXPLORING TREATMENT SOLUTIONS, INC.
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 5 – ENDOWMENT FUNDS (Continued)

This is consistent with VETS' objective to maintain the purchasing power of the endowment assets held in perpetuity, as well as to provide additional real growth through new gifts and investment return. The principal of the endowment assets, or the sum of the contributions, will be invested and managed in perpetuity.

Spending Policy for Endowment Funds

The income earned from the Janice B. Brittingham Fund shall only be used to directly assist injured warriors. VETS may annually expend up to the total amount of income it has earned in the Janice B. Brittingham Fund during the year.

Endowment net assets consist of the following at December 31, 2021:

With donor restrictions	<u>\$ 3,474,119</u>
-------------------------	---------------------

Changes in endowment net assets consist of the following for the year ended December 31, 2021:

	With Donor Restrictions		Total
	Purpose Restricted	Perpetual in Nature	
Endowment net assets, beginning of year	\$ -	\$ -	\$ -
Contributions	474,119	3,000,000	3,474,119
Endowment net assets, end of year	<u>\$ 474,119</u>	<u>\$ 3,000,000</u>	<u>\$ 3,474,119</u>

NOTE 6 – CREDIT RISKS AND UNCERTAINTIES

VETS maintains cash balances at Bank of America. The balances on deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The uninsured cash balance at December 31, 2021 was \$729,203. Management believes the VETS is not exposed to any significant credit risk. Cash balances deposited and maintained by the bank may differ from cash balances presented in the statement of financial position due to timing differences.

VETS: VETERANS EXPLORING TREATMENT SOLUTIONS, INC.
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 6 – CREDIT RISKS AND UNCERTAINTIES (Continued)

As the COVID-19 pandemic is continually causing enormous consequences across the globe, the impact of the pandemic continues to evolve. As such, it is uncertain as to the full magnitude of the effect that the pandemic will have on VETS' financial condition and results of operations. Management is actively monitoring the impact of the pandemic on its financial condition and results of operations.

NOTE 7 – 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:

Cash	\$ 1,000,584
Promises to give	<u>3,505,919</u>
	4,506,503
Less: Donor-imposed restrictions	<u>(3,474,119)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,032,384</u>

VETS maintains and manages adequate operating funds per policies set by the board of directors. In addition to financial assets available to meet general expenditures over the next 12 months, VETS operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

NOTE 8 – SUBSEQUENT EVENTS

VETS evaluated subsequent events for their potential impact on the financial statements and disclosures through August 25, 2022, which is the date the financial statements were available to be issued.