




# **First Coast No More Homeless Pets, Inc.**

## **Independent Auditor's Report and Financial Statements**

September 30, 2024 and 2023



**First Coast No More Homeless Pets, Inc.**  
**Contents**  
**September 30, 2024 and 2023**

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## **Independent Auditor's Report**

Board of Directors  
First Coast No More Homeless Pets, Inc.  
Jacksonville, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of First Coast No More Homeless Pets, Inc. which comprises the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of First Coast No More Homeless Pets, Inc. as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are required to be independent of and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 these 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 of financial statements that are free of 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 in the aggregate, that raise substantial doubt about First Coast No More Homeless Pets, Inc.'s ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

### ***Auditor's Responsibility 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 auditor's 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 GAAS 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 GAAS, 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 First Coast No More Homeless Pets, 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about First Coast No More Homeless Pets, 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.

***Forvis Mazars, LLP***

**Jacksonville, Florida  
February 27, 2025**

**First Coast No More Homeless Pets, Inc.**  
**Statements of Financial Position**  
**September 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,422,062	\$ 511,179
Accounts receivable, net of expected credit loss of \$100,000 and \$35,000, respectively	226,144	240,449
Pledges receivable	203,298	-
Investments	1,223,751	735,149
Other assets	93,949	85,827
Inventory	76,235	81,619
<b>Total Current Assets</b>	<u>3,245,439</u>	<u>1,654,223</u>
<b>Property and Equipment</b>		
Land	68,750	68,750
Buildings and improvements	3,624,437	3,565,467
Construction in progress	590,178	443,014
Machinery and equipment	1,002,303	935,337
Furniture and fixtures	99,718	99,718
Vehicles	68,856	68,856
	5,454,242	5,181,142
Accumulated depreciation	<u>(2,010,035)</u>	<u>(1,849,915)</u>
<b>Total Property and Equipment</b>	<u>3,444,207</u>	<u>3,331,227</u>
<b>Total Assets</b>	<u>\$ 6,689,646</u>	<u>\$ 4,985,450</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 328,619	\$ 281,337
Notes payable, current	225,439	234,494
<b>Total Current Liabilities</b>	554,058	515,831
Notes payable, net of current	1,439,417	1,626,565
<b>Total Liabilities</b>	<u>1,993,475</u>	<u>2,142,396</u>
<b>Net Assets</b>		
Without donor restrictions	3,450,406	2,259,688
With donor restrictions	1,245,765	583,366
<b>Total Net Assets</b>	<u>4,696,171</u>	<u>2,843,054</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 6,689,646</u>	<u>\$ 4,985,450</u>

**First Coast No More Homeless Pets, Inc.**  
**Statement of Activities**  
**Year Ended September 30, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue and Support</b>			
Program service fees	\$ 5,964,081	\$ -	\$ 5,964,081
Contributions of cash and other financial assets	1,528,669	-	1,528,669
Contributions of nonfinancial assets	285,181	-	285,181
Grants	-	2,732,473	2,732,473
Special events	45,723	-	45,723
Net assets released from restrictions	2,070,074	(2,070,074)	-
<b>Total Revenue and Support</b>	<b>9,893,728</b>	<b>662,399</b>	<b>10,556,127</b>
<b>Expenses</b>			
Program services			
Animal protection and care	7,249,912	-	7,249,912
Supporting services			
General and administrative	947,414	-	947,414
Fundraising	622,782	-	622,782
<b>Total Expenses</b>	<b>8,820,108</b>	<b>-</b>	<b>8,820,108</b>
<b>Change in Net assets from Operating Activities</b>	<b>1,073,620</b>	<b>662,399</b>	<b>1,736,019</b>
<b>Nonoperating Activities</b>			
Miscellaneous	487	-	487
Investment income	116,611	-	116,611
<b>Total Nonoperating Activities</b>	<b>117,098</b>	<b>-</b>	<b>117,098</b>
<b>Change in Net Assets from Nonoperating Activities</b>	<b>117,098</b>	<b>-</b>	<b>117,098</b>
<b>Change in Net Assets</b>	<b>1,190,718</b>	<b>662,399</b>	<b>1,853,117</b>
<b>Net Assets, Beginning of Year</b>	<b>2,259,688</b>	<b>583,366</b>	<b>2,843,054</b>
<b>Net Assets, End of Year</b>	<b>\$ 3,450,406</b>	<b>\$ 1,245,765</b>	<b>\$ 4,696,171</b>

**First Coast No More Homeless Pets, Inc.**  
**Statement of Activities**  
**Year Ended September 30, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue and Support</b>			
Program service fees	\$ 6,244,231	\$ -	\$ 6,244,231
Contributions of cash and other financial assets	1,857,313	-	1,857,313
Contributions of nonfinancial assets	467,764	-	467,764
Grants	10,000	539,500	549,500
Special events	44,485	-	44,485
Net assets released from restrictions	1,023,274	(1,023,274)	-
<b>Total Revenue and Support</b>	<b>9,647,067</b>	<b>(483,774)</b>	<b>9,163,293</b>
<b>Expenses</b>			
Program services			
Animal protection and care	7,371,339	-	7,371,339
Supporting services			
General and administrative	739,459	-	739,459
Fundraising	603,227	-	603,227
<b>Total Expenses</b>	<b>8,714,025</b>	<b>-</b>	<b>8,714,025</b>
<b>Change in Net assets from Operating Activities</b>	<b>933,042</b>	<b>(483,774)</b>	<b>449,268</b>
<b>Nonoperating Activities</b>			
Miscellaneous	681	-	681
Investment income	12,581	-	12,581
<b>Total Nonoperating Activities</b>	<b>13,262</b>	<b>-</b>	<b>13,262</b>
<b>Change in Net Assets from Nonoperating Activities</b>	<b>13,262</b>	<b>-</b>	<b>13,262</b>
<b>Change in Net Assets</b>	<b>946,304</b>	<b>(483,774)</b>	<b>462,530</b>
<b>Net Assets, Beginning of Year</b>	<b>1,313,384</b>	<b>1,067,140</b>	<b>2,380,524</b>
<b>Net Assets, End of Year</b>	<b>\$ 2,259,688</b>	<b>\$ 583,366</b>	<b>\$ 2,843,054</b>

**First Coast No More Homeless Pets, Inc.**  
**Statement of Functional Expenses**  
**Year Ended September 30, 2024**

	Program Expense		Supporting Services			Total
	Animal Protection and Care	General and Administrative	Fundraising	Subtotal		
<b>Personnel</b>						
Salaries	\$ 3,735,971	\$ 294,057	\$ 255,537	\$ 549,594	\$ 4,285,565	
Payroll taxes and benefits	514,059	36,066	25,838	61,904	575,963	
<b>Total Personnel Expenses</b>	<b>4,250,030</b>	<b>330,123</b>	<b>281,375</b>	<b>611,498</b>	<b>4,861,528</b>	
Advertising	1,362	-	9,528	9,528	10,890	
Automotive expenses	16,031	-	-	-	16,031	
Bank service charges	116,080	3,121	5,627	8,748	124,828	
Computer expense	110,294	28,120	21,997	50,117	160,411	
Direct mail	-	-	119,464	119,464	119,464	
Dues and subscriptions	14,785	-	24,441	24,441	39,226	
Insurance	-	100,816	-	100,816	100,816	
Interest expense	47,717	2,139	-	2,139	49,856	
Licenses and permits	90,174	12,522	-	12,522	102,696	
Miscellaneous	83,658	7,183	45,097	52,280	135,938	
Office supplies	34,639	1,895	685	2,580	37,219	
Postage and delivery	111	404	1,131	1,535	1,646	
Printing and reproduction	61,978	514	2,853	3,367	65,345	
Professional fees	72,461	327,913	48,731	376,644	449,105	
Program supplies	2,026,385	62,463	-	62,463	2,088,848	
Repairs and maintenance	28,468	7,158	-	7,158	35,626	
Special event expenses	-	-	35,540	35,540	35,540	
Training	9,573	10,145	-	10,145	19,718	
Travel	-	2,379	478	2,857	2,857	
Utilities	164,496	16,216	21,690	37,906	202,402	
<b>Total Expenses before Non-Cash Expenses</b>	<b>7,128,242</b>	<b>913,111</b>	<b>618,637</b>	<b>1,531,748</b>	<b>8,659,990</b>	
Depreciation	121,670	34,303	4,145	38,448	160,118	
<b>Total Expenses</b>	<b>\$ 7,249,912</b>	<b>\$ 947,414</b>	<b>\$ 622,782</b>	<b>\$ 1,570,196</b>	<b>\$ 8,820,108</b>	

**First Coast No More Homeless Pets, Inc.**  
**Statement of Functional Expenses**  
**Year Ended September 30, 2023**

	<u>Program Expense</u>	<u>Supporting Services</u>			<u>Total</u>
	<u>Animal Protection and Care</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Subtotal</u>	
<b>Personnel</b>					
Salaries	\$ 3,790,700	\$ 269,557	\$ 294,285	\$ 563,842	\$ 4,354,542
Payroll taxes and benefits	523,272	29,533	23,907	53,440	576,712
<b>Total Personnel Expenses</b>	<b>4,313,972</b>	<b>299,090</b>	<b>318,192</b>	<b>617,282</b>	<b>4,931,254</b>
Advertising	5,192	-	5,418	5,418	10,610
Automotive expenses	18,905	-	-	-	18,905
Bank service charges	119,756	1,204	8,208	9,412	129,168
Computer expense	105,986	8,187	21,893	30,080	136,066
Direct mail	-	-	94,184	94,184	94,184
Dues and subscriptions	8,764	-	6,174	6,174	14,938
Insurance	-	56,750	-	56,750	56,750
Interest expense	66,716	-	3,527	3,527	70,243
Licenses and permits	116,154	1,725	-	1,725	117,879
Miscellaneous	14,147	49,711	3,376	53,087	67,234
Office supplies	15,993	4,292	1,480	5,772	21,765
Postage and delivery	324	1,002	1,515	2,517	2,841
Printing and reproduction	46,952	1,348	10,665	12,013	58,965
Professional fees	19,825	246,497	37,728	284,225	304,050
Program supplies	2,144,142	-	-	-	2,144,142
Rent	-	2,250	-	2,250	2,250
Repairs and maintenance	44,063	5,021	-	5,021	49,084
Special event expenses	-	-	65,304	65,304	65,304
Training	35,077	12,300	-	12,300	47,377
Utilities	165,211	16,841	20,822	37,663	202,874
<b>Total Expenses before Non-Cash Expenses</b>	<b>7,241,179</b>	<b>706,218</b>	<b>598,486</b>	<b>1,304,704</b>	<b>8,545,883</b>
Depreciation	130,160	33,241	4,741	37,982	168,142
<b>Total Expenses</b>	<b>\$ 7,371,339</b>	<b>\$ 739,459</b>	<b>\$ 603,227</b>	<b>\$ 1,342,686</b>	<b>\$ 8,714,025</b>

**First Coast No More Homeless Pets, Inc.**  
**Statements of Cash Flows**  
**Years Ended September 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 1,853,117	\$ 462,530
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	160,118	168,142
Securities contributed	(1,544,080)	(751,955)
Unrealized gain on investments	(116,611)	(12,581)
Credit loss expense	65,000	-
Net changes in		
Accounts receivable	(50,695)	79,027
Pledges receivable	(203,298)	-
Other assets	(8,122)	(61,138)
Inventory	5,384	(12,515)
Accounts payable and accrued expenses	47,282	112,390
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>208,095</u>	<u>(16,100)</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of fixed assets	(273,098)	(586,368)
Purchases of investments	-	(3,127)
Sales of investments	1,172,089	72,298
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>898,991</u>	<u>(517,197)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from notes payable	40,000	-
Principal payments on notes payable	(236,203)	(232,064)
<b>Net Cash Used in Financing Activities</b>	<u>(196,203)</u>	<u>(232,064)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	910,883	(765,361)
<b>Cash and Cash Equivalents, Beginning of Period</b>	<u>511,179</u>	<u>1,276,540</u>
<b>Cash and Cash Equivalents, End of Period</b>	<u>\$ 1,422,062</u>	<u>\$ 511,179</u>
<b>Supplementary Information</b>		
Cash paid for interest	\$ 49,856	\$ 70,243

**Note 1. Nature of Organization and Summary of Significant Accounting Policies**

First Coast No More Homeless Pets, Inc. (the “Organization”), a non-profit organization dedicated to the welfare of animals, was organized in Jacksonville, Florida in 2002. The mission of the Organization is to make veterinary care affordable and accessible to all as we save lives by keeping dogs and cats in homes and out of shelters, provide low-cost spay/neuter services with emphasis on feral/community cats, and deliver a broad range of related programs and services. The major sources of income are derived from service revenue, public contributions, and grants.

***Basis of Accounting***

The financial statements, which are presented on the accrual basis of accounting, have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions.

***Basis of Presentation***

Net assets and revenue, gains, expenses and losses are required to be classified as without or with donor restrictions based upon the following criteria:

1. Net assets without donor restrictions represent expendable funds available for operations, which are not otherwise limited by donor restrictions.
2. Net assets with donor restrictions consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds.

***Cash and Cash Equivalents***

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

***Accounts Receivable***

Accounts receivable mainly represent fees for service related to veterinary care. Management evaluates accounts receivable for collectability and includes in the allowance for credit losses, which is an estimate of losses to be sustained. The estimate is based off historical experience and management’s expectations about current and future economic conditions. Uncollectible amounts are charged against the allowance account when management determines the possibility of collection is remote.

	<b>Allowance for Credit Losses</b>	
	<b>2024</b>	<b>2023</b>
Beginning of year	\$ 35,000	\$ 35,000
Provision for credit losses	209,557	-
Net write offs	(144,557)	-
End of year	\$ 100,000	\$ 35,000

**First Coast No More Homeless Pets, Inc.**  
**Notes to Financial Statements**  
**September 30, 2024 and 2023**

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***Pledges Receivable***

Pledges receivable are recorded as receivables and contribution revenue when the promises are received. Contributions to be received after one year are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. The carrying amount of pledges receivable is reduced by a valuation allowance. The valuation allowance is adjusted at year end to reflect the percentage of pledges considered uncollectible by management based on historical collection experience and review of pledges receivable. As of September 30, 2024 there is no allowance for uncollectible pledges receivable.

***Inventory***

Inventories are stated at the lower of cost or net realizable value on the first-in, first-out method. Inventory is counted once a month and adjusted to actual.

***Investment Valuation and Income Recognition***

Investments are recorded at fair value. The fair value of investments is based on the last sales price on the valuation date for those securities traded on national securities exchanges. For securities traded over the counter, the last bid price is used. Realized and unrealized gains or losses are determined by comparison of cost to either proceeds received from sales or market values.

Purchases and sales of securities are recorded on a trade-date basis. Investment income is recorded when earned. Dividends are recorded on the ex-dividend date.

***Fair Value Measurements***

Generally accepted accounting principles in the United States of America ("GAAP") define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value.

***Property and Equipment***

Property and equipment are recorded at cost or if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method over the estimated useful lives. The useful lives used for depreciation range from five years to forty years.

***Contributions and Grants***

Contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restriction.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated assets are placed in service.

The Organization recognizes revenue for certain donated services and other in-kind contributions received at fair value as of the date of the gift.

**First Coast No More Homeless Pets, Inc.**  
**Notes to Financial Statements**  
**September 30, 2024 and 2023**

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***Contract Revenue - Program Service Fees***

The Organization's program services fees consist of surgery and veterinary procedures performed primarily on dogs and cats. These revenues are recognized at a point in time based on the transfer of control. Revenue consists of performance obligations satisfied within one year or less. In addition, the Organization's contracts do not contain variable consideration and contract modifications are generally minimal.

***Functional Expense Allocation***

The costs of providing program, management and general and fundraising activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Other expenses are allocated based on management's estimate of the benefit derived from each activity.

***Concentrations of Credit Risk***

Cash and cash equivalents consist of cash on deposit in banks and cash invested in liquid asset trust funds with initial maturities of three months or less. The Organization periodically maintains bank deposits in excess of the Federal Deposit Insurance Corporation limit.

***Income Taxes***

The Organization is recognized by the Internal Revenue Service as a nonprofit under Section 501(c) (3) of the Internal Revenue Code; accordingly the accompanying financial statements do not reflect a provision or liability for federal and state income taxes.

***Use of Estimates***

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect (1) the reported amounts of assets and liabilities; (2) disclosure of contingent assets and liabilities at the date of the financial statements; and, (3) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Adoption of New Accounting Standards***

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through operations. The most significant change in this standard is a shift from the incurred loss model to the expected loss model.

Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were accounts receivable.

The Organization adopted the standard effective October 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

***Subsequent Events***

In preparing these financial statements, the Organization evaluated events and transactions for potential recognition or disclosure through February 27, 2025, the date the financial statements were available for issuance.

***Reclassifications***

Certain reclassifications have been made to the 2023 financial statements to conform to the 2024 financial statement presentation. These reclassifications had no effect on the change in net assets.

**First Coast No More Homeless Pets, Inc.**  
**Notes to Financial Statements**  
**September 30, 2024 and 2023**

**Note 2. Availability of Financial Assets**

The following reflects the Organization's financial assets as of the financial position date reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statement of financial position date.

Financial assets at September 30, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,422,062	\$ 511,179
Accounts receivable, net	226,144	240,449
Pledges receivable	203,298	-
Investments	<u>1,223,751</u>	<u>735,149</u>
	3,075,255	1,486,777
Those unavailable for general expenditures within one year due to Net assets with donor restrictions	<u>(1,245,765)</u>	<u>(583,366)</u>
Financial assets available to meet cash needs for general, expenditures within one year	<u>\$ 1,829,490</u>	<u>\$ 903,411</u>

The Organization is substantially supported by program services fees. The Organization also receives contributions and grants from individuals and businesses. The Organization has a significant degree of flexibility and discretion to manage its costs based on its revenue from program fees, contributions, and grants. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due.

**Note 3. Fair Value of Financial Assets**

The Organization follows accounting standards requiring a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1** Quoted prices are available in active markets for identical investments as of the reporting date.
- Level 2** Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.
- Level 3** Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require management judgment and estimation. Such investment valuations are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques.

Inputs broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

**First Coast No More Homeless Pets, Inc.**  
**Notes to Financial Statements**  
**September 30, 2024 and 2023**

The following is a description of the valuation methodologies used for assets measured at fair value.

**Level 1 Fair Value Measurements**

The fair value of equities is based on the closing price reported on the active market on which the individual securities are traded. The fair value of mutual funds is based on quoted net asset values of the shares held by the Organization at year end.

**Level 2 Fair Value Measurements**

The fair value of certificates of deposit is an estimate of its potential future value to an investor. Inputs used to develop this estimate include the following: initial deposit amount, term of the investment, and its annual percentage yield.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

There were no changes during the years ended September 30, 2024 and 2023 to the Organization's valuation techniques used to measure asset and liability fair values on a recurring basis.

The following summarizes the Organization's investments carried by level within the valuation hierarchy:

<b>September 30, 2024</b>				
<b>Fair Value Measurements Using</b>				
	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Assets				
Government securities	\$ 302,121	\$ 302,121	\$ -	\$ -
Certificates of deposit	921,630	-	921,630	-
Total assets in the fair value hierarchy	<u>\$ 1,223,751</u>	<u>\$ 302,121</u>	<u>\$ 921,630</u>	<u>\$ -</u>
<b>September 30, 2023</b>				
<b>Fair Value Measurements Using</b>				
	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Assets				
Mutual funds	\$ 735,149	\$ 735,149	\$ -	\$ -

**First Coast No More Homeless Pets, Inc.**  
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**Note 4. Notes Payable**

Long-term debt as of September 30, are as follows:

	<u>2024</u>	<u>2023</u>
Note payable to a bank, with a fixed interest rate at 3.95%; payable in monthly installments of \$2,809 through February 2031; secured by property.	\$ 189,927	\$ 216,637
Note payable to a bank, with a fixed interest rate at 3.95%; payable in monthly installments of \$9,383 through March 2031; secured by property.	634,077	720,488
Note payable to the City of Jacksonville, with a fixed interest rate at 3.0%; payable in monthly installments of \$914 through June 2034; secured by property.	90,290	100,342
Note payable to the City of Jacksonville, with a fixed interest rate at 3.0%; payable in monthly installments of \$2,851 through April 2032; secured by property.	225,339	256,703
Note payable to the U.S. Small Business Administration ("SBA"), with a fixed interest rate at 2.63%; payable in monthly installments of \$347 through January 2046; secured by property.	66,431	68,821
Note payable to the U.S. Small Business Administration ("SBA"), with a fixed interest rate at 2.50%; payable in monthly installments of \$347 through November 2032; secured by property.	203,224	225,506
Note payable to a former board member, with a fixed interest rate at 4.25%; payable in monthly installments of \$2,780 through May 2025; secured by property.	19,825	52,691
Note payable to a former board member, with a fixed interest rate at 4.25%; payable in monthly installments of \$2,059 through September 2027; secured by property.	45,743	69,871
Note payable to a vendor, with a fixed interest rate at 7%; payable in yearly installments of \$8,000, with a final balloon payment at maturity. The note matures September 2029 and is unsecured. Each year's loan payment can be forgiven if the Organization meets certain purchasing criteria with the vendor.	40,000	-
Note payable to the U.S. Small Business Administration ("SBA"), with a fixed interest rate at 2.75%; payable in monthly installments of \$641 beginning January 2023 through June 2050; secured by property.	<u>150,000</u>	<u>150,000</u>
	1,664,856	1,861,059
Current maturities	<u>(225,439)</u>	<u>(234,494)</u>
	<u>\$ 1,439,417</u>	<u>\$ 1,626,565</u>

**First Coast No More Homeless Pets, Inc.**  
**Notes to Financial Statements**  
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Maturities of long-term debt as of September 30, 2024 are as follows:

2025	\$	225,439
2026		214,302
2027		199,807
2028		206,751
2029		224,516
Thereafter		<u>594,041</u>
	\$	<u>1,664,856</u>

**Note 5. In-Kind Contributions**

The Organization's in-kind contributions consisted of the following during the year ended September 30:

	<u>2024</u>	<u>2023</u>
Pet food	\$ 217,668	\$ 333,498
Professional services	<u>67,513</u>	<u>134,266</u>
	<u>\$ 285,181</u>	<u>\$ 467,764</u>

Pet food contributions are valued at their retail price per pound based on the type of food contributed. Professional services are valued at their estimated service cost obtained from the service provider. Pet food contributions are reported as program supplies and professional services are recorded as professional fees on the statements of functional expenses. The pet food was used in carrying out the programs and the professional services consisted of information technology services and were reported as general and administrative expenses.

**Note 6. Net Assets Without Donor Restrictions**

In June 2021, the Organization established a reserve fund and designated \$700,000 of its net assets to this reserve fund. The purpose of the fund is to ensure the long-term financial stability of the Organization and position it to respond to changes affecting the Organization's financial position. As of September 30, 2024 and 2023, board designated net assets were \$700,000.

**First Coast No More Homeless Pets, Inc.**  
**Notes to Financial Statements**  
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**Note 7. Net Assets With Donor Restrictions**

Donor restricted net assets consist of the following purpose restricted programs at September 30:

	<u>2024</u>	<u>2023</u>
Charitable care for spay and neuter	\$ 115,238	\$ 76,713
Charitable care for veterinary services	160,382	40,433
Employee wellness services	-	5,921
Education programming	30,183	37,732
Medical equipment	-	170
Programmatic funds for spay and neuter	259,098	-
Programmatic funds for veterinary care	117,113	15,874
Renovation funds from capital campaign	<u>563,751</u>	<u>406,523</u>
	<u>\$ 1,245,765</u>	<u>\$ 583,366</u>

**Note 8. Donated Services**

Numerous volunteers have donated their time and have performed a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments. The Organization received approximate volunteer hours of 8,200 and 6,500 in the 2024 and 2023 fiscal year, respectively. No amounts have been reflected in the financial statements for donated volunteer hours.

**Note 9. Conditional Contribution**

The Organization received a \$1,100,000 conditional contribution. As of September 30, 2024, the Organization recognized \$500,000 related to this contribution. As the Organization meets certain stipulations outlined in the agreement, the remaining \$600,000 will be recognized.

**Note 10. Defined Contribution Retirement Plan**

In 2022, the Organization sponsored a traditional 401(k) retirement plan that covered substantially all full-time permanent employees. On January 1, 2023, the Organization transitioned the traditional 401(k) retirement plan to a safe harbor 401(k) retirement plan. The plan still covers substantially all full-time employees. Eligible employees may elect to defer up to 100% of compensation subject to federal limits. Employer contributions are determined at the Board of Directors' discretion. The plan may be terminated at any time without further obligation to the Organization. The Organization contributed \$73,240 and \$60,984 for the years ending September 30, 2024 and 2023, respectively.

**Note 11. Concentrations**

The Organization had one payor that represents approximately 69% of the Organization's accounts receivable at September 30, 2024 and 2023.

## **Note 12. Commitments and Contingencies**

The Organization is subject to various legal proceedings and claims which arise in the ordinary course of operations. These legal proceedings and claims are subject to many uncertainties, the outcome of which is not predictable. It is reasonably possible that some matters could be decided unfavorably to the Organization, and if so, could have a material impact to the financial statements.

On July 2, 2024, the Organization entered into a construction contract for the remodel and addition of a building and parking lot for the Pet Hospital located at 6817 Norwood Ave, Jacksonville, FL 32208. The contract sum is \$1,290,000. The project is expected to commence upon issuance of the permit and achieve substantial completion by February 21, 2025. This construction contract represents a significant commitment for the Organization.

On December 22, 2023, the Organization entered into a forgivable loan agreement with the City of Jacksonville. A forgivable loan of up to \$500,000 will be made to the Organization once construction of the Pet Hospital located at 6817 Norwood Ave, Jacksonville, FL 32208 is substantially complete. This is in order to facilitate the construction of the facility and promote growth in an economically challenged area of the city. The loaned amount accrues interest at 3% per annum, with principal and interest payments due monthly, commencing one month after the disbursement of funds. The loan will have an effective term of 7 years commencing from the disbursement date. If the Organization meets certain requirements as outlined in the forgivable loan agreement, 20% of the loan will be forgiven for each year the Organization meets such requirements. As of September 30, 2024, no such amounts have been received from the City of Jacksonville and the Norwood Facility is not substantially complete.