

**CHRISTIAN VETERINARY MISSION  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2021**



WEALTH ADVISORY | OUTSOURCING  
AUDIT, TAX, AND CONSULTING

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Christian Veterinary Mission  
Lynnwood, Washington

We have audited the accompanying financial statements of Christian Veterinary Mission (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the period of inception through June 30, 2021, and the related notes to the financial statements.

### ***Management's Responsibility 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 and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors  
Christian Veterinary Mission

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Christian Veterinary Mission as of June 30, 2021, and the changes in its net assets and its cash flows for the period from inception through June 30, 2021 in accordance with accounting principles generally accepted in the United States of America.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Bellevue, Washington  
December 6, 2021

**CHRISTIAN VETERINARY MISSION  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2021**

**ASSETS**

Cash and Cash Equivalents	\$ 669,104
Prepaid Expenses	22,142
Fixed Assets, Net	<u>45,810</u>
Total Assets	<u><u>\$ 737,056</u></u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable	\$ 24,238
Accrued Expenses and Other Liabilities	9,060
Total Liabilities	<u>33,298</u>

**NET ASSETS**

Without Donor Restrictions:	
Undesignated	595,697
With Donor Restrictions:	
Purpose and Time Restricted	<u>108,061</u>
Total With Donor Restrictions	<u>108,061</u>
Total Net Assets	<u><u>703,758</u></u>
Total Liabilities and Net Assets	<u><u>\$ 737,056</u></u>

*See accompanying Notes to Financial Statements.*

**CHRISTIAN VETERINARY MISSION  
STATEMENT OF ACTIVITIES  
FOR THE PERIOD FROM INCEPTION THROUGH JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Contributions	\$ 741,943	\$ 108,061	\$ 850,004
Other Gains and Losses	(323)	-	(323)
Total Revenue and Support	741,620	108,061	849,681
<b>EXPENSES</b>			
Program	6,595	-	6,595
Management and General	113,215	-	113,215
Fundraising	26,113	-	26,113
Total Expenses	145,923	-	145,923
<b>CHANGE IN NET ASSETS</b>	595,697	108,061	703,758
Net Assets - Beginning of Year	-	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 595,697	\$ 108,061	\$ 703,758

See accompanying Notes to Financial Statements.

**CHRISTIAN VETERINARY MISSION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE PERIOD FROM INCEPTION THROUGH JUNE 30, 2021**

	Program	Management and General	Fundraising	Total
Salaries	\$ 2,174	\$ 7,333	\$ 4,224	\$ 13,731
Benefits and Payroll Taxes	166	699	372	1,237
Subtotal Personnel Costs	<u>2,340</u>	<u>8,032</u>	<u>4,596</u>	<u>14,968</u>
Bank Charges	-	940	-	940
Conferences/Training	3,775	-	-	3,775
Information Technology	-	2,352	-	2,352
Legal Fees	-	9,153	-	9,153
Licenses and Registrations	-	1,262	-	1,262
Startup Costs	-	74,866	19,906	94,772
Supplies	56	16,610	1,611	18,277
Utilities	424	-	-	424
Total Expenses by Function	<u>\$ 6,595</u>	<u>\$ 113,215</u>	<u>\$ 26,113</u>	<u>\$ 145,923</u>

See accompanying Notes to Financial Statements.

**CHRISTIAN VETERINARY MISSION  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD FROM INCEPTION THROUGH JUNE 30, 2021**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in Net Assets	\$ 703,758
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Changes in Assets and Liabilities:	
Increase in Prepaid Expenses	(22,142)
Increase in Accounts Payable	24,238
Increase in Accrued Expenses and Other Liabilities	9,060
Net Cash Provided by Operating Activities	<u>714,914</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of Fixed Assets	<u>(45,810)</u>
Net Cash Used by Investing Activities	(45,810)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	669,104
Cash and Cash Equivalents - Beginning of Year	<u>-</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 669,104</u></u>

*See accompanying Notes to Financial Statements.*



**CHRISTIAN VETERINARY MISSION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE PERIOD FROM INCEPTION THROUGH JUNE 30, 2021**

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Activities**

Christian Veterinary Mission (CVM) serves to challenge, empower, and facilitate veterinary professionals to serve others living out their Christian faith. CVM began in 1976, as our founder, Dr. Leroy Dorminy began to mobilize veterinary professionals to this mission. In 1978, CVM became a ministry division of World Concern-CRISTA Ministries based in Seattle, WA. The current ministry programs of CVM were developed through this partnership and include long-term missions, short-term missions, professional ministry, student ministry, affiliate ministry and training programs. The CVM Board of Directors worked in 2020 and in the first six months of 2021 to incorporate, register, and implement the development and launch a new organization under the same name. The financial statements reflect only the activities of the new organization from the date of inception through June 30, 2021.

**Basis of Accounting**

CVM prepares its financial statements on the accrual basis of accounting. Therefore, revenue and related assets are recognized when earned and expenses and related liabilities are recognized as the obligation is incurred.

**Financial Statement Presentation**

Financial statement presentation follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic *Not-for-Profit Entities*. In accordance with topic ASU NO. 2016-14, net assets, revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of CVM and changes therein, are classified and reported as follows:

*Net Assets without Donor Restrictions* – Net assets not subject to donor-imposed stipulations.

*Net Assets with Donor Restrictions* – Net assets subject to donor-imposed restrictions that will be met by either actions of CVM and/or the passage of time, or that must be maintained permanently by CVM. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. Net assets with donor restrictions totaled \$108,061 at June 30, 2021.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, CVM considers all cash and savings accounts that are interest bearing to be cash equivalents. Cash and cash equivalents in certain accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. At times, the accounts may exceed this limit; however, CVM believes it is not exposed to any significant credit risk on cash or cash equivalents.

**CHRISTIAN VETERINARY MISSION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE PERIOD FROM INCEPTION THROUGH JUNE 30, 2021**

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions Receivable**

Contributions receivable are stated at the amount management expects to collect from balances outstanding at year-end. Annually, management determines if an allowance for doubtful accounts is necessary based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Accounts deemed uncollectible are charged off based on specific circumstances of the parties involved. Management believes that all remaining receivables are fully collectible and no provision for allowance for doubtful accounts is deemed necessary.

**Revenue Recognition**

CVM recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, 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. Contributions received with donor stipulations are recorded as contributions with donor restrictions based on the donor's intent. Unless otherwise stated by the donor, individual donations are recorded as contributions without donor restrictions. CVM also reports expirations of donor restrictions when the donated long-lived assets are acquired or placed in service. Contributions with donor restrictions that are met in the same reporting period as the contribution is received are reported as contributions without donor restrictions support.

**Fixed Assets**

Fixed Assets are stated at cost, if purchased, or at fair market value, if donated. Fixed Asset expenditures of greater than \$2,500 are capitalized. Depreciation is recorded over the estimated useful lives of the assets, ranging from 3 to 39 years. Fixed assets included office equipment of \$45,810. There was no depreciation recorded for the period ended June 30, 2021 as the assets had not yet been placed into service.

**Functional Expenses**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include office and occupancy, which are allocated on the basis of salaries and related costs, which are based on the amount of estimated time and effort expended.

**Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**CHRISTIAN VETERINARY MISSION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE PERIOD FROM INCEPTION THROUGH JUNE 30, 2021**

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes**

CVM is a 501(c) (3) organization exempt from federal income tax under Section 501(a) of the Internal Revenue Code (IRC) and is not a private foundation. Under the provisions of the IRC, CVM is, however, subject to tax on business income unrelated to its exempt purpose. As of June 30, 2021, CVM had no liability for tax on unrelated business income. CVM files information returns and other tax returns as required. CVM's information returns are subject to examination by the Internal Revenue Service for a period of three years from the date they were filed, except under certain circumstances.

**Subsequent Events**

We have evaluated subsequent events through December 6, 2021, the date the financial statements were available to be issued.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

CVM regularly monitors liquidity required to meet its operating needs and other contractual commitments, CVM has various sources of liquidity at its disposal including cash and cash equivalents, and contributions receivable.

Cash and Cash Equivalents	\$ 669,104
Less: Restricted Net Assets	<u>(108,061)</u>
Total Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 561,043</u>

**NOTE 3 CONDITIONAL CONTRIBUTION**

During the period ended June 30, 2021, management of CVM and CRISTA agreed to the transfer of the remaining CVM investments, endowments and other funds upon the closing of CRISTA's year ended June 30, 2021. The amount of the transfer could not be fully determined at June 30, 2021 and as such a receivable was not recorded.

Subsequent to June 30, 2021, CVM received periodic contributions from CRISTA with the total amount of \$6,657,670 received as of October 31, 2021. These contributions will be reflected in the statement of activities for the year ended June 30, 2022.

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