

**OCCUPAWS GUIDE DOG ASSOCIATION**

**FINANCIAL STATEMENTS**

December 31, 2011

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
OccuPaws Guide Dog Association  
Cross Plains, Wisconsin

We have audited the accompanying statement of financial position of OccuPaws Guide Dog Association as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of OccuPaws Guide Dog Association's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OccuPaws Guide Dog Association as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Wegner CPAs, LLP*

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**OCCUPAWS GUIDE DOG ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 2011

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**ASSETS**

**CURRENT ASSETS**

Cash	\$ 45,681
Certificates of deposit	17,661
Accounts receivable	186
Prepaid expenses	939
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Total current assets	64,467

**EQUIPMENT**

Vehicle	2,000
Accumulated depreciation	(56)
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Equipment - net	1,944

**Total assets**

\$ 66,411

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accrued expenses	\$ 1,216
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**NET ASSETS**

Unrestricted	65,195
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**Total liabilities and net assets**

\$ 66,411

See accompanying notes.

**OCCUPAWS GUIDE DOG ASSOCIATION**  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2011

**UNRESTRICTED NET ASSETS**

**SUPPORT AND REVENUE**

Donated services and materials	\$	61,489
Grants		42,307
Contributions		38,108
Special events		25,999
Adoption fees		3,462
Interest		179
		171,544
 Total unrestricted support and revenue		 171,544

**EXPENSES**

Personnel		48,400
Office expenses		3,288
Telephone		2,294
Computer and technology		1,580
Postage		1,290
Printing		1,614
Insurance		1,012
Repairs and maintenance		4,380
Professional fees		20,818
Meetings and conferences		2,311
Depreciation		56
Travel		10,959
Special events		18,401
Marketing and promotion		33,364
Dog training		445
Veterinary		10,940
Other		1,472
		162,624
 Total expenses		 162,624

Net assets released from restrictions		18,149
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<b>Change in unrestricted net assets</b>		<b>27,069</b>
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**TEMPORARILY RESTRICTED NET ASSETS**

Net assets released from restrictions		(18,149)
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<b>Change in temporarily restricted net assets</b>		<b>(18,149)</b>
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Change in net assets		8,920
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Net assets - beginning of year		56,275
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<b>Net assets - end of year</b>	<b>\$</b>	<b>65,195</b>
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See accompanying notes.

**OCCUPAWS GUIDE DOG ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
Year ended December 31, 2011

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 8,920
Adjustments to reconcile change in net assets to net cash from operating activities	
Depreciation	56
(Increase) decrease in assets	
Accounts receivable	(39)
Prepaid expense	(475)
Increase (decrease) in liabilities	
Accrued expenses	71
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**Net cash flows from operating activities** 8,533

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of equipment	(2,000)
Purchases of certificates of deposit	(7,000)
Interest earned but retained in certificate of deposit	(133)
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**Net cash from investing activities** 

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 (9,133)

Net change in cash (600)

Cash - beginning of year 

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 46,281

**Cash - end of year** 

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 \$ 45,681

See accompanying notes.

**OCCUPAWS GUIDE DOG ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

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OccuPaws Guide Dog Association is a nonprofit organization that is an innovative, creative and life-changing organization dedicated to empowering the visually impaired while raising awareness and education for both adults and children. OccuPaws' mission is to place fully trained guide dogs of excellent health and temperament with Wisconsin and contiguous state residents (adults and children) who have visual impairments at no charge. OccuPaws is funded primarily by contributions and special events. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

OccuPaws is required to report information regarding its financial position and activities according to three classes of net assets:

*Unrestricted net assets* - Net assets that are not restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

*Temporarily restricted net assets* - Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions.

*Permanently restricted net assets* - Net assets that have been restricted by donors to be maintained by OccuPaws in perpetuity.

**Accounts Receivable**

OccuPaws considers all receivables to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

**Furniture and Equipment**

Acquisitions of furniture and equipment are capitalized at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

**Contributions**

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

**OCCUPAWS GUIDE DOG ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Donated Services**

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by OccuPaws. Volunteers also provide various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria are not met.

**Income Tax Status**

OccuPaws is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. OccuPaws' federal exempt organization returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed. With few exceptions, OccuPaws is no longer subject to such examinations for tax years before 2008.

**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.

**Date of Management's Review**

Management has evaluated subsequent events through February 10, 2012, the date which the financial statements were available to be issued.

**NOTE 2 – DONATED SERVICES**

The value of donated services included as contributions in the financial statements and the corresponding programs and activities for which the contributed services were used are as follows for 2011:

	Program Services	Management and General	Fundraising	Total
Advertising	\$ 24,000	\$ -	\$ 6,000	\$ 30,000
Accounting services	-	1,200	-	1,200
Legal services	-	19,238	-	19,238
Veterinary services	3,291	-	-	3,291
Donated services	<u>\$ 27,291</u>	<u>\$ 20,438</u>	<u>\$ 6,000</u>	<u>\$ 53,729</u>

**NOTE 3 - DONATED FACILITIES**

The Association's administrative duties are performed by the board members at their homes. Guide dogs are trained by volunteers at the homes of both the volunteers and the guide dog recipients. The fair values of these donated facilities are undeterminable.



**OCCUPAWS GUIDE DOG ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

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**NOTE 4 – FUNCTIONAL ALLOCATION OF EXPENSES**

Expenses by function were as follows for 2011:

Program services	\$ 112,311
Management and general	23,783
Fundraising	<u>26,530</u>
Total expenses	<u>\$ 162,624</u>