

OCCUPAWS GUIDE DOG ASSOCIATION

FINANCIAL STATEMENTS

December 31, 2020 and 2019

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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 financial statements of OccuPaws Guide Dog Association, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, 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.

Auditor's Responsibility

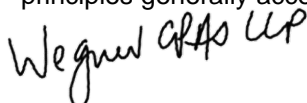
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about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

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, 2020 and 2019, 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.



Wegner CPAs, LLP
Madison, Wisconsin
May 21, 2021

OCCUPAWS GUIDE DOG ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 117,210	\$ 177,750
Certificate of deposit	18,493	18,243
Prepaid expenses	<u>2,388</u>	<u>2,479</u>
Total current assets	138,091	198,472
Investments	486,352	427,170
Equipment (less accumulated depreciation of \$2,209 and \$1,251, respectively)	<u>7,369</u>	<u>8,327</u>
Total assets	<u><u>\$ 631,812</u></u>	<u><u>\$ 633,969</u></u>
LIABILITIES AND NET ASSETS		
NET ASSETS		
Without donor restrictions	\$ 624,812	\$ 626,969
With donor restrictions	<u>7,000</u>	<u>7,000</u>
Total net assets	<u>631,812</u>	<u>633,969</u>
Total liabilities and net assets	<u><u>\$ 631,812</u></u>	<u><u>\$ 633,969</u></u>

See accompanying notes.

OCCUPAWS GUIDE DOG ASSOCIATION
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2020 and 2019

	2020	2019
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE		
Contributions	\$ 152,803	\$ 158,636
Donated services and materials	22,105	25,646
Special events and concessions	18,618	36,077
Adoption fees	20,150	28,440
Investment return, net	59,432	77,051
Total support and revenue without donor restrictions	273,108	325,850
EXPENSES		
Program services	263,658	289,627
Supporting activities		
Management and general	11,672	14,251
Fundraising	6,935	14,084
Total expenses	282,265	317,962
NET ASSETS RELEASED FROM RESTRICTIONS		
Net assets released from purpose and time restrictions	7,000	50,000
Change in net assets without donor restrictions	(2,157)	57,888
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	7,000	7,000
Net assets released from purpose and time restrictions	(7,000)	(50,000)
Change in net assets with donor restrictions	-	(43,000)
Change in net assets	(2,157)	14,888
Net assets at beginning of year	633,969	619,081
Net assets at end of year	\$ 631,812	\$ 633,969

See accompanying notes.

OCCUPAWS GUIDE DOG ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2020 and 2019

	2020			
	Program Services	Management and General	Fundraising	Total Expenses
Office expenses	\$ 4,164	\$ 1,068	\$ 521	\$ 5,753
Telephone	1,950	244	244	2,438
Computer and technology	6,786	848	848	8,482
Postage	1,066	133	133	1,332
Printing	675	85	85	845
Insurance	1,669	209	209	2,087
Dog equipment	26,937	-	-	26,937
Professional fees	80	4,810	10	4,900
Depreciation	958	-	-	958
Travel	33,931	3,987	3,987	41,905
Marketing and promotion	2,439	-	610	3,049
Puppies	14,515	-	-	14,515
Dog training	72,844	-	-	72,844
Veterinary	60,327	-	-	60,327
Dog food expense	33,014	-	-	33,014
Miscellaneous	2,303	288	288	2,879
Total expenses	\$ 263,658	\$ 11,672	\$ 6,935	\$ 282,265
	2019			
	Program Services	Management and General	Fundraising	Total Expenses
Office expenses	\$ 3,197	\$ 831	\$ 400	\$ 4,428
Telephone	2,464	308	308	3,080
Computer and technology	5,158	645	645	6,448
Postage	1,054	132	132	1,318
Printing	732	92	92	916
Insurance	1,328	166	166	1,660
Dog equipment	32,668	-	-	32,668
Professional fees	4,870	4,953	2,453	12,276
Meetings and conferences	261	33	33	327
Depreciation	939	19	-	958
Travel	46,837	5,679	5,679	58,195
Facilities	8,680	1,085	3,085	12,850
Marketing and promotion	3,132	-	783	3,915
Puppies	8,538	-	-	8,538
Dog training	60,838	-	-	60,838
Veterinary	76,658	-	-	76,658
Dog food expense	29,814	-	-	29,814
Miscellaneous	2,459	308	308	3,075
Total expenses	\$ 289,627	\$ 14,251	\$ 14,084	\$ 317,962

See accompanying notes.

OCCUPAWS GUIDE DOG ASSOCIATION
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (2,157)	\$ 14,888
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	958	958
Realized and unrealized gains on investments	(53,591)	(69,009)
(Increase) decrease in assets		
Promises to give	-	50,000
Prepaid expenses	91	(1,080)
Decrease in liabilities		
Accounts payable	-	(254)
Net cash flows from operating activities	(54,699)	(4,497)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	-	(781)
Purchases of investments	-	(35,000)
Dividends retained in investments	(5,591)	(7,739)
Interest retained in certificate of deposit	(250)	(303)
Net cash flows used in investing activities	(5,841)	(43,823)
Net change in cash	(60,540)	(48,320)
Cash at beginning of year	177,750	226,070
Cash at end of year	<u>\$ 117,210</u>	<u>\$ 177,750</u>

See accompanying notes.

OCCUPAWS GUIDE DOG ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

OccuPaws Guide Dog Association (OccuPaws) 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.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. There were no unconditional or conditional promises to give as of December 31, 2020 and 2019.

Investments

OccuPaws reports investments in equity securities with readily determinable fair values at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Equipment

Purchases of equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

Revenue Recognition

Special events—Revenue from special events is recognized when the event is held.

Adoption fees—Revenue from adoption fees is recognized when the dog is transferred to the adopter. There is a ten-day return window for the adopter to return the dog and receive a full refund. Returns are generally minimal. Occasionally, an owner will pay for a dog in installments. Amounts earned, but not yet received, are recorded as accounts receivable. There were no such accounts receivable as of December 31, 2020 and 2019.

OCCUPAWS GUIDE DOG ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status

OccuPaws is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Marketing and Promotion

OccuPaws expenses marketing and promotion costs as they are incurred.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions 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 net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

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.

Expense Allocation

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include office expenses, telephone, computer and technology, postage, printing, insurance, professional fees, meetings and conferences, travel, marketing and promotion, and miscellaneous expenses which are allocated on the basis of time and effort of volunteers.

The following program services and supporting activities are included in the accompanying financial statements:

Program services—Acquires, raises, trains, and places guide dogs with visually impaired adults in Wisconsin and contiguous state residents. OccuPaws also educates other organizations and the public about visual impairments and guide dogs.

Management and general—Includes the functions necessary ensure an adequate environment for volunteers and guide dogs; provide coordination and articulation of OccuPaws' program strategy; secure proper administrative functioning of the board of directors; maintain and manage the financial and budgetary responsibilities of OccuPaws.

OCCUPAWS GUIDE DOG ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fundraising—Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations.

Date of Management’s Review

Management has evaluated subsequent events through May 21, 2021, the date which the financial statements were available to be issued.

NOTE 2 – DONATED FACILITIES, SERVICES, AND MATERIALS

OccuPaws' 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.

The fair value of donated facilities, services, and materials included as contributions in the financial statements and the corresponding expenses are as follows:

	2020		
	Program Services		
Professional fees			
Veterinary services	\$	7,410	
Food and supplies		14,695	
		\$ 22,105	
	2019		
	Program Services	Fundraising	Total
Professional fees			
Veterinary services	\$ 7,976	\$ -	\$ 7,976
Veterinary supplies	1,250	-	1,250
Entertainment	-	2,000	2,000
Food and supplies	12,420	-	12,420
Facilities	-	2,000	2,000
	\$ 21,646	\$ 4,000	\$ 25,646

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NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2020 and 2019 are restricted for the purpose of dog training costs in the subsequent period.

NOTE 4 – INVESTMENTS

Investments for the years ended December 31 are comprised of the following:

	2020	2019
Money market	\$ 119,012	\$ 61,521
Mutual funds	367,340	365,649
Total	\$ 486,352	\$ 427,170

Fair values of mutual funds are based on quoted net asset values of the shares as reported by the fund. The mutual funds held by OccuPaws are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by OccuPaws are considered to be actively traded.

NOTE 5 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects OccuPaws' financial assets as of December 31, 2020 and 2019 available to meet cash needs for general expenditures within one year of the dates of the statements of financial position:

	2020	2019
Cash	\$ 117,210	\$ 177,750
Certificate of deposit	18,493	18,243
Investments	486,352	427,170
Financial assets, at year-end	622,055	623,163
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with purpose restrictions	(7,000)	(7,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 615,055	\$ 616,163

OccuPaws is substantially supported by contributions. As part of OccuPaws' liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. All investments can be liquidated immediately to meet any needs. OccuPaws also invests cash in excess of daily requirements in various investments, including certificate of deposits and mutual funds.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 6 – COVID-19 CONSIDERATIONS

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. Nearly all of OccuPaws' in-person fundraising events were cancelled during 2020 because of the pandemic. The negative impact the pandemic had on the economy made it more difficult for OccuPaws to solicit funds from its donors. Future risks and losses related to the COVID-19 pandemic are unknown at this time.