

OCCUPAWS GUIDE DOG ASSOCIATION

FINANCIAL STATEMENTS

December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of OccuPaws Guide Dog Association, which comprise the statements of financial position as of December 31, 2023 and 2022, 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 OccuPaws Guide Dog Association as of December 31, 2023 and 2022, 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 Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of OccuPaws Guide Dog Association 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 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.

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 OccuPaws Guide Dog Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 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 OccuPaws Guide Dog Association'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 OccuPaws Guide Dog Association'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.



Wegner CPAs, LLP
Madison, Wisconsin
March 1, 2024

OCCUPAWS GUIDE DOG ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 108,242	\$ 112,868
Prepaid expenses	4,576	3,832
Total current assets	112,818	116,700
Investments	508,939	443,870
Equipment (less accumulated depreciation of \$5,082 and \$4,125, respectively)	4,496	5,453
Total assets	<u>\$ 626,253</u>	<u>\$ 566,023</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 4,623
NET ASSETS		
Without donor restrictions	626,253	534,900
With donor restrictions	-	26,500
Total net assets	626,253	561,400
Total liabilities and net assets	<u>\$ 626,253</u>	<u>\$ 566,023</u>

See accompanying notes.

OCCUPAWS GUIDE DOG ASSOCIATION
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Contributions		
Individuals, foundations, and corporations	\$ 289,893	\$ 221,817
Donated services and materials	9,299	8,939
Special event and concessions income	44,540	43,276
Adoption fees	40,750	53,975
Investment return, net	65,069	(79,159)
	<u>449,551</u>	<u>248,848</u>
EXPENSES		
Program services	352,076	340,033
Supporting activities		
Management and general	11,194	12,407
Fundraising	21,428	15,811
	<u>384,698</u>	<u>368,251</u>
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of purpose restrictions	26,500	-
	<u>26,500</u>	<u>-</u>
Change in net assets without donor restrictions	91,353	(119,403)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	-	26,500
Satisfaction of purpose restrictions	(26,500)	-
	<u>(26,500)</u>	<u>26,500</u>
Change in net assets with donor restrictions	(26,500)	26,500
Change in net assets	64,853	(92,903)
Net assets at beginning of year	561,400	654,303
Net assets at end of year	<u>\$ 626,253</u>	<u>\$ 561,400</u>

See accompanying notes.

OCCUPAWS GUIDE DOG ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2023 and 2022

	2023			
	Program Services	Management and General	Fundraising	Total Expenses
Office	\$ 2,758	\$ 638	\$ 8,511	\$ 11,907
Telephone	2,103	263	263	2,629
Computer and technology	7,274	909	909	9,092
Postage	1,567	196	196	1,959
Printing	1,115	139	139	1,393
Insurance	2,449	306	306	3,061
Dog equipment	40,846	-	-	40,846
Professional fees	254	7,032	2,532	9,818
Meetings and conferences	60	8	8	76
Depreciation	957	-	-	957
Travel	54,745	1,352	1,352	57,449
Facilities	-	-	4,636	4,636
Marketing and promotion	2,500	-	625	3,125
Puppies	34,005	-	-	34,005
Dog training	99,720	-	-	99,720
Veterinary	67,578	-	-	67,578
Dog food	31,334	-	-	31,334
Miscellaneous	2,811	351	1,951	5,113
Total expenses	\$ 352,076	\$ 11,194	\$ 21,428	\$ 384,698
	2022			
	Program Services	Management and General	Fundraising	Total Expenses
Office	\$ 4,330	\$ 1,316	\$ 9,545	\$ 15,191
Telephone	1,458	182	182	1,822
Computer and technology	9,025	1,128	1,128	11,281
Postage	1,691	211	211	2,113
Printing	808	101	101	1,010
Insurance	1,749	219	219	2,187
Dog equipment	23,206	-	-	23,206
Professional fees	-	6,849	200	7,049
Meetings and conferences	120	15	15	150
Depreciation	958	-	-	958
Travel	68,259	1,905	1,905	72,069
Facilities	-	-	1,325	1,325
Marketing and promotion	1,346	-	336	1,682
Puppies	16,835	-	-	16,835
Dog training	107,371	-	-	107,371
Veterinary	65,689	-	-	65,689
Dog food	33,343	-	-	33,343
Miscellaneous	3,845	481	644	4,970
Total expenses	\$ 340,033	\$ 12,407	\$ 15,811	\$ 368,251

See accompanying notes.

OCCUPAWS GUIDE DOG ASSOCIATION
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 64,853	\$ (92,903)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	957	958
Realized and unrealized (gain) loss on investments	(51,444)	87,397
(Increase) decrease in assets		
Prepaid expenses	(744)	(2,126)
Increase in liabilities		
Accounts payable	<u>(4,623)</u>	<u>4,623</u>
Net cash flows from operating activities	8,999	(2,051)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends retained in investments	<u>(13,625)</u>	<u>(8,238)</u>
Net change in cash	(4,626)	(10,289)
Cash at beginning of year	<u>112,868</u>	<u>123,157</u>
Cash at end of year	<u><u>\$ 108,242</u></u>	<u><u>\$ 112,868</u></u>

See accompanying notes.

OCCUPAWS GUIDE DOG ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

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.

Investments

Investments at December 31, 2023 and 2022, consist of mutual funds, which are valued at the 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.

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.

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.

Revenue Recognition

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, 2023 and 2022.

Special event and concessions income – Revenue is recognized at a point in time when the event or sale takes place.

Marketing and Promotion

OccuPaws expenses marketing and promotion costs as they are incurred.

OCCUPAWS GUIDE DOG ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. An estimated 150 volunteers, which mainly include puppy raisers, welcome sitters, and boarders, 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, telephone, computer and technology, postage, printing, insurance, meetings and conferences, travel, 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 and children in Wisconsin and contiguous states. 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.

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

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.

Income Tax Status

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

OCCUPAWS GUIDE DOG ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Date of Management’s Review

Management has evaluated subsequent events through March 1, 2024, the date which the financial statements were available to be issued.

NOTE 2 – DONATED SERVICES AND MATERIALS

Donated services and materials for the years ended December 31, 2023 and 2022, included in the financial statements, were as follows:

	2023	2022
Veterinary services	\$ 3,799	\$ 609
Facilities	3,000	-
Entertainment	2,500	-
Dog food and supplies	-	8,330
Total	\$ 9,299	\$ 8,939

OccuPaws recognized donated services and materials within revenue, including contributed vet services, vet supplies, facilities, entertainment, and dog food and supplies. Donated services and materials did not have donor-imposed restrictions. OccuPaws does not sell gifts-in-kind and only distributes goods for program use, including dog placement and training activities.

Contributed veterinary supplies and dog food and supplies are valued at the estimated fair value based on estimates of wholesale values that would be received for selling products in the United States. Contributed veterinary services are valued based on the estimated costs that would have been incurred had OccuPaws taken dogs to a vet. Contributed facilities and entertainment are used for fundraising activities and are valued at the estimated fair value based on current rates for comparable event bookings.

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS

There were no net assets with donor restrictions as of December 31, 2023. Net assets with donor restrictions as of December 31, 2022 were restricted for the purpose of dog training and equipment costs in the subsequent period.

OCCUPAWS GUIDE DOG ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects OccuPaws’ financial assets as of December 31, 2023 and 2022 available to meet cash needs for general expenditures within one year of the dates of the statements of financial position:

	2023	2022
Cash	\$ 108,242	\$ 112,868
Investments	508,939	443,870
Financial assets at year-end	617,181	556,738
Less those unavailable for general expenditures within one year due to		
Restricted by donor with purpose restrictions	-	(26,500)
Financial assets available to meet cash needs for general expenditures within one year	\$ 617,181	\$ 530,238

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.