

**OCCUPAWS GUIDE DOG ASSOCIATION**

**FINANCIAL STATEMENTS**

December 31, 2014 and 2013

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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, 2014 and 2013, 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, 2014 and 2013, 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.

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March 5, 2015

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**OCCUPAWS GUIDE DOG ASSOCIATION**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2014 and 2013

	2014	2013
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 110,949	\$ 83,477
Certificates of deposit	17,806	17,770
Accounts receivable	-	170
Prepaid expenses	497	710
	<u>129,252</u>	<u>102,127</u>
Total current assets		
	129,252	102,127
<b>EQUIPMENT</b>		
Vehicle	2,000	2,000
Accumulated depreciation	<u>(2,000)</u>	<u>(1,389)</u>
	-	611
Equipment - net		
	<u>-</u>	<u>611</u>
<b>Total assets</b>	<u><u>\$ 129,252</u></u>	<u><u>\$ 102,738</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>	\$ -	\$ -
<b>NET ASSETS</b>		
Unrestricted	125,220	92,867
Temporarily restricted	<u>4,032</u>	<u>9,871</u>
	129,252	102,738
Total net assets		
	<u>129,252</u>	<u>102,738</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 129,252</u></u>	<u><u>\$ 102,738</u></u>

See accompanying notes.

**OCCUPAWS GUIDE DOG ASSOCIATION**  
**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2014 and 2013

	2014	2013
<b>UNRESTRICTED NET ASSETS</b>		
<b>SUPPORT AND REVENUE</b>		
Donated services and materials	\$ 51,572	\$ 51,588
Contributions	121,369	69,845
Special events	24,969	16,803
Adoption fees	4,150	5,598
Interest	36	47
	<u>202,096</u>	<u>143,881</u>
<b>EXPENSES</b>		
Program services	151,461	118,397
Management and general	6,433	6,025
Fundraising	17,720	19,196
	<u>175,614</u>	<u>143,618</u>
Total expenses		
	175,614	143,618
Net assets released from restrictions	<u>5,871</u>	<u>5,000</u>
<b>Change in unrestricted net assets</b>	32,353	5,263
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions	32	9,871
Net assets released from restrictions	<u>(5,871)</u>	<u>(5,000)</u>
<b>Change in temporarily restricted net assets</b>	<u>(5,839)</u>	<u>4,871</u>
Change in net assets	26,514	10,134
Net assets - beginning of year	<u>102,738</u>	<u>92,604</u>
<b>Net assets - end of year</b>	<u><u>\$ 129,252</u></u>	<u><u>\$ 102,738</u></u>

See accompanying notes.

**OCCUPAWS GUIDE DOG ASSOCIATION**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended December 31, 2014 and 2013

	Program Services	Management and General	Fundraising	2014 Total
Office expenses	\$ 26,883	\$ 1,413	\$ 524	\$ 28,820
Telephone	1,594	199	199	1,992
Computer and technology	2,562	320	320	3,202
Postage	1,094	137	136	1,367
Printing	1,638	205	205	2,048
Insurance	1,782	223	223	2,228
Repairs and maintenance	9,232	105	104	9,441
Professional fees	3,642	2,213	-	5,855
Meetings and conferences	24	3	3	30
Depreciation	599	12	-	611
Travel	21,262	1,305	792	23,359
Miscellaneous event expense	-	-	2,205	2,205
Marketing and promotion	14,842	-	12,710	27,552
Puppies	9,504	-	-	9,504
Dog training	38,650	-	-	38,650
Veterinary	15,766	-	-	15,766
Other	2,387	298	299	2,984
Total expenses	<u>\$ 151,461</u>	<u>\$ 6,433</u>	<u>\$ 17,720</u>	<u>\$ 175,614</u>

  

	Program Services	Management and General	Fundraising	2013 Total
Personnel	\$ 18,558	\$ 379	\$ -	\$ 18,937
Office expenses	13,047	435	282	13,764
Telephone	1,685	210	210	2,105
Computer and technology	1,639	205	205	2,049
Postage	1,050	131	131	1,312
Printing	1,048	131	131	1,310
Insurance	1,179	147	147	1,473
Repairs and maintenance	12,437	908	908	14,253
Professional fees	4,302	2,100	-	6,402
Meetings and conferences	674	84	84	842
Depreciation	654	13	-	667
Travel	8,583	1,002	1,002	10,587
Miscellaneous event expense	-	-	255	255
Marketing and promotion	17,243	-	15,561	32,804
Puppies	5,025	-	-	5,025
Dog training	13,656	-	-	13,656
Veterinary	15,377	-	-	15,377
Other	2,240	280	280	2,800
Total expenses	<u>\$ 118,397</u>	<u>\$ 6,025</u>	<u>\$ 19,196</u>	<u>\$ 143,618</u>

See accompanying notes.



**OCCUPAWS GUIDE DOG ASSOCIATION**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2014 and 2013

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 26,514	\$ 10,134
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	611	667
(Increase) decrease in assets		
Accounts receivable	170	(46)
Prepaid expenses	213	397
Increase (decrease) in liabilities		
Accrued expenses	-	(1,205)
<b>Net cash flows from operating activities</b>	<b>27,508</b>	<b>9,947</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest earned but retained in certificate of deposit	(36)	(45)
<b>Net change in cash</b>	<b>27,472</b>	<b>9,902</b>
Cash - beginning of year	83,477	73,575
<b>Cash - end of year</b>	<b>\$ 110,949</b>	<b>\$ 83,477</b>

See accompanying notes.

**OCCUPAWS GUIDE DOG ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014 and 2013

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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.

**Equipment**

Acquisitions of 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, 2014 and 2013

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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 2011.

**Estimates**

The preparation of financial statements 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 March 5, 2015, the date which the financial statements were available to be issued.

**NOTE 2 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at December 31, 2014 and 2013 are available for the following purposes:

	2014	2013
Milwaukee Area Placement	\$ 4,000	\$ 4,000
Eau Claire Area Placement	-	1,000
PawsForward	32	4,871
Temporarily restricted net assets	<u>\$ 4,032</u>	<u>\$ 9,871</u>

**NOTE 3 – DONATED FACILITIES**

OccuPaws'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.

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**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014 and 2013

**NOTE 4 – DONATED SERVICES AND MATERIALS**

The value of donated services and materials included as contributions in the financial statements and the corresponding programs and activities for which the contributed services and materials were used are as follows for 2014 and 2013:

	Program Services	Management and General	Fundraising	2014 Total
Advertising	\$ 12,000	\$ -	\$ 12,000	\$ 24,000
Veterinary services	3,642	-	-	3,642
Donated puppies	2,250	-	-	2,250
Food	21,680	-	-	21,680
Total	<u>\$ 39,572</u>	<u>\$ -</u>	<u>\$ 12,000</u>	<u>\$ 51,572</u>
	Program Services	Management and General	Fundraising	2013 Total
Advertising	\$ 15,000	\$ -	\$ 15,000	\$ 30,000
Veterinary services	7,010	-	-	7,010
Veterinary supplies	4,558	-	-	4,558
Food	10,020	-	-	10,020
Total	<u>\$ 36,588</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 51,588</u>

Certain costs and professional fees donated to publicize OccuPaws' mission and programs have been allocated between the public awareness program and fundraising expenses. Total joint costs for 2014 and 2013 were \$24,000 and \$30,000 which were allocated \$12,000 and \$15,000 to program services and \$12,000 and \$15,000 to fundraising.

**NOTE 5 – RELATED PARTY TRANSACTIONS**

OccuPaws purchased puppies from a board member for \$11,450 during 2014.