

**OCCUPAWS GUIDE DOG ASSOCIATION**

FINANCIAL STATEMENTS

December 31, 2025 and 2024

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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, 2025 and 2024, 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, 2025 and 2024, 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*

Wegner CPAs, LLP  
Madison, Wisconsin  
May 5, 2026

**OCCUPAWS GUIDE DOG ASSOCIATION**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	\$ 297,362	\$ 216,301
Prepaid expenses	<u>2,971</u>	<u>2,600</u>
Total current assets	300,333	218,901
OTHER ASSETS		
Investments	612,051	550,095
Equipment (less accumulated depreciation of \$5,387 and \$5,082, respectively)	<u>11,000</u>	<u>3,409</u>
Total other assets	<u>623,051</u>	<u>553,504</u>
<b>Total assets</b>	<u><u>\$ 923,384</u></u>	<u><u>\$ 772,405</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable	\$ 11,400	\$ 6,796
NET ASSETS		
Without donor restrictions	898,720	754,604
With donor restrictions	<u>13,264</u>	<u>11,005</u>
Total net assets	<u>911,984</u>	<u>765,609</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 923,384</u></u>	<u><u>\$ 772,405</u></u>

See accompanying notes.

**OCCUPAWS GUIDE DOG ASSOCIATION**  
**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2025 and 2024

	2025	2024
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>REVENUES</b>		
Contributions		
Individuals, foundations, and corporations	\$ 361,650	\$ 368,085
Donated services and materials	5,500	5,500
Adoption fees	86,825	54,625
Special event and concessions income	26,992	37,494
Investment return, net	62,056	41,022
	<u>543,023</u>	<u>506,726</u>
<b>EXPENSES</b>		
Program services	371,411	369,866
Supporting activities		
Management and general	14,273	12,713
Fundraising	22,964	22,791
	<u>408,648</u>	<u>405,370</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>		
Satisfaction of purpose restrictions	9,741	26,995
	<u>9,741</u>	<u>26,995</u>
Change in net assets without donor restrictions	144,116	128,351
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	12,000	38,000
Satisfaction of purpose restrictions	(9,741)	(26,995)
	<u>2,259</u>	<u>11,005</u>
Change in net assets with donor restrictions	2,259	11,005
<b>Change in net assets</b>	146,375	139,356
Net assets at beginning of year	765,609	626,253
<b>Net assets at end of year</b>	<u>\$ 911,984</u>	<u>\$ 765,609</u>

See accompanying notes.

**OCCUPAWS GUIDE DOG ASSOCIATION**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended December 31, 2025 and 2024

	2025			
	Program Services	Management and General	Fundraising	Total Expenses
Office	\$ 6,634	\$ 1,746	\$ 7,616	\$ 15,996
Telephone	1,792	224	224	2,240
Computer and technology	6,124	766	766	7,656
Postage	1,214	152	152	1,518
Printing	1,071	134	134	1,339
Insurance	2,121	265	265	2,651
Dog equipment	25,612	-	-	25,612
Professional fees	542	9,618	2,568	12,728
Meetings and conferences	3,978	497	497	4,972
Depreciation	1,821	-	-	1,821
Travel	70,345	751	751	71,847
Facilities	-	-	4,083	4,083
Marketing and promotion	15,957	-	3,989	19,946
Puppies	47,312	-	-	47,312
Dog training	80,711	-	-	80,711
Veterinary	78,711	-	-	78,711
Dog food	26,506	-	-	26,506
Miscellaneous	960	120	1,919	2,999
	<u>\$ 371,411</u>	<u>\$ 14,273</u>	<u>\$ 22,964</u>	<u>\$ 408,648</u>
	2024			
	Program Services	Management and General	Fundraising	Total Expenses
Office	\$ 2,230	\$ 877	\$ 9,828	\$ 12,935
Telephone	1,803	226	226	2,255
Computer and technology	9,864	1,233	1,233	12,330
Postage	1,643	206	206	2,055
Printing	648	81	81	810
Insurance	2,136	267	267	2,670
Dog equipment	36,373	-	-	36,373
Professional fees	3,640	8,905	2,955	15,500
Depreciation	880	-	-	880
Travel	62,487	895	895	64,277
Facilities	-	-	3,305	3,305
Marketing and promotion	5,184	-	1,296	6,480
Puppies	16,148	-	-	16,148
Dog training	124,752	-	-	124,752
Veterinary	72,401	-	-	72,401
Dog food	29,494	-	-	29,494
Miscellaneous	183	23	2,499	2,705
	<u>\$ 369,866</u>	<u>\$ 12,713</u>	<u>\$ 22,791</u>	<u>\$ 405,370</u>

See accompanying notes.

**OCCUPAWS GUIDE DOG ASSOCIATION**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2025 and 2024

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 146,375	\$ 139,356
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	1,821	880
Loss on disposal of equipment	-	207
Realized and unrealized gain on investments	(43,428)	(24,050)
(Increase) decrease in assets		
Prepaid expenses	(371)	1,976
Increase (decrease) in liabilities		
Accounts payable	4,604	6,796
Net cash flows from operating activities	109,001	125,165
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends retained in investments	(18,528)	(17,106)
Purchases of equipment	(9,412)	-
Net cash flows from investing activities	(27,940)	(17,106)
<b>Net change in cash</b>	81,061	108,059
Cash at beginning of year	216,301	108,242
<b>Cash at end of year</b>	<u>\$ 297,362</u>	<u>\$ 216,301</u>

See accompanying notes.

**OCCUPAWS GUIDE DOG ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2025 and 2024

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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 adult residents who have visual impairments at no charge. OccuPaws is funded primarily by contributions, adoption fees, and special events.

**Investments**

Investments at December 31, 2025 and 2024, consist of mutual funds and money market 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. Investment income and realized and unrealized gains are included in the statement of activities.

**Equipment**

All acquisitions of equipment in excess of \$2,500 are capitalized. Equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed 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 statement 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. Adoption fees are applied to dogs who do not complete their training to be a service dog. There is a ten-day return window for the adopter to return the dog and receive a full refund. Returns are generally minimal.

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

**OCCUPAWS GUIDE DOG ASSOCIATION**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2025 and 2024

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Marketing and Promotion**

OccuPaws expenses marketing and promotion costs as they are incurred.

**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, 2025 and 2024

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Date of Management’s Review**

Management has evaluated subsequent events through May 5, 2026, the date which the financial statements were available to be issued.

NOTE 2 – DONATED SERVICES AND MATERIALS

Donated services and materials were as follows:

	2025	2024
Facilities	\$ 3,000	\$ 3,000
Entertainment	2,500	2,500
	\$ 5,500	\$ 5,500

OccuPaws recognized contributed non-financial assets within revenue, including, facilities and entertainment. Donated services and materials did not have donor-imposed restrictions. OccuPaws does not sell donated services and materials.

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

Net assets with donor restrictions are available for the following purposes:

	2025	2024
Paw's Forward Program	\$ -	\$ 5,635
Website development	13,264	5,370
	\$ 13,264	\$ 11,005

NOTE 4 – INVESTMENTS

Investments are comprised of the following:

	2025	2024
Money market	\$ 226,532	\$ 217,359
Mutual funds	385,519	332,736
Total	\$ 612,051	\$ 550,095

**OCCUPAWS GUIDE DOG ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2025 and 2024

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**NOTE 5 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects OccuPaws’ financial assets available to meet cash needs for general expenditures within one year of the date of the statement of financial position:

	2025	2024
Cash	\$ 297,362	\$ 216,301
Investments	612,051	550,095
Financial assets at year-end	909,413	766,396
Less those unavailable for general expenditures within one year due to		
Restricted by donor with purpose restrictions	(13,264)	(11,005)
Financial assets available to meet cash needs for general expenditures within one year	\$ 896,149	\$ 755,391

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.

**NOTE 6 – CONCENTRATION OF CREDIT RISK**

OccuPaws maintains cash balances with a financial institution in Madison, Wisconsin. Balances on deposit are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2025, uninsured cash balances totaled \$46,747. At December 31, 2024, cash balances were fully insured.