

**C.H.A.M.P. Assistance Dogs, Inc.**

**Audited**

**Financial Statements**

**Year Ended September 30, 2015**

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**Independent Auditor's Report**

To the Board of Directors of C.H.A.M.P. Assistance Dogs, Inc.

I have audited the accompanying financial statements of C.H.A.M.P. Assistance Dogs, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2015, and the related statements of activities, functional expenses and cash flows for the year 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of C.H.A.M.P. Assistance Dogs, Inc. as of September 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Bernhard W. Marti, CPA, PC**

December 22, 2015

**C.H.A.M.P. Assistance Dogs, Inc.**

**Statement of Financial Position**  
**As of September 30, 2015**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 115,147	
<b>TOTAL CURRENT ASSETS</b>		115,147

**PROPERTY AND EQUIPMENT**

Furniture & equipment	17,142	
Land & building	<u>65,898</u>	
	83,040	
Less: accumulated depreciation	<u>(36,293)</u>	
<b>NET PROPERTY AND EQUIPMENT</b>		46,747

**INVESTMENTS**

2,245

**TOTAL ASSETS**

\$ 164,139

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 8,062	
<b>TOTAL CURRENT LIABILITIES</b>		8,062

**NET ASSETS**

Unrestricted		<u>156,077</u>
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**TOTAL LIABILITIES AND NET ASSETS**

\$ 164,139

See auditor's report & accompanying notes

**C.H.A.M.P. Assistance Dogs, Inc.**

**Statement of Activities**  
**As of September 30, 2015**

<b>REVENUES</b>	
Contributions	\$ 93,909
Special events	48,718
Grants	45,950
Contributions in kind	13,795
Investment income	<u>371</u>
<b>TOTAL REVENUES</b>	<b>\$ <u>202,743</u></b>
<b>PROGRAM EXPENSES</b>	
Service Dog	118,350
Community Education	24,446
Therapy Dog	31,426
Rescue Dog	<u>535</u>
<b>TOTAL PROGRAM EXPENSES</b>	<b>\$ <u>174,757</u></b>
<b>SUPPORT SERVICES EXPENSES</b>	
Administrative	29,062
Development	<u>33,892</u>
<b>TOTAL SUPPORT SERVICES EXPENSES</b>	<b>\$ <u>62,954</u></b>
<b>TOTAL EXPENSES</b>	<b>\$ <u>237,711</u></b>
<b>DECREASE IN UNRESTRICTED NET ASSETS</b>	<b>\$ (34,968)</b>
<b>NET ASSETS, Beginning</b>	<u>191,045</u>
<b>NET ASSETS, Ending</b>	<b>\$ <u><u>156,077</u></u></b>

See auditor's report & accompanying notes

**C.H.A.M.P. Assistance Dogs, Inc.**

**Statement of Functional Expenses**  
For The Year Ended September 30, 2015

	PROGRAM EXPENSE					SUPPORT SERVICES			TOTAL EXPENSES
	Service Dog Program	Community Education	Therapy Dog Program	Rescue Dog Program	TOTAL	Administrative	Development	TOTAL	
Veterinary Expense	\$ 28,780	\$ 387	\$ 1,266	\$ 436	\$ 30,869	\$ -	\$ -	\$ -	\$ 30,869
Program Supplies & Equip.	7,409	159	810	-	8,378	-	33	33	8,411
Postage & Shipping	-	-	14	-	14	-	1,959	1,959	1,973
Printing & Publications	-	-	-	-	-	2,215	5,298	7,513	7,513
Facility Expense	4,132	1,066	600	64	5,862	800	674	1,474	7,336
Vehicle Expense	4,245	143	200	4	4,592	415	785	1,200	5,792
Salaries	57,744	19,476	25,547	-	102,767	11,020	19,476	30,496	133,263
Payroll Taxes	4,417	1,490	1,954	-	7,861	1,003	1,490	2,493	10,354
Licenses & Permits	268	-	-	-	268	65	125	190	458
Travel, Meals, Conferences	566	-	187	-	753	840	-	840	1,593
Office Supplies	700	366	116	-	1,182	1,618	459	2,077	3,259
Dues & Subscriptions	325	-	-	-	325	-	102	102	427
Insurance	3,465	1,024	711	31	5,231	1,737	1,725	3,462	8,693
Professional Services	-	-	-	-	-	3,100	-	3,100	3,100
Bank Charges	-	-	-	-	-	1,090	-	1,090	1,090
Fund Raising Expenses	-	-	-	-	-	-	1,766	1,766	1,766
Depreciation	1,299	335	21	-	1,655	440	-	440	2,095
Other Expense	5,000	-	-	-	5,000	4,719	-	4,719	9,719
<b>TOTAL</b>	<b>\$ 118,350</b>	<b>\$ 24,446</b>	<b>\$ 31,426</b>	<b>\$ 535</b>	<b>\$ 174,757</b>	<b>\$ 29,062</b>	<b>\$ 33,892</b>	<b>\$ 62,954</b>	<b>\$ 237,711</b>

See accountant's audit report & accompanying notes

**C.H.A.M.P. Assistance Dogs, Inc.**

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**Statement of Cash Flows**  
**For The Year Ended September 30, 2015**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$	(34,968)
<b>Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:</b>		
Depreciation		2,095
Unrealized loss		488
<b>(Increase) Decrease in Assets:</b>		
Prepaid expense		1,125
<b>Increase (Decrease) in Liabilities:</b>		
Accounts payable		<u>7,190</u>
<b>Net Cash Used By Operating Activities</b>	<b>\$</b>	<b>(24,070)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment additions		<u>(1,719)</u>
<b>Net Cash Used By Investing Activities</b>		<u>(1,719)</u>
<b>NET DECREASE IN CASH</b>		(25,789)
<b>CASH, BEGINNING OF YEAR</b>		<u>140,936</u>
<b>CASH, ENDING</b>	<b>\$</b>	<b><u><u>115,147</u></u></b>
<b>Total interest expense paid</b>	<b>\$</b>	<b><u><u>0</u></u></b>
<b>Total taxes paid</b>	<b>\$</b>	<b><u><u>0</u></u></b>

See auditor's report & accompanying notes

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Nature of Activities**

C.H.A.M.P. Assistance Dogs, Inc. was formed in 1998 to raise and train service dogs to assist people with physical disabilities. The services of a specially trained dog and a comprehensive educational program to utilize such a dog can provide the disabled person with a more independent life style and a better sense of self-worth and competency.

The Organization is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

**Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Public Support and Revenue**

Contributions and grants are generally available for unrestricted use in the year received unless specifically restricted by the donor.

**Cash and Cash Equivalents**

Cash consists of cash in checking and money market accounts. All highly liquid assets with a maturity of three months or less are considered to be cash equivalents.

**Investments**

Investments are composed of funds invested in corporate stocks.

**Property and Equipment**

Property and equipment are stated at cost. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$ 200. Depreciation is computed using accelerated methods with asset lives of 5 to 39 years. Depreciation charged to operations for the current year amounted to \$ 2,095.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the organization's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Income Taxes**

The Organization is tax exempt under section 501(c)(3) of the Internal Revenue Code and received no unrelated business taxable income during the current year.



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Functional Expenses**

The Organization allocates its expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program or supporting service are allocated directly according to their natural expenditure classifications. Other expenses that are common to several functions are allocated by management's estimate of the resources devoted to the program or supporting service activity.

**Designation of Net Assets**

The Client Angel Fund was established to provide for clients who may incur extraordinary expenses while caring for their dog or for the special needs of their retired service dog. Donations made in memory and in honor of special people and special animals are designated for the fund. As of September 30, 2015, the undistributed designated fund balance is \$ 10,319.

2. INVESTMENTS

Investments consist of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Corporate stocks	\$ 2,204	\$ 2,245	\$ 2,245

Investment return is summarized as follows:

Interest and dividend income		\$ 371
Realized loss	cha	0
Net unrealized realized (loss)		( <u>488</u> )
Total unrestricted investment (loss)		\$ ( 117 )

3. DONATED SERVICES

Donated services and materials are recorded at the estimated fair value if they enhance the Organization's non-financial assets, or are specialized skills that the Organization would normally purchase if not provided by donation. During the current year, volunteers donated a significant amount of time to the Organization's program services and its fundraising which did not meet the requirements of Statement of Financial Accounting Standards No. 116 "Accounting for Contributions Received and Contributions Made" and are not reflected in the accompanying financial statements.

**4. IN-KIND DONATIONS**

Significant qualifying services and property and equipment are contributed to the Organization and are recorded at fair market value upon receipt. During the current year the Organization recognized in-kind support as follows:

Veterinary services and supplies	\$ 13,795
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**5. SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through December 22, 2015, the date on which the financial statements were available to be issued.