

**WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

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## **Independent Accountant's Review Report**

To the Board of Directors and Management  
Working Animals Giving Service For Kids, Inc.  
Berea, Ohio

We have reviewed the accompanying financial statements of Working Animals Giving Service For Kids, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2025, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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 the financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Working Animals Giving Service for Kids, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Murphy CPAs & Advisors*

MURPHY CPAs & ADVISORS  
Westlake, Ohio  
April 6, 2026

**WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2025**

**ASSETS**

CURRENT ASSETS:	
Cash and cash equivalents	\$ 311,292
Donations receivable	3,500
TOTAL CURRENT ASSETS	<u>314,792</u>
OTHER ASSETS	
Program-related investment	<u>745,253</u>
TOTAL ASSETS	<u>\$ 1,060,045</u>

**LIABILITIES AND NET ASSETS**

CURRENT LIABILITIES:	
Accounts payable	\$ 16,296
TOTAL CURRENT LIABILITIES	<u>16,296</u>
TOTAL LIABILITIES	16,296
NET ASSETS:	
Without donor restrictions	
Undesignated	<u>1,043,749</u>
TOTAL NET ASSETS	<u>1,043,749</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,060,045</u>

See independent accountants' review report and accompanying notes to the financial statements.

**WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Without Donor Restrictions
REVENUES AND SUPPORT	
Contributions of cash and other financial assets	\$ 143,748
Partner placement	98,385
Special events	87,315
Outside special events	31,005
Grants	27,873
Contributions of nonfinancial assets	15,746
Other income	880
TOTAL REVENUES AND SUPPORT	404,952
OPERATING EXPENSES	
Program expenses	287,876
Management and general	37,410
Fundraising	45,132
TOTAL OPERATING EXPENSES	370,418
CHANGE IN NET ASSETS FROM OPERATIONS	34,534
CHANGE IN NET ASSETS	34,534
NET ASSETS AT BEGINNING OF YEAR	1,009,215
NET ASSETS AT END OF YEAR	\$ 1,043,749

See independent accountants' review report and accompanying notes to the financial statements.

**WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Program Expenses	Supporting Services		Total
		Management and General	Fundraising	
<b>COMPENSATION AND RELATED EXPENSES</b>				
Salaries and wages	\$ 208,186	\$ 7,191	\$ 7,191	\$ 222,568
Payroll taxes	16,488	269	269	17,026
	<u>224,674</u>	<u>7,460</u>	<u>7,460</u>	<u>239,594</u>
Fundraising event expenses	-	-	31,560	31,560
Dog supplies	24,554	-	-	24,554
Veterinarian	18,913	-	-	18,913
Employee benefits	-	11,616	-	11,616
Dog purchases	10,100	-	-	10,100
Marketing	-	6,652	-	6,652
Advertising	-	-	6,112	6,112
Education	4,706	-	-	4,706
Prison program	3,539	-	-	3,539
Phone and internet	-	3,065	-	3,065
Insurance	-	2,445	-	2,445
Office supplies	-	2,301	-	2,301
Postage	-	1,548	-	1,548
Travel	1,322	-	-	1,322
Professional	-	1,306	-	1,306
Licenses and permits	-	1,001	-	1,001
Miscellaneous	68	-	-	68
Bank fees	-	16	-	16
	<u>63,202</u>	<u>29,950</u>	<u>37,672</u>	<u>130,824</u>
<b>TOTAL EXPENSES</b>	<u>\$ 287,876</u>	<u>\$ 37,410</u>	<u>\$ 45,132</u>	<u>\$ 370,418</u>

See independent accountants' review report and accompanying notes to the financial statements.

**WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 34,534
Adjustments to reconcile net assets to net cash provided by operating activities:	
(Increase) decrease in current assets:	
Donations receivable	(3,500)
Increase (decrease) in current liabilities:	
Accounts payable	11,188
Credit card payable	-
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	<u>42,222</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	42,222
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>269,070</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 311,292</u></u>

See independent accountants' review report and accompanying notes to the financial statements.

**WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of Working Animals Giving Service For Kids, Inc. (the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's board of directors and management, which is responsible for their integrity and objectivity.

Nature of Operations

Founded in 2004 and incorporated in 2006, Working Animals Giving Service for Kids, Inc. is a not-for-profit corporation dedicated to providing mobility and autism service dogs for children throughout Northeast and Central Ohio utilizing an award-winning Ohio Department of Rehabilitation and Correction (ODRC) accredited Cell Dog Training Program.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in FASB Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities* which require the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. A description of these categories is as follows:

Net assets without donor restrictions are available for use in general operations and not subject to donor (or grantor) restrictions.

Net assets with donor restrictions are subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual, where the donor stipulated that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when restrictions expire, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization had no net assets with donor restrictions as of December 31, 2025.

Use of Estimates

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

Cash and Cash equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments with a maturity of three months or less to be cash equivalent.

See independent accountants' review report.

**WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Concentration of Credit Risk

The Organization's balances of cash deposits with financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. At certain times during the year, the Organization's balance may exceed the insured limit. At December 31, 2025, the Organization had \$61,292 respectively in cash in excess this limit. However, the Organization's policy is to maintain deposits only with high quality financial institutions.

Donations Receivable

At December 31, 2025, the Organization had donations receivable totaling \$3,500. Donations receivable are recorded at their net realizable value, which represents the amount the Organization expects to collect. Management evaluates the collectability of outstanding balances and establishes an allowance for doubtful accounts when collection is considered uncertain. All donations receivable are expected to be collected within one year.

Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Income Taxes

The Organization is organized as an Ohio nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 509(a)(2). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. We have determined that the Organization is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Advertising expenses

The cost of advertising is expensed as incurred. The Company incurred \$6,112 in advertising costs during the year ended December 31, 2025.

Functional Allocation of Expenses

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 salaries and payroll taxes which are allocated on the basis of estimates of time and effort.

See independent accountants' review report.

**WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Contributed Services and In-Kind Contributions

The Organization follows ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958). The Organization recognizes significant contributions of services received when those services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by the donation. Contributed goods are recorded at fair value. The Organization recognized \$15,746 of contributed services and goods for the year end December 31, 2025.

The Organization's policy is to use contributed nonfinancial assets for programmatic or other purposes, unless the assets have no utility consistent with the Organization's mission. In those instances, the assets would be monetized.

Recent Accounting Pronouncement

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as subsequently amended. This standard requires credit losses on most financial assets carried at amortized cost and certain other instruments to be measured using an expected credit loss model (the "CECL" model). Under this model, entities will estimate credit losses over the entire "contractual term" of the instrument (i.e., considering estimated prepayments, but not expected extensions or modifications unless a reasonable expectation of a troubled debt restructuring exists) from the date of initial recognition of that instrument. The FASB also recently clarified that any extension or renewal options (except those recognized as derivatives) that are not unconditionally cancellable by the entity should be considered in the contractual term. The initial measurement of expected credit losses, as well as any subsequent change in the estimate of expected credit losses, will be recorded as a credit loss expense (or reversal) in the statement of operations. The objective of CECL is to provide financial statement users with an estimate of the net amount the Organization expects to collect on those assets. This standard is effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years.

The Company adopted ASC 326 and all related subsequent amendments thereto effective January 1, 2025, using the modified retrospective approach for all financial assets measured at amortized cost and off-balance sheet credit exposures.

The adoption of this standard had no material impact on the Company's statement of activities or statement of cash flows.

See independent accountants' review report.

**WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE B – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure without donor or other restrictions limiting their use, within one year of the statement of financial position date are comprised of cash and cash equivalents of \$311,292.

As part of the Organization's liquidity management, the Organization structures its financial assets to be available as general expenditures, liabilities, and other obligations become due.

**NOTE C – PROGRAM-RELATED INVESTMENT**

During the years ended December 31, 2022 and December 31, 2023, the Organization completed the transfer of its investment account to a related organization, the Working Animals Giving Service For Kids Foundation, Inc (WAGS Foundation). The WAGS Foundation was organized for the sole purpose to support the Organization. Although the organizations share aligned missions, the WAGS Foundation is governed by a separate board of directors and is not under the Organization's control.

As of the year ended December 31, 2025, the balance of the program-related investment was \$745,253.

**NOTE D – FAIR VALUE OF FINANCIAL INSTRUMENTS**

FASB ASC-820 establishes a fair value hierarchy that requires a company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Level 1 inputs of fair value measurements are made using quoted prices in active markets for identical items. Level 2 inputs of fair value measurements are made using observable market inputs in active markets for identical items. Level 3 inputs of fair values measurements are based on inputs developed by the company and not derived of corroborated by an active market. FASB ASC-820 has been applied to the Company's financial instruments at December 31, 2025, of which the measurements and assumptions are set forth below:

The Organization's financial assets and liabilities consist of cash and cash equivalents, donations receivable, recoverable advance, accounts payable and credit card payable. The carrying value of cash and cash equivalents, donations receivable, recoverable advance, accounts payable and credit card payable approximate fair value due to the short-term maturity of these instruments and are all level 1.

See independent accountants' review report.

**WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE E – CONTRIBUTED NONFINANCIAL ASSETS**

For the year ended December 31, 2025, contributed nonfinancial assets recognized within the statement of activities included dog food of \$15,746. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Contributed dog food was utilized for programmatic purposes.

**NOTE F – SUBSEQUENT EVENTS**

FASB ASC 855 “Subsequent Events” provides a mechanism by which an entity can account for and disclose events that occur subsequent to the balance sheet date but before the financial statements are issued or available to be issued.

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 6, 2026, the date the financial statements were available to be issued and determined that no additional disclosures are required.

See independent accountants’ review report.