



**WORKING ANIMALS GIVING SERVICE
FOR KIDS, INC.
FINANCIAL STATEMENTS
Year Ended December 31, 2020**

Corrigan  Krause
Certified Public Accountants

WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.
FINANCIAL STATEMENTS
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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

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, 2020, and the related statements 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 financial statements that are free from material misstatement whether due to fraud or error.

Accountants' 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.

Accountants' 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.



Westlake, Ohio
March 5, 2021

WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 371,371
Investments	<u>268,426</u>

TOTAL CURRENT ASSETS	<u><u>\$ 639,797</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 1,247
Accrued payroll	<u>18,071</u>

TOTAL CURRENT LIABILITIES	19,318
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NET ASSETS

Without donor restrictions	
Undesignated	<u>620,479</u>

TOTAL NET ASSETS	<u>620,479</u>
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	<u><u>\$ 639,797</u></u>
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See accompanying notes and independent accountants' review report.

WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Grants	\$ 44,045	\$ -	\$ 44,045
Special events	120,655		120,655
Outside special events	78,535	-	78,535
Partner placement	68,071	-	68,071
Contributions	41,339	-	41,339
Investment, net of fees	6,594	-	6,594
Forgiveness of Paycheck Protection Program loan	45,100	-	45,100
Other income	2,717	-	2,717
Net assets released from restrictions	<u>20,000</u>	<u>(20,000)</u>	<u>-</u>
Total revenues and support	427,056	(20,000)	407,056
EXPENSES			
Program expenses	204,212	-	204,212
Management and general	46,391	-	46,391
Fundraising	<u>33,934</u>	<u>-</u>	<u>33,934</u>
Total expenses	<u>284,537</u>	<u>-</u>	<u>284,537</u>
Change in net assets	142,519	(20,000)	122,519
Net assets at beginning of year	<u>477,960</u>	<u>20,000</u>	<u>497,960</u>
Net assets at end of year	<u><u>\$ 620,479</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 620,479</u></u>

See accompanying notes and independent accountants' review report.

WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020

		Supporting Services		
	Program Expenses	Management and General	Fundraising	Totals
Compensation and related expenses				
Salaries and wages	\$ 164,019	\$ 32,631	\$ 6,511	\$ 203,161
Payroll taxes	14,766	2,938	586	18,290
	<u>178,785</u>	<u>35,569</u>	<u>7,097</u>	<u>221,451</u>
Fundraising event expenses	-	-	25,195	25,195
Veterinarian	7,374	-	-	7,374
Dog purchases	7,100	-	-	7,100
Education	6,049	-	-	6,049
Marketing	-	2,686	-	2,686
Professional	-	2,510	-	2,510
Dog supplies	1,796	-	-	1,796
Phone and internet	-	1,747	-	1,747
Subcontractor	1,682	-	-	1,682
Advertising	-	-	1,642	1,642
Insurance	-	1,620	-	1,620
Postage	-	1,099	-	1,099
Miscellaneous	971	-	-	971
Office supplies	-	707	-	707
Licenses and permits	-	453	-	453
Travel	400	-	-	400
Prison program	55	-	-	55
	<u>55</u>	<u>-</u>	<u>-</u>	<u>55</u>
Total expenses	<u><u>\$ 204,212</u></u>	<u><u>\$ 46,391</u></u>	<u><u>\$ 33,934</u></u>	<u><u>\$ 284,537</u></u>

See accompanying notes and independent accountants' review report.

WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 122,519
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Realized (gain) loss from investments	3,235
Unrealized (gain) loss from investments	(4,936)
Forgiveness of Paycheck Protection Program loan	(45,100)
(Increase) decrease in current assets	
Promises to give	2,450
Increase (decrease) in current liabilities	
Accounts payable	(13,437)
Credit card payable	(60)
Accrued payroll	12,971
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Net Cash Provided by (Used in) Operating Activities	77,642

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales of investments	134,040
Purchases of investments	(126,067)
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Net Cash Provided by (Used in) Investing Activities	7,973

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from paycheck protection program	45,100
	<hr/>
Net Cash Provided by (Used in) Financing Activities	45,100

NET INCREASE IN CASH AND CASH EQUIVALENTS 130,715

Cash and Cash Equivalents at Beginning of Year

240,656

Cash and Cash Equivalents at End of Year

\$ 371,371

See accompanying notes and independent accountants' review report.

WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

Founded in 2004 and incorporated in 2006, Working Animals Giving Service for Kids, Inc. (the Organization), 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 in FASB ASC 958, *Not-for-Profit Entities* which requires 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 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, 2020.

CASH AND CASH EQUIVALENTS

In preparing the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash and certificate of deposit balances at various banks. Federal Deposit Insurance Corporation insures accounts at each institution up to \$250,000 at December 31, 2020. The Organization's account balances did not exceed \$250,000 throughout the year.

WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

INVESTMENTS

Investments are recorded at cost, if purchased, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Statement of Financial position. Net investment return (loss) is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Securities classified as available-for-sale are reported in the financial statements at fair value. The Organization classifies its equity securities as “held to maturity” if it has the positive intent and ability to hold the securities to maturity and reports them in the financial statements at amortized cost. Realized gains and losses are determined using the first-in, first-out (FIFO) method. Realized and unrealized gains and losses on available for sale debt securities are reported in changes in net assets.

Investments are as follows at December 31, 2020:

Investments in available-for-sale securities	\$ 84,008
Investments held to maturity	<u>184,418</u>
	<u>\$ 268,426</u>

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.

TAX STATUS

The Organization is organized as an Ohio nonprofit corporation and have 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

The Organization uses advertising to promote its programs among the audience it serves. Advertising costs are expensed when incurred. Advertising expense was \$1,642 for the year ended December 31, 2020.

WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

USE OF ESTIMATES

The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenue and expenses during the reporting period. Actual results could differ from these estimates.

FAIR VALUE MEASUREMENTS

FASB ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described below:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access. |
| Level 2 | <p>Inputs to the valuation methodology include:</p> <ul style="list-style-type: none">▪ Quoted prices for similar assets or liabilities in active markets;▪ Quoted prices for identical or similar assets or liabilities in inactive markets;▪ Inputs other than quoted prices that are observable for the asset or liability;▪ Inputs that are derived principally from or corroborated by observable market data by correlation or other means. <p>If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.</p> |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value the fair value measurement. |

WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

FAIR VALUE MEASUREMENTS (continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization's financial assets and liabilities consist of cash and cash equivalents and investments. The carrying value of cash and cash equivalents at fair value to the short-term maturity of these instruments. Investments classified as available-for-sale and held to maturity have readily determinable and quoted market prices and therefore are considered to be level 1. These investments are to be measured at fair value, or amortized cost, respectively on the date of financial position.

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.

CONTRIBUTED SERVICES

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization. These services do not meet the criteria for recognition as contributed services.

NOTE B – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure without donor or other restrictions limiting their use, within one year of the balance sheet date are comprised of the following at December 31, 2020:

Cash and cash equivalents	\$ 371,371
Investments	268,426
	<u>\$ 639,797</u>

WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE C – PAYCHECK PROTECTION PROGRAM LOAN

The Organization received a loan in the amount of \$45,100 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated April, 3 2020. The Organization then applied for and was forgiven on February 9, 2021. The Organization has chosen to apply the guidance in IAS 20 by analogy, as it is probable that it meets both the eligibility criteria for a PPP loan and the loan forgiveness criteria for all or substantially all of the loan. As such, forgiveness is reflected in the amount of \$45,100 in the accompanying Statement of Activities for the year ended December 31, 2020.

NOTE D – PROGRAM CONCENTRATIONS

During the year ended December 31, 2020, the Organization received 32% of its program support from six organizations or individuals.

NOTE E – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated events through March 5, 2021, the date at which the financial statements were available to be issued.

As described in Note C, the Organization applied for forgiveness on the Paycheck Protection Program Loan and was forgiven on February 9, 2021.

On December 27, 2020 the U.S. Government passed into law a \$900 billion stimulus bill, which among other things, provides \$284 billion for first and second forgivable Paycheck Protection Program (PPP) loans. The loan is fully forgivable if certain requirements are met. The Organization applied for a second PPP loan in March 2021, in the amount of \$38,500. The Organization expects the loan to be approved and processed in the first quarter of 2021. Any amounts deemed non-forgivable are to be paid back over a five-year term, with payments commencing ten months from the date of the Note, which include interest of 1%.