

**CANINE PARTNERS FOR LIFE**

**FINANCIAL STATEMENTS  
AND  
AUDITORS' REPORT**

**YEAR ENDED June 30, 2024  
(With Comparative Totals for 2023)**

# **CANINE PARTNERS FOR LIFE**

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## Independent Auditor's Report

Board of Directors  
Canine Partners for Life  
Cochranville, Pennsylvania

### **Opinion**

We have audited the accompanying financial statements of Canine Partners for Life (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Canine Partners for Life as of June 30, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Canine Partners for Life and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Canine Partners for Life'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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Canine Partners for Life'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 Canine Partners for Life'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.

#### **Report on Summarized Comparative Information**

We have previously audited Canine Partners for Life's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 30, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

SNYDER, DAITZ & COMPANY  
Philadelphia, PA

October 22, 2024

# CANINE PARTNERS FOR LIFE

## STATEMENT OF FINANCIAL POSITION

June 30, 2024

(With Comparative Totals for 2023)

### ASSETS

	2024	2023
<b><u>CURRENT ASSETS</u></b>		
Cash and cash equivalents	\$ 2,002,695	\$ 1,958,754
Grants and contributions receivable	151,934	214,190
Accounts receivable	872	670
Prepaid expenses	5,419	37,745
Total Current Assets	\$ 2,160,920	\$ 2,211,359
<b><u>NON-CURRENT ASSETS</u></b>		
Investments, at market value	\$ 433,125	\$ 429,897
Grants and contributions receivable	25,000	136,134
Property and equipment, (net of depreciation of \$2,435,119 and \$2,262,344)	3,940,822	3,998,069
Pre-construction costs	156,404	57,082
	\$ 4,555,351	\$ 4,621,182
Total Assets	\$ 6,716,271	\$ 6,832,541

### LIABILITIES AND NET ASSETS

<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable and accrued expenses	\$ 11,904	\$ 12,195
Payroll and withholding payable	17,010	40,567
Total Current Liabilities	\$ 28,914	\$ 52,762
Total Liabilities	\$ 28,914	\$ 52,762
<b><u>NET ASSETS</u></b>		
Without donor restrictions	\$ 5,661,445	\$ 5,711,223
With donor restrictions	1,025,912	1,068,556
	\$ 6,687,357	\$ 6,779,779
Total Liabilities and Net Assets	\$ 6,716,271	\$ 6,832,541

The accompanying letter and notes are an integral part of this statement.

# CANINE PARTNERS FOR LIFE

STATEMENT OF ACTIVITIES  
Year ended June 30, 2024  
(With Comparative Totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	Total 2024	Total 2023
<b><u>REVENUE</u></b>				
Contributions	\$ 1,275,572	\$ 47,386	\$ 1,322,958	\$ 1,273,336
Special events	175,520		175,520	193,344
Investment income	79,078	14,548	93,626	22,991
Rent	10,625		10,625	5,175
Other revenue	8,726		8,726	8,512
Net assets released from restrictions	104,578	(104,578)	0	0
 Total Support and Revenue	 \$ 1,654,099	 \$ (42,644)	 \$ 1,611,455	 \$ 1,503,358
<b><u>EXPENSES AND LOSSES</u></b>				
Program services				
Breeding and puppy raising	\$ 509,669		\$ 509,669	\$ 517,582
Training and follow-up	461,756		461,756	385,217
General education	372,462		372,462	379,605
	\$ 1,343,887	0	\$ 1,343,887	\$ 1,282,404
Support services				
Administration	184,337		184,337	161,621
Fundraising	147,652		147,652	167,390
Capital campaign	28,001		28,001	12,837
 Total Expenses	 \$ 1,703,877	 0	 \$ 1,703,877	 \$ 1,624,252
 Change in Net Assets	 \$ (49,778)	 \$ (42,644)	 \$ (92,422)	 \$ (120,894)
 Net Assets, Beginning	 5,711,223	 1,068,556	 6,779,779	 6,900,673
 Net Assets, Ending	 \$ 5,661,445	 \$ 1,025,912	 \$ 6,687,357	 \$ 6,779,779

The accompanying letter and notes are an integral part of this statement.

## CANINE PARTNERS FOR LIFE

### STATEMENT OF FUNCTIONAL EXPENSES Year ended June 30, 2024 (With Comparative Totals for 2023)

	PROGRAM SERVICES				SUPPORTING SERVICES				TOTAL 2024	TOTAL 2023
	BREEDING AND PUPPY RAISING	TRAINING AND FOLLOW-UP	GENERAL EDUCATION	SUBTOTAL	MANAGEMENT AND GENERAL	FUNDRAISING	CAPITAL CAMPAIGN	TOTAL		
<b>PERSONNEL</b>										
Salaries	\$ 138,852	\$ 273,481	\$ 194,862	\$ 607,195	\$ 122,448	\$ 102,794	\$ 26,562	\$ 251,804	\$ 858,999	\$ 835,041
Payroll tax expense	10,593	21,621	14,248	46,462	9,341	7,842	614	17,797	64,259	63,296
Employee benefits	3,468	8,130	6,685	18,283	3,328	5,121	181	8,630	26,913	39,674
	<b>\$ 152,913</b>	<b>\$ 303,232</b>	<b>\$ 215,795</b>	<b>\$ 671,940</b>	<b>\$ 135,117</b>	<b>\$ 115,757</b>	<b>\$ 27,357</b>	<b>\$ 278,231</b>	<b>\$ 950,171</b>	<b>\$ 938,011</b>
Audit and accounting	0	0	0	0	11,204	0	0	11,204	11,204	12,164
Bank fees	0	0	0	0	0	0	644	644	644	202
Breeding	10,330	0	0	10,330	0	0	0	0	10,330	8,273
Computer and communications	12,315	10,556	9,852	32,723	1,759	704	0	2,463	35,186	33,402
Continuing education	0	2,516	0	2,516	0	0	0	0	2,516	1,766
Development / public relations	0	26,490	26,490	52,980	0	4,852	0	4,852	57,832	44,809
Dog expenses, feeding and bedding	36,080	0	0	36,080	0	0	0	0	36,080	36,882
Insurance	12,525	10,736	10,020	33,281	1,789	716	0	2,505	35,786	33,186
Legal fees	0	0	0	0	9,375	0	0	9,375	9,375	3,700
Logo items	0	1,000	5,852	6,852	0	0	0	0	6,852	4,477
Miscellaneous	1,857	169	0	2,026	709	0	0	709	2,735	4,494
Postage	0	478	4,974	5,452	0	338	0	338	5,790	5,584
Professional memberships	5,703	0	0	5,703	0	0	0	0	5,703	5,600
Professional fees	5,303	5,303	5,303	15,909	5,758	0	0	5,758	21,667	11,656
Repair and maintenance	20,276	17,380	16,221	53,877	2,896	279	0	3,175	57,052	42,613
Special events	0	11,415	24,155	35,570	0	21,163	0	21,163	56,733	54,920
Supplies	6,304	10,606	1,541	18,451	6,998	71	0	7,069	25,520	21,082
Taxes - property	316	316	0	632	0	0	0	0	632	627
Travel	3,370	1,500	1,215	6,085	0	279	0	279	6,364	7,739
Utilities and trash removal	13,016	12,963	12,219	38,198	1,859	744	0	2,603	40,601	38,535
Veterinarian	150,821	0	0	150,821	0	0	0	0	150,821	121,216
Volunteers	1,309	0	0	1,309	0	0	0	0	1,309	1,390
Depreciation	77,231	47,096	38,825	163,152	6,873	2,749	0	9,622	172,774	193,894
	<b>\$ 509,689</b>	<b>\$ 461,756</b>	<b>\$ 372,462</b>	<b>\$ 1,343,887</b>	<b>\$ 184,337</b>	<b>\$ 147,652</b>	<b>\$ 28,001</b>	<b>\$ 359,990</b>	<b>\$ 1,703,877</b>	<b>\$ 1,624,252</b>

The accompanying letter and notes are an integral part of this statement.

# CANINE PARTNERS FOR LIFE

## STATEMENT OF CASH FLOWS Year ended June 30, 2024 (With Comparative Totals for 2023)

	2024	2023
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in Net Assets	\$ (92,422)	\$ (120,894)
Adjustments to reconcile to cash from operations		
Depreciation	172,775	193,894
(Gain) Loss on disposition of securities	(8,542)	(6,854)
Unrealized gain on securities held	(19,987)	0
Interest and dividends	(12,309)	(12,663)
Contributions restricted for capital project	(114,724)	(123,989)
In-kind receipt of securities	(20,581)	(14,405)
(Increase) decrease in:		
Grants receivable	173,390	(25,005)
Accounts receivable	(202)	(50)
Prepaid expenses	32,326	(33,245)
Increase (decrease) in:		
Accounts payable and accrued expenses	(291)	(12,202)
Payroll and withholding payable	(23,557)	2,944
	<b>\$ 85,876</b>	<b>\$ (152,469)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Proceeds from sale of investments	\$ 161,187	\$ 75,416
Interest and dividends	12,309	12,663
Purchase of investments, net of fees	(115,295)	(35,600)
Purchase of property and equipment	(115,528)	(27,267)
Preconstruction costs	(99,332)	(35,426)
	<b>\$ (156,659)</b>	<b>\$ (10,214)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Contributions restricted for capital project	\$ 114,724	\$ 123,989
	<b>\$ 43,941</b>	<b>\$ (38,694)</b>
Net Increase (decrease) in Cash for Year		
Cash balance, beginning	1,958,754	1,997,448
Cash balance, ending	<b>\$ 2,002,695</b>	<b>\$ 1,958,754</b>

The accompanying letter and notes are an integral part of this statement.



# **CANINE PARTNERS FOR LIFE**

## **NOTES TO FINANCIAL STATEMENTS June 30, 2024 and 2023**

### **NOTE 1 – THE ORGANIZATION**

The mission of the Canine Partners for Life is to enhance the independence and quality of life of individuals with physical, developmental, and cognitive disabilities or who are in other situations of need. The mission is achieved by providing and sustaining professionally trained service and companion dogs.

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Date of Management's Review**

Subsequent events were evaluated through October 22, 2024, which is the date the financial statements were available to be issued.

#### **Basis of Accounting**

The Organization prepares its financial statements in accordance with accounting principles generally accepted in United States of America, which involves the application of accrual accounting. Consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

#### **Basis of Presentation**

The financial statements are presented in accordance with FASB ASC 958 Presentation of Financial Statements of Not-for-Profit Entities. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are detailed in Note 8.

#### **Management Estimates**

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

#### **Cash**

Cash and other highly liquid investments with maturities of three months or less are considered to be cash equivalents.

Cash includes balances restricted to use within the guidelines of grants from the Organization's funding sources. These balances totaled approximately \$808,000 and \$758,000 as of June 30, 2024 and 2023.

#### **Investments**

Investments are reported at their fair market value in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

An account with a financial services firm is insured by the Security Investors Protection Corporation (SIPC) up to \$500,000. The balance exceeds that limit.

A portion of the investments is restricted as detailed above.

# CANINE PARTNERS FOR LIFE

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Allowance for Uncollectible Amounts

Each account receivable and grant receivable is evaluated separately by management on a regular basis to determine collectability. An allowance for uncollectible amounts, if any, is based on this determination. There was no allowance at June 30, 2024 or 2023, as all amounts were considered collectible. When a question of the collectability of a particular receivable arises, it is written off or reserved for at that time. Recoveries of items previously charged off are recognized as income when received.

#### Property and Equipment

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation of property and equipment is provided over the estimated useful lives of the related assets using the straight-line method. Major renewals and improvements are recorded to the assets accounts while maintenance and repairs which do not improve or extend the life of the respected assets are expensed.

The estimated useful lives of depreciable assets are:

Buildings and improvements	15 - 40 years
Furniture and equipment	5 - 10 years

#### Revenue

##### Exchange Transactions

The Organization accounts for its revenue from application fees and providing program supplies, as exchange transactions. Revenue is recognized in the statement of activities when earned, and any amounts received but not earned are recorded as refundable advances on the statement of financial position.

##### Contributions

In accordance with FASB ASC 958 (formerly SFAS No. 116) Accounting for Contributions Received and Contributions Made, contributions received are recorded as “without donor restrictions” or “with donor restrictions”, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as without donor restriction if the restriction expired in the reporting period in which the contribution was recognized.

All other donor-restricted support is reported as an increase in with donor restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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. Only a donor can impose a restriction; the Board may designate contributions for a purpose, but the contribution is classified as unrestricted in that case. If a contribution is made with a donor-imposed condition, it is not recorded until the condition has been met.

The organization has received a conditional five-year pledge for \$50,000, payable upon groundbreaking for a new training facility, which is not yet recorded in the financial statements.

##### Promises to Give

Unconditional promises to give are recognized as support in the period received and as net assets, decreases of liabilities, or expenses depending on the form of the benefits received. Unconditional promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

# CANINE PARTNERS FOR LIFE

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

### NOTE 2 – SUMMARY OF AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Functional Allocation of Expenses

Salaries and benefits are allocated based on estimates of individual employee's time and effort. Occupancy expense, insurance, communications, utilities and interest are allocated based on the percentages derived from the estimated allocation of salaries. Professional fees, including those for legal, accounting and financial fees, which can be related directly to either program or administrative, are reflected as such. Cost including breeding, veterinary, feeding, bedding and other dog expenses, memberships and education are related directly to the Organization's programs and are thus reflected as program costs. Cost including public relations, logo items, postage, printing, events, supplies, travel and other miscellaneous expenses are allocated based on the cost, usage and related benefits of the specific goods and services provided. Certain other costs including equipment, repair and maintenance, and depreciation are allocated directly for items where applicable, with remaining items allocated based on the cost, usage and related benefits of the specific items.

#### Income Taxes

Canine Partners for Life is a nonprofit corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

Canine Partners for Life regularly reviews and evaluates its tax positions taken in previously filed information returns and as reflected in its financial statements, with regard to issues affecting its tax-exempt status, unrelated business income, and related matters. The Organization believes that in the event of an examination by taxing authorities, the Organization's positions would prevail based upon the technical merits of such positions. Therefore, the Organization has concluded that no tax benefits or liabilities are required to be recognized.

### NOTE 3 – LIQUIDITY MANAGEMENT

Canine Partners for Life's financial assets available within one year of the balance sheet date for general expenditures are as follows:

Financial assets at year end:	
Cash and cash equivalents	\$2,002,695
Grants and contributions receivable	176,934
Accounts receivable	872
Investments	<u>433,125</u>
Total financial assets	<u>\$2,613,626</u>
Less: Amounts not available to be used within one year:	
Net assets with purpose restrictions	
Cash	(\$ 807,824)
Grants and contributions receivable	( 111,934)
Net assets with time restrictions beyond one year	
Grants and contributions receivable	( 25,000)
Investments:	
Chester County Community Foundation	( 18,306)
Delaware Community Foundation	<u>( 22,682)</u>
	<u>(\$ 985,746)</u>
Financial assets available to meet general expenditures	
Over the next year	<u>\$1,627,880</u>

# CANINE PARTNERS FOR LIFE

## NOTES TO FINANCIAL STATEMENTS June 30, 2024 and 2023

### NOTE 3 – LIQUIDITY MANAGEMENT – CONTINUED

Cash and cash equivalents of \$2,002,695 reflected on the statement of financial position includes \$807,824 of cash restricted by donors for certain purposes.

Grants and contributions receivable of \$176,934 reflected on the statement of financial position includes \$111,934 restricted by donors for certain purposes, and \$25,000 subject to a time implied restriction beyond one year.

The investments of \$433,125 reflected on the statement of financial position can be liquidated with board authorization and would be available if necessary, except for the \$40,988 of beneficial interests in funds held at Chester County Community Foundation and Delaware Community Foundation.

Canine Partners for Life's goal is generally to maintain financial assets available to meet 90 days of operating expenses.

As part of its liquidity plan, the Organization's finance committee performs a quarterly review of its financial statements and cash flows with management and accountant. Excess cash is invested primarily in money market accounts, and an investment account where it is available to be drawn upon as needed with board approval.

### NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Organization's investments are reported at fair value in the accompanying statement of financial position:

	<u>Cost</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using:</u>	
			<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>
<u>June 30, 2024</u>				
Fidelity Investments				
Marian S. Ware Fund				
Equity securities	\$146,628	\$ 269,767	\$ 269,767	\$ 0
Corporate bonds	76,462	67,197	67,197	0
U.S. Treasury securities	24,352	24,785	24,785	0
Cash and money market funds	30,388	30,388	30,388	0
Total Fidelity Investments	<u>\$277,830</u>	<u>\$ 392,137</u>	<u>\$ 392,137</u>	<u>\$ 0</u>
Beneficial Interests in Funds Held by Community Foundations				
Chester County Community Foundation				
Endowment Fund	13,000	18,306	0	18,306
Delaware Community Foundation				
Endowment Fund	<u>14,500</u>	<u>22,682</u>	<u>0</u>	<u>22,682</u>
Total at Community Foundations	<u>\$ 27,500</u>	<u>\$ 40,988</u>	<u>\$ 0</u>	<u>\$40,988</u>
Total	<u>\$305,330</u>	<u>\$ 433,125</u>	<u>\$ 392,137</u>	<u>\$40,988</u>

# CANINE PARTNERS FOR LIFE

## NOTES TO FINANCIAL STATEMENTS June 30, 2024 and 2023

### NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS – CONTINUED

	<u>Fair Value Measurements Using:</u>			
			Quoted Prices In Active Markets for Identical Assets <u>(Level 1)</u>	Other Observable Inputs <u>(Level 2)</u>
<u>June 30, 2023</u>	<u>Cost</u>	<u>Fair Value</u>		
<b>Fidelity Investments</b>				
<b>Marian S. Ware Fund</b>				
Equity securities	\$140,356	\$ 245,654	\$ 245,654	\$ 0
Corporate bonds	126,823	117,122	117,122	0
Cash and money market funds	<u>26,149</u>	<u>26,149</u>	<u>26,149</u>	<u>0</u>
<b>Total Fidelity Investments</b>	<b><u>\$293,328</u></b>	<b><u>\$ 388,925</u></b>	<b><u>\$ 388,925</u></b>	<b><u>\$ 0</u></b>
<b>Beneficial Interests in Funds Held by Community Foundations</b>				
<b>Chester County Community Foundation</b>				
Endowment Fund	13,000	19,527	0	19,527
<b>Delaware Community Foundation</b>				
Endowment Fund	<u>14,500</u>	<u>21,445</u>	<u>0</u>	<u>21,445</u>
<b>Total at Community Foundations</b>	<b><u>\$ 27,500</u></b>	<b><u>\$ 40,972</u></b>	<b><u>\$ 0</u></b>	<b><u>\$40,972</u></b>
<b>Total</b>	<b><u>\$320,828</u></b>	<b><u>\$ 429,897</u></b>	<b><u>\$ 388,925</u></b>	<b><u>\$40,972</u></b>

In 1999, the Organization established an Endowment Fund with Chester County Community Foundation and Delaware Community Foundation. The funds were irrevocably transferred to the community foundations, where they are held in diversified investment portfolios. The Organization is permitted by Pennsylvania law to spend between 2% and 7% of the average balance of the funds over the past 3 years. Distributions from the funds may be spent on the general charitable purpose of the Organization.

The Endowment Funds held at Chester County Foundation and Delaware Community Foundation are recorded as assets in these financial statements. This is in accordance with FASB ASC 958-605 (formerly FAS 136, Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others), as the Organization has the right to receive the distributions from the income from the Endowment Funds. Also, in accordance with FASB ASC 985-605, these amounts contributed by the Organization to the community foundation funds are classified as permanently restricted net assets in the financial statements. Amounts contributed directly by other donors to the Endowment Fund, if any, are not reflected in the financial statements.

Gains and losses (realized and unrealized) include changes in net assets for the years ended June 30, 2024 and 2023 are reported in investment income. All realized gains and losses for 2024 and 2023 were a result of transactions where values have been measured using Level 1 inputs. Unrealized gains and losses for 2024 and 2023 included \$4,207 and \$2,517 of gains where values have been measured using Level 2 inputs.

# CANINE PARTNERS FOR LIFE

## NOTES TO FINANCIAL STATEMENTS June 30, 2024 and 2023

### NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS – CONTINUED

FASB ASC 820-10 (Formerly SFAS No. 157, *Fair Value Measurements*), establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs are those other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and Level 3 inputs are those unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities, and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value, otherwise Level 2 inputs are used where available to the Organization, and Level 3 inputs are only used when Level 1 and 2 inputs are not available.

#### Level 1 Fair Value Measurements

The fair value of mutual funds, equity securities and bonds are based on quoted net asset values of the shares held at year-end.

#### Level 2 Fair Value Measurements

The fair value of Beneficial Interests in Funds Held by Community Foundations are valued at the fair value of the assets held at the foundation at year end.

### NOTE 5 – GRANTS AND CONTRIBUTIONS RECEIVABLE

Represents unconditional promises to give as explained in Note 2, consisting of the following:

	2024	2023
Capital Campaign	\$ 112,100	\$ 219,600
Time restricted operating grants	65,000	132,050
	\$ 177,100	\$ 351,650
Less: Unamortized discounts	( 166)	( 1,326)
	<b>\$ 176,934</b>	<b>\$ 350,324</b>
Amounts due in:		
Less than one year	\$ 151,934	\$ 214,190
One to five years	25,000	136,134
	<b>\$ 176,934</b>	<b>\$ 350,324</b>

### NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment at cost, is summarized as follows:

	2024	2023
Land	\$ 181,570	\$ 181,570
Land improvements	401,907	401,907
Buildings	5,051,395	5,013,367
Equipment	741,069	663,569
	\$6,375,941	\$6,260,413
Less: Accumulated depreciation	2,435,119	2,262,344
	<b>\$3,940,822</b>	<b>\$3,998,069</b>

Depreciation expense charged to operations for the years ended June 30, 2024 and 2023 was \$172,775 and \$193,894, respectively.

# CANINE PARTNERS FOR LIFE

## NOTES TO FINANCIAL STATEMENTS June 30, 2024 and 2023

### NOTE 7 – PRE-CONSTRUCTION COSTS

Represents project costs incurred for assets to be capitalized but not yet placed in service at fiscal year-end. These costs relate to the planned installation of an elevator in the Organization's program services center, the construction of a new training facility, and dog tracking software.

	<u>2024</u>	<u>2023</u>
Elevator	\$ 21,656	\$ 21,656
Training facility	35,426	35,426
Dog tracking software	99,322	0
	<u>\$ 156,404</u>	<u>\$ 57,082</u>

### NOTE 8 – NET ASSETS

#### Net Assets without Donor Restrictions

Net assets without donor restrictions represent funds retained by Canine Partners for Life that were received without any donor-imposed restrictions. In addition, donor-restricted contributions whose restrictions have been met in the same reporting period are reported as unrestricted support.

#### Net Assets with Donor Restrictions

Net assets with donor restrictions represent resources restricted by the donor as to time of usage of the funds or the purpose for which the funds will be used. Restricted net assets are available for the following purposes:

	<u>2024</u>	<u>2023</u>
Capital campaign	\$ 915,425	\$ 887,002
Delaware clients	0	54,000
Service dog training	15,000	0
Kennel equipment	0	3,935
Prison puppy program	1,997	2,949
Kitchen equipment	0	2,448
Various other programs	2,502	2,250
Time restricted operating grants	50,000	75,000
	<u>\$ 984,924</u>	<u>\$1,027,584</u>
Endowment funds held at community foundations (see Note 2), the income from which has not been restricted, and may be spent within the charitable purposes of the Organization.	<u>40,988</u>	<u>40,972</u>
	<u>\$1,025,912</u>	<u>\$1,068,556</u>

### NOTE 9 – RETIREMENT PLAN

During the fiscal year ended June 30, 2009, the Organization started a SIMPLE (Savings Incentive Match Plan for Employees) IRA. Employees who earn at least \$5,000 in two previous years and expect to earn that much this year are eligible to participate. Employees who participate in the Plan are eligible for a CPL match up to 3% of gross salary, after one year of employment. The Organization made matching contributions of approximately \$13,500 and \$16,100 to the SIMPLE IRA Plan during the years ended June 30, 2024 and 2023.

### NOTE 10 – DONATED SERVICES

The Organization has recognized \$55,678 and \$54,120 in donated services for the years ended June 30, 2024 and 2023 as required under FASB ASC 958 (formerly SFAS No. 116) from various persons requiring specialized skills. In addition, the Organization receives donated services from over 500 volunteers not meeting the criteria for recognition.

# **CANINE PARTNERS FOR LIFE**

## **NOTES TO FINANCIAL STATEMENTS June 30, 2024 and 2023**

### **NOTE 11 – COMPENSATED ABSENCES**

The Organization provides paid vacation for its full-time employees. The amount of unused vacation at June 30, 2024 was approximately \$11,800.

### **NOTE 12 – CONCENTRATION RISK**

#### **Cash**

The Organization maintains its bank accounts in financial institutions with insurance provided by the Federal Deposit Insurance Corporation up to \$250,000. Uninsured balances were approximately \$1,676,700 and \$786,000 as of June 30, 2024 and 2023.

#### **Receivable**

As of June 30, 2024, two sources represented in excess of 10% of total grants and contributions receivable. The receivables from these sources was approximately \$150,000 or 85% of total receivables in 2024.

As of June 30, 2023, three sources represented in excess of 10% of total grants and contributions receivable. The receivables from these sources was approximately \$300,000 or 86% of total receivables in 2023.

### **NOTE 13 – POSSIBLE CONTINGENT LIABILITY**

The Organization has determined that it may be subject to a possible contingent liability in connection with the termination of a former employee. Based on current facts and circumstance the Organization deems the liability unlikely to occur, and the possible amount involved cannot be reasonably estimated. The expectation is that the case will be denied by the Equal Employment Opportunity Commission, and that any future lawsuit will be dismissed with the allegations being unfounded. Any legal fees are covered by insurance, so Canine Partners for Life will not incur additional expenses related to this matter.