

**VETS HELPING HEROES, INC.**  
**REPORT ON AUDITS OF FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED APRIL 30, 2015 AND 2014**

# VETS HELPING HEROES, INC.

## Table of Contents

	<u>Page</u>
Report of independent auditors	1–2
Financial statements:	
Statements of financial position	3
Statements of activities	4
Statements of cash flows	5
Notes to financial statements	6–7
Supplementary information:	
Schedules of functional expenses	8

## **Report of Independent Auditors**

To the Board of Directors of  
Vets Helping Heroes, Inc.

We have audited the accompanying financial statements of Vets Helping Heroes, Inc. (a nonprofit organization), which comprise the statements of financial position as of April 30, 2015 and 2014, and the related statements of activities and cash flows for the years 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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vets Helping Heroes, Inc. as of April 30, 2015 and 2014, 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.



Other Matter

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on page 8 are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

*Templeton & Company, LLP*

West Palm Beach, Florida  
September 3, 2015

**VETS HELPING HEROES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**April 30, 2015 and 2014**

	2015	2014
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	<u>\$ 97,481</u>	<u>\$ 114,110</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities	\$ -	\$ -
Net assets, unrestricted	<u>97,481</u>	<u>114,110</u>
Total liabilities and net assets	<u>\$ 97,481</u>	<u>\$ 114,110</u>

See accompanying notes to financial statements.

**VETS HELPING HEROES, INC.**  
**STATEMENTS OF ACTIVITIES**  
**For the Years Ended April 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Support and revenue - unrestricted:		
Grants and contributions	\$ 559,756	\$ 498,898
Bank interest	349	292
Other income	<u>631</u>	<u>-</u>
Total support and revenue	<u>560,736</u>	<u>499,190</u>
Expenses:		
Program services	539,429	479,785
Support services	<u>37,936</u>	<u>28,832</u>
Total expenses	<u>577,365</u>	<u>508,617</u>
Decrease in net assets - unrestricted	(16,629)	(9,427)
Net assets at beginning of year	<u>114,110</u>	<u>123,537</u>
Net assets at end of year	<u><u>\$ 97,481</u></u>	<u><u>\$ 114,110</u></u>

See accompanying notes to financial statements.

**VETS HELPING HEROES, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended April 30, 2015 and 2014**

	2015	2014
Cash flows from operating activities:		
Decrease in net assets	\$ (16,629)	\$ (9,427)
Net decrease in cash and cash equivalents	(16,629)	(9,427)
Cash and cash equivalents, beginning of year	114,110	123,537
Cash and cash equivalents, end of year	\$ 97,481	\$ 114,110

See accompanying notes to financial statements.

# VETS HELPING HEROES, INC.

## NOTES TO FINANCIAL STATEMENTS

### Note 1 – Nature of Activities and Other Information

Vets Helping Heroes, Inc. (the Organization) was incorporated as a Florida not-for-profit corporation in 2007. The Organization provides financial support for assistance dogs trained by certified professionals both for veterans who have served honorably and active duty military personnel who have been injured during service in the U.S. Armed Forces. The Organization provides for the training of assistance dogs by funding other organizations that are directly responsible for training and placing dogs with qualifying recipients. The Organization receives support for its operations in the form of donations from the general public, including grants and contributions from private foundations and other not-for-profit organizations. The Organization inspects the dog training facilities to make sure they are providing quality training of the dogs and veterans as the Organization looks to add additional facilities to keep up with the demand.

### Note 2 – Summary of Significant Accounting Policies

A summary of significant accounting policies used by the Organization in preparing its financial statements follows:

#### Basis of presentation

The Organization's financial statements are prepared on the accrual basis of accounting and in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 *Not-for-Profit Entities*, which prescribes standards for financial statements for all not-for-profit organizations.

Net assets and revenues, expenses, gains and losses are classified as temporarily restricted, permanently restricted, or unrestricted based on the existence or absence, respectively, of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

**Unrestricted net assets** – Net assets currently available for the support of the Organization's operations under the direction of the Board of Directors.

**Temporarily restricted net assets** – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization or the passage of time. The Organization does not have any donor-imposed temporarily restricted net assets as of April 30, 2015 and 2014.

**Permanently restricted net assets** – Net assets subject to donor-imposed stipulations to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the earnings on related investments for general or specific purposes. The Organization does not have any donor-imposed permanently restricted net assets.

#### Cash and concentration of credit risk

Cash includes amounts on deposit in general checking and savings accounts. The Organization maintains its cash with generally recognized banking institutions; and as of April 30, 2015 and 2014, cash balances did not exceed limits insured by the Federal Deposit Insurance Corporation.

# VETS HELPING HEROES, INC.

## NOTES TO FINANCIAL STATEMENTS, CONTINUED

### Note 2 – Summary of Significant Accounting Policies, Continued

#### Contributions and revenue

Contributions are generally available for unrestricted use in the year received unless specifically restricted by the donor. Unrestricted contributions of cash and donated assets, as well as unconditional promises to give, are recorded when received. Unconditional promises to give are recorded at present value using a risk-based discount rate for promises expected to be received greater than one year from the date of the financial statements.

Grants, unconditional promises to give, and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when either the stipulated time restriction ends or the purpose restriction is accomplished, temporarily restricted net assets are reclassified and reported in the statement of activities as net assets released from restrictions. Grants and contributions that are temporarily restricted by the grantor or contributor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

#### Accounting 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. Actual results could differ from those estimates and the differences could be material.

#### Income taxes

The Organization is recognized as exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded in the financial statements.

Management analyzes tax positions in jurisdictions where it is required to file income tax returns. Interest and penalties attributable to income taxes, if any, are included in operating expenses. No such interest or penalties were recorded for the years ended April 30, 2015 and 2014. The Organization is no longer subject to income tax examinations for years prior to April 30, 2012.

#### Functional expenses

The Organization allocates its expenses on a functional basis among its program and various supporting services. Expenses that can be identified with a specific program and supporting service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases as determined by management. Support services expense includes \$7,783 of fundraising expense in 2015.

### Note 3 – Subsequent Events

The Organization evaluated events occurring subsequent to April 30, 2015 through September 3, 2015, the date on which the financial statements were available to be issued, for matters that should be recorded in the financial statements or disclosed in the footnotes thereto.

**SUPPLEMENTARY INFORMATION**

**VETS HELPING HEROES, INC.**  
**SCHEDULES OF FUNCTIONAL EXPENSES**  
**For the Years Ended April 30, 2015 and 2014**

	2015			2014		
	Program Services	Support Services	Total	Program Services	Support Services	Total
Bank fees	\$ 455	\$ 138	\$ 593	\$ 1,734	\$ 290	\$ 2,024
Contract services	63,474	27,625	91,099	54,892	26,136	81,028
Insurance	570	189	759	566	188	754
Licenses	1,556	518	2,074	1,873	624	2,497
Office supplies	5,050	1,683	6,733	4,784	1,594	6,378
Public education	10,000	-	10,000	-	-	-
Training costs	457,500	-	457,500	415,000	-	415,000
Travel and meetings	824	-	824	936	-	936
Fundraising	-	7,783	7,783	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	<u>\$ 539,429</u>	<u>\$ 37,936</u>	<u>\$ 577,365</u>	<u>\$ 479,785</u>	<u>\$ 28,832</u>	<u>\$ 508,617</u>