

**DOGS TRUST USA, INC.  
FINANCIAL STATEMENTS**

December 31, 2018

**(WITH INDEPENDENT ACCOUNTANT'S REVIEW REPORT THEREON)**

The accompanying notes are an integral part of these financial statements.

**DOGS TRUST USA, INC.**  
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**DECEMBER 31, 2018**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of  
Dogs Trust USA, Inc.

We have reviewed the accompanying financial statements of Dogs Trust USA, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities 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.

### **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.

### **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.

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Cassidy CPA  
Hilton Head, South Carolina  
May 28, 2019

**Dogs Trust USA, Inc.**  
**Statement of Financial Position**  
**As of December 31, 2018**

**ASSETS**

**Current Assets**

Cash	\$	220,605
Pledged receivables		0
Investments		0
Total		<u>220,605</u>

**Other Assets**

Other Assets		<u>0</u>
Total other assets		<u>0</u>
Total assets	\$	<u><u>220,605</u></u>

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable		0
Grants payable		80,477
Total		<u>80,477</u>

**Net Assets**

Unrestricted		140,128
Temporarily restricted		0
Permanently restricted		0
Total net assets		<u>140,128</u>
Total liabilities and net assets	\$	<u><u>220,605</u></u>

*(See accompanying footnotes and independent accountant's review report)*

**Dogs Trust USA, Inc.**  
**Statement of Activity and Net Assets**  
**For the Year Ended December 31, 2018**

<b><u>REVENUE, SUPPORT, AND CONTRIBUTIONS</u></b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
Cash contributions	236,355	\$	236,355
Noncash contributions	0		0
Dividends and interests	0		0
Total revenue, support and contributions	<u>236,355</u>		<u>236,355</u>
<b><u>EXPENSES</u></b>			
<b>Program Services</b>			
Grants	80,477		80,477
Total program services	<u>80,477</u>		<u>80,477</u>
<b>Management and General</b>			
Bank service charge	3,358		3,358
Management fees	12,392		12,392
Total management and general	<u>15,750</u>	-	<u>15,750</u>
<b>Fund Raising Expenses</b>			
Fund Raising Charge			0
Total fund raising expenses	-		0
Total expenses	<u>96,227</u>	-	<u>96,227</u>
Revenue, support and contributions in excess of expenses	<u>140,128</u>	-	<u>140,128</u>
Net assets - beginning balance	0		0
Net assets - ending balance	<u>\$ 140,128</u>	<u>\$</u>	<u>140,128</u>

(See accompanying footnotes and independent accountant's review report)

**Dogs Trust USA, Inc.**  
**Statement of Cash Flows**  
**Year Ended December 31, 2018**

	<b>Unrestricted Fund</b>
Cash flow from operating activities:	
Revenue, Support and Contributions in Excess of Expenses	\$ 140,128
Adjustments	
(Increase) Decrease in Pledged Receivables	0
Increase (Decrease) in Grants Payable	80,477
Net cash provided (used) by operating activities	220,605
 Cash Flows from Investing Activities:	
Purchases of Investments	0
Proceeds from Sale of Investments	0
Net cash provided (used) by investing activities	0
 Cash Flows from Financing Activities:	
Proceeds from Financing Activities	0
Net cash provided (used) by financing activities	0
 Net increase (decrease) in cash	220,605
 Cash at the beginning of the year	0
Cash at the end of the year	\$ 220,605

(See accompanying footnotes and independent accountant's review report)

**DOGS TRUST USA, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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**NOTE 1. NATURE OF OPERATIONS**

Dogs Trust USA, Inc., (the Organization) is a not-for-profit organization incorporated in 2017 under the laws of the State of Massachusetts. Dogs Trust USA, Inc.'s mission is to help as many dogs as possible in the United States find loving homes, and to live happy and healthy lives. Dogs Trust USA, Inc. also works closely with dog welfare organizations around the world to help dogs who are being exploited or suffering harm, and to transform the way people think about dogs around the world.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting:**

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. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded at the time the liability is incurred.

**Financial Statement Presentation:**

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: *unrestricted net assets*, which represent the expendable resources that are available for operations and management's discretion; *temporarily restricted net assets*, which represent resources restricted by donors as to purpose or by the passage of time; and *permanently restricted net assets*, which represent resources whose use by the organization is limited by donor imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by the actions of the organization. As of December 31, 2018 there were no temporarily or permanently restricted net assets.

**Contributed Services:**

Donated services are recognized as contribution revenue if the services create or enhance nonfinancial assets or require specialized skills that are performed by people with those skills and that would otherwise need to be purchased by the Organization. During the year ended December 31, 2018 there were no donations for such services.

The Organization does receive a significant amount of donated hours from unpaid volunteers who assist in fundraising, program activities, and special events. No amounts have been recognized in the financial statements for these types of donated services because they did not meet the criteria for recognition.

**Contributions:**

Dogs Trust USA, Inc. also adopted FAS No. 116, "Accounting for Contributions Received and Contributions Made," whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. The organization did not receive any permanently restricted contributions during 2018 and has no permanently restricted net assets as of December 31, 2018.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

**Use of Estimates:**

The presentation 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.

**Property and Equipment**

Depreciation of equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. The depreciation expense for 2018 was zero. At December 31, 2018 the Organization did not own any property or equipment.

**Income Tax Status**

The Organization is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as a *other than private foundation*. Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. The tax returns for the Organization remain open for inspection by tax authorities for a period of three years subsequent to the filing of the returns..

**Concentration of Credit Risk**

The Organization maintains one bank accounts at a financial institution. The accounts is insured by the Federal Deposit Insurance Corporation (FDIC). At various times during the fiscal year, the Organizations bank balances may have exceeded the federally insured limits. The risk of uninsured funds is managed by maintaining all deposits in high quality and nationally recognized financial institutions.

**Unrestricted and Permanently Restricted Net Assets**

The Organization classifies net assets as unrestricted, permanently restricted, or temporarily restricted to ensure that observance of limitations and restrictions placed on the use of resources available to the Organization are adhered to. Donor restrictions to contributions are reported as temporarily or permanently restricted net assets upon receipt. Such contributions and revenue are reported as a permanently or temporarily restricted net asset until time of such restrictions or limitations are fulfilled. At such time, such disbursement of funds is transferred to the unrestricted net asset category as reported on statement of activity.

**NOTE 3. MARKETABLE SECURITIES AND NOTES RECEIVABLE**

Dogs Trust USA, Inc. had no equitable marketable securities of value at December 31, 2018. Dogs Trust USA, Inc. had no notes receivable at December 31, 2018.

**NOTE 4. RELATED PARTY TRANSACTIONS**

The Organization is affiliated with fellow organization Dogs Trust, a dog welfare charity located in the United Kingdom. During the year ended 31, 2018 \$161,775 was contributed to the Organization by Dogs Trust Worldwide, a UK subsidiary of Dogs Trust, and no amount was distributed by the Organization to Dogs Trust or Dogs Trust Worldwide.

**NOTE 5. FAIR VALUES OF FINANCIAL INSTRUMENTS**

The Organization's only financial instruments are cash. None of these financial instruments are held for trading purposes. The Organization estimates that the fair value of all financial instruments at December 31, 2018 does not differ materially from the aggregate carrying values of its financial instruments recorded in the statement of financial position. Developing estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.



**NOTE 6. CASH**

Cash and cash equivalents include checking account balance. The temporarily restricted cash balance at December 31, 2018 was \$0. This temporarily restricted cash balance includes donor restrictions for cash issued for various outreach programs.

**NOTE 7. RESTRICTED ASSETS**

Temporarily restricted net assets which are available for future periods at December 31, 2018 was \$0.

**NOTE 8. NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets are released from donors' restrictions by incurring expenses satisfying the restricted purpose or by occurrences of other events specified by donors during 2018. Net assets released from restrictions during 2018 were \$0.

**NOTE 9. CONCENTRATIONS**

For the year ended December 31, 2018, 69.495% of contribution revenues were derived from one primary donor. It is always reasonably possible that contributions from significant benefactors, grantors or donors will not be readily available in the near term or that conditions affecting the weather and local economic markets for the geographic area in which it operates may cause a negative impact on the Organization's revenues or other operations.

**NOTE 10. FUNCTIONAL ALLOCATION OF EXPENSES**

The cost of providing the various programs and other activities are typically summarized on a functional basis in the statement of activity. Accordingly, certain costs are usually allocated among the programs and supporting services benefited. The total joint costs of the Organization for December 31, 2018 were zero.

**NOTE 11. DETAILS TO STATEMENT OF CASH FLOWS**

The Organization had no material non-monetary transactions for 2018. The Organization paid no income taxes or interest during 2018.

**NOTE 12. EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through May 28, 2019, the date which the financial statements were available to be issued.