

CAROLINA PATRIOT ROVERS, INC.

FINANCIAL STATEMENTS-MODIFIED CASH BASIS

DECEMBER 31, 2013
(Audit)

CAROLINA PATRIOT ROVERS, INC.

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CAROLINA PATRIOT ROVERS, INC.

ORGANIZATION AND MISSION

STATE OF INCORPORATION:

North Carolina, December 10, 2010

MAIN OFFICE:

High Point, North Carolina

OFFICERS AND TRUSTEES:

Major Robert Stillwell	- Co-Chair
David R. Cantara	- Co-Chair
Pamela Cantara	- Secretary and Treasurer
Marybeth Behringer, PT, Dip.MDT	- Director
Dr. Margaret Bertrand, MD	- Director
Mark Reichert	- Director
Dr. Douglas Nabel, DVM	- Director

MISSION:

Non-profit to provide professionally trained and certified Psychiatric Service Dogs, handler training, support and therapeutic group camaraderie to Veteran men and women struggling with Post Traumatic Stress Disorder and Traumatic Brain Injury as a result of their service to our country and restore their physical and emotional independence.

MEMBER
NORTH CAROLINA ASSOCIATION
OF CERTIFIED PUBLIC ACCOUNTANTS
AMERICAN INSTITUTE OF
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Barre Burks, CPA, PA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Carolina Patriot Rovers, Inc.

I have audited the accompanying financial statements of Carolina Patriot Rovers, Inc. (a nonprofit corporation), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2013, and the statement of revenues, expenses and net assets – modified cash basis and cash flows - modified cash basis for the year 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 the cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Carolina Patriot Rovers, Inc. as of December 31, 2013, and its support, revenue and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to that matter.

Barre Burks, CPA, PA

Barre Burks, CPA, PA
Greensboro, North Carolina
April 27, 2014

CAROLINA PATRIOT ROVERS, INC.

STATEMENT ASSETS, LIABILITIES AND NET ASSETS- MODIFIED CASH BASIS

DECEMBER 31, 2013

ASSETS

CURRENT ASSETS:

Cash and cash equivalents— general fund (Note 1):

Checking account

\$ 78,962

TOTAL CURRENT ASSETS

78,962

FIXED ASSETS (NOTE 3)

26,618

TOTAL ASSETS

\$ 105,580

See independent auditor's report and notes to financial statements

CAROLINA PATRIOT ROVERS, INC.

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS- MODIFIED CASH BASIS
(CONTINUED)

DECEMBER 31, 2013

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Payroll taxes withheld \$ 1,227

TOTAL CURRENT LIABILITIES 1,227

NET ASSETS:

Unrestricted 104,353

TOTAL NET ASSETS 104,353

TOTAL LIABILITES AND NET ASSETS \$ 105,580

See independent auditor's report and notes to financial statements

CAROLINA PATRIOT ROVERS, INC.

STATEMENT OF REVENUES, EXPENSES AND NET ASSETS- MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2013

UNRESTRICTED NET ASSETS:

Support:

Corporate donations	\$ 59,059
Individual donations	42,531
In-Kind donations	5,000
Grants	89,700
Fundraisers	<u>10,331</u>

Total unrestricted support 206,621

Expenses:

Program services (Schedule A)	244,455
Supporting expenses	
Management and general (Schedule A)	8,159
Fundraising expenses	<u>8,000</u>

Total expenses 260,614

INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS (53,993)

NET ASSETS – BEGINNING OF YEAR 158,346

NET ASSETS – END OF YEAR \$ 104,353

See independent auditor's report and notes to financial statements

CAROLINA PATRIOT ROVERS, INC.

STATEMENT OF REVENUES, EXPENSES AND NET ASSETS – MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2013

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Automobile expenses	\$ 6,001	\$ ---	\$ ---	\$ 6,001
Adoption fees	4,250	---	---	4,250
Bank charges	---	774	---	774
Boarding fees	49,970	---	---	49,970
Consulting & subcontract fees	32,920	2,730	---	35,650
Depreciation	3,696	216	---	3,912
Dues & subscriptions	---	117	---	117
Education materials	14,549	---	---	14,549
Fundraisers	---	---	8,000	8,000
Insurance – general	1,353	2,136	---	3,489
Office expenses	5,271	1,537	---	6,808
Postage	---	450	---	450
Rent- equipment	809	---	---	809
Supplies	18,309	---	---	18,309
Salaries and wages	49,050	---	---	49,050
Taxes- payroll	4,192	---	---	4,192
Taxes and licenses	---	199	---	199
Training	23,450	---	---	23,450
Travel and meals	13,952	---	---	13,952
Veterinarian fees	<u>16,683</u>	<u>---</u>	<u>---</u>	<u>16,683</u>
	<u>\$ 244,455</u>	<u>\$ 8,159</u>	<u>\$ 8,000</u>	<u>\$ 260,614</u>

See independent auditor's report and notes to financial statements

CAROLINA PATRIOT ROVERS, INC.
STATEMENT OF CASH FLOWS- MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (decrease) in net assets	\$ (53,993)
Adjustments to reconcile increase in net cash provided in operating activities	
Depreciation	<u>3,912</u>
Increase (decrease) in:	
Taxes withheld	<u>1,227</u>
 NET CASH FLOWS PROVIDED (USED) BY OPERATING ACIVITIES	 (<u>48,854</u>)
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>(8,179)</u>
 NET CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES	 (<u>8,179</u>)
 NET INCREASE (DECREASE) IN CASH	 (57,033)
 BEGINNING CASH AND CASH EQUIVALENTS BALANCE	 <u>135,995</u>
 ENDING CASH AND CASH EQUIVALENTS BALANCE	 \$ <u>78,962</u>

See independent auditor's report and notes to financial statements

CAROLINA PATRIOT ROVERS, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities - Carolina Patriot Rovers, Inc. was formed in 2010 as a non-profit corporation. The purpose is to provide professionally trained and certified Psychiatric Service Dogs, handler training, support and therapeutic group camaraderie to Veteran men and women struggling with Post Traumatic Stress Disorder and Traumatic Brain Injury as a result of their service to our country and restore their physical and emotional independence. Revenues are derived from individual and corporate donations.

Method of accounting: - The accompanying financial statements conform to the modified cash basis accounting. Under this method, income is recorded when received and expenses when paid, except that depreciation is provided for equipment.

Cash and cash equivalents – cash and cash equivalents include all amounts on deposit at banks. The amounts include a checking account.

Net assets – net assets are presented according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets in accordance with Financial Accounting Standards Board ASC 958-210.

Use of estimates - the preparation of financial statements in conformity with the modified cash basis includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Fixed assets - Fixed assets are recorded at cost and depreciated on the straight-line method over their estimated useful lives, which are generally estimated at ten years. Payment for items with limited usefulness and minor expenditures are treated as current expenses.

Income tax status – The Organization is exempt from federal and state income taxes under Code Section 501 (c) (3) of the Internal Revenue Code.

Donated assets or services - Donation of assets or services are recorded as support if the amount for such donations is determinable.

Compensated absences - The Organization does not accrue employee due to its method of accounting.

NOTE 2 – CONCENTRATIONS OF RISK:

Credit risk - the Local's credit risk is cash. Cash and cash equivalents are insured by the Federal Deposit Insurance Corporation for up to \$250,000 on each account.

CAROLINA PATRIOT ROVERS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 3 - PROPERTY AND EQUIPMENT:

Major classes of property and equipment are as follows:

Furniture	\$ 2,400
Equipment	15,657
Vehicles	14,100
Less accumulated depreciation	<u>(5,539)</u>
	\$ <u>26,618</u>

NOTE 4 – RELATED PARTY TRANSACTIONS:

The Organization engages the services of Carolina Air Canine, LLC for boarding of the dogs and James Landing Veterinarian Hospital for veterinarian care for dogs. David Cantara, Co-Chair and Pamela Cantara, Secretary and Treasurer are owners, operators and employees of Carolina Air Canine, LLC. Douglas Nabel, DVM, Director is co-owner of James Landing Veterinarian Hospital. The terms of the arrangements with Carolina Air Canine, LLC and James Landing Veterinarian Hospital have been negotiated and approved in accordance with conflict of interest policy of Carolina Patriot Rovers, Inc. The Organization will pay no more for any services provided than the rates charged to the general public. The total boarding fees paid totaled \$ 49,170 for the year. The total veterinarian fees paid totaled \$ 17,111 for the year.

NOTE 5 - SUBSEQUENT EVENTS:

Subsequent events have been evaluated up through April 27, 2014, the date of the auditor's report and there were no events found which would require additional disclosure.