

CAROLINA PATRIOT ROVERS, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2016

(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:

Colonel Ruth Lee, BSN, MA, MS	-Chairman
David R. Cantara	-Director
Major Stephen Shaw, Esq	-Director
Pam Dixon, RN	-Director
Dr. Margaret Bertrand, MD	-Director
Dr. Douglas Nabel, DVM	-Director
Emily S. Adkins	-Treasurer

MISSION:

Carolina Patriot Rovers, Inc. is a healing mission that provides 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.

MEMBER
NORTH CAROLINA ASSOCIATION
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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 financial position as of December 31, 2016, and the statements of activities and cash flows 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 accrual basis of accounting as described in Note 1; this includes determining that the accrual 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, 2016, and its support, revenue and expenses for the year then ended.

Barre Burks, CPA, PA

Barre Burks, CPA, PA
Greensboro, North Carolina
July 10, 2017

CAROLINA PATRIOT ROVERS, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

ASSETS

CURRENT ASSETS:

Cash and cash equivalents (Note 1):

Checking account

\$ 25,153

Unconditional promises to give

1,410

Prepaid expenses

2,547

TOTAL CURRENT ASSETS

29,110

FIXED ASSETS (NOTE 3)

52,428

TOTAL ASSETS

\$ 81,538

See independent auditor's report and notes to financial statements

CAROLINA PATRIOT ROVERS, INC.
STATEMENT OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2016

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 6,515
Accrued expenses	150
Payroll liabilities	<u>3,513</u>
TOTAL CURRENT LIABILITIES	<u>9,818</u>
NET ASSETS:	
Unrestricted	<u>71,720</u>
TOTAL NET ASSETS	<u>71,720</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 81,538</u>

See independent auditor's report and notes to financial statements

CAROLINA PATRIOT ROVERS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

UNRESTRICTED NET ASSETS:

Support:

Civic/corporate contracts and donations	\$ 244,095
Individual donations	<u>28,192</u>

Total support	272,287
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Fundraisers	<u>7,702</u>
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Total Unrestricted Support	<u>279,989</u>
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Expenses:

Program services (Schedule A)	251,159
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Supporting expenses:

Management and general (Schedule A)	21,057
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Fundraising expenses (Schedule A)	<u>19,031</u>
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Total expenses	291,247
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Other income (expense):

Fixed asset disposal	<u>2,170</u>
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INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	(9,088)
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NET ASSETS – BEGINNING OF YEAR	<u>80,808</u>
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NET ASSETS – END OF YEAR	\$ <u>71,720</u>
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See independent auditor's report and notes to financial statement

SCHEDULE A

CAROLINA PATRIOT ROVERS, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Automobile expenses	\$ 3,865	\$ 349	\$ ---	\$ 4,214
Adoption fees	17,150	---	---	17,150
Bank charges	---	931	---	931
Boarding fees - paid	54,576	---	---	54,576
Boarding fees – donated	36,384	---	---	36,384
Consulting & subcontract fees	18,504	8,475	14,462	41,441
Depreciation	5,581	1,505	---	7,086
Dues & subscriptions	612	---	---	612
Education materials	1,790	---	---	1,790
Insurance – general	---	1,106	---	1,106
Maintenance and repairs	8,643	---	---	8,643
Office expenses	2,174	1,081	---	3,255
Printing and reproduction	477	2,006	4,569	7,052
Professional	---	5,500	---	5,500
Supplies	14,344	---	---	14,344
Salaries and wages	61,399	---	---	61,399
Taxes- payroll	4,899	---	---	4,899
Taxes and licenses	---	104	---	104
Travel and meals	5,174	---	---	5,174
Veterinarian fees- paid	9,352	---	---	9,352
Veterinarian fees – donated	<u>6,235</u>	<u>---</u>	<u>---</u>	<u>6,235</u>
	\$ <u>251,159</u>	\$ <u>21,057</u>	\$ <u>19,031</u>	\$ <u>291,247</u>

See independent auditor's report and notes to financial statements

CAROLINA PATRIOT ROVERS, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:	(9,088)
Increase (decrease) in net assets	
Adjustments to reconcile increase in net cash provided in operating activities:	
Depreciation	7,086
Gain on sale of fixed asset	(2,170)
(Increase) decrease in:	
Receivables and prepaid expenses	(25)
Increase (decrease) in:	
Payables and accruals	<u>6,633</u>
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACIVITIES	<u>2,436</u>
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES:	
Proceeds from fixed asset sale	3,500
Purchase of fixed assets	<u>(39,727)</u>
NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(36,227)</u>
NET INCREASE (DECREASE) IN CASH	<u>(33,791)</u>
BEGINNING CASH AND CASH EQUIVALENTS BALANCE	<u>58,924</u>
ENDING CASH AND CASH EQUIVALENTS BALANCE	<u>\$ 25,133</u>

See independent auditor's report and notes to financial statements

CAROLINA PATRIOT ROVERS, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities - Carolina Patriot Rovers, Inc. was formed in 2010 as a non-profit corporation. It is a healing mission that provides 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. Revenues are derived from individual and corporate donations.

Method of accounting: - The accompanying financial statements conform to the accrual basis accounting. Under this method, income is recorded when earned and expenses when incurred.

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 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.

Advertising costs- The Organization expenses advertising program costs they are incurred and advertising communication costs the first time the advertising takes place.

Compensated absences - The Organization does not accrue employee compensated absences because the amount cannot be reasonably determined.

NOTE 2 – CONCENTRATIONS OF RISK:

Credit risk - the Organization'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, 2016

NOTE 3 - PROPERTY AND EQUIPMENT:

Major classes of property and equipment are as follows:

Furniture	\$ 2,400
Equipment	27,327
Vehicles	38,062
Less accumulated depreciation	<u>(15,361)</u>
	<u>\$ 52,428</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, 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 pays 60% of the rates charged to the general public. The 40% discount is recorded as additional revenue and related expense for the year. The total boarding fees paid totaled \$ 54,576 and was donated \$ 36,384 for the year. The total veterinarian fees paid totaled \$ 9,352 and was donated \$ 6,235 for the year.

NOTE 5 - SUBSEQUENT EVENTS:

Subsequent events have been evaluated up through July 10, 2017, the date of the auditor's report and there were no events found which would require additional disclosure.