

**SIERRA DELTA, INC. d/b/a
SERVICE DOGS FOR HEROES, INC.**

FINANCIAL STATEMENTS

For the Period April 21, 2017 (inception of operations) through December 31, 2017

**SIERRA DELTA, INC. d/b/a
SERVICE DOGS FOR HEROES, INC.**

Table of Contents

For the Period April 21, 2017 (inception of operations) through December 31, 2017

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
NOTES TO FINANCIAL STATEMENTS	6-7

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sierra Delta, Inc. d/b/a
Service Dogs for Heroes, Inc.

We have audited the accompanying financial statements of Sierra Delta Inc. d/b/a Service Dogs for Heroes, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the period from inception (April 21, 2017) to December 31, 2017, 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

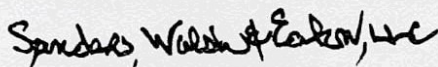
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of 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 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 Sierra Delta, Inc. d/b/a Service Dogs for Heroes, Inc. as of December 31, 2017, and the changes in its net assets and its cash flows for the initial period then ended in accordance with accounting principles generally accepted in the United States of America.



Osterville, Massachusetts
December 20, 2018

SIERRA DELTA, INC. d/b/a
SERVICE DOGS FOR HEROES, INC.
Statement of Financial Position
December 31, 2017

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 817,274
Total Current Assets	<u>817,274</u>
 Total Assets	 <u><u>\$ 817,274</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable	\$ 466,605
Accrued expenses	5,500
Total Current Liabilities	<u>472,105</u>
 Total Liabilities	 <u>472,105</u>
 Net Assets:	
Unrestricted	345,169
Total Net Assets	<u>345,169</u>
 Total Liabilities and Net Assets	 <u><u>\$ 817,274</u></u>

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

**SIERRA DELTA, INC. d/b/a
SERVICE DOGS FOR HEROES, INC.**

Statement of Activities

For the Period April 21, 2017 (inception of operations) through December 31, 2017

Revenues, Gains, and Other Support:	
Contributions - individuals	\$ 227,896
Contributions - sponsorships	<u>1,749,288</u>
Total Revenues, Gains, and Other Support	<u>1,977,184</u>
 Operating Expenses:	
Program services	1,536,604
Administration	65,398
Fundraising	<u>30,013</u>
Total Expenses	<u>1,632,015</u>
 Net Change in Unrestricted Net Assets	 345,169
 Net Assets, Beginning of Period	 <u>-</u>
 Net Assets, End of Year	 <u><u>\$ 345,169</u></u>

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

**SIERRA DELTA, INC. d/b/a
SERVICE DOGS FOR HEROES, INC.
Statement of Functional Expenses**

For the Period April 21, 2017 (inception of operations) through December 31, 2017

	<u>Program</u>	<u>General and Administrative</u>	<u>Fund-Raising</u>	<u>Total</u>
Expenses:				
Awards and grants	\$ 1,525,000	\$ -	\$ -	\$ 1,525,000
Advertising	-	-	3,760	3,760
Bank fees	-	2,430	-	2,430
Contract labor	-	53,422	9,000	62,422
Events	-	-	13,244	13,244
Miscellaneous	3,130	246	-	3,376
Printing	-	-	4,009	4,009
Professional	-	9,300	-	9,300
Travel and entertainment	7,461	-	-	7,461
Volunteer support	1,013	-	-	1,013
Totals	<u>\$ 1,536,604</u>	<u>\$ 65,398</u>	<u>\$ 30,013</u>	<u>\$ 1,632,015</u>

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

**SIERRA DELTA, INC. d/b/a
SERVICE DOGS FOR HEROES, INC.**

Statement of Cash Flows

For the Period April 21, 2017 (inception of operations) through December 31, 2017

Cash Flows from Operating Activities:	
Change in net assets	\$ 345,169
Adjustments to reconcile net assets to net cash provided (used) by operating activities	
Increase (decrease) in:	
Accounts payable	466,605
Accrued expenses	<u>5,500</u>
Net Cash Provided by Operating Activities	817,274
Cash Flows from Investing Activities:	
Purchases of fixed assets	<u>-</u>
Net Cash (Used) by Investing Activities	-
Net Increase in Cash	817,274
Cash at Beginning of Period	<u>-</u>
Cash at End of Year	<u><u>\$ 817,274</u></u>

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

**SIERRA DELTA, INC. d/b/a
SERVICE DOGS FOR HEROES, INC.**

Notes to Financial Statements

For the Period April 21, 2017 (inception of operations) through December 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations

Sierra Delta, Inc. d/b/a Service Dogs for Heroes, Inc. (the Organization) formed in 2017 in Nantucket, Massachusetts is a non-profit organization established to assist war veterans in getting paired with service dogs, trained to help individuals with mental or physical disabilities.

Name Change

With effect from January 22, 2018, the name of the Organization was changed from Service Dogs for Heroes, Inc. to Sierra Delta, Inc.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables and other liabilities.

Income Taxes

The Organization is exempt from federal income taxes under the provisions of Section 501 (c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made in these financial statements. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

Net Assets

Temporarily Restricted - The Organization reports gifts of cash, grants, and other assets as 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 the stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unrestricted - The Organization reports gifts as unrestricted unless explicit donor stipulations specify how the donated assets must be used. As permitted by professional standards, the Organization reports contributions with donor-imposed restrictions as unrestricted when the restrictions are met in the same reporting period as received.

Functional Expenses

Indirect expenses have been allocated based upon management's estimates.

Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three (3) months or less, when purchased, to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

**SIERRA DELTA, INC. d/b/a
SERVICE DOGS FOR HEROES, INC.**

Notes to Financial Statements

For the Period April 21, 2017 (inception of operations) through December 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising expense for the year ended December 31, 2017 was \$3,760.

NOTE B - CONCENTRATIONS OF CREDIT RISK:

The Organization maintains its cash balances in two financial institutions. The balances are insured by the Federal Deposit Insurance (FDIC) up to \$250,000. The Organization's bank balances over \$250,000 are insured by Depositors Insurance Fund (DIF). The Organization's uninsured cash balances totaled \$0 for the year ended December 31, 2017.

NOTE C - SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through December 20, 2018, the date the financial statements were available to be issued, and has not evaluated subsequent events after that date. There are no subsequent events to report as of December 20, 2018.

**SIERRA DELTA, INC. d/b/a
SERVICE DOGS FOR HEROES, INC.**

FINANCIAL STATEMENTS

For the Period April 21, 2017 (inception of operations) through December 31, 2017

**SIERRA DELTA, INC. d/b/a
SERVICE DOGS FOR HEROES, INC.**

Table of Contents

For the Period April 21, 2017 (inception of operations) through December 31, 2017

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
NOTES TO FINANCIAL STATEMENTS	6-7

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sierra Delta, Inc. d/b/a
Service Dogs for Heroes, Inc.

We have audited the accompanying financial statements of Sierra Delta Inc. d/b/a Service Dogs for Heroes, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the period from inception (April 21, 2017) to December 31, 2017, 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of 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 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 Sierra Delta, Inc. d/b/a Service Dogs for Heroes, Inc. as of December 31, 2017, and the changes in its net assets and its cash flows for the initial period then ended in accordance with accounting principles generally accepted in the United States of America.

Sanders, Walsh & Eaton, LLC

Osterville, Massachusetts
December 20, 2018

SIERRA DELTA, INC. d/b/a
SERVICE DOGS FOR HEROES, INC.
Statement of Financial Position
December 31, 2017

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 817,274
Total Current Assets	<u>817,274</u>
 Total Assets	 <u><u>\$ 817,274</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable	\$ 466,605
Accrued expenses	5,500
Total Current Liabilities	<u>472,105</u>
 Total Liabilities	 <u>472,105</u>
 Net Assets:	
Unrestricted	<u>345,169</u>
Total Net Assets	<u>345,169</u>
 Total Liabilities and Net Assets	 <u><u>\$ 817,274</u></u>

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

**SIERRA DELTA, INC. d/b/a
SERVICE DOGS FOR HEROES, INC.**

Statement of Activities

For the Period April 21, 2017 (inception of operations) through December 31, 2017

Revenues, Gains, and Other Support:	
Contributions - individuals	\$ 227,896
Contributions - sponsorships	<u>1,749,288</u>
Total Revenues, Gains, and Other Support	1,977,184
Operating Expenses:	
Program services	1,536,604
Administration	65,398
Fundraising	<u>30,013</u>
Total Expenses	<u>1,632,015</u>
Net Change in Unrestricted Net Assets	345,169
Net Assets, Beginning of Period	<u>-</u>
Net Assets, End of Year	<u><u>\$ 345,169</u></u>

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

**SIERRA DELTA, INC. d/b/a
SERVICE DOGS FOR HEROES, INC.
Statement of Functional Expenses**

For the Period April 21, 2017 (inception of operations) through December 31, 2017

	<u>Program</u>	<u>General and Administrative</u>	<u>Fund-Raising</u>	<u>Total</u>
Expenses:				
Awards and grants	\$ 1,525,000	\$ -	\$ -	\$ 1,525,000
Advertising	-	-	3,760	3,760
Bank fees	-	2,430	-	2,430
Contract labor	-	53,422	9,000	62,422
Events	-	-	13,244	13,244
Miscellaneous	3,130	246	-	3,376
Printing	-	-	4,009	4,009
Professional	-	9,300	-	9,300
Travel and entertainment	7,461	-	-	7,461
Volunteer support	1,013	-	-	1,013
Totals	<u>\$ 1,536,604</u>	<u>\$ 65,398</u>	<u>\$ 30,013</u>	<u>\$ 1,632,015</u>

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

**SIERRA DELTA, INC. d/b/a
SERVICE DOGS FOR HEROES, INC.**

Statement of Cash Flows

For the Period April 21, 2017 (inception of operations) through December 31, 2017

Cash Flows from Operating Activities:	
Change in net assets	\$ 345,169
Adjustments to reconcile net assets to net cash provided (used) by operating activities	
Increase (decrease) in:	
Accounts payable	466,605
Accrued expenses	<u>5,500</u>
Net Cash Provided by Operating Activities	817,274
Cash Flows from Investing Activities:	
Purchases of fixed assets	<u>-</u>
Net Cash (Used) by Investing Activities	-
Net Increase in Cash	817,274
Cash at Beginning of Period	<u>-</u>
Cash at End of Year	<u><u>\$ 817,274</u></u>

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

**SIERRA DELTA, INC. d/b/a
SERVICE DOGS FOR HEROES, INC.**

Notes to Financial Statements

For the Period April 21, 2017 (inception of operations) through December 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations

Sierra Delta, Inc. d/b/a Service Dogs for Heroes, Inc. (the Organization) formed in 2017 in Nantucket, Massachusetts is a non-profit organization established to assist war veterans in getting paired with service dogs, trained to help individuals with mental or physical disabilities.

Name Change

With effect from January 22, 2018, the name of the Organization was changed from Service Dogs for Heroes, Inc. to Sierra Delta, Inc.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables and other liabilities.

Income Taxes

The Organization is exempt from federal income taxes under the provisions of Section 501 (c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made in these financial statements. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

Net Assets

Temporarily Restricted - The Organization reports gifts of cash, grants, and other assets as 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 the stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unrestricted - The Organization reports gifts as unrestricted unless explicit donor stipulations specify how the donated assets must be used. As permitted by professional standards, the Organization reports contributions with donor-imposed restrictions as unrestricted when the restrictions are met in the same reporting period as received.

Functional Expenses

Indirect expenses have been allocated based upon management's estimates.

Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three (3) months or less, when purchased, to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

**SIERRA DELTA, INC. d/b/a
SERVICE DOGS FOR HEROES, INC.**

Notes to Financial Statements

For the Period April 21, 2017 (inception of operations) through December 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising expense for the year ended December 31, 2017 was \$3,760.

NOTE B - CONCENTRATIONS OF CREDIT RISK:

The Organization maintains its cash balances in two financial institutions. The balances are insured by the Federal Deposit Insurance (FDIC) up to \$250,000. The Organization's bank balances over \$250,000 are insured by Depositors Insurance Fund (DIF). The Organization's uninsured cash balances totaled \$0 for the year ended December 31, 2017.

NOTE C - SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through December 20, 2018, the date the financial statements were available to be issued, and has not evaluated subsequent events after that date. There are no subsequent events to report as of December 20, 2018.