

  
**Circle Tail, Inc.**  
**Annual Report 2006**

***Background***

Circle Tail, Inc. was established in February 1997 and received its advanced ruling from the IRS showing Federal 501 (c)(3) non-profit status in November 1997 (EIN: 31-1516490; DLN: 17053349711041). *Circle Tail received its final determination as a non-profit public charity on January 11, 2002.*

Circle Tail has a multi-faceted mission:

- To provide high quality assistance dogs to people with mobility, hearing, neurological, and psychiatric disabilities. These dogs are provided at no charge.
- To provide training and certification for owner trained assistance dogs at a nominal charge.
- To provide a limited admission shelter, with responsible spay/neuter practices, for unwanted dogs/puppies.
- To strengthen and promote the human-canine bond in the community by providing dog adoptions, obedience training classes, behavior management sessions and boarding services to the general public.

***Administrative***

The Circle Tail Board of Directors is currently comprised of 12 members. This is an increase of 4 members from 2005. The Board conducted 11 board meetings in 2006 with an average 73% attendance at each meeting.

Circle Tail published a newsletter 4 times this year with a readership of approximately 1300 individuals and organizations. Our website continues to provide general information about Circle Tail, receiving a Circle Tail Assistance Dog, adopting a Circle Tail shelter dog, becoming a volunteer or foster family, donating to Circle Tail, buying Circle Tail Wear or shopping on line to benefit Circle Tail. Upcoming events such as the AKC Canine Good Citizen tests and obedience classes, and current newsletters are posted. Information on assistance dog/partner teams, facility dogs, foster families, dogs available for adoption, and “happy beginnings” of our adopted shelter dogs are posted.

Over 30,000 miles were traveled in the van in 2006. The van takes Circle Tail personnel and dogs to and from the prisons, veterinarians, community events, adoption days and area shelters. With the increased gas prices, measures were taken to decrease the number of trips to the prisons and vet offices.

Our mission statement was revised this year to eliminate the statement: To provide facility dogs to retirement centers and therapy dogs to various medical practices. After evaluating the facility/therapy dog program, the board made the decision to discontinue this as a routine service after all current facility applicants received dogs.

Circle Tail is a full voting member of Assistance Dogs International (ADI) and a member of the International Association of Assistance Dog Partners (IAADP).

### ***Assistance/Facility Dog Program***

- Nine assistance dog teams (up from 4 in 2005), 3 in-home assistance dogs and 3 in-home companion dogs were partnered this year. Circle Tail held 2 team-training sessions. Individuals with disabilities from Cincinnati, Dayton, Lynchburg, Maysville, Columbus, and Cleveland Ohio and Lexington, Kentucky were partnered with assistance dogs.
- Three facility dogs were placed and began working in retirement centers in Northern Kentucky, and Yellow Springs and Wilmington Ohio.
- Five assistance dog team sponsorships were awarded this year. Two sponsorships were provided by the The Iams Company, and one each from the Angela G. DelGreco Fund of the Greater Cincinnati Foundation, the DeLong-Sweet Foundation, and the Helen Brach Foundation.
- Four Public Access Tests were completed by assistance dog teams.
- A total of 55 assistance dog teams have been partnered since Circle Tail's inception.
- The Assistance Dog Club of Circle Tail (ADC), a group that provides an opportunity for assistance dog teams and foster families to meet and discuss everyday issues faced by individuals with assistance dogs, met 11 times this past year. In addition to educational meetings, the ADC members participated in a disaster drill at the Great American Ball Park and had outings to the Bass Pro Shop, the Cincinnati Art Museum, and another very successful outing at the Greater Cincinnati/Northern Kentucky Airport in September.
- Circle Tail played a role in getting Ohio HB476 introduced and passed this year. This new law gives public access rights to trainers of assistance dogs in the state of Ohio. The law, which went into effect July 1, allows our foster families, who provide community outings for the assistance dogs in training, greater ability to socialize and train the dogs in a variety of settings. Ultimately this will allow us to provide better trained dogs to people with disabilities.

### ***Shelter Dog Program***

- 229 dogs were taken into our program in 2006.
- 253 dogs were adopted, down from 259 in 2005.
- 6 dogs were returned which reflects a 2% return rate.
- 2 dogs were euthanized for health reasons; 1 dog was euthanized for aggression towards people.
- 64% of dogs taken in came from shelters or other rescue groups; 20% were family released; 5% were strays; 3% were born at Circle Tail (all the pregnant dogs came from shelters); and 2% were breeder donated for the assistance dog program.
- As of 12/31/06 there were 86 dogs total being cared for by Circle Tail (38 shelter dog program, 48 assistance dog program).
- An adoption committee was formed to improve the efficiency and quality of the adoption process at Circle Tail. Four volunteers review the pre-adoption surveys and help find a suitable match for potential adopters and an additional volunteer assists with follow-up after the adoption.

### ***Inmate/Canine Educational Development and Training Program***

- This year the Inmate/Canine program was comprised of four Ohio Correctional Institutions including Lebanon, London, Ross, and the Ohio Reformatory for Women. However, additional programs were started at the Ross Correctional Camp and the main building of Lebanon Correctional. This increased the number of dogs cared for in correctional facilities by 7. Both assistance and shelter dogs are housed, cared for and trained at the correctional facilities. Under the direction of the Circle Tail Certified Master Dog Trainer, the handlers are taught how to appropriately train and care for the dogs. The prisons can handle up to 50 dogs and/or puppies. Over 90 primary and secondary handlers have been trained to work with the dogs.
- The Campbell County Kentucky Restricted Custody Center/Campbell County Animal Shelter dog training program was discontinued this fall due to time/resource constraints.

### ***Grants and Fundraising***

- Eight grants were received in 2006 including:
  - Angela G. DelGreco Fund of The Greater Cincinnati Foundation for training and support of an assistance dog team.
  - Build-a-Bear Fund for transportation related expenses.
  - DeLong-Sweet Foundation grant for one assistance dog team sponsorship and puppy socialization and playground equipment.
  - Helen Brach Foundation for sponsorship of one assistance dog team and equipment and supplies for our dog grooming area.
  - The Iams Company for two assistance dog team sponsorships and food for the assistance dogs in training for one year. In addition, Circle Tail received a donation of food for the shelter dog program from Iams.
  - J. Robert Nonemaker Foundation for Small Animals for equipment to upgrade our puppy housing area.
  - Kenneth A. Scott Charitable Trust for expanded recreation and exercise areas for the shelter dogs.
  - Ray Rowe Trust for Animals for assistance in upgrading our puppy facilities.
- A new grant writing committee was formed. The 5 member committee was formed in September and began researching availability of grants for which Circle Tail meets the funding criteria.
- Fundraising events for Circle Tail included a Happy Hour at McFadden's Restaurant and Saloon, an afternoon with an Animal Communicator, raffle for an Anthony Munoz autographed football, Tri-County Magical Evening of Giving and pictures with Santa Claus.

### ***Community Outreach Activities***

- Circle Tail volunteers participated in 9 local pet or health related festivals and 6 off site adoption days.

- Volunteers also presented 25 educational programs about assistance dogs to local groups, organizations, libraries and schools.
- For the third year, Circle Tail was invited to host a booth at the Deaf/Hard of Hearing Health Fair at Cincinnati State. Volunteers presented information on hearing dogs.
- Five volunteers and 6 dogs appeared on Public TV for the Epilepsy Council Christmas show at Anderson Township Community Access Television Station to discuss assistance dogs.
- Volunteers were featured twice on the Pets 1st radio show 1360 WSAI. On the first occasion, assistance dogs and assistance dog etiquette were discussed and the second show dealt with pet safety around the holidays.
- Circle Tail conducted 2 AKC Canine Good Citizen tests for Circle Tail dogs and the community.
- Cathy Snider, a volunteer, continued to provide pet therapy to the Epilepsy Day Activity Center approximately once a month this year.
- Basic, intermediate and remedial dog training classes continued to be offered to the community. In addition we provided numerous private lessons. We began remote collar training both through private lessons and participation in a class.
- Marlys Staley, Executive Director and Certified Master Dog Trainer, became a PetTech Petsaver Instructor and provided 5 Pet First Aid and Care classes this fall.

### *Volunteers*

- A network of volunteers continued to support Circle Tail's mission. Volunteer orientation was held once a month and over 20 new, dedicated volunteers joined the volunteer network in 2006. Countless other people continued to donate their time, money, and expertise throughout the year.
- We continue to have 20 foster families. Dogs and puppies were placed with the foster families to help socialize them and reinforce obedience training, paving the way towards life as an assistance dog or pampered pet.
- Three "work days" were held where local businesses sent volunteers to help with various projects including painting, cleaning, trail maintenance and kennel repair.

## Board Member Roster – December 2006

Name	Profession	Board Membership Information
Marlys Staley	CEO Circle Tail, Inc.	Executive Director Resigned as President 12/31/03.
Tracy Desch	Principle Researcher Procter & Gamble	Joined Board 2/99 Re-elected Pres 6/25/05
Mike Essig	Director Fidelity Investments	Joined Board 10/06
Nick Fanelli	Designer CEI Aerospace	Joined Board 11/06
Jerri Goehler		Joined Board 7/06
Guy Guckenberger	Judge, Ohio First District Court of Appeals	Joined 7/05
Greg Harshfield	Project Manager FACS Group, Inc.	Joined 1/06
Amy Hoh	Purchasing Director Hamilton County Board of Commissioners	Joined Board 10/06
Jennifer Kiblinger	Technical & Regulatory Affairs Manager / Product Manager DiaPharma Group, Inc.	Joined 7/00 Re-elected VP 1/10/04
Maureen May	Paramedic/ Firefighter Colerain Township	Resigned July 2005, rejoined board in August 2006
Theresa Underwood	US Regulatory Affairs Manager Procter & Gamble	Joined 7/05
Lena B. Sandlin	Administrative Assistant Richard <b>Consulting</b> Corporation PR & Lobbying Consultation	Joined 3/05
Catherine Snider (Cathy)		Joined 6/05

## 2006 Financial Statements (UNAUDITED, NOT REVIEWED)

**CIRCLE TAIL, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(UNAUDITED)**

**CHANGES IN UNRESTRICTED NET ASSETS**

<b>Unrestricted Support and Revenue</b>	
Kennel Fees	\$ 19,936
Training Fees	18,447
Adoption Fees	34,065
Grants - Cash	50,500
Grants - In-kind	887
Gifts-In-Kind	37,957
Contributions - Cash	51,264
Special Events Fundraising	3,270
Gift Shop Sales	8,009
Grooming and Microchip Services	1,035
Assistance Dog Application Fees	320
Reimbursements	5,334
Interest & Dividends	4,757
Other Revenue & Capital Gains	1,564
<b>Total Unrestricted Support and Revenue</b>	<b>237,345</b>
<b>Expenses</b>	
Program	168,987
Management and general	12,253
Fundraising	2,291
<b>Total Expenses</b>	<b>183,531</b>
<b>Net Increase in Unrestricted Net Assets</b>	<b>53,814</b>
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b>	
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<b>Net Increase in Temporarily Restricted Net Assets</b>	---
<b>CHANGES IN PERMANENTLY RESTRICTED NET ASSETS</b>	
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<b>INCREASE IN NET ASSETS</b>	<b>53,814</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>169,523</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 223,337</b>

**CIRCLE TAIL, INC.  
STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2006  
(UNAUDITED)**

	<u>Program</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	<u>TOTAL</u>
Salaries: Executive Director	34,128	2,465	1,327	37,920
Kennel help	21,966			21,966
Payroll taxes	4,557	200	108	4,864
Employee health insurance benefit	1,106	80	43	1,229
Kennel medicine	5,130			5,130
Kennel supplies	6,434			6,434
Grants in-kind: dog food	887			887
medicine	--			--
Gifts in-kind	37,957			37,957
Consulting fees - dog trainer	5,500			5,500
Training books and videos	2,201			2,201
Training equipment	3,356			3,356
Microchip service	439			439
Vehicle: gas	3,660			3,660
maintenance	1,213			1,213
insurance	1,223			1,223
Veterinary expense	11,345			11,345
Telephone	2,782	28		2,810
Postage		286	813	1,099
Rent	7,128	72		7,200
Utilities	4,109	42		4,151
Maintenance	1,274			1,274
Insurance: property & liability	1,348			1,348
Workers Comp	1,323			1,323
Office expense	632			632
License and registration	225	150		375
Travel & meals	501			501
Professional dues & memberships	1,089			1,089
Conferences and seminars	1,812			1,812
Accountant fees				--
Cost of gift shop inventory sold		7,661		7,661
Sales tax		795		795
Advertising	604			604
Depreciation	3,430			3,430
Miscellaneous	1,628	475		2,103
<b>TOTAL</b>	<b>168,987</b>	<b>12,253</b>	<b>2,291</b>	<b>183,531</b>
<b>Percentage of Total Expense</b>	<b>92.08%</b>	<b>6.68%</b>	<b>1.24%</b>	

**CIRCLE TAIL, INC.  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2006**

**(UNAUDITED)**

**ASSETS**

**Current Assets**

Cash	10,060
Cash-Equivalent Investments	205,690

**Total Current Assets** 215,750

**Non-Current Assets**

Equipment	3,680
Leasehold Improvements	49,633
Vehicles	10,628
Less Accumulated Depreciation	(51,030)

**Total Non-Current Assets** 12,911

**TOTAL ASSETS** 228,661

**LIABILITIES AND NET ASSETS**

**Liabilities**

-

**Net Assets**

Unrestricted	228,661
Temporarily Restricted	
Permanently Restricted	-

**Total Liabilities and Net Assets**  
228,661

**CIRCLE TAIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**FOR THE YEAR ENDING DECEMBER 31, 2006**

**Note 1: Nature of Organization and Significant Accounting Policies**

**Nature of Activities.** Circle Tail, Inc. is a not-for-profit organization incorporated in Ohio in 1997. It is exempt from taxation under Internal Revenue Code Section 501(c)(3). The mission of Circle Tail, Inc. is to provide high quality assistance dogs to people with mobility, hearing, neurological or psychiatric disabilities and promote the human-canine bond in the community by providing dog adoptions, obedience training, behavior management and boarding services.

**Basis of Accounting.** The accompanying financial statements have been prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principals. Under this basis, revenues are recognized when received rather than when earned, and expenditures are recognized when paid rather than when incurred. Consequently, Circle Tail, Inc. has not recognized pledges receivable from donors, accounts payable to vendors and their related effects on the change in net assets in the accompanying financial statements. In addition, depreciation of fixed assets is reported on the financial statements.

**Basis of Presentation.** Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-For-Profit Organizations*. Following SFAS 117, Circle Tail, Inc. has reported information regarding its financial position and activities according to three classes of net assets:

**Permanently Restricted Net Assets** – include the historical dollar amount of gifts (including unconditional promises to give), trusts and remainder interests and investment earnings required by donors to be permanently retained.

**Temporarily Restricted Net Assets** – include gifts, unconditional promises to give, trusts and remainder interests, income and gains which can be expended but for which restrictions have not yet been met. Such restrictions include restrictions where the donors have specified the purpose for which the net assets are to be spent, or time limitations imposed by donors or implied by the nature of the gift (capital projects, unconditional promises to give to be paid in the future, life income funds) or interpretations of law.

**Unrestricted Net Assets** – are those currently available for the organization's use under the direction of the Board, those designated by the Board for specific use and those resources invested in property and equipment.

As of December 31, 2006, Circle Tail, Inc. holds no permanently or temporarily restricted net assets.

**Cash and Cash-Equivalent Investments.** Cash and cash-equivalent investments consist of funds in checking accounts, certificates of deposit, money market accounts and equity securities. At year-end Circle Tail's cash balances were deposited in a high-quality, federally-insured financial institution. Management believes Circle Tail, Inc. is not exposed to any significant credit risk on cash and cash-equivalent investments.

**Property and Equipment.** Property and equipment are stated at cost. Contributed property and equipment are recorded at fair market value at the date of donation. If the donor stipulates how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

**Depreciation.** Depreciation has been provided for assets using the straight line method over the estimated useful lives of the assets as follows:

Equipment and vehicles – 5 years  
Leasehold (kennel) improvements – 7 years

**Income Taxes.** Circle Tail, Inc. is exempt from Federal and State income taxes under Internal Revenue Code Section 501(c) (3). Accordingly, no provision has been made for income taxes on the financial statements.

**Use of Estimates.** The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Note 2: Leases and Encumbrances**

Circle Tail, Inc. currently has a lease on training facilities owned by the Executive Director, including permission to place temporary kennels and storage structures on adjacent property. The lease is payable in payments of \$600 per month.