

**GUARDIAN ANGELS
MEDICAL SERVICE DOGS, INC.**

FINANCIAL STATEMENTS

April 30, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Guardian Angels Medical Service Dogs, Inc.
Williston, Florida

We have audited the accompanying financial statements of Guardian Angels Medical Service Dogs, Inc., which comprise the statements of financial position as of April 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from 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, 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.

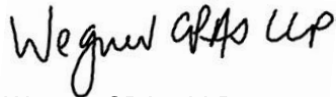
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Guardian Angels Medical Service Dogs, Inc. as of April 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Guidance

As discussed in Note 1 to the financial statements, Guardian Angels Medical Service Dogs, Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and all subsequently issued clarifying ASUs and ASU No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, as of May 1, 2019. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink that reads "Wegner CPAs LLP". The signature is written in a cursive, slightly slanted style.

Wegner CPAs, LLP
Madison, Wisconsin
July 17, 2020

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
STATEMENTS OF FINANCIAL POSITION
April 30, 2020 and 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash	\$ 941,544	\$ 116,456
Accounts receivable	381	15,010
Promises to give	549,000	300,000
Total current assets	1,490,925	431,466
PROPERTY AND EQUIPMENT - NET	2,188,576	2,210,475
OTHER ASSETS		
Beneficial interest in assets held by CFOMC	35,621	53,388
Total assets	\$ 3,715,122	\$ 2,695,329
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 97,244	\$ 39,940
Accrued payroll	46,177	43,452
Other liabilities	2,006	21,000
Deferred revenue	75,000	-
Current portion of long-term debt		
Mortgages payable	88,195	115,520
Total current liabilities	308,622	219,912
LONG-TERM LIABILITIES		
Long-term debt - net of current portion		
Mortgages payable	941,414	1,018,308
Economic assistance loans	746,000	-
Total long-term liabilities	1,687,414	1,018,308
Total liabilities	1,996,036	1,238,220
NET ASSETS		
Without donor restrictions		
Undesignated	1,134,465	1,103,721
Board designated	35,621	53,388
Total net assets without donor restrictions	1,170,086	1,157,109
With donor restrictions	549,000	300,000
Total net assets	1,719,086	1,457,109
Total liabilities and net assets	\$ 3,715,122	\$ 2,695,329

See accompanying notes.

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
STATEMENTS OF ACTIVITIES
Years Ended April 30, 2020 and 2019

	2020	2019
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Contributions	\$ 2,008,812	\$ 1,506,946
Contract income	125,000	-
Program services	20,495	20,744
In-kind donations	13,636	1,915,261
Change in value of beneficial interest in assets held by CFOMC	(1,480)	9,914
Other income	3,163	8,146
Total revenues without donor restrictions	2,169,626	3,461,011
EXPENSES		
Training service dogs	1,570,887	3,072,428
Management and general	237,877	207,977
Fundraising	347,885	244,487
Total expenses	2,156,649	3,524,892
Change in net assets without donor restrictions	12,977	(63,881)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	249,000	300,000
Change in net assets	261,977	236,119
Net assets at beginning of year	1,457,109	1,220,990
Net assets at end of year	\$ 1,719,086	\$ 1,457,109

See accompanying notes.

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended April 30, 2020

	Training Service Dogs	Management and General	Fundraising	Total
Salaries	\$ 891,033	\$ 121,758	\$ 176,888	\$ 1,189,679
Payroll taxes	68,916	9,268	13,890	92,074
Benefits	42,270	5,644	4,004	51,918
Professional fees	65,018	65,741	56,621	187,380
Direct mail activities	98,013	-	58,644	156,657
Dog food and supplies	116,446	-	-	116,446
Travel	94,333	-	-	94,333
Office expense	30,723	13,797	14,191	58,711
Interest expense	46,562	4,839	4,839	56,240
Veterinarian care	44,177	-	-	44,177
Depreciation	14,664	13,073	-	27,737
Advertising and promotion	12,007	-	12,111	24,118
Facilities and maintenance	14,334	820	820	15,974
Insurance	12,964	984	1,438	15,386
Information technology	7,653	1,042	1,523	10,218
Utilities	6,689	911	1,331	8,931
Supplies	4,662	-	200	4,862
Rent	-	-	1,385	1,385
Store supplies	423	-	-	423
Total expenses	\$ 1,570,887	\$ 237,877	\$ 347,885	\$ 2,156,649

See accompanying notes.

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended April 30, 2019

	Training Service Dogs	Management and General	Fundraising	Total
Salaries	\$ 943,427	\$ 122,587	\$ 128,081	\$ 1,194,095
Payroll taxes	72,971	9,371	10,045	92,387
Benefits	42,683	7,474	3,277	53,434
Professional fees	30,492	47,860	6,194	84,546
Direct mail activities	-	-	48,395	48,395
Dog food and supplies	135,524	-	-	135,524
Travel	145,636	-	-	145,636
Office expense	27,415	11,758	22,041	61,214
Interest expense	36,611	2,037	4,074	42,722
Veterinarian care	56,513	-	-	56,513
Depreciation	22,621	1,331	2,661	26,613
Advertising and promotion	1,496,876	500	14,000	1,511,376
Facilities and maintenance	25,919	326	201	26,446
Insurance	17,292	864	897	19,053
Information technology	7,052	2,876	955	10,883
Utilities	6,461	842	875	8,178
Supplies	2,663	151	349	3,163
Rent	-	-	539	539
Store supplies	2,272	-	-	2,272
Food and beverage	-	-	1,903	1,903
Total expenses	<u>\$ 3,072,428</u>	<u>\$ 207,977</u>	<u>\$ 244,487</u>	<u>\$ 3,524,892</u>

See accompanying notes.

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
STATEMENTS OF CASH FLOWS
Years Ended April 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 261,977	\$ 236,119
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	27,737	26,613
Change in value of beneficial interest in assets held by CFOMC	1,480	(9,914)
Donated land	-	(406,800)
Donated stock	(23,713)	(35,665)
(Increase) decrease in assets		
Accounts receivable	14,629	16,993
Promises to give	(249,000)	(300,000)
Increase (decrease) in liabilities		
Accounts payable	57,304	30,652
Accrued payroll	2,725	12,101
Other liabilities	(18,994)	-
Deferred revenue	75,000	-
Net cash from operating activities	149,145	(429,901)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(5,838)	(783,579)
Distributions from beneficial interest in assets held by CFOMC	40,000	500,000
Net cash from investing activities	34,162	(283,579)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	746,000	450,240
Principal payments on long-term debt	(104,219)	(49,421)
Net cash from financing activities	641,781	400,819
Net change in cash	825,088	(312,661)
Cash at beginning of year	116,456	429,117
Cash at end of year	<u>\$ 941,544</u>	<u>\$ 116,456</u>
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	\$ 56,240	\$ 42,722
NON-CASH INVESTING AND FINANCING TRANSACTIONS		
Donated land	\$ -	\$ 406,800
Donated stock	\$ 23,713	\$ 35,665

See accompanying notes.

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Guardian Angels Medical Service Dogs, Inc. (GAMSD) was established in 2010 for the charitable purpose of: rescuing, raising, and training the highest caliber medical service/assistance dogs, pairing highly trained dogs with individuals afflicted by disabilities, including a focus on veterans with combat wounds, building/restoring independence and improving quality of life, for both the recipient and the dog, while minimizing reliance on government, communities, caregivers, and families, advancing successful service dog training practices by promoting appropriate trainer education and contributing to related research studies, and pursuing increased public awareness and education regarding current disability laws and contributing to new/enhanced laws regarding service dogs. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Accounts Receivable

GAMSD considers accounts receivable to be fully collectible. Accordingly, no allowance has been established. If accounts become uncollectible, they will be charged to operations when that determination is made.

Promises to Give

Unconditional promises to give are recognized as support or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Uncollectible promises are written off after management has used reasonable collection efforts and determines the promises will not be collected. All promises to give are receivable in less than one year.

Property and Equipment

Acquisitions of property and equipment in excess of \$2,500 are capitalized. Purchases of property and equipment are recorded at cost. Donations of property equipment are recorded as support at their estimated fair value on the date of donation. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions.

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Revenue

Deferred revenue is recorded as contract payments are received and recognized as revenue as the contract services are performed.

Contract Income

Contract income consists of amounts paid by a client for running a service dog trainer apprentice program. Revenue is recognized when obligations under the terms of the contract are satisfied over time. Revenue is measured as the amount of consideration expected to be received in exchange for providing services according to contract terms.

Donated Services

Donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their estimated fair values in the period received.

Many individuals volunteer their time and perform a variety of tasks including exercise and socialization of service dogs and assistance in the office, GAMSD events, and other activities. GAMSD receives more than 51,830 volunteer hours annually that are not recorded in the statements of activities because they do not meet the criteria for recognition.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses except professional fees, direct mail activities, dog food and supplies, travel, veterinary care, depreciation, advertising and promotion, supplies, and rent are allocated on the basis of time and effort.

The following program services and supporting activities are included in the accompanying financial statements:

Training Service Dogs – Rescues, raises, trains and donates highly skilled service dogs that are trained to mitigate the needs of individual veterans and others struggling with disabilities. Educates public and donors regarding service dogs and laws regarding service animals.

Management and general – The expenses necessary to manage the financial reporting and budgetary responsibilities of the Organization as well as manage employees.

Fundraising – Includes staff time, consultants, and related expenses to communicate with prospective funding sources.

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising Costs

Advertising costs are expensed as incurred. Advertising expenses for the years ended April 30, 2020 and 2019 were \$24,118 and \$1,511,376.

Adoption of New Accounting Guidance

On May 28, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The ASU and all subsequently issued clarifying ASUs supersedes the revenue recognition requirements and most industry-specific guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new guidance also includes a cohesive set of disclosure requirements that will provide users of the financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Organization adopted the requirements of the new guidance as of May 1, 2019, using the modified retrospective method of transition. In applying the new guidance, the Organization elected to use the practical expedient that allows the guidance to be applied only to contracts that were not complete as of May 1, 2019.

The majority of the Organization's revenue is recognized over time based on the transfer of control. Revenue recognized over time primarily consists of performance obligations that are satisfied within one year or less. In addition, the majority of the Organization's contracts do not contain variable consideration and contract modifications are generally minimal.

The adoption of the new guidance did not have a significant impact on the Organization's financial statements. The majority of the Organization's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services. Based on the Organization's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new guidance.

Also, on June 21, 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU provides a more robust framework for evaluating whether transactions such as grants and similar contracts with government agencies and others should be accounted for as exchange transactions (that is, revenue from contracts with customers) or contributions. The ASU also assists entities in determining whether a contribution is conditional. The Organization adopted the requirements of the ASU as of May 1, 2019. The changes in the ASU have been applied on a modified prospective basis, that is, the changes have been applied to agreements that are either not completed as of May 1, 2019, or entered into after that date.

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Income Tax Status

GAMSD is an exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, GAMSD qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Date of Management’s Review

Management has evaluated subsequent events through July 17, 2020, the date which the financial statements were available to be issued.

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

GAMSD maintains cash balances at several financial institutions located in Florida and Pennsylvania. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At April 30, 2020 and 2019, GAMSD’s uninsured cash balances total approximately \$711,000 and \$150,000.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment at April 30, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 1,611,170	\$ 1,611,170
Buildings	548,956	548,956
Vehicles and equipment	103,621	97,784
Leasehold improvements	16,161	16,161
Accumulated depreciation	<u>(91,332)</u>	<u>(63,596)</u>
Property and equipment - net	<u>\$ 2,188,576</u>	<u>\$ 2,210,475</u>

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2020 and 2019

NOTE 4 – AGENCY ENDOWMENT

GAMSD established a designated agency endowment fund at The Community Foundation for Ocala Marion County, Inc. (CFOMC). GAMSD recognizes the fair value of contributions as support when received and recognizes transfers to the agency endowment as decreases in cash and increases an asset called beneficial interest in assets held by CFOMC when the funds are transferred to CFOMC. The fund grows through additional contributions and investment income.

CFOMC acknowledges that by virtue of the governing instrument of CFOMC, CFOMC has the authority to modify any restriction or condition on the distribution of assets from the fund if, in the reasonable judgment of CFOMC, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served by CFOMC. CFOMC maintains legal ownership of the fund.

At April 30, 2020 and 2019, GAMSD has designated \$35,621 and \$53,388 of net assets without donor restrictions for the agency fund. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions. Composition of and changes in board designated net assets as of the years ended April 30, 2020 and 2019 are as follows:

	2020	2019
Beneficial interest in assets held by CFOMC at beginning of year	\$ 53,388	\$ 507,809
Contributions	23,713	35,665
Distributions	(40,000)	(500,000)
Change in value of beneficial interest	(1,480)	9,914
 Beneficial interest in assets held by CFOMC at end of year	 \$ 35,621	 \$ 53,388

NOTE 5 – FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis as of April 30, 2020 and 2019 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in net assets held by CFOMC - 2020	\$ 35,621	\$ -	\$ -	\$ 35,621
Beneficial interest in net assets held by CFOMC - 2019	\$ 53,388	\$ -	\$ -	\$ 53,388

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2020 and 2019

NOTE 5 – FAIR VALUE MEASUREMENTS (continued)

GAMSD’s beneficial interest in assets held by CFOMC represents an agreement between GAMSD and CFOMC in which GAMSD transfers assets to CFOMC in exchange for future distributions. The beneficial interest is not actively traded and significant other observable inputs are not available. Thus, the fair value of the beneficial interest is measured at the proportion share of the underlying assets as reported to GAMSD by CFMOC. Little information about those assets is released publicly. The estimated value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

The following table presents additional information about assets measured at fair value on a recurring basis using significant unobservable inputs related to the beneficial interest in assets held by CFOMC for the years ended April 30:

	2020	2019
Beginning balance	\$ 53,388	\$ 507,809
Contributions	23,713	35,665
Distributions	(40,000)	(500,000)
Change in value of beneficial interest	(1,480)	9,914
Ending balance	\$ 35,621	\$ 53,388

NOTE 6 – ECONOMIC ASSISTANCE LOANS

On April 20, 2020, GAMSD received a \$246,000 loan under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security Act and administered by the U.S. Small Business Administration. The loan accrues interest at 1% but payments are deferred until a determination of the amount of forgiveness is made. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by GAMSD during the covered period. Eligible expenses include payroll costs, interest on mortgages, rent, and utilities. Any unforgiven portion is payable over two years.

On April 17, 2020, GAMSD received a \$500,000 loan under the Economic Injury Disaster Loan Program (EIDL) to use as working capital to alleviate economic injury caused by disaster resulting from the COVID-19 coronavirus pandemic. The note has a term of 30 years and bears interest at 2.75%. The note requires monthly payments of principal and interest of \$2,136 beginning in May 2021. The note is secured by collateral of all tangible and intangible personal property that GAMSD now owns or shall acquire or create.

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2020 and 2019

NOTE 7 – MORTGAGES PAYABLE

Mortgages payable at April 30, 2020 and 2019 consisted of the following:

	2020	2019
Note payable to PNC Bank that requires monthly payments of principle and interest of \$3,909 and bears interest at 5.37%. The note matures September 28, 2022 and requires all remaining principal and interest due at maturity. The note is secured by property.	\$ 418,472	\$ 439,385
Note payable to PNC Bank that requires monthly payments of principle and interest of \$2,387 and bears interest at 5.02%. The note matures December 28, 2022 and requires all remaining principal and interest due at maturity. The note is secured by property.	264,410	277,667
Note payable to PNC Bank that requires monthly payments of principle and interest of \$8,298 and bears interest at 5.92%. The note matures May 28, 2024 and is secured by property.	346,727	416,776
Mortgages payable	1,029,609	1,133,828
Less current portion of mortgages payable	(88,195)	(115,520)
Mortgages payable - net of current portion	\$ 941,414	\$ 1,018,308

Future minimum payments for the years ending April 30 are as follows:

2021	\$ 88,195
2022	127,180
2023	704,920
2024	95,673
2025	13,641
Future minimum payments	\$ 1,029,609

Interest expense for the years ending April 30, 2020 and 2019 was \$56,240 and \$42,722.

NOTE 8 – JOINT COSTS

For the year ending April 30, 2020, GAMSD conducted direct mail activities that include programmatic information with a request for contributions. The costs of direct mailing were \$98,013 for training service dogs and \$58,644 for fundraising. For the year ending April 30, 2019, GAMSD did not have any joint costs.

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2020 and 2019

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at April 30, 2020 and 2019 consisted of the following:

	2020	2019
Recipient housing at Pittsburg campus	\$ 300,000	\$ 300,000
Water main at Pittsburg campus	249,000	-
Net assets with donor restrictions	\$ 549,000	\$ 300,000

NOTE 10 – RETIREMENT PLAN

GAMSD sponsors a defined contribution 401(k) plan covering all employees who meet the eligibility requirements. Employer contributions to the plan were \$11,283 and \$8,656 for the years ended April 30, 2020 and 2019.

NOTE 11 – LIQUIDITY AND AVAILABILITY

The following reflects GAMSD's financial assets as of April 30, 2020 and 2019, reduced by amounts not available for general use within one year of the dates of the statement of financial position because of contractual or donor-imposed restrictions. General expenditures are defined as all budgeted programmatic and operational expenses for the years ending 2021 and 2020.

	2020	2019
Financial assets at end of year	\$ 1,526,546	\$ 484,854
Less those unavailable for general expenditures within one year due to:		
Donor imposed restrictions		
Restricted by donor	(549,000)	(300,000)
Board designations		
Amounts set aside for reserves	(35,621)	(53,388)
Financial assets available to meet cash needs for general expenditures within one year	\$ 941,925	\$ 131,466

GAMSD is substantially supported by grants and contributions, including donor-restricted contributions. Because a donor's restriction requires resources to be used in a particular purpose or in a future period, GAMSD must maintain sufficient resources to meet those responsibilities to its donors. As part of GAMSD's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2020 and 2019

NOTE 12 – DONATED SERVICES

The fair value of donated services included in contributions in the financial statements and the corresponding expenses for the year ended April 30, 2019 are as follows:

	2019		
	Program Services	Management and General	Fundraising
Legal services	\$ -	\$ 10,000	\$ -
Advertising	1,491,790	-	911
Donated services	<u>\$ 1,491,790</u>	<u>\$ 10,000</u>	<u>\$ 911</u>

There were no donated services for the year ended April 30, 2020.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 17, 2020, the date which the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen that could impact operating results. The related financial impact and duration cannot be reasonably estimated at this time.