

2024

Guardian Angels Medical Service Dogs, Inc.

Financial Statements and
Independent Auditor's Report

April 30, 2024 and 2023

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT**

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

APRIL 30, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Guardian Angels Medical Service Dogs, Inc. (GAMSD), which comprise the statement of financial position as of April 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the fiscal year 2024 financial statements referred to above present fairly, in all material respects, the financial position of GAMSD as of April 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GAMSD and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of GAMSD as of April 30, 2023, were audited by other auditors whose report dated October 12, 2023, expressed an unmodified opinion on those statements.

Emphasis of Matter

As part of the audit of the fiscal year 2024 financial statements, we also audited the adjustments described in Note 13 that were applied to restate the fiscal year 2023 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the fiscal year 2023 financial statements of GAMSD other than with respect to the adjustments, and, accordingly, we do not express an opinion or any other form of assurance on the fiscal year 2023 financial statements as a whole.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

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

INDEPENDENT AUDITOR'S REPORT

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GAMSD's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 GAMSD's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about GAMSD's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



September 25, 2024
Gainesville, Florida

FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION
GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
APRIL 30, 2024 AND 2023

ASSETS		
	2024	As Restated 2023
Current Assets		
Cash	\$ 356,879	\$ 814,687
Grants Receivable	62,900	113,040
Unconditional Promises to Give	129,436	280,625
Prepaid Expenses	8,083	10,334
Total Current Assets	557,298	1,218,686
Property and Equipment, Net	2,671,734	2,313,165
Other Assets		
Beneficial Interest in Assets Held by CFOMC	31,778	26,675
Total Assets	3,260,810	3,558,526
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	101,045	242,045
Accrued Payroll	24,016	85,108
Accrued Interest on Economic Injury Disaster Loan Program Loan	90,554	56,748
Deferred Revenues	100,000	-
Current Portion of Long-Term Debt:		
Mortgages Payable	60,722	168,292
Economic Injury Disaster Loan Program Loan	12,057	11,367
Total Current Liabilities	388,394	563,560
Long-Term Liabilities		
Long-Term Debt, Net of Current Portion:		
Mortgages Payable	451,592	512,314
Economic Injury Disaster Loan Program Loan	1,987,943	1,988,633
Other Long-Term Liabilities	22,327	-
Total Long-Term Liabilities	2,461,862	2,500,947
Total Liabilities	2,850,256	3,064,507
Net Assets		
Without Donor Restrictions:		
Undesignated	21,757	218,663
Board Designated	31,778	26,675
Total Without Donor Restrictions	53,535	245,338
With Donor Restrictions	357,019	248,681
Total Net Assets	410,554	494,019
Total Liabilities and Net Assets	\$ 3,260,810	\$ 3,558,526

See accompanying notes.

STATEMENTS OF ACTIVITIES
GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
FOR THE YEARS ENDED APRIL 30, 2024 AND 2023

	2024	As Restated 2023
Changes in Net Assets Without Donor Restrictions		
Revenues and Gains		
Contributions	\$ 2,538,491	\$ 2,932,366
Government Grants	1,230,768	393,665
In-Kind Materials	111,131	103,984
Medical Savings Plan	66,447	72,318
Program Services	16,887	24,582
Change in Value of Beneficial Interest in Assets Held by CFOMC	2,727	503
Other Income	5,723	8,545
Total Revenues and Gain Without Donor Restrictions	3,972,174	3,535,963
Expenses		
Training Service Dogs	2,936,565	3,092,717
Management and General	347,557	458,458
Fundraising	879,855	779,622
Total Expenses	4,163,977	4,330,797
Net Assets Released from Restrictions		
Satisfaction of Program or Expiration of Time Restrictions	-	50,000
Changes in Net Assets Without Donor Restrictions	(191,803)	(744,834)
Changes in Net Assets With Donor Restrictions		
Contributions	108,338	25,000
Net Assets Released from Restrictions	-	(50,000)
Change in Net Assets with Donor Restrictions	108,338	(25,000)
Change in Net Assets	(83,465)	(769,834)
Net Assets, Beginning of Year	494,019	1,263,853
Net Assets, End of Year	\$ 410,554	\$ 494,019

See accompanying notes.

STATEMENTS OF FUNCTIONAL EXPENSES
GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
FOR THE YEARS ENDED APRIL 30, 2024 AND 2023

	2024			
	Training Service Dogs	Management and General	Fundraising	Total Expenses
Personnel	\$ 1,610,866	\$ 267,914	\$ 340,297	\$ 2,219,077
Direct Mail Activities	505,877	15,368	118,559	639,804
Professional Fees	296,826	7,975	62,035	366,836
Advertising and Promotion	39,483	39	195,479	235,001
Interest Expense	102,172	7,994	9,974	120,140
Veterinary Equipment, Medications, and Lab Services	90,293	-	-	90,293
Dog Food and Supplies	75,904	-	-	75,904
Travel/Lodging	76,902	-	33,011	109,913
Office Expense	34,852	28,808	36,699	100,359
Conferences and Meetings	634	3	80,478	81,115
Occupancy	32,749	477	595	33,821
Depreciation and Amortization	18,915	16,808	21	35,744
Promotional Items	332	-	-	332
Insurance Program	29,271	723	901	30,895
Information Technology	21,489	1,448	1,806	24,743
Total Expenses	\$ 2,936,565	\$ 347,557	\$ 879,855	\$ 4,163,977

	2023 (As Restated)			
	Training Service Dogs	Management and General	Fundraising	Total Expenses
Personnel	\$ 1,520,515	\$ 275,768	\$ 377,696	\$ 2,173,979
Direct Mail Activities	631,920	9,940	79,203	721,063
Professional Fees	292,392	89,630	36,307	418,329
Advertising and Promotion	67,754	3,313	131,065	202,132
Interest Expense	110,616	5,498	1,610	117,724
Veterinary Equipment, Medications, and Lab Services	113,693	-	-	113,693
Dog Food and Supplies	108,447	-	-	108,447
Travel/Lodging	66,206	-	36,662	102,868
Office Expense	53,479	21,587	20,018	95,084
Conferences and Meetings	948	518	92,677	94,143
Occupancy	47,582	796	1,150	49,528
Depreciation and Amortization	17,608	14,666	-	32,274
Promotional Items	27,599	-	-	27,599
Insurance Program	16,360	9,503	-	25,863
Uncollectible Promises to Give	-	25,000	-	25,000
Information Technology	17,598	2,239	3,234	23,071
Total Expenses	\$ 3,092,717	\$ 458,458	\$ 779,622	\$ 4,330,797

See accompanying notes.

STATEMENTS OF CASH FLOWS
GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
FOR THE YEARS ENDED APRIL 30, 2024 AND 2023

	2024	As Restated 2023
Cash Flows from Operating Activities		
Change in Net Assets	\$ (83,465)	\$ (769,834)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation and Amortization	35,744	32,274
Write Off of Uncollectible Promises to Give	-	25,000
Change in Value of Beneficial Interest in Assets Held by CFOMC	(5,103)	(503)
Donated Stock	-	(2,835)
(Increase) Decrease in Assets:		
Grants Receivable	50,140	(113,040)
Unconditional Promises to Give	151,189	(255,625)
Prepaid Expenses	2,251	20,458
Increase (Decrease) in Liabilities:		
Accounts Payable	(141,000)	159,113
Accrued Payroll	(61,092)	17,851
Accrued Interest on Economic Injury Disaster Loan Program Loan	33,806	56,748
Deferred Revenues	100,000	-
Other Liabilities	22,327	-
Net Cash Provided by (Used in) Operating Activities	104,797	(830,393)
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(394,313)	(148,990)
Distributions from Beneficial Interest in Assets Held by CFOMC	-	45,000
Net Cash Provided by (Used in) Investing Activities	(394,313)	(103,990)
Cash Flows from Capital Financing Activities		
Principal Payments on Long-Term Debt	(168,292)	(145,845)
Net Cash Provided by (Used in) Capital Financing Activities	(168,292)	(145,845)
Net Increase (Decrease) in Cash	(457,808)	(1,080,228)
Cash, Beginning of Year	814,687	1,894,915
Cash, End of Year	\$ 356,879	\$ 814,687
<u>Supplemental Disclosures</u>		
Cash Paid for Interest	\$ 86,334	\$ 60,976
<u>Non-Cash Investing and Financing Transactions</u>		
Donated Stock	\$ -	\$ 2,835

See accompanying notes.

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
NOTES TO THE FINANCIAL STATEMENTS

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. GAMSD pairs highly trained dogs with individuals afflicted by disabilities, including a focus on veterans with combat wounds. GAMSD builds, restores, and improves lives for both the recipient and the dog, while minimizing reliance on government, communities, caregivers, and families. GAMSD advances successful service dog training practices by promoting appropriate trainer education and contributes to related research studies. GAMSD pursues increased public awareness and education regarding current disability laws and contributes to new/enhanced laws regarding service dogs. GAMSD's primary source of revenue is from contributions.

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. Promises that remain uncollected for more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Property and Equipment

Acquisitions of equipment in excess of \$2,500 are capitalized. Equipment is carried at cost or if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Beneficial Interest in Assets Held by The Community Foundation of Ocala Marion County, Inc. (CFOMC)

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. The fair value of the beneficial interest is based on the fair value of the underlying assets as reported to GAMSD by CFOMC. Little information about those assets is released publicly. The estimated fair value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

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 statements of activities as net assets released from donor restrictions.

Revenue Recognition

Medical savings plan revenue consists of amounts paid by recipients for veterinary care for working GAMSD service dogs. Recipients voluntarily enroll in the plan and pay a monthly fee. GAMSD pays for all pre-approved veterinary expenses after an annual payout. Revenue is recognized when fees are received.

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
NOTES TO THE FINANCIAL STATEMENTS

Program services revenue consists of application and training fees. Revenue is recognized when the adoption or training takes place.

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. Personnel, office expense, occupancy, insurance, and information technology are allocated on the basis of estimates 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 the public and donors regarding service dogs and laws regarding service animals.

Management and General – Ensures proper administrative functioning of GAMSD, manages financial reporting and budgetary responsibilities, and performs other administrative functions.

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

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense for the years ended April 30, 2024 and 2023, were \$235,001 and \$202,132, respectively.

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 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 September 25, 2024, the date which the financial statements were available to be issued.

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
NOTES TO THE FINANCIAL STATEMENTS

Note 2 - Property and Equipment

Property and equipment consists of the following:

	2024	As Restated 2023
Land	\$ 1,611,170	\$ 1,611,170
Buildings	548,956	548,956
Vehicles and Equipment	195,302	232,503
Building and Land Improvements	153,121	52,421
Loan and Origination Fees	7,811	7,811
Construction in Progress	370,814	40,000
Accumulated Amortization	(781)	(521)
Accumulated Depreciation	(214,659)	(179,175)
Property and Equipment, Net	<u>\$ 2,671,734</u>	<u>\$ 2,313,165</u>

Note 3 - Endowment

At April 30, 2024 and 2023, GAMSD's board of directors has designated \$31,778 and \$26,675, respectively, of net assets without donor restrictions as a general endowment fund to support the mission of GAMSD. Since those amounts resulted from an internal designation and are not donor-restricted, they are classified and reported as net assets without donor restrictions.

GAMSD established a fund at CFOMC to invest its endowment assets. 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.

CFOMC's primary investment goal is to deliver long-term investment returns sufficient to cover both spending and inflation to preserve the purchasing power of the investment portfolio. CFOMC seeks to achieve this goal through cost-effective implementation at an appropriate level of risk, diversification of asset classes and strategies to provide consistent returns, capital preservation in down market cycles to provide stability in spending support, and long-term capital appreciation through the incorporation of risk-based assets, including non-marketable, illiquid alternatives.

	2024	2023
Board-Designated Endowment Net Assets, at Beginning of Year	\$ 26,675	\$ 68,337
Contributions	2,376	2,835
Distributions	-	(45,000)
Change in Value of Beneficial Interest	2,727	503
Board-Designated Endowment Net Assets, at End of Year	<u>\$ 31,778</u>	<u>\$ 26,675</u>

GAMSD's board of directors has chosen to place limitations on net assets without donor restrictions for its board-designated endowment to be used for operating reserves.

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
NOTES TO THE FINANCIAL STATEMENTS

Note 4 - Net Assets

Net assets with donor restrictions are restricted for the following purposes or periods:

	2024	As Restated 2023
Development of Pittsburgh Campus	\$ 273,681	\$ 248,681
Net Assets with Donor Restrictions	\$ 357,019	\$ 248,681

Note 5 - Joint Costs

GAMSD conducts direct mail activities that include programmatic information with a request for contributions. The costs of direct mailing for the years ended April 30, 2024 and 2023, were allocated as follows:

	2024	2023
Training Service Dogs	\$ 505,877	\$ 631,920
Management and General	15,368	9,940
Fundraising	118,559	79,203
Direct Mail Activities	\$ 639,804	\$ 721,063

Note 6 - Conditional Promises to Give

During the years ended April 30, 2024 and 2023, GAMSD received promises to give totaling \$0 and \$5,000,000, respectively, that contained donor conditions related to development of a new campus in Pittsburgh, Pennsylvania. GAMSD recognized \$644,923 and \$113,040, as contributions as of April 30, 2024 and 2023, respectively. The remaining \$4,242,037 will be recorded as contributions when donor conditions are met.

Note 7 - Retirement Plan

GAMSD sponsors a defined contribution 401(k) plan covering all employees who meet the eligibility requirements. Employer contributions to the plan were \$20,221 and \$37,920, respectively, for the years ended April 30, 2024 and 2023.

Note 8 - Economic Injury Disaster Loan Program (EIDL) Loan

On November 21, 2021, GAMSD received a \$1,500,000 loan under the EIDL to use as working capital to alleviate economic injury caused by disaster resulting from the COVID-19 coronavirus pandemic. The note bears interest at 2.75% and matures March 2050. The loan requires monthly payments of \$6,731 starting July 2024. The loan is secured by collateral of all tangible and intangible personal property. Due to the deferral of payments until July 2024, interest has accrued to a balance of \$90,554 as of April 30, 2024. Future payments will be first applied to the accrued interest balance, with any remaining portion of the payment being applied to principal.

On April 17, 2020, GAMSD received a \$500,000 loan under the EIDL to use as working capital to alleviate economic injury caused by disaster resulting from the COVID-19 coronavirus pandemic. The note bears interest at 2.75% and matures March 2050. The loan requires monthly payments of \$2,136. The loan is secured by collateral of all tangible and intangible personal property.

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
NOTES TO THE FINANCIAL STATEMENTS

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

2025	\$	12,057
2026		12,393
2027		24,924
2028		53,456
2029		54,945
Thereafter		1,842,225
Total	\$	2,000,000

Note 9 - In-Kind Materials

In-kind materials recognized within the statement of activities include:

	2024	2023
Advertising	\$ 91,537	\$ 75,697
Veterinary and Dog Supplies	514	18,225
Puppies	-	7,200
Venue Rentals	4,930	-
Event Planning Services	10,000	-
Furniture and Fixtures	2,100	-
Other	2,050	2,862
In-Kind Materials	\$ 111,131	\$ 103,984

In-kind materials are valued and reported at the estimated fair value in the financial statements based on current costs for similar materials. No in-kind materials were restricted by the donors.

Note 10 - Concentrations of Credit Risk

GAMSD maintains cash balances at several financial institutions located in Florida and Pennsylvania. The Federal Deposit Insurance Corporation insures accounts at each institution up to \$250,000. At April 30, 2024 and 2023, GAMSD's cash balances were fully insured with federal depository insurance.

Note 11 - Mortgages Payable

Mortgages payable at April 30, 2024 and 2023, consisted of the following:

	2024	2023
Note payable to Cogent Bank that requires monthly payments of principal and interest of \$6,801 and bears interest at 4.25%. The note matures July 9, 3031, and is secured by property.	\$ 512,314	\$ 570,420
Note payable to PNC Bank that requires monthly payments of principal and interest of \$8,298 and bears interest at 5.92%. The note matures May 28, 2024, and is secured by property.	-	110,186
Total Mortgages Payable	512,314	680,606
Less Current Portion of Mortgages Payable	(60,722)	(168,292)
Mortgages Payable, Net of Current Portion	\$ 451,592	\$ 512,314

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
NOTES TO THE FINANCIAL STATEMENTS

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

2025	\$	60,722
2026		63,391
2027		66,177
2028		69,054
2029		72,120
Thereafter		180,850
Total	\$	512,314

Note 12 - Liquidity and Availability

The following reflects GAMSD's financial assets as of April 30, 2024 and 2023, reduced by amounts not available for general use within one year of the dates of the statements of financial position because of donor-imposed restrictions or board designations. General expenditures are defined as all budgeted programmatic and operational expenses.

	2024	As Restated 2023
Financial Assets at End of Year	\$ 580,993	\$ 1,235,027
Less Those Unavailable for General Expenditures Within One Year Due to:		
Donor Imposed Restrictions:		
Restricted by Donor	357,019	248,681
Board Designations:		
Agency Endowment Set Aside for Reserves	31,778	26,675
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 969,790	\$ 1,510,383

GAMSD's cash flows have seasonal variations during the year attributable to cash receipts for contributions received. Because a donor's restriction requires resources to be used for 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.

Note 13 - Commitments and Contingencies

GAMSD is contingently liable with respect to claims incidental to the ordinary course of its operations. In the opinion of management, based on the advice of legal counsel, the ultimate disposition of these claims will not have a material adverse effect on the financial position or results of operations of GAMSD.

Note 14 - Prior Period Adjustment

During the year ended April 30, 2024, GAMSD determined that certain promises to give recorded as revenue prior to May 1, 2022, are actually conditional promises to give, and should, therefore, not be recorded as revenue until the relevant conditions are met. Since those conditions had not been met,

GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
NOTES TO THE FINANCIAL STATEMENTS

GAMSD has restated prior period amounts to reduce unconditional promises to give and net assets with donor restrictions. Additionally, GAMSD determined that certain costs recorded as expenses during the year ended April 30, 2023, should have been capitalized as construction in progress. Therefore, amounts were restated to increase net property and equipment as of April 30, 2023, and to decrease professional fees expenses for the year then ended. As a result of these adjustments, the following changes have been made to prior period financial statement line items.

	As Originally Reported (April 30, 2023)	Adjustment to Remove Conditional Promises from Pledges	Adjustment to Capitalize Construction Design Costs	As Restated (April 30, 2023)
Statement of Financial Position				
Unconditional Promises to Give	\$ 1,329,625	\$ (1,049,000)	\$ -	\$ 280,625
Property and Equipment, Net	2,273,165	-	40,000	2,313,165
	<u>\$ 3,602,790</u>	<u>\$ (1,049,000)</u>	<u>\$ 40,000</u>	<u>\$ 2,593,790</u>
Net Assets Without Donor Restrictions	\$ 205,338	\$ -	\$ 40,000	\$ 245,338
Net Assets With Donor Restrictions	1,297,681	(1,049,000)	-	248,681
	<u>\$ 1,503,019</u>	<u>\$ (1,049,000)</u>	<u>\$ 40,000</u>	<u>\$ 494,019</u>
Statement of Activities				
Professional Fees Expense	\$ 458,329	\$ -	\$ (40,000)	\$ 418,329
Change in Net Assets	\$ (809,834)	\$ -	\$ 40,000	\$ (769,834)
Net Assets, Beginning of Year	2,312,853	(1,049,000)	-	1,263,853
Net Assets, End of Year	<u>\$ 1,503,019</u>	<u>\$ (1,049,000)</u>	<u>\$ 40,000</u>	<u>\$ 494,019</u>

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