

2025

Guardian Angels Medical Service Dogs, Inc.

Financial Statements and
Independent Auditor's Report

April 30, 2025 and 2024

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

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

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

APRIL 30, 2025 AND 2024

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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, 2025 and 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 financial statements referred to above present fairly, in all material respects, the financial position of GAMSD as of April 30, 2025 and 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.

Emphasis of Matter

Restatement

As described in Note 14, GAMSD restated the fiscal year 2024 financial statements to increase assets and revenues by \$187,500 and increase liabilities and expenses by \$77,347. Our opinion is not modified with respect to this matter.

Going Concern

As discussed in Note 15 to the financial statements GAMSD suffered significant losses in the current year and has a net deficit of net assets without donor restrictions. Note 15 describes management's plan to alleviate substantial doubt about GAMSD's ability to continue as a going concern. Our opinion is not modified with respect to this matter.

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.

Purvis Gray

October 7, 2025
Gainesville, Florida

FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION
GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
APRIL 30, 2025 AND 2024

ASSETS

	2025	As Restated 2024
Current Assets		
Cash	\$ 339,101	\$ 356,879
Grants Receivable	139,675	62,900
Unconditional Promises to Give	112,500	316,936
Prepaid Expenses	34,475	8,083
Total Current Assets	625,751	744,798
Property and Equipment, Net	2,990,241	2,671,734
Other Assets		
Beneficial Interest in Assets Held by CFOMC	5,671	31,778
Total Assets	3,621,663	3,448,310

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable	417,641	101,933
Accrued Payroll	126,369	100,475
Loan from Employees	114,110	-
Accrued Interest on Economic Injury Disaster Loan Program Loan	61,563	90,554
Refundable Advances	100,000	100,000
Mortgages Payable	64,643	60,722
Economic Injury Disaster Loan Program Loan	12,393	12,057
Total Current Liabilities	896,719	465,741
Long-Term Liabilities		
Long-Term Debt, Net of Current Portion:		
Mortgages Payable	386,949	451,592
Economic Injury Disaster Loan Program Loan	1,975,672	1,987,943
Officer Loan Payable	270,000	-
Other Long-Term Liabilities	18,745	22,327
Total Long-Term Liabilities	2,651,366	2,461,862
Total Liabilities	3,548,085	2,927,603
Net Assets		
Without Donor Restrictions:		
Undesignated	(289,112)	131,910
Board Designated	5,671	31,778
Total Without Donor Restrictions	(283,441)	163,688
With Donor Restrictions	357,019	357,019
Total Net Assets	73,578	520,707
Total Liabilities and Net Assets	\$ 3,621,663	\$ 3,448,310

See accompanying notes.

STATEMENTS OF ACTIVITIES
GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024

	<u>2025</u>	<u>As Restated 2024</u>
Changes in Net Assets Without Donor Restrictions		
Revenues and Gains		
Contributions	\$ 2,939,199	\$ 2,725,991
Government Grants	1,058,093	1,230,768
In-Kind Materials	68,816	111,131
Medical Savings Plan	67,606	66,447
Program Services	13,774	16,887
Change in Value of Beneficial Interest in Assets Held by CFOMC	1,409	2,727
Other Income	11,293	5,723
Total Revenues and Gain Without Donor Restrictions	<u>4,160,190</u>	<u>4,159,674</u>
Expenses		
Training Service Dogs	3,367,509	2,994,666
Management and General	338,641	355,998
Fundraising	901,169	890,660
Total Expenses	<u>4,607,319</u>	<u>4,241,324</u>
Changes in Net Assets Without Donor Restrictions	<u>(447,129)</u>	<u>(81,650)</u>
Changes in Net Assets With Donor Restrictions		
Contributions	-	108,338
Change in Net Assets with Donor Restrictions	<u>-</u>	<u>108,338</u>
Change in Net Assets	(447,129)	26,688
Net Assets, Beginning of Year	<u>520,707</u>	<u>494,019</u>
Net Assets, End of Year	<u>\$ 73,578</u>	<u>\$ 520,707</u>

See accompanying notes.

STATEMENTS OF FUNCTIONAL EXPENSES
GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024

	2025			
	Training Service Dogs	Management and General	Fundraising	Total Expenses
Personnel	\$ 1,467,504	\$ 246,716	\$ 396,110	\$ 2,110,330
Direct Mail Activities	922,343	22,154	164,579	1,109,076
Professional Fees	391,573	14,062	92,504	498,139
Advertising and Promotion	51,248	20	118,829	170,097
Interest Expense	83,895	6,246	7,764	97,905
Veterinary Equipment, Medications, and Lab Services	68,881	-	-	68,881
Dog Food and Supplies	142,718	336	417	143,471
Travel/Lodging	69,325	-	5,883	75,208
Office Expense	59,885	27,342	31,892	119,119
Conferences and Meetings	500	-	80,359	80,859
Occupancy	25,686	98	122	25,906
Depreciation and Amortization	21,695	19,487	-	41,182
Promotional Items	619	-	-	619
Insurance Program	39,138	651	809	40,598
Information Technology	22,499	1,529	1,901	25,929
Total Expenses	\$ 3,367,509	\$ 338,641	\$ 901,169	\$ 4,607,319

	2024 (As Restated)			
	Training Service Dogs	Management and General	Fundraising	Total Expenses
Personnel	\$ 1,668,261	\$ 276,303	\$ 350,972	\$ 2,295,536
Direct Mail Activities	505,877	15,368	118,559	639,804
Professional Fees	297,532	8,027	62,165	367,724
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	\$ 2,994,666	\$ 355,998	\$ 890,660	\$ 4,241,324

See accompanying notes.

STATEMENTS OF CASH FLOWS
GUARDIAN ANGELS MEDICAL SERVICE DOGS, INC.
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024

	<u>2025</u>	<u>As Restated</u> <u>2024</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (447,129)	\$ 26,688
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation and Amortization	41,182	35,744
Change in Value of Beneficial Interest in Assets Held by CFOMC	26,107	(5,103)
(Increase) Decrease in Assets:		
Grants Receivable	(76,775)	50,140
Unconditional Promises to Give	204,436	(36,311)
Prepaid Expenses	(26,392)	2,251
Increase (Decrease) in Liabilities:		
Accounts Payable	315,708	(140,112)
Accrued Payroll	25,894	15,367
Loan from Employees	114,110	-
Accrued Interest on Economic Injury Disaster Loan Program Loan	(28,991)	33,806
Deferred Revenues	-	100,000
Other Liabilities	(3,582)	22,327
Net Cash Provided by (Used in) Operating Activities	<u>144,568</u>	<u>104,797</u>
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(359,689)	(394,313)
Net Cash Provided by (Used in) Investing Activities	<u>(359,689)</u>	<u>(394,313)</u>
Cash Flows from Financing Activities		
Proceeds from Long-Term Debt	270,000	-
Principal Payments on Long-Term Debt	(72,657)	(168,292)
Net Cash Provided by (Used in) Financing Activities	<u>197,343</u>	<u>(168,292)</u>
Net Increase (Decrease) in Cash	(17,778)	(457,808)
Cash, Beginning of Year	<u>356,879</u>	<u>814,687</u>
Cash, End of Year	<u>\$ 339,101</u>	<u>\$ 356,879</u>
<u>Supplemental Disclosures</u>		
Cash Paid for Interest	<u>\$ 126,895</u>	<u>\$ 86,334</u>

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.

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

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

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, 2025 and 2024, were \$170,097 and \$235,001, 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 October 7, 2025 the date which the financial statements were available to be issued.

Note 2 - Property and Equipment

Property and equipment consists of the following:

	<u>2025</u>	<u>2024</u>
Land	\$ 1,611,170	\$ 1,611,170
Buildings	548,956	548,956
Vehicles and Equipment	195,302	195,302
Building and Land Improvements	153,121	153,121
Loan and Origination Fees	7,811	7,811
Construction in Progress	730,503	370,814
Accumulated Amortization	(1,041)	(781)
Accumulated Depreciation	(255,581)	(214,659)
Property and Equipment, Net	<u>\$ 2,990,241</u>	<u>\$ 2,671,734</u>

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

Note 3 - Endowment

At April 30, 2025 and 2024, GAMSD’s board of directors has designated \$5,671 and \$31,778, 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.

	2025		2024
Board-Designated Endowment Net Assets, at Beginning of Year	\$ 31,778	\$	26,675
Contributions			2,376
Distributions	(30,000)		-
Transfers	2,484		-
Change in Value of Beneficial Interest	1,409		2,727
Board-Designated Endowment Net Assets, at End of Year	<u>\$ 5,671</u>	<u>\$</u>	<u>31,778</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.

Note 4 - Net Assets

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

	2025		As Restated 2024
Development of Pittsburgh Campus	\$ 273,681	\$	273,681
Veterinary Equipment	83,338		83,338
Net Assets with Donor Restrictions	<u>\$ 357,019</u>	<u>\$</u>	<u>357,019</u>

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, 2025 and 2024, were allocated as follows:

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

	<u>2025</u>	<u>2024</u>
Training Service Dogs	\$ 922,343	\$ 505,877
Management and General	22,154	15,368
Fundraising	164,579	118,559
Direct Mail Activities	<u>\$ 1,109,076</u>	<u>\$ 639,804</u>

Note 6 - Conditional Promises to Give

Conditional promises to give for the years ended April 30, 2025 and 2024, consist of promises for:

	<u>2025</u>	<u>2024</u>
Training Service Dogs in Robinson Township, Washington County, Pennsylvania	\$ 2,000,000	\$ 2,000,000
Development of a New Campus in Pittsburgh, Pennsylvania	1,905,782	2,355,077
Construction of Water Infrastructure	249,000	249,000
Building Perimeter Fence for Property in Pennsylvania	123,711	-
Furnishing Service Dogs to Eligible Service Members and Veterans	496,539	-
Conditional Promises Received	<u>\$ 4,775,032</u>	<u>\$ 4,604,077</u>

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 \$29,548 and \$20,221, respectively, for the years ended April 30, 2025 and 2024.

Note 8 - Long-Term Liabilities

Long-term liabilities at April 30, 2025 and 2024, consisted of the following:

	<u>2025</u>	<u>2024</u>
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, 2031, and is secured by property.	\$ 451,592	\$ 512,314
Economic Injury Disaster Loan Program (EIDL) COVID-19 loan bearing interest at 2.75%. Payments are in deferral until July 2024 when monthly payments of \$6,731 will commence. Payments are first applied to the accrued interest balance, with any remaining portion applied to principal. The loan matures in March 2050 and is secured by property. Accrued interest is \$61,070 and \$90,554 as of April 30, 2025 and 2024, respectively.	1,500,000	1,500,000
EIDL COVID-19 loan that requires monthly payments of principal and interest of \$2,136 and bears interest at 2.75%. The note matures in March 2050 and is secured by property.	488,065	500,000
Officer loan payable that requires monthly interest-only payments for the first 12 months, followed by monthly payments of interest and principal for 24 months. Interest is at an adjustable rate, which is 8.85% at April 30, 2025.	270,000	-
Other Financing	18,745	22,327
Total Long-Term Liabilities	2,728,402	2,534,641
Less Current Portion	(77,036)	(72,779)
Long-Term Liabilities, Net of Current Portion	<u>\$ 2,651,366</u>	<u>\$ 2,461,862</u>

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

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

2026	\$	77,036
2027		220,153
2028		263,458
2029		127,065
2030		131,765
Thereafter		1,908,925
Total	\$	2,728,402

Note 9 - In-Kind Materials

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

	2025		2024
Advertising	\$ 27,782	\$	91,537
Veterinary and Dog Supplies	34,645		514
Puppies	2,000		-
Venue Rentals	-		4,930
Event Planning Services	-		10,000
Furniture and Fixtures	-		2,100
Other	4,389		2,050
In-Kind Materials	\$ 68,816	\$	111,131

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 (FDIC) insures accounts at each institution up to \$250,000. At April 30, 2025 and 2024, GAMSD's cash balances were in excess of the FDIC limit by \$108,984 and \$0, respectively.

Note 11 - Liquidity and Availability

The following reflects GAMSD's financial assets as of April 30, 2025 and 2024, 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.

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

	2025	As Restated 2024
Financial Assets at End of Year	\$ 596,947	\$ 768,493
Less Those Unavailable for General Expenditures Within One Year Due to:		
Donor Imposed Restrictions:		
Restricted by Donor	(357,019)	(357,019)
Board Designations:		
Agency Endowment Set Aside for Reserves	(5,671)	(31,778)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 234,257	\$ 379,696

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 12 - Related-Party Transactions

During the year ended April 30, 2025, GAMSD received a loan from an officer of \$270,000, which is further described in Note 8. Additionally, during the year ended April 30, 2025, GAMSD accumulated loans from employees totaling \$114,110 that were subsequently repaid in full on May 2, 2025.

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

GAMSD received a pledge of \$250,000 during 2024 that was incorrectly excluded from promises to give as of April 30, 2024. The 2024 financial statements were restated to include the unpaid balance of \$187,500 as of April 30, 2024, in contribution revenue and unconditional promises to give.

Additionally, the 2024 financial statements incorrectly excluded \$76,459 of accrued payroll and \$888 related accounts payable from liabilities in the statement of financial position. The 2024 financial statements were restated to include these liabilities and related expenses.

As a result of these adjustments, the following changes have been made to the 2024 financial statements:

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

Statement of Financial Position	As Originally Reported (April 30, 2024)	Adjustment to Unconditional Promises from Pledges	Adjustment to Current Liabilities from Payroll Accrual	As Restated (April 30, 2024)
Unconditional Promises to Give	\$ 129,436	\$ 187,500	\$ -	\$ 316,936
Accounts Payable	101,045	-	888	101,933
Accrued Payroll	24,016	-	76,459	100,475
	<u>\$ 254,497</u>	<u>\$ 187,500</u>	<u>\$ 77,347</u>	<u>\$ 519,344</u>
 Net Assets Without Donor Restrictions	 \$ 53,535	 \$ 187,500	 \$ (77,347)	 \$ 163,688
	<u>\$ 53,535</u>	<u>\$ 187,500</u>	<u>\$ (77,347)</u>	<u>\$ 163,688</u>
 Statement of Activities				
Contributions	\$ 2,538,491	\$ 187,500	\$ -	\$ 2,725,991
Professional Fees Expense	366,836	-	888	367,724
Personnel Expense	2,219,077	-	76,459	2,295,536
	<u>\$ (83,465)</u>	<u>\$ 187,500</u>	<u>\$ (77,347)</u>	<u>\$ 26,688</u>
Change in Net Assets	\$ (83,465)	\$ 187,500	\$ (77,347)	\$ 26,688
Net Assets, Beginning of Year	494,019	-	-	494,019
Net Assets, End of Year	<u>\$ 410,554</u>	<u>\$ 187,500</u>	<u>\$ (77,347)</u>	<u>\$ 520,707</u>

Note 15 - Going Concern – Management’s Plan

The accompanying financial statements have been prepared assuming GAMSD will continue as a going concern. GAMSD experienced a significant loss from operations during 2025 resulting in a net deficit balance in net assets without donor restrictions of \$234,760 and negative working capital of \$270,968 as of April 30, 2025, which raises substantial doubt about its ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To address these conditions, during 2025 certain employees voluntarily deferred receipt of their salaries for multiple months, and a Board member loaned GAMSD \$270,000. To address future liquidity needs, management intends to sell certain unused real property which will generate sufficient cash to liquidate the officer loan and the mortgages payable, as well as significantly increasing cash reserves. Management will also seek additional fundraising sources and corporate sponsorships and apply for additional grants to further stabilize GAMSD’s financial outlook.

Management believes these actions mitigate the conditions giving rise to the substantial doubt. The financial statements do not include any adjustments that might be necessary if GAMSD is unable to continue as a going concern.

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