

**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Combined Financial Statements,  
Supplemental Information and  
Independent Auditor's Report  
June 30, 2020 and 2019

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## Independent Auditor's Report

The Board of Directors  
Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust  
Palmetto, Florida

### Report on the Financial Statements

We have audited the accompanying combined financial statements of Southeastern Guide Dogs, Inc. (the School) and Southeastern Guide Dogs, Inc. Endowment Trust (the Trust), collectively referred to as the Organization, which comprise the combined statements of financial position as of June 30, 2020 and 2019, the related combined statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the combined financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 the combined 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 combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of Southeastern Guide Dogs, Inc. and Southeastern Guide Dogs, Inc. Endowment Trust as of June 30, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has not been subjected to the auditing procedures applied in the audits of the combined financial statements. Accordingly, we do not express an opinion on the supplemental information referred to above.

*KuKuing Barbino & Co.*

Sarasota, Florida  
November 17, 2020

**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Combined Statements of Financial Position  
June 30, 2020 and 2019

<b>Assets</b>	<b>2020</b>	<b>2019</b>
Cash and cash equivalents:		
Without donor restrictions	\$ 6,373,893	\$ 9,214,496
With donor restrictions - purpose and time	650,456	1,516,488
With donor restrictions - perpetual in nature	214,893	181,439
Total cash and cash equivalents	7,239,242	10,912,423
Accrued interest receivable	187,484	21,128
Pledges receivable, net (Note 4)	4,108,782	5,190,523
Prepaid expenses and other assets	144,645	119,664
Merchandise inventory	39,916	43,269
Investments (Note 6):		
Restricted for gift annuity liability	75,823	74,021
Without donor restrictions	24,176,677	11,999,644
With donor restrictions - purpose and time	2,688,962	2,646,743
With donor restrictions - perpetual in nature	9,025,732	5,335,431
Total investments	35,967,194	20,055,839
Bequests and estates receivable	16,591	16,591
Charitable trusts receivable	318,870	275,484
Mortgage receivable	98,066	101,665
Assets held for sale (Note 8)	-	325,000
Property and equipment, net (Note 9)	26,482,677	24,881,883
 Total Assets	 \$ 74,603,467	 \$ 61,943,469
 <b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	\$ 757,926	\$ 553,390
Gift annuity liability	75,823	74,021
Note payable (Note 5)	1,485,000	-
Total liabilities	2,318,749	627,411
 Net Assets:		
Without donor restrictions:		
Undesignated	14,474,342	10,329,955
Board designated funds for operating support	9,358,365	9,041,509
Investment in property and equipment	26,482,677	24,881,883
Total net assets without donor restrictions	50,315,384	44,253,347
With donor restrictions:		
Purpose and time restrictions	10,270,936	7,302,208
Perpetual in nature	11,698,398	9,760,503
Total net assets with donor restrictions (Note 12)	21,969,334	17,062,711
 Total net assets	 72,284,718	 61,316,058
 Total Liabilities and Net Assets	 \$ 74,603,467	 \$ 61,943,469

See accompanying notes to combined financial statements.

**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Combined Statement of Activities

Year Ended June 30, 2020

(With Summarized Totals for 2019)

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>	<b>2019 Total</b>
Support and Revenue:				
Individuals	\$ 3,997,461	\$ 3,559,133	\$ 7,556,594	\$ 10,869,155
Bequests	3,625,211	3,178,790	6,804,001	4,239,802
Lions Club	101,359	8,750	110,109	177,840
Service clubs	48,143	53,950	102,093	236,182
CFC project	69,859	23,169	93,028	82,213
Foundations	1,860,410	1,956,661	3,817,071	3,733,825
Corporate donations	457,594	1,563,760	2,021,354	1,414,167
Contributed services and nonfinancial assets (Note 2)	4,607,592	-	4,607,592	6,017,946
Other revenue	142,731	-	142,731	127,426
Merchandise sales, net of cost of sales of \$26,134	12,494	-	12,494	40,715
Special events, net of direct costs of \$512,040	1,689,761	-	1,689,761	860,555
Loss on disposal of assets	(10,000)	-	(10,000)	(134,980)
Realized loss on investments, net	(185,558)	(50,998)	(236,556)	(29,494)
Unrealized gain on investments, net	487,072	82,921	569,993	289,913
Investment income, net of investment expenses	507,606	338,269	845,875	634,780
Total support and revenue	<u>17,411,735</u>	<u>10,714,405</u>	<u>28,126,140</u>	<u>28,560,045</u>
Net assets released from restrictions	<u>5,865,887</u>	<u>(5,865,887)</u>	<u>-</u>	<u>-</u>
Total support, revenue and releases	<u>23,277,622</u>	<u>4,848,518</u>	<u>28,126,140</u>	<u>28,560,045</u>
Functional Expenses:				
Program services	13,209,064	-	13,209,064	13,899,391
Supporting services:				
Management and general	1,207,186	-	1,207,186	1,029,729
Fundraising	2,785,610	-	2,785,610	3,096,338
Total functional expenses	<u>17,201,860</u>	<u>-</u>	<u>17,201,860</u>	<u>18,025,458</u>
Change in net assets before change in value of split interest agreements	<u>6,075,762</u>	<u>4,848,518</u>	<u>10,924,280</u>	<u>10,534,587</u>
Change in value of split interest agreements	<u>(13,725)</u>	<u>58,105</u>	<u>44,380</u>	<u>(27,656)</u>
Change in net assets	6,062,037	4,906,623	10,968,660	10,506,931
Net assets - beginning of year	<u>44,253,347</u>	<u>17,062,711</u>	<u>61,316,058</u>	<u>50,809,127</u>
Net assets - end of year	<u>\$ 50,315,384</u>	<u>\$ 21,969,334</u>	<u>\$ 72,284,718</u>	<u>\$ 61,316,058</u>

See accompanying notes to combined financial statements.

**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Combined Statement of Activities

Year Ended June 30, 2019

(With Summarized Totals for 2020)

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>	<u>2020 Total</u>
Support and Revenue:				
Individuals	\$ 4,667,324	\$ 6,201,831	\$ 10,869,155	\$ 7,556,594
Bequests	3,639,059	600,743	4,239,802	6,804,001
Lions Club	111,250	66,590	177,840	110,109
Service clubs	56,364	179,818	236,182	102,093
CFC project	59,769	22,444	82,213	93,028
Foundations	1,295,358	2,438,467	3,733,825	3,817,071
Corporate donations	914,784	499,383	1,414,167	2,021,354
Contributed services and nonfinancial assets (Note 2)	6,017,946	-	6,017,946	4,607,592
Other revenue	127,426	-	127,426	142,731
Merchandise sales, net of cost of sales of \$21,559	40,715	-	40,715	12,494
Special events, net of direct costs of \$620,232	860,555	-	860,555	1,689,761
Loss on disposal of assets	(134,980)	-	(134,980)	(10,000)
Realized gain (loss) on investments, net	(184,852)	155,358	(29,494)	(236,556)
Unrealized gain on investments, net	189,511	100,402	289,913	569,993
Investment income, net of investment expenses	558,121	76,659	634,780	845,875
Total support and revenue	<u>18,218,350</u>	<u>10,341,695</u>	<u>28,560,045</u>	<u>28,126,140</u>
Net assets released from restrictions	3,549,482	(3,549,482)	-	-
Total support, revenue and releases	<u>21,767,832</u>	<u>6,792,213</u>	<u>28,560,045</u>	<u>28,126,140</u>
Functional Expenses:				
Program services	13,899,391	-	13,899,391	13,209,064
Supporting services:				
Management and general	1,029,729	-	1,029,729	1,207,186
Fundraising	3,096,338	-	3,096,338	2,785,610
Total functional expenses	<u>18,025,458</u>	<u>-</u>	<u>18,025,458</u>	<u>17,201,860</u>
Change in net assets before change in value of split interest agreements	<u>3,742,374</u>	<u>6,792,213</u>	<u>10,534,587</u>	<u>10,924,280</u>
Change in value of split interest agreements	<u>(2,912)</u>	<u>(24,744)</u>	<u>(27,656)</u>	<u>44,380</u>
Change in net assets	3,739,462	6,767,469	10,506,931	10,968,660
Net assets - beginning of year	40,513,885	10,295,242	50,809,127	61,316,058
Net assets - end of year	<u>\$ 44,253,347</u>	<u>\$ 17,062,711</u>	<u>\$ 61,316,058</u>	<u>\$ 72,284,718</u>

See accompanying notes to combined financial statements.

**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Combined Statements of Cash Flows  
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 10,968,660	\$ 10,506,931
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,277,466	1,249,223
Realized and unrealized gain on investments, net	(333,437)	(260,419)
Change in value of split interest agreements	(44,380)	27,656
Loss on disposal of assets	10,000	134,980
Contributions restricted for long-term investments	(1,680,376)	(1,799,741)
Change in operating assets:		
Accrued interest receivable	(166,356)	(7,814)
Prepaid expenses and other assets	(24,981)	(31,151)
Merchandise inventory	3,353	(2,523)
Pledges receivable, non-capital	2,016,310	(4,369,196)
Bequests and estates receivable	-	378,292
Charitable trusts receivable	14,996	12,651
Change in operating liabilities:		
Accounts payable and accrued expenses	204,536	(740,425)
Gift annuity liability	(12,200)	(11,756)
Total adjustments	<u>1,264,931</u>	<u>(5,420,223)</u>
Net cash provided by operating activities	<u>12,233,591</u>	<u>5,086,708</u>
Cash Flows from Investing Activities:		
Payments received on mortgage receivable	3,599	3,510
Purchase of property and equipment	(2,878,260)	(1,843,383)
Proceeds from disposals of assets	315,000	24,272
Purchases of investments	(29,808,211)	(20,828,015)
Proceeds from sales of investments	<u>14,230,293</u>	<u>20,989,209</u>
Net cash used in investing activities	<u>(18,137,579)</u>	<u>(1,654,407)</u>
Cash Flows from Financing Activities:		
Contributions, net of change in pledges, restricted for long-term investments	745,807	1,994,389
Proceeds from note payable	<u>1,485,000</u>	-
Net cash provided by financing activities	<u>2,230,807</u>	<u>1,994,389</u>
Change in cash and cash equivalents	(3,673,181)	5,426,690
Cash and cash equivalents - beginning of year	<u>10,912,423</u>	<u>5,485,733</u>
Cash and cash equivalents - end of year	<u>\$ 7,239,242</u>	<u>\$ 10,912,423</u>

See accompanying notes to combined financial statements.



**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Combined Statement of Functional Expenses

Year Ended June 30, 2020

(With Summarized Totals for 2019)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>2019 Total</u>
Salaries	\$ 5,285,250	\$ 461,318	\$ 1,117,674	\$ 6,864,242	\$ 6,353,676
Employee benefits	503,344	43,934	106,443	653,721	646,435
Payroll taxes	359,034	31,329	75,904	466,267	451,412
Total personnel expense	<u>6,147,628</u>	<u>536,581</u>	<u>1,300,021</u>	<u>7,984,230</u>	<u>7,451,523</u>
Advertising and promotions	729,451	5,615	528	735,594	516,423
In-kind advertising and promotions	3,057,725	43,067	1,205,863	4,306,655	5,730,787
Breeding cost, kennel supplies and veterinary services	778,385	-	-	778,385	713,853
General insurance	133,282	12,999	32,659	178,940	193,389
Maintenance and equipment	483,507	31,073	29,534	544,114	581,618
Occupancy	186,589	25,634	18,752	230,975	241,570
Office	60,531	20,828	9,782	91,141	97,974
Other	78,929	42,396	28,355	149,680	133,660
Printing	64,413	5,663	24,586	94,662	120,346
Professional fees and contracted services	115,891	213,945	80,459	410,295	434,683
Student meals and other	28,900	-	117	29,017	38,070
Supplies	86,672	6,854	15,205	108,731	138,597
Telephone	28,342	3,568	6,244	38,154	44,497
Travel	205,824	4,492	33,505	243,821	339,245
Total functional expenses before depreciation	<u>12,186,069</u>	<u>952,715</u>	<u>2,785,610</u>	<u>15,924,394</u>	<u>16,776,235</u>
Depreciation	<u>1,022,995</u>	<u>254,471</u>	<u>-</u>	<u>1,277,466</u>	<u>1,249,223</u>
Total functional expenses - 2020	<u>\$ 13,209,064</u>	<u>\$ 1,207,186</u>	<u>\$ 2,785,610</u>	<u>\$ 17,201,860</u>	<u>\$ 18,025,458</u>
Percent of Total - 2020	76.79%	7.02%	16.19%	100.00%	100.00%
Total functional expenses - 2019	<u>\$ 13,899,391</u>	<u>\$ 1,029,729</u>	<u>\$ 3,096,338</u>	<u>\$ 18,025,458</u>	
Percent of Total - 2019	77.11%	5.71%	17.18%	100.00%	

See accompanying notes to combined financial statements.

**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Combined Statement of Functional Expenses

Year Ended June 30, 2019

(With Summarized Totals for 2020)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>2020 Total</u>
Salaries	\$ 4,938,326	\$ 419,094	\$ 996,256	\$ 6,353,676	\$ 6,864,242
Employee benefits	502,435	42,639	101,361	646,435	653,721
Payroll taxes	352,736	29,219	69,457	451,412	466,267
Total personnel expense	<u>5,793,497</u>	<u>490,952</u>	<u>1,167,074</u>	<u>7,451,523</u>	<u>7,984,230</u>
Advertising and promotions	510,561	5,620	242	516,423	735,594
In-kind advertising and promotions	4,115,667	10,500	1,604,620	5,730,787	4,306,655
Breeding cost, kennel supplies and veterinary services	713,853	-	-	713,853	778,385
General insurance	146,338	15,589	31,462	193,389	178,940
Maintenance and equipment	520,695	22,607	38,316	581,618	544,114
Occupancy	200,382	23,724	17,464	241,570	230,975
Office	55,603	31,235	11,136	97,974	91,141
Other	52,579	37,759	43,322	133,660	149,680
Printing	57,610	6,849	55,887	120,346	94,662
Professional fees and contracted services	288,370	120,079	26,234	434,683	410,295
Student meals and other	38,070	-	-	38,070	29,017
Supplies	116,039	8,113	14,445	138,597	108,731
Telephone	33,250	4,210	7,037	44,497	38,154
Travel	256,476	3,670	79,099	339,245	243,821
Total functional expenses before depreciation	<u>12,898,990</u>	<u>780,907</u>	<u>3,096,338</u>	<u>16,776,235</u>	<u>15,924,394</u>
Depreciation	<u>1,000,401</u>	<u>248,822</u>	<u>-</u>	<u>1,249,223</u>	<u>1,277,466</u>
Total functional expenses - 2019	<u>\$ 13,899,391</u>	<u>\$ 1,029,729</u>	<u>\$ 3,096,338</u>	<u>\$ 18,025,458</u>	<u>\$ 17,201,860</u>
Percent of Total - 2019	77.11%	5.71%	17.18%	100.00%	100.00%
Total functional expenses - 2020	<u>\$ 13,209,064</u>	<u>\$ 1,207,186</u>	<u>\$ 2,785,610</u>	<u>\$ 17,201,860</u>	
Percent of Total - 2020	76.79%	7.02%	16.19%	100.00%	

See accompanying notes to combined financial statements.

# **Southeastern Guide Dogs, Inc. and Southeastern Guide Dogs, Inc. Endowment Trust**

Notes to Combined Financial Statements  
June 30, 2020 and 2019

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## **I. Organization**

Southeastern Guide Dogs (the School) transforms lives by creating and nurturing extraordinary partnerships between people and dogs. The School operates one of the most advanced training facilities of any service dog organization in the world. The School's experts create and train working dogs - including guide dogs, service dogs, and skilled companion dogs - and provide life-changing services for people with vision loss, veterans with disabilities, and children with significant challenges such as vision loss or the loss of a parent in the military. Pursuing its mission since 1982, Southeastern Guide Dogs now has over 1,200 dogs under its auspices.

All of the School's services - which include selective breeding and expert dog training; comprehensive on-campus student instruction; and lifetime alumni support - are provided at no cost to recipients. The School relies 100% on private donations and receives no government funding. Southeastern Guide Dogs has the distinction of being dually accredited by the two premier, global accreditation bodies: the International Guide Dog Federation and Assistance Dogs International. Learn more at [www.GuideDogs.org](http://www.GuideDogs.org).

While the School and its supporters recognize the puppies and dogs as one of the organization's most valuable assets, from a financial reporting perspective, the puppies and dogs are not classified as assets, and therefore are not reflected in the combined financial statements.

The School is situated in a peaceful setting on a 33-acre campus on the gulf coast of Florida in beautiful Manatee County. The facilities consist of a Student Center, a Veterinary Center, a Puppy Academy, a Canine University, and a Canine Assessment Center.

Southeastern Guide Dogs, Inc. is governed by a strong and independent, geographically diverse Board of Directors, which meets quarterly and conducts its business through several committees and taskforces that meet regularly between board meetings.

In 1989, Southeastern Guide Dogs Inc. Endowment Trust (the Trust) was created as a supporting organization to operate exclusively for the charitable, educational, and scientific purposes of the School, including for such purposes of making distributions solely to the School.

## **2. Summary of Significant Accounting Policies**

### **Principles of Combination**

The combined financial statements include the accounts of Southeastern Guide Dogs, Inc. (the School), and Southeastern Guide Dogs, Inc. Endowment Trust (the Trust), collectively referred to as the Organization. Southeastern Guide Dogs, Inc. holds an economic interest in Southeastern Guide Dogs, Inc. Endowment Trust. All significant inter-company transactions and accounts have been eliminated in the accompanying combined financial statements.

### **Financial Statements**

The combined financial statements and notes are a representation of the Organization's management, which is also responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the combined financial statements.

# **Southeastern Guide Dogs, Inc. and Southeastern Guide Dogs, Inc. Endowment Trust**

Notes to Combined Financial Statements (Continued)

June 30, 2020 and 2019

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## **2. Summary of Significant Accounting Policies (Continued)**

### **Use of Estimates and Assumptions**

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

### **Basis of Presentation**

The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

**Net assets without donor restrictions** - net assets that are not subject to donor-imposed stipulations. Quasi-endowment funds and board designated funds, established by the Board of Directors, are classified as net assets without donor restrictions.

**Net assets with donor restrictions** - net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, these net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Other net assets are perpetual in nature. These net assets are subject to donor-imposed stipulations that the net assets be maintained in perpetuity by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investment for general or specific purposes.

### **Revenue Recognition**

All contributions and bequests are considered available without donor restrictions unless specifically restricted by the respective donor or bequestor.

Contributions and bequests received with donor or bequestor stipulations that limit the use of donated assets are treated as net assets with donor restrictions. When the purpose of the restriction is accomplished, these net assets are reclassified to net assets without donor restrictions and reported in the combined statements of activities as net assets released from restrictions.

Contributions and bequests restricted for the purpose of acquiring or constructing long-lived assets are recorded as net assets with donor restrictions until the long-lived asset is acquired or constructed, at which time the net assets are released from the restriction and reclassified to net assets without donor restrictions.

Contributions restricted by the donor for endowment purposes are treated as net assets with donor restrictions. The principal of the contribution remains intact in perpetuity.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Organization does not have any conditional promises to give.

**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Notes to Combined Financial Statements (Continued)

June 30, 2020 and 2019

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**2. Summary of Significant Accounting Policies (Continued)**

**Revenue Recognition (Continued)**

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

**Income Tax Status**

The School and Trust have been recognized by the Internal Revenue Service as tax-exempt organizations described in Section 501(c)(3) of the Internal Revenue Code. Income earned in furtherance of the School's and Trust's tax-exempt purpose is exempt from federal and state income taxes. Therefore, no provision for income taxes has been provided for.

Under the Income Taxes Topic of the FASB Accounting Standards Codification, the School and Trust have reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the combined financial statements.

The Organization files income tax returns in the U.S. federal jurisdiction. The tax periods open to examination by the major taxing jurisdictions to which the Organization is subject to include fiscal years ended June 30, 2017 through June 30, 2020.

**Cash and Cash Equivalents**

For purposes of the combined statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Pledges Receivable**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions, if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions.

**Merchandise Inventory**

Inventory is recorded at the lower of cost or market and consists of merchandise for resale and dog harnesses. The cost is determined using the first-in first-out method of valuing inventory.

# **Southeastern Guide Dogs, Inc. and Southeastern Guide Dogs, Inc. Endowment Trust**

Notes to Combined Financial Statements (Continued)

June 30, 2020 and 2019

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## **2. Summary of Significant Accounting Policies (Continued)**

### **Investments**

Investments in debt securities and certain equity securities are reported at their fair values in the combined statements of financial position, which represents the value at the date of donation or cost on the date of purchase plus reinvested earnings and appreciation or depreciation. Investment income, net of investment expenses, and realized and unrealized gains and losses are included in the combined statements of activities. Investment income, net of investment expenses, and gains and losses restricted by a donor are reported as increases and decreases in net assets with donor restrictions as required by the Trust Indenture governing contributions to the School which are restricted in perpetuity. Investment income, net of investment expenses, is recognized as revenue in the period it is earned and gains and losses are recognized as changes in net assets in the accounting period they occur. Investments are comprised of equities, fixed income bonds, real estate investment trusts (REITS) and commodities.

### **Split-Interest Agreements**

The Organization has been named remainderman in several irrevocable charitable remainder trusts and gift annuities. The Organization's beneficial interest in the trusts' assets is measured at the present value of the estimated future distributions expected to be received. The discount rate utilized to measure the present value of future distributions is based upon the stated rate of return, ranging from five and eight-tenths percent (5.8%) to seven and four-tenths percent (7.4%) of the fair value of the trusts' investments, to be received by the designated beneficiaries over the term of the trusts.

### **Bequests and Estates Receivable**

Bequests and estates are recorded at the date of death and when a reasonable estimate of assets can be completed, if they are expected to be collected within one year. Management believes all are collectible; therefore, no allowance for uncollectible receivables has been recorded.

### **Property and Equipment**

Property and equipment are recorded at cost or at estimated fair value at the date of gift. Property and equipment exceeding \$3,000 and a useful life of one year or longer are capitalized. Depreciation is calculated using the straight-line method over the estimated lives of the assets ranging from three to thirty-nine years. Other expenditures for maintenance and repairs are charged to operations in the year the costs are incurred.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When assets are impaired, asset values are reduced for this impairment. There was no impairment recognized on property and equipment for the years ended June 30, 2020 and 2019.

### **Functional Allocation of Expenses**

The costs of providing the program and supporting services have been summarized on a functional basis in the combined statements of activities and in the combined statements of functional expenses. Costs are allocated between fundraising, management, and general or program services based on evaluations of the related benefits. Management and general expenses include expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the Organization. The expenses that are allocated include salaries, employee benefits, payroll taxes, and other expenses for services which are allocated on the basis of estimated time and effort and depreciation which is allocated based on estimated square footage of space used.

**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Notes to Combined Financial Statements (Continued)

June 30, 2020 and 2019

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**2. Summary of Significant Accounting Policies (Continued)**

**Financial Instruments Not Measured at Fair Value**

Certain of the Organization's financial instruments are not measured at fair value on a recurring basis but nevertheless certain financial instruments are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and financial liabilities include cash and cash equivalents, accrued interest receivable, prepaid expenses and other assets, and accounts payable and accrued expenses.

**Advertising and Promotions**

Advertising costs are expensed as incurred. For the years ended June 30, 2020 and 2019, "advertising expense" includes \$4,306,655 and \$5,730,787 of contributed services which consist of advertising and promotional services for special events and program support. Total advertising expense was \$5,042,249 and \$6,247,210 for the years ended June 30, 2020 and 2019, respectively.

**Contributed Services and Nonfinancial Assets**

Contributed services and nonfinancial assets reported in the accompanying combined financial statements are primarily comprised of advertising and promotional services for program support and special events. Contributed services and nonfinancial assets for the years ended June 30, 2020 and 2019 totaled \$4,607,592 and \$6,017,946, respectively.

Contributed services and nonfinancial assets are recognized at their estimated fair value when they create or enhance nonfinancial assets, they require specialized skills that would need to be purchased if they were not donated, or they are nonfinancial assets (such as advertising to the public communicating the Organization's mission) which are directed by the Organization for the Organization's benefit and have been provided at no cost. Amounts are recorded at their estimated fair market value at the date of donation using published rates and prices. The Organization's contributed services and nonfinancial assets consist mainly of advertising and veterinary care.

Additionally, many volunteers contributed numerous hours of general, program and fundraising services to the School. These hours do not meet the requirements to be recorded as revenue and expenses under accounting principles generally accepted in the United States of America.

**Accounting Pronouncements Adopted**

During the year ended June 30, 2020, the Organization adopted (ASU) No. 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in ASU 2018-08 apply to all entities that receive or make contributions. The adoption of ASU No. 2018-08 did not have a material impact on the measurement, nor on the contributions made and received. Therefore, no cumulative adjustment has been made to the opening balance of net assets at July 1, 2019.

**Reclassification**

To facilitate comparison of financial data, certain amounts in the 2019 combined financial statements have been reclassified to conform to the 2020 reporting presentation. Such reclassifications had no effect on the change in net assets previously reported.

**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Notes to Combined Financial Statements (Continued)

June 30, 2020 and 2019

**3. Liquidity and Availability**

Financial assets available for general expenditure within one year of the combined statements of financial position date, comprise the following:

	<b>2020</b>	<b>2019</b>
Cash and cash equivalents without donor restrictions	\$ 6,373,893	\$ 9,214,496
Pledges receivable, net - current portion	2,670,339	2,552,158
Investments without donor restrictions	24,176,677	11,999,644
Total financial assets available within one year	33,220,909	23,766,298
Less: Amounts unavailable for general expenditure due to:		
Pledges receivable, net, restricted for purpose and time	(59,670)	(314,622)
Pledges receivable, net, restricted for perpetuity	(2,431,907)	(2,000,000)
Total unavailable for general expenditure	(2,491,577)	(2,314,622)
Less: Amounts unavailable to management without Board approval:		
Board designated funds for operating support	(9,358,365)	(9,041,509)
Total financial assets available to management for general expenditure within one year	\$ 21,370,967	\$ 12,410,167

The Organization manages its liquid assets in accordance with regular budgeting processes developed through the coordinated efforts of management and the Board of Directors. Monthly reporting by management to those charged with governance ensures the results from operating activities are monitored closely.

The Organization also has funds available of up to \$5,000,000 on the unused line of credit. See note 10 for more information.

It is the policy of the Organization's Board of Directors to periodically designate appropriate sums to ensure adequate financing of future projects and contingencies. As of June 30, 2020 and 2019, \$9,358,365 and \$9,041,509, respectively, has been designated by the Board for operating support. The Board may vote to make these funds available for other use at their discretion.

**4. Pledges Receivable**

Pledges receivable consist of the following as of June 30:

	<b>2020</b>	<b>2019</b>
Pledges receivable	\$ 4,360,910	\$ 5,514,662
Less: discount to net present value (rates from 2.0% - 6.6%)	(252,128)	(324,139)
Less: allowance for uncollectible pledges	-	-
Pledges receivable, net	4,108,782	5,190,523
Less current portion	2,670,339	2,552,158
Amount collectible in 1-5 years	\$ 1,438,443	\$ 2,638,365

Pledges receivable are discounted to net present value at the time of pledge recognition using reasonable rates that align with the term of each pledge.



**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Notes to Combined Financial Statements (Continued)

June 30, 2020 and 2019

**5. Note Payable**

**Payroll Protection Program Loan**

On April 29, 2020, the Organization qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act for an aggregate principal amount of \$1,485,000 (the PPP Loan). The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of payments deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon the Organization's request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Organization. The Organization intends to apply for forgiveness of the PPP Loan with respect to these covered expenses. To the extent that all or part of the PPP Loan is not forgiven, the Organization will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing on November 29, 2020, principal and interest payments will be required through the maturity date April 29, 2022. The terms of the PPP Loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The PPP Loan may be accelerated upon the occurrence of an event of default.

The Organization has recorded the PPP Loan in accordance with ASC 470, *Debt*. The PPP Loan is included in note payable on the statement of financial position. The proceeds will remain as debt until either: 1) the loan has been forgiven and the Organization has been legally released of the obligation, in whole or part; or 2) the Organization pays off the loan. If the PPP Loan is forgiven, the Organization will reduce the liability and record revenue on the statement of activities. The balance of the PPP Loan at June 30, 2020 is \$1,485,000.

**Future Maturities of Note Payable**

Future maturities of note payable at June 30, 2020, are as follows:

Year ending June 30:		
2021	\$	491,705
2022		993,295
Total	\$	<u>1,485,000</u>

**6. Investments**

Investments are presented in the combined financial statements at fair value. Unrealized gains and losses are reflected in the combined statements of activities in the accompanying combined financial statements.

Following is a summary of investments at June 30, 2020:

	<u>Cost</u>	<u>Fair Value</u>	<u>Accumulated Unrealized Gains (Losses)</u>
Equities	\$ 5,753,847	\$ 6,023,010	\$ 269,163
Fixed income	28,319,553	29,020,594	701,041
REITS	600,585	604,789	4,204
Commodities	399,300	318,801	(80,499)
Total investments	<u>\$ 35,073,285</u>	<u>\$ 35,967,194</u>	<u>\$ 893,909</u>

**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Notes to Combined Financial Statements (Continued)

June 30, 2020 and 2019

**6. Investments (Continued)**

For the year ended June 30, 2020, the Organization had realized losses and unrealized gains on investments of \$236,556 and \$569,993 respectively, and incurred investment broker fees of \$186,835, which are presented net against investment income on the combined statement of activities.

Following is a summary of investments at June 30, 2019:

	<u>Cost</u>	<u>Fair Value</u>	<u>Accumulated Unrealized Gains (Losses)</u>
Equities	\$ 5,617,747	\$ 5,782,142	\$ 164,395
Fixed income	13,430,955	13,613,917	182,962
REITS	278,290	303,335	25,045
Commodities	404,931	356,445	(48,486)
Total investments	<u>\$ 19,731,923</u>	<u>\$ 20,055,839</u>	<u>\$ 323,916</u>

For the year ended June 30, 2019, the Organization had realized losses and unrealized gains on investments of \$29,494 and \$289,913 respectively, and incurred investment broker fees of \$138,537, which are presented net against investment income on the combined statement of activities.

**7. Fair Value of Financial Assets and Liabilities**

The Organization values certain assets in accordance with the *Fair Value Measurements and Disclosures* Topic of the FASB Accounting Standards Codification. The *Fair Value Measurements and Disclosures* Topic provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions. The *Fair Value Measurements and Disclosure* Topic requires the Organization to present fair value measurements separately for each class of assets and liabilities as of June 30, 2020 and 2019.

The following tables present information about the Organization's classes of assets and liabilities that are measured at fair value on a recurring and non-recurring basis as of June 30, 2020 and 2019, and indicates the fair value hierarchy of the valuation techniques used to determine such fair value. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities, such as publicly traded equity securities.

Level 2 - inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quotes prices (interest rates, yield curves, etc.), or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. The inputs reflect the Organization's assumptions based on the best information available in the circumstance.

**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Notes to Combined Financial Statements (Continued)

June 30, 2020 and 2019

**7. Fair Value of Financial Assets and Liabilities (Continued)**

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level of a financial instrument within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The following methods and assumptions were used by the Organization in estimating the fair value of its Level 2 and 3 financial instruments:

*Fixed Income* - The fair value is determined using a market approach which uses direct and indirect observable information including quoted prices for similar assets and interest rate information (Level 2).

*Charitable trusts receivable* - The fair value of these assets are estimated by discounting future cash flows and management's best estimate of collectability (Level 2).

*Gift annuity liability* - The fair value of these liabilities are estimated by discounting future cash flows using actuarial rates from mortality tables (Level 3).

The following table presents information about the Organization's assets and liabilities measured at fair value on a recurring and non-recurring basis as of June 30, 2020 and indicates the fair value hierarchy of the valuation techniques used to determine fair value.

Description	Total	Level 1	Level 2	Level 3
Equities:				
U.S. large cap	\$ 2,737,204	\$ 2,737,204	\$ -	\$ -
U.S. mid cap	708,106	708,106	-	-
U.S. small cap	219,048	219,048	-	-
Convertible securities	214,103	214,103	-	-
Developed markets	1,902,433	1,902,433	-	-
Emerging markets	190,206	190,206	-	-
International	51,910	51,910	-	-
Total equities	<u>6,023,010</u>	<u>6,023,010</u>	<u>-</u>	<u>-</u>
Fixed Income:				
Asset backed securities	645,909	-	645,909	-
Investment grade taxable	7,493,591	-	7,493,591	-
Government securities	2,675,657	-	2,675,657	-
Developed markets	339,907	-	339,907	-
Municipal bonds	15,491,977	-	15,491,977	-
High yield	2,357,430	-	2,357,430	-
PACE investments	8,100	-	8,100	-
Preferred securities	8,023	-	8,023	-
Total fixed income	<u>29,020,594</u>	<u>-</u>	<u>29,020,594</u>	<u>-</u>
REITS	604,789	604,789	-	-
Commodities	318,801	318,801	-	-
Total investments	<u>35,967,194</u>	<u>923,590</u>	<u>29,020,594</u>	<u>-</u>
Charitable trusts receivable	318,870	-	318,870	-
Total assets at fair value	<u>\$ 36,286,064</u>	<u>\$ 6,946,600</u>	<u>\$ 29,339,464</u>	<u>\$ -</u>
Gift annuity liability	<u>\$ 75,823</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,823</u>

**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Notes to Combined Financial Statements (Continued)

June 30, 2020 and 2019

**7. Fair Value of Financial Assets and Liabilities (Continued)**

The following is a reconciliation of the beginning and ending balances for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended June 30, 2020:

	<b>Gift Annuity Liability</b>
Beginning balance	\$ 74,021
Change in value of split interest agreements	14,002
Annuity payments	(12,200)
Ending balance	\$ 75,823

The following table presents information about the Organization's assets and liabilities measured at fair value on a recurring and non-recurring basis as of June 30, 2019 and indicates the fair value hierarchy of the valuation techniques used to determine fair value.

Description	Total	Level 1	Level 2	Level 3
Equities:				
U.S. large cap	\$ 2,946,782	\$ 2,946,782	\$ -	\$ -
U.S. mid cap	34,301	34,301	-	-
U.S. small cap	1,538,093	1,538,093	-	-
Developed markets	1,197,887	1,197,887	-	-
Emerging markets	65,079	65,079	-	-
Total equities	5,782,142	5,782,142	-	-
Fixed Income:				
Investment grade taxable	4,605,384	-	4,605,384	-
Municipal bonds	3,669,493	-	3,669,493	-
Ultra short-term bonds	3,861,842	-	3,861,842	-
High yield	1,472,594	-	1,472,594	-
International	4,604	-	4,604	-
Total fixed income	13,613,917	-	13,613,917	-
REITS	303,335	303,335	-	-
Commodities	356,445	356,445	-	-
Total investments	20,055,839	6,441,922	13,613,917	-
Charitable trusts receivable	275,484	-	275,484	-
Total assets at fair value	\$ 20,331,323	\$ 6,441,922	\$ 13,889,401	\$ -
Gift annuity liability	\$ 74,021	\$ -	\$ -	\$ 74,021

**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Notes to Combined Financial Statements (Continued)

June 30, 2020 and 2019

**7. Fair Value of Financial Assets and Liabilities (Continued)**

The following is a reconciliation of the beginning and ending balances for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended June 30, 2019:

	<b>Gift Annuity Liability</b>
Beginning balance	\$ 75,563
Change in value of split interest agreements	10,214
Annuity payments	(11,756)
Ending balance	\$ 74,021

**8. Assets Held For Sale**

During 2007, the School received land valued at \$588,000. During the year ended June 30, 2011, the School recognized a loss of \$189,000 on the assets held for sale due to the deterioration of market conditions. During the year ended June 30, 2018, the School recognized a loss of \$74,000 on the assets held for sale due to deterioration of market conditions. As of June 30, 2019, the balance of assets held for sale consisted of land valued at \$325,000. During the year ended June 30, 2020 the School sold this property for a loss of \$10,000. It was not the intention of the School to utilize these assets for purposes other than selling them for cash. As such, they had been segregated from property and equipment, and were shown as assets held for sale. The School's policy is to hold assets held for sale at fair value less anticipated costs to sell.

**9. Property and Equipment**

Property and equipment consisted of the following at June 30:

	<b>2020</b>	<b>2019</b>
Land	\$ 408,651	\$ 408,651
Building	17,349,966	17,259,423
K9 University	7,384,443	7,271,073
Furniture and equipment	2,707,753	2,558,589
Transportation equipment	1,374,846	1,258,522
Freedom Walk	724,646	724,646
Construction in progress	2,715,845	306,986
	32,666,150	29,787,890
Less accumulated depreciation	6,183,473	4,906,007
Property and equipment, net	\$ 26,482,677	\$ 24,881,883

Depreciation expense for the years ended June 30, 2020 and 2019 totaled \$1,277,466 and \$1,249,223, respectively.

# **Southeastern Guide Dogs, Inc. and Southeastern Guide Dogs, Inc. Endowment Trust**

Notes to Combined Financial Statements (Continued)

June 30, 2020 and 2019

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## **10. Credit Line Agreement**

On May 31, 2017, Southeastern Guide Dogs, Inc. entered into a credit line agreement with a financial institution. The line of credit has no set maturity date, and is secured by the investments held at the financial institution. The maximum available credit is based, in part, on the value of the securities pledged as collateral for the credit line. As of June 30, 2020, the maximum principal amount available for borrowings was approximately \$5,000,000. The line of credit bears interest at a variable interest rate equal to the 30 day LIBOR plus a specified percentage spread, ranging between two percent (2.0%) and five and one half percent (5.5%), depending on the aggregate approved amount. There were no borrowings on the credit line for the years ended June 30, 2020 and 2019.

## **11. Retirement and Deferred Compensation Plan**

### **Retirement Plan**

The School provides a tax deferred annuity retirement plan for full-time eligible employees. The School's contributions to the plan were \$109,339 and \$108,712 for the years ended June 30, 2020 and 2019, respectively.

### **Deferred Compensation Plan**

During 2015, the Organization adopted a Deferred Compensation Agreement for the CEO under Internal Revenue Code 457(f). The Organization maintains a bookkeeping account for the assets held in reserve under the deferred compensation plan. The bookkeeping account consists of book entries only, and does not constitute a separate cash fund or other assets held in trust for or as security for the Organization's obligation to pay the amount of the account. The deferred compensation plan totaled \$248,733 and \$271,408 as of June 30, 2020 and 2019, respectively, and is included in cash and accrued expenses together with an amount representing investment earnings on the unpaid balance. The employee will have no rights nor will be paid until five years following each contribution date, provided the employee has been employed by the Organization continuously until that time. During the years ended June 30, 2020 and 2019, the Organization contributed \$54,490 and \$48,000, respectively. During the year ended June 30, 2020, the Organization made its first distribution from plan assets in the amount of \$81,467.

Per IRS rules and regulations, the deferred compensation is reported in Form 990 twice: initially when accrued and also when paid.

## **12. Net Asset Classifications**

The Organization's net assets have been classified into the following categories as of June 30, 2020 and 2019:

### **Board Designation of Net Assets without Donor Restrictions**

It is the policy of the Organization's Board of Directors to periodically designate appropriate sums to assure adequate financing of future projects and contingencies. As of June 30, 2020 and 2019, \$9,358,365 and \$9,041,509 has been designated by the board for operating support, respectively.

**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Notes to Combined Financial Statements (Continued)

June 30, 2020 and 2019

**12. Net Asset Classifications (Continued)**

**Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes as of June 30:

Subject to expenditure for specified purpose	<b>2020</b>	<b>2019</b>
Guide Dog Training	\$ 2,726,989	\$ 2,754,253
Paws for Patriots	2,942,661	1,275,598
Paws for Patriots – Veterans Service	-	25,000
Student Services Center	504,744	512,134
Student Fitness Center	35,264	1,250,557
Canine Fitness Center	1,455,884	161,136
Alumni Support Program	1,069,604	-
Covid-19 Fund	1,000,000	-
Student Bus and Metris Vans	5,663	5,450
Conditioning Equipment	8,005	8,005
Upgraded Servers	-	84,028
New Parking Lot	-	367,134
Vet Clinic Remodel	-	233,525
Children & Teens Program	42,355	258,700
Marketing	125,000	-
Other	35,897	91,204
Total purpose restrictions	<u>9,952,066</u>	<u>7,026,724</u>
Subject to the passage of time		
Charitable Remainder Trusts	<u>318,870</u>	<u>275,484</u>
Total time restrictions	<u>318,870</u>	<u>275,484</u>
 Total purpose and time restrictions	 <u>10,270,936</u>	 <u>7,302,208</u>
 Perpetual in nature		
Charitable gift annuities	69,406	78,428
Pledges receivable	2,431,906	4,431,907
Endowments	9,197,086	5,250,168
Total perpetual in nature restrictions	<u>11,698,398</u>	<u>9,760,503</u>
 Total net assets with donor restrictions	 <u>\$ 21,969,334</u>	 <u>\$ 17,062,711</u>

The primary purpose of the net assets held in perpetuity is to support the programs and services of the Organization and certain components of income are earmarked for purposes without restrictions.

**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Notes to Combined Financial Statements (Continued)

June 30, 2020 and 2019

**13. Net Assets Released from Restrictions**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by other events specified by donors. Purposes for which restrictions were accomplished during the year ended June 30 include the following:

	<u>2020</u>	<u>2019</u>
Expiration of time restrictions – Charitable Remainder Trusts	\$ 14,996	\$ 12,651
Satisfaction of purpose restrictions		
Guide Dog Training	101,300	85,563
Paws for Patriots	534,984	778,005
Paws for Patriots – Veterans Service	1,736,328	1,147,588
Student Services Center	7,390	24,118
Puppy Academy	-	31,905
Guide Dog University	-	515,092
Student Fitness Center	1,305,529	151,738
Alumni Support Program	32,781	-
Canine Fitness Center	295,392	4,292
Student Bus and Metris Vans	117,286	97,068
Conditioning Equipment	-	30,950
Upgraded Servers	84,028	15,972
New Parking Lot	367,134	85,693
Vet Clinic Remodel	233,555	12,139
Children & Teens Program	534,795	37,544
Marketing	250,000	350,333
Other	250,389	168,831
Total net assets released from restrictions	\$ <u>5,865,887</u>	\$ <u>3,549,482</u>

**14. Endowment**

The Organization's endowment consists of funds established for a variety of purposes. Their endowments include donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretations of Relevant Law**

When the Endowment Trust (Trust) was established in 1989, the Endowment Trustees approved a Trust Indenture, which describes how the Trust shall invest and preserve the value of donations received. The Trust classifies as net assets with donor restrictions that are perpetual in nature (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, and (d) accumulations of net assets with donor restrictions that are perpetual in nature resulting from interpretation of the Trust Indenture.

The Trust Indenture further limits the use of unrealized or realized gains associated with endowment assets. Under the terms of the Trust Agreement, the Trust classifies dividends and interest, net of associated fees, as net assets without restriction available for use on a periodic basis.



**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Notes to Combined Financial Statements (Continued)

June 30, 2020 and 2019

**14. Endowment (Continued)**

**Interpretations of Relevant Law (Continued)**

Effective July 1, 2012, the Organization adopted Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA). The adoption of FUPMIFA resulted in no changes to net assets with donor restrictions that are perpetual in nature as the Trust Indenture remains the primary guidance on how to administer and account for endowment assets. There were no changes to the Trust Indenture during the years ended June 30, 2020 and 2019.

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level classified as net assets with donor restrictions that are perpetual in nature. These deficiencies result from unfavorable market fluctuations that occurred shortly after the investment of new contributions of net assets with donor restrictions that are perpetual in nature and continued appropriation for certain programs that was deemed prudent by the Board of Directors. There were no deficiencies of this nature reported in net assets without donor restrictions as of June 30, 2020 and 2019.

**Changes in Endowment Net Assets**

Changes in endowment net assets for the year ended June 30, 2020 are as follows:

	<b>With Donor Restrictions</b>
Endowment net assets, July 1, 2019	\$ <u>5,328,596</u>
Endowment investment return:	
Interest and dividends	237,862
Realized and unrealized gain, net	<u>34,284</u>
Total endowment investment return	272,146
Contributions	3,666,028
Change in value of split-interest agreements	<u>(278)</u>
Total endowment activity	<u>3,937,896</u>
Endowment net assets, June 30, 2020	\$ <u><u>9,266,492</u></u>

Changes in endowment net assets for the year ended June 30, 2019 are as follows:

	<b>With Donor Restrictions</b>
Endowment net assets, July 1, 2018	\$ <u>4,038,367</u>
Endowment investment return:	
Interest and dividends	(6,778)
Realized and unrealized gain, net	<u>198,619</u>
Total endowment investment return	191,841
Contributions	1,105,688
Change in value of split-interest agreements	<u>(7,300)</u>
Total endowment activity	<u>1,098,388</u>
Endowment net assets, June 30, 2019	\$ <u><u>5,328,596</u></u>

**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Notes to Combined Financial Statements (Continued)

June 30, 2020 and 2019

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**14. Endowment (Continued)**

**Changes in Endowment Net Assets**

Changes in endowment net assets for the years ended June 30, 2020 and 2019 are shown on the combining schedule of activities on pages 26 and 28 as part of the supplemental information to these combined financial statements.

**Return Objectives and Risk Parameters**

The Trust has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Trust must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce a long-term rate of return on assets of at least 6% while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

In accordance with The Southeastern Guide Dogs, Inc. Endowment Trust Indenture and section 501(c)(3) of the Internal Revenue Code, net income earned by the Endowment Trust, after paying for necessary charges incurred by the funds, is paid to Southeastern Guide Dogs, Inc. and is subject to withdrawal and use in accordance with resolutions adopted by the Board of Directors of Southeastern Guide Dogs, Inc. The spending policy established for the years ended June 30, 2020 and 2019 allows the Organization to spend up to all of the investment earnings each year for general support. Additionally, the Board of Directors has the right to invade principal of the endowment through a Board resolution for an amount not to exceed 10% of the principal balance as of the first day of the month in which the resolution was adopted. This right to invade principal may be exercised not more than once in any calendar year and has not been exercised since the Endowment Trust Fund was established in 1989.

**15. Lease Commitments**

The Organization leases equipment under operating lease agreements expiring at various times through 2022.

Minimum annual rental commitments under operating leases are as follows at June 30:

2021	\$	6,426
2022		1,068
Total	\$	<u>7,494</u>

# **Southeastern Guide Dogs, Inc. and Southeastern Guide Dogs, Inc. Endowment Trust**

Notes to Combined Financial Statements (Continued)

June 30, 2020 and 2019

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## **16. Financial Instruments with Credit Risk and Economic Risk**

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist of cash, cash equivalents and investments. The Federal Deposit Insurance Corporation (FDIC) insures cash and other deposits up to \$250,000 at each financial institution. At any given time, the Organization may have cash balances exceeding the insured amount at any one financial institution. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Investment securities are exposed to interest rate, market, credit and other risks depending on the nature of the specific investment. Accordingly, it is reasonably possible that these factors will result in changes in the value of the Organization's investments.

## **17. Contingencies**

The Organization is subject to various claims and legal proceedings covering a range of matters that arise in the ordinary course of its business activities. Management and their legal counsel believe that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the Organization.

## **18. Related Party Transactions**

Board members and members of management are required to complete annual conflict of interest disclosure statements. If a board member, officer or trustee has a conflict of interest or a perceived conflict of interest with Southeastern Guide Dogs, Inc., he or she is required to notify the board chair of such conflict in writing and cannot be present during board or committee discussions or decisions on the matter. Continuous monitoring of all board members and staff takes place as situations occur, with any possible or actual conflicts being addressed and resolved as needed.

## **19. Risks and Uncertainties**

The World Health Organization declared the COVID-19 virus as a global pandemic on March 11, 2020. In response to the declaration of the global pandemic, business restrictions, including quarantines, and stay at home orders, were implemented by Federal, State, and local governments. These effects are as yet unknown, but may have future implications on the Organization. The duration and economic impact of this pandemic is uncertain for many. The Organization has modified many of its practices in order to adapt to the effects of the pandemic and maximize the safety and health of its employees and volunteers. In addition, the Organization is closely monitoring the ever changing landscape and plans to continue to adjust its strategies and operations as needed in order to carry out its mission in the most effective and efficient ways.

## **20. Subsequent Events**

Management has evaluated all events subsequent to the combined statement of financial position date of June 30, 2020, through the date these combined financial statements were available for issuance, November 17, 2020, and have determined that there are no subsequent events that require disclosure under the FASB Accounting Standards Codification.

## **Supplemental Information**

**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Combining Schedule of Financial Position

June 30, 2020

	<u>Southeastern Guide Dogs, Inc.</u>	<u>Southeastern Guide Dogs, Inc. Endowment Trust</u>
<b>Assets</b>		
Cash and cash equivalents:		
Without donor restrictions	\$ 6,373,893	\$ -
With donor restrictions - purpose and time	650,456	-
With donor restrictions - perpetual in nature	<u>98,520</u>	<u>116,373</u>
Total cash and cash equivalents	<u>7,122,869</u>	<u>116,373</u>
Accrued interest receivable	174,992	12,492
Pledges receivable, net (Note 4)	4,108,782	-
Prepaid expenses and other assets	144,645	-
Merchandise inventory	39,916	-
Investments (Note 6):		
Restricted for gift annuity liability	34,536	41,287
Without donor restrictions	24,176,677	-
With donor restrictions - purpose and time	2,688,962	-
With donor restrictions - perpetual in nature	<u>4,160,777</u>	<u>4,864,955</u>
Total investments	<u>31,060,952</u>	<u>4,906,242</u>
Bequests and estates receivable	16,591	-
Charitable trusts receivable	318,870	-
Mortgage receivable	98,066	-
Assets held for sale (Note 8)	-	-
Property and equipment, net (Note 9)	26,482,677	-
Due from Southeastern Guide Dogs Endowment Trust, Inc.	<u>20,117</u>	<u>-</u>
 Total Assets	 <u>\$ 69,588,477</u>	 <u>\$ 5,035,107</u>
 <b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	\$ 757,926	\$ -
Gift annuity liability	34,536	41,287
Note payable (Note 5)	1,485,000	-
Due to Southeastern Guide Dogs, Inc.	<u>-</u>	<u>20,117</u>
Total liabilities	<u>2,277,462</u>	<u>61,404</u>
 Net Assets:		
Without donor restrictions:		
Undesignated	14,474,342	-
Board designated funds for operating support	9,358,365	-
Investment in property and equipment	<u>26,482,677</u>	<u>-</u>
Total net assets without donor restrictions	<u>50,315,384</u>	<u>-</u>
With donor restrictions:		
Purpose and time restrictions	10,270,936	-
Perpetual in nature	<u>6,724,695</u>	<u>4,973,703</u>
Total net assets with donor restrictions (Note 12)	<u>16,995,631</u>	<u>4,973,703</u>
 Total net assets	 <u>67,311,015</u>	 <u>4,973,703</u>
 Total Liabilities and Net Assets	 <u>\$ 69,588,477</u>	 <u>\$ 5,035,107</u>

<u>Eliminations</u>	<u>Total</u>
\$ -	\$ 6,373,893
-	650,456
-	214,893
<u>-</u>	<u>7,239,242</u>
-	187,484
-	4,108,782
-	144,645
-	39,916
-	75,823
-	24,176,677
-	2,688,962
-	9,025,732
<u>-</u>	<u>35,967,194</u>
-	16,591
-	318,870
-	98,066
-	-
-	26,482,677
<u>(20,117)</u>	<u>-</u>
<u>\$ (20,117)</u>	<u>\$ 74,603,467</u>
\$ -	\$ 757,926
-	75,823
-	1,485,000
<u>(20,117)</u>	<u>-</u>
<u>(20,117)</u>	<u>2,318,749</u>
-	14,474,342
-	9,358,365
-	26,482,677
<u>-</u>	<u>50,315,384</u>
-	10,270,936
-	11,698,398
<u>-</u>	<u>21,969,334</u>
-	72,284,718
<u>\$ (20,117)</u>	<u>\$ 74,603,467</u>

See Independent Auditor's Report.

**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Combining Schedule of Activities

Year Ended June 30, 2020

	<b>Southeastern Guide Dogs, Inc.</b>		
	<b>Without</b>	<b>With</b>	<b>Total</b>
	<b>Donor</b>	<b>Donor</b>	
	<b>Restrictions</b>	<b>Restrictions</b>	
Support and Revenue:			
Individuals	\$ 3,997,461	\$ 3,549,633	\$ 7,547,094
Bequests	3,625,211	3,178,790	6,804,001
Lions Club	101,359	8,750	110,109
Service clubs	48,143	53,950	102,093
CFC project	69,859	21,937	91,796
Foundations	1,860,410	1,956,661	3,817,071
Corporate donations	457,594	1,560,260	2,017,854
Contributed services and nonfinancial assets (Note 2)	4,607,592	-	4,607,592
Other revenue	142,731	-	142,731
Merchandise sales, net of cost of sales of \$26,134	12,494	-	12,494
Special events, net of direct costs of \$512,040	1,689,761	-	1,689,761
Loss on disposal of assets	(10,000)	-	(10,000)
Realized loss on investments, net	(185,558)	(13,936)	(199,494)
Unrealized gain (loss) on investments, net	487,072	89,819	576,891
Investment income, net of investment expenses	353,414	155,169	508,583
Total support and revenue	<u>17,257,543</u>	<u>10,561,033</u>	<u>27,818,576</u>
Net asset released from restrictions	<u>5,865,887</u>	<u>(5,865,887)</u>	<u>-</u>
Total support, revenue and releases	<u>23,123,430</u>	<u>4,695,146</u>	<u>27,818,576</u>
Functional Expenses:			
Program services	13,209,064	-	13,209,064
Supporting services:	-	-	-
Management and general	1,207,186	-	1,207,186
Fundraising	2,785,610	-	2,785,610
Total functional expenses	<u>17,201,860</u>	<u>-</u>	<u>17,201,860</u>
Change in net assets before change in value of split interest agreements	<u>5,921,570</u>	<u>4,695,146</u>	<u>10,616,716</u>
Change in value of split interest agreements	<u>(13,725)</u>	<u>58,383</u>	<u>44,658</u>
Change in net assets	5,907,845	4,753,529	10,661,374
Transfers in (out)	154,192	-	154,192
Net assets - beginning of year	<u>44,253,347</u>	<u>12,242,102</u>	<u>56,495,449</u>
Net assets - end of year	<u>\$ 50,315,384</u>	<u>\$ 16,995,631</u>	<u>\$ 67,311,015</u>

**Southeastern Guide Dogs, Inc. Endowment Trust**

<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Combined Total</b>
\$ -	\$ 9,500	\$ 9,500	\$ 7,556,594
-	-	-	6,804,001
-	-	-	110,109
-	-	-	102,093
-	1,232	1,232	93,028
-	-	-	3,817,071
-	3,500	3,500	2,021,354
-	-	-	4,607,592
-	-	-	142,731
-	-	-	12,494
-	-	-	1,689,761
-	-	-	(10,000)
-	(37,062)	(37,062)	(236,556)
-	(6,898)	(6,898)	569,993
154,192	183,100	337,292	845,875
<u>154,192</u>	<u>153,372</u>	<u>307,564</u>	<u>28,126,140</u>
-	-	-	-
<u>154,192</u>	<u>153,372</u>	<u>307,564</u>	<u>28,126,140</u>
-	-	-	13,209,064
-	-	-	1,207,186
-	-	-	2,785,610
<u>-</u>	<u>-</u>	<u>-</u>	<u>17,201,860</u>
154,192	153,372	307,564	10,924,280
-	(278)	(278)	44,380
154,192	153,094	307,286	10,968,660
(154,192)	-	(154,192)	-
-	4,820,609	4,820,609	61,316,058
<u>\$ -</u>	<u>\$ 4,973,703</u>	<u>\$ 4,973,703</u>	<u>\$ 72,284,718</u>

See Independent Auditor's Report.



**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Combining Schedule of Financial Position

June 30, 2019

	<b>Southeastern Guide Dogs, Inc.</b>	<b>Southeastern Guide Dogs, Inc. Endowment Trust</b>
<b>Assets</b>		
Cash and cash equivalents:		
Without donor restrictions	\$ 9,214,496	\$ -
With donor restrictions - purpose and time	1,516,488	-
With donor restrictions - perpetual in nature	83,266	98,173
Total cash and cash equivalents	<u>10,814,250</u>	<u>98,173</u>
Accrued interest receivable	7,129	13,999
Pledges receivable, net (Note 4)	5,190,523	-
Prepaid expenses and other assets	119,664	-
Merchandise inventory	43,269	-
Investments (Note 6):		
Restricted for gift annuity liability	32,456	41,565
Without donor restrictions	11,999,644	-
With donor restrictions - purpose and time	2,646,743	-
With donor restrictions - perpetual in nature	421,773	4,913,658
Total investments	<u>15,100,616</u>	<u>4,955,223</u>
Bequests and estates receivable	16,591	-
Charitable trusts receivable	275,484	-
Mortgage receivable	101,665	-
Assets held for sale (Note 8)	325,000	-
Property and equipment, net (Note 9)	24,881,883	-
Due from Southeastern Guide Dogs Endowment Trust, Inc.	<u>205,221</u>	<u>-</u>
 Total Assets	 <u>\$ 57,081,295</u>	 <u>\$ 5,067,395</u>
 <b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	\$ 553,390	\$ -
Gift annuity liability	32,456	41,565
Due to Southeastern Guide Dogs, Inc.	-	205,221
Total liabilities	<u>585,846</u>	<u>246,786</u>
 Net Assets:		
Without donor restrictions:		
Undesignated	10,329,955	-
Board designated funds for operating support	9,041,509	-
Investment in property and equipment	24,881,883	-
Total net assets without donor restrictions	<u>44,253,347</u>	<u>-</u>
With donor restrictions:		
Purpose and time restrictions	7,302,208	-
Perpetual in nature	4,939,894	4,820,609
Total net assets with donor restrictions (Note 12)	<u>12,242,102</u>	<u>4,820,609</u>
 Total net assets	 <u>56,495,449</u>	 <u>4,820,609</u>
 Total Liabilities and Net Assets	 <u>\$ 57,081,295</u>	 <u>\$ 5,067,395</u>

<u>Eliminations</u>	<u>Total</u>
\$ -	\$ 9,214,496
-	1,516,488
-	181,439
-	<u>10,912,423</u>
-	21,128
-	5,190,523
-	119,664
-	43,269
-	74,021
-	11,999,644
-	2,646,743
-	5,335,431
-	<u>20,055,839</u>
-	16,591
-	275,484
-	101,665
-	325,000
-	24,881,883
<u>(205,221)</u>	<u>-</u>
<u>\$ (205,221)</u>	<u>\$ 61,943,469</u>
\$ -	\$ 553,390
-	74,021
<u>(205,221)</u>	<u>-</u>
<u>(205,221)</u>	<u>627,411</u>
-	10,329,955
-	9,041,509
-	24,881,883
-	<u>44,253,347</u>
-	7,302,208
-	9,760,503
-	<u>17,062,711</u>
-	<u>61,316,058</u>
<u>\$ (205,221)</u>	<u>\$ 61,943,469</u>

See Independent Auditor's Report.

**Southeastern Guide Dogs, Inc. and  
Southeastern Guide Dogs, Inc. Endowment Trust**

Combining Schedule of Activities  
Year Ended June 30, 2019

	<b>Southeastern Guide Dogs, Inc.</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Support and Revenue:			
Individuals	\$ 4,667,324	\$ 6,197,385	\$ 10,864,709
Bequests	3,639,059	17,930	3,656,989
Lions Club	111,250	66,590	177,840
Service clubs	56,364	179,818	236,182
CFC project	59,769	21,393	81,162
Foundations	1,295,358	2,427,087	3,722,445
Corporate donations	914,784	493,385	1,408,169
Contributed services and nonfinancial assets (Note 2)	6,017,946	-	6,017,946
Other revenue	127,426	-	127,426
Merchandise sales, net of cost of sales of \$21,559	40,715	-	40,715
Special events, net of direct costs of \$620,232	860,555	-	860,555
Loss on disposal of assets	(134,980)	-	(134,980)
Realized gain (loss) on investments, net	(184,852)	(18,504)	(203,356)
Unrealized gain on investments, net	189,511	83,532	273,043
Investment income, net of investment expenses	462,099	83,537	545,636
Total support and revenue	<u>18,122,328</u>	<u>9,552,153</u>	<u>27,674,481</u>
Net asset released from restrictions	<u>3,549,482</u>	<u>(3,549,482)</u>	<u>-</u>
Total support, revenue and releases	<u>21,671,810</u>	<u>6,002,671</u>	<u>27,674,481</u>
Functional Expenses			
Program services	13,899,391	-	13,899,391
Supporting services:			
Management and general	1,029,729	-	1,029,729
Fundraising	3,096,338	-	3,096,338
Total functional expenses	<u>18,025,458</u>	<u>-</u>	<u>18,025,458</u>
Change in net assets before change in value of split interest agreements	<u>3,646,352</u>	<u>6,002,671</u>	<u>9,649,023</u>
Change in value of split interest agreements	<u>(2,912)</u>	<u>(17,444)</u>	<u>(20,356)</u>
Change in net assets	3,643,440	5,985,227	9,628,667
Transfers in (out)	96,022	-	96,022
Net assets - beginning of year	40,513,885	6,256,875	46,770,760
Net assets - end of year	<u>\$ 44,253,347</u>	<u>\$ 12,242,102</u>	<u>\$ 56,495,449</u>

**Southeastern Guide Dogs, Inc. Endowment Trust**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Combined Total</b>
\$	-	\$ 4,446	\$ 4,446	\$ 10,869,155
	-	582,813	582,813	4,239,802
	-	-	-	177,840
	-	-	-	236,182
	-	1,051	1,051	82,213
	-	11,380	11,380	3,733,825
	-	5,998	5,998	1,414,167
	-	-	-	6,017,946
	-	-	-	127,426
	-	-	-	40,715
	-	-	-	860,555
	-	-	-	(134,980)
	-	173,862	173,862	(29,494)
	-	16,870	16,870	289,913
	96,022	(6,878)	89,144	634,780
	<u>96,022</u>	<u>789,542</u>	<u>885,564</u>	<u>28,560,045</u>
	-	-	-	-
	<u>96,022</u>	<u>789,542</u>	<u>885,564</u>	<u>28,560,045</u>
	-	-	-	13,899,391
	-	-	-	1,029,729
	-	-	-	3,096,338
	-	-	-	<u>18,025,458</u>
	<u>96,022</u>	<u>789,542</u>	<u>885,564</u>	<u>10,534,587</u>
	-	(7,300)	(7,300)	(27,656)
	96,022	782,242	878,264	10,506,931
	(96,022)	-	(96,022)	-
	-	4,038,367	4,038,367	50,809,127
\$	<u><u>-</u></u>	<u><u>\$ 4,820,609</u></u>	<u><u>\$ 4,820,609</u></u>	<u><u>\$ 61,316,058</u></u>

See Independent Auditor's Report.