

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

Combined Financial Statements,  
Supplemental Information and  
Independent Auditor's Report  
June 30, 2023 and 2022

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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

### Opinion

We have audited the 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, 2023 and 2022, 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.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the Combined Financial Statements**

Our objectives are to obtain reasonable assurance about whether the combined 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 GAAS 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 combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 the Organization'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

### **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 Barbunio & Co.*

Sarasota, Florida  
November 9, 2023

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

Combined Statements of Financial Position  
June 30, 2023 and 2022

<b>Assets</b>	<b>2023</b>	<b>2022</b>
Cash and cash equivalents:		
Without donor restrictions	\$ 7,933,346	\$ 2,994,061
With donor restrictions - purpose and time	463,243	531,561
With donor restrictions - perpetual in nature	120,373	194,366
Total cash and cash equivalents	8,516,962	3,719,988
Accrued interest receivable	335,184	306,451
Pledges receivable, net (Note 4)	1,594,129	946,289
Prepaid expenses and other assets	207,269	107,113
Merchandise inventory	44,107	40,731
Investments (Note 5):		
Restricted for gift annuity liability	42,819	61,557
Without donor restrictions	36,561,820	35,591,239
With donor restrictions - purpose and time	4,278,115	4,220,571
With donor restrictions - perpetual in nature	11,609,464	11,524,973
Total investments	52,492,218	51,398,340
Bequests and estates receivable	2,735,752	16,591
Charitable trusts receivable	241,994	330,849
Mortgage receivable	86,714	90,912
Property and equipment, net (Note 7)	29,252,594	26,706,659
<b>Total Assets</b>	<b>\$ 95,506,923</b>	<b>\$ 83,663,923</b>
 <b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,475,158	\$ 1,096,226
Gift annuity liability	42,819	61,557
Note payable (Note 9)	2,510,776	-
Total liabilities	4,028,753	1,157,783
Net Assets:		
Without donor restrictions:		
Undesignated	35,666,231	33,286,592
Investment in property and equipment	29,252,594	26,706,659
Total net assets without donor restrictions	64,918,825	59,993,251
With donor restrictions:		
Purpose and time restrictions	12,998,692	10,880,542
Perpetual in nature	13,560,653	11,632,347
Total net assets with donor restrictions (Note 11)	26,559,345	22,512,889
Total net assets	91,478,170	82,506,140
<b>Total Liabilities and Net Assets</b>	<b>\$ 95,506,923</b>	<b>\$ 83,663,923</b>

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, 2023

(With Summarized Totals for 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2022 Total</u>
Support and Revenue:				
Individuals	\$ 4,554,350	\$ 3,959,622	\$ 8,513,972	\$ 6,578,561
Bequests	6,982,691	2,155,234	9,137,925	5,250,276
Lions Club	59,837	11,894	71,731	86,859
Service clubs	-	369,580	369,580	204,714
CFC project	46,328	250	46,578	65,006
Foundations	1,213,409	2,955,990	4,169,399	2,936,028
Corporate donations	122,839	473,616	596,455	732,131
Contributed services and nonfinancial assets (Note 2)	24,105,115	-	24,105,115	14,354,595
Marketing revenue	40,275	-	40,275	46,062
Other revenue	238,315	-	238,315	126,193
Merchandise sales, net of cost of sales of \$49,093	17,100	-	17,100	15,245
Special events, net of direct costs of \$432,150	969,964	-	969,964	855,784
Gain (loss) on disposal of assets	(122,669)	-	(122,669)	1,550
Realized loss on investments, net	(695,063)	(503,620)	(1,198,683)	(50,850)
Unrealized gain (loss) on investments, net	1,329,253	552,723	1,881,976	(6,417,036)
Investment income, net of investment expenses	1,482,886	96,818	1,579,704	890,340
Total support and revenue	<u>40,344,630</u>	<u>10,072,107</u>	<u>50,416,737</u>	<u>25,675,458</u>
Net assets released from restrictions	<u>5,942,972</u>	<u>(5,942,972)</u>	<u>-</u>	<u>-</u>
Total support, revenue and releases	<u>46,287,602</u>	<u>4,129,135</u>	<u>50,416,737</u>	<u>25,675,458</u>
Functional Expenses:				
Program services	36,765,276	-	36,765,276	24,768,588
Supporting services:				
Management and general	1,230,264	-	1,230,264	1,044,063
Fundraising	3,377,291	-	3,377,291	2,707,875
Total functional expenses	<u>41,372,831</u>	<u>-</u>	<u>41,372,831</u>	<u>28,520,526</u>
Change in net assets before change in value of split interest agreements	<u>4,914,771</u>	<u>4,129,135</u>	<u>9,043,906</u>	<u>(2,845,068)</u>
Change in value of split interest agreements	<u>10,803</u>	<u>(82,679)</u>	<u>(71,876)</u>	<u>14,554</u>
Change in net assets	4,925,574	4,046,456	8,972,030	(2,830,514)
Net assets - beginning of year	<u>59,993,251</u>	<u>22,512,889</u>	<u>82,506,140</u>	<u>85,336,654</u>
Net assets - end of year	<u>\$ 64,918,825</u>	<u>\$ 26,559,345</u>	<u>\$ 91,478,170</u>	<u>\$ 82,506,140</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, 2022

(With Summarized Totals for 2023)

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>2023 Total</b>
Support and Revenue:				
Individuals	\$ 3,358,227	\$ 3,220,334	\$ 6,578,561	\$ 8,513,972
Bequests	4,230,532	1,019,744	5,250,276	9,137,925
Lions Club	77,759	9,100	86,859	71,731
Service clubs	94,029	110,685	204,714	369,580
CFC project	59,890	5,116	65,006	46,578
Foundations	1,264,944	1,671,084	2,936,028	4,169,399
Corporate donations	227,705	504,426	732,131	596,455
Contributed services and nonfinancial assets (Note 2)	14,354,595	-	14,354,595	24,105,115
Marketing revenue	46,062	-	46,062	40,275
Other revenue	126,193	-	126,193	238,315
Merchandise sales, net of cost of sales of \$21,536	15,245	-	15,245	17,100
Special events, net of direct costs of \$410,805	855,784	-	855,784	969,964
Gain (loss) on disposal of assets	1,550	-	1,550	(122,669)
Realized gain (loss) on investments, net	51,418	(102,268)	(50,850)	(1,198,683)
Unrealized gain (loss) on investments, net	(3,956,412)	(2,460,624)	(6,417,036)	1,881,976
Investment income, net of investment expenses	837,917	52,423	890,340	1,579,704
Total support and revenue	<u>21,645,438</u>	<u>4,030,020</u>	<u>25,675,458</u>	<u>50,416,737</u>
Net assets released from restrictions	4,893,610	(4,893,610)	-	-
Total support, revenue and releases	<u>26,539,048</u>	<u>(863,590)</u>	<u>25,675,458</u>	<u>50,416,737</u>
Functional Expenses:				
Program services	24,768,588	-	24,768,588	36,765,276
Supporting services:				
Management and general	1,044,063	-	1,044,063	1,230,264
Fundraising	2,707,875	-	2,707,875	3,377,291
Total functional expenses	<u>28,520,526</u>	<u>-</u>	<u>28,520,526</u>	<u>41,372,831</u>
Change in net assets before change in value of split interest agreements	<u>(1,981,478)</u>	<u>(863,590)</u>	<u>(2,845,068)</u>	<u>9,043,906</u>
Change in value of split interest agreements	<u>2,775</u>	<u>11,779</u>	<u>14,554</u>	<u>(71,876)</u>
Change in net assets	(1,978,703)	(851,811)	(2,830,514)	8,972,030
Net assets - beginning of year	61,971,954	23,364,700	85,336,654	82,506,140
Net assets - end of year	<u>\$ 59,993,251</u>	<u>\$ 22,512,889</u>	<u>\$ 82,506,140</u>	<u>\$ 91,478,170</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, 2023 and 2022

	<b>2023</b>	<b>2022</b>
Cash Flows from Operating Activities:		
Change in net assets	\$ 8,972,030	\$ (2,830,514)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,302,442	1,318,966
Realized and unrealized (gain) loss on investments, net	(683,293)	6,467,886
Amortization of bond premium	471,418	634,492
Change in value of split interest agreements	71,876	(14,554)
(Gain) loss on disposal of assets	122,669	(1,550)
Contributions restricted for long-term investments	(3,127,275)	(1,251,989)
Change in operating assets:		
Accrued interest receivable	(28,733)	(16,325)
Prepaid expenses and other assets	(100,156)	(13,085)
Merchandise inventory	(3,376)	(5,466)
Pledges receivable, non-capital	9,518	449,679
Bequests and estates receivable, non-endowed	(719,161)	118,750
Charitable trusts receivable	10,885	15,662
Change in operating liabilities:		
Accounts payable and accrued expenses	378,932	134,649
Gift annuity liability	(12,644)	(12,200)
Total adjustments	(2,306,898)	7,824,915
Net cash provided by operating activities	6,665,132	4,994,401
Cash Flows from Investing Activities:		
Payments received on mortgage receivable	4,198	3,152
Purchase of property and equipment	(3,971,076)	(507,822)
Proceeds from disposals of assets	-	1,550
Purchases of investments	(18,571,552)	(17,601,378)
Proceeds from sales of investments	17,689,579	12,424,502
Net cash used in investing activities	(4,848,851)	(5,679,996)
Cash Flows from Financing Activities:		
Proceeds from note payable	2,800,000	-
Principal payments on note payable	(289,224)	-
Contributions, net of change in pledges, restricted for long-term investments	469,917	1,419,844
Net cash provided by financing activities	2,980,693	1,419,844
Change in cash and cash equivalents	4,796,974	734,249
Cash and cash equivalents - beginning of year	3,719,988	2,985,739
Cash and cash equivalents - end of year	\$ 8,516,962	\$ 3,719,988
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	\$ 39,617	\$ -

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, 2023

(With Summarized Totals for 2022)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>2022 Total</u>
Salaries	\$ 7,168,886	\$ 523,927	\$ 1,442,011	\$ 9,134,824	\$ 7,880,443
Employee benefits	857,756	62,688	172,536	1,092,980	895,709
Payroll taxes	504,619	35,574	101,214	641,407	512,353
Total personnel expense	<u>8,531,261</u>	<u>622,189</u>	<u>1,715,761</u>	<u>10,869,211</u>	<u>9,288,505</u>
Advertising and promotions	1,324,552	7,136	-	1,331,688	565,437
In-kind advertising and promotions	22,483,042	-	1,183,318	23,666,360	13,952,754
Breeding cost, kennel supplies and veterinary services	975,431	12	-	975,443	858,895
General insurance	227,012	19,572	47,305	293,889	261,683
Maintenance and equipment	801,822	16,608	23,836	842,266	746,329
Occupancy	257,544	30,977	23,852	312,373	225,577
Office	84,438	20,387	14,952	119,777	106,196
Other	147,391	102,488	260,063	509,942	218,017
Printing	110,956	6,026	41,053	158,035	168,733
Professional fees and contracted services	184,757	124,775	26,160	335,692	374,792
Student meals and other	52,468	-	-	52,468	27,544
Supplies	144,900	14,041	8,068	167,009	117,917
Telephone	34,113	4,392	7,225	45,730	38,758
Travel	363,635	1,173	25,698	390,506	250,423
Total functional expenses before depreciation	<u>35,723,322</u>	<u>969,776</u>	<u>3,377,291</u>	<u>40,070,389</u>	<u>27,201,560</u>
Depreciation	<u>1,041,954</u>	<u>260,488</u>	<u>-</u>	<u>1,302,442</u>	<u>1,318,966</u>
Total functional expenses - 2023	<u>\$ 36,765,276</u>	<u>\$ 1,230,264</u>	<u>\$ 3,377,291</u>	<u>\$ 41,372,831</u>	<u>\$ 28,520,526</u>
Percent of Total - 2023	88.86%	2.98%	8.16%	100.00%	100.00%
Total functional expenses - 2022	<u>\$ 24,768,588</u>	<u>\$ 1,044,063</u>	<u>\$ 2,707,875</u>	<u>\$ 28,520,526</u>	
Percent of Total - 2022	86.84%	3.66%	9.50%	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, 2022

(With Summarized Totals for 2023)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>2023 Total</u>
Salaries	\$ 5,945,237	\$ 471,557	\$ 1,463,649	\$ 7,880,443	\$ 9,134,824
Employee benefits	675,749	53,598	166,362	895,709	1,092,980
Payroll taxes	414,305	(3,051)	101,099	512,353	641,407
Total personnel expense	<u>7,035,291</u>	<u>522,104</u>	<u>1,731,110</u>	<u>9,288,505</u>	<u>10,869,211</u>
Advertising and promotions	559,680	5,327	430	565,437	1,331,688
In-kind advertising and promotions	13,254,346	-	698,408	13,952,754	23,666,360
Breeding cost, kennel supplies and veterinary services	858,841	54	-	858,895	975,443
General insurance	193,019	19,526	49,138	261,683	293,889
Maintenance and equipment	706,110	15,800	24,419	746,329	842,266
Occupancy	185,678	22,825	17,074	225,577	312,373
Office	68,076	26,616	11,504	106,196	119,777
Other	123,530	40,968	53,519	218,017	509,942
Printing	94,986	8,188	65,559	168,733	158,035
Professional fees and contracted services	248,146	101,136	25,510	374,792	335,692
Student meals and other	27,544	-	-	27,544	52,468
Supplies	87,580	12,924	17,413	117,917	167,009
Telephone	27,833	3,636	7,289	38,758	45,730
Travel	242,242	1,679	6,502	250,423	390,506
Total functional expenses before depreciation	<u>23,712,902</u>	<u>780,783</u>	<u>2,707,875</u>	<u>27,201,560</u>	<u>40,070,389</u>
Depreciation	<u>1,055,686</u>	<u>263,280</u>	<u>-</u>	<u>1,318,966</u>	<u>1,302,442</u>
Total functional expenses - 2022	<u>\$ 24,768,588</u>	<u>\$ 1,044,063</u>	<u>\$ 2,707,875</u>	<u>\$ 28,520,526</u>	<u>\$ 41,372,831</u>
Percent of Total - 2022	86.84%	3.66%	9.50%	100.00%	100.00%
Total functional expenses - 2023	<u>\$ 36,765,276</u>	<u>\$ 1,230,264</u>	<u>\$ 3,377,291</u>	<u>\$ 41,372,831</u>	
Percent of Total - 2023	88.86%	2.98%	8.16%	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, 2023 and 2022

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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 the most advanced training facilities of any service dog organization in the world. The School's experts breed, raise, and train elite 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. Southeastern Guide Dogs has successfully created thousands of guide dog and service dog teams throughout the United States since our inception in 1982, and currently oversees the well-being of over 1,300 puppies and dogs.

All of the School's services - which include state-of-the-art research on canine health and development; selective breeding; expert dog training; comprehensive on-campus student instruction; and the most robust alumni support program in North America – are provided at no cost to our clients. Donations sustain our mission and give freedom and hope to people who need it most. 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 66-acre campus on the gulf coast of Florida in beautiful Manatee County. The facilities consist of a Student Center, a Student Fitness Center, a Veterinary Center, a Puppy Academy, a Canine University, a Canine Assessment Center, and a Canine Fitness 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, 2023 and 2022

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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.

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

Notes to Combined Financial Statements (Continued)

June 30, 2023 and 2022

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

**Revenue Recognition (Continued)**

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.

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, 2020 through June 30, 2023.

**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 net realizable value 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, 2023 and 2022

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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**

The Organization has been named beneficiary in a number of bequests. Bequests that have not been recorded in the accompanying combined financial statements are those where the donors' wills have not been declared valid by the probate court or the value of the amounts to be received are not yet determinable. All other bequests are reflected as bequests receivable in the accompanying combined financial statements.

**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, 2023 and 2022.

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

Notes to Combined Financial Statements (Continued)

June 30, 2023 and 2022

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

**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.

**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, 2023 and 2022, "advertising expense" includes \$23,666,360 and \$13,952,754 of contributed services which consist of advertising and promotional services for special events and program support. Total advertising expense was \$24,998,048 and \$14,518,191 for the years ended June 30, 2023 and 2022, respectively.

**Contributed Services and Nonfinancial Assets**

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. Unless otherwise noted, contributed services and nonfinancial assets did not have donor-imposed restrictions.

Contributed services and nonfinancial assets, reported in the accompanying combined financial statements, are comprised of the following as of June 30:

	<b>2023</b>	<b>2022</b>
Advertising	\$ 23,666,360	\$ 13,952,754
Veterinary services	69,910	61,630
Supplies and other office items	368,845	340,211
Total contributed services and nonfinancial assets:	\$ 24,105,115	\$ 14,354,595

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

Notes to Combined Financial Statements (Continued)

June 30, 2023 and 2022

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

**Contributed Services and Nonfinancial Assets (Continued)**

The Organization utilizes the services of an outside advertising agency that specializes in the broadcasting of public service announcements (PSAs) that promote the mission of the Organization. The advertising agency leverages their network to fill unsold advertising time slots with the Organization's PSA, at no cost to the Organization. The PSAs are broadcast across national, regional, and local television networks at various times. The advertising agency provides a statement to the Organization each month detailing the television networks utilized, which region the PSAs were broadcast to, the number of airings, the number of audience impressions, and the associated media value of the PSA based on these statistics. The monthly indicated media value is then recorded as contributed services and nonfinancial assets, within the advertising category. As of June 30, 2023 and 2022, the PSA advertising contributed services and nonfinancial assets revenue totaled \$22,838,129 and \$13,140,717, respectively. The remaining advertising contributed services and nonfinancial assets revenue is from various advertising sources and is recorded at market value, based on each advertising source's rates.

The Organization recognizes contributed services and nonfinancial assets revenue for veterinary services provided by individuals with the necessary specialized skillset. When some veterinary services are provided to the Organization, they are discounted by a percentage of what the regular services would cost if charged to a different customer, which is broken out on the invoice provided to the Organization. The discount amount is then recorded as contributed services and nonfinancial assets revenue.

The Organization recognizes contributed services and nonfinancial assets revenue for supplies and other office items when volunteers purchase the necessary supplies to raise the Organization's puppies. The Organization calculates the contributed services and nonfinancial assets revenue to be booked by identifying the number of puppies raised by volunteers each period multiplied by the fair value of the necessary supplies to raise the puppies. As of June 30, 2023 and 2022, this totaled \$361,921 and \$330,560, respectively. The remaining supplies and other office items contributed services and nonfinancial assets revenue is from various office items that are contributed to the Organization and are recorded at market value.

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.

**Reclassifications**

To facilitate comparison of financial data, certain amounts in the 2022 combined financial statements have been reclassified to conform to the 2023 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, 2023 and 2022

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

**Recent Accounting Pronouncements**

In February 2016, the FASB issued ASC Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The Organization adopted Topic 842 on July 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirements to restate the prior-period financial statements. The Organization made an accounting policy election under Topic 842 not to recognize right-of-use assets and liabilities for leases with a term of 12 months or less. Topic 842 did not have an impact on the Organization financial statements.

**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>2023</b>	<b>2022</b>
Cash and cash equivalents without donor restrictions	\$ 7,933,346	\$ 2,994,061
Pledges receivable, net - current portion	89,195	20,776
Investments without donor restrictions	36,561,820	35,591,239
Total financial assets available within one year	44,584,361	38,606,076
Less: Amounts unavailable for general expenditure due to:		
Pledges receivable, net, restricted for purpose and time	(89,195)	(20,776)
Total unavailable for general expenditure	(89,195)	(20,776)
Total financial assets available to management for general expenditure within one year	\$ 44,495,166	\$ 38,585,300

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 8 for more information.

**4. Pledges Receivable**

Pledges receivable consist of the following as of June 30:

	<b>2023</b>	<b>2022</b>
Pledges receivable	\$ 1,772,488	\$ 1,024,191
Less: discount to net present value (rates from 2.0% - 6.6%)	(178,359)	(77,902)
Pledges receivable, net	1,594,129	946,289
Less: current portion	(89,195)	(20,776)
Amount collectible in 1-5 years	\$ 1,504,934	\$ 925,513

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, 2023 and 2022

**5. 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, 2023:

	<u>Cost</u>	<u>Fair Value</u>	<u>Accumulated Unrealized Gains (Losses)</u>
Equities	\$ 5,313,906	\$ 6,168,239	\$ 854,333
Fixed income	48,677,614	45,158,287	(3,519,327)
REITS	654,505	766,227	111,722
Commodities	419,680	399,465	(20,215)
Total investments	<u>\$ 55,065,705</u>	<u>\$ 52,492,218</u>	<u>\$ (2,573,487)</u>

For the year ended June 30, 2023, the Organization had realized and unrealized gains (losses) on investments of \$(1,198,683) and \$1,881,976 respectively, and incurred investment broker fees of \$198,976, which are presented net against investment income on the combined statement of activities.

Following is a summary of investments at June 30, 2022:

	<u>Cost</u>	<u>Fair Value</u>	<u>Accumulated Unrealized Gains (Losses)</u>
Equities	\$ 4,994,991	\$ 4,722,719	\$ (272,272)
Fixed income	49,802,262	45,476,373	(4,325,889)
REITS	404,505	531,968	127,463
Commodities	652,045	667,280	15,235
Total investments	<u>\$ 55,853,803</u>	<u>\$ 51,398,340</u>	<u>\$ (4,455,463)</u>

For the year ended June 30, 2022, the Organization had realized and unrealized losses on investments of \$50,850 and \$6,417,036 respectively, and incurred investment broker fees of \$229,672, which are presented net against investment income on the combined statement of activities.

**6. 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, 2023 and 2022.

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

Notes to Combined Financial Statements (Continued)

June 30, 2023 and 2022

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

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, 2023 and 2022, 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.

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).

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

Notes to Combined Financial Statements (Continued)

June 30, 2023 and 2022

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

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, 2023 and indicates the fair value hierarchy of the valuation techniques used to determine fair value.

<u>Description</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Equities:</b>				
U.S. large cap	\$ 3,143,430	\$ 3,143,430	\$ -	\$ -
U.S. mid cap	716,258	716,258	-	-
U.S. small cap	388,648	388,648	-	-
Developed markets	1,826,868	1,826,868	-	-
Emerging markets	40,157	40,157	-	-
International	52,878	52,878	-	-
Total equities	<u>6,168,239</u>	<u>6,168,239</u>	<u>-</u>	<u>-</u>
<b>Fixed Income:</b>				
Investment grade taxable	12,313,065	-	12,313,065	-
Government securities	3,602,659	-	3,602,659	-
Developed markets	1,535,292	-	1,535,292	-
Municipal bonds	22,194,855	-	22,194,855	-
High yield	5,497,131	-	5,497,131	-
International	15,285	-	15,285	-
Total fixed income	<u>45,158,287</u>	<u>-</u>	<u>45,158,287</u>	<u>-</u>
REITS	766,227	766,227	-	-
Commodities	399,465	399,465	-	-
Total investments	<u>52,492,218</u>	<u>7,333,931</u>	<u>45,158,287</u>	<u>-</u>
Charitable trusts receivable	241,994	-	241,994	-
Total assets at fair value	<u>\$ 52,734,212</u>	<u>\$ 7,333,931</u>	<u>\$ 45,400,281</u>	<u>\$ -</u>
Gift annuity liability	<u>\$ 42,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,819</u>

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, 2023:

	<b>Gift Annuity Liability</b>
Beginning balance	\$ 61,557
Change in value of split interest agreements	8,848
Annuity payments	(12,645)
Matured annuity	(14,941)
Ending balance	<u>\$ 42,819</u>

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

Notes to Combined Financial Statements (Continued)

June 30, 2023 and 2022

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

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, 2022 and indicates the fair value hierarchy of the valuation techniques used to determine fair value.

Description	Total	Level 1	Level 2	Level 3
<b>Equities:</b>				
U.S. large cap	\$ 1,743,247	\$ 1,743,247	\$ -	\$ -
U.S. mid cap	626,982	626,982	-	-
U.S. small cap	224,634	224,634	-	-
Developed markets	1,914,531	1,914,531	-	-
Emerging markets	93,270	93,270	-	-
International	120,055	120,055	-	-
Total equities	<u>4,722,719</u>	<u>4,722,719</u>	<u>-</u>	<u>-</u>
<b>Fixed Income:</b>				
Asset backed securities	1,204,801	-	1,204,801	-
Investment grade taxable	12,587,549	-	12,587,549	-
Government securities	2,634,953	-	2,634,953	-
Developed markets	1,276,797	-	1,276,797	-
Municipal bonds	21,887,187	-	21,887,187	-
High yield	5,874,759	-	5,874,759	-
International	10,327	-	10,327	-
Total fixed income	<u>45,476,373</u>	<u>-</u>	<u>45,476,373</u>	<u>-</u>
REITS	531,968	531,968	-	-
Commodities	667,280	667,280	-	-
Total investments	<u>51,398,340</u>	<u>5,921,967</u>	<u>45,476,373</u>	<u>-</u>
Charitable trusts receivable	330,849	-	330,849	-
Total assets at fair value	<u>\$ 51,729,189</u>	<u>\$ 5,921,967</u>	<u>\$ 45,807,222</u>	<u>\$ -</u>
Gift annuity liability	<u>\$ 61,557</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,557</u>

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, 2022:

	<b>Gift Annuity Liability</b>
Beginning balance	\$ 71,823
Change in value of split interest agreements	1,934
Annuity payments	(12,200)
Ending balance	<u>\$ 61,557</u>

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

Notes to Combined Financial Statements (Continued)

June 30, 2023 and 2022

**7. Property and Equipment**

Property and equipment consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Land	\$ 3,697,421	\$ 408,651
Buildings	30,233,614	29,761,308
Furniture and equipment	2,979,337	3,006,384
Transportation equipment	1,185,973	1,219,306
Freedom Walk	683,902	724,646
Construction in progress	-	222,122
	<u>38,780,247</u>	<u>35,342,417</u>
Less accumulated depreciation	<u>9,527,653</u>	<u>8,635,758</u>
Property and equipment, net	<u>\$ 29,252,594</u>	<u>\$ 26,706,659</u>

Depreciation expense for the years ended June 30, 2023 and 2022 totaled \$1,302,442 and \$1,318,966, respectively.

**8. 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, 2023, the maximum principal amount available for borrowings was approximately \$5,000,000. The line of credit bears interest at a variable interest rate comprised of the compounded 30-day average of the Secured Overnight Financing Rate (SOFR), plus a fixed spread adjustment of 0.11%, plus a specified percentage spread, ranging between two percent (2.00%) and five and one half percent (5.50%), depending on the aggregate approved amount. There were no borrowings on the credit line for the years ended June 30, 2023 and 2022.

**9. Note Payable**

On April 23, 2023, Southeastern Guide Dogs, Inc. entered into a promissory note agreement with a donor for \$2,800,000 to finance the purchase of vacant land adjacent to their primary location. The note is collateralized by property held by Southeastern Guide Dogs, Inc. and includes monthly interest only payments until maturity, on March 23, 2038, at which point the entire outstanding principal balance becomes due. The note bears interest at 6% and contains no penalty for the prepayment of principal. The balance outstanding on this note is \$2,510,776 as of June 30, 2023.

**10. 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 \$220,485 and \$238,718 for the years ended June 30, 2023 and 2022, respectively.

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

Notes to Combined Financial Statements (Continued)

June 30, 2023 and 2022

**10. Retirement and Deferred Compensation Plan (Continued)**

**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 \$302,291 and \$277,946 as of June 30, 2023 and 2022, 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, 2023 and 2022, the Organization contributed \$62,466 and \$58,931, respectively. During the years ended June 30, 2023 and 2022, the Organization made distributions from plan assets in the amounts of \$50,111 and \$47,739, respectively.

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

**11. Net Asset Classifications**

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

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose		
Guide Dog Instruction	\$ 2,614,077	\$ 2,534,798
Veterans Program	5,783,776	4,830,212
Veterans Program – Service Dogs	197,835	-
Student Services Center	482,132	503,375
Online University	624,875	589,125
Alumni Support Program	888,897	927,360
Sustainability Fund	965,609	976,945
Veterans Courtyard	38,304	-
Student Bus and Metris Vans	384	3,129
Puppy Park Renovation	-	64,794
Nursery Renovation	13,000	13,000
Marketing	-	65,000
Lakewood Ranch Property	1,119,843	-
Other	27,966	41,955
Total purpose restrictions	<u>12,756,698</u>	<u>10,549,693</u>
Subject to the passage of time		
Charitable Remainder Trusts	<u>241,994</u>	<u>330,849</u>
Total time restrictions	<u>241,994</u>	<u>330,849</u>
 Total purpose and time restrictions	 <u>12,998,692</u>	 <u>10,880,542</u>

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

Notes to Combined Financial Statements (Continued)

June 30, 2023 and 2022

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

	<b>2023</b>	<b>2022</b>
Perpetual in nature		
Charitable gift annuities	50,045	57,969
Bequests and estates receivable	2,000,000	-
Endowments	11,510,608	11,574,378
Total perpetual in nature restrictions	13,560,653	11,632,347
 Total net assets with donor restrictions	 \$ 26,559,345	 \$ 22,512,889

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.

**12. 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:

	<b>2023</b>	<b>2022</b>
Expiration of time restrictions – Charitable Remainder Trusts	\$ 10,886	\$ 15,663
 Satisfaction of purpose restrictions		
Guide Dog Instruction	91,152	91,612
Veterans Program	2,517,831	1,043,101
Veterans Program - Veterans Service	177,555	1,810,205
Online University	286,749	96,537
Puppy Park Renovation	64,794	115,605
Equipment	-	17,720
Student Services Center	21,242	-
Microsoft 365	25,000	25,883
Alumni Support Program	74,424	72,901
Canine University	40,000	-
Puppy Academy	20,000	-
Vacant Land	751,958	-
Children & Teens Program	775,939	170,977
Marketing	940,000	1,362,433
Other	145,442	70,973
Total net assets released from restrictions	\$ 5,942,972	\$ 4,893,610

**13. 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.



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

Notes to Combined Financial Statements (Continued)

June 30, 2023 and 2022

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### 13. Endowment (Continued)

#### 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.

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, 2023 and 2022.

#### 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.

Deficiencies of this nature existed in two donor-restricted endowment funds as of June 30, 2023 and June 30, 2022 as follows:

	<u>2023</u>	<u>2022</u>
Fair value	\$ 6,793,463	\$ 6,882,371
Original gift value	7,651,796	7,651,796
Deficiencies	\$ <u>(858,333)</u>	\$ <u>(769,425)</u>

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

Notes to Combined Financial Statements (Continued)

June 30, 2023 and 2022

**13. Endowment (Continued)**

**Changes in Endowment Net Assets**

Changes in endowment net assets for the year ended June 30, 2023 are as follows:

	<b>With Donor Restrictions</b>
Endowment net assets, July 1, 2022	\$ <u>11,632,347</u>
Endowment investment return:	
Investment loss, net of investment expenses	(47,840)
Realized and unrealized loss, net	<u>(26,576)</u>
Total endowment investment deficit	(74,416)
Contributions	2,007,432
Change in value of split-interest agreements	<u>(4,710)</u>
Total endowment activity	2,002,722
Endowment net assets, June 30, 2023	\$ <u>13,560,653</u>

Changes in endowment net assets for the year ended June 30, 2022 are as follows:

	<b>With Donor Restrictions</b>
Endowment net assets, July 1, 2021	\$ <u>11,856,341</u>
Endowment investment return:	
Investment loss, net of investment expenses	(64,901)
Realized and unrealized loss, net	<u>(1,892,748)</u>
Total endowment investment deficit	(1,957,649)
Contributions	1,738,365
Change in value of split-interest agreements	<u>(4,710)</u>
Total endowment activity	1,733,655
Endowment net assets, June 30, 2022	\$ <u>11,632,347</u>

Changes in endowment net assets for the years ended June 30, 2023 and 2022 are shown on the combining schedule of activities on pages 28 and 30 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.

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

Notes to Combined Financial Statements (Continued)

June 30, 2023 and 2022

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### **13. Endowment (Continued)**

#### **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, 2023 and 2022 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.

### **14. 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.

### **15. 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.

### **16. Subsequent Events**

Management has evaluated all events subsequent to the combined statement of financial position date of June 30, 2023, through the date these combined financial statements were available for issuance, November 9, 2023, 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, 2023

	<b>Southeastern Guide Dogs, Inc.</b>	<b>Southeastern Guide Dogs, Inc. Endowment Trust</b>
<b>Assets</b>		
Cash and cash equivalents:		
Without donor restrictions	\$ 7,933,346	\$ -
With donor restrictions - purpose and time	463,243	-
With donor restrictions - perpetual in nature	50,141	70,232
Total cash and cash equivalents	<u>8,446,730</u>	<u>70,232</u>
Accrued interest receivable	321,602	13,582
Pledges receivable, net (Note 4)	1,594,129	-
Prepaid expenses and other assets	207,269	-
Merchandise inventory	44,107	-
Investments (Note 5):		
Restricted for gift annuity liability	25,457	17,362
Without donor restrictions	36,561,820	-
With donor restrictions - purpose and time	4,278,115	-
With donor restrictions - perpetual in nature	6,697,643	4,911,821
Total investments	<u>47,563,035</u>	<u>4,929,183</u>
Bequests and estates receivable	735,752	2,000,000
Charitable trusts receivable	241,994	-
Mortgage receivable	86,714	-
Property and equipment, net (Note 7)	29,252,594	-
Due from Southeastern Guide Dogs Endowment Trust, Inc.	<u>24,350</u>	<u>-</u>
 Total Assets	 <u>\$ 88,518,276</u>	 <u>\$ 7,012,997</u>
 <b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,475,158	\$ -
Gift annuity liability	25,457	17,362
Note payable (Note 9)	2,510,776	-
Due to Southeastern Guide Dogs, Inc.	-	24,350
Total liabilities	<u>4,011,391</u>	<u>41,712</u>
 Net Assets:		
Without donor restrictions:		
Undesignated	35,666,231	-
Investment in property and equipment	29,252,594	-
Total net assets without donor restrictions	<u>64,918,825</u>	<u>-</u>
With donor restrictions:		
Purpose and time restrictions	12,998,692	-
Perpetual in nature	6,589,368	6,971,285
Total net assets with donor restrictions (Note 11)	<u>19,588,060</u>	<u>6,971,285</u>
 Total net assets	 <u>84,506,885</u>	 <u>6,971,285</u>
 Total Liabilities and Net Assets	 <u>\$ 88,518,276</u>	 <u>\$ 7,012,997</u>

<u>Eliminations</u>	<u>Total</u>
\$ -	\$ 7,933,346
-	463,243
-	120,373
-	<u>8,516,962</u>
-	335,184
-	1,594,129
-	207,269
-	44,107
-	42,819
-	36,561,820
-	4,278,115
-	11,609,464
-	<u>52,492,218</u>
-	2,735,752
-	241,994
-	86,714
-	29,252,594
<u>(24,350)</u>	-
\$ <u><u>(24,350)</u></u>	\$ <u><u>95,506,923</u></u>
\$ -	\$ 1,475,158
-	42,819
-	2,510,776
<u>(24,350)</u>	-
<u>(24,350)</u>	<u>4,028,753</u>
-	35,666,231
-	29,252,594
-	<u>64,918,825</u>
-	12,998,692
-	13,560,653
-	<u>26,559,345</u>
-	91,478,170
\$ <u><u>(24,350)</u></u>	\$ <u><u>95,506,923</u></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, 2023

	<b>Southeastern Guide Dogs, Inc.</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Support and Revenue:			
Individuals	\$ 4,554,350	\$ 3,953,560	\$ 8,507,910
Bequests	6,982,691	155,234	7,137,925
Lions Club	59,837	11,894	71,731
Service clubs	-	369,580	369,580
CFC project	46,328	250	46,578
Foundations	1,213,409	2,954,620	4,168,029
Corporate donations	122,839	473,616	596,455
Contributed services and nonfinancial assets (Note 2)	24,105,115	-	24,105,115
Marketing revenue	40,275	-	40,275
Other revenue	238,315	-	238,315
Merchandise sales, net of cost of sales of \$49,093	17,100	-	17,100
Special events, net of direct costs of \$432,150	969,964	-	969,964
Loss on disposal of assets	(122,669)	-	(122,669)
Realized loss on investments, net	(695,063)	(261,080)	(956,143)
Unrealized gain on investments, net	1,329,253	232,460	1,561,713
Investment income, net of investment expenses	1,323,980	87,076	1,411,056
Total support and revenue	<u>40,185,724</u>	<u>7,977,210</u>	<u>48,162,934</u>
Net asset released from restrictions	5,942,972	(5,942,972)	-
Total support, revenue and releases	<u>46,128,696</u>	<u>2,034,238</u>	<u>48,162,934</u>
Functional Expenses:			
Program services	36,765,276	-	36,765,276
Supporting services:			
Management and general	1,230,264	-	1,230,264
Fundraising	3,377,291	-	3,377,291
Total functional expenses	<u>41,372,831</u>	<u>-</u>	<u>41,372,831</u>
Change in net assets before change in value of split interest agreements	<u>4,755,865</u>	<u>2,034,238</u>	<u>6,790,103</u>
Change in value of split interest agreements	<u>10,803</u>	<u>(77,969)</u>	<u>(67,166)</u>
Change in net assets	4,766,668	1,956,269	6,722,937
Transfers in (out)	158,906	-	158,906
Net assets - beginning of year	59,993,251	17,631,791	77,625,042
Net assets - end of year	<u>\$ 64,918,825</u>	<u>\$ 19,588,060</u>	<u>\$ 84,506,885</u>

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

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Combined Total</b>
\$	-	\$ 6,062	\$ 6,062	\$ 8,513,972
	-	2,000,000	2,000,000	9,137,925
	-	-	-	71,731
	-	-	-	369,580
	-	-	-	46,578
	-	1,370	1,370	4,169,399
	-	-	-	596,455
	-	-	-	24,105,115
	-	-	-	40,275
	-	-	-	238,315
	-	-	-	17,100
	-	-	-	969,964
	-	-	-	(122,669)
	-	(242,540)	(242,540)	(1,198,683)
	-	320,263	320,263	1,881,976
	158,906	9,742	168,648	1,579,704
	<u>158,906</u>	<u>2,094,897</u>	<u>2,253,803</u>	<u>50,416,737</u>
	-	-	-	-
	<u>158,906</u>	<u>2,094,897</u>	<u>2,253,803</u>	<u>50,416,737</u>
	-	-	-	36,765,276
	-	-	-	1,230,264
	-	-	-	3,377,291
	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,372,831</u>
	158,906	2,094,897	2,253,803	9,043,906
	-	(4,710)	(4,710)	(71,876)
	158,906	2,090,187	2,249,093	8,972,030
	(158,906)	-	(158,906)	-
	-	4,881,098	4,881,098	82,506,140
\$	<u><u>-</u></u>	<u><u>\$ 6,971,285</u></u>	<u><u>\$ 6,971,285</u></u>	<u><u>\$ 91,478,170</u></u>

See Independent Auditor's Report.



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

Combining Schedule of Financial Position

June 30, 2022

	<b>Southeastern Guide Dogs, Inc.</b>	<b>Southeastern Guide Dogs, Inc. Endowment Trust</b>
<b>Assets</b>		
Cash and cash equivalents:		
Without donor restrictions	\$ 2,994,061	\$ -
With donor restrictions - purpose and time	531,561	-
With donor restrictions - perpetual in nature	129,795	64,571
Total cash and cash equivalents	<u>3,655,417</u>	<u>64,571</u>
Accrued interest receivable	292,791	13,660
Pledges receivable, net (Note 4)	946,289	-
Prepaid expenses and other assets	107,113	-
Merchandise inventory	40,731	-
Investments (Note 5):		
Restricted for gift annuity liability	27,434	34,123
Without donor restrictions	35,591,239	-
With donor restrictions - purpose and time	4,220,571	-
With donor restrictions - perpetual in nature	6,708,119	4,816,854
Total investments	<u>46,547,363</u>	<u>4,850,977</u>
Bequests and estates receivable	16,591	-
Charitable trusts receivable	330,849	-
Mortgage receivable	90,912	-
Property and equipment, net (Note 7)	26,706,659	-
Due from Southeastern Guide Dogs Endowment Trust, Inc.	<u>13,987</u>	<u>-</u>
 Total Assets	 <u>\$ 78,748,702</u>	 <u>\$ 4,929,208</u>
 <b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,096,226	\$ -
Gift annuity liability	27,434	34,123
Due to Southeastern Guide Dogs, Inc.	-	13,987
Total liabilities	<u>1,123,660</u>	<u>48,110</u>
 Net Assets:		
Without donor restrictions:		
Undesignated	33,286,592	-
Investment in property and equipment	26,706,659	-
Total net assets without donor restrictions	<u>59,993,251</u>	<u>-</u>
With donor restrictions:		
Purpose and time restrictions	10,880,542	-
Perpetual in nature	6,751,249	4,881,098
Total net assets with donor restrictions (Note 11)	<u>17,631,791</u>	<u>4,881,098</u>
 Total net assets	 <u>77,625,042</u>	 <u>4,881,098</u>
 Total Liabilities and Net Assets	 <u>\$ 78,748,702</u>	 <u>\$ 4,929,208</u>

<u>Eliminations</u>	<u>Total</u>
\$ -	\$ 2,994,061
-	531,561
-	194,366
-	<u>3,719,988</u>
-	306,451
-	946,289
-	107,113
-	40,731
-	61,557
-	35,591,239
-	4,220,571
-	11,524,973
-	<u>51,398,340</u>
-	16,591
-	330,849
-	90,912
-	26,706,659
<u>(13,987)</u>	<u>-</u>
<u>\$ (13,987)</u>	<u>\$ 83,663,923</u>
\$ -	\$ 1,096,226
-	61,557
<u>(13,987)</u>	<u>-</u>
<u>(13,987)</u>	<u>1,157,783</u>
-	33,286,592
-	26,706,659
-	<u>59,993,251</u>
-	10,880,542
-	11,632,347
-	<u>22,512,889</u>
-	<u>82,506,140</u>
<u>\$ (13,987)</u>	<u>\$ 83,663,923</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, 2022

	<b>Southeastern Guide Dogs, Inc.</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Support and Revenue:			
Individuals	\$ 3,358,227	\$ 2,982,084	\$ 6,340,311
Bequests	4,230,532	1,019,744	5,250,276
Lions Club	77,759	9,100	86,859
Service clubs	94,029	110,685	204,714
CFC project	59,890	5,000	64,890
Foundations	1,264,944	1,671,084	2,936,028
Corporate donations	227,705	504,426	732,131
Contributed services and nonfinancial assets (Note 2)	14,354,595	-	14,354,595
Marketing revenue	46,062	-	46,062
Other revenue	126,193	-	126,193
Merchandise sales, net of cost of sales of \$21,536	15,245	-	15,245
Special events, net of direct costs of \$410,805	855,784	-	855,784
Gain on disposal of assets	1,550	-	1,550
Realized gain (loss) on investments, net	51,418	(80,390)	(28,972)
Unrealized loss on investments, net	(3,956,412)	(1,567,732)	(5,524,144)
Investment income (loss), net of investment expenses	703,235	59,476	762,711
Total support and revenue	<u>21,510,756</u>	<u>4,713,477</u>	<u>26,224,233</u>
Net asset released from restrictions	<u>4,893,610</u>	<u>(4,893,610)</u>	<u>-</u>
Total support, revenue and releases	<u>26,404,366</u>	<u>(180,133)</u>	<u>26,224,233</u>
Functional Expenses:			
Program services	24,768,588	-	24,768,588
Supporting services:			
Management and general	1,044,063	-	1,044,063
Fundraising	2,707,875	-	2,707,875
Total functional expenses	<u>28,520,526</u>	<u>-</u>	<u>28,520,526</u>
Change in net assets before change in value of split interest agreements	<u>(2,116,160)</u>	<u>(180,133)</u>	<u>(2,296,293)</u>
Change in value of split interest agreements	<u>2,775</u>	<u>16,489</u>	<u>19,264</u>
Change in net assets	(2,113,385)	(163,644)	(2,277,029)
Transfers in (out)	134,682	-	134,682
Net assets - beginning of year	<u>61,971,954</u>	<u>17,795,435</u>	<u>79,767,389</u>
Net assets - end of year	<u>\$ 59,993,251</u>	<u>\$ 17,631,791</u>	<u>\$ 77,625,042</u>

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

<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Combined Total</u>
\$ -	\$ 238,250	\$ 238,250	\$ 6,578,561
-	-	-	5,250,276
-	-	-	86,859
-	-	-	204,714
-	116	116	65,006
-	-	-	2,936,028
-	-	-	732,131
-	-	-	14,354,595
-	-	-	46,062
-	-	-	126,193
-	-	-	15,245
-	-	-	855,784
-	-	-	1,550
-	(21,878)	(21,878)	(50,850)
-	(892,892)	(892,892)	(6,417,036)
134,682	(7,053)	127,629	890,340
<u>134,682</u>	<u>(683,457)</u>	<u>(548,775)</u>	<u>25,675,458</u>
-	-	-	-
<u>134,682</u>	<u>(683,457)</u>	<u>(548,775)</u>	<u>25,675,458</u>
-	-	-	24,768,588
-	-	-	1,044,063
-	-	-	2,707,875
<u>-</u>	<u>-</u>	<u>-</u>	<u>28,520,526</u>
134,682	(683,457)	(548,775)	(2,845,068)
-	(4,710)	(4,710)	14,554
134,682	(688,167)	(553,485)	(2,830,514)
(134,682)	-	(134,682)	-
-	5,569,265	5,569,265	85,336,654
<u>\$ -</u>	<u>\$ 4,881,098</u>	<u>\$ 4,881,098</u>	<u>\$ 82,506,140</u>

See Independent Auditor's Report.