

GOLDEN PAWS ASSISTANCE DOGS, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

GOLDEN PAWS ASSISTANCE DOGS, INC.

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities	3-4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-14

ROGERS WOOD HILL STARMAN & GUSTASON

PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

2375 TAMiami TRAIL NORTH, SUITE 110
NAPLES, FLORIDA 34103

SHELDON W. STARMAN, C.P.A.
RONALD W. GUSTASON, C.P.A.
SHARON A. BELCHER, C.P.A.
SCOT A. SHEPARD, C.P.A.
SEAN M. NOLAN, C.P.A.
KIM (QIONG) CHEN, C.P.A.
LAURA L. GELMAN
THOMAS J. GANO, C.P.A.

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

OFFICES:
NAPLES 262-1040
MARCO ISLAND 394-7502

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Golden PAWS Assistance Dogs, Inc.
Naples, Florida

We have audited the accompanying financial statements of Golden PAWS Assistance Dogs, Inc., formerly known as PAWS Assistance Dogs, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Golden PAWS Assistance Dogs, Inc., as of December 31, 2019 and 2018, 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.

Rogers Wood Hill Starmann & Gustason, P.A.

ROGERS WOOD HILL STARMAN & GUSTASON, P.A.

Certified Public Accountants & Advisors

May 19, 2020

GOLDEN PAWS ASSISTANCE DOGS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

ASSETS

	2019	2018
Cash and cash equivalents	\$ 3,966,149	\$ 1,740,120
Investments - Note 3	1,015	274
Promises to give - Note 4	5,384,022	83,500
Deposits	4,024	-
Property and equipment, net - Note 5	380,609	12,324
Total assets	<u>\$ 9,735,819</u>	<u>\$ 1,836,218</u>

LIABILITIES AND NET ASSETS

Account payable and accrued expenses	\$ 42,652	\$ 2,158
Deferred revenue	60,000	-
Total liabilities	<u>102,652</u>	<u>2,158</u>
Net assets:		
<u>Without Donor Restrictions</u>		
Undesignated	1,990,818	1,558,345
<u>With Donor Restrictions</u>		
Purpose restrictions - Note 6	<u>7,642,349</u>	<u>275,715</u>
Total net assets	<u>9,633,167</u>	<u>1,834,060</u>
Total liabilities and net assets	<u>\$ 9,735,819</u>	<u>\$ 1,836,218</u>

GOLDEN PAWS ASSISTANCE DOGS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT:			
Individual and corporate contributions	\$ 494,987	\$ 7,767,390	\$ 8,262,377
Special events - Note 9	460,700	-	460,700
Interest income and investment return - Note 7	13,870	-	13,870
Gain on sale of asset	10,653	-	10,653
Other income	3,203	-	3,203
	<hr/>	<hr/>	<hr/>
Total revenues and support	983,413	7,767,390	8,750,803
NET ASSETS RELEASED FROM RESTRICTIONS			
	<hr/>	<hr/>	<hr/>
NET ASSETS RELEASED FROM RESTRICTIONS	400,756	(400,756)	-
	<hr/>	<hr/>	<hr/>
Total revenues, support and net assets released from restrictions	1,384,169	7,366,634	8,750,803
EXPENSES:			
Program services	652,988	-	652,988
Administrative and general	145,432	-	145,432
Fundraising	153,276	-	153,276
	<hr/>	<hr/>	<hr/>
Total expenses	951,696	-	951,696
INCREASE IN NET ASSETS			
	<hr/>	<hr/>	<hr/>
INCREASE IN NET ASSETS	432,473	7,366,634	7,799,107
NET ASSETS - Beginning of year			
	<hr/>	<hr/>	<hr/>
NET ASSETS - Beginning of year	1,558,345	275,715	1,834,060
NET ASSETS - End of year			
	<hr/>	<hr/>	<hr/>
NET ASSETS - End of year	\$ 1,990,818	\$ 7,642,349	\$ 9,633,167
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

GOLDEN PAWS ASSISTANCE DOGS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT:			
Special events - Note 9	\$ 1,405,725	\$ -	\$ 1,405,725
Individual and corporate contributions	395,988	17,500	413,488
Interest income and investment return - Note 7	814	-	814
Other income	983	-	983
Total revenues and support	<u>1,803,510</u>	<u>17,500</u>	<u>1,821,010</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>48,085</u>	<u>(48,085)</u>	<u>-</u>
Total revenues, support and net assets released from restrictions	<u>1,851,595</u>	<u>(30,585)</u>	<u>1,821,010</u>
EXPENSES:			
Program services	461,226	-	461,226
Administrative and general	127,621	-	127,621
Fundraising	516,194	-	516,194
Total expenses	<u>1,105,041</u>	<u>-</u>	<u>1,105,041</u>
INCREASE (DECREASE) IN NET ASSETS	<u>746,554</u>	<u>(30,585)</u>	<u>715,969</u>
NET ASSETS - Beginning of year	<u>811,791</u>	<u>306,300</u>	<u>1,118,091</u>
NET ASSETS - End of year	<u>\$ 1,558,345</u>	<u>\$ 275,715</u>	<u>\$ 1,834,060</u>

GOLDEN PAWS ASSISTANCE DOGS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	PROGRAM SERVICES	ADMINISTRATIVE & GENERAL	FUNDRAISING	TOTAL
Advertising and managerial	\$ 24,395	\$ 4,277	\$ -	\$ 28,672
Depreciation	5,808	-	-	5,808
Dog care and training	146,877	-	-	146,877
Event expenses	-	-	24,828	24,828
Capital campaign expenses	-	-	58,166	58,166
Insurance	23,039	6,407	252	29,698
Occupancy	63,218	20,089	-	83,307
Professional fees	16,671	15,335	14,958	46,964
Office and miscellaneous	31,842	8,131	35,589	75,562
Payroll	341,138	91,193	19,483	451,814
Total	<u>\$ 652,988</u>	<u>\$ 145,432</u>	<u>\$ 153,276</u>	<u>\$ 951,696</u>

GOLDEN PAWS ASSISTANCE DOGS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>PROGRAM SERVICES</u>	<u>ADMINISTRATIVE & GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Advertising and managerial	\$ 9,698	\$ 8,267	\$ 1,537	\$ 19,502
Depreciation	5,020	-	-	5,020
Dog care and training	127,632	-	-	127,632
Event expenses	-	-	373,264	373,264
Capital campaign expenses	-	-	48,085	48,085
Insurance	9,887	8,017	8,017	25,921
Occupancy	63,415	14,555	82	78,052
Professional fees	17,902	14,093	14,092	46,087
Office and miscellaneous	13,122	8,259	10,616	31,997
Outreach programs	15,917	-	-	15,917
Payroll	198,633	74,430	60,501	333,564
Total	<u>\$ 461,226</u>	<u>\$ 127,621</u>	<u>\$ 516,194</u>	<u>\$ 1,105,041</u>

GOLDEN PAWS ASSISTANCE DOGS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from contributions	\$ 3,021,855	\$ 449,488
Special event income received	460,700	1,405,725
Cash paid to suppliers and employees	(909,418)	(1,055,042)
Interest earned	13,129	2,390
Other income received	3,203	983
Net cash provided by operating activities	2,589,469	803,544
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property and equipment	13,500	-
Purchase of property and equipment	(376,940)	(5,431)
Net cash used by investing activities	(363,440)	(5,431)
NET INCREASE IN CASH	2,226,029	798,113
CASH - Beginning of year	1,740,120	942,007
CASH - End of year	\$ 3,966,149	\$ 1,740,120
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Increase in net assets	\$ 7,799,107	\$ 715,969
Depreciation	5,808	5,020
Realized (gain)/loss on sale of investment	(736)	1,576
Unrealized gain on investment	(5)	-
Gain on sale of asset	(10,653)	-
Changes in assets and liabilities:		
Pledges receivable, net	(5,300,522)	36,000
Prepaid expenses	(4,024)	42,821
Accounts payable and accrued expenses	40,494	2,158
Deferred revenue	60,000	-
Net cash provided by operating activities	\$ 2,589,469	\$ 803,544

GOLDEN PAWS ASSISTANCE DOGS, INC.

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2019 AND 2018

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Golden PAWS Assistance Dogs, Inc., formerly known as PAWS Assistance Dogs, Inc. (the "Organization") was organized in the state of Florida in 2012 as a not-for-profit corporation to promote independence for combat wounded veterans and others with life-changing disabilities through partnerships with skilled assistance dogs. The Organization provides education and community outreach in support of the mission through therapy and ambassador programs.

The Organization is supported primarily through donor contributions and special fundraising events.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statements

The financial statements and notes are a representation of the Organization's management who is responsible for their integrity and objectivity. The accounting policies conform to the basis of accounting defined above and have been consistently applied in the preparation of the financial statements.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net Assets with Donor Restrictions - Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulated that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

The Organization records investment purchases at cost, or if donated, at fair value at the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct investment expenses.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

GOLDEN PAWS ASSISTANCE DOGS, INC.

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2019 AND 2018

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

Promises to Give, continued

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

At December 31, 2019, conditional contributions of \$60,000 have not been recognized in the accompanying statement of activities because the conditions on which they depend have not yet been met.

Property and Equipment

The Organization capitalizes all expenditures for property, equipment and leasehold improvements and uses the accelerated method of depreciation calculated over the estimated useful lives of the assets. The Organization has evaluated this departure from generally accepted accounting principles and has determined the amount to be immaterial to the financial statements. Purchased property and equipment are stated at historical cost or at fair market value at the time of donation.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received with donor restrictions that limit the use of donated assets are treated as net assets with donor restrictions. When the restriction is met, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Allowance for Doubtful Accounts

The Organization uses the allowance method to determine uncollectible unconditional promises or pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Donated Services

Many individuals volunteer their time and perform a variety of tasks that assist the Organization in its program services and fundraising campaigns. The Organization has more than 60 volunteers who have provided approximately 30,000 hours a year. The volunteer hours are not reflected in the consolidated financial statements since the services do not meet the criteria for recognition.

Income Taxes

The Organization is a qualified tax exempt organization under Code Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes, except on net income derived from unrelated business activities. The Organization has no revenues derived from unrelated business activities; accordingly, no provision for income taxes has been made. The Organization follows the income tax standard for uncertain tax positions and, as a result, has evaluated its tax positions and determined it had no uncertain tax positions as of December 31, 2019 and 2018.

GOLDEN PAWS ASSISTANCE DOGS, INC.

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2019 AND 2018

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing program services and other activities have been summarized on a functional basis in the Statements of Activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Change in Accounting Principle

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 - Revenue from Contracts with Customers as a result of implementing the requirements in the Financial Accounting Standard Board's Accounting Standards Codification (ASC) 606 Revenue from Contracts with Customers.

The new revenue recognition guidance requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The Organization adopted the requirements of the new revenue recognition guidance as of January 1, 2018, utilizing the full retrospective transition method.

The adoption of the new guidance did not result in any changes to the financial statements for the years ended December 31, 2019 or 2018.

Reclassifications

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

NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 3,966,149
Investments	1,015
Pledges receivable	5,384,022
Total financial assets	<u>9,351,186</u>
Less those unavailable for general expenditures within one year, due to:	
Donor imposed time restrictions	(45,000)
Donor imposed purpose restrictions	<u>(7,597,349)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,708,837</u>

GOLDEN PAWS ASSISTANCE DOGS, INC.

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2019 AND 2018

NOTE 3 - INVESTMENTS

Investments consist of the following at December 31:

	2019		2018	
	Cost	Fair Market Value	Cost	Fair Market Value
Equity securities	\$ 1,015	\$ 1,015	\$ -	\$ -
Cash equivalents	-	-	274	274
Total	<u>\$ 1,015</u>	<u>\$ 1,015</u>	<u>\$ 274</u>	<u>\$ 274</u>

NOTE 4 - PROMISES TO GIVE

Promises to give consist of the following:

	Year ending December 31,	2019	2018
	2019	\$ -	\$ 80,000
	2020	5,339,022	3,500
	2021	15,000	-
	2022	15,000	-
	2023	15,000	-
		<u>5,384,022</u>	<u>83,500</u>
Less: unamortized discount		-	-
Total		<u>\$ 5,384,022</u>	<u>\$ 83,500</u>

Management believes all of the promises to give are fully collectible. Accordingly, no allowance for uncollectible promises to give has been recorded. Subsequent to year end, the Organization has collected approximately \$5.1 million of this balance.

NOTE 5 - PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following at December 31:

	2019	2018
Furniture and equipment	\$ 15,415	\$ 11,718
Vehicles	28,745	24,707
Sign	1,908	-
Construction in progress	342,590	-
	<u>388,658</u>	<u>36,425</u>
Less accumulated depreciation	(8,049)	(24,101)
Total	<u>\$ 380,609</u>	<u>\$ 12,324</u>

Depreciation expense was \$5,808 and \$5,020 in 2019 and 2018, respectively.

GOLDEN PAWS ASSISTANCE DOGS, INC.

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2019 AND 2018

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Capital campaign fund	\$ 7,642,349	\$ 275,715
Total	<u>\$ 7,642,349</u>	<u>\$ 275,715</u>

The Capital campaign funds are donor restricted for the purchase of a new building and land, and for the renovation and furnishing of the new building.

NOTE 7 - INTEREST INCOME AND INVESTMENT RETURN

Interest income and investment return consists of the following at December 31:

	<u>2019</u>	<u>2018</u>
Interest income	\$ 13,129	\$ 2,390
Net realized gain/(loss)	736	(1,576)
Net unrealized gain	5	-
Total	<u>\$ 13,870</u>	<u>\$ 814</u>

NOTE 8 - FAIR VALUE MEASUREMENTS

The Organization measures fair value as set forth in the Statement of Financial Accounting Standard FASB ASC 820, "Fair Value Measurements." FASB ASC 820 applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. FASB ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

- Level 1 - Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.
- Level 2 - Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics or discounted cash flows.
- Level 3 - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The following are the major categories of assets measured at fair value on a recurring basis during the year ended December 31:

GOLDEN PAWS ASSISTANCE DOGS, INC.

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2019 AND 2018

NOTE 8 - FAIR VALUE MEASUREMENTS, continued

	2019		2018	
	Fair Value	Level 1	Fair Value	Level 1
Equity securities	\$ 1,015	\$ 1,015	\$ -	\$ -
Cash	-	-	274	274
	<u>\$ 1,015</u>	<u>\$ 1,015</u>	<u>\$ 274</u>	<u>\$ 274</u>

NOTE 9 - SPECIAL EVENTS

The Organization conducts special events each year. Special event revenue and expense consists of the following at December 31:

	2019		
	CMGA	Santa Paws	Total
Revenue	\$ -	\$ 460,700	\$ 460,700
Less: Expenses	-	(24,828)	(24,828)
Special event income, net	<u>\$ -</u>	<u>\$ 435,872</u>	<u>\$ 435,872</u>

	2018		
	CMGA	Santa Paws	Total
Revenue	\$ 1,097,250	\$ 308,475	\$ 1,405,725
Less: Expenses	(354,769)	(18,495)	(373,264)
Special event income, net	<u>\$ 742,481</u>	<u>\$ 289,980</u>	<u>\$ 1,032,461</u>

The Organization did not participate in the CMGA special event during the fiscal year ended December 31, 2019.

NOTE 10 - LEASE OBLIGATIONS

In April 2014, the Organization entered into a two-year lease for its office in Naples. The lease was extended for an additional three two-year periods ending March 2022. The base rent for this office space is approximately \$3,954 per month.

The Organization entered into a lease agreement for additional office space at 3050 North Horseshoe Drive, Naples, Florida, on August 1, 2019 for the term August 1, 2019 through July 31, 2023. The base rent for this office space is approximately \$1,726 per month.

Rent expense was \$56,070 and \$47,442 for the years ended December 31, 2019 and 2018, respectively.

Future minimum lease payments required under the office leases are as follows:

Year	Office Lease
2020	\$ 68,407
2021	69,036
2022	34,102
2023	13,199
	<u>\$ 184,744</u>

GOLDEN PAWS ASSISTANCE DOGS, INC.

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2019 AND 2018

NOTE 11 - RELATED PARTY TRANSACTIONS

The Organization recognized \$7,670,640 in contributions from members of the Board of Directors during the year ended December 31, 2019, of which \$5,040,000 is included in pledges receivable. The contributions consisted of \$2,517,390 in contributed securities and \$5,153,250 in pledges. The total of these contributions was approximately 87.0% of total contributions received for the year ended December 31, 2019.

NOTE 12 - CONCENTRATIONS OF CREDIT RISK

The Organization maintains accounts at financial institutions in bank deposits which, at times, may exceed federally-insured limits of \$250,000. At December 31, 2019 and 2018 the Organization's uninsured cash balances totaled approximately \$3,500,000 and \$1,300,000, respectively.

NOTE 13 - SUBSEQUENT EVENTS

Subsequent events were evaluated through May 19, 2020, which is the date the financial statements were available to be issued.

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, as of April, 1, 2020, Governor Ron Desantis issued a mandatory safer-at-home order for the entire state of Florida. The Organization has continued to maintain operations and a full staff during the pandemic. As a result of COVID-19, the United States and Global markets experienced significant volatility in value resulting from uncertainty caused by the pandemic.

Subsequent to year end, the Organization applied for and received a \$74,000 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government.

The Organization purchased property in March 2020 in the amount of \$6,350,000 using donor restricted funds from the Capital Campaign.

In April 2020, the Organization received a matching pledge donation in the amount of \$1,000,000, restricted for the Capital Campaign and payable over a five-year period. In addition, in May 2020, the Organization received a pledge in the amount of \$325,000, restricted for the Capital Campaign and payable over a five-year period.