

**GUIDE DOGS OF TEXAS, INC.**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**  
**DECEMBER 31, 2019**

**GUIDE DOGS OF TEXAS, INC.  
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DECEMBER 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Guide Dogs of Texas, Inc.

We have audited the accompanying financial statements of Guide Dogs of Texas, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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 Guide Dogs of Texas, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



San Antonio, Texas  
September 22, 2020

**GUIDE DOGS OF TEXAS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2019**

**ASSETS**

|   |                         |
|---|-------------------------|
| <b>CURRENT ASSETS</b>                   |                         |
| Cash and cash equivalents               | \$ 740,356              |
| Cash on Hand                            | 60,110                  |
| Pledges receivable (Note 1)             | 100,902                 |
| Prepaid expenses                        | 5,157                   |
| Total Current Assets                    | <u>906,525</u>          |
| Certificates of Deposit                 | 364,045                 |
| Pledges Receivable - Long Term (Note 1) | 100,000                 |
| Property and Equipment                  |                         |
| Land                                    | 140,184                 |
| Property and equipment                  | 1,074,705               |
| Less - accumulated depreciation         | <u>(510,472)</u>        |
| Property and Equipment, net             | <u>704,417</u>          |
| Total Assets                            | <u><u>2,074,987</u></u> |

**LIABILITIES AND NET ASSETS**

|                                       |                            |
|---------------------------------------|----------------------------|
| <b>CURRENT LIABILITIES</b>            |                            |
| Accounts Payable                      | \$ 10,178                  |
| Note payable - current                | 21,365                     |
| Total Current Liabilities             | <u>31,543</u>              |
| <b>LONG-TERM LIABILITIES</b>          |                            |
| Note payable - net of current portion | <u>8,919</u>               |
| Total Liabilities                     | 40,462                     |
| <b>NET ASSETS</b>                     |                            |
| Without donor restrictions            | 1,383,421                  |
| With donor restrictions               | <u>651,104</u>             |
| Total Net Assets                      | <u>2,034,525</u>           |
| TOTAL LIABILITIES AND NET ASSETS      | <u><u>\$ 2,074,987</u></u> |

The accompanying notes are an integral part of these financial statements.

**GUIDE DOGS OF TEXAS, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

| <i>Operating activities</i><br><b>REVENUES AND OTHER SUPPORT:</b> | Changes in Net Assets         |                            | Totals              |
|---|-------------------------------|----------------------------|---------------------|
|   | Without Donor<br>Restrictions | With Donor<br>Restrictions |                     |
| Contributions and grants  | \$ 594,328                    | \$ 319,810                 | \$ 914,138          |
| Donated services  | 24,190                        | -                          | 24,190              |
| Other Income  | 19,017                        | -                          | 19,017              |
| Interest Income   | 12,075                        |                            | 12,075              |
| Net assets released from restrictions:                            | 677,121                       | (677,121)                  | -                   |
| <b>TOTAL REVENUES &amp; SUPPORT</b>                               | <b>1,326,731</b>              | <b>(357,311)</b>           | <b>969,420</b>      |
| <b><u>EXPENSES</u></b>  |                               |                            |                     |
| Program Services - animal services                                | 749,496                       | -                          | 749,496             |
| Supporting services   |                               |                            |                     |
| Fundraising   | 34,751                        | -                          | 34,751              |
| Management and general  | 69,878                        | -                          | 69,878              |
| Total support services  | 104,629                       | -                          | 104,629             |
| <b>TOTAL EXPENSES</b>   | <b>854,125</b>                | <b>-</b>                   | <b>854,125</b>      |
| <b>CHANGE IN NET ASSETS</b>                                       | 472,606                       | (357,311)                  | 115,295             |
| <b>NET ASSETS AT BEGINNING OF YEAR</b>                            | <b>910,815</b>                | <b>1,008,415</b>           | <b>1,919,230</b>    |
| <b>NET ASSETS AT END OF YEAR</b>                                  | <b>\$ 1,383,421</b>           | <b>\$ 651,104</b>          | <b>\$ 2,034,525</b> |

The accompanying notes are an integral part of these financial statements.

**GUIDE DOGS OF TEXAS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|                                | Program Services | Supporting Services |                        | Total          |
|--------------------------------|------------------|---------------------|------------------------|----------------|
|                                | Animal Services  | Fundraising         | Management and General |                |
| Salaries and wages             | \$ 403,302       | \$ 20,731           | \$ 16,109              | 440,142        |
| Payroll taxes and benefits     | 31,384           | 1,493               | 2,108                  | 34,985         |
| Advertising and cultivation    | 1,423            | 5,058               | 46                     | 6,527          |
| Bank Charges                   | 314              | -                   | 5,483                  | 5,797          |
| Conferences and meetings       | 2,925            | 66                  | 966                    | 3,957          |
| Dog Food                       | 13,829           | -                   | 685                    | 14,514         |
| Donated services               | 24,109           | 45                  | 35                     | 24,189         |
| Dues & Subscriptions           | 3,725            | 214                 | 1,807                  | 5,746          |
| Equipment                      | 733              | 38                  | 33                     | 804            |
| Facility                       | 12,960           | 103                 | 695                    | 13,758         |
| Insurance                      | 30,576           | 1,572               | 1,221                  | 33,369         |
| Interest                       | -                | -                   | 6,267                  | 6,267          |
| IT support and web maintenance | 10,073           | 518                 | 403                    | 10,994         |
| Meals                          | 4,061            | 308                 | 9                      | 4,378          |
| Office Supplies                | 16,069           | 389                 | 667                    | 17,125         |
| Postage & Shipping             | 2,131            | 49                  | 20                     | 2,200          |
| Printing & Publications        | 18,028           | 1,046               | 847                    | 19,921         |
| Professional fees              | 15,957           | 451                 | 30,043                 | 46,451         |
| Program Supplies               | 41,294           | 100                 | 32                     | 41,426         |
| Recruitment                    | 771              | 40                  | 31                     | 842            |
| Telephone                      | 1,838            | 95                  | 73                     | 2,006          |
| Travel                         | 10,351           | 40                  | 533                    | 10,924         |
| Utilities                      | 19,583           | 975                 | 758                    | 21,316         |
| Vehicle expenses               | 18,860           | 72                  | 29                     | 18,961         |
| Veterinary                     | 35,171           | -                   | -                      | 35,171         |
| Depreciation                   | 30,029           | 1,348               | 616                    | 31,993         |
| Miscellaneous                  | -                | -                   | 362                    | 362            |
| <b>Total Expenses</b>          | <b>749,496</b>   | <b>34,751</b>       | <b>69,878</b>          | <b>854,125</b> |

The accompanying notes are an integral part of these financial statements.

**GUIDE DOGS OF TEXAS, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

|  |                          |
|--|--------------------------|
| <u>Cash Flows from Operating Activities:</u>   |                          |
| Change in Net Assets   | \$ 115,295               |
| Adjustments to Reconcile change in net assets<br>to net cash provided by (used in) operating activities: |                          |
| Depreciation   | 31,993                   |
| (Increase) / Decrease in:  |                          |
| Pledges receivable   | (36,917)                 |
| Accounts receivable  | 8,662                    |
| Pledges receivable - long term   | 50,000                   |
| Prepaid expenses   | 21,071                   |
| Increase/ (Decrease) in:   |                          |
| Accounts payable   | (2,850)                  |
| Accrued expenses   | <u>(14,019)</u>          |
| Net Cash Provided By (Used in) Operating Activities  | 173,235                  |
| <u>Cash Flows From/ (Used in) Investing Activities:</u>  |                          |
| Certificates of deposit  | (307,967)                |
| Acquisition of equipment   | <u>(144,915)</u>         |
| Net Cash From (Used in) For Investing Activities   | (452,882)                |
| <u>Cash Flows From / (Used in) Financing Activities:</u>   |                          |
| Payments of long-term debt   | <u>(66,853)</u>          |
| Net Cash Provided by (Used in) Financing Activities  | (66,853)                 |
| Net Increase in cash and cash equivalents  | (346,500)                |
| Beginning Cash & Cash Equivalents  | <u>1,146,966</u>         |
| Ending Cash & Cash Equivalents   | <u><u>\$ 800,466</u></u> |
| Supplemental disclosure:   |                          |
| Interest paid  | 6,267                    |
| <u>Reconciliation of Ending Cash &amp; Cash Equivalents<br/>to Statement of Net Position:</u>            |                          |
| Cash and cash equivalents  | \$ 740,356               |
| Cash on Hand   | <u>60,110</u>            |
| Total  | <u><u>\$ 800,466</u></u> |

The accompanying notes are an integral part of these financial statements.

**GUIDE DOGS OF TEXAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**Note 1 – Nature of Activities and Summary of Significant Accounting Policies**

**Organization and Nature of Activities:**

Guide Dogs of Texas, Inc. (GDTx or Organization) is a nonprofit organization incorporated under the laws of the State of Texas on February 14, 1989. The Organization provides quality guide dogs for Texans who are visually impaired, to increase their freedom, mobility and independence. To achieve these results, the Organization uses a highly personalized process which selectively identifies and raises puppies, extensively trains and matches dogs with visually impaired persons, and trains them together to become an effective team. The Organization monitors and counsels the teams in their home communities within Texas. GDTx is accredited by the International Federation of Guided Dogs which is a distinction of quality and a mark of assurance that methods and standards of operations are maintained and continually improved. The Organization also works with Alamo Council of the Blind, The National Federation of the Blind, San Antonio Independent Living Services, Texas Commission for the Blind and Region 20 of the Texas Education Agency. Primary sources of revenues for the Organization's services are contributions and grants from the public.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets, support and revenue, and expenses are classified based on the existence or absence of donor-imposed restrictions.

**Basis of Presentations**

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**GUIDE DOGS OF TEXAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**Note 1 – Nature of Activities and Summary of Significant Accounting Policies (continued)**

**Measure of operations** – The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization’s ongoing animal services. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

**Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Actual results could differ from those estimates.

**Property and Equipment**

All property and equipment is valued at historical cost or estimated fair market value at date of donation. Expenditures for betterments and all furniture and equipment greater than \$5,000 that materially extend the useful life of an asset are capitalized. Depreciation is recorded using the straight-line method or double declining balance over the estimated useful lives of the related asset, which is generally five to seven years for furniture and equipment, and 39 years for buildings and improvements.

**Tax Exempt Status**

Guide Dogs of Texas, Inc. is a tax-exempt organization under Internal Revenue Code (the Code) Section 501(c)(3). Therefore, no provision for income taxes has been provided in these financial statements. In addition, the Organization is not a “private foundation” within the meaning of Section 509(a) of the Code; accordingly, donors of money and/or property are entitled to the maximum charitable contribution deduction allowed by law. The Organization is not subject to the Texas margin tax.

Management is not aware of any tax positions that would have a significant impact on its financial position. Its tax returns for the last four years remain subject to examination.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of unrestricted cash on hand, demand deposits held by financial institutions and any equivalent securities with a maturity of three months or less.

**Pledges Receivable**

Legally enforceable pledges and contributions are reported as receivables and revenue in the year made unless the pledge or contribution is dependent upon the occurrence of a specified future and uncertain event to bind the promisor.

**GUIDE DOGS OF TEXAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**Note 1- Summary of Significant Accounting Policies (continued)**

**Pledges Receivable (continued)**

Pledges receivable reported on the Statement of Financial Position as of December 31, 2019 are due as follows:

|                                |                   |
|--------------------------------|-------------------|
| Current Pledges Receivable     |                   |
| Due within one year            | \$ 100,902        |
| Pledges Receivable - Long term |                   |
| Due in 2 - 4 years             | 100,000           |
| Total                          | <u>\$ 200,902</u> |

**Donated Services, Material, and Facilities**

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization in puppy raising and fundraising events. For these types of donated services, no amounts have been recognized in the accompanying Statement of Activities because the criteria for recognition of such volunteer effort under GAAP have not been satisfied. Donated materials and others services are valued based on their estimated fair market value on the date of contribution (See Note 4).

**Functional Expenses**

The costs of providing the services and other activities of the Organization have been summarized on a functional basis in the Statement of Activities. Functional expenses are allocated on the basis of estimates by management. These estimates are based primarily on the nature of the expense concerned and percentages of square footage utilized to program services, fundraising, and management and general. Costs of providing the services and other activities of the Organization resulted in certain joint costs that include fundraising expenses and have been allocated.

**Concentrations of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and pledges receivables. Accounts at the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for interest-bearing accounts and insured by the National Credit Union Administration (NCUA). The Organization places its cash in such financial institutions and limits the amount of credit exposure, although it may from time-to-time have cash balances or investments in excess of the insured by the FDIC. As of December 31, 2019, the Organization had a balance of cash in bank that was \$477,982 and \$130,494 greater than FDIC and NCUA, respectively.

**GUIDE DOGS OF TEXAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**Note 1- Summary of Significant Accounting Policies (continued)**

**Concentrations of Credit Risk (continued)**

Pledges receivable are with various donors obtained through the cultivation of a relationship over the last three years. Management believes its risk of loss is minimized due to the diversity of the underlying pledges.

**Revenue Recognition**

Revenue is recognized when earned. Contributions are reported when an unconditional promise to give or other assets is received. Gifts of securities are recorded at their fair market value when received.

Contributions- The Organization reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor restrictions that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, such assets are reclassified to unrestricted and reported in the Statement of Activities as net assets released from restrictions. Contributions received with donor restrictions whose restrictions are met in the same reporting period are generally reported as unrestricted support.

The Organization reports gifts of equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Pledges- Unconditional pledges are recognized in the year made. Conditional pledges and contributions are recognized when the conditions upon which they depend are substantially met, or when the possibility that the condition will not be met is remote.

**Special Events**

Direct expenses benefiting donors associated with special events fundraising are netted against related revenue.

**GUIDE DOGS OF TEXAS, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**Note 1- Summary of Significant Accounting Policies (continued)**

**Subsequent Events**

Management has evaluated subsequent events of the Center through September 22, 2020, the date the financial statements were available to be issued, and noted the following:

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, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Organization's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown.

**New Accounting Pronouncements**

In February 2016, the FASB issued a new accounting pronouncement regarding lease accounting for reporting periods beginning after December 15, 2019. A lessee will be required to recognize on the balance sheet the assets and liabilities for leases with lease terms of more than 12 months. Management is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

**Note 2 – Liquidity and Availability of Financial Assets**

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statement of financial position date. Donor-restricted amounts that are available for use within one year include \$18,000 to support puppy raising in the DFW satellite, \$12,500 to support Houston Satellite Services, \$20,000 to provide guided sight in Texas, \$10,000 to support the Organization's program, \$50,000 to purchase two new vans, \$5,000 to support K9 expenses of the PAWSitive Approach Program, \$50,000 to accelerate the North Texas satellite and an estimated payment of \$50,000 in a pledge to support the apprentice program.

GUIDE DOGS OF TEXAS, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

**Note 2 – Liquidity and Availability of Financial Assets (continued)**

|                               | <u>12/31/2019</u> |
|-------------------------------|-------------------|
| Cash and cash equivalents     | \$ 740,356        |
| Cash on Hand                  | 60,110            |
| Pledges Receivable            | 100,902           |
| Certificates of Deposit       | 364,045           |
| Pledges Receivable - Long Tem | <u>100,000</u>    |
| Total financial assets        | 1,365,413         |

Less those unavailable for general expenditures within one year, due to:

|  |                          |
|--|--------------------------|
| Donor-restricted for accelerating North Texas Satellite                                | (400,000)                |
| Donor-restricted for Apprentice Program  | (100,000)                |
| Donor-restricted to maintain as an endowment   | <u>(5,603)</u>           |
| Financial assets available to meet cash needs for general expenditures within one year | <u><u>\$ 859,810</u></u> |

**Note 3 – Property and Equipment**

Property and equipment consist of the following at December 31, 2019:

|   |                          |
|---|--------------------------|
| Land (Nondepreciable)                           | \$ 140,184               |
| Building and Improvements                       | 789,567                  |
| Furniture and fixtures                          | 113,275                  |
| Vehicles  | 161,702                  |
| Website Development                             | <u>10,161</u>            |
| Total property and equipment                    | 1,214,889                |
| Accumulated Depreciation                        | <u>(510,472)</u>         |
| Total Property & Equipment, net of depreciation | <u><u>\$ 704,417</u></u> |

Depreciation expense for the year ended December 31, 2019 was \$31,993.

**GUIDE DOGS OF TEXAS, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**Note 4 – Donated Services**

Donated services (in-kind) reported as revenue in the Statement of Activities at December 31, 2019, used for the program were as follows:

|                     |    |               |
|---------------------|----|---------------|
| IT support          | \$ | 960           |
| Veterinary Services |    | 18,316        |
| Miscellaneous       |    | 4,915         |
| Total               | \$ | <u>24,191</u> |

**Note 5 – Note Payable**

Effective February 20, 2018, the Organization entered into a Promissory Note with LiftFund Inc. in the amount of \$154,782. Principal and interest payments of \$1,926.61 are due and payable monthly beginning on April 6, 2018 and are required to be made until March 6, 2028 when the entire amount of unpaid principal and all accrued but unpaid interest and any fees and charges shall be due and payable.

The annual interest rate for the note is 8.50% and the note is secured by the property. Outstanding principal as of December 31, 2019, was \$30,284.

**Note 6 – Pension Plan**

The Organization provides for its employees a 403(b) retirement plan. Employees are eligible to participate after 1 month of employment. Any employee who leaves the employment of Organization is entitled to his or her contributions. Participants are fully vested in elective deferrals. Vesting in the employer contributions is as follows:

|   |      |
|---|------|
| Less than one year of vesting service                   | 0%   |
| One year but less than two years of vesting service     | 20%  |
| Two years but less than three years of vesting service  | 40%  |
| Three years but less than four years of vesting service | 60%  |
| Four years but less than five years of vesting service  | 80%  |
| Five or more years of vesting service                   | 100% |

The Organization matches employee contributions on a one-to-one ratio up to 5%. Matching contributions of \$13,724 were made by the Organization for the year ended December 31, 2019.

**GUIDE DOGS OF TEXAS, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**Note 7 - Fair Value Measurements**

The Organization has adopted Financial Accounting Standards Board *Accounting Standards Codification* (ASC) 820-10, which provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to value fair value. The hierarchy gives the highest priority to adjusting quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements)

- Level 1—Inputs to valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2—Inputs to the valuation methodology include: (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the assets or liability and (4) inputs that are derived principally from or corroborated by observable market data by correlation of other means. If the asset or liability has specified (contractual) terms, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3—Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Organization's asset or liability fair value measurement level within the fair value hierarchy is based upon level 1.

**Note 8 – Commitment**

The Organization entered into a website redesign contract on December 20, 2018 for a cost of \$10,800 per year for a 3-year term.