



*Report of Independent Auditors and  
Consolidated Financial Statements*

**Canine Companions for  
Independence, Inc.**

*December 31, 2021*



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## **Report of Independent Auditors**

To the Board of Directors  
Canine Companions for Independence, Inc.

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the consolidated financial statements of Canine Companions for Independence, Inc. (Canine Companions), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Canine Companions as of December 31, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our 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 Consolidated Financial Statements section of our report. We are required to be independent of Canine Companions and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Consolidated Financial Statements***

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Canine Companions' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Canine Companions' 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.

*Moss Adams LLP*

Campbell, California  
June 8, 2022

## **Consolidated Financial Statements**

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**Canine Companions for Independence, Inc.**  
**Consolidated Statement of Financial Position**  
**December 31, 2021**

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**ASSETS**

Cash and cash equivalents	\$ 43,465,311
Pledges receivable, net	2,777,989
Accounts receivable	2,317,374
Bequests receivable	4,543,200
Investments, fair value	42,778,299
Investment, equity method	19,216,347
Property, equipment, and improvements, net	39,103,185
Other assets	<u>2,806,215</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$ 157,007,920</u></u></b>

**LIABILITIES AND NET ASSETS**

<b>Liabilities</b>	
Accounts payable and accrued expenses	\$ 1,385,028
Accrued payroll and related expenses	1,995,345
Gift annuities payable	771,165
Deferred compensation	<u>46,160</u>
<b>Total liabilities</b>	<b><u>4,197,698</u></b>
<b>Net assets</b>	
Without donor restrictions	
Property, equipment, and improvements	39,103,185
Board designated	39,754,234
Undesignated	<u>43,680,359</u>
<b>Total without donor restrictions</b>	<b><u>122,537,778</u></b>
With donor restrictions	<u>30,272,444</u>
<b>Total net assets</b>	<b><u>152,810,222</u></b>
<b>TOTAL LIABILITIES AND NETS ASSETS</b>	<b><u><u>\$ 157,007,920</u></u></b>

**Canine Companions for Independence, Inc.**  
**Consolidated Statement of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
Support			
Contributions	\$ 12,606,336	\$ 9,205,326	\$ 21,811,662
Bequests	8,987,033	21,392,602	30,379,635
Change in value of beneficial interests in charitable trust assets	-	(78,634)	(78,634)
Net assets released from restrictions	27,459,940	(27,459,940)	-
Total support	<u>49,053,309</u>	<u>3,059,354</u>	<u>52,112,663</u>
Revenue			
Special events (net of direct expenses of \$384,535)	3,597,166	-	3,597,166
Program service revenue	108,235	-	108,235
Net investment income	2,790,307	928,353	3,718,660
Other income	45,537	-	45,537
Total revenue	<u>6,541,245</u>	<u>928,353</u>	<u>7,469,598</u>
Total support and revenue	<u>55,594,554</u>	<u>3,987,707</u>	<u>59,582,261</u>
Expenses			
Program services			
Breeding and puppy raising	3,288,392	-	3,288,392
Training and follow-up	13,250,300	-	13,250,300
Public information	3,185,332	-	3,185,332
Veterinary	3,225,932	-	3,225,932
Total program services	<u>22,949,956</u>	<u>-</u>	<u>22,949,956</u>
Support services			
Fund development	5,717,639	-	5,717,639
General administration	3,477,498	-	3,477,498
Total support services	<u>9,195,137</u>	<u>-</u>	<u>9,195,137</u>
Total expenses	<u>32,145,093</u>	<u>-</u>	<u>32,145,093</u>
Changes in net assets before other changes	23,449,461	3,987,707	27,437,168
Other changes in net assets			
Loss on disposal of property, equipment, and improvements	(121,478)	-	(121,478)
Gain on loan forgiveness of Paycheck Protection Program loan	3,762,676	-	3,762,676
Net assets released from capital projects	385,590	(385,590)	-
Capital campaign contributions	10,509,000	7,255,939	17,764,939
Change in net assets	37,985,249	10,858,056	48,843,305
Net assets, beginning of year	84,552,529	19,414,388	103,966,917
Net assets, end of year	<u>\$ 122,537,778</u>	<u>\$ 30,272,444</u>	<u>\$ 152,810,222</u>

See accompanying notes.

**Canine Companions for Independence, Inc.**  
**Consolidated Statement of Functional Expenses**  
**For the Year Ended December 31, 2021**

	Program Services					Support Services		
	Breeding and Puppy Raising	Training and Follow-up	Public Information	Veterinary	Subtotal	General Administration	Fund Development	Total
Salaries	\$ 1,638,575	\$ 6,699,856	\$ 1,380,545	\$ 1,130,164	\$ 10,849,141	\$ 2,278,369	\$ 3,356,812	\$ 16,484,322
Payroll taxes	128,757	533,325	107,180	88,284	857,547	149,973	261,587	1,269,107
Employee benefits	255,234	1,185,383	205,272	158,747	1,804,636	277,719	533,349	2,615,704
Pension plan contributions	72,071	334,720	57,963	44,826	509,580	78,421	150,603	738,604
Workers compensation insurance	12,464	57,884	10,024	7,752	88,124	13,562	26,044	127,730
Rent	332,653	641,850	108,032	49,691	1,132,226	102,299	132,242	1,366,767
Building maintenance	26,234	167,047	13,893	8,632	215,806	10,923	15,146	241,875
Utilities	116,731	377,394	45,244	27,900	567,268	37,566	55,515	660,349
Equipment rental and maintenance	22,492	112,896	10,232	32,440	178,060	26,696	28,446	233,202
Insurance	80,755	133,130	36,774	56,988	307,648	69,317	68,491	445,456
Program and office supplies	209,826	475,226	11,978	475,813	1,172,842	8,006	20,936	1,201,784
Dues and subscriptions	991	759	1,915	5,864	9,529	15,407	8,452	33,388
Travel, conventions, and meetings	20,217	113,823	31,626	7,051	172,716	26,919	59,969	259,604
Professional services	69,686	184,742	378,979	965,899	1,599,307	342,018	353,691	2,295,016
Advertising and marketing	651	3,619	87,206	1,916	93,391	6,752	95,877	196,020
Telephone (data and voice communication)	78,959	279,360	39,451	30,628	428,399	37,679	93,490	559,568
Postage and freight	100,238	59,101	127,163	8,901	295,403	14,153	21,187	330,743
Printing and publications	56	8,544	356,924	-	365,524	7	14,943	380,474
Taxes, licenses, and other expenses	(16,822)	143,040	3,234	9,243	138,694	38,692	188,412	365,798
Total expenses before depreciation and amortization	3,149,768	11,511,699	3,013,635	3,110,739	20,785,841	3,534,478	5,485,192	29,805,511
Depreciation and amortization	138,624	1,738,601	171,697	115,193	2,164,115	(56,980)	232,447	2,339,582
Total expenses	<u>\$ 3,288,392</u>	<u>\$ 13,250,300</u>	<u>\$ 3,185,332</u>	<u>\$ 3,225,932</u>	<u>\$ 22,949,956</u>	<u>\$ 3,477,498</u>	<u>\$ 5,717,639</u>	<u>\$ 32,145,093</u>

See accompanying notes.

**Canine Companions for Independence, Inc.**  
**Consolidated Statement of Cash Flows**  
**For the Year Ended December 31, 2021**

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Cash flows from operating activities	
Change in net assets	\$ 48,843,305
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	2,339,582
Contributions - capital campaign	(17,764,939)
Donation of stock in private entity	(19,538,800)
Changes in pooled income funds	78,634
Net unrealized and realized gains on investments	(3,175,056)
Loss on disposal of property, equipment, and improvements	121,478
Gain on loan forgiveness of Paycheck Protection Program loan	(3,762,676)
Changes in operating assets and liabilities	
Pledges receivable	(1,660,690)
Accounts receivable	(1,320,508)
Bequests receivable	2,863,505
Other assets	(128,066)
Accounts payable and accrued expenses	(231,317)
Accrued payroll and related expenses	64,305
Gift annuities payable	(10,106)
	<u>6,718,651</u>
Net cash provided by operating activities	
Cash flows from investing activities	
Purchases of investments	(23,751,474)
Proceeds from sale of investments	29,134,790
Acquisitions of property, equipment, and improvements	(1,289,461)
	<u>4,093,855</u>
Net cash provided by investing activities	
Cash flows from financing activities	
Collections on capital campaign	17,764,939
	<u>17,764,939</u>
Net cash provided by financing activities	
Net change in cash and cash equivalents	28,577,445
Cash and cash equivalents, beginning of year	<u>14,887,866</u>
Cash and cash equivalents, end of year	<u><u>\$ 43,465,311</u></u>
Noncash investing activities	
Donation of stock in private entity	<u><u>\$ 19,538,800</u></u>

# Canine Companions for Independence, Inc.

## Notes to Consolidated Financial Statements

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### NOTE 1 – DESCRIPTION OF THE ORGANIZATION

Canine Companions for Independence, Inc. (the Organization or Canine Companions) is a nonprofit corporation organized to provide trained assistance dogs and ongoing support to individuals with disabilities. Our dogs and all follow-up services are provided at no cost to our clients. Canine Companions operates regional training facilities in the states of California, Ohio, Florida, New York, and Texas. Its national headquarters is located in Santa Rosa, California. Canine Companions' support comes primarily from donor contributions and bequests.

The Organization has been impacted by the COVID-19 pandemic. It was classified as an essential service providing services to persons with disabilities many of whom were people at increased risk as defined by the Centers for Disease Control and Prevention.

On December 28, 2020, the Organization established Canine Companions Charitable Properties, LLC (the LLC), with the Organization as the sole member. The LLC was formed for the purpose of holding certain assets to be used to further the charitable mission of the Organization. The consolidated financial statements reflect the accounts of the Organization and the LLC.

The following is a description of the programs and services offered by Canine Companions:

*Breeding and puppy raising* – Since 1975, Canine Companions has developed a proven formula for breeding, raising, and training assistance dogs. Canine Companions breeds Labrador Retrievers, Golden Retrievers, and a cross of the two to be assistance dogs.

Volunteer breeder caretakers care for Canine Companions breeder dogs and nurture newborn puppies for eight weeks. In certain instances, Canine Companions manages the birthing and caretaking during these early stages at its facilities in Santa Rosa, California. From ages 8 weeks to 18 months volunteer puppy raisers care for, provide basic obedience training, and socialize Canine Companions puppies. When a Canine Companions puppy reaches the age of about 18 months, he or she is returned to one of Canine Companions' regional Centers for professional instruction.

*Training and follow-up* – Canine Companions maintains a waiting list of persons desiring placement with a dog. Individuals are screened, interviewed, and selected prior to attending a Team Training class. Leading up to a Team Training class, instructors spend six to nine months teaching the dog to master more than forty commands. Canine Companions instructors train five types of assistance dogs to best serve our clients:

- Service Dogs – assist adults with physical disabilities by performing daily tasks such as picking up dropped items.
- Service Dogs for Veterans – assist veterans with physical disabilities, hearing loss, or adults with post-traumatic-stress disorder (PTSD). Service dogs for individuals with PTSD are trained in tasks such as anxiety and nightmare interruption.
- Skilled Companions – enhance independence for children and adults with physical, cognitive, and developmental disabilities.
- Hearing Dogs – alert their handler who is deaf or hard of hearing to important sounds.
- Facility Dogs – work with a professional who directly serves clients with disabilities in a visitation, education, or healthcare setting.

# Canine Companions for Independence, Inc.

## Notes to Consolidated Financial Statements

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The matching of students and canines takes place during an intensive two-week training course where students learn the skills to command their new assistance dogs. Students also learn techniques to expand the range of commands to meet their particular needs. In addition, each student must demonstrate the ability to provide for the dog's care and well-being before graduating with a Canine Companions assistance dog.

After graduation, Canine Companions keeps track of all the teams through follow-up visits and graduate workshops. The main purposes of graduate follow-up visits are to maintain as well as enhance the effectiveness of graduate team well-being.

Canine Companions has also developed customer service and quality control tools known as graduate seminars. These provide the graduates one to two-day follow-up training at regional centers or in centrally located cities for problem solving and further education to ensure the ongoing success of the assistance dog team. Canine Companions conducts annual graduate seminars at each of our six training centers.

*Public information* – Canine Companions takes a proactive stance in raising awareness of assistance dogs and challenges faced by people with disabilities. Canine Companions' efforts have produced many articles in national and regional newspapers, magazines, and newsletters. Canine Companions has worked with national and regional web, radio, and television broadcasts to bring awareness of our program to millions. Additionally, Canine Companions maintains ongoing ad campaigns that include billboards, online, print advertising, and televised public service announcements.

Canine Companions also distributes newsletters, electronic messages, and direct mail packages that educate the general public and provide program updates. Additionally, Canine Companions maintains and regularly updates social media accounts. Canine Companions' web site ([www.canine.org](http://www.canine.org)) provides information about aspects of its programs and services.

*Veterinary* – Canine Companions provides health care to all puppies and dogs in professional training. Additionally, Canine Companions provides supplementary veterinary service for puppies and graduate dogs on an as needed basis.

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Principles of consolidation** – All inter-entity transactions and balances have been eliminated upon consolidation.

**Basis of presentation and description of net assets** – Canine Companions uses the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and reports information regarding its consolidated financial position and activities according to two classes of net assets.

*Net assets without donor restrictions* – The portion of net assets that is neither subject to time or donor-imposed restrictions and may be expended for any purpose in performing the primary objective of Canine Companions. As of December 31, 2021, Canine Companions' Board of Directors has designated approximately \$2,900,000 of net assets without donor restrictions as an endowment for projects in the Southeast Region, \$10,000,000 of net assets without donor restrictions to fund the Canine Health and Wellness Center in Santa Rosa, and approximately \$26,800,000 of net assets without donor restrictions for general use.

## Canine Companions for Independence, Inc. Notes to Consolidated Financial Statements

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*Net assets with donor restrictions* – The portion of net assets whose use by Canine Companions is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of Canine Companions. Net assets with donor restrictions also include a portion of net assets consisting of contributions to endowment funds where the donor indicated that a portion of the fund be retained in perpetuity. The accumulation of assets, above historic gift value, in donor-restricted endowment funds is classified as with donor restrictions until appropriated for use based on Canine Companions' spending policy.

**Cash and cash equivalents** – Canine Companions considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents and not held for investment purposes.

**Pledges receivable, net** – Contributions and pledges receivable consist of unconditional promises to give. 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 future years are recorded at the present value of their estimated future cash flows. Discounts are computed using estimated market rates. Amortization of the discount is included in contribution revenue.

Canine Companions uses the allowance method to determine uncollectible pledge receivables. The allowance is based on prior years' experience and management's analysis of specific promises made.

**Accounts receivable** – Accounts receivable consist of various trade and miscellaneous receivables. Trade receivable include amounts billed to sponsors and affiliates for services provided. Receivables are reported at face value, which approximates fair value, and are not subject to interest. Payments received from sponsors and affiliates are generally applied to the balances identified by the accompanying invoice.

**Bequests receivable** – Bequests receivable consist of gifts made by means of wills and trusts for which the donor is deceased and are otherwise considered irrevocable.

**Investments** – Investments are reported at fair value. Changes in fair values as well as realized gains and losses are reflected in the consolidated statement of activities and changes in net assets. Dividend and interest income are accrued when earned. Investments received through gifts are recorded at estimated fair value at the date of donation.

**Fair value of beneficial interest in assets** – Canine Companions invests in diversified investment pools offered by the Marin Community Foundation and Community Foundation Sonoma County (collectively referred to as the "Community Foundations"). The Community Foundations have Canine Companion's investment accounts under its management. Canine Companions' share of the pool is recorded as beneficial interest in assets. The beneficial interest in assets is stated at fair value. The fair value is based on the net asset value of the pooled assets and the Canine Companions' ownership interest in the pool. Net asset values are evaluated by the Community Foundations to determine if the values of these investments should be adjusted. Factors considered may include, but are not limited to, estimates of liquidation value, prices of recent transactions in the same or similar funds, current performance, future expectations of the particular investment, and changes in market outlook and the financing environment. Valuations are reviewed at least annually using a variety of qualitative factors to subjectively determine the most appropriate valuation methodologies.

The pools consist of various investments including, but not limited to, cash, public and private equities, global bonds, real assets, and hedge funds. Investments are exposed to various risks such as interest rate, market, liquidity, and credit risks.

# Canine Companions for Independence, Inc.

## Notes to Consolidated Financial Statements

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**Fair value measurements** – Canine Companions carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Canine Companions classifies its financial assets and liabilities according to three levels and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 - Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 - Observable inputs other than quoted prices included within Level 1 for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability that are not corroborated by market data

**Investment held at equity method** – Canine Companions holds an equity method investment in one private corporation which is not traded on stock exchanges and does not have a readily determinable fair value. Valuation is determined based on the percentage of interest held by Canine Companions. The equity method of accounting is used for investments in which Canine Companions' interest is 20% to 50% and is deemed to have significant influence over the investee. Under the equity method, Canine Companions recognizes its proportionate share of net income or loss of the corporation. Dividends paid by the corporation reduces the value of the investment. Canine Companions evaluates the investment for impairment whenever events or changes in circumstance indicate that the carrying value of an asset may not be recoverable. As of December 31, 2021, management has concluded that there are no indications of impairment of the equity method investment.

**Property, equipment, and improvements** – Property, equipment, and improvements are recorded at cost. The cost of maintenance and repairs are charged to expense as incurred. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Amortization of leasehold improvements is computed over the lesser of the useful life or the term of the related lease. Estimated useful lives used to compute depreciation and amortization of property, equipment, and improvements are as follows:

Building and improvements	15 to 40 years
Leasehold improvements	life of lease
Furniture, vehicle, and equipment	5 years

**Impairment of long-lived assets** – The long-lived assets are reviewed by management for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable through the estimated undiscounted cash flows expected to result from the use and eventual disposition of that asset. Whenever any such impairment exists, an impairment loss will be recognized for the amount by which the carrying value exceeds the fair value. There was no impairment of long-lived assets for the year ended December 31, 2021.

### Split interest agreements

*Beneficial interests in charitable trust assets* – Beneficial interests in charitable trust assets include the estimated fair value of Canine Companions' interest in pooled income funds and charitable remainder trusts. Assets of these trusts are held by independent trustees. The fair values are measured by the estimated present value of the remainder interest using applicable mortality tables and discount rates used to compute the donors' original charitable deduction.

## Canine Companions for Independence, Inc. Notes to Consolidated Financial Statements

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Canine Companions recognizes its remainder interest in the assets received as contribution revenue with donor restrictions in the period in which the assets are received from the donor. Subsequent changes in the estimated fair value are recognized in the Consolidated Statement of Activities and Changes in Net Assets.

*Charitable gift annuities* – Canine Companions records a gift annuity upon execution of the contract and receipt of the assets. The liability is recorded at the estimated present value of payments using applicable mortality tables and approximate discount rate of 2.7%.

California Insurance Code (the Code) requires that organizations maintain a reserve fund adequate to meet the future payments under its outstanding charitable gift annuity contracts. In addition, the Code requires that 50% of the reserve fund be invested in specified governmental fixed income investments. As of December 31, 2021, Canine Companions had sufficient funds in its reserve fund to meet the California Insurance Code requirements and those funds were invested in accordance with the Code. Canine Companions is in compliance with all laws and regulations in all States it is registered to issue charitable gifts annuities.

**Endowment funds** – Canine Companions' endowments include donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

*Interpretation of relevant law* -The Board of Directors of Canine Companions has interpreted the California enacted version of the Uniform Prudent Management of Institutional Funds Act ("CUPMIFA") as requiring the preservation of the fair value of the original gifts as of the date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Canine Companions classifies as net assets with donor restrictions (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Amounts are classified as net assets with donor restrictions until Canine Companions' Board of Directors appropriates amounts for expenditure and any purpose restrictions have been met, in a manner consistent with the standard of prudence prescribed by CUPMIFA.

In accordance with CUPMIFA, Canine Companions considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of Canine Companions and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of Canine Companions, (7) the investment policies of Canine Companions.

*Funds with deficiencies* – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or CUPMIFA requires Canine Companions to retain as a fund of perpetual duration. At December 31, 2021, there were no such deficiencies.

## Canine Companions for Independence, Inc.

### Notes to Consolidated Financial Statements

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*Return objectives and risk parameters* – Canine Companions has adopted investment and spending policies for endowment assets that will ultimately 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 Canine Companions must hold in perpetuity as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to exceed the yield of relevant indexes while assuming a moderate level of investment risk. Canine Companions expects its endowment funds, over time, to provide an average rate of return of approximately 6% annually. Actual returns in any given year may vary from this amount.

*Strategies employed for achieving objectives* – To satisfy its long-term rate-of-return objectives, Canine Companions 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). Canine Companions 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* – Except for the Board Designated endowment fund related to the Martha McCrary Bequest. The McCrary funds are appropriated based on the annual needs of Canine Companions' Southeast Regional Office and can vary year to year, with a goal of maintaining as much principal as possible. This is consistent with Canine Companions' objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

**Recognition of support-based revenue** – Contributions and grants are recognized at their fair value when the donor makes an unconditional promise to give to Canine Companions. Certain contributions are reported as support without donor restrictions when the restriction is met in the same period as the contribution is received. All other donor restricted contributions and grants are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. 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 met.

Canine Companions is the beneficiary under various wills and trust agreements, the total realizable amount of which is not presently determinable. Such amounts are recognized in Canine Companions' consolidated financial statements as bequests receivable when clear title is established, and the proceeds are measurable.

**Contributed services** – Contributions of services are recognized when received if such services (a) enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. A substantial number of volunteers have donated significant amounts of time in Canine Companions' program services and fundraising activities. The value of donated volunteer services has not been recognized in the accompanying consolidated financial statements because such volunteer services do not meet the above-mentioned criteria.

During the year ended December 31, 2021, Canine Companions participated in various outreach events supported by Canine Companions' staff and by more than 4,700 volunteers.

**Contributed goods** – Canine Companions recognizes the value of donated items and/or supplies at the fair market value for similar items.

## Canine Companions for Independence, Inc. Notes to Consolidated Financial Statements

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**Gain from forgiveness of Paycheck Protection Program loan** - During the year ended December 31, 2020, Canine Companions was granted a loan under the Paycheck Protection Program ("PPP") offered by the Small Business Administration ("SBA") under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), section 7(a)(36) of the Small Business Act for approximately \$3,738,300. In June 2021, Canine Companions received full forgiveness of the loan, including approximately \$25,000 of accrued interest and has accounted for the gain from forgiveness of debt in accordance with Accounting Standards Codification Topic 405, Liabilities.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.

**Functional expenses** – The costs of providing program and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

Personnel expenses were assigned by each position's departmental classification and, in certain instances, allocated among classifications after considering the functional roles and time spent in those roles.

Occupancy, depreciation, and facilities-related services were allocated based upon estimated departmental usage of building and kennel space weighted by the estimated insured value of building replacement, contents, and equipment costs. Professional services, printing, and information technology were allocated based upon the functions provided or by full-time equivalent staff headcount. Travel, education and awareness, and other expenses were allocated based upon time and effort.

**Income taxes** – Canine Companions is a tax-exempt organization under the Internal Revenue Code, Section 501(c)(3) and related California code sections. Accordingly, no provision for income taxes on income has been reflected in these consolidated financial statements.

Canine Companions follows the guidance on accounting for uncertainty in income taxes issued by FASB ASC Topic 740. As of December 31, 2021, management evaluated Canine Companions' tax positions and concluded that Canine Companions had maintained its tax-exempt status and had taken no uncertain tax positions that required adjustment to the consolidated financial statements. Therefore, no provision or liability for income taxes has been included in the consolidated financial statements.

Canine Companions Charitable Properties, LLC, as a California organization, is subject to franchise taxes and a fee based on California annual income. For the year ended December 31, 2021, the LLC paid \$12,590 of total taxes and fees.

**Use of estimates** – The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates based on assumptions. Those estimates affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

# Canine Companions for Independence, Inc.

## Notes to Consolidated Financial Statements

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**Recent accounting pronouncements** – In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, which increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements in the financial statements of leases. FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which deferred the effective date by one year. This pronouncement is effective for fiscal years beginning after January 1, 2022, with early adoption permitted. Management is currently evaluating the impact of the provisions of ASU No. 2016-02 on the consolidated financial statements.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU changes the required presentation for in-kind contributions other than contributed services. The first element will require separate presentation on the Consolidated Statement of Activities and Changes in Net Assets and the second element will require additional disclosure about how the in-kind gifts were utilized (in which program or part of management and general or fundraising), donor restrictions associated with the gifts and valuation techniques employed. The ASU is effective for Canine Companions for the fiscal year beginning January 1, 2022 with early application permitted. Canine Companions is currently assessing the impact the adoption of this ASU will have on its consolidated financial statements.

**Subsequent events** – Subsequent events are events or transactions that occur after the Consolidated Statement of Financial Position date but before the consolidated financial statements are available to be issued. Canine Companions recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statements of financial position including estimates inherent in the process of preparing consolidated financial statements. Canine Companions consolidated financial statements do not recognize subsequent events that provide additional evidence about conditions that did not exist at the date of the consolidated statements of financial position but arose after the statements of financial position date before the consolidated financial statements were available to be issued.

In June 2022, Canine Companions will hold a ground-breaking ceremony to initiate the construction of its new Canine Health and Wellness Center. This new building is expected to be completed in 2023 and will enable Canine Companions to provide state of the art puppy raising and veterinary facilities for its dogs.

Canine Companions has evaluated subsequent events through June 8, 2022, which is the date the consolidated financial statements were available to be issued.

### NOTE 3 – PLEDGES RECEIVABLE, NET

Pledges outstanding at December 31, 2021 are expected to be collected as follows:

Pledges receivable in less than one year	\$ 2,710,191
Pledges receivable in one to five years	<u>67,798</u>
Pledges receivable, net	<u><u>\$ 2,777,989</u></u>

Pledges receivable expected to be collected in one to five years are discounted at rates ranging between 3.25% to 5.5%.

**Canine Companions for Independence, Inc.**  
**Notes to Consolidated Financial Statements**

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**NOTE 4 – BEQUESTS RECEIVABLE**

Canine Companions is the beneficiary under several wills and trust agreements in which clear title has been established and the proceeds are measurable. As of December 31, 2021, the total of these expectancies is approximately \$4,543,000. Management believes that all bequest expectancies are collectible.

As of December 31, 2021, Canine Companions also has various bequests which are in process. However, the amounts to be received are not yet determinable. No value has been recorded on these bequests.

**NOTE 5 – INVESTMENTS**

Investments consist of the following at December 31, 2021:

Cash and cash equivalents	\$ 86,833
Fixed income	1,187,467
Mutual funds	1,261,229
Beneficial interest in assets - Marin Community Foundation	30,771,813
Beneficial interest in assets - Community Foundation Sonoma County	<u>9,470,957</u>
Total investments	<u><u>\$ 42,778,299</u></u>

Net investment income, including amounts earned on assets at the Community Foundations, consists of the following for the year ended December 31, 2021:

Interest and dividends	\$ 351,119
Investment fees	(129,968)
Net realized and unrealized gain	<u>3,497,509</u>
Total net investment income	<u><u>\$ 3,718,660</u></u>

**NOTE 6 – INVESTMENTS, EQUITY METHOD**

During 2020, Canine Companions was informed of a bequest consisting of marketable securities and shares of stock in a private corporation (the Stock) that provides internet and telecom services. On December 28, 2020, Canine Companions established Canine Companions Charitable Properties, LLC (the LLC) to hold the Stock with Canine Companions as the sole member. In July 2021 the LLC received the Stock that can only be liquidated under certain contingencies according to an existing shareholders agreement.

Interest was bequeathed to the LLC in 2021 as follows:

	<u>Initial Measurement Value</u>	<u>Percentage Interest Owned</u>
Private Corporation	\$ 19,525,600	28.66%

## Canine Companions for Independence, Inc. Notes to Consolidated Financial Statements

Financial results for the private corporation from the most recently available audited financial statements dated June 30, 2021 is summarized as follows:

	<u>Private Corporation</u>	
Assets	\$	97,431,000
Liabilities		26,338,000
Equity		71,093,000
Net Income		12,221,000

The value of the equity investment has been adjusted to reflect its proportionate share of net income or loss and reduced for dividends received during 2021.

### NOTE 7 – FAIR VALUE MEASUREMENTS

The table below presents the balances of assets measured at fair value at December 31, 2021, on a recurring basis.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Cash and cash equivalents	\$ 86,833	\$ 86,833	\$ -	\$ -
Fixed income - government obligations	1,187,467	1,187,467	-	-
Mutual funds				
Global equity	133,857	133,857	-	-
Domestic equity	1,095,664	1,095,664	-	-
Complimentary	31,708	31,708	-	-
Beneficial interest in assets	40,242,770	-	-	40,242,770
Total investments	<u>\$ 42,778,299</u>	<u>\$ 2,535,529</u>	<u>\$ -</u>	<u>\$ 40,242,770</u>

**Level 1** - While Canine Companions believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Those estimated values may differ significantly from the values that would have been used had a readily available market for such investments existed, or had such investments been liquidated, and these differences could be material to the financial statements.

**Level 3** - The Marin Community Foundation endowment pool focuses on a long-term strategy designed to protect assets against inflation over time. The target asset allocation is 75% in equity funds and 25% in fixed income. The investments may be redeemed on a daily basis and are subject to restrictions imposed by the Board of Directors at the Marin Community Foundation.

## Canine Companions for Independence, Inc. Notes to Consolidated Financial Statements

The Community Foundation Sonoma County endowment pool focuses on a long-term strategy designed to protect assets against inflation over time, while providing for a steady stream of gains. The target asset allocation, which is designed to provide diversification and reduce volatility, is 85% in a core portfolio which includes five categories of stocks (55%) and three categories of bonds (30%), and 15% in a satellite portfolio. The core portfolio consists of investments that track major market indices with minimal tracking error (defined as the deviation of excess return). Additional positions, known as satellites, are added to the portfolio and allow for greater flexibility regarding tracking error. Overall, the pool is allocated 65% to stocks and 35% to bonds. The investments may be redeemed on a daily basis and are subject to restrictions imposed by the Board of Directors at Community Foundation Sonoma County.

**Level 3 roll-forward table** – The following table presents the rollforward of Level 3 investments carried at fair value (including the change in fair value) on the consolidated statement of financial position for the years ended December 31, 2021.

	Beneficial Interest in Assets
Balance, January 1, 2021	\$ 34,145,818
Purchases	2,450,000
Investment income	139,390
Unrealized gains	3,507,562
Balance, December 31, 2021	\$ 40,242,770

The table below presents information about significant unobservable inputs related to the categories of Level 3 financial assets at December 31, 2021:

	Fair Value	Valuation Technique	Unobservable Inputs
Beneficial interest in assets	\$ 40,242,770	Fair value of the pooled assets and Canine Companions ownership interest	Fair Value of the underlying assets of the investment pool

Marin Community Foundation and Community Foundation Sonoma County (the Community Foundations) were established as component funds to benefit Canine Companions. The Community Foundations hold both expendable and endowment funds. Expendable funds allow for the grant of income or principal. Endowment funds allow only for grants to Canine Companions of a fixed percentage of historic earnings.

The Community Foundations have variance power in the event that a restriction or condition of a component fund cannot be fulfilled. Per terms of the agreement with Canine Companions, in such a situation, the Community Foundations may make grants from their component funds to organizations that most nearly serve the purposes and objectives for which the funds were established. The agreements between Canine Companions and the Foundations may be terminated by either party in accordance with their respective agreements.

## Canine Companions for Independence, Inc. Notes to Consolidated Financial Statements

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### NOTE 8 – REVOCABLE FUNDS

A fund was established by an outside donor under the administration of Community Foundation Sonoma County, to support the mission and activities of Canine Companions. Fund A is a permanent endowment fund with a balance of approximately \$3,359,000 at December 31, 2021. Distributions from this fund are subject to Community Foundation Sonoma County's endowment spending policy. Fund A is revocable and is not included on the statement of financial position at December 31, 2021. During 2021, there were no distributions from Fund A.

### NOTE 9 – PROPERTY, EQUIPMENT AND IMPROVEMENTS

Property, equipment and improvements consisted of the following at December 31, 2021:

Buildings	\$ 46,960,182
Leasehold improvements	1,762,539
Office equipment	1,848,176
Automotive equipment	1,045,215
Construction in progress	<u>1,173,907</u>
	52,790,019
Less: accumulated depreciation and amortization	<u>(18,758,282)</u>
	34,031,737
Land	<u>5,071,448</u>
Property, equipment, and improvements, net	<u>\$ 39,103,185</u>

Depreciation and amortization expense totaled approximately \$2,340,000 for 2021.

### NOTE 10 – OTHER ASSETS

Other assets at December 31, 2021, consisted of the following:

Land held for sale	\$ 930,000
Split interest agreements	1,262,283
Inventories	78,230
Investments held for deferred compensation plans	46,160
Other	<u>489,542</u>
Other assets	<u>\$ 2,806,215</u>

The land held for sale represents a donation to Canine Companions in accordance with Canine Companions' Gift Acceptance Policy. The land was donated to benefit the Northeast Region for its general operating purposes. Canine Companions has entered into a contract to sell the land for the amount above. It is expected this sale will be completed during 2022.

**Canine Companions for Independence, Inc.**  
**Notes to Consolidated Financial Statements**

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**NOTE 11 – LINE OF CREDIT**

**Line of credit** – In September, 2015, Canine Companions obtained a revolving line of credit (LOC) of \$4,000,000 to finance operations as necessary. Canine Companions renewed the LOC in November 2021. The line has a variable interest rate with a floor rate of 4.25% per annum and a commitment fee of 0.375% for the term of the loan. The interest rate at December 31, 2021, was 5% and the LOC will expire on November 5, 2023. There was no balance outstanding on the LOC as of December 31, 2021. There are financial covenants applicable to the LOC.

**NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of December 31, 2021, are available for the following purposes or periods:

Property, equipment, and improvements	\$ 9,319,572
Split interest agreements and charitable trust assets	1,307,565
Program and time restrictions	4,761,897
Bequests receivable	4,543,200
Donor endowments - corpus and earnings	<u>10,340,210</u>
Net assets with donor restrictions	<u><u>\$ 30,272,444</u></u>

Net assets were released during 2021, in accordance with the donors' intent or release of time restrictions as follows:

Purpose and time restrictions	\$ 3,203,832
Property, equipment, and improvements	385,590
Bequests receivable	<u>24,256,108</u>
Total restrictions released	<u><u>\$ 27,845,530</u></u>

**NOTE 13 – ENDOWMENTS**

Endowment net asset composition by type of fund as of December 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted			
General use	\$ -	\$ 10,340,210	\$ 10,340,210
Board designated			
Funds available for general use	26,843,539	-	26,843,539
Funds available for general use by the Southeast Region	<u>2,910,695</u>	<u>-</u>	<u>2,910,695</u>
Total	<u><u>\$ 29,754,234</u></u>	<u><u>\$ 10,340,210</u></u>	<u><u>\$ 40,094,444</u></u>

## Canine Companions for Independence, Inc.

### Notes to Consolidated Financial Statements

Changes in endowment net asset for the year ended December 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 26,969,244	\$ 7,206,214	\$ 34,175,458
Interest and dividends	189,096	224,938	414,034
Investment fees	(155,867)	(102,194)	(258,061)
Net realized and unrealized gain	2,751,761	805,609	3,557,370
Net investment income	2,784,990	928,353	3,713,343
Contributions of cash	-	2,205,643	2,205,643
Endowment net assets, end of year	<u>\$ 29,754,234</u>	<u>\$ 10,340,210</u>	<u>\$ 40,094,444</u>

#### NOTE 14 – COMMITMENTS

Canine Companions entered into several lease agreements for its headquarters and regional offices for office space and office equipment. The approximate future minimum lease payments related to these leases are as follows:

Year Ending December 31:

2022	\$ 303,188
2023	288,716
2024	25,712
2025	24,166
2026	24,104
Total	<u>\$ 665,886</u>

Rent expenses under all operating leases amounted to approximately \$567,000 for the year ended December 31, 2021.

Canine Companions also leases property for its Southwest Region center under a thirty-year lease ending August 2025. There is a ten-year renewal option. This property is leased to Canine Companions rent-free with the agreement that the premises will be used exclusively for the purpose of assistance dog training and other related purposes.

#### NOTE 15 – AVAILABILITY OF FINANCIAL ASSETS AND LIQUIDITY

The following table reflects Canine Companions' financial assets reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, held by a trust, or assets held for others.

## Canine Companions for Independence, Inc. Notes to Consolidated Financial Statements

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Canine Companions' financial assets available within one year for general expenditures are as follows at December 31, 2021:

Financial assets at year-end	
Cash and cash equivalents	\$ 43,465,311
Pledges receivable, net	2,777,989
Accounts receivable	2,317,374
Bequests receivable	4,543,200
Investments	42,778,299
Other assets	
Land held for sale	<u>930,000</u>
Total financial assets	<u>96,812,173</u>
Less amounts not available to be used within one year	
Net assets with donor restrictions:	
Time or purpose including long-term receivables	5,363,718
Property, equipment, and improvements	9,319,572
Donor endowments - corpus and earnings	10,340,209
Net assets designated by the board	<u>29,754,234</u>
Total amounts not available within one year	<u>54,823,893</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 41,988,280</u></u>

Canine Companions strives to maintain financial assets to meet 90 days of operating expenses (approximately \$8,036,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit. Canine Companions intends to meet operating expenses during 2021 by utilizing cash and cash equivalents. The Board of Directors can undesignate the board designated funds and make them available for general operations. During 2022, Canine Companions plans to utilize available resources to supplement the construction costs of a facility in its National headquarters campus. Canine Companions also has access to its \$4,000,000 LOC.

### NOTE 16 – PENSION PLAN

Canine Companions sponsors a 403(b) defined contribution pension plan that covers all employees who meet certain eligibility requirements. Contributions to the plan by Canine Companions are based on eligible compensation and include elective and matching contributions not to exceed 6% of compensation for 2021. For the year ended December 31, 2021, the amount of pension expense was approximately \$716,000.

### NOTE 17 – CONCENTRATIONS OF CREDIT RISK

Canine Companions has identified financial instruments which potentially subject it to credit risk. These financial instruments consist principally of cash, investments and receivables.

## **Canine Companions for Independence, Inc.**

### **Notes to Consolidated Financial Statements**

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Canine Companions invests its excess cash and investments with various financial institutions. These deposits include amounts over the federally insured limits.

Receivables consist primarily of unsecured amounts due from individuals, trusts, and estates. The credit risk associated with the receivables from individuals is substantially mitigated by the large number of individuals comprising the receivable balance.

Total contributions from board members are approximately \$9,457,000 for the year ended December 31, 2021.

#### **NOTE 18 – AFFILIATION AGREEMENT**

Baylor Scott & White Health (BSWH) and Canine Companions entered into an affiliation and management agreement effective September 30, 2013. The parties cooperated in the development of Canine Companions' South Central Training Center in Irving, Texas, built and owned by BSWH at its sole cost, and expense and operated, staffed, and managed by Canine Companions. The new campus, built and owned by BSWH, opened October 2015. The initial project included dormitory rooms and kennels with the overall objective of developing a campus capable of graduating approximately 60 new assistance dog teams per year.

The initial term of the agreement is for 10 years. In consideration of the benefits of affiliation with Canine Companions and Canine Companions' commitment to establishing and operating a whelping center, the Canine Early Development Center (CEDC), near its campus in Santa Rosa, BSWH made a one-time contribution to Canine Companions of \$500,000 intended to fund 50% of the operating costs of the CEDC for its first 3 years ended June 30, 2019. Besides ensuring the underwriting of the operating costs of the Canine Companions program in Texas, BSWH also pays Canine Companions a \$470,000 fee per annum beginning January 1, 2014 representing the approximate historical fundraising amount by Canine Companions in Texas. In subsequent years, BSWH will be charged an annual management fee not to exceed 7% of the mutually approved annual budget for the Training Center. As of December 31, 2021, the outstanding receivable under this arrangement is approximately \$590,000. This receivable was paid in full in 2022.

#### **NOTE 19 – GLOBAL PANDEMIC**

During the whole of 2021, Covid continued to have a serious impact as new and more transmissible variants such as Delta and Omicron affected the US. However, vaccines that were highly effective in preventing hospitalization or death became widely and freely available early in the year.

Canine Companions used its learnings from 2020 to make various operational adjustments that meant that Covid had a far less devastating impact upon our services in 2021.

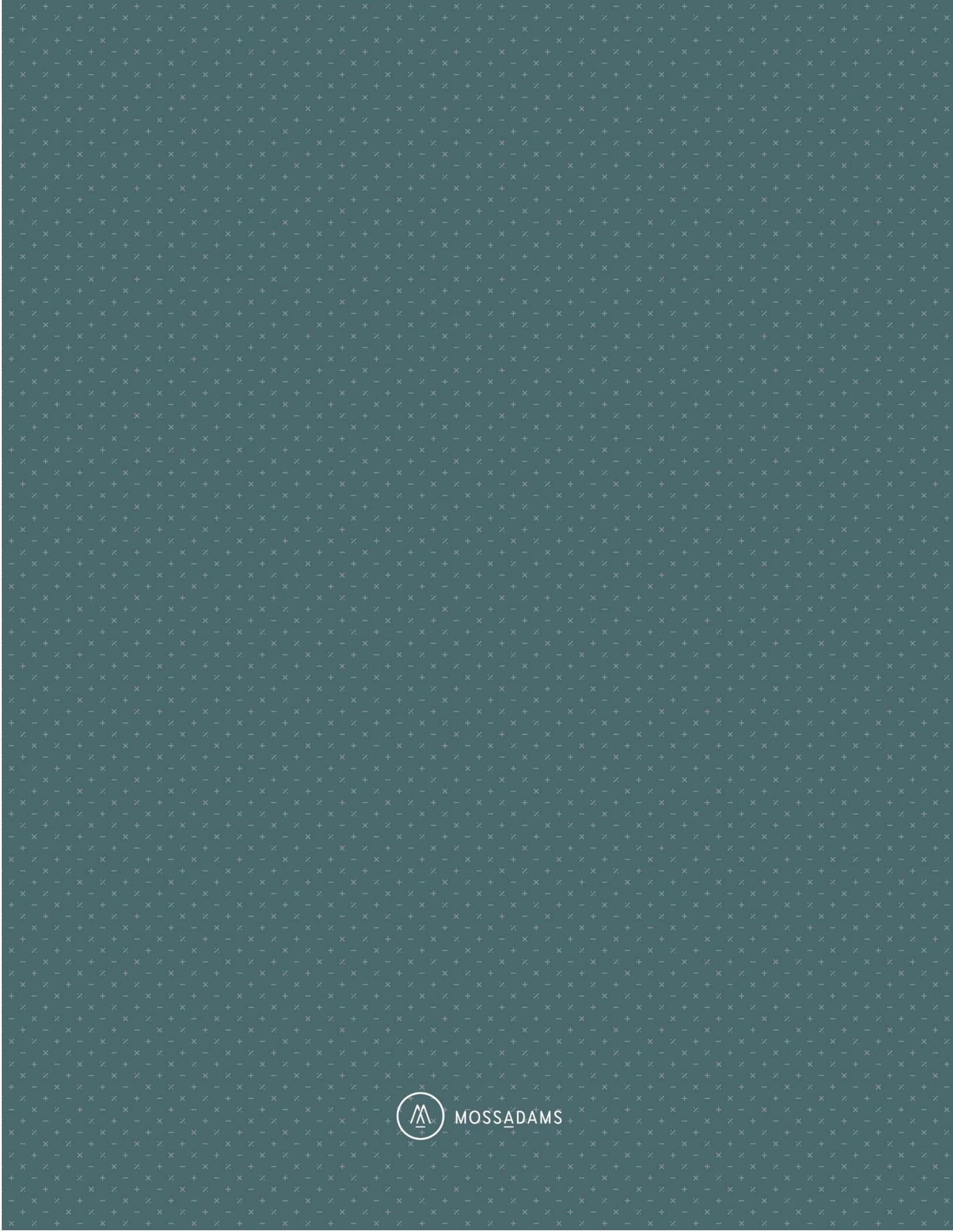
Canine Companions continued to have some staff working remotely and the office-based staff followed carefully planned health and safety guidelines, including following all federal and state mandates and emergency temporary standards. Protocols for all operational areas were published organization wide, with updates made as needed as regulations changed.

Some expense savings were made in areas such as travel however those were more than outweighed by increased costs for cleaning and office supplies.

## **Canine Companions for Independence, Inc. Notes to Consolidated Financial Statements**

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Income was adversely affected by being unable to hold in person fundraising and community events, however efforts were made to offset this by increasing online events. Income in 2021 was also boosted by receiving full PPP Loan Forgiveness and gains on investments.



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