Guiding Eyes for the Blind, Inc.

Financial Statements
Year Ended September 30, 2018

The report accompanying these financial statements was issued by
BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of
BDO International Limited, a UK company limited by guarantee.
Guiding Eyes for the Blind, Inc.

Financial Statements
Year Ended September 30, 2018
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Independent Auditor’s Report

The Board of Directors
Guiding Eyes for the Blind, Inc.
Yorktown Heights, New York

We have audited the accompanying financial statements of Guiding Eyes for the Blind, Inc. (Guiding Eyes), which comprise the statement of financial position as of September 30, 2018, 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 Guiding Eyes for the Blind, Inc. as of September 30, 2018, 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.

Report on Summarized Comparative Information

We have previously audited Guiding Eyes’ 2017 financial statements, and our report, dated February 14, 2018, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein, as of and for the year ended September 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, LLP

February 11, 2019
Guiding Eyes for the Blind, Inc.

Statement of Financial Position
(with comparative totals for 2017)

<table>
<thead>
<tr>
<th>September 30,</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents (Notes 2 and 3)</td>
<td>$4,813,206</td>
<td>$4,781,231</td>
</tr>
<tr>
<td>Cash equivalents held by investment managers (Notes 2 and 3)</td>
<td>1,001,377</td>
<td>3,677,051</td>
</tr>
<tr>
<td>Total Cash and Cash Equivalents</td>
<td>$5,814,583</td>
<td>$8,458,282</td>
</tr>
<tr>
<td>Investments, at fair value (Notes 2, 3, 4 and 5)</td>
<td>65,014,442</td>
<td>60,318,309</td>
</tr>
<tr>
<td>Bequest receivable (Notes 2 and 3)</td>
<td>1,228,560</td>
<td>1,711,377</td>
</tr>
<tr>
<td>Contributions receivable, current (Notes 2, 3 and 6)</td>
<td>125,000</td>
<td>125,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>312,753</td>
<td>309,039</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>$72,495,338</td>
<td>$70,922,007</td>
</tr>
<tr>
<td>Noncurrent Contributions Receivable, Net (Notes 2 and 6)</td>
<td>-</td>
<td>95,500</td>
</tr>
<tr>
<td>Fixed Assets, Net (Notes 2, 7 and 8)</td>
<td>20,642,543</td>
<td>20,138,467</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$93,137,881</td>
<td>$91,155,974</td>
</tr>
<tr>
<td><strong>Liabilities and Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>$549,340</td>
<td>$495,333</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$549,340</td>
<td>$495,333</td>
</tr>
<tr>
<td>Payroll and payroll taxes payable</td>
<td>882,200</td>
<td>779,754</td>
</tr>
<tr>
<td>Bonds payable, current portion (Notes 2 and 8)</td>
<td>395,000</td>
<td>390,000</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>1,826,540</td>
<td>1,665,087</td>
</tr>
<tr>
<td>Reserve for Health Insurance (Note 2)</td>
<td>300,000</td>
<td>470,000</td>
</tr>
<tr>
<td>Gift Annuity Reserve (Notes 3 and 5)</td>
<td>1,550,781</td>
<td>1,339,993</td>
</tr>
<tr>
<td>Bonds Payable, Less Current Portion and Net of Bond Issuance Costs (Notes 2 and 8)</td>
<td>1,981,118</td>
<td>2,352,138</td>
</tr>
<tr>
<td>Accrued Pension Obligation (Note 9)</td>
<td>770,212</td>
<td>311,233</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>6,428,651</td>
<td>6,138,451</td>
</tr>
<tr>
<td><strong>Commitments and Contingencies</strong> (Notes 8, 9, 10, 11, 12 and 13)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Assets</strong> (Notes 2, 3, 10, 11, 12 and 13)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Without donor restrictions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General operation</td>
<td>76,659,664</td>
<td>75,506,579</td>
</tr>
<tr>
<td><strong>Total Without Donor Restrictions</strong></td>
<td>76,659,664</td>
<td>75,506,579</td>
</tr>
<tr>
<td>With donor restrictions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purpose restricted (Notes 10 and 12)</td>
<td>1,839,308</td>
<td>1,286,098</td>
</tr>
<tr>
<td>Perpetual in nature (Notes 11, 12 and 13)</td>
<td>8,210,258</td>
<td>8,224,846</td>
</tr>
<tr>
<td><strong>Total with Donor Restrictions</strong></td>
<td>10,049,566</td>
<td>9,510,944</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>86,709,230</td>
<td>85,017,523</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$93,137,881</td>
<td>$91,155,974</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
Guiding Eyes for the Blind, Inc.

Statement of Activities
(with comparative totals for 2017)

Year ended September 30,

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Purpose</td>
<td>Perpetual in Nature</td>
</tr>
<tr>
<td></td>
<td>Restricted</td>
<td>2018</td>
</tr>
</tbody>
</table>

Public Support and Revenue

| Contributions (Notes 2 and 13) | $17,041,312 | $1,423,618 | $18,468,930 | $17,743,671 |
| Bequests (Notes 2 and 17)     | 8,373,184    | -         | 8,373,184   | 10,195,675   |
| Special events (net of direct donor benefits of $129,946 and $130,460 in 2018 and 2017, respectively) | 212,549 | - | 212,549 | 269,597 |
| Net investment income (Note 13) | 2,201,187 | - | 2,557,249 | 6,026,347 |
| Other income                 | 473,017      | -         | 473,017     | 632,622      |
| Net assets released from restrictions (Notes 10 and 13) | 1,265,058 | (870,408) | (394,650) | - |

Total Public Support and Revenue | 29,566,307 | 553,210 | (14,588) | 30,104,929 | 34,867,912 |

Expenses

| Program services: | Guide dog training and student services | 8,734,437 | - | - | 8,734,437 | 8,865,018 |
|                  | Residential and graduate services       | 511,705   | - | - | 511,705   | 732,314   |
|                  | Veterinary hospital and kennel          | 5,388,685 | - | - | 5,388,685 | 6,115,816 |
|                  | Canine breeding                         | 532,253   | - | - | 532,253   | 653,650   |
|                  | Facilities management                   | 2,607,869 | - | - | 2,607,869 | 2,081,338 |
|                  | Enrichment and education              | 2,733,867 | - | - | 2,733,867 | 2,641,317 |
| Total Program Services | 20,508,816 | - | - | 20,508,816 | 21,089,453 |

| Supporting services: | Management and general services | 1,487,668 | - | - | 1,487,668 | 1,498,069 |
|                      | Fundraising                         | 5,332,218 | - | - | 5,332,218 | 4,088,331 |
| Total Supporting Services | 7,019,886 | - | - | 7,019,886 | 5,586,400 |

Total Expenses | 27,528,702 | - | - | 27,528,702 | 26,675,853 |

Change in Net Assets, before pension-related changes other than net periodic pension (income) cost and (loss) gain on disposal of fixed assets

| Change in Net Assets | $2,037,605 | 553,210 | (14,588) | 2,576,227 | 8,192,059 |
| Pension-Related Changes Other than Net Periodic Pension (Cost) Income (Note 9) | (881,605) | - | - | (881,605) | 2,102,555 |
| (Loss) Gain on Disposal of Fixed Assets | (2,915) | - | - | (2,915) | 8,674 |

Change in Net Assets | 1,153,085 | 553,210 | (14,588) | 1,691,707 | 10,303,288 |

Net Assets, beginning of year | 75,506,579 | 1,286,098 | 8,224,846 | 85,017,523 | 74,714,235 |

Net Assets, end of year | $76,659,664 | $1,839,308 | $8,210,258 | $86,709,230 | $85,017,523 |

See accompanying notes to financial statements.
## Guiding Eyes for the Blind, Inc.
### Statement of Functional Expenses (with comparative totals for 2017)

<table>
<thead>
<tr>
<th>Year ended September 30,</th>
<th>Program Services</th>
<th>Supporting Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Guide Dog Training and Student Services</td>
<td>Residential and Graduate Services</td>
<td>Veterinary Hospital and Canine Breeding</td>
</tr>
<tr>
<td>Salaries and Related Expenses</td>
<td>$5,077,899</td>
<td>$300,874</td>
<td>$2,535,101</td>
</tr>
<tr>
<td></td>
<td>$1,485,974</td>
<td>$99,578</td>
<td>$426,733</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>381,383</td>
<td>20,888</td>
<td>192,454</td>
</tr>
<tr>
<td></td>
<td>$8,734,437</td>
<td>$511,705</td>
<td>$5,388,685</td>
</tr>
</tbody>
</table>

- **Total Expenses Before Depreciation and Amortization**: $8,254,541 (2018), $4,925,945 (2017)
- **Depreciation and Amortization**: $479,896 (2018), $462,740 (2017)
- **Total Expenses**: $8,734,437 (2018), $5,388,685 (2017)

See accompanying notes to financial statements.
Guiding Eyes for the Blind, Inc.

Statement of Cash Flows
(with comparative totals for 2017)

<table>
<thead>
<tr>
<th>Year ended September 30,</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$1,691,707</td>
<td>$10,303,288</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>1,320,667</td>
<td>1,358,596</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>15,489</td>
<td>3,250</td>
</tr>
<tr>
<td>Change in present value of contributions receivable</td>
<td>(4,500)</td>
<td>(1,810)</td>
</tr>
<tr>
<td>Amortization of bond issuance costs</td>
<td>23,980</td>
<td>23,980</td>
</tr>
<tr>
<td>Contributions with restrictions - perpetual in nature</td>
<td>(24,000)</td>
<td>(25,000)</td>
</tr>
<tr>
<td>Net realized gains on sale of investments</td>
<td>(3,723,000)</td>
<td>(883,168)</td>
</tr>
<tr>
<td>Net unrealized losses (gains) on investments</td>
<td>2,718,087</td>
<td>(4,109,020)</td>
</tr>
<tr>
<td>Donated investments</td>
<td>(264,195)</td>
<td>(285,496)</td>
</tr>
<tr>
<td>Loss (gain) on disposal of fixed assets</td>
<td>2,915</td>
<td>(8,674)</td>
</tr>
<tr>
<td>Change in unfunded pension obligation</td>
<td>881,605</td>
<td>(2,102,555)</td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>100,000</td>
<td>90,500</td>
</tr>
<tr>
<td>Bequests receivable</td>
<td>467,328</td>
<td>(759,480)</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>(3,714)</td>
<td>(16,884)</td>
</tr>
<tr>
<td>Increase (decrease) in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>54,007</td>
<td>285,962</td>
</tr>
<tr>
<td>Payroll and payroll taxes payable</td>
<td>102,446</td>
<td>75,129</td>
</tr>
<tr>
<td>Reserve for health insurance</td>
<td>(170,000)</td>
<td>145,000</td>
</tr>
<tr>
<td>Accrued pension obligation</td>
<td>(422,626)</td>
<td>(433,862)</td>
</tr>
<tr>
<td>Gift annuity reserve</td>
<td>210,788</td>
<td>(124,656)</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Operating Activities</strong></td>
<td>2,976,984</td>
<td>3,535,100</td>
</tr>
<tr>
<td><strong>Cash Flows from Investing Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>36,061,438</td>
<td>12,049,112</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(39,488,463)</td>
<td>(17,469,673)</td>
</tr>
<tr>
<td>Purchases of fixed assets</td>
<td>(1,858,158)</td>
<td>(760,431)</td>
</tr>
<tr>
<td>Proceeds from sale of fixed assets</td>
<td>30,500</td>
<td>26,278</td>
</tr>
<tr>
<td><strong>Net Cash Used in Investing Activities</strong></td>
<td>(5,254,683)</td>
<td>(6,154,714)</td>
</tr>
<tr>
<td><strong>Cash Flows from Financing Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions with restrictions - perpetual in nature</td>
<td>24,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Principal payments of bond payable</td>
<td>(390,000)</td>
<td>(380,000)</td>
</tr>
<tr>
<td><strong>Net Cash Used in Financing Activities</strong></td>
<td>(366,000)</td>
<td>(355,000)</td>
</tr>
<tr>
<td><strong>Net Decrease in Cash and Cash Equivalents</strong></td>
<td>(2,643,699)</td>
<td>(2,974,614)</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents, beginning of year</strong></td>
<td>8,458,282</td>
<td>11,432,896</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents, end of year</strong></td>
<td>$5,814,583</td>
<td>$8,458,282</td>
</tr>
<tr>
<td><strong>Supplemental Disclosure of Cash Flow Information</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash paid for interest</td>
<td>$57,755</td>
<td>$69,304</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
1. Description of Organization

Guiding Eyes for the Blind, Inc. (Guiding Eyes) is a 501(c)(3) nonprofit organization established in 1954, which provides guide dogs to people with vision loss and others with additional disabilities. Guiding Eyes is passionate about connecting exceptional dogs with individuals for greater independence. Professional instructors offer on-campus and at-home training to individuals who are blind or visually impaired and to those with vision loss accompanied by additional disabilities. Specialized programs include matching guide dogs with veterans and individuals who are deafblind. Guiding Eyes dogs are specially bred and prepared for their roles. The dogs, instruction, veterinary care and a lifetime of support are provided free of charge.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of Guiding Eyes have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (GAAP). In the statement of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

Financial Statement Presentation

The classification of a not-for-profit organization’s net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the classes of net assets—with donor restrictions and without donor restrictions—be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These classes of net assets are defined as follows:

With Donor Restrictions - This class consists of net assets resulting from contributions and other inflows of assets whose use by Guiding Eyes is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of Guiding Eyes, pursuant to those stipulations. When such stipulations end or are fulfilled, such donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities. Net assets resulting from contributions and other inflows of assets whose use by Guiding Eyes is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of Guiding Eyes are classified as net assets with donor restrictions-perpetual in nature.

Without Donor Restrictions - This class consists of the part of net assets that is not restricted by donor-imposed stipulations.

Income from investment gains and losses, including unrealized gains and losses, dividends and interest, should be reported as increases (or decreases) in net assets without donor restrictions, unless the use of the income received is limited by donor-imposed restrictions.
Cash and Cash Equivalents

Cash equivalents represent short-term investments with original maturities of three months or less.

Securities and other assets that are part of Guiding Eyes’ investment holdings that meet the definition of cash and cash equivalents above are presented as cash equivalents held by investment managers on the statement of financial position and are included in end of year cash and cash equivalents balances.

Investments

Investments primarily consist of marketable equity securities, mutual funds, and certificates of deposit with original maturities greater than three months.

Investments are adjusted to their fair market value at the statement of financial position date, resulting in either an unrealized gain or loss.

Investments donated to Guiding Eyes are recorded at fair market value at date of receipt. Gains and losses on investments are recognized on disposal at trade date.

Fair Value Measurements and Disclosures

GAAP establishes a three-level hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that inputs that are most observable be used when available. Observable inputs are inputs that market participants operating within the same marketplace as Guiding Eyes would use in pricing Guiding Eyes’ asset or liability based on independently derived and observable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of Guiding Eyes are traded. Guiding Eyes estimates the price of any assets for which there are only unobservable inputs by using assumptions that market participants with investments in the same or similar assets would use, as determined by the money managers for each investment, based on best information available in the circumstances. The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable as follows:

Level 1 - Valuations are based on quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2 - Valuations are based on (i) quoted prices - those investments, or similar investments, in active markets; (ii) quoted prices - those investments, or similar investments, in markets that are not active; or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date. Level 2 assets include those investments or similar investments that are redeemable at or near the balance sheet date and for which a model was derived for valuation.

Level 3 - Valuations are based on inputs that are unobservable and reflect management’s best estimate of what market participants would use as fair value.
Revenue Recognition

Contributions and promises to give are recorded as revenue when either unsolicited cash is received or when donors make a promise to give. Contributions and promises to give are classified within public support and revenue as with or without donor restrictions.

Bequests are recorded for items for which Guiding Eyes has received written notification from the estate executor stating a defined sum. Bequests are classified within public support and revenue as with or without donor restrictions.

Special events income is reported net of the cost of direct donor benefits. Income and expense are directly attributable to a fundraising activity or event held by Guiding Eyes to raise additional funds other than contributions.

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. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Allowance for Doubtful Accounts

Guiding Eyes uses the allowance method for uncollectible receivables. The allowance is based on prior years’ experience and management’s analysis and evaluation of specific promises made. While management uses the best information available to make its evaluation, future adjustments to the allowance may be necessary if there are significant changes in economic conditions. No allowance was considered necessary at September 30, 2018.

Fixed Assets

All acquisitions of land, buildings, equipment and vehicles in excess of $5,000 are capitalized at cost. Donated property, equipment and vehicles are recorded at the fair market value at the date of the gift. Depreciation of buildings and equipment is provided on the straight-line basis over the estimated useful lives of the assets. The estimated useful lives of the assets are as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and leasehold improvements</td>
<td>15-30</td>
</tr>
<tr>
<td>Furniture, fixtures and equipment</td>
<td>5-15</td>
</tr>
<tr>
<td>Vehicles</td>
<td>4</td>
</tr>
</tbody>
</table>

Impairment of Long-Lived Assets

Guiding Eyes reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the
estimated future cash flows from the use of the asset are less than the carrying amount of that asset. As of September 30, 2018, there have been no such losses.

Use of 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, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information. With respect to the statement of activities, the prior year information is presented in total, not by net asset class. With respect to the statement of functional expenses, the prior year expenses are presented by expense classification in total rather than by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Guiding Eyes’ financial statements for the year ended September 30, 2017, from which the summarized information was derived.

Income Taxes

Guiding Eyes was incorporated in the State of New York and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and, therefore, has made no provision for income taxes in the accompanying financial statements. In addition, Guiding Eyes has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Code. There was no unrelated business income for the year ended September 30, 2018.

Under GAAP, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not the position will be sustained upon examination by a taxing authority. Guiding Eyes does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. Guiding Eyes has filed for and received income tax exemptions in the jurisdictions where it is required to do so. For the year ended September 30, 2018, there were no interest or penalties recorded or included in the statement of activities. Guiding Eyes is subject to routine audits by a taxing authority, but as of September 30, 2018, there were no examinations in progress.

Concentration of Credit Risk

Financial instruments that potentially subject Guiding Eyes to concentration of credit risk consist primarily of cash and cash equivalents. At various times, Guiding Eyes has cash deposits at financial institutions, which exceed the Federal Deposit Insurance Corporation (FDIC) insurance limits. These financial institutions have strong credit ratings and management believes that credit risk related to these accounts is minimal.
**Allocation of Joint Costs**

The costs of joint activities that are identifiable with a particular program are charged to that program. The joint costs are allocated between fundraising and the appropriate program or management and general function.

**Employee Medical and Dental Benefits**

Guiding Eyes is self-insured for all employee medical and dental benefits. The provisions for estimated medical and dental claims include estimates for both reported claims and estimates of the ultimate cost of claims incurred but not reported as of September 30, 2018. Guiding Eyes has protected itself against catastrophic claims by purchasing a stop-loss insurance policy with a deductible of $85,000, per covered individual.

**Net Asset Classifications**

Guiding Eyes follows GAAP, related to “Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and Enhanced Disclosures for all Endowment Funds,” which requires that disclosures be made on Guiding Eyes’ endowments by net asset classifications.

On September 17, 2010, New York State enacted the New York Prudent Management of Institutional Funds Act (NYPMIFA). This law, which is a modified version of UPMIFA, made significant changes to the rules governing how New York not-for-profit organizations may manage, invest and spend their endowment funds. The law is designed to allow organizations to cope more easily with fluctuations in the value of their endowments and to afford them greater access to funds needed to support their programs and services in difficult financial times. It also expands the options available to organizations seeking relief from donor restrictions on funds that have become obsolete, impracticable or wasteful. NYPMIFA applies to New York not-for-profit, educational and religious corporations, associations organized and operated exclusively for charitable purposes, and certain trusts.

**Debt Issuance Costs**

GAAP requires that debt issuance costs be presented as a direct reduction from the carrying amount of the related debt liability, consistent with the presentation of debt discounts. Total debt issuance costs presented as direct reductions were $143,882 as of September 30, 2018.

**Recently Adopted Accounting Pronouncements**

**Presentation of Financial Statements of Not-for-Profit Entities**

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14 to improve the presentation of financial statements of not-for-profit entities. ASU 2016-14 impacts all not-for-profit entities in the scope of Topic 958, as well as health care entities subject to the nonprofit guidance in Topic 954. This is the first major change to the nonprofit financial statement model in over 20 years, which is intended to provide more useful information to donors, grantors, and other users. The ASU becomes effective for fiscal years beginning after December 15, 2017. Guiding Eyes early adopted ASU 2016-14 for the September 30, 2018 financial statements.
Recently Issued but Not Yet Adopted Accounting Pronouncements

Accounting for Leases

On February 25, 2016, the FASB issued ASU 2016-02, “Leases,” which will require lessees to recognize a lease liability, which is a lessee’s obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee’s right to use, or control the use of, a specified asset for the lease term. The standard is effective for nonpublic business entities for fiscal years beginning after December 15, 2019, and Guiding Eyes is currently evaluating the impact of the pending adoption of ASU 2016-02.

Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)

In August 2018, the FASB issued ASU 2018-08 to clarify the accounting guidance related to contributions made or received. The ASU clarifies and improves the scope and accounting guidance for both contributions received and made in order to assist entities in evaluating if those transactions should be accounted for as contributions under the scope of Topic 958, or as an exchange transaction subject to other guidance. For purposes of assessing potential contributions, examples of the transactions in question include contributions of cash and other assets, including promises to give, or reductions, settlements, or cancellation of liabilities. Examples of resource providers include a government agency, a foundation, a corporation, or other entity. However, the type of resource provider is not determinative of whether a transaction is reciprocal or nonreciprocal. Public entities should apply the amendments on contributions received to annual periods beginning after June 15, 2018, including interim periods within those annual periods. All other entities should apply the amendments on contributions received to annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019.

3. Liquidity and Availability of Resources

Guiding Eyes’ financial assets available for use within one year of the statement of financial position date for general expenditure are as follows.

<table>
<thead>
<tr>
<th>September 30, 2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$4,813,206</td>
</tr>
<tr>
<td>Investments and cash equivalents held by investment managers</td>
<td>66,015,819</td>
</tr>
<tr>
<td>Bequests receivable</td>
<td>1,228,560</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>125,000</td>
</tr>
<tr>
<td><strong>Total Financial Assets, at year end</strong></td>
<td>72,182,585</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Donor-imposed restrictions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>1,839,308</td>
</tr>
<tr>
<td>Perpetual in nature</td>
<td>8,210,258</td>
</tr>
<tr>
<td>Liability for gift annuity reserve</td>
<td>1,550,781</td>
</tr>
</tbody>
</table>

**Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year** $60,582,238
Guiding Eyes’ investment portfolio consists, in part, of donor-restricted amounts. Income from the donor-restricted amounts can be either available for general expenditures or restricted for a specific purpose in accordance with the agreement between the donor and Guiding Eyes. As part of Guiding Eyes’ liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, Guiding Eyes invests cash in excess of daily requirements in short-term investments.

4. Investments, at Fair Value

Guiding Eyes’ assets recorded at fair value have been categorized based upon a fair value hierarchy, in accordance with GAAP. See Note 2 for a discussion of Guiding Eyes’ policies regarding this hierarchy. A description of the valuation techniques applied to Guiding Eyes’ major categories of assets measured at fair value are as follows:

**Equity and Fixed Income Mutual Funds**

Guiding Eyes has investments in mutual funds, which are invested primarily in investment-grade bonds and large and mid-capitalization equity securities. For these investments, Guiding Eyes has ownership interest in the mutual fund but not in the individual securities held by the fund. The assets of each mutual fund consist primarily of shares of the underlying holdings. Each mutual fund net asset value (NAV) is the value of a single share that is actively traded on national securities exchanges. The mutual funds are valued on a daily basis at the close of business day. These funds are valued primarily on the basis of market quotation or on the basis of information furnished by a nationally recognized pricing service based, on observable market data, and are classified as Level 1 within the fair value hierarchy.

**Marketable Equity Securities**

Guiding Eyes’ holdings in equity securities consist of investments in common stock and are determined by quoted market prices. These investments can be liquidated daily. These investments are classified as Level 1 within the fair value hierarchy.

**Fixed Income Securities**

Guiding Eyes has investments in fixed income securities, which consist of corporate bonds. Guiding Eyes’ custodian prices these investments using nationally recognized pricing services, which are carried at their market value, as determined by quoted market prices. These investments can be liquidated daily. These investments are classified as Level 1 within the fair value hierarchy.

**U.S. Treasury Securities**

Guiding Eyes’ fixed income investments include U.S. Treasury securities. U.S. Treasury securities are valued using quoted market prices and are categorized as Level 1 within the fair value hierarchy.

**Limited Partnerships**

Guiding Eyes has an investment in a limited partnership, which is valued based on Level 3 inputs within the investment hierarchy used in measuring fair value. Given the absence of market quotations, its fair value is estimated using information provided to Guiding Eyes by the investment manager and general partners. Because of the inherent uncertainty of valuation, it is reasonably
possible that estimated values may differ significantly from the values that would have been used had a ready market for the security existed.

The following table shows, by level within the fair value hierarchy, Guiding Eyes’ financial assets that are accounted for at fair value on a recurring basis as of September 30, 2018. The financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Guiding Eyes’ assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy levels.

### September 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity mutual funds</td>
<td>$43,604,694</td>
<td>-</td>
<td>-</td>
<td>$43,604,694</td>
</tr>
<tr>
<td>Fixed income mutual funds</td>
<td>14,082,342</td>
<td>-</td>
<td>-</td>
<td>14,082,342</td>
</tr>
<tr>
<td>Marketable equity securities</td>
<td>5,811,335</td>
<td>-</td>
<td>-</td>
<td>5,811,335</td>
</tr>
<tr>
<td>Fixed income securities</td>
<td>997,438</td>
<td>-</td>
<td>-</td>
<td>997,438</td>
</tr>
<tr>
<td>U.S. Treasury securities</td>
<td>511,324</td>
<td>-</td>
<td>-</td>
<td>511,324</td>
</tr>
<tr>
<td>Limited partnership</td>
<td>-</td>
<td>-</td>
<td>7,309</td>
<td>7,309</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$65,007,133</td>
<td>-</td>
<td>7,309</td>
<td>$65,014,442</td>
</tr>
</tbody>
</table>

5. Split-Interest Agreements

Guiding Eyes administers the following type of split-interest agreement:

**Charitable Gift Annuity**

Under the Charitable Gift Annuity Agreement (the Agreement), donors make contributions in exchange for a promise to receive a fixed amount over a specified period of time, usually life of donor or beneficiary. During the term of the Agreement, Guiding Eyes acts as a custodian of these funds, whereby the asset and the net present value of related liability are reflected in the statement of financial position. After the term of the Agreement, the remaining asset belongs to Guiding Eyes. At September 30, 2018, the Charitable Gift Annuity Investment Account had a fair market value of $2,921,881, and the related liability amounted to $1,550,781.

6. Contributions Receivable, Net

At September 30, 2018, the net present value of contributions receivable was $125,000, which is all expected within one year.
7. Fixed Assets, Net

Fixed assets, net consist of the following:

**September 30, 2018**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$358,155</td>
</tr>
<tr>
<td>Building improvements</td>
<td>31,929,385</td>
</tr>
<tr>
<td>Furniture, fixtures and equipment</td>
<td>5,326,731</td>
</tr>
<tr>
<td>Vehicles</td>
<td>2,433,748</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>92,368</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40,140,387</strong></td>
</tr>
</tbody>
</table>

Less: accumulated depreciation and amortization  

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated depreciation and amortization</td>
<td>(19,497,844)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20,642,543</strong></td>
</tr>
</tbody>
</table>

Depreciation and amortization expense for the year ended September 30, 2018 was $1,320,667.

8. Bond Payable

**September 30, 2018**

On August 11, 2015, Guiding Eyes entered into an agreement with Westchester County Industrial Development Agency and received proceeds totaling $3,444,177, net of $215,823 bond issuance cost, the fees of which are amortized over the life of the bonds. These bonds are payable in annual installments beginning August 15, 2016 through August 15, 2024, the maturity date. Beginning February 15, 2016, interest payments are payable in semi-annual installments at the rate of 2.080% per annum. The bond is secured by the related property and equipment.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Westchester County Industrial Development Agency bonds bearing interest rate at 2.080%</td>
<td>$2,520,000</td>
</tr>
<tr>
<td>Less: bond issuance costs</td>
<td>(143,882)</td>
</tr>
<tr>
<td><strong>Bond Payable</strong></td>
<td><strong>2,376,118</strong></td>
</tr>
</tbody>
</table>
The bond payable matures as follows:

<table>
<thead>
<tr>
<th>Year ended September 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$395,000</td>
</tr>
<tr>
<td>2020</td>
<td>405,000</td>
</tr>
<tr>
<td>2021</td>
<td>415,000</td>
</tr>
<tr>
<td>2022</td>
<td>425,000</td>
</tr>
<tr>
<td>2023</td>
<td>435,000</td>
</tr>
<tr>
<td>Thereafter</td>
<td>445,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,520,000</strong></td>
</tr>
</tbody>
</table>

9. Pension Plan

Guiding Eyes has a defined benefit pension plan covering substantially all employees. Guiding Eyes’ contributions are intended to provide not only for benefits attributed to service—to—date, but also for those expected to be earned in the future.

The plan’s funding policy is to make cash contributions to the plan in amounts computed by the plan’s actuary to provide sufficient funds to pay benefits as they become payable under the plan and to exceed the minimum funding requirement under the Employee Retirement Income Security Act of 1974, as amended, (ERISA). The amount of the contribution may vary from year to year, depending on, for example, participant turnover, benefit payments and investment gains or losses.

The following table sets forth the plan’s funded status, and other amounts recognized in Guiding Eyes’ financial statements, at September 30, 2018.

Actuarial present value of obligations:

<table>
<thead>
<tr>
<th>September 30, 2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected benefit obligation for service rendered to date</td>
<td>$19,043,487</td>
</tr>
<tr>
<td>Plan assets at fair value, primarily with a commingled trust fund</td>
<td>18,273,275</td>
</tr>
<tr>
<td><strong>Projected Benefit Obligation Over Plan Assets</strong></td>
<td><strong>$770,212</strong></td>
</tr>
</tbody>
</table>

Net periodic pension income for 2018 includes the following components:

<table>
<thead>
<tr>
<th>September 30, 2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest cost</td>
<td>$704,825</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>(1,188,573)</td>
</tr>
<tr>
<td>Amortization of net loss</td>
<td>61,122</td>
</tr>
<tr>
<td><strong>Net Periodic Pension Income</strong></td>
<td><strong>$(422,626)</strong></td>
</tr>
</tbody>
</table>
Change in pension net assets included in pension-related changes other than net periodic pension income (cost):

**September 30, 2018**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension net assets at prior measurement date</td>
<td>$3,945,084</td>
</tr>
<tr>
<td>Pension net assets at current measurement date</td>
<td>$4,826,689</td>
</tr>
<tr>
<td><strong>Measurement Date Change Cost Included Within Change in Net Assets, without donor restrictions, in the statement of activities</strong></td>
<td>$881,605</td>
</tr>
</tbody>
</table>

During the year ended September 30, 2018, Guiding Eyes recognized income of $422,626 in its total salaries and related expenses within the statement of functional expenses and has recognized a reduction of $881,605 as pension-related changes other than net periodic pension cost. The total amount recognized in net assets without donor restrictions at September 30, 2018 was $458,979.

The following table sets forth the plan’s change in assets available for benefits at September 30, 2018:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value of plan assets at beginning of year</td>
<td>$18,608,521</td>
</tr>
<tr>
<td>Actual return on plan assets</td>
<td>260,391</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(595,637)</td>
</tr>
<tr>
<td><strong>Fair Value of Plan Assets, at end of year</strong></td>
<td>$18,273,275</td>
</tr>
</tbody>
</table>

The plan’s assets are invested in a publicly traded, moderate allocation large blend institution mutual funds and FDIC—insured cash.

The fair value of Guiding Eyes’ pension plan assets at September 30, 2018 by asset category is as follows:

**September 30, 2018**

<table>
<thead>
<tr>
<th>Description</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$120,677</td>
<td>-</td>
<td>-</td>
<td>$120,677</td>
</tr>
<tr>
<td>Pooled investment vehicles</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>18,152,598</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$120,677</td>
<td>-</td>
<td>-</td>
<td>$18,273,275</td>
</tr>
</tbody>
</table>

* Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy table. The fair value amounts presented in the preceding table are intended to permit reconciliation of the fair value hierarchy to the accompanying statement of financial position.
The estimated future benefit payments are as follows:

<table>
<thead>
<tr>
<th>Fiscal year ending</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$764,876</td>
</tr>
<tr>
<td>2020</td>
<td>774,737</td>
</tr>
<tr>
<td>2021</td>
<td>796,306</td>
</tr>
<tr>
<td>2022</td>
<td>834,644</td>
</tr>
<tr>
<td>2023</td>
<td>886,410</td>
</tr>
<tr>
<td>2024-2028</td>
<td>5,069,174</td>
</tr>
<tr>
<td><strong>Total for Next 10 Years</strong></td>
<td>$9,126,147</td>
</tr>
</tbody>
</table>

There were no employer contributions paid in the fiscal year ended September 30, 2018.

The weighted average discount rate used to determine interest expense in 2018 was 3.79%. The weighted average discount rate used to determine the pension benefit obligation at September 30, 2018 was 4.23%, which will be used to determine interest expense in fiscal 2019. The expected long-term rate of return on plan assets used to determine the expected return on plan assets for 2018 was 6.5%; the expected long-term rate of return on plan assets to be used for fiscal 2019 is 6.5%.

Guiding Eyes maintains a balanced investment portfolio, which is managed by professional investment managers.

**Mortality Table**

The Society of Actuaries (SOA) issued two final reports that update the mortality assumptions that private defined benefit retirement plans in the United States (U.S.) use in the actuarial valuations that determine a plan sponsor’s pension obligations. Affected pension plan sponsors should expect the value of the actuarial obligations to increase, but the rate of increase will depend on the specific demographic characteristics of the plan participants and the types of benefits provided.

The RP-2014 and MP-2014 tables were released by the Retirement Plans Experience Committee (RPEC) of the Society of Actuaries in October 2014. The RP-2014 tables continue to represent the most current and complete benchmarks of U.S. private pension plan mortality experience. The plan is not sufficiently large to have fully credible mortality experience. RPEC has released annual updates to the MP-2014 mortality improvement scale each October since 2014. RPEC released Mortality Improvement Scale MP-2018 in October 2018 as an update to the MP-2017 scale. The MP-2018 scale includes an additional year (2016) of experience compared to the experience considered in the development of Scale MP-2017, which included experience through 2014. Therefore, Scale MP-2018 incorporates the most current available information from the Social Security Administration (SSA), extended further by RPEC using a methodology similar to that used by SSA.

The SOA committee that developed the tables recommends consideration of their use, effective immediately, for measuring private pension plan obligations. Their use also will affect the measurement of plan obligations associated with private employer postretirement health and life insurance plans.

On December 31, 2014, Guiding Eyes froze its defined benefit plan. The plan was frozen such that no new participants may enter the plan and no further benefits will accrue. However, years of
service continue to count toward early retirement eligibility and vesting of benefits previously earned. Additionally, Guiding Eyes established a defined contribution plan covering all eligible employees under Section 403(b) of the Code. Under the plan, Guiding Eyes provides a discretionary contribution on behalf of all eligible employees in an amount up to 14% of the participant’s compensation for the year, based on the participant’s years of service. For the year ended September 30, 2018, the amount charged to operations for employer contributions to the plan amounted to $929,560.

10. Net Assets with Donor Restrictions - Purpose Restricted

Purpose—restricted net assets are available for the following programs:

<table>
<thead>
<tr>
<th>September 30, 2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Puppy Regions</td>
<td>$423,995</td>
</tr>
<tr>
<td>Development Various Projects</td>
<td>357,615</td>
</tr>
<tr>
<td>Capacity-Building Expansion Plan</td>
<td>286,600</td>
</tr>
<tr>
<td>Campus Ramp Project/Kitchen Renovation</td>
<td>280,448</td>
</tr>
<tr>
<td>Long-Range Plan</td>
<td>160,986</td>
</tr>
<tr>
<td>Lions Project</td>
<td>72,255</td>
</tr>
<tr>
<td>Veterinary Equipment</td>
<td>54,130</td>
</tr>
<tr>
<td>Puppy Program</td>
<td>48,479</td>
</tr>
<tr>
<td>Keymer Miscellaneous Projects</td>
<td>26,014</td>
</tr>
<tr>
<td>Keymer Technology Fund</td>
<td>21,224</td>
</tr>
<tr>
<td>Milton Scholarship</td>
<td>12,308</td>
</tr>
<tr>
<td>Cryopreservation</td>
<td>8,865</td>
</tr>
<tr>
<td>Other programs</td>
<td>86,389</td>
</tr>
<tr>
<td></td>
<td>$1,839,308</td>
</tr>
</tbody>
</table>

11. Net Assets with Donor Restrictions - Perpetual in Nature

Donor-imposed restricted net assets that are perpetual in nature consist of the following:

<table>
<thead>
<tr>
<th>September 30, 2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Needs Endowment, net of investment loss on Special Needs Endowment of $22,335</td>
<td>$4,018,708</td>
</tr>
<tr>
<td>Wanda Horowitz Graduate Assistance Fund, net of investment loss on Wanda Horowitz Graduate Assistance Fund of $16,253</td>
<td>2,928,285</td>
</tr>
<tr>
<td>Grace Kennedy Fund</td>
<td>101,708</td>
</tr>
<tr>
<td>The Doris E. Harrington Fund</td>
<td>96,530</td>
</tr>
<tr>
<td>Lilian Feder Foundation</td>
<td>225,000</td>
</tr>
<tr>
<td>The Russell E. Whitmyer Endowment Fund</td>
<td>50,000</td>
</tr>
<tr>
<td>The Dorothea Jacobs Grant Fund</td>
<td>43,148</td>
</tr>
<tr>
<td>The Frances Howe Dwight Memorial Fund</td>
<td>35,032</td>
</tr>
<tr>
<td>The Paul V. Hurley Endowment Fund</td>
<td>33,971</td>
</tr>
<tr>
<td>The Ethel S. Abbott Endowment Fund</td>
<td>525,000</td>
</tr>
<tr>
<td>Other</td>
<td>152,876</td>
</tr>
<tr>
<td></td>
<td>$8,210,258</td>
</tr>
</tbody>
</table>
12. Net Assets Released from Restrictions

Net assets with donor restrictions released from restrictions during the year ended September 30, 2018 are as follows:

<table>
<thead>
<tr>
<th>Year ended September 30, 2018</th>
<th>With Donor Restrictions</th>
<th>Perpetual in Nature</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Purpose Restricted</td>
<td>Perpetual in Nature</td>
<td></td>
</tr>
<tr>
<td>Campus Ramp Project/Kitchen Renovation</td>
<td>$294,552</td>
<td>$</td>
<td>$294,552</td>
</tr>
<tr>
<td>Special Needs Endowment</td>
<td>-</td>
<td>$228,429</td>
<td>228,429</td>
</tr>
<tr>
<td>Wanda Horowitz Graduate Assistance Fund</td>
<td>-</td>
<td>166,221</td>
<td>166,221</td>
</tr>
<tr>
<td>Puppy Regions</td>
<td>119,158</td>
<td>-</td>
<td>119,158</td>
</tr>
<tr>
<td>Other programs</td>
<td>112,468</td>
<td>-</td>
<td>112,468</td>
</tr>
<tr>
<td>Veterinary Equipment</td>
<td>89,776</td>
<td>-</td>
<td>89,776</td>
</tr>
<tr>
<td>Lions Project</td>
<td>78,000</td>
<td>-</td>
<td>78,000</td>
</tr>
<tr>
<td>Cryopreservation</td>
<td>56,106</td>
<td>-</td>
<td>56,106</td>
</tr>
<tr>
<td>Development Various Projects</td>
<td>47,571</td>
<td>-</td>
<td>47,571</td>
</tr>
<tr>
<td>Puppy Program</td>
<td>39,208</td>
<td>-</td>
<td>39,208</td>
</tr>
<tr>
<td>Milton Scholarship</td>
<td>15,000</td>
<td>-</td>
<td>15,000</td>
</tr>
<tr>
<td>Capacity-Building Expansion Plan</td>
<td>13,400</td>
<td>-</td>
<td>13,400</td>
</tr>
<tr>
<td>Keymer Technology Fund</td>
<td>3,757</td>
<td>-</td>
<td>3,757</td>
</tr>
<tr>
<td>Keymer Miscellaneous Projects</td>
<td>1,412</td>
<td>-</td>
<td>1,412</td>
</tr>
<tr>
<td></td>
<td>$870,408</td>
<td>$394,650</td>
<td>$1,265,058</td>
</tr>
</tbody>
</table>

Investment earnings of $394,650 that relate to perpetual-in-nature donor-restricted endowments were released in accordance with the terms of the donors’ agreements. These earnings were kept in the investment portfolio as a portion of net assets without donor restrictions.

13. Endowments – Net Asset Classifications

Guiding Eyes’ endowments consist of investments that are donor—restricted. Under GAAP, the following applies to the endowment funds:

Interpretation of relevant law - The spending of endowment funds by a not-for-profit corporation in the State of New York is currently governed by the NYPMIFA, a modified version of UPMIFA, as enacted in 2010 in the New York Not-For-Profit Corporation Law. Guiding Eyes has interpreted NYPMIFA as allowing the governing board of the organization to make available for expenditure as much of an endowment fund, including principal, as the governing board finds prudent, taking into consideration the “uses, benefits, purposes and duration” for which the fund was established. The governing board must act in good faith and must consider various factors, if relevant, when making decisions, including the organization’s investment policy, purposes of the organization and the fund and general economic conditions.

Investment and spending policies - Guiding Eyes has adopted an investment policy to diversify investments among both equity and fixed income so as to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class or investment category. Currently Guiding Eyes does not spend any of the investment income generated by the endowment funds, in order to enhance the growth of the endowed assets. Endowment assets include those assets of donor—restricted funds that Guiding Eyes must hold in perpetuity, and as directed by the donors, and those assets that are Board designated, as approved by the Board of Directors of Guiding
Guiding Eyes for the Blind, Inc.

Notes to Financial Statements

Eyes. The endowment funds are invested in vehicles such as money market funds, mutual funds, government and equity securities, as well as certificates of deposit.

Guiding Eyes considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- the duration and preservation of the funds
- the purposes of Guiding Eyes and the donor-restricted endowment funds
- general economic conditions
- the possible effect of inflation and deflation
- the expected total return from income and the appreciation/depreciation of investments
- the investment policy of Guiding Eyes
- other resources of Guiding Eyes

The following table represents the endowment net asset composition by type of fund as of September 30, 2018:

<table>
<thead>
<tr>
<th></th>
<th>Donor-Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perpetual in Nature</td>
<td>$8,210,258</td>
<td>$8,210,258</td>
</tr>
</tbody>
</table>

The following table represents the reconciliation of changes in endowment net assets for the year ended September 30, 2018:

<table>
<thead>
<tr>
<th></th>
<th>Donor-Restricted (Perpetual in Nature)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Endowment Net Assets, beginning of year</strong></td>
<td>$8,224,846</td>
<td>$8,224,846</td>
</tr>
<tr>
<td>Investment income:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>262,703</td>
<td>262,703</td>
</tr>
<tr>
<td>Net appreciation (realized and unrealized)</td>
<td>118,359</td>
<td>118,359</td>
</tr>
<tr>
<td>Fees</td>
<td>(25,000)</td>
<td>(25,000)</td>
</tr>
<tr>
<td><strong>Total Investment Income</strong></td>
<td>356,062</td>
<td>356,062</td>
</tr>
<tr>
<td>Transfers from endowment:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net transfers from endowment</td>
<td>(394,650)</td>
<td>(394,650)</td>
</tr>
<tr>
<td>Contributions</td>
<td>24,000</td>
<td>24,000</td>
</tr>
<tr>
<td><strong>Endowment Net Assets, end of year</strong></td>
<td>$8,210,258</td>
<td>$8,210,258</td>
</tr>
</tbody>
</table>

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14. Donated Services and Materials

A substantial number of unpaid volunteers have made significant contributions of their time to develop Guiding Eyes’ programs, principally breeding, training and student programs. The value of this contributed time is not reflected in the financial statements since it is not susceptible to objective measurement or valuation.

15. Methods Used for Allocation of Expenses

The financial statements contain categories of expenses that are attributable to one or more program or support functions of Guiding Eyes. Those areas include depreciation and amortization, the president’s office, communications and information technology departments. Overhead expenses are allocated based on square footage, the president’s office salary and benefits allocation is based on estimates of time and effort spent supporting all program functions across the organization. The communications department and the information technology department expenses are allocated based on estimates of time, effort, and costs of specific technology utilized respectively.

16. Allocation of Joint Activity Costs

During 2018, Guiding Eyes incurred joint activity costs of $5,557,480 for informational materials and activities that included fundraising appeals. Of these costs, $2,823,613 was allocated to fundraising expense and $2,733,867 was allocated to the Enrichment and Education Program.

17. Additional Estate Income

Guiding Eyes expects to receive cash, investment and other assets from various estates of which they have been notified that they are a beneficiary. At present, the terms and amounts of these contributions have not been finalized. Accordingly, no receivable has been recorded in the financial statements.

18. Subsequent Events

Guiding Eyes’ management has performed subsequent events procedures through February 11, 2019, which is the date the financial statements were available to be issued, and there were no subsequent events requiring adjustments to the financial statements or disclosures as stated herein.