

# **Guiding Eyes for the Blind, Inc.**

**Financial Statements**  
Year Ended September 30, 2022

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Financial Statements  
Year Ended September 30, 2022

# Guiding Eyes for the Blind, Inc.

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## Independent Auditor's Report

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

### *Opinion*

We have audited the financial statements of Guiding Eyes for the Blind, Inc. (Guiding Eyes), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Guiding Eyes as of September 30, 2022, 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.

### *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 Financial Statements section of our report. We are required to be independent of Guiding Eyes 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 Financial Statements*

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

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



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

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

### **Report on Summarized Comparative Information**

We have previously audited Guiding Eyes' 2021 financial statements, and our report, dated February 17, 2022, 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, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*BDO USA, LLP*

February 28, 2023

# Guiding Eyes for the Blind, Inc.

## Statement of Financial Position (with comparative totals for 2021)

<i>September 30,</i>	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Notes 2 and 3)	\$ 15,945,191	\$ 16,320,675
Cash equivalents held by investment managers (Notes 2 and 3)	1,517,047	1,164,055
<b>Total Cash and Cash Equivalents</b>	<b>17,462,238</b>	<b>17,484,730</b>
Investments, at fair value (Notes 2, 3, 4, and 5)	70,205,532	81,170,593
Bequests receivable (Notes 2 and 3)	1,281,271	1,775,118
Contributions receivable (Note 2)	73,500	75,000
Prepaid expenses and other assets	1,422,943	464,347
Right-of-use asset - operating lease, current portion (Notes 2 and 8)	40,421	39,840
<b>Total Current Assets</b>	<b>90,485,905</b>	<b>101,009,628</b>
<b>Contributions Receivable</b> , net of current portion (Note 2)	<b>147,000</b>	<b>219,000</b>
<b>Deferred Compensation Plan Asset</b> (Notes 4 and 9)	<b>284,301</b>	<b>331,460</b>
<b>Right-of-Use Asset - Operating Lease</b> , net of current portion (Notes 2 and 8)	<b>101,775</b>	<b>142,196</b>
<b>Fixed Assets, Net</b> (Notes 2, 6, and 7)	<b>20,473,955</b>	<b>20,418,343</b>
<b>Total Assets</b>	<b>\$ 111,492,936</b>	<b>\$ 122,120,627</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 839,822	\$ 1,224,823
Payroll and payroll taxes payable	771,797	1,227,996
Bonds payable, current portion (Notes 2 and 7)	435,000	425,000
Operating lease liability, current portion (Notes 2 and 8)	40,421	39,840
<b>Total Current Liabilities</b>	<b>2,087,040</b>	<b>2,917,659</b>
<b>Deferred Compensation</b> (Notes 4 and 9)	<b>284,301</b>	<b>331,460</b>
<b>Reserve for Health Insurance</b> (Note 2)	<b>395,000</b>	<b>390,000</b>
<b>Gift Annuity Reserve</b> (Notes 3 and 5)	<b>1,485,053</b>	<b>1,588,347</b>
<b>Bonds Payable</b> , less current portion and net of bond issuance costs (Notes 2 and 7)	<b>397,039</b>	<b>808,059</b>
<b>Operating Lease Liability</b> , less current portion (Notes 2 and 8)	<b>101,775</b>	<b>142,196</b>
<b>Accrued Pension Obligation</b> (Note 9)	<b>-</b>	<b>473,657</b>
<b>Total Liabilities</b>	<b>4,750,208</b>	<b>6,651,378</b>
<b>Commitments and Contingencies</b> (Notes 7, 8, 9, 11, 12, and 13)		
<b>Net Assets</b> (Notes 2, 3, 11, 12, and 13)		
Without donor restrictions	98,298,308	104,514,481
With donor restrictions (Notes 11, 12, and 13)	8,444,420	10,954,768
<b>Total Net Assets</b>	<b>106,742,728</b>	<b>115,469,249</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 111,492,936</b>	<b>\$ 122,120,627</b>

*See accompanying notes to financial statements.*

# Guiding Eyes for the Blind, Inc.

## Statement of Activities (with comparative totals for 2021)

Year ended September 30,

	Without Donor Restrictions	With Donor Restrictions	Total	
			2022	2021
<b>Public Support and Revenue</b>				
Contributions (Notes 2 and 13)	\$ 22,184,925	\$ 236,941	\$ 22,421,866	\$ 22,256,906
Bequests (Note 2)	13,829,643	403,930	14,233,573	12,596,445
Special events, net of direct donor benefits of \$106,788 and \$117,203 in 2022 and 2021, respectively	203,201	-	203,201	44,366
Net investment (loss) income (Note 13)	(12,374,496)	(1,649,826)	(14,024,322)	12,337,405
Other income	706,768	-	706,768	367,340
Net assets released from restrictions (Notes 10 and 12)	1,501,393	(1,501,393)	-	-
<b>Total Public Support and Revenue</b>	<b>26,051,434</b>	<b>(2,510,348)</b>	<b>23,541,086</b>	<b>47,602,462</b>
<b>Expenses</b>				
Program services:				
Guide dog training and student services	12,773,456	-	12,773,456	8,835,011
Residential and graduate services	2,031,170	-	2,031,170	1,192,042
Veterinary hospital and kennel	7,801,029	-	7,801,029	6,476,342
Canine breeding	2,504,954	-	2,504,954	926,364
Facilities management	2,153,857	-	2,153,857	2,552,752
Enrichment and education	1,651,614	-	1,651,614	1,636,521
<b>Total Program Services</b>	<b>28,916,080</b>	<b>-</b>	<b>28,916,080</b>	<b>21,619,032</b>
Supporting services:				
Management and general	5,523,422	-	5,523,422	2,094,849
Fundraising	8,017,105	-	8,017,105	6,414,677
<b>Total Supporting Services</b>	<b>13,540,527</b>	<b>-</b>	<b>13,540,527</b>	<b>8,509,526</b>
<b>Total Expenses</b>	<b>42,456,607</b>	<b>-</b>	<b>42,456,607</b>	<b>30,128,558</b>
<b>Change in Net Assets, before pension-related changes other than net periodic pension cost, gain on disposal of fixed assets, and loan forgiveness</b>	<b>(16,405,173)</b>	<b>(2,510,348)</b>	<b>(18,915,521)</b>	<b>17,473,904</b>
<b>Pension-Related Changes, other than net periodic pension cost (Note 9)</b>	<b>8,441,776</b>	<b>-</b>	<b>8,441,776</b>	<b>(242,896)</b>
<b>Gain on Disposal of Fixed Assets</b>	<b>1,747,224</b>	<b>-</b>	<b>1,747,224</b>	<b>-</b>
<b>Forgiveness of Loan</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,808,592</b>
<b>Change in Net Assets</b>	<b>(6,216,173)</b>	<b>(2,510,348)</b>	<b>(8,726,521)</b>	<b>20,039,600</b>
<b>Net Assets, beginning of year</b>	<b>104,514,481</b>	<b>10,954,768</b>	<b>115,469,249</b>	<b>95,429,649</b>
<b>Net Assets, end of year</b>	<b>\$ 98,298,308</b>	<b>\$ 8,444,420</b>	<b>\$ 106,742,728</b>	<b>\$ 115,469,249</b>

See accompanying notes to financial statements.

**Guiding Eyes for the Blind, Inc.**

**Statement of Functional Expenses  
(with comparative totals for 2021)**

*Year ended September 30,*

	Program Services						Supporting Services			Total		
	Guide Dog Training and Student Services	Residential and Graduate Services	Veterinary Hospital and Kennel	Canine Breeding	Facilities Management	Enrichment and Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	2022	2021
<b>Salaries and Related Expenses</b>												
Salaries	\$ 5,181,821	\$ 907,554	\$ 2,669,250	\$ 371,817	\$ 109,331	\$ -	\$ 9,239,773	\$ 1,101,620	\$ 1,210,803	\$ 2,312,423	\$ 11,552,196	\$ 11,175,091
Employee health and retirement benefits	1,713,907	358,417	1,090,398	101,450	28,311	-	3,292,483	376,987	549,098	926,085	4,218,568	3,496,865
Pension settlement-related cost	3,548,937	279,737	408,239	1,561,197	546,621	-	6,344,731	2,259,257	504,131	2,763,388	9,108,119	-
Payroll taxes	399,663	67,516	203,663	30,308	2,430	-	703,580	79,196	93,310	172,506	876,086	843,857
<b>Total Salaries and Related Expenses</b>	<b>10,844,328</b>	<b>1,613,224</b>	<b>4,371,550</b>	<b>2,064,772</b>	<b>686,693</b>	<b>-</b>	<b>19,580,567</b>	<b>3,817,060</b>	<b>2,357,342</b>	<b>6,174,402</b>	<b>25,754,969</b>	<b>15,515,813</b>
<b>Other Expenses</b>												
Data processing and mailing services	-	-	-	-	-	218,585	218,585	88,734	647,178	735,912	954,497	869,896
Postage and shipping	7,398	672	3,699	12	-	448,828	460,609	6,262	1,488,814	1,495,076	1,955,685	1,751,472
Printing and publications	634	43,188	-	-	-	984,201	1,028,023	17	2,471,153	2,471,170	3,499,193	3,435,457
Veterinarian fees and supplies	-	-	1,090,857	-	-	-	1,090,857	-	-	-	1,090,857	1,016,092
Telephone and utilities	131,106	29,226	326,509	8,813	2,529	-	498,183	22,996	22,734	45,730	543,913	419,877
Insurance	112,390	26,477	369,266	6,749	3,224	-	518,106	80,572	12,276	92,848	610,954	507,904
Transportation and lodging	326,172	5,662	5,096	2,105	-	-	339,035	24,516	6,664	31,180	370,215	193,162
Professional fees	-	125,094	-	69,600	-	-	194,694	1,130,847	554,857	1,685,704	1,880,398	1,263,878
Dog food and supplies	287,558	-	167,462	9,941	-	-	464,961	-	-	-	464,961	262,738
Office expenses	225,351	105,706	187,917	18,669	32,530	-	570,173	219,571	248,065	467,636	1,037,809	1,620,499
Food and entertainment	119,621	28,181	393,025	7,183	12,600	-	560,610	18,689	13,331	32,020	592,630	397,718
Repairs and maintenance	88,310	-	349,878	6,281	814,434	-	1,258,903	34,403	9,642	44,045	1,302,948	624,978
Vehicle expense	-	-	-	-	256,325	-	256,325	-	-	-	256,325	181,741
Conferences, subscriptions, and dues	25,028	1,210	8,141	813	60	-	35,252	46,870	32,007	78,877	114,129	135,923
Interest expense	10,336	2,435	33,962	621	297	-	47,651	1,593	1,129	2,722	50,373	59,150
Miscellaneous	80,340	-	658	-	-	-	80,998	567	16,170	16,737	97,735	75,742
Bad debt expense	-	-	-	-	-	-	-	8,299	-	8,299	8,299	7,016
<b>Total Expenses, before depreciation and amortization</b>	<b>12,258,572</b>	<b>1,981,075</b>	<b>7,308,020</b>	<b>2,195,559</b>	<b>1,808,692</b>	<b>1,651,614</b>	<b>27,203,532</b>	<b>5,500,996</b>	<b>7,881,362</b>	<b>13,382,358</b>	<b>40,585,890</b>	<b>28,339,056</b>
<b>Depreciation and Amortization</b>	<b>514,884</b>	<b>50,095</b>	<b>493,009</b>	<b>309,395</b>	<b>345,165</b>	<b>-</b>	<b>1,712,548</b>	<b>22,426</b>	<b>135,743</b>	<b>158,169</b>	<b>1,870,717</b>	<b>1,789,502</b>
<b>Total Expenses</b>	<b>\$ 12,773,456</b>	<b>\$ 2,031,170</b>	<b>\$ 7,801,029</b>	<b>\$ 2,504,954</b>	<b>\$ 2,153,857</b>	<b>\$ 1,651,614</b>	<b>\$ 28,916,080</b>	<b>\$ 5,523,422</b>	<b>\$ 8,017,105</b>	<b>\$ 13,540,527</b>	<b>\$ 42,456,607</b>	<b>\$ 30,128,558</b>

*See accompanying notes to financial statements.*



# Guiding Eyes for the Blind, Inc.

## Statement of Cash Flows (with comparative totals for 2021)

<i>Year ended September 30,</i>	<b>2022</b>	<b>2021</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (8,726,521)	\$ 20,039,600
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,870,717	1,789,502
Bad debt expense	8,299	7,016
Interest expense	23,980	23,980
Contributions with restrictions - perpetual in nature	(12,000)	(12,000)
Net realized gains on sale of investments	(329,293)	(2,022,382)
Net unrealized losses (gains) on investments	16,356,689	(8,518,445)
Donated investments	(1,625,275)	(512,773)
(Gain) loss on disposal of fixed assets	(1,747,224)	211,065
(Increase) decrease in minimum pension obligation	(8,441,776)	242,896
Forgiveness of loan	-	(2,808,592)
Changes in assets and liabilities:		
Decrease (increase) in:		
Contributions receivable	65,201	(276,516)
Bequests receivable	493,847	(19,888)
Prepaid expenses and other assets	(958,596)	276,940
Increase (decrease) in:		
Accounts payable and accrued expenses	(385,002)	627,787
Payroll and payroll taxes payable	(456,199)	110,783
Reserve for insurance	5,000	90,000
Accrued pension obligation	7,968,119	(612,208)
Deferred compensation	(47,159)	119,831
Gift annuity reserve	(103,294)	27,154
<b>Net Cash Provided by Operating Activities</b>	<b>3,959,513</b>	<b>8,783,750</b>
<b>Cash Flows from Investing Activities</b>		
Assets limited as to use	47,159	(119,831)
Proceeds from sale of investments	27,036,892	21,254,065
Purchases of investments	(30,473,952)	(22,313,031)
Purchases of fixed assets, net	(179,104)	(974,955)
<b>Net Cash Used in Investing Activities</b>	<b>(3,569,005)</b>	<b>(2,153,752)</b>
<b>Cash Flows from Financing Activities</b>		
Contributions with restrictions - perpetual in nature	12,000	12,000
Principal payments of bond payable	(425,000)	(415,000)
<b>Net Cash Used in Financing Activities</b>	<b>(413,000)</b>	<b>(403,000)</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(22,492)</b>	<b>6,226,998</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>17,484,730</b>	<b>11,257,732</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 17,462,238</b>	<b>\$ 17,484,730</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid for interest	\$ 50,373	\$ 59,150

*See accompanying notes to financial statements.*

# Guiding Eyes for the Blind, Inc.

## Notes to Financial Statements

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### 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 (U.S. 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.

# Guiding Eyes for the Blind, Inc.

## Notes to Financial Statements

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### *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, fixed-income securities, limited partnership, 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.

Investment income is recognized when earned and consists of interest, dividends, and both realized and unrealized gains and losses. Dividends are recorded at the ex-dividend date. Purchases and sales are recorded on a trade-date basis. Net investment income is net of direct external investment expenses. Guiding Eyes had no internal investment expenses for the year ended September 30, 2022.

Investments donated to Guiding Eyes are recorded at fair market value at date of receipt.

### *Fair Value Measurements and Disclosures*

U.S. 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 unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Valuation adjustments and block discounts are not applied to Level 1 instruments.

# Guiding Eyes for the Blind, Inc.

## Notes to Financial Statements

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*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 statement of financial position date and for which a model was derived for valuation.

*Level 3* - Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

### ***Revenue Recognition***

Contributions and unconditional 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.

Conditional promises to give, including those received under multi-year grant agreements, are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. A promise is considered conditional only if the donor has stipulated one or more barriers that must be overcome before Guiding Eyes is entitled to the assets transferred or promised, and there also exists a right of return to the donor of any assets transferred or a right of release of the donor's obligation to honor the promise. A transfer of assets from a donor that contains donor conditions is accounted for as a refundable advance until the conditions have been substantially met or explicitly waived by the donor.

Bequests are recorded for items for which Guiding Eyes has received written notification from the estate executor stating an irrevocable right and 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.

### ***Receivables***

Receivables are stated at net realizable value. Management reviews its receivables on a regular basis to determine if any of the receivables may not be realized. Account balances are charged off after all means of collection have been exhausted and potential for recovery is considered remote.

# Guiding Eyes for the Blind, Inc.

## Notes to Financial Statements

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### ***Fixed Assets***

All acquisitions of land, buildings, equipment, and vehicles in excess of \$10,000 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. Building and leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the related assets.

The estimated useful lives of the assets are as follows:

<u>Asset Category</u>	<u>Years</u>
Building and building improvements	30
Leasehold improvements	5-30
Furniture, fixtures, and equipment	15
Computers and software	5
Vehicles	4

### ***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, 2022, there have been no such losses.

### ***Use of Estimates***

The preparation of financial statements in conformity with U.S. 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 U.S. GAAP. Accordingly, such information should be read in conjunction with Guiding Eyes' financial statements for the year ended September 30, 2021, from which the summarized information was derived.

# Guiding Eyes for the Blind, Inc.

## Notes to Financial Statements

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### ***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, 2022.

Under U.S. 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, 2022, 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, 2022, 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 insurance limits. These financial institutions have strong credit ratings and management believes that credit risk related to these accounts is minimal.

### ***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, 2022. 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 U.S. 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

# Guiding Eyes for the Blind, Inc.

## Notes to Financial Statements

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corporations, associations organized and operated exclusively for charitable purposes, and certain trusts.

### ***Debt Issuance Costs***

U.S. GAAP requires that unamortized 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 \$47,961 as of September 30, 2022.

### ***Recently Adopted Accounting Pronouncements***

#### *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*, to increase transparency on how contributed nonfinancial assets (also referred to as gifts-in-kind) received by nonprofits are to be used and how they are valued. The ASU states that contributed nonfinancial assets be presented on a separate item in the statement of activities apart from contributions of cash and other financial assets. The ASU also outlines specific disclosures that must be made regarding the contributed nonfinancial assets. Guiding Eyes adopted ASU 2020-07 as of and for the year ended September 30, 2022. The adoption enhanced the disclosures surrounding contributed nonfinancial assets and did not have a material impact on the financial statements.

### ***Accounting Pronouncements Issued but Not Yet Adopted***

#### *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This update, along with ASU 2018-19, *Codification Improvements to Topic 326: Financial Instruments - Credit Losses*, changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments from an incurred loss model to an expected loss model. Entities will be required to estimate credit losses over the entire contractual term of an instrument. The ASU is effective for organizations' fiscal years beginning after December 15, 2022. An entity must apply the amendments in the ASU through a cumulative-effect adjustment to net assets as of the beginning of the first reporting period in which the guidance is effective, except for certain exclusions. Management is currently evaluating the impact of this ASU on its financial statements.

### ***Reclassifications***

Certain amounts included in the fiscal year 2021 financial statements have been reclassified to conform to the fiscal year 2022 presentation.

# Guiding Eyes for the Blind, Inc.

## Notes to Financial Statements

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### 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.

*September 30, 2022*

Cash and cash equivalents	\$	15,945,191
Investments and cash equivalents held by investment managers		71,722,579
Bequests receivable		1,281,271
Contributions receivable		220,500
<b>Financial Assets, at year-end</b>		<b>89,169,541</b>
Less: those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions:		
Donor-imposed restrictions		8,444,420
Liability for gift annuity reserve		1,485,053
<b>Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year</b>	<b>\$</b>	<b>79,240,068</b>

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 U.S. 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 is 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.

*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.



# Guiding Eyes for the Blind, Inc.

## Notes to Financial Statements

These investments can be liquidated daily. These investments are classified 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, 2022. 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, 2022*

	Fair Value Measurement Using			Total
	Level 1	Level 2	Level 3	
<b>Investments</b>				
Equity mutual funds	\$ 44,140,416	\$ -	\$ -	\$ 44,140,416
Fixed-income mutual funds	24,507,537	-	-	24,507,537
Fixed-income securities	1,550,270	-	-	1,550,270
Limited partnership	-	-	7,309	7,309
<b>Total Investments</b>	<b>70,198,223</b>	<b>-</b>	<b>7,309</b>	<b>70,205,532</b>
<b>Assets Limited to Use<sup>(a)</sup></b>				
Equity mutual funds	284,301	-	-	284,301
<b>Total Assets Limited to Use</b>	<b>284,301</b>	<b>-</b>	<b>-</b>	<b>284,301</b>
<b>Total</b>	<b>\$ 70,482,524</b>	<b>\$ -</b>	<b>\$ 7,309</b>	<b>\$ 70,489,833</b>

(a) Assets whose use is limited relates to the deferred compensation plan assets. See note 9 for additional information.

Guiding Eyes had no financial assets or financial liabilities that were measured at fair value on a non-recurring basis during the year ended September 30, 2022. In addition, there were no transfers between levels during the year ended September 30, 2022.

# Guiding Eyes for the Blind, Inc.

## Notes to Financial Statements

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The following table summarizes investment return by net asset classification:

*September 30, 2022*

	Without Donor Restrictions	With Donor Restrictions	Total
Dividends and interest	\$ 1,793,328	\$ 201,649	\$ 1,994,977
Realized and unrealized gains	(14,191,548)	(1,835,848)	(16,027,396)
<b>Net Return on Investments</b>	<b>(12,398,220)</b>	<b>(1,634,199)</b>	<b>(14,032,419)</b>
Investment return allocated for operations	23,724	(15,627)	8,097
<b>Investment Results, net of allocation to operations</b>	<b>\$ (12,374,496)</b>	<b>\$ (1,649,826)</b>	<b>\$ (14,024,322)</b>

### 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, 2022, the Charitable Gift Annuity Investment Account had a fair market value of \$2,845,035 and is included in investments, at fair value in the statement of financial position, and the related liability of \$1,485,053 is included within gift annuity reserve in the statement of financial position.

# Guiding Eyes for the Blind, Inc.

## Notes to Financial Statements

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### 6. Fixed Assets, Net

Fixed assets, net, consist of the following:

*September 30, 2022*

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Land	\$	358,155
Building improvements		33,129,981
Furniture, fixtures, and equipment		3,435,239
Vehicles		2,282,626
Leasehold improvements		305,649
Computers		874,161
Software		2,599,233
Construction in progress		231,320
		<hr/>
		43,216,364
Less: accumulated depreciation and amortization		(22,742,409)
		<hr/>
	\$	20,473,955

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Depreciation and amortization expense for the year ended September 30, 2022 was \$1,870,717.

For the year ended September 30, 2022, fixed assets with a net book value of \$1,747,224 were removed from the listing above and recorded as a gain on disposal of fixed assets.

### 7. Bond Payable

*September 30, 2022*

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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 through August 15, 2024, the maturity date. Interest payments are payable in semi-annual installments at the rate of 2.08% per annum. The bond is secured by the related property and equipment.

\$ 880,000

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At September 30, 2022, the bond payable consisted of the following:

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Westchester County Industrial Development Agency bonds, bearing an interest rate at 2.08%	\$	880,000
Less: bond issuance costs		(47,961)
		<hr/>
<b>Bond Payable</b>	\$	832,039

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# Guiding Eyes for the Blind, Inc.

## Notes to Financial Statements

The bond payable matures as follows:

*Year ending September 30,*

2023	\$	435,000
2024		445,000
	\$	880,000

### 8. Leases

Guiding Eyes leases certain property and equipment under finance and operating leases. Leases are classified as either finance or operating leases based on the underlying terms of the lease agreements.

For leases with initial terms of greater than one year, Guiding Eyes records the related right-of-use assets and liabilities at the present value of the remaining lease payments to be paid over the life of the related lease. Lease payments related to periods subject to renewal options are excluded from the amounts used to determine the present value of the remaining lease payments unless Guiding Eyes is reasonably certain to exercise the option to extend the lease. The present value of the lease payments is calculated by utilizing the discount rate stated in the lease, when readily determinable. For leases for which a discount rate is not readily available, Guiding Eyes has elected to use the incremental borrowing rate based on the information available at the lease inception date. Guiding Eyes has made an accounting policy election not to separate lease components from non-lease components in contracts when determining its lease payments for all of its asset classes. As such, Guiding Eyes accounts for the applicable non-lease components together with the related lease components when determining the right-of-use asset and liability. Guiding Eyes has made an accounting policy election not to record leases with an initial term of less than one year as right-of-use assets and liabilities in the statement of financial position.

The following tables summarize information related to the lease asset and liability:

*Year ended September 30, 2022*

Lease costs:		
Operating lease cost	\$	44,963
<b>Total Lease Cost</b>	\$	44,963

*September 30, 2022*

Right-of-use assets and liabilities:		
Operating lease right-of-use asset	\$	142,196
Operating lease liability		142,196

*Year ended September 30, 2022*

Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating lease	\$	39,840

# Guiding Eyes for the Blind, Inc.

## Notes to Financial Statements

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Weighted-average remaining lease term - operating lease (years)	4
Weighted-average discount rate - operating lease (%)	2.08

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For operating leases, right-of-use assets are recorded in operating lease right-of-use assets and lease liabilities are recorded in lease liability in the accompanying statement of financial position.

The following table reconciles the undiscounted operating lease payments to the lease liabilities recorded on the accompanying statement of financial position at September 30, 2022:

*Year ending September 30,*

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2023	\$	40,421
2024		41,432
2025		42,467
2026		17,876
	\$	142,196

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## 9. Pension Plans

### *Defined Benefit Pension Plan*

In previous years, Guiding Eyes offered a defined benefit pension plan that covered substantially all of its employees. The defined benefit pension plan, was frozen on December 31, 2014 and fully terminated during fiscal year ended September 30, 2022. Prior to termination, no new participants entered the defined benefit pension plan after December 31, 2014, nor did further benefits accrue. Years of service continued to count toward early retirement eligibility and vesting of previously earned benefits. The defined benefit pension plan's funding policy was to make cash contributions to the plan in amounts computed by the defined benefit pension plan's actuary to provide sufficient funds to pay benefits as they become payable under the defined benefit pension plan and to exceed the minimum funding requirement under the Employee Retirement Income Security Act of 1974, as amended (ERISA). During fiscal year ended September 30, 2022, the plan was amended to reflect a full plan termination and all plan assets were distributed, and liabilities were settled during the fiscal year ended September 30, 2022. The defined benefit pension plan had \$0 assets and \$0 liabilities as of September 30, 2022. As part of the termination, a settlement of \$7,903,594 was recorded in the statement of activities.

# Guiding Eyes for the Blind, Inc.

## Notes to Financial Statements

The following tables set forth amounts recognized in Guiding Eyes' financial statements.

Net periodic pension income includes the following components:

*September 30, 2022*

Interest cost	\$	708,263
Expected return on plan assets		(806,697)
Amortization of net loss		162,959
<b>Net Periodic Pension Cost</b>		<b>64,525</b>
Recognition of net loss		7,889,147
Prior service cost		14,447
<b>Settlement Charge</b>		<b>7,903,594</b>
<b>Net Pension Cost</b>	\$	<b>7,968,119</b>

Change in pension net assets included in pension-related changes, other than net periodic pension cost, is as follows:

*September 30, 2022*

Pension net assets at prior measurement date	\$	7,301,776
Pension net assets at current measurement date		-
<b>Measurement Date Pension-Related Changes</b> , as included within change in net assets, without donor restrictions, in the statement of activities	\$	<b>7,301,776</b>

During the year ended September 30, 2022, Guiding Eyes recognized cost of \$7,968,119 in its total salaries and related expenses within the statement of functional expenses and has recognized a reduction of \$7,301,776 as pension-related changes other than net periodic pension cost. The net amount recognized in net assets without donor restrictions at September 30, 2022 was \$(666,343).

The following table sets forth the plan's change in assets available for benefits:

*September 30, 2022*

<b>Fair Value of Plan Assets</b> , beginning of year	\$	25,348,028
Actual return on plan assets		(1,022,363)
Employer contributions		1,140,000
Benefits paid		(25,465,665)
<b>Fair Value of Plan Assets</b> , end of year	\$	<b>-</b>

There were \$1,140,000 employer contributions required to be paid into the plan during the fiscal year ended September 30, 2022.

### **Deferred Compensation Plan - 403(b)**

On January 1, 2015, Guiding Eyes established a Defined Contribution Plan covering all eligible employees under Section 403(b) of the Code. From January 1, 2015 to September 30, 2020, Guiding

# Guiding Eyes for the Blind, Inc.

## Notes to Financial Statements

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Eyes provided discretionary contributions on behalf of all eligible employees in the amount of up to 14% of the participant's compensation for the year, based on the participant's years of service. Effective October 1, 2020, Guiding eyes provides a discretionary (immediately vested) contribution on behalf of all eligible employees of 4% and in addition, Guiding Eyes will match employee contributions into the plan up to 6% of salary. Guiding Eyes' matching contributions will vest 20% per year of completed service and be 100% vested after the completion of five years of service. For the year ended September 30, 2022, the amount charged to operations for employer contributions to the plan amounted to \$992,397.

### ***Deferred Compensation Plan - 457(b)***

During fiscal year 2018, Guiding Eyes established an eligible deferred compensation plan, as described in Section 457(b) of the Code, for the benefit of certain employees of Guiding Eyes. During the year ended September 30, 2022, Guiding Eyes contributed \$78,000 to the plan. Investments associated with the plan are comprised of publicly traded mutual funds, which are recorded at their fair value as an asset limited as to use and as a corresponding deferred compensation liability on the statement of financial position. The value of the asset and liability as of September 30, 2022 was \$284,301.

### **10. Allocation of Joint Activity Costs**

During 2022, Guiding Eyes incurred joint activity costs of \$5,793,268 for informational materials and activities that included fundraising appeals. Of these costs, \$4,141,654 was allocated to fundraising expense and \$1,651,614 was allocated to the Enrichment and Education Program.

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# Guiding Eyes for the Blind, Inc.

## Notes to Financial Statements

### 11. Net Assets with Donor Restrictions

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

*Year ended September 30, 2022*

	With Donor Restriction					Total
	Perpetual-in-Nature	Purpose Restricted			Total	
	Perpetual-in-Nature Principal	Earnings on Perpetual-in-Nature Purpose Restricted	Purpose Restricted	Purpose Restricted		
Special Needs Endowment	\$ 2,108,730	\$ 1,423,621	\$ -	\$ 1,423,621	\$ 3,532,351	
The Ann MacCarthy Parke Endowment Fund	756,400	-	-	-	756,400	
The Ethel S. Abbott Endowment Fund	525,000	-	-	-	525,000	
Lilian Feder Foundation	280,000	-	-	-	280,000	
Other - perpetual in nature	154,876	-	-	-	154,876	
Grace Kennedy Fund	101,708	-	-	-	101,708	
The Doris E. Harrington Fund	96,530	-	-	-	96,530	
The Russell E. Whitmyer Endowment Fund	50,000	-	-	-	50,000	
The Dorothea Jacobs Grant Fund	43,148	-	-	-	43,148	
The Frances Howe Dwight Memorial Fund	35,032	-	-	-	35,032	
The Paul V. Hurley Endowment Fund	33,971	-	-	-	33,971	
<b>With Donor Restrictions - Endowment</b>	<b>4,185,395</b>	<b>1,423,621</b>	<b>-</b>	<b>1,423,621</b>	<b>5,609,016</b>	
Guiding Eyes Strategic Growth Fund	-	-	2,039,804	2,039,804	2,039,804	
Location - Arizona	-	-	403,930	403,930	403,930	
Development various project	-	-	133,143	133,143	133,143	
MRI building renovation	-	-	46,437	46,437	46,437	
Genetic various	-	-	42,015	42,015	42,015	
Cryopreservation	-	-	32,182	32,182	32,182	
Other programs - purpose restricted	-	-	26,887	26,887	26,887	
Hadden Student Help Fund	-	-	22,987	22,987	22,987	
Hockmeyer Veterinary Fund	-	-	22,504	22,504	22,504	
Veterinary equipment	-	-	20,684	20,684	20,684	
Keymer Technology Fund	-	-	19,937	19,937	19,937	
Keymer miscellaneous projects	-	-	12,786	12,786	12,786	
Lions Project	-	-	9,800	9,800	9,800	
Milton Scholarship	-	-	2,308	2,308	2,308	
<b>Total Net Assets with Donor Restrictions</b>	<b>\$ 4,185,395</b>	<b>\$ 1,423,621</b>	<b>\$ 2,835,404</b>	<b>\$ 4,259,025</b>	<b>\$ 8,444,420</b>	



# Guiding Eyes for the Blind, Inc.

## Notes to Financial Statements

### 12. Net Assets Released from Restrictions

Net assets with donor restrictions released from restrictions are as follows:

*Year ended September 30, 2022*

	With Donor Restrictions		Total
	Purpose Restricted	Related to Earnings from Perpetual in Nature	
Guiding Eyes Strategic Growth Fund	\$ 789,726	\$ -	\$ 789,726
Vilma Donnelly Carriage House	276,156	-	276,156
Lions Project	162,654	-	162,654
Puppy Regions	103,188	-	103,188
Development various project	50,586	-	50,586
Veterinary equipment	33,986	-	33,986
Milton Scholarship	30,000	-	30,000
Hockmeyer Veterinary Fund	18,902	-	18,902
Genetic various	15,583	-	15,583
Other programs	14,580	-	14,580
MRI building renovation	3,563	-	3,563
Hadden Student Help Fund	921	-	921
Cryopreservation	917	-	917
Keymer miscellaneous projects	590	-	590
Keymer Technology Fund	41	-	41
	\$ 1,501,393	\$ -	\$ 1,501,393

Guiding Eyes' net assets with donor restrictions, which include perpetual-in-nature principal, perpetual-in-nature purpose restricted, and general purpose restricted, represent donations that have occurred over many years. Net assets with donor restrictions are reviewed annually or when identified with donor restrictions. Net assets amounts that were initially incorrectly classified with donor restrictions are reclassified in the year the difference is noted. For the year ended September 30, 2022, there have been no material reclasses from with donor restrictions to without donor restrictions.

### 13. Endowments - Net Asset Classifications

Guiding Eyes' endowments consist of investments that are donor restricted. Under U.S. 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 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

# Guiding Eyes for the Blind, Inc.

## Notes to Financial Statements

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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 securities so as to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class or investment category. Guiding Eyes may appropriate for distribution each year 5% of its invested assets based upon their rolling average value over the prior 12 quarters, which is in line with their targeted rate of return. 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 Eyes. The endowment funds are invested in vehicles, such as money-market funds, mutual funds, and 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 reconciliation of changes in with donor restrictions - endowment:

	With Donor Restrictions - Endowment
<b>Endowment Net Assets, September 30, 2021</b>	\$ 6,695,218
Net investment loss	(1,096,202)
Transfers from endowment:	
Releases included in net assets released from restrictions	-
Contributions	10,000
<b>Endowment Net Assets, September 30, 2022</b>	<b>\$ 5,609,016</b>

### 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.

# Guiding Eyes for the Blind, Inc.

## Notes to Financial Statements

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### **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 are 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. Additional Estate Income**

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

### **17. Subsequent Events**

Guiding Eyes' management has performed subsequent events procedures through February 28, 2023, 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.