

Guiding Eyes for the Blind, Inc.

Financial Statements
Year Ended September 30, 2024

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, 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, 2024

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, 2024, 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, 2024, 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 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' 2023 financial statements, and our report, dated February 9, 2024, 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, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, P.C.

February 14, 2025

Guiding Eyes for the Blind, Inc.

Statement of Financial Position (with comparative totals for 2023)

<i>September 30,</i>	2024	2023
Assets		
Current Assets		
Cash and cash equivalents (Notes 2 and 3)	\$ 23,766,910	\$ 16,729,250
Cash equivalents held by investment managers (Notes 2 and 3)	23,152,479	11,823,868
Total Cash and Cash Equivalents	46,919,389	28,553,118
Investments, at fair value (Notes 2, 3, 4, and 5)	62,930,589	60,829,527
Bequests receivable (Notes 2 and 3)	3,129,166	2,366,321
Contributions receivable (Note 2)	152,664	80,000
Prepaid expenses and other assets	427,567	942,108
Total Current Assets	113,559,375	92,771,074
Contributions Receivable, net of current portion (Note 2)	523,536	62,100
Deferred Compensation Plan Asset (Notes 4 and 8)	606,980	385,579
Right-of-Use Asset - Operating Lease (Notes 2 and 7)	766,146	101,775
Fixed Assets, Net (Notes 2 and 6)	23,494,367	24,170,682
Total Assets	\$ 138,950,404	\$ 117,491,210
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 465,053	\$ 656,853
Payroll and payroll taxes payable	795,791	847,937
Bond payable, current portion, net of bond issuance costs (Note 16)	-	421,020
Operating lease liability, current portion (Notes 2 and 7)	104,343	41,432
Total Current Liabilities	1,365,187	1,967,242
Deferred Compensation (Notes 4 and 8)	606,980	385,579
Reserve for Health Insurance (Note 2)	430,000	630,000
Gift Annuity Reserve (Notes 3 and 5)	1,313,460	1,364,108
Operating Lease Liability, less current portion (Notes 2 and 7)	709,061	60,343
Total Liabilities	4,424,688	4,407,272
Commitments and Contingencies (Notes 5, 7, 8, 10, 11, and 12)		
Net Assets (Notes 2, 3, 10, 11, and 12)		
Without donor restrictions	124,550,593	104,521,216
With donor restrictions (Notes 10, 11, and 12)	9,975,123	8,562,722
Total Net Assets	134,525,716	113,083,938
Total Liabilities and Net Assets	\$ 138,950,404	\$ 117,491,210

See accompanying notes to financial statements.

Guiding Eyes for the Blind, Inc.

Statement of Activities (with comparative totals for 2023)

Year ended September 30,

	Without Donor Restrictions	With Donor Restrictions	Total	
			2024	2023
Public Support and Revenue				
Contributions (Notes 2 and 12)	\$ 22,063,989	\$ 2,283,728	\$ 24,347,717	\$ 21,630,514
Bequests (Note 2)	17,591,875	200,000	17,791,875	12,790,777
Special events, net of direct donor benefits of \$114,622 and \$119,886 in 2024 and 2023, respectively	101,303	-	101,303	214,759
Net investment income (Note 4)	12,989,598	1,242,670	14,232,268	8,362,198
Other income	648,068	-	648,068	618,726
Net assets released from restrictions (Notes 10 and 11)	2,313,997	(2,313,997)	-	-
Total Public Support and Revenue	55,708,830	1,412,401	57,121,231	43,616,974
Expenses				
Program services:				
Guide dog training and student services	10,429,640	-	10,429,640	10,390,665
Residential and graduate services	2,057,226	-	2,057,226	2,698,712
Veterinary hospital and kennel	9,815,957	-	9,815,957	9,062,637
Canine breeding	914,863	-	914,863	957,389
Facilities management	1,425,464	-	1,425,464	1,785,025
Enrichment and education	1,841,513	-	1,841,513	1,843,927
Total Program Services	26,484,663	-	26,484,663	26,738,355
Supporting services:				
Management and general	1,181,643	-	1,181,643	2,839,925
Fundraising	8,391,899	-	8,391,899	7,762,061
Total Supporting Services	9,573,542	-	9,573,542	10,601,986
Total Expenses	36,058,205	-	36,058,205	37,340,341
Change in Net Assets, before gain on disposal of fixed assets	19,650,625	1,412,401	21,063,026	6,276,633
Gain on Disposal of Fixed Assets	378,752	-	378,752	64,577
Change in Net Assets	20,029,377	1,412,401	21,441,778	6,341,210
Net Assets, beginning of year	104,521,216	8,562,722	113,083,938	106,742,728
Net Assets, end of year	\$ 124,550,593	\$ 9,975,123	\$ 134,525,716	\$ 113,083,938

See accompanying notes to financial statements.

Guiding Eyes for the Blind, Inc.

Statement of Functional Expenses (with comparative totals for 2023)

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	2024	2023
Salaries and Related Expenses												
Salaries	\$ 5,952,327	\$ 1,135,374	\$ 4,296,193	\$ 353,848	\$ 89,730	\$ -	\$ 11,827,472	\$ 297,249	\$ 1,250,865	\$ 1,548,114	\$ 13,375,586	\$ 13,622,914
Employee health and retirement benefits	2,056,375	74,175	1,923,876	82,212	87,797	-	4,224,435	498,668	276,620	775,288	4,999,723	5,139,303
Payroll taxes	452,051	86,984	324,331	25,964	6,015	-	895,345	29,196	95,538	124,734	1,020,079	1,031,984
Total Salaries and Related Expenses	8,460,753	1,296,533	6,544,400	462,024	183,542	-	16,947,252	825,113	1,623,023	2,448,136	19,395,388	19,794,201
Other Expenses												
Data processing and mailing services	35,385	7,077	32,168	2,573	1,930	240,296	319,429	15,637	758,124	773,761	1,093,190	1,024,068
Postage and shipping	9,625	1,232	5,069	148	-	503,983	520,057	4,745	1,567,158	1,571,903	2,091,960	1,970,488
Printing and publications	-	27,011	-	-	-	1,097,234	1,124,245	2,319	2,624,984	2,627,303	3,751,548	3,917,659
Veterinarian fees and supplies	-	-	1,317,142	-	-	-	1,317,142	-	-	-	1,317,142	1,287,747
Telephone and utilities	111,019	27,311	269,741	6,661	5,617	-	420,349	22,108	40,019	62,127	482,476	527,984
Insurance	101,825	39,395	462,972	7,952	3,799	-	615,943	75,907	20,116	96,023	711,966	681,839
Transportation and lodging	414,499	12,972	31,398	1,479	924	-	461,272	27,397	12,103	39,500	500,772	552,595
Professional fees	50,942	157,793	72,165	89,955	8,300	-	379,155	97,027	1,085,564	1,182,591	1,561,746	1,287,007
Dog food and supplies	167,192	-	205,846	20,336	-	-	393,374	-	-	-	393,374	492,725
Office expenses	323,555	91,738	298,305	45,518	53,518	-	812,634	84,545	449,017	533,562	1,346,196	1,290,259
Food and entertainment	15,336	337,427	3,487	279	209	-	356,738	907	4,300	5,207	361,945	636,594
Repairs and maintenance	-	-	31,953	1,470	620,658	-	654,081	-	-	-	654,081	1,336,771
Vehicle expense	-	-	-	-	186,704	-	186,704	-	-	-	186,704	276,754
Conferences, subscriptions, and dues	36,983	9,326	21,845	1,532	1,110	-	70,796	11,784	71,206	82,990	153,786	155,968
Interest expense	4,948	1,914	22,498	386	185	-	29,931	1,299	978	2,277	32,208	41,381
Occupancy and other costs	170,208	-	2,968	-	1,452	-	174,628	151	-	151	174,779	173,836
Bad debt	-	-	-	-	-	-	-	106	-	106	106	5,946
Total Expenses, before depreciation and amortization	9,902,270	2,009,729	9,321,957	640,313	1,067,948	1,841,513	24,783,730	1,169,045	8,256,592	9,425,637	34,209,367	35,453,822
Depreciation and Amortization	527,370	47,497	494,000	274,550	357,516	-	1,700,933	12,598	135,307	147,905	1,848,838	1,886,519
Total Expenses	\$ 10,429,640	\$ 2,057,226	\$ 9,815,957	\$ 914,863	\$ 1,425,464	\$ 1,841,513	\$ 26,484,663	\$ 1,181,643	\$ 8,391,899	\$ 9,573,542	\$ 36,058,205	\$ 37,340,341

See accompanying notes to financial statements.

Guiding Eyes for the Blind, Inc.

Statement of Cash Flows (with comparative totals for 2023)

<i>Year ended September 30,</i>	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ 21,441,778	\$ 6,341,210
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,848,838	1,886,519
Bad debt expense	106	5,946
Interest expense	23,980	23,981
Contributions with restrictions - perpetual in nature	(240,454)	(253,821)
Net realized gains on sale of investments	(304,831)	(440,012)
Net unrealized gains on investments	(11,280,589)	(5,841,155)
Donated investments	(580,430)	(301,801)
Proceeds from sale of donated investments	575,125	301,801
Gain on disposal of fixed assets	(378,752)	(64,577)
Non-cash operating lease expense	113,348	-
Changes in assets and liabilities:		
Decrease (increase) in:		
Contributions receivable	(534,206)	72,454
Bequests receivable	(762,845)	(1,085,050)
Prepaid expenses and other assets	514,541	480,835
Right-of-use asset - operating lease	(777,719)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	(191,800)	(182,969)
Payroll and payroll taxes payable	(52,146)	76,140
Reserve for insurance	(200,000)	235,000
Deferred compensation	221,401	101,278
Gift annuity reserve	(50,648)	(120,945)
Change in operating lease liability	711,629	-
Net Cash Provided by Operating Activities	10,096,326	1,234,834
Cash Flows from Investing Activities		
Assets limited as to use	(221,401)	(101,278)
Proceeds from sale of investments	25,679,352	37,869,452
Purchases of investments	(16,189,689)	(23,084,388)
Purchases of fixed assets, net	(793,771)	(5,518,669)
Net Cash Provided by Investing Activities	8,474,491	9,165,117
Cash Flows from Financing Activities		
Contributions with restrictions - perpetual in nature	240,454	253,821
Principal payments of bond payable	(445,000)	(435,000)
Net Cash Used in Financing Activities	(204,546))	(181,179)
Net Increase in Cash and Cash Equivalents	18,366,271	10,218,772
Cash and Cash Equivalents, beginning of year	28,553,118	18,334,346
Cash and Cash Equivalents, end of year	\$ 46,919,389	\$ 28,553,118
Supplemental Disclosure of Cash Flow Information		
Right-of-use assets acquired through operating lease	\$ 850,413	\$ -
Cash paid for interest	32,208	41,381

See accompanying notes to financial statements.

Guiding Eyes for the Blind, Inc.

Notes to Financial Statements

1. Description of Organization

Guiding Eyes for the Blind, Inc. (Guiding Eyes) is a nonprofit 501(c)(3) organization founded in 1954 with the mission of providing guide dogs to individuals with vision loss. Guiding Eyes is passionate about connecting exceptional dogs with individuals for greater independence. Professional instructors offer on-campus training in New York and at-home training for those who are unable to travel. Specialized training programs are available for individuals with additional challenges, such as gait and balance issues, cognitive challenges, and individuals who are deafblind. Guiding Eyes' Running Guide is designed for active individuals who would like to run with their guide dogs for exercise in their home environment. All services, including travel, room and board at the New York Training Center, are provided at no cost to students. Guiding Eyes also ensures that staff and volunteers receive training to care for and support our dogs throughout their working lives.

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.

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Notes to Financial Statements

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, and mutual funds.

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, 2024.

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

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 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.

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.

Guiding Eyes for the Blind, Inc.

Notes to Financial Statements

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.

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.

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The estimated useful lives of the assets are as follows:

Asset Category	Years
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, 2024, 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 GAAP. Accordingly, such information should be read in conjunction with Guiding Eyes' financial statements for the year ended September 30, 2023, 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, 2024.

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

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the year ended September 30, 2024, 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, 2024, 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, 2024. 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-profits, educational and religious corporations, associations organized and operated exclusively for charitable purposes, and certain trusts.

Recently Adopted Accounting Pronouncements

Financial Instruments - Credit Losses (Topic 326)

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses*. The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU.

Guiding Eyes for the Blind, Inc.

Notes to Financial Statements

The CECL methodology utilizes a lifetime expected credit loss measurement objective for the recognition of credit losses for loans, held-to-maturity securities, and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which require that a loss be incurred before it is recognized. For available-for-sale securities where fair value is less than cost, credit-related impairment, if any, is recognized through an allowance for credit losses and adjusted each period for changes in credit risk.

As required, on October 1, 2023, Guiding Eyes adopted the guidance prospectively. There was no cumulative adjustment recorded. Upon adoption, and at September 30, 2024, Guiding Eyes did not recognize an incremental allowance for credit losses relate to its account receivable balances and the implementation did not have a material effect on Guiding Eyes financial statements.

Reclassifications

Certain amounts included in the fiscal year 2023 financial statements have been reclassified to conform to the fiscal year 2024 presentation.

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, 2024

Cash and cash equivalents	\$ 23,766,910
Investments and cash equivalents held by investment managers	86,083,068
Bequests receivable	3,129,166
Contributions receivable	152,664
Financial Assets, end of year	113,131,808
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions:	
Donor-imposed restrictions	(9,975,123)
Liability for gift annuity reserve	(1,313,460)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 101,843,225

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.

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Notes to Financial Statements

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 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.

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. 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, 2024

	Level 1	Level 2	Level 3	Total
Investments				
Equity mutual funds	\$ 42,513,749	\$ -	\$ -	\$ 42,513,749
Fixed-income mutual funds	20,416,840	-	-	20,416,840
Total Investments	62,930,589	-	-	62,930,589
Assets Limited to Use^(a)				
Equity mutual funds	606,980	-	-	606,980
Total Assets Limited to Use	606,980	-	-	606,980
Total	\$ 63,537,569	\$ -	\$ -	\$ 63,537,569

^(a) Assets whose use is limited relates to the deferred compensation plan assets. See Note 8 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, 2024. In addition, there were no transfers between levels during the year ended September 30, 2024.

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The following table summarizes investment return by net asset classification:

September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Dividends and interest	\$ 2,395,945	\$ 218,466	\$ 2,614,411
Realized and unrealized gains	10,547,764	1,037,656	11,585,420
Net Return on Investments	12,943,709	1,256,122	14,199,831
Investment return allocated for operations	45,889	(13,452)	32,437
Investment Results, Net	\$ 12,989,598	\$ 1,242,670	\$ 14,232,268

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, 2024, the Charitable Gift Annuity Investment Account had a fair market value of \$1,991,630 and is included in investments, at fair value in the statement of financial position, and the related liability of \$1,313,460 is included within gift annuity reserve in the statement of financial position.

6. Fixed Assets, Net

Fixed assets, net, consist of the following:

September 30, 2024

Land	\$ 4,233,155
Building and improvements	33,357,296
Furniture, fixtures, and equipment	2,299,139
Vehicles	2,777,361
Leasehold improvements	92,370
Computers	330,528
Software	2,626,258
Construction in progress	1,872,248
	47,588,355
Less: accumulated depreciation and amortization	(24,093,988)
	\$ 23,494,367

Depreciation and amortization expense for the year ended September 30, 2024 was \$1,848,838.

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Notes to Financial Statements

For the year ended September 30, 2024, fixed assets with a net book value of \$548,830 were removed from the listing above, proceeds of \$927,582 were received resulting in a net gain of \$378,752.

7. 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, 2024

Lease costs:		
Operating lease cost	\$	84,268
Interest on lease liabilities		29,080
Total Lease Cost	\$	113,348

September 30, 2024

Right-of-use assets and liabilities:		
Operating lease right-of-use asset	\$	766,146
Operating lease liability		813,404

Year ended September 30, 2024

Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating lease	\$	37,009
Weighted-average remaining lease term - operating lease		6.50 years
Weighted-average discount rate - operating lease		4.22%

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.

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The following table reconciles the undiscounted operating lease payments to the lease liabilities recorded on the accompanying statement of financial position at September 30, 2024:

Year ending September 30,

2025	\$	133,845
2026		137,178
2027		140,510
2028		143,842
2029		147,174
Thereafter		226,593
		929,142
Less: interest		(115,738)
Less: current portion		(104,343)
	\$	709,061

8. Pension Plans

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. 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, 2024, the amount charged to operations for employer contributions to the plan amounted to \$1,201,715.

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, 2024, Guiding Eyes contributed \$88,000 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, 2024 was \$606,980.

9. Allocation of Joint Activity Costs

During 2024, Guiding Eyes incurred joint activity costs of \$6,240,253 for informational materials and activities that included fundraising appeals. Of these costs, \$4,398,740 was allocated to fundraising expense and \$1,841,513 was allocated to the Enrichment and Education Program.

Guiding Eyes for the Blind, Inc.

Notes to Financial Statements

10. 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, 2024

	With Donor Restriction				
	Perpetual-in-Nature	Purpose Restricted			
	Perpetual-in-Nature Principal	Earnings on Perpetual-in-Nature Purpose Restricted	Purpose Restricted	Total Purpose Restricted	Total
Special Needs Endowment	\$ 2,108,730	\$ 2,793,359	\$ -	\$ 2,793,359	\$ 4,902,089
The Ann MacCarthy Parke Endowment Fund	760,221	-	-	-	760,221
The Ethel S. Abbott Endowment Fund	525,000	-	-	-	525,000
Isabel Kouri Endowment Fund	440,000	-	-	-	440,000
Lilian Feder Foundation	305,000	-	-	-	305,000
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
The John and Lynn Dillon Endowment Fund	25,454	-	-	-	25,454
With Donor Restrictions - Endowment	4,679,670	2,793,359	-	2,793,359	7,473,029
Guiding Eyes Strategic Growth Fund	-	-	1,187,709	1,187,709	1,187,709
Wellness and Training Center	-	-	562,184	562,184	562,184
Location - Arizona	-	-	260,083	260,083	260,083
Development various project	-	-	101,491	101,491	101,491
Other programs - purpose restricted	-	-	76,042	76,042	76,042
Genetic various	-	-	59,359	59,359	59,359
Lions Project	-	-	51,312	51,312	51,312
Midwest Morton Coburn	-	-	48,333	48,333	48,333
Cryopreservation	-	-	46,519	46,519	46,519
MRI building renovation	-	-	46,437	46,437	46,437
Hadden Student Help Fund	-	-	25,057	25,057	25,057
Keymer Technology Fund	-	-	18,649	18,649	18,649
Keymer miscellaneous projects	-	-	11,116	11,116	11,116
Hockmeyer Veterinary Fund	-	-	4,643	4,643	4,643
Veterinary equipment	-	-	3,160	3,160	3,160
Total Net Assets with Donor Restrictions	\$ 4,679,670	\$ 2,793,359	\$ 2,502,094	\$ 5,295,453	\$ 9,975,123

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11. Net Assets Released from Restrictions

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

Year ended September 30, 2024

	With Donor Restrictions			
	Purpose Restricted	Related to Earnings from Perpetual in Nature		Total
Wellness and Training Center	\$ 1,437,558	\$ -	\$	1,437,558
Special Needs Endowment	-	452,384		452,384
Location - Arizona	142,557	-		142,557
Hockmeyer Veterinary Fund	47,316	-		47,316
Development Various Project	43,021	-		43,021
Genetic various	37,378	-		37,378
Guiding Eyes Strategic Growth Fund	36,742	-		36,742
Milton Scholarship	32,308	-		32,308
Other programs	29,577	-		29,577
Midwest Morton Coburn	29,478	-		29,478
Lions Project	17,094	-		17,094
Cryopreservation	4,959	-		4,959
Keymer Miscellaneous Project	1,670	-		1,670
Veterinary equipment	1,203	-		1,203
Hadden Student Help Fund	752	-		752
	\$ 1,861,613	\$ 452,384	\$	2,313,997

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 asset amounts that were initially incorrectly classified with donor restrictions are reclassified in the year the difference is noted. For the year ended September 30, 2024, there have been no material reclasses from with donor restrictions to without donor restrictions.

12. 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 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

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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 6% 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. 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:

	Perpetual-in- Nature Principal	Earnings on Perpetual-in- Nature Purpose Restricted	Total With Donor Restrictions - Endowment
Endowment Net Assets, September 30, 2023	\$ 4,439,216	\$ 2,020,583	\$ 6,459,799
Net investment income	-	1,225,160	1,225,160
Transfers from endowment:			
Releases included in net assets released from restrictions	-	(452,384)	(452,384)
Contributions	240,454	-	240,454
Endowment Net Assets, September 30, 2024	\$ 4,679,670	\$ 2,793,359	\$ 7,473,029

13. 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.

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14. 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 salaries and overhead expenses.

Overhead expenses, including compensation and benefits, are allocated based on square footage, employee headcounts per department, and the costs of specific expenses utilized.

15. 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.

16. Bond Payable

In August 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 bond was payable in annual installments with the final payment made in August 2024. Interest payments were payable in semi-annual installments at the rate of 2.08% per annum.

17. Subsequent Events

Guiding Eyes' management has performed subsequent events procedures through February 14, 2025, 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.