

**ISRAEL GUIDE DOG CENTER FOR THE BLIND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**  
(See Independent Auditors' Report)



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## Independent Auditors' Report

The Board of Directors  
Israel Guide Dog Center for the Blind  
Warrington, Pennsylvania

### **Opinion**

We have audited the accompanying consolidated financial statements of Israel Guide Dog Center for the Blind (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related consolidated notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Israel Guide Dog Center for the Blind as of December 31, 2025, and the consolidated changes in net assets and its consolidated 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Israel Guide Dog Center for the Blind 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the 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 Israel Guide Dog Center for the Blind's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Israel Guide Dog Center for the Blind's 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 Consolidating Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on Schedules I, II, & III is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual entities, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

## **Report on Summarized Comparative Information**

We have previously audited Israel Guide Dog Center for the Blind's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 28, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Bee, Bergvall & Co., P.C.  
Certified Public Accountants

Warrington, PA  
February 23, 2026

ISRAEL GUIDE DOG CENTER FOR THE BLIND

Consolidated Statements of Financial Position

December 31, 2025 and 2024

	<u>ASSETS</u>	
	<u>2025</u>	<u>2024</u>
Current Assets		
Cash and cash equivalents	\$ 1,955,365	\$ 1,908,232
Investments	17,449,854	13,275,017
Accounts receivable	100	1,200
Contributions receivable	61,055	115,187
Pledges receivable, current	169,750	205,500
Prepaid expenses	1,286	-
Total Current Assets	<u>19,637,410</u>	<u>15,505,136</u>
Restricted Assets		
Cash and cash equivalents	336,633	624,453
Investments	<u>11,451,860</u>	<u>9,485,702</u>
Total Restricted Assets	<u>11,788,493</u>	<u>10,110,155</u>
Succession insurance investment	600,064	586,158
Pledges receivable, net of current	112,990	263,060
Fixed assets, net of depreciation	<u>906,506</u>	<u>849,455</u>
 TOTAL ASSETS	 <u>\$ 33,045,463</u>	 <u>\$ 27,313,964</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 41,675	\$ 10,033
Unearned revenue	7,200	-
Other current liabilities	<u>2,940</u>	<u>2,940</u>
Total Current Liabilities	<u>51,815</u>	<u>12,973</u>
Net Assets		
Without Donor Restrictions		
Board designated	\$ 9,669,862	\$ 8,435,566
Undesignated	<u>20,623,786</u>	<u>16,165,425</u>
Total Without Donor Restrictions	30,293,648	24,600,991
With Donor Restrictions - Perpetual in Nature	<u>2,700,000</u>	<u>2,700,000</u>
Total Net Assets	<u>32,993,648</u>	<u>27,300,991</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 33,045,463</u>	 <u>\$ 27,313,964</u>

See accompanying notes to financial statements

ISRAEL GUIDE DOG CENTER FOR THE BLIND

Consolidated Statements of Activities

For the Year Ended December 31, 2025

(With Summarized Comparative Totals for the Year Ended December 31, 2024)

	<u>Without Donor</u>	<u>With Donor</u>	<u>2025</u>	<u>2024</u>
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Total</u>	<u>Total</u>
<b>Public Support and Revenue</b>				
Contributions and grants	\$ 4,789,177	\$ -	\$ 4,789,177	\$ 3,551,626
Investment income, net	503,358	52,664	556,022	462,111
Realized gain (loss) on investments	901,273	101,185	1,002,458	(13,771)
Unrealized gain (loss) on investments	2,314,065	257,765	2,571,830	2,109,076
Rental income	37,950	-	37,950	31,976
Net assets released from restrictions	411,614	(411,614)	-	-
<b>Total Public Support and Revenue</b>	<u>8,957,437</u>	<u>-</u>	<u>8,957,437</u>	<u>6,141,018</u>
<b>Expenses</b>				
Program services	3,007,162	-	3,007,162	2,796,147
Management and general	154,591	-	154,591	99,763
Rental	46,078	-	46,078	33,996
Fundraising	56,949	-	56,949	56,437
<b>Total Expenses</b>	<u>3,264,780</u>	<u>-</u>	<u>3,264,780</u>	<u>2,986,343</u>
Change in Net Assets	5,692,657	-	5,692,657	3,154,675
Net Assets, Beginning of Year	<u>24,600,991</u>	<u>2,700,000</u>	<u>27,300,991</u>	<u>24,146,316</u>
Net Assets, End of Year	<u>\$30,293,648</u>	<u>\$ 2,700,000</u>	<u>\$32,993,648</u>	<u>\$27,300,991</u>

See accompanying notes to financial statements

ISRAEL GUIDE DOG CENTER FOR THE BLIND

Consolidated Statements of Functional Expenses

For the Year Ended December 31, 2025

(With Summarized Comparative Totals for the Year Ended December 31, 2024)

	Program Services	Supporting Services			2025	2024
		Management and General	Rental	Fundraising		
Outreach						
Advertising, printing, social media	\$ 341,196	\$ -	\$ -	\$ -	\$ 341,196	\$ 91,309
Collection expense	6,274	6,274	-	-	12,548	7,362
Consultants	297,770	-	-	55,000	352,770	329,500
Database management	7,609	1,902	-	-	9,511	13,805
Depreciation	-	-	23,782	-	23,782	11,032
Insurance	3,551	395	2,571	-	6,517	8,265
Miscellaneous	21,285	39,587	5,225	-	66,097	45,100
Office	18,042	14,815	1,149	1,949	35,955	32,259
Payroll expenses	496,454	38,369	-	-	534,823	311,048
Postage	38,668	16,572	-	-	55,240	35,207
Professional fees	-	36,677	57	-	36,734	32,099
Taxes	-	-	13,294	-	13,294	9,074
Total Outreach	<u>1,230,849</u>	<u>154,591</u>	<u>46,078</u>	<u>56,949</u>	<u>1,488,467</u>	<u>926,060</u>
On Behalf of Guide Dog Center in Israel						
Client travel	71,665	-	-	-	71,665	64,394
Program expense	71,123	-	-	-	71,123	53,987
Website	1,053	-	-	-	1,053	7,362
Transfers to Guide Dog Center in Israel	<u>1,632,472</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,632,472</u>	<u>1,934,540</u>
Total On Behalf of Expenses	<u>1,776,313</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,776,313</u>	<u>2,060,283</u>
Total Functional Expenses	<u>\$ 3,007,162</u>	<u>\$ 154,591</u>	<u>\$ 46,078</u>	<u>\$ 56,949</u>	<u>\$ 3,264,780</u>	<u>\$ 2,986,343</u>

See accompanying notes to financial statements

ISRAEL GUIDE DOG CENTER FOR THE BLIND

Consolidated Statements of Cash Flows

For the Years Ending December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 5,692,657	\$ 3,154,675
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Depreciation expense	23,782	11,032
Realized (gains) losses from investments	(1,002,458)	13,771
Unrealized (gains) losses from investments	(2,571,830)	(2,109,076)
Stock contributions	(957,759)	(306,220)
(Increase) decrease in:		
Accounts receivables	1,100	(1,200)
Contributions receivables	54,132	(45,797)
Pledges receivables	185,820	25,090
Succession insurance investment	(13,906)	(42,557)
Beneficial interest in trust	-	41,625
Prepaid expenses	(1,286)	-
(Decrease) increase in:		
Accounts payable	31,642	4,487
Unearned revenue	7,200	-
Other current liabilities	-	2,940
Net cash provided by (used in) operating activities	<u>1,449,094</u>	<u>748,770</u>
Cash Flows from Investing Activities		
Purchase of investments	(7,400,743)	(3,055,596)
Proceeds from sale/maturity of investments	5,791,795	4,102,569
Purchase of fixed asset	(80,833)	(860,487)
Net cash provided by (used in) investing activities	<u>(1,689,781)</u>	<u>186,486</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(240,687)	935,256
Cash and Cash Equivalents, Beginning of Year	<u>2,532,685</u>	<u>1,597,429</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,291,998</u>	<u>\$ 2,532,685</u>
Unrestricted cash and cash equivalents	\$ 1,955,365	\$ 1,908,232
Restricted cash and cash equivalents	<u>336,633</u>	<u>624,453</u>
Total Cash and Cash Equivalents, End of Year	<u>\$ 2,291,998</u>	<u>\$ 2,532,685</u>

See accompanying notes to financial statements

# ISRAEL GUIDE DOG CENTER FOR THE BLIND

## Consolidated Notes to Financial Statements

December 31, 2025

### **NOTE 1. Summary of Significant Accounting Policies**

*Organization:* The Israel Guide Dog Center for the Blind (the Center), a nonprofit organization, located in Pennsylvania, is organized for the purpose of raising funds that are contributed to a facility in Israel to train guide dogs and to teach blind individuals to use guide dogs. The mission of the Center is to continue raising funds to provide for the program's perpetuity. The Israeli facility is owned and operated as an independent entity.

*Principles of Consolidation:* The consolidated financial statements include the accounts of the Israel Guide Dog and its wholly owned subsidiary 968 Easton LLC. All material intra-entity transactions have been eliminated.

*Accounting Basis:* The Center uses the accrual basis of accounting. Under this basis, revenues are recognized when earned and expenses are recognized when incurred.

*Basis of Presentation:* The Center is required to report information regarding its financial position and activities according to two classes of net assets:

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions a board-designated endowment.

*Net Assets With Donor Restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Restricted net assets represent the Harry and Jeanette Weinberg and Lady Elizabeth Kaye Endowment Funds. Seventy-five percent of the earnings of the endowment may be used, at the discretion of the Board, for operating purposes.

*Use of Estimates:* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

ISRAEL GUIDE DOG CENTER FOR THE BLIND

Consolidated Notes to Financial Statements

December 31, 2025

**NOTE 1. Summary of Significant Accounting Policies (Continued)**

*Reclassification:* Certain prior year amounts have been reclassified for consistency with the current year presentation.

*Cash and Cash Equivalents:* The Center considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

*Concentrations of Credit Risk:* Financial instruments that potentially expose the Center to concentrations of credit risk consist principally of cash and cash equivalents, and investments. The Center principally utilizes a regional bank and investment companies to maintain its operating cash accounts and investments. At certain times, such instruments are in excess of FDIC or SIPC insurance limits on interest bearing accounts thus exposing the Center to a loss in the amount of the excess. As of December 31, 2025 the amount in excess of these insurance limits totaled \$30,943,595.

One pledge consisted of 55% of the pledges receivable balance.

*Investments:* Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their quoted fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets. Donated investments are reflected as contributions at their market values at the date of receipt. Interest earnings, realized gains and losses, and unrealized gains and losses are reported as investment income, net of investment broker fees.

*Restricted Assets:* Restricted assets comprise cash, investments, and receivables of the funds with donor restrictions or board designations.

*Succession Insurance Investment:* The Succession Insurance Investment is valued at the cash surrender value of the policy. Changes in the fair market value are reported as investment income.

*Pledges Receivable:* Pledges are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Pledges that are restricted by the donor are reported as increases in net assets with donor restrictions.

*Unearned Revenue:* Unearned revenue consists of donations received for special events that will occur after year end. Donations received in advance are deferred and recognized at the time of the event.

ISRAEL GUIDE DOG CENTER FOR THE BLIND

Consolidated Notes to Financial Statements

December 31, 2025

**NOTE 1. Summary of Significant Accounting Policies (Continued)**

*Contributions:* Contributions received are recorded as support that is with or without donor restrictions, depending on the existence of nature of any donor restriction. Donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or when the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

*Revenue and Revenue Recognition:* The Center recognizes contributions when cash, securities, or other assets, and unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Special event revenue is recognized when the event occurs, until that time the revenue is considered unearned revenue. Rental revenue is recognized on a straight-line basis over the lease term as the tenant's right to use the property is provided.

*Contributions of Nonfinancial Assets:* Volunteers periodically donate their time to the Center's program services and fundraising activities. An amount has not been recognized in the accompanying consolidated statements of activities for these volunteer efforts because they did not meet the requirements for recognition.

*Advertising:* Advertising costs are expensed as incurred.

*Related-Parties:* Fundraising activities are transacted in the United States for the purpose of funding operations of the Israel Guide Dog Center for the Blind in Israel. Public support and revenue received in excess of expenses are distributed to the Center in Israel on an as-needed basis. Certain members of the Board of Directors are related to other members on the Board.

*Allocation of Functional Expense:* The consolidated financial statements report certain categories of expenses that are attributed to more than one program of supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include consultants, insurance, office, payroll, postage, and rent which are allocated on the basis of estimates of time and usage.

*Leases:* The Center rents office space under a month-to-month lease paid to its subsidiary. The lease revenue and expense is eliminated in these financial statements.

ISRAEL GUIDE DOG CENTER FOR THE BLIND

Consolidated Notes to Financial Statements

December 31, 2025

**NOTE 1. Summary of Significant Accounting Policies (Continued)**

*Income Tax Status:* The Center qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for federal or state income taxes is included in the accompanying consolidated financial statements. The Center is not classified as a private foundation.

As required by the FASB Accounting Standards Codification, entities are required to determine whether it is more likely than not that a tax position will be sustained upon examination by the appropriate taxing authorities before any part of the benefit can be recorded in the financial statements. It also provides guidance on the recognition, measurement, and classification of income tax uncertainties, along with any related interest or penalties. This standard had no impact on the Center's financial statements. The Center's federal tax return is subject to audit by taxing authorities. The Center's returns open audit periods are for the fiscal years ending December 31, 2022 – 2024.

*Comparative Information:* The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting policies generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

*Subsequent Events:* We have evaluated subsequent events through the date of this report, which is the date the consolidated financial statements were available to be issued. No amounts were recognized or disclosed.

**NOTE 2. Liquidity and Availability**

Our endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The board designated endowment is available for general use upon approval by the Board. Although, we do not intend to spend from this board-designated endowment, these amounts could be made available for general expenditure at the discretion of the Board, if necessary.

As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term investments and money market funds.

ISRAEL GUIDE DOG CENTER FOR THE BLIND

Consolidated Notes to Financial Statements

December 31, 2025

**NOTE 2. Liquidity and Availability (Continued)**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Financial assets at year end:	
Cash and cash equivalents	\$ 2,291,998
Investments	28,901,714
Succession insurance investment	600,064
Pledges and contributions receivable	343,795
Accounts receivable	100
Total financial assets	<u>32,137,671</u>
Less amounts not available to be used within one year	
Restricted cash and investments	(11,788,493)
Restricted succession insurance investment	(600,064)
Long term pledges	<u>(112,990)</u>
Financial assets not available to be used within one year	<u>(12,501,547)</u>
Financial assets available to meet general expenditures	<u>\$ 19,636,124</u>

**NOTE 3. Investments**

The Center has taken a very mature approach to ensure that it has an adequate income stream for future operations. The Center has a goal of 75 million dollars for its endowment fund. The requirements of the fund are that only 75% of the income derived from the fund may be used for future operating expenses and not used for capital purposes. Investments in marketable securities are reported at fair value on the consolidated statement of financial position. Donated investments are recorded at their market values as contributions at the date of receipt. At December 31, 2025, the Board of Directors has designated investments in the amount of \$9,669,862 toward the endowment fund. Investment income includes interest and dividends. Broker fees have been netted against investment income as follows: Unrestricted broker fees of \$102,046 and with donor restrictions broker fees of \$11,676 for 2025.

ISRAEL GUIDE DOG CENTER FOR THE BLIND

Consolidated Notes to Financial Statements

December 31, 2025

**NOTE 3. Investments (Continued)**

*Fair Value of Financial Instruments*

The Center follows Fair Value Measurements as required by the FASB Standards Codification, which emphasizes that fair value is a market-based measurement. A fair value measurement should be determined based on the assumption that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 - Inputs that utilized quoted prices (unadjusted) in active markets for identical assets or liabilities that the Center has the ability to access.

Level 2 - Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. At December 31, 2025, the investments consisted of the following:

Investments	<u>Level 1</u>
Equities	\$ 22,730,866
Fixed Income	5,575,064
Tangible Assets	<u>595,784</u>
Total Investments	<u>\$ 28,901,714</u>

ISRAEL GUIDE DOG CENTER FOR THE BLIND

Consolidated Notes to Financial Statements

December 31, 2025

**NOTE 4. Pledges Receivable**

Promises to give are recorded at fair value, which is estimated as net realizable value if expected to be collected in one year and discounted future cash flow value if expected to be collected in more than one year. Promises to be received after one year have been discounted at 3%. No allowance for uncollectible amounts was deemed necessary. Unconditional promises to give at December 31, 2025 were as follows:

Receivable in less than one year	\$ 175,000
Receivable in one to five years	<u>124,000</u>
Total unconditional promises to give	299,000
Present value discount	<u>(16,260)</u>
Net unconditional promises to give	<u>\$ 282,740</u>

**NOTE 5. Net Assets Released from Restriction**

In accordance with Pennsylvania law, the Board of Directors has elected to transfer up to 7% of the fair value of net assets with donor restrictions to net assets without donor restrictions at the end of each year. The amount transferred for the year ending December 31, 2025 amounted to \$411,614.

**NOTE 6. Line of Credit**

The Center established a line of credit using a portion of their invested funds as collateral. The purpose of the line was to guarantee that funds would be available for the construction of the new Puppy Development Campus, and to smooth cash flows. At December 31, 2025, the interest rate on the line of credit was 5.75% and the outstanding balance was \$0.

ISRAEL GUIDE DOG CENTER FOR THE BLIND

Consolidated Notes to Financial Statements

December 31, 2025

**NOTE 7. Endowments**

The Center's endowments consist of individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. The Center follows Fair Value Measurements as required by the FASB Standards Codification, which applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement.

*Interpretation of Relevant Law:* The Board of Directors of the Center have interpreted the law as requiring any donor-restricted contributions as being classified as net assets with donor restrictions depending on the nature of the restriction. The Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund.
- (2) The purpose of the Center and the donor-restricted endowment fund.
- (3) General economic conditions.
- (4) The possible effect of inflation and deflation.
- (5) The expected total return from income and the appreciation of investments.
- (6) Other resources of the Center.
- (7) The investment policies of the Center.

Endowment Net Asset composition and changes consisted of the following as of December 31, 2025:

Endowment Fund Type	Without Donor	With Donor	Total
	<u>Restrictions</u>	<u>Restrictions</u>	
Donor-Designated Endowments	\$ -	\$ 2,700,000	\$ 2,700,000
Board-Designated Endowment	9,669,862	-	9,669,862
Total	<u>\$ 9,669,862</u>	<u>\$ 2,700,000</u>	<u>\$ 12,369,862</u>

  

	Without Donor	With Donor	Total
	<u>Restrictions</u>	<u>Restrictions</u>	
Endowment Net Assets, Beginning of Year	\$ 8,435,566	\$ 2,700,000	\$ 11,135,566
Contributions	127,311	-	127,311
Investment income (loss)	1,269,869	411,614	1,681,483
Withdrawals	(127,856)	-	(127,856)
Amounts Appropriated for Expenditure	(35,028)	(411,614)	(446,642)
Endowment Net Assets, End of Year	<u>\$ 9,669,862</u>	<u>\$ 2,700,000</u>	<u>\$ 12,369,862</u>

ISRAEL GUIDE DOG CENTER FOR THE BLIND

Consolidated Notes to Financial Statements

December 31, 2025

**NOTE 7. Endowments (Continued)**

*Return Objectives and Risk Parameters:* The Center's investment and spending practices for endowment assets attempt to provide maximum growth without high risk and is at the discretion of the Board of Directors. The Center's practice is to preserve the integrity of the principal from designated donations.

*Strategies Employed for Achieving Objectives:* To satisfy its long-term rate-of-return objectives, the Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Center targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

*Spending Policy and How the Investment Objectives Relate to Spending Policy:* The Center has a policy of appropriating each year 7 percent of its donor-restricted endowment funds to the board designated endowment funds. The Center's goal is for the board designated endowment funds to produce income, meet future contingencies and provide for the program's perpetuity in Israel. However, at times, the Center will expend funds for daily expenses or capital projects that arise from the activities of the Israel operations to train guide dogs and instruct blind people.

**NOTE 8. Israel Operations**

The Center in the USA provides funds to support the breeding, raising and training of guide dogs in Israel. Additional expenses are incurred when matching and training a guide dog with a person who is blind. Funds are transferred from the USA as needed.

For the year ended December 31, 2025, total unconditional transfers of \$1,632,472 were made to the guide dog center in Israel and \$143,841 in expenses was paid directly by the Center on behalf of the guide dog center in Israel. Fundraising activities occur in Canada, the United Kingdom and in Israel. The Center in the USA provides for any shortfall that may occur.

The funds raised by the Center that are not required for operations in Israel are, by covenant, required to be invested for future needs. The remaining increase in net assets as shown on the consolidated Statement of Activities is held in an operating reserve fund or in the Center's Board designated endowment fund to produce income, meet future contingencies and provide for the program's perpetuity in Israel.

## Consolidating Information

ISRAEL GUIDE DOG CENTER FOR THE BLIND

Schedule I - Consolidating Statements of Financial Position

December 31, 2025

	<b><u>ASSETS</u></b>			
	<u>Israel Guide Dog</u>	<u>LLC</u>	<u>Eliminations</u>	<u>Total</u>
<b>Current Assets</b>				
Cash and cash equivalents	\$ 1,950,022	\$ 5,343	\$ -	\$ 1,955,365
Investments	17,449,854	-	-	17,449,854
Accounts receivable	23,957	-	(23,857)	100
Contributions receivable	61,055	-	-	61,055
Pledges receivable, current	169,750	-	-	169,750
Prepaid expenses	-	1,286	-	1,286
<b>Total Current Assets</b>	<u>19,654,638</u>	<u>6,629</u>	<u>(23,857)</u>	<u>19,637,410</u>
<b>Restricted Assets</b>				
Cash and cash equivalents	336,633	-	-	336,633
Investments	11,451,860	-	-	11,451,860
<b>Total Restricted Assets</b>	<u>11,788,493</u>	<u>-</u>	<u>-</u>	<u>11,788,493</u>
Succession insurance investment	600,064	-	-	600,064
Pledges receivable, net of current	112,990	-	-	112,990
Investment in LLC	860,487	-	(860,487)	-
Fixed assets, net of depreciation	-	906,506	-	906,506
<b>TOTAL ASSETS</b>	<u>\$ 33,016,672</u>	<u>\$ 913,135</u>	<u>\$ (884,344)</u>	<u>\$ 33,045,463</u>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>				
Accounts payable	\$ 41,676	\$ 23,856	\$ (23,857)	\$ 41,675
Unearned Revenue	-	7,200	-	7,200
Other current liabilities	-	2,940	-	2,940
<b>Total Current Liabilities</b>	<u>41,676</u>	<u>33,996</u>	<u>(23,857)</u>	<u>51,815</u>
<b>Net Assets</b>				
<b>Without Donor Restrictions</b>				
Board designated	9,669,862	-	-	9,669,862
Undesignated	20,605,134	879,139	(860,487)	20,623,786
<b>Total Without Donor Restrictions</b>	<u>30,274,996</u>	<u>879,139</u>	<u>(860,487)</u>	<u>30,293,648</u>
With Donor Restrictions - Perpetual in Nature	2,700,000	-	-	2,700,000
<b>Total Net Assets</b>	<u>32,974,996</u>	<u>879,139</u>	<u>(860,487)</u>	<u>32,993,648</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 33,016,672</u>	<u>\$ 913,135</u>	<u>\$ (884,344)</u>	<u>\$ 33,045,463</u>

ISRAEL GUIDE DOG CENTER FOR THE BLIND

Schedule II - Consolidating Statements of Activities

December 31, 2025

	<u>Without Donor</u>	<u>With Donor</u>	<u>Israel Guide</u>			
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Dog Total</u>	<u>LLC</u>	<u>Eliminations</u>	<u>Total</u>
Public Support and Revenue						
Contributions and grants	\$ 4,789,177	\$ -	\$ 4,789,177	\$ -	\$ -	\$ 4,789,177
Investment income, net	503,358	52,664	556,022	-	-	556,022
Realized gain (loss) on investments	901,273	101,185	1,002,458	-	-	1,002,458
Unrealized gain (loss) on investments	2,314,065	257,765	2,571,830	-	-	2,571,830
Rental Income	-	-	-	52,350	(14,400)	37,950
Net assets released from restrictions	411,614	(411,614)	-	-	-	-
Total Public Support and Revenue	<u>8,919,487</u>	<u>-</u>	<u>8,919,487</u>	<u>52,350</u>	<u>(14,400)</u>	<u>8,957,437</u>
Expenses						
Program services	3,017,962	-	3,017,962	-	(10,800)	3,007,162
Management and general	158,191	-	158,191	-	(3,600)	154,591
Rental	-	-	-	46,078	-	46,078
Fundraising	56,949	-	56,949	-	-	56,949
Total Expenses	<u>3,233,102</u>	<u>-</u>	<u>3,233,102</u>	<u>46,078</u>	<u>(14,400)</u>	<u>3,264,780</u>
Change in Net Assets	5,686,385	-	5,686,385	6,272	-	5,692,657
Net Assets, Beginning of Year	24,588,611	2,700,000	27,288,611	872,867	(860,487)	27,300,991
Net Assets, End of Year	<u>\$ 30,274,996</u>	<u>\$ 2,700,000</u>	<u>\$ 32,974,996</u>	<u>\$ 879,139</u>	<u>\$ (860,487)</u>	<u>\$ 32,993,648</u>

ISRAEL GUIDE DOG CENTER FOR THE BLIND

Schedule III - Consolidating Statements of Expenses

December 31, 2025

	Program Services	Management and General	Fundraising	Israel Guide Dog Total	LLC	Eliminations	Total
<b>Outreach</b>							
Advertising, printing, social media	\$ 341,196	\$ -	\$ -	\$ 341,196	\$ -	\$ -	\$ 341,196
Collection expense	6,274	6,274	-	12,548	-	-	12,548
Consultants	297,770	-	55,000	352,770	-	-	352,770
Database management	7,609	1,902	-	9,511	-	-	9,511
Depreciation	-	-	-	-	23,782	-	23,782
Insurance	3,551	395	-	3,946	2,571	-	6,517
Miscellaneous	21,285	39,587	-	60,872	5,225	-	66,097
Office	18,042	14,815	1,949	34,806	1,149	-	35,955
Payroll expenses	496,454	38,369	-	534,823	-	-	534,823
Postage	38,668	16,572	-	55,240	-	-	55,240
Professional fees	-	36,677	-	36,677	57	-	36,734
Rent	10,800	3,600	-	14,400	-	(14,400)	-
Taxes	-	-	-	-	13,294	-	13,294
Total Outreach	<u>1,241,649</u>	<u>158,191</u>	<u>56,949</u>	<u>1,456,789</u>	<u>46,078</u>	<u>(14,400)</u>	<u>1,488,467</u>
<b>On Behalf of Guide Dog Center in Israel</b>							
Client travel	71,665	-	-	71,665	-	-	71,665
Program expense	71,123	-	-	71,123	-	-	71,123
Website	1,053	-	-	1,053	-	-	1,053
Transfers to Guide Dog Center in Israel	<u>1,632,472</u>	<u>-</u>	<u>-</u>	<u>1,632,472</u>	<u>-</u>	<u>-</u>	<u>1,632,472</u>
Total On Behalf of Expenses	<u>1,776,313</u>	<u>-</u>	<u>-</u>	<u>1,776,313</u>	<u>-</u>	<u>-</u>	<u>1,776,313</u>
Total Functional Expenses	3,017,962	158,191	56,949	3,233,102	46,078	(14,400)	3,264,780
Eliminations of rent	(10,800)	(3,600)	-	(14,400)	-	14,400	-
Net Functional Expense	<u>\$ 3,007,162</u>	<u>\$ 154,591</u>	<u>\$ 56,949</u>	<u>\$ 3,218,702</u>	<u>\$ 46,078</u>	<u>\$ -</u>	<u>\$ 3,264,780</u>