

Leader Dogs For
the Blind and
Supporting
Organization



LEADER DOGS
FOR THE BLIND®

Years Ended
June 30,
2024 and 2023

Consolidated
Financial
Statements
and
Supplementary
Information

Rehmann

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

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INDEPENDENT AUDITORS' REPORT

November 12, 2024

Board of Trustees
Leader Dogs For the Blind and Supporting Organization
Rochester Hills, Michigan

Opinion

We have audited the accompanying consolidated financial statements of ***Leader Dogs for the Blind and Supporting Organization*** (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (the "consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ***Leader Dogs for the Blind and Supporting Organization*** as of June 30, 2024 and 2023, and the consolidated changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Change in Accounting Principle

As described in Note 1 to the consolidated financial statements, effective July 1, 2023, the Organization adopted Accounting Standards Codification Topic 326, *Financial Instruments - Credit Losses* (ASC 326). Our opinion is not modified with respect to this matter.



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Management's Responsibilities for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 the Organization'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.

Rehmann Johnson LLC

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Consolidated Statements of Financial Position

	ASSETS	June 30	
		2024	2023
Current assets			
Cash and cash equivalents	\$ 2,849,888	\$ 1,385,098	
Certificates of deposit	71,587	49,895	
Contributions receivable	111,595	2,633,073	
Current portion of pledges receivable	153,613	129,232	
Accounts receivable	-	11,102	
Prepaid expenses and other	772,634	921,242	
Total current assets	3,959,317	5,129,642	
Pledges receivable, net of current portion and allowance	141,875	121,675	
Investments (including charitable gift annuities of \$517,049 in 2024 and \$332,964 in 2023)	2,824,956	2,449,098	
Certificates of deposit	48,644	115,807	
Beneficial interests in trusts	1,164,082	1,021,038	
Property and equipment, net	15,992,255	16,973,253	
Property and equipment held for sale	-	1,900,000	
Total assets	\$ 24,131,129	\$ 27,710,513	
LIABILITIES AND NET ASSETS			
Liabilities			
Current liabilities			
Accounts payable	\$ 374,983	\$ 371,214	
Accrued payroll and other	1,288,731	1,312,708	
Line of credit	-	9,291,698	
Total current liabilities	1,663,714	10,975,620	
Gift annuity liability	153,243	88,771	
Total liabilities	1,816,957	11,064,391	
Net assets			
Without donor restrictions	17,758,545	12,381,360	
With donor restrictions	4,555,627	4,264,762	
Total net assets	22,314,172	16,646,122	
Total liabilities and net assets	\$ 24,131,129	\$ 27,710,513	

The accompanying notes are an integral part of these consolidated financial statements.

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Consolidated Statements of Activities

	Year Ended June 30					
	2024			2023		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Public support and revenue						
Lions' contributions	\$ 2,413,171	\$ -	\$ 2,413,171	\$ 2,171,864	\$ -	\$ 2,171,864
Other contributions	6,308,973	60,112	6,369,085	5,114,527	237,500	5,352,027
Estates and bequests	4,820,567	-	4,820,567	8,007,760	-	8,007,760
Grants from Leader Dogs for the Blind Foundation	12,312,982	-	12,312,982	4,150,000	-	4,150,000
In-kind donations	267,042	-	267,042	158,809	-	158,809
Special events, net of expenses	396,311	-	396,311	514,610	-	514,610
Other operating revenue	168,038	-	168,038	769,632	-	769,632
Total	26,687,084	60,112	26,747,196	20,887,202	237,500	21,124,702
Net assets released from restrictions	389,039	(389,039)	-	184,520	(184,520)	-
Total public support and revenue	27,076,123	(328,927)	26,747,196	21,071,722	52,980	21,124,702
Expenses						
Program						
Training	12,723,345	-	12,723,345	12,718,742	-	12,718,742
Orientation and mobility	1,870,181	-	1,870,181	828,480	-	828,480
Volunteer engagement and community outreach	1,122,721	-	1,122,721	874,289	-	874,289
Canine Scent Detection Services	-	-	-	2,258,055	-	2,258,055
Leader Dogs for the Blind Foundation support	16,443	-	16,443	15,480	-	15,480
Total program	15,732,690	-	15,732,690	16,695,046	-	16,695,046
Supporting services						
General and administrative	2,036,084	-	2,036,084	3,064,361	-	3,064,361
Philanthropy	3,787,297	-	3,787,297	4,008,200	-	4,008,200
Total supporting services	5,823,381	-	5,823,381	7,072,561	-	7,072,561
Total expenses	21,556,071	-	21,556,071	23,767,607	-	23,767,607
Change in net assets before non-operating income (loss)	5,520,052	(328,927)	5,191,125	(2,695,885)	52,980	(2,642,905)
Non-operating (loss) income						
Net investment (loss) return	(133,058)	476,748	343,690	(99,083)	161,110	62,027
Change in value of beneficial interests in trusts	-	143,044	143,044	-	(106,649)	(106,649)
Impairment of property	-	-	-	(1,461,706)	-	(1,461,706)
Gain (loss) on disposal of property and equipment	6,350	-	6,350	(13,216)	-	(13,216)
Other	(16,159)	-	(16,159)	(12,122)	-	(12,122)
Total non-operating (loss) income, net	(142,867)	619,792	476,925	(1,586,127)	54,461	(1,531,666)
Change in net assets	5,377,185	290,865	5,668,050	(4,282,012)	107,441	(4,174,571)
Net assets, beginning of year	12,381,360	4,264,762	16,646,122	16,663,372	4,157,321	20,820,693
Net assets, end of year	\$ 17,758,545	\$ 4,555,627	\$ 22,314,172	\$ 12,381,360	\$ 4,264,762	\$ 16,646,122

The accompanying notes are an integral part of these consolidated financial statements.

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Consolidated Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services				Supporting Services		
	Training	Orientation and Mobility	Volunteer Engagement and Community Outreach	Foundation Support	General and Administrative	Philanthropy	
Compensation	\$ 7,024,779	\$ 1,108,170	\$ 550,743	\$ -	\$ 942,172	\$ 1,686,827	\$ 11,312,691
Employee benefits	1,766,787	300,338	149,208	-	262,622	401,106	2,880,061
Insurance	196,001	9,299	29,319	-	40,152	10,240	285,011
Repairs and maintenance	270,964	13,728	19,969	-	207,249	60,522	572,432
Professional fees	78,169	3,040	1,235	-	75,783	9,247	167,474
Outside services	457,576	52,988	102,083	-	119,006	212,165	943,818
Service fees	256,439	43,533	37,281	-	72,409	256,564	666,226
Direct mail	2,903	-	7,086	-	-	834,259	844,248
Facilities	343,819	11,897	13,035	-	25,287	7,093	401,131
Special events	-	-	-	-	-	203,339	203,339
Supplies	105,749	61,775	63,904	-	13,360	75,753	320,541
Travel	285,108	56,221	63,506	-	11,025	66,524	482,384
Canine operations	629,831	68,075	300	-	-	-	698,206
Client services	241,292	103,064	1,359	-	2,372	3,438	351,525
Promotional	16,206	3,286	4,697	-	788	8,132	33,109
Lions clubs	15,669	-	38,251	-	-	53,921	107,841
Depreciation	1,032,053	34,767	40,745	-	78,362	24,586	1,210,513
Interest	-	-	-	-	185,497	-	185,497
Bad debt	-	-	-	-	-	76,920	76,920
Contributions made	-	-	-	16,443	-	-	16,443
 Total expenses by function	 12,723,345	 1,870,181	 1,122,721	 16,443	 2,036,084	 3,990,636	 21,759,410
 Less expenses included in revenues on the consolidated statement of activities	 -	 -	 -	 -	 -	 (203,339)	 (203,339)
 Total expenses	 \$ 12,723,345	 \$ 1,870,181	 \$ 1,122,721	 \$ 16,443	 \$ 2,036,084	 \$ 3,787,297	 \$ 21,556,071

The accompanying notes are an integral part of these consolidated financial statements.

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Consolidated Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services					Supporting Services			Total Expenses
	Training	Orientation and Mobility	Volunteer Engagement and Community Outreach	Canine Scent Detection Services	Foundation Support	General and Administrative	Philanthropy		
Compensation	\$ 7,167,251	\$ 466,649	\$ 435,418	\$ 1,258,199	\$ -	\$ 1,230,469	\$ 1,867,721	\$ 12,425,707	
Employee benefits	1,861,652	121,174	111,130	139,920	-	286,771	426,827	2,947,474	
Insurance	157,411	3,053	21,712	65,262	-	206,832	9,656	463,926	
Repairs and maintenance	267,514	5,141	15,188	-	-	143,946	56,094	487,883	
Professional fees	81,897	2,844	2,528	-	-	217,046	21,191	325,506	
Outside services	350,352	24,516	96,482	43,637	-	106,494	162,873	784,354	
Service fees	160,199	22,495	19,564	-	-	77,147	321,307	600,712	
Direct mail	7,813	-	2,916	-	-	-	838,818	849,547	
Facilities	325,321	2,712	7,436	265,474	-	-	8,871	609,814	
Special events	-	-	-	-	-	-	165,393	165,393	
Supplies	169,570	28,480	64,898	21,626	-	47,768	100,478	432,820	
Travel	300,813	51,927	42,057	28,717	-	2,925	53,604	480,043	
Canine operations	618,017	-	-	299,786	-	303	-	918,106	
Client services	248,172	93,386	817	-	-	4,684	1,879	348,938	
Promotional	27,321	1,294	19,008	21,706	-	3,415	21,266	94,010	
Lions clubs	41,343	-	15,459	-	-	-	56,802	113,604	
Depreciation	934,096	4,809	19,676	-	-	307,244	22,765	1,288,590	
Interest	-	-	-	-	-	429,317	-	429,317	
Bad debt	-	-	-	113,728	-	-	38,048	151,776	
Contributions made	-	-	-	-	15,480	-	-	15,480	
Total expenses by function	12,718,742	828,480	874,289	2,258,055	15,480	3,064,361	4,173,593	23,933,000	
Less expenses included in revenues on the consolidated statement of activities	-	-	-	-	-	-	(165,393)	(165,393)	
Total expenses	\$ 12,718,742	\$ 828,480	\$ 874,289	\$ 2,258,055	\$ 15,480	\$ 3,064,361	\$ 4,008,200	\$ 23,767,607	

The accompanying notes are an integral part of these consolidated financial statements.

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Consolidated Statements of Cash Flows

	June 30	
	2024	2023
Cash flows from operating activities		
Cash received from contributions	\$ 8,689,488	\$ 7,645,939
Cash received from customers	179,140	841,509
Cash received from estates and bequests	7,313,312	6,760,297
Cash received from grants	12,312,982	4,150,000
Cash received from special events	599,650	680,003
Cash paid to and on the behalf of employees	(14,302,770)	(15,695,052)
Cash paid to suppliers and others	(5,489,635)	(7,036,092)
Interest paid	(238,216)	(376,598)
Net cash provided by (used in) operating activities	9,063,951	(3,029,994)
Cash flows from investing activities		
Proceeds from sales and redemptions of investments	172,632	439,577
Purchases of investments	(342,348)	(403,122)
Proceeds from sales of property and equipment	1,906,350	93,601
Purchases and construction of property and equipment	(229,516)	(1,742,760)
Net cash provided by (used in) investing activities	1,507,118	(1,612,704)
Cash flows from financing activities		
Payments received on pledges	185,419	162,411
Proceeds from line of credit	-	3,123,500
Payments on line of credit	(9,291,698)	-
Net cash (used in) provided by financing activities	(9,106,279)	3,285,911
Net change in cash and cash equivalents	1,464,790	(1,356,787)
Cash and cash equivalents, beginning of year	1,385,098	2,741,885
Cash and cash equivalents, end of year	\$ 2,849,888	\$ 1,385,098

The accompanying notes are an integral part of these consolidated financial statements.

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Notes to Consolidated Financial Statements

1. NATURE OF ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Leader Dogs for the Blind ("Leader Dogs") is dedicated to empowering people who are blind or visually impaired with lifelong skills for safe and independent daily travel. Since its incorporation in 1939 as a not-for-profit organization, Leader Dogs has successfully matched and graduated over 15,700 person/dog teams. As the second guide dog organization founded in the United States, Leader Dogs provides services to both national and international clients at its Rochester Hills, Michigan facility. Leader Dogs programs include guide dog training, orientation and mobility training, volunteer engagement and community outreach. In addition, Leader Dogs may make periodic contributions to an affiliate, Leader Dogs for the Blind Foundation ("Foundation") (Note 10), in accordance with Leader Dogs liquidity and spending policy, which is considered a program expense.

Canine Scent Detection Services ("Canine Scent Detection") is a not-for-profit supporting organization of Leader Dogs that bred, raised, and trained dogs specifically for munitions and explosives scent detection. Canine Scent Detection ceased operations in June 2023.

Collectively, Leader Dogs and Canine Scent Detection are referred to as the "Organization".

Basis of Presentation

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") to focus on the Organization as a whole and to present transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of transactions into two classes of net assets - net assets without donor restrictions and net assets with donor restrictions.

Net assets and revenues and support, expenses and gains or losses are classified based on the existence or absence of donor-imposed restrictions.

Net Assets Without Donor Restrictions - Net assets without donor restrictions are available for use at the discretion of management and/or the Board of Trustees for general operating purposes.

Net Assets With Donor Restrictions - Net assets with donor restrictions consists of contributions that have been restricted by the donor for specific purposes or are time restricted. 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.

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Notes to Consolidated Financial Statements

Revenues and support are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions, unless restricted by the donor or law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

The Organization's operating revenue in excess of operating expense includes all operating revenues and expenses that are an integral part of its programs and supporting activities and the assets released from donor restrictions to support operating expenditures. The measure of operations excludes net investment return, the change in the value of the beneficial interests in trust, impairment charges, and the gains/losses on disposal of property and equipment.

Principles of Consolidation

These consolidated financial statements include the accounts of Leader Dogs for the Blind and its supporting organization, Canine Scent Detection. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Organization primarily deposits cash with major banks within the State of Michigan and at times may maintain balances that exceed federally insured limits. The Organization has not experienced any losses in such accounts, and management believes the Organization is not exposed to any significant interest rate or other financial risk as a result of these deposits. The Organization has not experienced any credit losses and does not believe it is exposed to any significant credit losses on its cash equivalents.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Certificates of Deposit

Certificates of deposit are held at a major bank with a high credit rating and also fully covered by FDIC insurance at June 30, 2024. Therefore, management does not believe the Organization is exposed to significant credit risk in respect to these certificates of deposit. Certificates of deposit are classified as current or noncurrent based upon their maturity date when purchased and are carried at amortized cost.

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Notes to Consolidated Financial Statements

Pledges and Contributions

Pledges and contributions are recognized as support when they represent an unconditional promise to give; absent of such promise, revenue is recognized when the intent to give is collected. Amounts that are expected to be collected in future years are initially recorded at their estimated fair value using a probability weighted, discounted rate adjusted present value model. The unamortized discount represents the adjustment required to record promises expected to be received in future years at their fair value. Amortization of the discount is recorded as additional support and used in accordance with any donor-imposed restrictions over the promise period.

After initially being recorded at fair value as previously discussed, unconditional promises to give are stated at the amounts management expects to collect from outstanding balances. The Organization provides for a probable uncollectible amount through an expense in the consolidated statement of activities and a credit to a valuation allowance based on management's assessment of the current status of individual accounts. Balances that are still outstanding after the Organization has attempted reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable receivable account. No such allowance was considered necessary at June 30, 2024 or 2023.

Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. There were no conditional promises to give at June 30, 2024 and 2023.

Revenue from Contracts with Customers

Other revenue on the consolidated statements of activities consists of revenue related to the gift shop and souvenir purchases as well as the training and sale of dogs by Canine Scent Detection. Revenue is earned at the point in time sales occur. Variable consideration has not been historically significant and the Organization does not have significant refunds. The exchange component of special events is not significant. The Organization does not include sales and other taxes in the transaction price and thus does not recognize these amounts as revenue.

Receivables from contracts with customers were as follows for the years ended June 30:

	2024	2023
Accounts receivable, beginning of the year	\$ 11,102	\$ 82,979
Accounts receivable, end of the year	\$ -	\$ 11,102

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Notes to Consolidated Financial Statements

Donated Materials, Supplies and Services

At times, the Organization receives support through donations of materials, supplies, and services. These amounts are recorded at their estimated fair value at the date of receipt. In-kind contributions included in the consolidated statements of activities are comprised of the following for the years ended June 30:

	2024	2023
Medication	\$ 116,637	\$ 71,538
Dog food	107,752	60,567
Vet services	10,237	4,110
Services	16,358	20,060
Supplies	<u>16,058</u>	<u>2,534</u>
Total in-kind contributions	<u>\$ 267,042</u>	<u>\$ 158,809</u>

The Organization estimates the fair value of dog food, supplies, medication, and services on the basis of estimates of values that would be charged by vendors for identical items and services. These contributions were utilized within the training program in the year they were received.

Investments

Investment securities purchased are stated at fair value, which is based on quoted market prices. Investment securities received as gifts are initially recorded at fair value at the date of donation. Income from investments, including realized and unrealized gains and losses, is allocated among net assets with donor restrictions and without donor restrictions based on donor restrictions or the absence thereof. Realized gains and losses are determined using the specific identification method. Investment return is reported net of external investment expenses.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the fair value of investment securities will occur in the near term and such changes could materially affect the amounts reported in these consolidated financial statements.

Beneficial Interests in Trusts

Certain donors to the Organization have entered into irrevocable trust arrangements under which the Organization (and in some cases other beneficiaries) is entitled to receive future benefits. Under a perpetual trust, a donor requires that the trust's assets must be held in perpetuity, and stipulates the amount or percentage of trust income distributions that the Organization may receive. Generally, such distributions bear no donor restrictions. The carrying value of these assets are equal to the fair value of the total investments held in the trust.

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Notes to Consolidated Financial Statements

Under a remainder trust, a donor indicates that the Organization is to receive the trust's "remainder" after other beneficiaries receive their required distributions. Often, multiple beneficiaries are entitled to distributions before the Organization receives the remainder. Such distributions may or may not be limited to the trust's income, and the actual ages and number of beneficiaries may vary widely. Further, demographic information about these beneficiaries may not be available to the Organization. As a result, there are inherent uncertainties in determining the present value of the remainder interest, which approximates fair value. Accordingly, the Organization does not estimate a value for any remainder interest where management believes accurate information about beneficiaries, underlying trust assets and/or the nature of distributions available to beneficiaries is not reasonably determinable. Currently, these consolidated financial statements do not include any beneficial interests relating to remainder trusts.

Fair Value Measurement

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data, such as the reporting entity's own data.

For assets and liabilities recorded at fair value, it is the Organization's policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurement for those financial instruments for which there is an active market. In cases where the market for a financial asset or liability is not active, the Organization includes appropriate risk adjustments that market participants would make for nonperformance and liquidity risks when developing fair value measurement. Fair value measurements for assets and liabilities for which limited, or no observable market data exists are accordingly based primarily upon estimates, are often calculated based on the economic and competitive environment, the characteristics of the asset or liability and other factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent uncertainties in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows, could significantly affect the results of current or future values. For a further discussion of Fair Value Measurement, refer to Note 3.

Property and Equipment and Depreciation

Purchased property and equipment are stated at cost less depreciation. Donated property and equipment is recorded at its estimated fair value at the date of the gift. Major improvements are capitalized while ordinary maintenance and repairs are expensed. Management reviews these assets to determine whether carrying values have been impaired whenever events or changes in circumstances indicate the related carrying value may not be recoverable. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets, which range from 3 to 30 years.

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Notes to Consolidated Financial Statements

Property and Equipment Held for Sale

Property and equipment held for sale was reported at the lower of the carrying amount or fair value and were no longer depreciated. During the year ended June 30, 2023, management concluded these assets were impaired, as the estimated fair value less costs to sell was lower than the carrying basis. See Note 4.

Fundraising Costs

The Organization engages in philanthropic and fundraising activities throughout the year. Such activities, however, do not include significant joint costs that allow allocation among the program services.

Functional Allocation of Expenses

Direct expenses, which can be clearly defined as incurred for a specific program are charged to that program. Natural expenses attributable to more than one functional expense category are allocated using a reasonable cost allocation method. Salaries and related employee benefits have been allocated to programs and services based on estimated time and effort. Other expenses are allocated based on estimates of usage.

Volunteer Services

Many individuals volunteer their time and perform a variety of tasks that assist the Organization in running its programs. Over 1,000 individuals volunteer their time to support the Organization in running its programs, including nearly 350 who raise, train, and socialize puppies during their first year of life. Volunteer hours total 34,000 hours and fair value of just over \$1.1M during the fiscal year ending June 30, 2024. These figures do not include off-campus puppy raisers and breeding stock hosts or Trustee and Volunteer Non-Trustee service hours. While these services are most important and noteworthy, the total value of these services does not meet the accounting requirements for recognition in these consolidated financial statements and no value has been recorded for the years ended June 30, 2024 and 2023.

Leases

Management determines whether an arrangement contains a lease at the arrangement's inception. If a lease is determined to exist, its related term is assessed at lease commencement, once the underlying asset is made available by the lessor for the Organization's use. The Organization's assessment of the lease term reflects the non-cancellable period of the lease, inclusive of any rent-free periods and/or periods covered by early-termination options for which the Organization is not considered reasonably certain of exercising, as well as periods covered by renewal options for which it is considered reasonably certain of exercising. Management also determines lease classification as either operating or finance at lease commencement, which governs the pattern of expense recognition and the presentation thereof reflected in the consolidated statement of activities and change in net assets over the lease term.

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Notes to Consolidated Financial Statements

For leases with a lease term exceeding 12 months, a lease liability is recorded on the Organization's consolidated statement of financial position at lease commencement reflecting the present value of its fixed payment obligations over such term. A corresponding right-of-use ("ROU") asset equal to the initial lease liability is also recorded, increased by any prepaid rent and/or initial direct costs incurred in connection with execution of the lease, and reduced by any lease incentives received. The Organization includes fixed payment obligations related to non-lease components in the measurement of ROU assets and lease liabilities, as it elects to account for lease and non-lease components together as a single lease component. Variable lease payments are not included in the measurement of ROU assets and lease liabilities.

For operating leases, fixed lease payments are recognized as operating lease cost on a straight-line basis over the lease term. For finance leases, the initial ROU asset is depreciated on a straight-line basis over the lease term, along with recognition of interest expense associated with accretion of the lease liability, which is ultimately reduced by the related fixed payments as they are made. For leases with a lease term of 12 months or less (referred to as a "short-term lease"), any fixed lease payments are recognized on a straight-line basis over such term and are not recognized on the consolidated statements of financial position. Variable lease cost, if any, is recognized as incurred for all leases.

Income Taxes

Leader Dogs and Canine Scent Detection are recognized as nonprofit organizations that are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organizations are organized under the laws of the State of Michigan as nonprofit organizations and are exempt from state and local income taxes. The Organizations evaluate uncertain income tax positions which would impact their nontaxable status or result in unrelated business income tax, and believe there are no uncertain income tax positions of significance that are required to be recorded or disclosed in these consolidated financial statements.

Management analyzed the Organizations' income tax filing positions in the federal and state jurisdictions where they are required to file income tax returns, for all open tax years in these jurisdictions, to identify potential uncertain tax positions. Management has concluded that there are no significant uncertain tax positions requiring recognition in the Organizations' consolidated financial statements. Generally, the Organization is no longer subject to income tax examinations for years prior to fiscal 2021.

Change in Accounting Principle

The Financial Accounting Standards Board issued Accounting Standards Update No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, in June 2016. The standard replaced the incurred loss impairment methodology with a new methodology that reflects current expected credit losses ("CECL") on financial assets, including receivables and certain off-balance sheet commitments. The new methodology requires the measurement of all expected credit losses based on historical experience, current economic conditions, and reasonable and supportable forecasts. The standard also expands the required quantitative and qualitative disclosures for expected credit losses. On July 1, 2023, the Organization adopted the standard using a modified retrospective method. The adoption of this standard did not have a material impact on these consolidated financial statements.

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Notes to Consolidated Financial Statements

Subsequent Events

In preparing these consolidated financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to June 30, 2024, the most recent consolidated statement of financial position presented herein, through November 12, 2024, the date these consolidated financial statements were available to be issued. No significant such events or transactions were identified.

2. PLEDGES RECEIVABLE

Pledges are expected to be collected in the following fiscal years ending June 30:

Fiscal Year	Amount
2025	\$ 153,613
2026	69,375
2027	42,500
2028	<u>30,000</u>
Net pledges receivable	<u>\$ 295,488</u>

At June 30, 2024 and 2023, management determined a discount to net present value was not significant. During the year ended June 30, 2024, and 2023, \$76,920 and \$151,776 in pledges were written off as uncollectable, respectively.

3. INVESTMENTS AND FAIR VALUE MEASUREMENT

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Notes to Consolidated Financial Statements

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis. The description includes an indication of the level of the fair value hierarchy in which the assets are classified. There have been no changes in the methodologies used at June 30, 2024 and 2023.

Mutual funds: Shares held in mutual funds are valued at quoted market prices that represent the Net Asset Value ("NAV") of shares held by the Organization at year end and are classified as Level 1. The NAV is based on the value of the underlying assets owned by the fund, less its liabilities, then divided by the number of shares outstanding. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price and, therefore, are deemed to be actively traded.

Corporate bonds: Certain corporate bonds valued at the closing price reported in the active market in which the bond is traded are classified as Level 1.

Common stocks: Level 1 fair value measurement is based upon the closing price reported on the active market in which the individual securities are traded.

Government securities: Level 1 fair value measurement is determined by using pricing models maximizing the use of observable inputs for similar securities.

Beneficial interests in trusts: The underlying trusts' assets cannot be liquidated or redeemed by the Organization. As such, no quoted prices or active market are available for these assets and are classified as Level 3. As a practical expedient, the carrying value of these assets are equal to the fair value of the total investments held in the trust.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Notes to Consolidated Financial Statements

Assets Recorded at Fair Value on a Recurring Basis

The following tables present the recorded amount of assets measured at fair value on a recurring basis at June 30:

2024	Level 1	Level 2	Level 3	Total
Investments				
Corporate bonds	\$ 1,411,999	\$ -	\$ -	\$ 1,411,999
Mutual funds				
Equity	371,479	-	-	371,479
Bond	162,578	-	-	162,578
Common stocks	829,412	-	-	829,412
Government securities	49,488	-	-	49,488
Total investments	\$ 2,824,956	\$ -	\$ -	\$ 2,824,956
Beneficial interests in trusts	\$ -	\$ -	\$ 1,164,082	\$ 1,164,082
2023	Level 1	Level 2	Level 3	Total
Investments				
Corporate bonds	\$ 1,296,333	\$ -	\$ -	\$ 1,296,333
Mutual funds				
Equity	294,362	-	-	294,362
Bond	118,552	-	-	118,552
Common stocks	739,851	-	-	739,851
Total investments	\$ 2,449,098	\$ -	\$ -	\$ 2,449,098
Beneficial interests in trusts	\$ -	\$ -	\$ 1,021,038	\$ 1,021,038

Assets Recorded at Fair Value on a Non-recurring Basis

The following table sets forth by level, within the fair value hierarchy, the recorded amount of assets measured at fair value on a non-recurring basis at June 30, 2023. These assets were valued based on a letter of intent to purchase at June 30, 2023. These assets were sold in 2024 for \$1,900,000.

2023	Assets at Carrying Value			
	Level 1	Level 2	Level 3	Total
Property (held for sale)	\$ -	\$ -	\$ 1,900,000	\$ 1,900,000

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Notes to Consolidated Financial Statements

4. PROPERTY AND EQUIPMENT (INCLUDING HELD FOR SALE)

Major classes of property and equipment are summarized as follows at June 30:

	2024	2023
Buildings	\$ 30,342,360	\$ 30,139,579
Furniture and equipment	2,695,102	2,871,081
Vehicles	1,208,756	1,282,186
Land improvements	1,130,068	1,106,122
Land	419,541	419,541
Construction in progress	<hr/> -	<hr/> 73,645
 Total property and equipment	 35,795,827	 35,892,154
Less accumulated depreciation	<hr/> 19,803,572	<hr/> 18,918,901
 Net property and equipment	 <u>\$ 15,992,255</u>	 <u>\$ 16,973,253</u>

Property and Equipment Held for Sale

During 2023, the Board made a decision that Canine Scent Detection will be sold or otherwise disposed of and Leader Dogs will not be utilizing the Canine Scent Detection building for any other purposes. The building was listed for sale during 2023 and was no longer in use at June 30, 2023, and was classified as held for sale. During the year ended June 30, 2023, the Organization determined that the carrying value of the Canine Scent Detection building exceeded its fair value (Note 3) and that the impairment was not temporary. Accordingly, the Organization recognized \$1,461,706 of impairment charges on these assets in 2023. Estimated fair value was determined using significant unobservable inputs (Level 3) based on a market approach. See also Note 3.

5. LINE OF CREDIT

On August 2, 2019, Leader Dogs entered into a line of credit agreement with a bank of which \$9,291,698 was outstanding at June 30, 2023. This line of credit was used to purchase a building intended to be utilized by Canine Scent Detection and to complete the related renovations. The outstanding balance on the line of credit agreement was paid off in October 2023 with the proceeds from the sale of the Canine Scent Detection building and a contribution from the Foundation totaling approximately \$7,500,000.

On March 19, 2024, Leader Dogs entered into a line of credit agreement with a bank with a principal amount of \$5,000,000, of which no draws have been made as of June 30, 2024. This line of credit has a maturity date of February 5, 2025 and a variable interest rate. The line of credit is guaranteed by the Foundation.

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Notes to Consolidated Financial Statements

6. LEASES

The Organization conducts a portion of its operations with leased property and equipment with varying short-term arrangements including month to month extensions. Net rental expense on these short-term leases was approximately \$88,000 and \$86,000 for 2024 and 2023, respectively.

7. NET ASSETS WITH DONOR RESTRICTIONS AND ENDOWMENTS

Net assets with donor restrictions are restricted for the following purposes or periods at June 30:

	2024	2023
Subject to expenditure for specified purpose		
Grants	\$ 20,112	\$ 232,500
Subject to the passage of time		
Charitable gift annuities	517,049	332,965
Irrevocable life insurance policies	179,871	193,418
Total	<u>717,032</u>	<u>758,883</u>
 Endowments		
Subject to appropriation and expenditure		
Accumulated investment gains restricted by donors	170,933	21,262
Perpetual in nature, earnings from which are subject to endowment spending policy and appropriations		
Donor-restricted endowments	<u>2,503,580</u>	<u>2,463,579</u>
Total endowments	<u>2,674,513</u>	<u>2,484,841</u>
 Perpetual in nature, not subject to spending policy and appropriations		
Beneficial interests in perpetual trust	<u>1,164,082</u>	<u>1,021,038</u>
Total net assets with donor restrictions	<u>\$ 4,555,627</u>	<u>\$ 4,264,762</u>

Endowments

When an endowment is underwater, it is the Organization's intent to reinvest any dividends and interest until the endowment is made whole, at which time, the Organization will withdraw such dividends and interest for unrestricted use.

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Notes to Consolidated Financial Statements

Interpretation of Relevant Law

In accordance with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), the Board of Trustees of the Organization has interpreted Michigan law for the State Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts donated to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not perpetual in nature is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization, in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization 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 Organization
- (7) The investment policies of the Organization

Following is a summary of the Organization's endowment and changes therein for the years ended June 30:

	2024 With Donor Restrictions	2023 With Donor Restrictions
Endowment net assets comparison by type of fund as of June 30		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity	\$ 2,503,580	\$ 2,463,579
Accumulated investment gains	<u>170,933</u>	<u>21,262</u>
Total donor-restricted endowments	<u>\$ 2,674,513</u>	<u>\$ 2,484,841</u>
Changes in endowment net assets for the years ended June 30		
Net investment income	\$ 292,664	\$ 192,071
Contributions	40,000	5,000
Appropriation of endowment assets for expenditure	<u>(142,992)</u>	<u>(112,815)</u>
Changes to endowment net assets	189,672	84,256
Endowment net assets		
Beginning of year	<u>2,484,841</u>	<u>2,400,585</u>
End of year	<u>\$ 2,674,513</u>	<u>\$ 2,484,841</u>

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Notes to Consolidated Financial Statements

Return Objectives and Risk Parameters

The Organization has adopted investment policies for donor-restricted endowment assets to achieve a consistent total rate of return (income and reinvested funds) within reasonable and prudent levels of risk that will generate a sufficient income stream while preserving and enhancing the original principal of funds invested.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives of the donor-restricted endowments, the Organization maintains a portfolio of fixed income investments, possibly including cash and cash equivalents. The investments are limited to mutual funds, equity securities, common stocks, corporate notes and bonds, mortgage backed bonds, preferred stock and international bonds. The investments carry conservative to moderate risk. The investments shall be so diversified as to minimize the risk of capital losses, and they are managed for long-term growth and maximum capital appreciation.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The investments held for donor-restricted endowments have a spending policy of utilizing up to all of the net investment income for general purposes, as the cash flows and other financial requirements dictate.

8. DEFINED CONTRIBUTION PLAN

The Organization sponsors a defined contribution plan that is available to substantially all employees. Participants may make basic contributions of their compensation up to the legal limit prescribed by Section 401(k) of the Internal Revenue Code. The Plan requires the Organization to make a matching contribution up to a maximum of 5% of each participant's compensation. In addition, the Organization may make a discretionary matching contribution of up to 5% of eligible compensation for participants who were hired on or before December 31, 2006. The Organization contributed a total of \$538,389 and \$544,285 in 2024 and 2023, respectively, for matching contributions. The Organization also made a discretionary employer contribution of \$53,540 and \$87,598 in 2024 and 2023, respectively.

9. DEFERRED COMPENSATION PLAN

The Organization offers certain employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan, available to highly compensated employees, permits them to defer a portion of their salary until termination, retirement, death, or unforeseeable emergency. No discretionary matching employer contribution was made in 2024. The Organization made a discretionary matching employer contribution of approximately \$33,000 in 2023. Included in prepaid expenses and other is \$418,679, included in cash is \$137,381, and included in accrued payroll and other liabilities is \$556,060 as of June 30, 2024 related to the plan. Certain plan assets were liquidated during 2024 in preparation for distributions to be made through December 31, 2024. Included in prepaid expenses and other as well as accrued payroll and other liabilities is \$529,050 as of June 30, 2023, related to the plan.

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Notes to Consolidated Financial Statements

10. RELATED PARTY TRANSACTIONS

The Foundation is a separate legal entity established as a 501(c)(3) not-for-profit corporation and governed by its own board of directors to receive and administer funds for Leader Dogs, make grants solely to Leader Dogs, and provide clear direction, independent oversight, and stewardship for the funds gifted from Leader Dogs.

Historically, the Foundation will grant an amount no less than 5% of the Foundation's prior year's average monthly net assets to Leader Dogs. Leader Dogs received grants from the Foundation of \$12,312,982 and \$4,150,000 during the years ended June 30, 2024 and 2023, respectively. As disclosed in Note 5, the Foundation made an additional contribution of \$7,500,000 during 2024 to allow the Organization to repay the outstanding line of credit in full following the sale of the Canine Scent Detection building.

Leader Dogs has a liquidity and spending policy to gift any non-restricted cash that exceeds 60 days of budgeted operating costs at the end of each fiscal year to the Foundation. Based on this policy, the Organization did not contribute to the Foundation during the year ended June 30, 2024 or 2023.

Leader Dogs also provided managerial and accounting services to the Foundation. These services amounted to approximately \$16,000 and \$15,000 for the years ended June 30, 2024 and 2023, respectively. This is reported as contributions to the Foundation.

Canine Scent Detection provided services amounting to approximately \$120,000 during 2023, to an entity whose CEO held board leadership roles at Leader Dogs and/or Canine Scent Detection during 2023.

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Notes to Consolidated Financial Statements

11. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following at June 30:

	2024	2023
Financial assets		
Cash and cash equivalents	\$ 2,849,888	\$ 1,385,098
Certificates of deposit	120,231	165,702
Receivables	111,595	2,644,175
Pledges receivable	295,488	250,907
Investments	2,824,956	2,449,098
Beneficial interests in trust	<u>1,164,082</u>	<u>1,021,038</u>
 Total financial assets held by the Organization	 7,366,240	 7,916,018
 Less amounts with limits on usage		
Spendable net assets with donor purpose restrictions	20,112	232,500
Spendable net assets with donor time restrictions	696,920	526,383
Endowment assets subject to endowment spending policy and appropriation	2,503,580	2,463,579
Beneficial interests in perpetual trusts not subject to spending policy or appropriation	<u>1,164,082</u>	<u>1,021,038</u>
 Total financial assets available for general use within one year	 <u>\$ 2,981,546</u>	 <u>\$ 3,672,518</u>

The Organization has a Finance Committee, which along with the Board of Trustees has established an investment policy statement for the Organization's investments. The investment policy addresses the preservation of capital, risk aversion, and adherence to investment discipline. Note 10 further describes the Organization's liquidity and spending policy as it relates to excess cash.



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

November 12, 2024

Board of Trustees
Leader Dogs For the Blind and Supporting Organization
Rochester Hills, Michigan

We have audited the consolidated financial statements of ***Leader Dogs for the Blind and Supporting Organization*** (a nonprofit organization), as of and for the years ended June 30, 2024 and 2023, and have issued our report thereon dated November 12, 2024, which expressed an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements as a whole. The consolidating information, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in our audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Rehmann Lobsan LLC



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**SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEARS ENDED
JUNE 30, 2024 AND 2023**

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Consolidating Schedule of Financial Position

June 30, 2024

ASSETS	Leader Dogs for the Blind	Canine Scent Detection Services	Eliminations	Total
Current assets				
Cash and cash equivalents	\$ 2,849,888	\$ -	\$ -	\$ 2,849,888
Certificates of deposit	71,587	-	-	71,587
Contributions receivable	111,595	-	-	111,595
Current portion of pledges receivable	153,613	-	-	153,613
Prepaid expenses and other	<u>772,634</u>	<u>-</u>	<u>-</u>	<u>772,634</u>
Total current assets	3,959,317			3,959,317
Pledges receivable, net of current portion and allowance	141,875	-	-	141,875
Investments (including charitable gift annuities of \$517,049)	2,824,956	-	-	2,824,956
Certificates of deposit	48,644	-	-	48,644
Beneficial interests in trusts	1,164,082	-	-	1,164,082
Property and equipment, net	<u>15,992,255</u>	<u>-</u>	<u>-</u>	<u>15,992,255</u>
Total assets	\$ 24,131,129	\$ -	\$ -	\$ 24,131,129
LIABILITIES AND NET ASSETS				
Liabilities				
Current liabilities				
Accounts payable	\$ 374,983	\$ -	\$ -	\$ 374,983
Accrued payroll and other	<u>1,288,731</u>	<u>-</u>	<u>-</u>	<u>1,288,731</u>
Total current liabilities	1,663,714			1,663,714
Gift annuity liability	<u>153,243</u>	<u>-</u>	<u>-</u>	<u>153,243</u>
Total liabilities	1,816,957			1,816,957
Net assets				
Without donor restrictions	17,758,545	-	-	17,758,545
With donor restrictions	<u>4,555,627</u>	<u>-</u>	<u>-</u>	<u>4,555,627</u>
Total net assets	22,314,172			22,314,172
Total liabilities and net assets	\$ 24,131,129	\$ -	\$ -	\$ 24,131,129

See independent auditors' report on supplementary information.

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Consolidating Schedule of Financial Position

June 30, 2023

ASSETS	Leader Dogs for the Blind	Canine Scent Detection Services	Eliminations	Total
Current assets				
Cash and cash equivalents	\$ 1,371,704	\$ 13,394	\$ -	\$ 1,385,098
Certificates of deposit	49,895	-	-	49,895
Contributions receivable	2,633,073	-	-	2,633,073
Current portion of pledges receivable	129,232	-	-	129,232
Accounts receivable	-	11,102	-	11,102
Prepaid expenses and other	921,242	-	-	921,242
Total current assets	5,105,146	24,496	-	5,129,642
Pledges receivable, net of current portion and allowance	121,675	-	-	121,675
Investments (including charitable gift annuities of \$332,964)	2,449,098	-	-	2,449,098
Certificates of deposit	115,807	-	-	115,807
Beneficial interests in trusts	1,021,038	-	-	1,021,038
Property and equipment, net	18,873,253	-	-	18,873,253
Total assets	\$ 27,686,017	\$ 24,496	\$ -	\$ 27,710,513
LIABILITIES AND NET ASSETS				
Liabilities				
Current liabilities				
Accounts payable	\$ 355,427	\$ 15,787	\$ -	\$ 371,214
Accrued payroll and other	1,312,708	-	-	1,312,708
Line of credit	9,291,698	-	-	9,291,698
Total current liabilities	10,959,833	15,787	-	10,975,620
Gift annuity liability	88,771	-	-	88,771
Total liabilities	11,048,604	15,787	-	11,064,391
Net assets				
Without donor restrictions	12,372,651	8,709	-	12,381,360
With donor restrictions	4,264,762	-	-	4,264,762
Total net assets	16,637,413	8,709	-	16,646,122
Total liabilities and net assets	\$ 27,686,017	\$ 24,496	\$ -	\$ 27,710,513

See independent auditors' report on supplementary information.

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Consolidating Schedule of Activities

Year Ended June 30, 2024

	Without Donor Restrictions		With Donor Restrictions	Consolidating Entries	Total
	Leader Dogs for the Blind	Canine Scent Detection Services	Leader Dogs for the Blind		
Public support and revenue					
Lions' contributions	\$ 2,413,171	\$ -	\$ -	\$ -	\$ 2,413,171
Other contributions	6,308,973	-	60,112	-	6,369,085
Estates and bequests	4,820,567	-	-	-	4,820,567
Grants from Leader Dogs for the Blind Foundation	12,312,982	-	-	-	12,312,982
In-kind donations	267,042	-	-	-	267,042
Special events, net of expenses	396,311	-	-	-	396,311
Other operating revenue	154,015	14,023	-	-	168,038
Total	26,673,061	14,023	60,112	-	26,747,196
Net assets released from restrictions	389,039	-	(389,039)	-	-
Total public support and revenue	27,062,100	14,023	(328,927)	-	26,747,196
Expenses					
Program					
Training	12,723,345	-	-	-	12,723,345
Orientation and mobility	1,870,181	-	-	-	1,870,181
Volunteer engagement and community outreach	1,122,721	-	-	-	1,122,721
Leader Dogs for the Blind Foundation support	16,443	-	-	-	16,443
Total program	15,732,690	-	-	-	15,732,690
Supporting services					
General and administrative	2,036,084	-	-	-	2,036,084
Philanthropy	3,787,297	-	-	-	3,787,297
Total supporting services	5,823,381	-	-	-	5,823,381
Total expenses	21,556,071	-	-	-	21,556,071
Change in net assets before non-operating income (loss)	5,506,029	14,023	(328,927)	-	5,191,125
Non-operating (loss) income					
Net investment (loss) income	(133,058)	-	476,748	-	343,690
Change in value of beneficial interests in trusts	-	-	143,044	-	143,044
Gain on disposal of property and equipment	6,350	-	-	-	6,350
Other	(16,159)	-	-	-	(16,159)
Total non-operating (loss) income, net	(142,867)	-	619,792	-	476,925
Change in net assets	5,363,162	14,023	290,865	-	5,668,050
Net assets, beginning of year	12,372,651	8,709	4,264,762	-	16,646,122
Transfer of net assets	22,732	(22,732)	-	-	-
Net assets, end of year	\$ 17,758,545	\$ -	\$ 4,555,627	\$ -	\$ 22,314,172

See independent auditors' report on supplementary information.

LEADER DOGS FOR THE BLIND AND SUPPORTING ORGANIZATION

Consolidating Schedule of Activities

Year Ended June 30, 2023

	Without Donor Restrictions		With Donor Restrictions		Consolidating Entries	Total
	Leader Dogs for the Blind	Canine Scent Detection Services	Leader Dogs for the Blind			
Public support and revenue						
Lions' contributions	\$ 2,171,864	\$ -	\$ -	\$ -		\$ 2,171,864
Other contributions	5,091,512	23,015	237,500	-		5,352,027
Estates and bequests	8,007,760	-	-	-		8,007,760
Grants from Leader Dogs for the Blind Foundation	4,150,000	-	-	-		4,150,000
In-kind donations	158,809	-	-	-		158,809
Special events, net of expenses	514,610	-	-	-		514,610
Other operating revenue	12,048	757,584	-	-		769,632
Total	20,106,603	780,599	237,500	-		21,124,702
Net assets released from restrictions	184,520	-	(184,520)	-		-
Total public support and revenue	20,291,123	780,599	52,980	-		21,124,702
Expenses						
Program						
Training	12,718,742	-	-	-		12,718,742
Orientation and mobility	828,480	-	-	-		828,480
Volunteer engagement and community outreach	874,289	-	-	-		874,289
Canine Scent Detection Services	-	2,258,055	-	-		2,258,055
Leader Dogs for the Blind Foundation support	15,480	-	-	-		15,480
Total program	14,436,991	2,258,055	-	-		16,695,046
Supporting services						
General and administrative	2,654,634	409,727	-	-		3,064,361
Philanthropy	4,008,200	-	-	-		4,008,200
Total supporting services	6,662,834	409,727	-	-		7,072,561
Total expenses	21,099,825	2,667,782	-	-		23,767,607
Change in net assets before non-operating (loss) income	(808,702)	(1,887,183)	52,980	-		(2,642,905)
Non-operating (loss) income						
Net investment (loss) income	(99,083)	-	161,110	-		62,027
Change in value of beneficial interests in trusts	-	-	(106,649)	-		(106,649)
Impairment of property	(1,461,706)	-	-	-		(1,461,706)
Loss on disposal of property and equipment	(5,909)	(7,307)	-	-		(13,216)
Other	(12,122)	-	-	-		(12,122)
Total non-operating (loss) income, net	(1,578,820)	(7,307)	54,461	-		(1,531,666)
Change in net assets	(2,387,522)	(1,894,490)	107,441	-		(4,174,571)
Net assets, beginning of year	16,241,503	421,869	4,157,321	-		20,820,693
Transfer of net assets	(1,481,330)	1,481,330	-	-		-
Net assets, end of year	\$ 12,372,651	\$ 8,709	\$ 4,264,762	\$ -		\$ 16,646,122

See independent auditors' report on supplementary information.