ISRAEL GUIDE DOG CENTER FOR THE BLIND

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

(See Independent Auditors' Report)

TABLE OF CONTENTS

BEE BERGVALL & CO.
Certified Public Accountants
936 Easton Rd., PO Box 754, Warrington, PA 18976 | 130 Almshouse Rd., Suite 201A, Richboro, PA 18954
215-343-2727 | www.bbco-cpa.com

Independent Auditors' Report

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

Opinion

We have audited the accompanying financial statements of Israel Guide Dog Center for the Blind (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Israel Guide Dog Center for the Blind as of December 31, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 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 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 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 Summarized Comparative Information

We have previously audited Israel Guide Dog Center for the Blind's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 11, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bee, Bergvall & Co.

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

Warrington, PA
February 10, 2023

ISRAEL GUIDE DOG CENTER FOR THE BLIND

Statements of Financial Position

December 31, 2022 and 2021

	2022	2021
Current Assets		
Cash and cash equivalents	$ 948,384	$ 677,286
Investments	9,739,113	11,558,688
Contributions receivable	80,316	-
Pledges receivable, current	105,500	79,000
Beneficial interest in trust, current	33,000	33,000
Prepaid expenses	2,892	-
Total Current Assets	10,909,205	12,347,974
Restricted Assets		
Cash and cash equivalents	211,532	239,739
Investments	7,672,928	9,192,481
Total Restricted Assets	7,884,460	9,432,220
Succession insurance investment		538,058
Pledges receivable, net of current	228,928	286,186
Beneficial interest in trust, net of current	61,659	108,160
TOTAL ASSETS	$ 19,631,861	$ 22,712,598

LIABILITIES AND NET ASSETS

	2022	2021
Net Assets		
Without Donor Restrictions		
Board designated	$ 6,791,549	$ 7,943,319
Undesignated	10,140,312	12,069,279
Total Without Donor Restrictions	16,931,861	20,012,598
With Donor Restrictions - Perpetual in Nature	2,700,000	2,700,000
Total Net Assets	19,631,861	22,712,598
TOTAL LIABILITIES AND NET ASSETS	$ 19,631,861	$ 22,712,598

See independent auditors' report and
accompanying notes to financial statements

ISRAEL GUIDE DOG CENTER FOR THE BLIND

Statements of Activities

For the Year Ended December 31, 2022
(With Summarized Comparative Totals for the Year Ended December 31, 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
Public Support and Revenue				
Contributions and grants	$ 2,698,944	$ -	$ 2,698,944	$ 3,088,751
Investment income, net	309,638	38,610	348,248	255,199
Realized gain (loss) on investments	(34,424)	(8,276)	(42,700)	913,915
Unrealized gain (loss) on investments	(3,806,457)	-	(3,806,457)	1,367,152
Net assets released from restrictions	30,334	(30,334)	-	-
Total Public Support and Revenue	(801,965)	-	(801,965)	5,625,017
Expenses				
Program services	2,080,776	-	2,080,776	2,443,105
Management and general	144,263	-	144,263	65,227
Fundraising	53,733	-	53,733	61,536
Total Expenses	2,278,772	-	2,278,772	2,569,868
Change in Net Assets	(3,080,737)	-	(3,080,737)	3,055,149
Net Assets, Beginning of Year	20,012,598	2,700,000	22,712,598	19,657,449
Net Assets, End of Year	$ 16,931,861	$ 2,700,000	$ 19,631,861	$ 22,712,598

See independent auditors' report and
accompanying notes to financial statements

ISRAEL GUIDE DOG CENTER FOR THE BLIND

Statements of Functional Expenses

For the Year Ended December 31, 2022
(With Summarized Comparative Totals for the Year Ended December 31, 2021)

	Program Services	Management and General	Fundraising	2022	2021
Outreach					
Advertising, printing, social media	$ 128,718	$ -	$ -	$ 128,718	$ 124,272
Collection expense	7,640	7,641	-	15,281	15,640
Consultants	119,980	-	44,194	164,174	163,357
Database management	5,669	1,417	-	7,086	4,617
Insurance	26,486	2,943	-	29,429	34,355
Interest	-	-	-	-	91
Miscellaneous	12,577	20,553	-	33,130	16,250
Office	8,951	8,951	1,346	19,248	15,199
Payroll expenses	170,434	14,720	-	185,154	178,923
Postage	12,816	5,492	-	18,308	18,347
Presentations	13,463	-	-	13,463	5,306
Professional fees	-	76,630	-	76,630	7,620
Rent	10,804	3,601	-	14,405	15,311
Telephone	2,223	1,777	444	4,444	4,948
Travel	3,770	538	-	4,308	5,821
Total Outreach	523,531	144,263	45,984	713,778	610,057
On Behalf of Guide Dog Center in Israel					
Advertising	13,906	-	-	13,906	22,758
Client travel	27,925	-	-	27,925	16,138
Contributions and gifts	20,000	-	-	20,000	19,951
Conference	5,421	-	-	5,421	500
Fundraising consultant	-	-	7,749	7,749	10,770
Supplies	52,828	-	-	52,828	139,730
Website	12,165	-	-	12,165	6,964
Transfers to Guide Dog Center in Israel	1,425,000	-	-	1,425,000	1,743,000
Total On Behalf of Expenses	1,557,245	-	7,749	1,564,994	1,959,811
Total Functional Expenses	$2,080,776	$ 144,263	$ 53,733	$ 2,278,772	$ 2,569,868

See independent auditors' report and
accompanying notes to financial statements

ISRAEL GUIDE DOG CENTER FOR THE BLIND

Statements of Cash Flows

For the Years Ending December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Increase (decrease) in net assets	$ (3,080,737)	$ 3,055,149
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Realized (gains) losses from investments	42,700	(913,915)
Unrealized (gains) losses from investments	3,806,457	(1,367,152)
Stock contributions	(113,871)	(156,501)
(Increase) decrease in:		
Contributions receivable	(80,316)	95,485
Pledges receivable	30,758	24,903
Beneficial interest in trust	46,501	89,412
Prepaid expenses	(2,892)	-
Net cash provided by (used in) operating activities	648,600	827,381
Cash Flows from Investing Activities		
Purchase of investments	(1,907,450)	(3,720,323)
Proceeds from sale/maturity of investments	1,501,741	2,453,913
Net cash provided by (used in) investing activities	(405,709)	(1,266,410)
Cash Flows from Financing Activities		
Proceeds from line of credit	-	30,000
Payments on line of credit	-	(37,000)
Net cash provided by (used in) financing activities	-	(7,000)
Net Increase (Decrease) in Cash and Cash Equivalents	242,891	(446,029)
Cash and Cash Equivalents, Beginning of Year	917,025	1,363,054
Cash and Cash Equivalents, End of Year	$ 1,159,916	$ 917,025
Unrestricted cash and cash equivalents	$ 948,384	$ 677,286
Restricted cash and cash equivalents	211,532	239,739
Total Cash and Cash Equivalents, End of Year	$ 1,159,916	$ 917,025

See independent auditors' report and
accompanying notes to financial statements

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.

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.

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

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.

NOTE 1. Summary of Significant Accounting Policies (Continued)

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, 2022 the amount in excess of these insurance limits totaled $17,777,601.

Two pledges consisted of 73% 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 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.

Beneficial Interest in Trust: The Center is an income beneficiary only to a portion of assets contained in an irrevocable trust being held by independent investment managers. The beneficial interest in the remainder trust was recorded as net assets without restrictions when the Center was notified of the trust's existence. The beneficial interest is reported at fair value, which is estimated using an income approach based on assumptions developed by the Center about the future distributions it will receive from the trust. Changes in the fair value of the beneficial interest are reflected in net assets without donor restrictions annually.

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.

NOTE 1. Summary of Significant Accounting Policies (Continued)

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.

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 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.

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.

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 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 and the Executive Director.

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 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, 2020 - 2022.

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, 2022, from which the summarized information was derived.

Allocation of Functional Expense: The 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.

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

Leases: The Center rents office space with a term ending March 2023 at which time the lease term will become month-to-month.

Accounting Pronouncements: ASU No. 2016-02 (Topic 842), Leases an ASU No. 2020-07 (Topic 958), Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets were implemented in 2022. There was no effect on the Center's financial statements.

NOTE 2. Liquidity and Availability

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	$ 1,159,916
Investments	17,412,041
Succession insurance investment	547,609
Pledges receivable	334,428
Beneficial interest in trust	94,659
Total financial assets	19,548,653
Less amounts not available to be used within one year	
Restricted cash and investments	(7,884,460)
Restricted succession insurance investment	(547,609)
Long term pledges and trust	(290,587)
Financial assets not available to be used within one year	(8,722,656)
Financial assets available to meet general expenditures	$ 10,825,997

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 of $6,791,549 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.

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 market value on the statement of financial position. Donated investments are recorded at their market values as contributions at the date of receipt. At December 31, 2022, the Board of Directors has designated investments in the amount of $6,791,549 toward the endowment fund.

Investment income includes interest and dividends. Broker fees have been netted against investment income as follows: Unrestricted broker fees of $70,039 and with donor restrictions broker fees of $8,276 for 2022.

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, 2022 were as follows:

Receivable in less than one year	$ 105,500
Receivable in one to five years	247,000
Total unconditional promises to give	352,500
Present value discount	(18,072)
Net unconditional promises to give	$ 334,428

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, 2022 amounted to $30,334.

NOTE 6. 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. The primary uses of fair value measures in the Center's financial statements on a recurring measurement basis were the following:

Investments	Level 1	Level 2	Level 3	Total
Equities	$ 12,871,537	$ -	$ -	$ 12,871,537
Fixed Income	3,779,598	-	-	3,779,598
Tangible Assets	760,906	-	-	760,906
Total Investments	$ 17,412,041	$ -	$ -	$ 17,412,041

NOTE 7. Beneficial Interest in Trust

The Center is an income beneficiary only to a portion of assets contained in an irrevocable trust being held by independent investment managers. The provisions of the trust do not give ownership of any amount of principal to the Center. Further, the Center has no voice in the appointment of investment managers or their investment decisions. The Center receives only income distributions during each fiscal year.

In 2022, The Center received $51,250 in distributions from the trust which have been recorded against the beneficial interest. The change in the present value calculation of the beneficial interest resulted in an increase of $4,750 of the asset which has been recorded as income.

NOTE 8. 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. The Codification emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumption that market participants would use in pricing the asset or liability and established a fair value hierarchy.

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.

NOTE 8. Endowments (Continued)

Endowment Net Asset Composition consisted of the following as of December 31, 2022:

Endowment Fund Type	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Designated Endowments	$ -	$ 2,700,000	$ 2,700,000
Board-Designated Endowment	6,791,549	-	6,791,549
Total	$ 6,791,549	$ 2,700,000	$ 9,491,549

Changes in Endowment Net Assets for the fiscal year ended December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	$ 7,943,319	$ 2,700,000	$ 10,643,319
Contributions	-	-	-
Investment income (loss)	(1,151,186)	30,334	(1,120,852)
Transfers In	25,000	-	25,000
Withdrawals	(25,584)	-	(25,584)
Amounts Appropriated for Expenditure	-	(30,334)	(30,334)
Endowment Net Assets, End of Year	$ 6,791,549	$ 2,700,000	$ 9,491,549

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 9. 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, 2022, the interest rate on the line of credit was 2.0% and the outstanding balance was $0.

NOTE 10. 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, 2022, total unconditional transfers of $1,425,000 were made to the guide dog center in Israel and $139,994 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 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.