Financial Statements of

CANADIAN GUIDE DOGS FOR THE BLIND

And Independent Auditor's Report thereon

Year ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Canadian Guide Dogs for the Blind

Opinion

We have audited the financial statements of Canadian Guide Dogs for the Blind (the Organization), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2024 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  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.

- 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

June 9, 2025

CANADIAN GUIDE DOGS FOR THE BLIND

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents (note 2)	$ 2,977,603	$ 1,914,945
Amounts receivable	65,189	58,307
Inventories	52,910	55,563
Prepaid expenses and deposits	5,757	1,652
Short-term investments (note 4)	909,593	910,941
	4,011,052	2,941,408
Endowment assets (note 3)	964,569	929,905
Long-term investments (note 4)	8,179,931	7,538,812
Tangible capital assets (note 5)	8,658,853	8,697,965
	$ 21,814,405	$ 20,108,090
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	$ 98,145	$ 111,461
Current portion of long-term debt (note 7)	11,086	–
	109,231	111,461
Long-term debt (note 7)	38,800	–
Deferred capital contributions (note 8)	735,722	774,703
	883,753	886,164
Net assets (note 9):		
Invested in tangible capital assets	7,873,245	7,923,262
Heather Gillin Endowment Fund	131,879	131,879
Adams Endowment Fund	126,350	126,350
J & J Thornton Endowment Fund	97,107	67,599
Rybkin Family Endowment Fund	600,000	600,000
Legacy Endowment Fund	9,233	4,077
Unrestricted	12,092,838	10,368,759
	20,930,652	19,221,926
Deferred gifts (note 11)		
	$ 21,814,405	$ 20,108,090

See accompanying notes to financial statements.

On behalf of the Board:

Director

Jane Thornton Director

CANADIAN GUIDE DOGS FOR THE BLIND

Statement of Operations

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Individuals	$ 559,241	$ 558,295
Foundations (note 14)	361,630	197,212
Corporations	20,196	25,654
Clubs and associations	20,188	13,453
Donations in kind	8,299	6,746
	969,554	801,360
Fundraising	628,115	584,964
Investment income	524,974	506,903
Break open ticket sales – net of expenses (note 13)	73,398	96,010
Amortization of deferred capital contributions	51,100	24,866
Sales – net of expenses	18,942	29,679
	2,266,083	2,043,782
Expenses:		
Training	1,271,171	1,156,212
Amortization of tangible capital assets	382,192	325,937
Dogs	316,469	260,061
Property	228,166	239,582
Administration	148,051	147,365
Fundraising	138,342	145,695
Vehicles	76,145	55,913
Clients	49,627	57,034
Bequest	16,614	–
	2,626,777	2,387,799
Deficiency of revenue over expenses before the undernoted items	(360,694)	(344,017)
Other income (expenses):		
Bequests	1,330,472	1,391,003
Unrealized and realized gains on change in fair value of investments	725,520	38,085
Gain on sale of tangible capital assets	4,793	–
Designated gift from CGDB to CGDB Foundation (note 14)	–	(2,500,000)
	2,060,785	(1,070,912)
Excess (deficiency) of revenue over expenses	$ 1,700,091	$ (1,414,929)

See accompanying notes to financial statements.

CANADIAN GUIDE DOGS FOR THE BLIND

Statement of Changes in Net Assets

Year ended December 31, 2024, with comparative information for 2023

	Invested in tangible capital assets	Heather Gillin Endowment Fund	Adams Endowment Fund	Thornton Endowment Fund	Rybkin Family Endowment Fund	Legacy Endowment Fund	Unrestricted	Total 2024	Total 2023
Net assets, beginning of year	$ 7,923,262	$ 131,879	$ 126,350	$ 67,599	$ 600,000	$ 4,077	$10,368,759	$19,221,926	$20,029,278
Excess (deficiency) of revenue over expenses	–	–	–	1,272	–	–	1,698,819	1,700,091	(1,414,929)
Endowment contributions	–	–	–	3,479	–	5,156	–	8,635	607,577
Interfund transfers (note 10)	–	–	–	24,757	–	–	(24,757)	–	–
Amortization of tangible capital assets	(382,192)	–	–	–	–	–	382,192	–	–
Tangible capital asset additions	343,080	–	–	–	–	–	(343,080)	–	–
Increase in long-term debt	(49,886)	–	–	–	–	–	49,886	–	–
Deferred capital contributions received	(12,119)	–	–	–	–	–	12,119	–	–
Amortization of deferred capital contributions	51,100	–	–	–	–	–	(51,100)	–	–
Net assets, end of year	$ 7,873,245	$ 131,879	$ 126,350	$ 97,107	$ 600,000	$ 9,233	$12,092,838	$20,930,652	$19,221,926

See accompanying notes to financial statements.

CANADIAN GUIDE DOGS FOR THE BLIND

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	$ 1,700,091	$ (1,414,929)
Items not involving cash:		
Amortization of tangible capital assets	382,192	325,937
Amortization of deferred capital contributions	(51,100)	(24,866)
Unrealized gains on change in fair value of investments	(718,604)	(278,925)
Gain on sale of tangible capital assets	(4,793)	–
Changes in non-cash operating working capital (note 12)	(21,650)	34,680
	1,286,136	(1,358,103)
Financing:		
Increase in long-term debt	49,886	–
Endowment contributions received	8,635	607,577
	58,521	607,577
Investing:		
Increase in endowment assets	(34,664)	(607,577)
Net decrease (increase) in investments	78,833	(4,023,907)
Proceeds from sale of tangible capital assets	4,793	–
Purchase of tangible capital assets	(343,080)	(150,159)
Deferred capital contributions received	12,119	127,553
	(281,999)	(4,654,090)
Increase (decrease) in cash and cash equivalents	1,062,658	(5,404,616)
Cash and cash equivalents, beginning of year	1,914,945	7,319,561
Cash and cash equivalents, end of year	$ 2,977,603	$ 1,914,945

See accompanying notes to financial statements.

Canadian Guide Dogs for the Blind (the "Organization") was incorporated under Part II of the Canada Corporations Act on January 12, 1984 and is a registered charity under the Income Tax Act (Canada). Effective May 5, 2014, the Organization continued its Articles under the Canada Not-for-profit Corporations Act.

The Organization's objectives are to provide trained and educated dogs to act as efficient and safe guides for blind and other disabled persons and to train and educate blind and other disabled persons in the proper and safe use of guide dogs and to provide such additional services and facilities for the relief of blind and other disabled persons as shall from time to time be deemed necessary.

1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Revenue recognition:

The Organization follows the deferral method of accounting for contributions for not-for-profit organizations.

Contributions and donations without restrictions are recognized as revenue in the year in which they are received.

Contributions and donations received for specific purposes are deferred and recognized as revenue in the year in which the specific purpose occurs.

Revenue from fundraising is recorded when received.

Investment income includes interest from cash and fixed income investments, dividends, and realized changes in the fair value of investments. Interest from cash and fixed income investments are recognized in revenue as earned.

(b) Fund accounting:

The Unrestricted Fund reports the revenue, expenses, assets, liabilities and fund balances of the Organization's general operations and services to users.

The Invested in Tangible Capital Assets Fund is the Organization's investment in capital assets.

Endowment Asset Funds are restricted for the purpose of the endowment fund to which they relate. Net assets restricted for endowment purposes are subject to externally imposed restrictions stipulating that the resources must be maintained permanently or for a prescribed period of time. Investment income on these amounts is unrestricted, except for the J & J Endowment Fund where investment income is re-invested back into the J&J Endowment Fund.

1. Significant accounting policies (continued):

(c) Cash and cash equivalents:

Cash and cash equivalents include deposits with financial institutions that can be withdrawn without prior notice or penalty and short-term deposits with an original maturity of ninety days or less.

(d) Inventory:

Inventory is carried at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

(e) Endowment assets:

Cash and investments are restricted for the purpose of the endowment fund to which they relate. Restricted investments are recorded at fair value. Fair value is determined at quoted market prices. Sales and purchases of investments are recorded at the settlement date. Transaction costs related to the acquisition of restricted investments are expensed.

(f) Tangible capital assets:

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Assets acquired under capital leases are amortized over the estimated life of the assets or over the lease term, as appropriate. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a tangible capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

Asset	Rate
Training centre and kennels	40 years
Property enhancements	10 - 20 years
Furniture and equipment	4 - 10 years
Vehicles	4 years
Collecting boxes	4 years

(g) Deferred capital contributions:

Contributions restricted for the purchase of tangible capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related tangible capital assets.

1. Significant accounting policies (continued):

(h) Expenses:

In the statement of operations, the Organization presents its salary expenses by function.

Expenses are recognized in the year incurred and are recorded in the function to which they are directly related.

The Organization does not allocate expenses between functions after initial recognition.

(i) Donated tangible capital assets, materials and services:

The operation of the Organization is dependent on donations of tangible capital assets, materials and services provided without charge by volunteers.

Donated tangible capital assets are recorded at fair value when received.

Donated materials that are receipted are recorded at fair value when received. Unreceipted material donations are not recorded as the fair value is not determinable.

The fair value of services is not determinable and therefore is not recorded in these financial statements.

(j) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has elected to carry all financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Other financial instruments, including accounts receivable, accounts payable and debt are recorded at fair value upon initial recognition, which represents cost, and are subsequently recorded at cost, net of any provisions for impairment.

1. Significant accounting policies (continued):

(k) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 revenue and expenses during the year. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

2. Cash and cash equivalents:

Cash equivalents include deposits in a high-interest savings account.

	2024	2023
Cash	$ 858,371	$ 625,065
Cash equivalents	2,119,232	1,289,880
	$ 2,977,603	$ 1,914,945

3. Endowment assets:

Fixed income securities have interest rates from 2.28% to 5.50% (2023 - 2.10% to 5.50%) and mature between January 2025 and December 2029.

	2024 Cost	2024 Fair Value	2023 Cost	2023 Fair Value
Fixed income investments	$ 836,485	$ 850,277	$ 829,533	$ 837,358
Common shares	85,011	114,292	93,933	92,547
	$ 921,496	$ 964,569	$ 923,466	$ 929,905

4. Investments:

Fixed income securities have interest rates from 1.67% to 5.60% (2023 - 2.10% to 5.50%) and mature between March 2025 and December 2029.

	2024 Cost	2024 Fair Value	2023 Cost	2023 Fair Value
Short-term investments:				
Fixed income investments	$ 892,423	$ 909,593	$ 895,657	$ 910,941
Long-term investments:				
Fixed income investments	2,761,849	2,850,994	2,909,272	2,941,324
Common shares	2,797,496	4,062,972	2,723,221	3,534,873
Preferred shares	1,086,806	1,046,063	1,055,085	807,560
Foreign securities	151,335	219,902	148,873	255,055
	6,797,486	8,179,931	6,836,451	7,538,812
	$ 7,689,909	$ 9,089,524	$ 7,732,108	$ 8,449,753

5. Tangible capital assets:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	$ 277,460	$ –	$ 277,460	$ 277,460
Training centre and kennels	2,049,517	1,166,127	883,390	934,538
Property enhancements	729,221	452,835	276,386	178,194
Furniture and equipment	652,452	499,089	153,363	168,869
Vehicles	742,744	566,456	176,288	52,795
Collecting boxes	123,966	123,966	–	–
New training centre and kennels	7,765,701	873,735	6,891,966	7,086,109
	$ 12,341,061	$ 3,682,208	$ 8,658,853	$ 8,697,965

Cost and accumulated amortization of capital assets at December 31, 2023 amounted to $12,068,729 and $3,370,764, respectively. During the year, the Organization disposed of capital assets with a total cost and accumulated amortization of $70,748. The proceeds from the sales amounted to $4,793.

6. Accounts payable and accrued liabilities:

There are no amounts payable included in accounts payable and accrued liabilities for government remittances such as HST and payroll-related taxes as at December 31, 2024 and 2023.

7. Long-term debt:

		2024		2023
Ford Bronco Sport, 0%, due June 27, 2029, bi-weekly payment of $426	$	49,886	$	–
Less: current portion of long-term debt		(11,086)		–
	$	38,800	$	–

Principal payments on the long-term debt are as follows:

2025	$	11,086
2026		11,086
2027		11,086
2028		11,086
2029		5,542
	$	49,886

8. Deferred capital contributions:

Deferred capital contributions represent the unamortized amount of donations and grants received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations. The changes in the deferred capital contributions balance are as follows:

		2024		2023
Balance, beginning of year	$	774,703	$	672,016
Amortization of deferred capital contributions		(51,100)		(24,866)
Contributions received for capital purposes		12,119		127,553
	$	735,722	$	774,703

9. Capital management:

The Organization considers its capital to consist of its net assets including invested in tangible capital assets, endowment funds and unrestricted net assets.

The objective of the Organization with respect to long-term debt is to fund the acquisition of tangible capital assets as required for operational purposes.

The objective of the Organization with respect to invested in tangible capital assets is to fund the Organization's tangible capital assets.

The objective of the Organization with respect to endowments is to maintain the capital as required by the donors and generate investment revenue to fund the operations of the Organization.

The objective of the Organization with respect to unrestricted net assets is to provide funds for future tangible capital acquisitions and ongoing operations.

The Organization is not subject to externally imposed capital requirements and its overall strategy with respect to capital remains unchanged from the year ended December 31, 2023.

10. Internally restricted net assets:

During fiscal 2024, the Board approved a resolution to transfer $24,757 from the Unrestricted Fund to the Thornton Endowment Fund relating to investment income earned on the endowment investments.

11. Deferred gifts:

Life insurance:

The Organization has been designated as the irrevocable beneficiary of a life insurance policy. As at December 31, 2024, the estimated amount of insurance in force for which the Organization has been designated as beneficiary totals $100,000 (2023 - $100,000). These amounts are not recorded in these financial statements. Premiums paid during the year by the insured are $964 (2023 - $964), which are receipted by the Organization for income tax purposes.

12. Changes in non-cash operating working capital:

	2024	2023
Amounts receivable	$ (6,882)	$ 4,278
Inventories	2,653	2,650
Prepaid expenses and deposits	(4,105)	(570)
Accounts payable and accrued liabilities	(13,316)	28,322
	$ (21,650)	$ 34,680

13. Administration of break-open tickets:

Total revenue and expenses for the year with respect to the sale of break-open tickets under provincial license in Ontario, as required by provincial authorities, is as follows:

	2024	2023
Revenue	$ 189,303	$ 221,764
Less: promotion fees - retailer	(40,566)	(47,290)
Net revenue	148,737	174,474
Expenses:		
Cost of tickets sold	32,893	36,086
Promotion fees – agent	27,794	27,561
Licence fees	13,905	13,981
Miscellaneous	747	836
	75,339	78,464
Net proceeds from provincial break-open tickets	$ 73,398	$ 96,010

14. Related party transactions:

The Organization has significant influence over the Canadian Guide Dogs for the Blind Foundation (the "Foundation") through common Board members. The Foundation was incorporated on November 20, 2000 under Part II of the Canada Corporations Act and is a registered charity. Effective September 25, 2014, the Foundation transitioned its Articles of Incorporation to the Canada Not-for-profit Corporations Act. The Foundation's objective is to accept and hold invested donations, gifts, legacies and bequests and to disburse from the income derived thereof and the capital thereof to the Organization not less than the minimum amount required by law.

14. Related party transactions (continued):

During the year, the Organization provided the Foundation with administrative services amounting to $2,939 (2023 - $1,542), which are repaid by the Foundation. The Organization has a receivable of $12 (2023 - $1,542) from the Foundation at year-end.

During the year, the Organization received $100,000 (2023 - $45,000) in contributions from the Foundation. In addition, the Organization designated a gift to the Foundation of $Nil (2023 - $2,500,000).

15. Financial risks and concentration of risk:

The Organization is subject to the following financial risks due to its financial instruments.

(a) Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Organization is exposed to credit risk with respect to the accounts receivable. The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. At year-end, there were no amounts allowed for in accounts receivable.

(c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk; currency risk, interest rate risk, and other price risk.

(i) Currency risk:

Currency risk refers to the extent to which instruments denominated in a currency other than Canadian dollars will be affected by changes in the value of the Canadian dollar in relation to other currencies. The Organization's foreign currency risk is limited to its holdings of US denominated cash.

(ii) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is subject to interest rate risk due to the fluctuations in interest rates on its investments as disclosed in Note 4.

15. Financial risks and concentration of risk (continued):

(c) Market risk (continued):

(iii) Other price risk:

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

These risks have increased in 2024 due to market fluctuations in interest rates, foreign exchange rates, and market prices.

16. Comparative information

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.