

# VISIONS/Services for the Blind and Visually Impaired

Financial Statements  
September 30, 2020

**mazars**

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# VISIONS/Services for the Blind and Visually Impaired

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## Independent Auditors' Report

### The Board of Directors VISIONS/Services for the Blind and Visually Impaired

We have audited the accompanying financial statements of VISIONS/Services for the Blind and Visually Impaired, which comprise the statement of financial position as of September 30, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

#### Management's Responsibility for the Financial Statements

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of VISIONS/Services for the Blind and Visually Impaired as of September 30, 2020 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



**Report on Summarized Comparative Information**

We have previously audited VISIONS/Services for the Blind and Visually Impaired's September 30, 2019 financial statements, and our report dated March 11, 2020 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Mazars* USA LLP

March 9, 2021

# VISIONS/Services for the Blind and Visually Impaired

## Statements of Financial Position

September 30, 2020

(With summarized comparative amounts as of September 30, 2019)

	2020	2019
<b>Assets</b>		
Cash	\$ 1,693,989	\$ 754,801
Investments - without donor restrictions (Note 4)	8,778,252	7,445,398
Interest and dividends receivable	99,289	143,611
Government grants receivable	692,171	1,310,265
Contributions receivable (Note 3)	575,000	250,000
Prepaid expenses and other assets	224,043	181,283
Fixed assets, net (Note 5)	8,412,526	8,906,189
Beneficial interest in perpetual trusts (Notes 4 and 6)	3,804,237	3,647,785
Long-term investments - with donor restrictions (Notes 4 and 6)	91,120,858	84,877,678
	<u>\$ 115,400,365</u>	<u>\$ 107,517,010</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 414,215	\$ 410,874
Government advances	321,499	381,031
	<u>735,714</u>	<u>791,905</u>
<b>Net assets</b>		
Without donor restrictions	19,051,223	17,657,308
With donor restrictions (Note 6)	95,613,428	89,067,797
	<u>114,664,651</u>	<u>106,725,105</u>
<b>Total liabilities and net assets</b>	<u>\$ 115,400,365</u>	<u>\$ 107,517,010</u>

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

# VISIONS/Services for the Blind and Visually Impaired

## Statements of Activities and Changes in Net Assets

Year Ended September 30, 2020

(With summarized comparative amounts for the Year Ended September 30, 2019)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2020	2019
Revenues, gains and other support				
Contributions and bequests	\$ 402,692	\$ 1,098,514	\$ 1,501,206	\$ 1,435,759
Community events	\$ 76,418			
Less direct expenses of community events	(14,328)	62,090	62,090	101,586
Government support	88,508	4,925,600	5,014,108	4,906,784
Special events	49,308			
Less direct expenses of special events	-	49,308	49,308	78,845
VCB contributions	1,926	-	1,926	15,462
Interest and dividends	143,331	1,648,826	1,792,157	1,922,308
Net realized and unrealized gain on investments, net of investment fees of \$592,526 and \$612,234, respectively	1,258,588	8,432,378	9,690,966	5,173,052
Other revenues	21,308	3,352	24,660	25,636
Net assets released from restrictions (Note 6)	9,719,491	(9,719,491)	-	-
Total revenues, gains and other support	11,747,242	6,389,179	18,136,421	13,659,432
Expenses				
Program services				
VCB	2,687,056	-	2,687,056	2,539,503
Community services	4,906,239	-	4,906,239	5,198,229
Selis Manor	1,582,753	-	1,582,753	1,508,289
Total program services	9,176,048	-	9,176,048	9,246,021
Supporting services				
Management and general	833,996	-	833,996	847,987
Fundraising	343,283	-	343,283	284,277
Total supporting services	1,177,279	-	1,177,279	1,132,264
Total expenses	10,353,327	-	10,353,327	10,378,285
Increase (Decrease) in fair value of beneficial interest in perpetual trusts	-	156,452	156,452	(122,272)
Change in net assets	1,393,915	6,545,631	7,939,546	3,158,875
Net assets - beginning of year	17,657,308	89,067,797	106,725,105	103,566,230
Net assets - end of year	\$ 19,051,223	\$ 95,613,428	\$ 114,664,651	\$ 106,725,105

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

# VISIONS/Services for the Blind and Visually Impaired

## Statements of Functional Expenses

Year Ended September 30, 2020

(With summarized comparative amounts for the Year Ended September 30, 2019)

	Program Services				Supporting Services				Total	
	VCB	Community Services	Selis Manor	Total	Management and General	Fund-Raising	Direct Expenses of Events	Total	2020	2019
Salaries	\$ 1,220,027	\$ 2,879,733	\$ 1,002,634	\$ 5,102,394	\$ 492,061	\$ 199,912	\$ -	\$ 691,973	\$ 5,794,367	\$ 5,489,187
Payroll taxes and employee benefits	335,421	1,455,608	348,715	2,139,744	246,571	103,249	-	349,820	2,489,564	2,210,591
Total salaries, taxes and employee benefits	1,555,448	4,335,341	1,351,349	7,242,138	738,632	303,161	-	1,041,793	8,283,931	7,699,778
Occupancy	5,145	23,299	5,689	34,133	5,731	1,966	-	7,697	41,830	40,909
Insurance	56,956	98,047	21,737	176,740	16,860	5,784	-	22,644	199,384	192,038
Utilities	207,152	17,447	2,429	227,028	2,447	839	-	3,286	230,314	207,375
Telephone	13,774	14,361	11,411	39,546	1,319	452	-	1,771	41,317	44,968
Postage	755	11,344	826	12,925	761	705	-	1,466	14,391	20,641
Printing	5,135	14,828	4,093	24,056	1,666	6,983	-	8,649	32,705	29,898
Subscriptions, dues and conferences	2,783	14,578	4,712	22,073	2,786	3,102	-	5,888	27,961	42,823
Transportation	24,592	31,871	1,278	57,741	405	1,849	-	2,254	59,995	102,532
Food	162,714	7,500	106,729	276,943	-	-	-	-	276,943	466,292
Laundry	365	-	-	365	-	-	-	-	365	7,219
Professional fees	3,437	97,486	1,995	102,918	39,162	-	-	39,162	142,080	392,363
Awards	-	-	-	-	-	-	-	-	-	3,285
Community and special events admissions and donor costs	-	-	-	-	-	-	14,328	14,328	14,328	96,141
Office supplies	2,425	4,929	2,280	9,634	1,121	534	-	1,655	11,289	19,748
Program supplies and expenses	9,059	129,033	4,640	142,732	-	-	-	-	142,732	196,140
Repairs and maintenance	176,167	59,328	38,717	274,212	11,587	7,740	-	19,327	293,539	283,109
Staff recruitment and development	2,632	10,080	3,005	15,717	2,479	851	-	3,330	19,047	21,647
Miscellaneous	4,626	13,542	12,987	31,155	3,331	7,358	-	10,689	41,844	104,268
Depreciation	453,891	23,225	8,876	485,992	5,709	1,959	-	7,668	493,660	503,252
Total expenses	2,687,056	4,906,239	1,582,753	9,176,048	833,996	343,283	14,328	1,191,607	10,367,655	10,474,426
Less expenses deducted directly from revenues on the statement of activities and changes in net assets	-	-	-	-	-	-	(14,328)	(14,328)	(14,328)	(96,141)
Total expenses reported by function on the statement of activities and changes in net assets	\$ 2,687,056	\$ 4,906,239	\$ 1,582,753	\$ 9,176,048	\$ 833,996	\$ 343,283	\$ -	\$ 1,177,279	\$ 10,353,327	\$ 10,378,285

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

## VISIONS/Services for the Blind and Visually Impaired

### Statements of Cash Flows

Year Ended September 30, 2020

(With summarized comparative amounts for the Year Ended September 30, 2019)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 7,939,546	\$ 3,158,875
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	493,662	503,252
Decrease (increase) in fair value in beneficial interest in perpetual trusts	(156,452)	122,272
Realized and unrealized gain on investments	(10,283,492)	(5,785,286)
Contribution restricted for endowments	(3,101)	(98,229)
Increase (decrease) in cash attributable to changes in operating assets and liabilities:		
Interest and dividends receivable	44,322	(96,508)
Government grants receivable	618,094	589,341
Contributions receivable	(325,000)	(140,727)
Prepaid expenses and other assets	(42,760)	(58)
Accounts payable and accrued expenses	3,341	(44,888)
Government advances	(59,532)	91,517
Net cash used in operating activities	<u>(1,771,372)</u>	<u>(1,700,439)</u>
Cash flows from investing activity		
Proceeds on sale of investments	41,141,210	21,113,645
Purchase of investments	(38,433,751)	(19,338,240)
Purchase of fixed assets	-	(41,849)
Net cash provided by investing activities	<u>2,707,459</u>	<u>1,733,556</u>
Cash flows from financing activity		
Investment for permanent endowment	<u>3,101</u>	<u>98,229</u>
Net cash provided by financing activities	<u>3,101</u>	<u>98,229</u>
Net change in cash	939,188	131,346
Cash - Beginning of year	<u>754,801</u>	<u>623,455</u>
Cash - End of year	<u>\$ 1,693,989</u>	<u>\$ 754,801</u>

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



# VISIONS/Services for the Blind and Visually Impaired

## Notes to Financial Statements Years Ended September 30, 2020 and 2019

### 1. Description of Organization and Summary of Significant Accounting Policies

#### Organization and Nature of Operations

VISIONS/Services for the Blind and Visually Impaired (“VISIONS”) is a nonprofit rehabilitation and social service organization whose purpose is to develop and implement programs to:

- Assist people of all ages who are blind or visually impaired to lead independent and active lives in their homes and communities; and
- Educate the public to understand the capabilities and needs of people who are blind or visually impaired so that they may be integrated into all aspects of community life.

VISIONS fulfills its purpose by providing:

- Individualized rehabilitation training at home or in the community and in group settings
- Social services
- Employment training and job development
- Group and community education and activities

VISIONS programs focus on individuals with low income who are located primarily in the Greater New York Metropolitan area who are blind or visually impaired, including those with multiple disabilities, elderly, limited-English speakers and culturally diverse consumers.

In connection with the services it provides, VISIONS operates a training facility renamed VISIONS Center on Blindness (“VCB”). This facility was formerly known as Vacation Camp for the Blind. VCB is located in Spring Valley, New York. A new building and program called the Vocational Rehabilitation Center opened at VCB in August 2017. In addition, VISIONS is the service provider for the residents and guests of the building at Selis Manor located in New York City.

VISIONS is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and has been classified as a public charity as defined in Section 509(a)(1) of the Internal Revenue Code (“IRC”), thereby qualifying donors for the maximum charitable deduction allowed under the IRC. VISIONS is funded primarily through investment income, government support and contributions.

#### Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

#### Estimates

The preparation of financial statements in conformity with U.S. 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## VISIONS/Services for the Blind and Visually Impaired

### Financial Statement Net Asset Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the “Board”) and/or management for general operating purposes. The Board may designate a portion of these net assets for a specific purpose which makes them unavailable for use at management’s discretion.

*Net Assets With Donor Restrictions* – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting VISIONS to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy.

As of September 30, 2020 and 2019, there were no net assets with board restrictions.

### Investments

Investments are stated at fair value. Investments, in general, are exposed to various risks such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based on market fluctuations, and that such changes could materially affect the amounts reported in the financial statements.

### Beneficial Interest in Perpetual Trusts

VISIONS has beneficial interests in funds held in perpetual trusts by other entities as trustees. The fair value of VISIONS beneficial interest in these perpetual trusts is estimated to be equal to the fair value of the portion of assets underlying the trusts attributable to VISIONS interest and is classified as net assets with donor restrictions. These assets are not controlled by VISIONS nor are they available for use, therefore, these assets are not subject to VISIONS investments and spending policies relating to investments with donor restrictions.

### Fair Value Measurements

Fair value measurements establish a framework for measuring fair value. The framework 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 below. Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that VISIONS 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;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

## VISIONS/Services for the Blind and Visually Impaired

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. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset 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 measurement. 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. There have been no changes in the methodologies used as of September 30, 2020 as compared to those used as of September 30, 2019.

**U.S. Treasury and government agency obligations, exchange traded funds, and equity securities** - Valued using pricing models maximizing the use of observable inputs for similar securities.

**Corporate obligations and mortgage-backed securities** - Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer.

**Mutual funds** - Valued at the closing price reported on the active market on which the individual securities are traded.

**Beneficial interest in perpetual trusts** - Valued based on the fair value of the underlying assets.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while VISIONS 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.

See Note 4 for the table that sets forth by level, within the fair value hierarchy, the assets at fair value as of September 30, 2020.

### **Government Grants Receivable**

VISIONS records receivable from government grants based on established rates or contracts for services provided. Interest is not charged on overdue receivables.

### **Contributions Receivable**

Unconditional promises to give are recognized as revenue when the promise is received. Unconditional promises to give that are expected to be collected within one year are recorded at fair value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received, if material. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

### **Allowance for Doubtful Accounts**

VISIONS has determined that no allowance for uncollectible government grants receivable or contributions receivable is necessary as of September 30, 2020 and 2019. Such estimate is based on management's assessments of the creditworthiness of its funding sources, the aged basis of its receivables, as well as current economic conditions, subsequent collections and historical information.

### **Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation. These amounts do not purport to represent replacement or realizable values. Acquisitions with a cost of \$5,000 and an estimated useful life greater than one year are capitalized at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the assets.

## **VISIONS/Services for the Blind and Visually Impaired**

### **Government Advances**

Advances represent grant funds received in advance, attributable to future periods.

### **Government Support**

Revenues from government agencies are recognized when earned. Expense-based grants are recognized as allowable expenses are incurred. Performance-based grants are recognized as milestones are achieved. There were no provisions for disallowances reflected in the accompanying financial statements, since management does not anticipate any material adjustments.

### **VCB Contributions**

VCB contributions for services are based upon ability to pay as determined by the participant.

### **Occupancy Expense**

Occupancy expense for the year ended September 30, 2020 consists of office condominium maintenance charges.

### **Functional Allocation of Expenses**

Expenses directly attributable to specific functions of VISIONS are reported as expense of those functional areas. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes and employee benefits, occupancy, telephone and utilities, which are allocated on the basis of estimates of employee time.

### **Summarized Financial 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 U.S GAAP. Accordingly, such information should be read in conjunction with VISIONS financial statements for the year ended September 30, 2019, from which the summarized information was derived. Certain 2019 amounts have been reclassified to conform with 2020 financial statement presentation.

## VISIONS/Services for the Blind and Visually Impaired

### 2. Liquidity and Availability

VISIONS financial assets available for general expenditures, that are without donor restrictions limiting their use, within one year of the statement of financial position, comprise the following:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash	\$ 1,693,989	\$ 754,801
Investments	99,899,110	92,323,076
Interest and dividends receivable	99,289	143,611
Government grants receivable	692,171	1,310,265
Contributions receivable	575,000	250,000
Beneficial interest in trusts	<u>3,804,237</u>	<u>3,647,785</u>
Financial assets available at year-end	106,763,796	98,429,538
Less:		
Amounts unavailable for general expenditures within one year due to:		
Endowments and beneficial interest in trusts	(94,925,095)	(88,525,463)
Restricted by donors with purpose or time restrictions	<u>(688,333)</u>	<u>(542,334)</u>
Total financial assets available to management for general and operational expenditures within one year	<u>\$ 11,150,368</u>	<u>\$ 9,361,741</u>

VISIONS maintains a policy of structuring its financial assets to be available for its general expenditures, liabilities, and other obligations as they become due. In the event of unanticipated liquidity needs, the investments without donor restrictions can be liquidated when such funds are needed.

### 3. Contributions Receivable

	<u>2020</u>	<u>2019</u>
Amounts due:		
Within one year	\$ 425,000	\$ 175,000
Within two to five years	<u>150,000</u>	<u>75,000</u>
Total contributions receivable	<u>\$ 575,000</u>	<u>\$ 250,000</u>

## VISIONS/Services for the Blind and Visually Impaired

### 4. Assets Measured at Fair Value

VISIONS investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following table presents the financial assets measured at fair value on a recurring basis and are categorized using the fair value hierarchy. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value as follows: level 1 consisting of quoted prices in active markets for identical assets; level 2 consisting of significant other observable inputs; and level 3 consisting of significant unobservable inputs.

Assets measured at fair value as of September 30, 2020 are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate obligations	\$ 14,172,297	\$ -	\$ 14,172,297	\$ -
U.S. Treasury and government agency obligations	4,714,076	-	4,714,076	-
Mortgage-backed securities	6,909	-	6,909	-
Equity securities	71,671,332	71,671,332	-	-
Investment funds	377,317	377,317	-	-
Exchange traded funds				
Equity funds	\$ 3,129,247			
Fixed income funds	<u>2,070,968</u>			
Total exchange traded funds	<u>5,200,215</u>	<u>5,200,215</u>	<u>-</u>	<u>-</u>
Total investments reported on their fair value hierarchy	96,142,146	<u>\$ 77,248,864</u>	<u>\$ 18,893,282</u>	-
Cash and cash equivalents	<u>3,756,964</u>			
Total investments	<u>\$ 99,899,110</u>			
Beneficial interest in perpetual trusts	<u>\$ 3,804,237</u>		<u>\$ 3,804,237</u>	

## VISIONS/Services for the Blind and Visually Impaired

Investments at fair value as of September 30, 2019 are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate obligations	\$ 14,773,636	\$ -	\$ 14,773,636	\$ -
U.S. Treasury and government agency obligations	3,645,821	-	3,645,821	-
Mortgage-backed securities	23,850	-	23,850	-
Equity securities	64,589,529	64,589,529	-	-
Investment funds	223,405	223,405	-	-
Exchange traded funds				
Equity funds	\$ 2,829,464			
Fixed income funds	<u>2,052,219</u>			
Total exchange traded funds	4,881,683	4,881,683	-	-
Mutual funds				
Domestic	<u>228,850</u>	<u>228,850</u>	-	-
Total investments reported on their fair value hierarchy	88,366,774	<u>\$ 69,923,467</u>	<u>\$ 18,443,307</u>	-
Cash and cash equivalents	<u>3,956,302</u>			
Total investments	<u>\$ 92,323,076</u>			
Beneficial interest in perpetual trusts	<u>\$ 3,647,785</u>			<u>\$ 3,647,785</u>

Total investments as reported on the statements of financial position are comprised of the following as of September 30:

	<u>2020</u>	<u>2019</u>
Investments without donor restrictions	\$ 8,778,252	\$ 7,445,398
Long-term investments with donor restrictions	91,120,858	84,877,678
Total investments	<u>\$ 99,899,110</u>	<u>\$ 92,323,076</u>

## VISIONS/Services for the Blind and Visually Impaired

### Beneficial Interest in Perpetual Trusts

The table below sets forth a summary of changes in the fair value of the Level 3 assets pertaining to the Beneficial Interest in Perpetual Trusts for the years ended September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Balance at beginning of year	\$ 3,647,785	\$ 3,770,057
Increase (Decrease) in fair value	<u>156,452</u>	<u>(122,272)</u>
Balance at end of year	<u>\$ 3,804,237</u>	<u>\$ 3,647,785</u>

### 5. Fixed Assets

Fixed assets consist of the following as of September 30:

	<u>2020</u>	<u>2019</u>	<u>Estimated Useful Lives</u>
Land	\$ 94,500	\$ 94,500	
Office condominium	1,100,000	1,100,000	40 years
Office condominium improvements	481,451	481,451	15 years
VCB building, equipment and vehicles	2,362,984	2,362,984	3-15 years
Furniture, fixtures and office equipment	237,427	237,427	3-5 years
Selis Manor improvements	26,096	26,096	15 years
Selis Manor office equipment	135,976	135,976	3-5 years
Vocational Rehabilitation Center	9,165,624	9,165,624	5-30 years
Total costs	<u>13,604,058</u>	<u>13,604,058</u>	
Less: accumulated depreciation	<u>(5,191,532)</u>	<u>(4,697,869)</u>	
Net book value	<u>\$ 8,412,526</u>	<u>\$ 8,906,189</u>	



## VISIONS/Services for the Blind and Visually Impaired

### 6. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at September 30:

	2020	2019
Subject to expenditure for specific purpose:		
Community services	\$ 688,333	\$ 463,584
VCB	-	31,250
Selis Manor	-	47,500
Total subject to expenditure for specific purpose or time	<u>688,333</u>	<u>542,334</u>
Donor restricted endowments subject to VISIONS spending policy and appropriation:		
Fund for the Blind	83,450,501	77,842,280
Ilma F. Kern Fund	3,112,126	2,750,066
Selis Manor Fund	1,300,000	1,300,000
Edna F. Blum Fund	1,583,951	1,468,721
Ilma F. Kern Fund of Selis Manor	1,139,652	1,007,067
Wick Stern Fund	293,576	271,592
Strauss Tuition Assistance Fund	122,330	119,229
Other endowment funds	118,723	118,723
Total endowments subject to VISIONS spending policy and appropriation	<u>91,120,858</u>	<u>84,877,678</u>
Perpetual Trusts:		
Martin S. Paine	1,998,813	1,911,381
Adrian Jackson	1,000,524	961,654
Maude Aguilar Leland	790,725	761,672
Charles H. Ruhl	14,175	13,078
Total perpetual trusts	<u>3,804,237</u>	<u>3,647,785</u>
Total net assets with donor restrictions	<u>\$ 95,613,428</u>	<u>\$ 89,067,797</u>

During the year, net assets with donor restrictions were released from restrictions by incurring expenses satisfying the restricted purposes as follows:

	2020	2019
Community services	\$ 3,745,999	\$ 3,525,483
VCB	1,167,996	793,206
Selis Manor	964,371	939,152
General operations	3,841,125	2,675,596
	<u>\$ 9,719,491</u>	<u>\$ 7,933,437</u>

Net appreciation (depreciation) on the assets of the Fund for the Blind are expendable for general purposes. Income generated by the remaining funds is restricted.

## VISIONS/Services for the Blind and Visually Impaired

### **Fund for the Blind**

In accordance with the Fund for the Blind documents and VISIONS by-laws, there are multiple limitations set forth preventing VISIONS from freely accessing the investment earnings derived from the funds' assets. Therefore, the asset value reported on the accompanying statement of financial position does not purport the useable value to VISIONS.

### **General**

VISIONS restricted net assets consist of 12 endowment funds whose assets are to be held in perpetuity. The income from the assets can be used for general operations.

As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

## **7. Endowment Funds**

### **Interpretation of Relevant Law**

The Board of Directors of the organization adopted the New York Prudent Management of Institutional Funds Act (NYPMIFA). NYPMIFA moves away from the "historic dollar value" standard, and permits charities to apply a spending policy to endowments based on certain specified standards of prudence. The organization is governed by the NYPMIFA spending policy, which establishes a maximum prudent spending limit of 7% of the average of its previous five years' balance. As a result of this interpretation, VISIONS classifies as restricted net assets (a) the original value of gifts donated to the donor restricted endowment, (b) the original value of subsequent gifts to the donor restricted endowment, and (c) accumulations to the donor restricted 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 classified in restricted net assets is classified as restricted net assets until those amounts are appropriated for expenditure by VISIONS in a manner consistent with the standard of prudence prescribed by NYPMIFA.

### **Return Objectives, Strategies Employed and Spending Policy**

The objective of VISIONS is to maintain the principal endowment funds at the original amount designated by the donor while generating income to support its programs. The investment policy to achieve this objective is to invest in low-risk securities. Investment income earned in relation to the endowment funds is recorded as income with donor restrictions appropriated for the expenditures for which the endowment fund was established. The Trustees of the Fund for the Blind voted a 4.5% monthly distribution for VISIONS based on a 5-year rolling average calculated in December calendar year end for the purpose of operational needs, beginning October 1, 2018. All principal and appreciation/depreciation is considered net assets with donor restrictions. The 4.5% transfer is all revenue without donor restrictions.

## VISIONS/Services for the Blind and Visually Impaired

Changes in endowment net assets are as follows for the years ended September 30:

	2020	2019
Endowment net assets at beginning of year	\$ 84,877,678	\$ 80,830,230
Contributions	3,101	98,229
Interest and dividends	1,648,826	1,775,390
Net realized and unrealized gains	8,432,378	4,849,425
Appropriated for expenditure	<u>(3,841,125)</u>	<u>(2,675,596)</u>
Endowment net assets at end of year	<u>\$ 91,120,858</u>	<u>\$ 84,877,678</u>

### Funds with Deficiencies

VISIONS does not have any funds with deficiencies as of September 30, 2020.

### 8. Retirement Plan

VISIONS sponsors a defined contribution pension program under Section 403(b) of the Internal Revenue Code. Employees may make voluntary contributions to the plan. VISIONS contributes 5% of an eligible employee's salary provided that such employee has been employed full time by VISIONS for at least one year. For the years ended September 30, 2020 and 2019, such contributions resulted in expenses of \$245,791 and \$226,441, respectively.

### 9. Concentrations and Contingencies

VISIONS maintains cash balances at multiple financial institutions. As of September 30, 2020, cash exceeded Federal Deposit Insurance Corporation limit of \$250,000 per institution. The total uninsured cash balance as of September 30, 2020 was approximately \$1,722,000. Management believes that credit risk related to these accounts is minimal based on the historical credit worthiness of this financial institution.

VISIONS investments are concentrated in marketable equity securities and funds that invest in marketable equity securities. Such securities are subject to various risks that determine the value of the funds. Due to the level of risk associated with certain equity securities and the level of uncertainty related to changes in the value of these securities, it is at least reasonably possible that changes in market conditions in the near term could materially affect the value of investments reported in the financial statements.

Effective February 1, 2001, The Associated Blind Housing Development Fund Corporation ("HDFC") and VISIONS entered into a service provider contract. The term of the agreement is for twenty-five years, terminating January 31, 2026, with an automatic annual renewal unless six months prior notice is given by either party. To maintain the contract, VISIONS is required to provide social, recreational and volunteer services for the residents and guests of Selis Manor, a housing complex located on West 23<sup>rd</sup> Street in Manhattan. Should the level and/or quality of service provided be deemed unsatisfactory, under certain conditions, VISIONS may be required to return the initially funded capital. The "fund" consists of \$1,300,000.

## **VISIONS/Services for the Blind and Visually Impaired**

### **10. Beneficial Interest in Perpetual Trusts**

Four perpetual trusts were established for the benefit of VISIONS. Under the terms of the trusts, the income generated is payable to VISIONS. The contributions were classified as restricted support and the annual distributions from the trusts are reported as investment income.

### **11. Related Party Transactions**

The firm providing investment advisory services to The Fund for the Blind included a Board member, who was also a Trustee of The Fund for the Blind at various times during the year ended September 30, 2019. Fees paid for investment advisory fees during that period totaled approximately \$259,000. There were no related party transactions for the year ended September 30, 2020.

### **12. Paycheck Protection Program**

On April 6, 2020, VISIONS entered into a loan agreement with JPMorgan Chase for a loan of \$1,166,875 pursuant to the Payroll Protection Program ("PPP") under the CARES Act. This loan is evidenced by a promissory note dated April 6, 2020 and matures two years from the disbursement date. These funds have been received in the form of a loan, and subsequent to meeting the respective forgiveness guidelines, were treated as income. This loan bears interest at a rate of .98% per annum, with the first year of interest deferred.

Under the terms of the PPP, up to the entire amount of principal and accrued interest may be forgiven to the extent loan proceeds are used for qualifying expenses as described in the CARES Act and applicable implementing guidance issued by the U.S. Small Business Administration under the PPP.

VISIONS has accounted for the loan proceeds in accordance with ASC 958-605 and considered the loan a conditional contribution which will be forgiven once certain requirements are met. Based on qualifying expenses incurred as of September 30, 2020, the amount eligible for forgiveness amounted to \$1,166,875. Visions has determined that as of September 30, 2020, conditions for forgiveness have been met, and accordingly, has recognized the full amount of the loan as government support, included in the accompanying statement of activities and changes in net assets.

### **13. COVID-19**

In early 2020, the emergence of the COVID-19 pandemic has led to significant disruption in the not-for-profit industry. For the year ended September 30, 2020, VISIONS experienced slight decrease in community events revenue due to COVID-19 and has had to change in-person events for the foreseeable future. Other revenue streams have not been impacted during the year ended September 30, 2020. VISIONS is monitoring this evolving situation closely and evaluating its potential exposure. As of the date of this report, it is uncertain what impact, if any, the disruption may have on the future operations of VISIONS.

### **14. Subsequent Events**

Subsequent events have been evaluated through March 9, 2021, the date the financial statements were available for issuance.

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