

**VISIONS/SERVICES FOR THE BLIND  
AND VISUALLY IMPAIRED**

**Financial Statements as of  
September 30, 2021  
Together with  
Independent Auditor's Report**

**Bonadio & Co., LLP**  
Certified Public Accountants

## **INDEPENDENT AUDITOR'S REPORT**

March 1, 2022

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

We have audited the accompanying financial statements of VISIONS/Services for the Blind and Visually Impaired ("VISIONS") (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, 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 the 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 financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's 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.

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## **INDEPENDENT AUDITOR'S REPORT**

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### **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, 2021, 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.

### **Prior Period Financial Statements**

The financial statements of VISIONS/Services for the Blind and Visually Impaired as of September 30, 2020 and for the year then ended, were audited by other auditors whose report dated March 9, 2021 expressed an unmodified opinion on those statements.

# VISIONS/SERVICES FOR THE BLIND AND VISUALLY IMPAIRED

## STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2021

(With summarized comparative amounts)

<b>ASSETS</b>	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,575,623	\$ 1,693,989
Investments - without donor restrictions	11,191,155	8,778,252
Interest and dividends receivable	120,082	99,289
Government grants receivable	976,676	692,171
Contributions receivable	175,000	575,000
Prepaid expenses and other assets	210,801	224,043
Fixed assets, net	7,966,919	8,412,526
Beneficial interest in perpetual trusts	4,476,700	3,804,237
Long-term investments - with donor restrictions	<u>105,549,443</u>	<u>91,120,858</u>
 Total assets	 <u>\$ 132,242,399</u>	 <u>\$ 115,400,365</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 538,311	\$ 414,215
Government advances	<u>-</u>	<u>321,499</u>
 Total liabilities	 <u>538,311</u>	 <u>735,714</u>
 <b>NET ASSETS:</b>		
Without donor restrictions	21,257,105	19,051,223
With donor restrictions	<u>110,446,983</u>	<u>95,613,428</u>
 Total net assets	 <u>131,704,088</u>	 <u>114,664,651</u>
 Total liabilities and net assets	 <u>\$ 132,242,399</u>	 <u>\$ 115,400,365</u>

The accompanying notes are an integral part of these statements.

## VISIONS/SERVICES FOR THE BLIND AND VISUALLY IMPAIRED

### STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED SEPTEMBER 30, 2021

(With summarized comparative amounts)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2021	2020
<b>REVENUES, GAINS AND OTHER SUPPORT</b>				
Contributions and bequests	\$ 512,431	\$ 543,772	\$ 1,056,203	\$ 1,501,206
Community events	39,693			
Less direct expenses of community events	<u>(14,896)</u>	24,797	24,797	62,090
Government support	373,565	4,649,594	5,023,159	5,014,108
Special events	312,313			
Less direct expenses of special events	<u>(115,185)</u>	197,128	197,128	49,308
VCB contributions	2,113	-	2,113	1,926
Interest and dividends	230,505	1,568,308	1,798,813	1,792,157
Net realized and unrealized gain on investments, net of investment fees of \$723,521 and \$592,526, respectively	1,914,566	17,322,570	19,237,136	9,690,966
Other revenues	30,744	-	30,744	24,660
Net assets released from restrictions	<u>9,923,152</u>	<u>(9,923,152)</u>	-	-
<b>Total revenues, gains and other support</b>	<u>13,209,001</u>	<u>14,161,092</u>	<u>27,370,093</u>	<u>18,136,421</u>
<b>EXPENSES:</b>				
Program services				
VCB	2,383,490	-	2,383,490	2,687,056
Community services	5,851,300	-	5,851,300	4,906,239
Selis Manor	<u>1,300,902</u>	<u>-</u>	<u>1,300,902</u>	<u>1,582,753</u>
<b>Total program services</b>	<u>9,535,692</u>	<u>-</u>	<u>9,535,692</u>	<u>9,176,048</u>
Supporting services				
Management and general	992,430	-	992,430	833,996
Fundraising	<u>474,997</u>	<u>-</u>	<u>474,997</u>	<u>343,283</u>
<b>Total supporting services</b>	<u>1,467,427</u>	<u>-</u>	<u>1,467,427</u>	<u>1,177,279</u>
<b>Total expenses</b>	<u>11,003,119</u>	<u>-</u>	<u>11,003,119</u>	<u>10,353,327</u>
Increase in fair value of beneficial interest in perpetual trusts	-	672,463	672,463	156,452
<b>CHANGE IN NET ASSETS</b>	2,205,882	14,833,555	17,039,437	7,939,546
<b>NET ASSETS - beginning of year</b>	<u>19,051,223</u>	<u>95,613,428</u>	<u>114,664,651</u>	<u>106,725,105</u>
<b>NET ASSETS - end of year</b>	<u>\$ 21,257,105</u>	<u>\$ 110,446,983</u>	<u>\$ 131,704,088</u>	<u>\$ 114,664,651</u>

The accompanying notes are an integral part of these statements.

**VISIONS/SERVICES FOR THE BLIND AND VISUALLY IMPAIRED**

**STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**  
(With summarized comparative amounts)

	Program Services				Supporting Services				Total	
	VCB	Community Services	Selis Manor	Total	Management and General	Fundraising	Direct Expenses of Events	Total	2021	2020
Salaries	\$ 819,860	\$ 3,642,895	\$ 800,073	\$ 5,262,828	\$ 601,232	\$ 303,355	\$ -	\$ 904,587	\$ 6,167,415	\$ 5,794,367
Payroll taxes and employee benefits	343,429	1,586,087	351,801	2,281,317	284,090	126,948	-	411,038	2,692,355	2,489,564
Total salaries, taxes and employee benefits	1,163,289	5,228,982	1,151,874	7,544,145	885,322	430,303	-	1,315,625	8,859,770	8,283,931
Occupancy	4,880	25,655	5,053	35,588	5,485	2,116	-	7,601	43,189	41,830
Insurance	45,208	128,226	25,923	199,357	22,712	8,763	-	31,475	230,832	199,384
Utilities	174,525	10,551	1,586	186,662	1,721	664	-	2,385	189,047	230,314
Telephone	13,736	13,039	11,871	38,646	1,077	416	-	1,493	40,139	41,317
Postage	921	13,379	1,027	15,327	1,035	452	-	1,487	16,814	14,391
Printing	5,143	16,784	3,469	25,396	1,687	11,145	-	12,832	38,228	32,705
Subscriptions, dues and conferences	2,312	11,030	2,306	15,648	1,809	1,362	-	3,171	18,819	27,961
Transportation	41,210	47,792	662	89,664	127	1,622	-	1,749	91,413	59,995
Food	251,845	4,230	55,918	311,993	-	-	-	-	311,993	276,943
Laundry	3,099	-	-	3,099	-	-	-	-	3,099	365
Professional fees	7,085	100,233	4,142	111,460	52,148	324	-	52,472	163,932	142,080
Awards	-	-	-	-	-	725	-	725	725	-
Community and special events admissions and donor costs	-	-	-	-	-	-	130,081	130,081	130,081	14,328
Office supplies	3,081	10,338	2,275	15,694	2,070	949	-	3,019	18,713	11,289
Program supplies and expenses	11,769	158,861	2,344	172,974	-	-	-	-	172,974	142,732
Repairs and maintenance	189,339	16,120	16,426	221,885	3,377	10,811	-	14,188	236,073	293,539
Staff recruitment and development	5,658	24,514	4,600	34,772	4,993	1,926	-	6,919	41,691	19,047
Miscellaneous	4,471	18,588	5,578	28,637	3,954	1,524	-	5,478	34,115	41,844
Depreciation	455,919	22,978	5,848	484,745	4,913	1,895	-	6,808	491,553	493,660
Total expenses	2,383,490	5,851,300	1,300,902	9,535,692	992,430	474,997	130,081	1,597,508	11,133,200	10,367,655
Less expenses deducted directly from revenues on the statements of activities and changes in net assets	-	-	-	-	-	-	(130,081)	(130,081)	(130,081)	(14,328)
Total expenses reported by function on the statements of activities and changes in net assets	\$ 2,383,490	\$ 5,851,300	\$ 1,300,902	\$ 9,535,692	\$ 992,430	\$ 474,997	\$ -	\$ 1,467,427	\$ 11,003,119	\$ 10,353,327

The accompanying notes are an integral part of these statements.

## VISIONS/SERVICES FOR THE BLIND AND VISUALLY IMPAIRED

### STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED SEPTEMBER 30, 2021 (With summarized comparative amounts)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 17,039,437	\$ 7,939,546
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	491,553	493,662
Decrease (increase) in fair value in beneficial interest in perpetual trusts	(672,463)	(156,452)
Realized and unrealized gain on investments	(19,960,657)	(10,283,492)
Contribution restricted for endowment	(231)	(3,101)
Increase (decrease) in cash attributable to changes in operating assets and liabilities:		
Interest and dividends receivable	(20,793)	44,322
Government grants receivable	(284,505)	618,094
Contributions receivable	400,000	(325,000)
Prepaid expenses and other assets	13,242	(42,760)
Accounts payable and accrued expenses	124,096	3,341
Government advances	(321,499)	(59,532)
Net cash used in operating activities	<u>(3,191,820)</u>	<u>(1,771,372)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds on sale of investments	5,314,791	41,141,210
Purchase of investments	(2,195,622)	(38,433,751)
Purchase of fixed assets	(45,946)	-
Cash and cash equivalents - Restricted	<u>(1,059,015)</u>	<u>(199,338)</u>
Net cash provided by investing activities	<u>2,014,208</u>	<u>2,508,121</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Investment for permanent endowment	<u>231</u>	<u>3,101</u>
Net cash flow from financing activities	<u>231</u>	<u>3,101</u>
CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS:	(1,177,381)	739,850
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AND CASH EQUIVALENTS - beginning of year	<u>5,450,953</u>	<u>4,711,103</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AND CASH EQUIVALENTS - end of year	<u>\$ 4,273,572</u>	<u>\$ 5,450,953</u>

The accompanying notes are an integral part of these statements.

# VISIONS/SERVICES FOR THE BLIND AND VISUALLY IMPAIRED

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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### 1. THE ORGANIZATION

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.

During the Covid-19 pandemic, VISIONS created robust remote services and activities for blind participants, their families and supporters. This expansion was successful in reaching socially and geographically isolated persons and will continue beyond the pandemic along with in person service delivery.

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.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **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”).



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 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.

### 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, 2021 and 2020, there were no net assets with board designations.

### Cash and Cash Equivalents

VISIONS considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. VISIONS maintains cash balances at financial institutions and at times has balances in excess of federally-insured amounts. VISIONS has not experienced any losses in these accounts and believes it is not exposed to any significant risk with respect to cash and cash equivalents.

The following represents the balance of cash, cash equivalents and restricted cash and cash equivalents for the years ended September 30:

	2021	2020
Cash and cash equivalents	\$ 1,575,623	\$ 1,693,989
Cash and cash equivalents included in Long-term investments – with donor restrictions	<u>2,697,949</u>	<u>3,756,964</u>
Cash, cash equivalents and restricted cash and cash equivalents per the statement of cash flows	<u>\$ 4,273,572</u>	<u>\$ 5,450,953</u>

### 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.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **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.

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, 2021 as compared to those used as of September 30, 2020.

*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 5 for the table that sets forth by level, within the fair value hierarchy, the assets at fair value as of September 30, 2021 and 2020.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Recently Adopted Accounting Pronouncement

In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement." This ASU eliminates, adds and modifies certain disclosure requirements for fair value measurements. The standard is effective for all entities for financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. VISIONS has adopted this standard in 2021. The adoption of this guidance had no impact on the Statement of Financial Position and the Statement of Activities and Changes in Net Assets.

### **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.

### **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.

### **Allowance for Doubtful Accounts**

VISIONS has determined that no allowance for uncollectible government grants receivable or contributions receivable is necessary as of September 30, 2021 and 2020. 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.

### **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.

### **Revenue Recognition**

FASB ASC 606 outlines a five-step framework for recognizing revenue from exchange transactions. The core principle of the guidance in ASC 606 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which VISIONS expects to be entitled in exchange for those goods or services. VISIONS' accounting policies related to revenues subject to ASC 606 are set forth below.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Revenue Recognition (Continued)**

Program service revenue is recognized at approved government or foundation rates when VISIONS satisfies their performance obligations under contracts by transferring services to eligible individuals. VISIONS' performance obligations include: providing vision rehabilitation, pre-employment/work readiness, placement, technology training, children and youth, older adult center, unpaid caregiver support and respite services, as well as other services to individuals living with vision loss and other disabilities. The transaction price is based on established contracts and grants for services provided. These rates may be negotiated or set and determined by the government entity for allowable expenditures in rate setting periods that are generally every 5-6 years or more for city and state government contracts.

Revenue from the provision of these services is generally billed monthly based on the type of services provided and per payors' requirements. City contract payments are generally received within 30 days of billing once the contract is fully registered, which may take more than 6 months from initial approval. State contract billed payments can take 3-9 months or longer to be received. Foundation grants are generally received in advance and reconciled annually.

VISIONS recognizes revenue from government grants as revenue when eligible costs are incurred or services performed. A receivable is recognized to the extent revenue earned exceeds cash advances. Conversely, deferred revenue is recorded when cash advances exceed support and revenue earned.

### **VCB Contributions**

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

### **Occupancy Expense**

Occupancy expense for the years ended September 30, 2021 and 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 or functional expense categorization. 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 as of and for the year ended September 20, 2020, from which the summarized information was derived. Certain 2020 amounts have been reclassified to conform with 2021 financial statement preparation.

### 3. 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 date comprise the following:

Financial assets at:	2021	2020
Cash and cash equivalents	\$ 1,575,623	\$ 1,693,989
Investments	116,740,598	99,899,110
Interest and dividends receivable	120,082	99,289
Government grants receivable	976,676	692,171
Contributions receivable	175,000	575,000
Beneficial interest in trusts	<u>4,476,700</u>	<u>3,804,237</u>
Financial assets available at year-end	124,064,679	106,763,796
Less amounts unavailable for general expenditures within one year, due to:		
Endowments and beneficial interest in trusts	(110,026,143)	(94,925,095)
Restricted by donors for purpose or time restrictions	<u>(420,840)</u>	<u>(688,333)</u>
Total financial assets available for general expenditures within one year	<u>\$ 13,617,696</u>	<u>\$ 11,150,368</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.

### 4. CONTRIBUTIONS RECEIVABLE

Amounts due:	2021	2020
Within one year	\$ 175,000	\$ 425,000
Within two to five years	<u>-</u>	<u>150,000</u>
Total contributions receivable	<u>\$ 175,000</u>	<u>\$ 575,000</u>

### 5. 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.

## 5. ASSETS MEASURED AT FAIR VALUE (Continued)

Assets measured at fair value as of September 30, 2021 are as follows:

	Total	Level 1	Level 2	Level 3
Corporate Obligations	\$ 21,189,022	\$ -	\$ 21,189,022	\$ -
U.S. Treasury and government agency obligations	6,508,303	-	6,508,303	-
Mortgage-backed securities	3,283	-	3,283	-
Equity securities	77,664,059	77,664,059	-	-
Investment funds	357,748	357,748	-	-
Exchange traded funds				
Equity funds	\$ 7,510,201			
Fixed income funds	<u>810,033</u>			
Total exchange traded funds	<u>8,320,234</u>	<u>8,320,234</u>	<u>-</u>	<u>-</u>
Total investments reported on their fair value heirarchy	114,042,649	<u>\$ 86,342,041</u>	<u>\$ 27,700,608</u>	
Cash and cash equivalents - restricted	<u>2,697,949</u>			
Total investments	<u>\$ 116,740,598</u>			
Beneficial interest in perpetual trusts	<u>\$ 4,476,700</u>			<u>\$ 4,476,700</u>

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

	Total	Level 1	Level 2	Level 3
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 heirarchy	96,142,146	<u>\$ 77,248,864</u>	<u>\$ 18,893,282</u>	-
Cash and cash equivalents - restricted	<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>

## 5. ASSETS MEASURED AT FAIR VALUE (Continued)

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

	2021	2020
Investments without donor restrictions	\$ 11,191,155	\$ 8,778,252
Long-term investments with donor restrictions	105,549,443	91,120,858
Total investments	<u>\$ 116,740,598</u>	<u>\$ 99,899,110</u>

### 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:

	2021	2020
Balance at beginning of year	\$ 3,804,237	\$ 3,647,785
Increase (decrease) in fair value	672,463	156,452
Balance at year end	<u>\$ 4,476,700</u>	<u>\$ 3,804,237</u>

## 6. FIXED ASSETS

Fixed assets consist of the following as of September 30:

	2021	2020	Estimated Useful Lives
Land	\$ 94,500	\$ 94,500	
VCB building, equipment and vehicles	2,408,930	2,362,984	3-15 years
Vocational Rehabilitation Center	9,165,624	9,165,624	5-30 years
Office condominium	1,100,000	1,100,000	40 years
Office condominium improvements	481,451	481,451	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
Total Costs	13,650,004	13,604,058	
Less: Accumulated depreciation and amortization	<u>(5,683,085)</u>	<u>(5,191,532)</u>	
Net book value	<u>\$ 7,966,919</u>	<u>\$ 8,412,526</u>	

## 7. NET ASSETS WITH DONOR RESTRICTIONS

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

Subject to expenditure for specific purpose:	2021	2020
Community services	\$ 415,409	\$ 688,333
VCB	5,431	-
Total subject to expenditure for specific purpose or time	<u>420,840</u>	<u>688,333</u>
Donor restricted endowments subject to VISIONS spending policy and appropriation:		
Fund for the Blind	96,954,642	83,450,500
Ilma F. Kern Fund	3,571,768	3,112,126
Selis Manor Fund	1,300,000	1,300,000
Edna F. Blum Fund	1,799,099	1,583,951
Ilma F. Kern Fund of Selis Manor	1,307,972	1,139,652
Wick Stern Fund	340,364	293,576
Strauss Tuition Assistance Fund	156,875	122,330
Other endowment funds	<u>118,723</u>	<u>118,723</u>
Total endowments subject to VISIONS spending policy and appropriation	<u>105,549,443</u>	<u>91,120,858</u>
Perpetual Trusts:		
Martin S. Paine	2,377,684	1,998,813
Adrian Jackson	1,166,679	1,000,524
Maude Aguilar Leland	915,098	790,725
Charles H. Ruhl	<u>17,239</u>	<u>14,175</u>
Total perpetual trusts	<u>4,476,700</u>	<u>3,804,237</u>
Total net assets with donor restrictions	<u>\$ 110,446,983</u>	<u>\$ 95,613,428</u>

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

	2021	2020
Community Services	\$ 3,483,904	\$ 3,745,999
VCB	953,153	1,167,996
Selis Manor	1,023,569	964,371
General operations	<u>4,462,526</u>	<u>3,841,125</u>
	<u>\$ 9,923,152</u>	<u>\$ 9,719,491</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.

### 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.



## 7. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

### 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.

## 8. ENDOWMENT FUNDS

### Interpretation of Relevant Law

The Board of Directors of VISIONS 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. VISIONS 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.

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

	2021	2020
Endowment net assets at beginning of year	\$ 91,120,858	\$ 84,877,678
Contributions	231	3,101
Interest and dividends	1,568,308	1,648,826
Net realized and unrealized gains	17,322,572	8,432,378
Appropriated for expenditure	(4,462,526)	(3,841,125)
	<u>\$ 105,549,443</u>	<u>\$ 91,120,858</u>

### Funds with Deficiencies

VISIONS does not have any funds with deficiencies as of September 30, 2021.

## **9. 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, 2021 and 2020, such contributions resulted in expenses of \$273,092 and \$245,791, respectively.

## **10. CONCENTRATIONS AND CONTINGENCIES**

VISIONS maintains cash balances at multiple financial institutions. As of September 30, 2021, cash exceeded Federal Deposit Insurance Corporation limit of \$250,000 per institution. The total uninsured cash balance as of September 30, 2021 was approximately \$1,463,000. 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. Any known or anticipated changes on management's assessment would be immaterial.

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 23rd 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.

## **11. 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.

## **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. On February 23, 2021, VISIONS entered into a second loan agreement with JPMorgan Chase for a loan of \$1,169,420 pursuant to the Payroll Protection Program (“PPP”) under the CARES Act. These loans are evidenced by promissory notes dated April 6, 2020 and February 23, 2021, respectively, and mature 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. The loans bear interest at a rate of .98% per annum, with the first year of interest deferred.

Under the terms of the PPP, 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 guidance issued by the U.S. Small Business Administration.

VISIONS has accounted for the loan proceeds in accordance with ASC 958-605 and considered the loans conditional contributions which will be forgiven once certain requirements are met. Based on qualifying expenses incurred as of September 30, 2021 and September 30, 2020, the amount eligible for forgiveness amounted to \$1,169,420 and \$1,166,875, respectively. VISIONS has determined that as of September 30, 2021 and 2020, conditions for forgiveness have been met, and accordingly, has recognized the full amount of the loans as government support and included in the accompanying statement of activities and changes in net assets. As of October 2021, both loans have been forgiven by the U.S. Small Business Administration.

## **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 years ended September 30, 2021 and 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 years ended September 30, 2021 and 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 its future operations, therefore, the ultimate effect on VISIONS cannot be determined.

## **14. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through March 1, 2022, the date the financial statements were available for issuance.