

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

**Financial Statements as of
September 30, 2022
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

March 14, 2023

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

Opinion

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, 2022, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of VISIONS as of September 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of VISIONS and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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INDEPENDENT AUDITOR'S REPORT

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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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of VISIONS' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about VISIONS' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited VISIONS' 2021 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 1, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bonadio & Co., LLP

VISIONS/SERVICES FOR THE BLIND AND VISUALLY IMPAIRED

STATEMENT OF FINANCIAL POSITION SEPTEMBER 30, 2022

(With summarized comparative information as of September 30, 2021)

ASSETS	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,257,078	\$ 1,575,623
Investments - without donor restrictions	9,363,983	11,191,155
Interest and dividends receivable	117,328	120,082
Government grants receivable	1,864,209	976,676
Contributions receivable	100,000	175,000
Prepaid expenses and other assets	212,140	210,801
Fixed assets, net	7,667,214	7,966,919
Beneficial interest in perpetual trusts	3,487,995	4,476,700
Long-term investments - with donor restrictions	<u>85,632,841</u>	<u>105,549,443</u>
Total assets	<u>\$ 109,702,788</u>	<u>\$ 132,242,399</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 517,575	\$ 538,311
Government advances	<u>411,063</u>	<u>-</u>
Total liabilities	<u>928,638</u>	<u>538,311</u>
NET ASSETS:		
Without donor restrictions	19,152,932	21,257,105
With donor restrictions	<u>89,621,218</u>	<u>110,446,983</u>
Total net assets	<u>108,774,150</u>	<u>131,704,088</u>
Total liabilities and net assets	<u>\$ 109,702,788</u>	<u>\$ 132,242,399</u>

The accompanying notes are an integral part of these statements.

VISIONS/SERVICES FOR THE BLIND AND VISUALLY IMPAIRED

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED SEPTEMBER 30, 2022

(With summarized comparative information for the year ended September 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2022	2021
REVENUES, GAINS AND OTHER SUPPORT:				
Contributions and bequests	\$ 234,889	\$ 901,769	\$ 1,136,658	\$ 1,056,203
Community events	246,718			
Less: direct expenses of community events	<u>(29,400)</u>	217,318	217,318	24,797
Government support	284,558	5,741,205	6,025,763	5,023,159
Special events	242,146			
Less: direct expenses of special events	<u>(69,552)</u>	172,594	172,594	197,128
VCB contributions	30,947	-	30,947	2,113
Interest and dividends	150,574	1,619,618	1,770,192	1,798,813
Net realized and unrealized gain on investments, net of investment fees of \$768,998 and \$723,521, respectively	(2,010,161)	(17,226,513)	(19,236,674)	19,237,136
Other revenues	22,209	-	22,209	30,744
Net assets released from restrictions	<u>10,873,139</u>	<u>(10,873,139)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>9,976,067</u>	<u>(19,837,060)</u>	<u>(9,860,993)</u>	<u>27,370,093</u>
EXPENSES:				
Program services				
VCB	2,431,287	-	2,431,287	2,383,490
Community services	6,732,169	-	6,732,169	5,851,300
Selis Manor	<u>1,416,152</u>	<u>-</u>	<u>1,416,152</u>	<u>1,300,902</u>
Total program services	<u>10,579,608</u>	<u>-</u>	<u>10,579,608</u>	<u>9,535,692</u>
Supporting services				
Management and general	977,264	-	977,264	992,430
Fundraising	<u>523,368</u>	<u>-</u>	<u>523,368</u>	<u>474,997</u>
Total supporting services	<u>1,500,632</u>	<u>-</u>	<u>1,500,632</u>	<u>1,467,427</u>
Total expenses	<u>12,080,240</u>	<u>-</u>	<u>12,080,240</u>	<u>11,003,119</u>
Change in fair value of beneficial interest in perpetual trusts	<u>-</u>	<u>(988,705)</u>	<u>(988,705)</u>	<u>672,463</u>
CHANGE IN NET ASSETS	<u>(2,104,173)</u>	<u>(20,825,765)</u>	<u>(22,929,938)</u>	<u>17,039,437</u>
NET ASSETS - beginning of year	<u>21,257,105</u>	<u>110,446,983</u>	<u>131,704,088</u>	<u>114,664,651</u>
NET ASSETS - end of year	<u>\$ 19,152,932</u>	<u>\$ 89,621,218</u>	<u>\$ 108,774,150</u>	<u>\$ 131,704,088</u>

The accompanying notes are an integral part of these statements.

VISIONS/SERVICES FOR THE BLIND AND VISUALLY IMPAIRED

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

(With summarized comparative information for the year ended September 30, 2021)

	Program Services				Supporting Services				Total	
	VCB	Community Services	Selis Manor	Total	Management and General	Fundraising	Direct Expenses of Events	Total	2022	2021
Salaries	\$ 821,727	\$ 4,164,990	\$ 786,563	\$ 5,773,280	\$ 593,075	\$ 329,366	\$ -	\$ 922,441	\$ 6,695,721	\$ 6,167,415
Payroll taxes and employee benefits	330,773	1,784,996	343,984	2,459,753	273,848	145,905	-	419,753	2,879,506	2,692,355
Total salaries, taxes and employee benefits	1,152,500	5,949,986	1,130,547	8,233,033	866,923	475,271	-	1,342,194	9,575,227	8,859,770
Occupancy	8,366	48,829	9,170	66,365	10,056	4,022	-	14,078	80,443	43,189
Insurance	47,257	140,231	27,205	214,693	24,348	9,739	-	34,087	248,780	230,832
Utilities	201,707	10,378	1,949	214,034	2,137	855	-	2,992	217,026	189,047
Telephone	11,430	11,334	11,179	33,943	687	275	-	962	34,905	40,139
Postage	1,005	13,500	1,039	15,544	1,128	555	-	1,683	17,227	16,814
Printing	6,745	14,207	3,710	24,662	1,278	10,617	-	11,895	36,557	38,228
Subscriptions, dues and conferences	2,921	17,417	4,726	25,064	3,366	2,651	-	6,017	31,081	18,819
Transportation	57,697	57,112	4,863	119,672	1,080	3,050	-	4,130	123,802	91,413
Food	262,846	7,196	154,663	424,705	-	-	-	-	424,705	311,993
Laundry	11,265	-	-	11,265	-	-	-	-	11,265	3,099
Professional fees	3,021	154,619	3,080	160,720	44,277	298	-	44,575	205,295	163,932
Community and special events admissions and donor costs	-	-	-	-	-	-	98,952	98,952	98,952	130,081
Office supplies	6,297	6,461	2,303	15,061	1,331	682	-	2,013	17,074	18,713
Program supplies and expenses	5,100	195,430	9,814	210,344	-	-	-	-	210,344	172,974
Repairs and maintenance	220,297	30,941	31,968	283,206	5,323	9,022	-	14,345	297,551	236,073
Staff recruitment and development	9,579	25,038	6,930	41,547	5,136	2,054	-	7,190	48,737	41,691
Miscellaneous	6,418	26,476	7,617	40,511	5,455	2,381	-	7,836	48,347	34,840
Depreciation	416,836	23,014	5,389	445,239	4,739	1,896	-	6,635	451,874	491,553
Total expenses	2,431,287	6,732,169	1,416,152	10,579,608	977,264	523,368	98,952	1,599,584	12,179,192	11,133,200
Less expenses deducted directly from revenues on the statements of activities and changes in net assets	-	-	-	-	-	-	(98,952)	(98,952)	(98,952)	(130,081)
Total expenses reported by function on the statements of activities and changes in net assets	\$ 2,431,287	\$ 6,732,169	\$ 1,416,152	\$ 10,579,608	\$ 977,264	\$ 523,368	\$ -	\$ 1,500,632	\$ 12,080,240	\$ 11,003,119

The accompanying notes are an integral part of these statements.

VISIONS/SERVICES FOR THE BLIND AND VISUALLY IMPAIRED

STATEMENT OF CASH FLOWS

SEPTEMBER 30, 2022

(With summarized comparative information for the year ended September 30, 2021)

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (22,929,938)	\$ 17,039,437
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	451,875	491,553
Decrease (increase) in fair value in beneficial interest in perpetual trusts	988,705	(672,463)
Realized and unrealized gain on investments	18,467,676	(19,960,657)
Contribution restricted for endowment	-	(231)
Increase (decrease) in cash attributable to changes in operating assets and liabilities:		
Interest and dividends receivable	2,754	(20,793)
Government grants receivable	(887,533)	(284,505)
Contributions receivable	75,000	400,000
Prepaid expenses and other assets	(1,339)	13,242
Accounts payable and accrued expenses	(20,736)	124,096
Government advances	411,063	(321,499)
Net cash used in operating activities	(3,442,473)	(3,191,820)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds on sale of investments	27,216,955	5,314,791
Purchase of investments	(23,940,857)	(2,195,622)
Purchase of fixed assets	(152,170)	(45,946)
Net cash provided by investing activities	3,123,928	3,073,223
CASH FLOWS FROM FINANCING ACTIVITIES:		
Investment for permanent endowment	-	231
Net cash flow from financing activities	-	231
CHANGE IN CASH AND CASH EQUIVALENTS	(318,545)	(118,366)
CASH AND CASH EQUIVALENTS - beginning of year	1,575,623	1,693,989
CASH AND CASH EQUIVALENTS - end of year	\$ 1,257,078	\$ 1,575,623

The accompanying notes are an integral part of these statements.

VISIONS/SERVICES FOR THE BLIND AND VISUALLY IMPAIRED

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

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 has continued 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 and 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.

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, 2022 and 2021, there were no net assets with board designations.

Cash and Cash Equivalents

VISIONS considers highly liquid investments with an original maturity of three months or less when purchased, other than cash and cash equivalents included in VISIONS’ investment portfolio 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

Accounting Standards Codification (ASC) 820 *Fair Value Measurements* establishes 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, 2022 as compared to those used as of September 30, 2021.

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.

Investment 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, 2022 and 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. All contributions receivable are due within the current operating cycle at September 30, 2022 and 2021.

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 an allowance for uncollectible government grants receivable or contributions receivable is not necessary as of September 30, 2022 and 2021. 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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, 2022 and 2021 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, 2021, from which the summarized information was derived. Certain 2021 amounts have been reclassified to conform with 2022 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:	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,257,078	\$ 1,575,623
Investments	94,996,824	116,740,598
Interest and dividends receivable	117,328	120,082
Government grants receivable	1,864,209	976,676
Contributions receivable	100,000	175,000
Beneficial interest in perpetual trusts	<u>3,487,995</u>	<u>4,476,700</u>
Financial assets available at year-end	101,823,434	124,064,679
Less amounts unavailable for general expenditures within one year, due to:		
Endowments and beneficial interest in perpetual trusts	(89,212,589)	(110,026,143)
Restricted by donors for purpose or time restrictions	<u>(408,629)</u>	<u>(420,840)</u>
Total financial assets available for general expenditures within one year	<u>\$ 12,202,216</u>	<u>\$ 13,617,696</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. 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, 2022 and 2021, such contributions resulted in expenses of \$297,779 and \$273,092, respectively.

5. INVESTMENTS AND 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. INVESTMENTS AND ASSETS MEASURED AT FAIR VALUE (Continued)

Assets measured at fair value as of September 30, 2022 are as follows:

	Total	Level 1	Level 2	Level 3
Corporate obligations	\$ 11,197,435	\$ -	\$ 11,197,435	\$ -
U.S. Treasury and government				
agency obligations	5,757,782	-	5,757,782	-
Mortgage-backed securities	1,800	-	1,800	-
Equity securities	61,258,699	61,258,699	-	-
Investment funds	275,613	275,613	-	-
Exchange traded funds				
Equity funds	\$ 4,981,989			
Fixed income funds	<u>198,500</u>			
Total exchange traded funds	<u>5,180,489</u>	<u>5,180,489</u>	<u>-</u>	<u>-</u>
Total investments reported on				
the fair value heirarchy	83,671,818	<u>\$ 66,714,801</u>	<u>\$ 16,957,017</u>	
Cash and cash equivalents	<u>11,325,006</u>			
Total investments	<u>\$ 94,996,824</u>			
Beneficial interest in perpetual trusts	<u>\$ 3,487,995</u>			<u>\$ 3,487,995</u>

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				
the fair value heirarchy	114,042,649	<u>\$ 86,342,041</u>	<u>\$ 27,700,608</u>	-
Cash and cash equivalents	<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>

5. INVESTMENTS AND ASSETS MEASURED AT FAIR VALUE (Continued)

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

	<u>2022</u>	<u>2021</u>
Investments - without donor restrictions	\$ 9,363,983	\$ 11,191,155
Long-term investments - with donor restrictions	<u>85,632,841</u>	<u>105,549,443</u>
Total investments	<u><u>\$ 94,996,824</u></u>	<u><u>\$ 116,740,598</u></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:

	<u>2022</u>	<u>2021</u>
Balance at beginning of year	\$ 4,476,700	\$ 3,804,237
Increase (decrease) in fair value	<u>(988,705)</u>	<u>672,463</u>
Balance at year end	<u><u>\$ 3,487,995</u></u>	<u><u>\$ 4,476,700</u></u>

6. FIXED ASSETS

Fixed assets consist of the following as of September 30:

	<u>2022</u>	<u>2021</u>	<u>Estimated Useful Lives</u>
Land	\$ 94,500	\$ 94,500	
VCB building, equipment and vehicles	2,561,100	2,408,930	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	<u>135,976</u>	<u>135,976</u>	3-5 years
Total Costs	13,802,174	13,650,004	
Less: Accumulated depreciation and amortization	<u>(6,134,960)</u>	<u>(5,683,085)</u>	
Net book value	<u><u>\$ 7,667,214</u></u>	<u><u>\$ 7,966,919</u></u>	

Depreciation expense for the years ended September 30, 2022 and 2021 was \$451,875 and \$491,553, respectively

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:	<u>2022</u>	<u>2021</u>
Community services	\$ 353,198	\$ 415,409
VCB	55,431	5,431
Total subject to expenditure for specific purpose or time	<u>408,629</u>	<u>420,840</u>
Donor restricted endowments subject to VISIONS spending policy and appropriation:		
Fund for the Blind	78,429,124	96,954,642
Ilma F. Kern Fund	2,864,360	3,571,768
Selis Manor Fund	1,300,000	1,300,000
Edna F. Blum Fund	1,571,139	1,799,099
Ilma F. Kern Fund of Selis Manor	1,048,921	1,307,972
Wick Stern Fund	266,114	340,364
Strauss Tuition Assistance Fund	126,213	156,875
Other endowment funds	118,723	118,723
Total endowments subject to VISIONS spending policy and appropriation	<u>85,724,594</u>	<u>105,549,443</u>
Perpetual Trusts:		
Martin S. Paine	1,890,776	2,377,684
Adrian Jackson	878,429	1,166,679
Maude Aguilar Leland	705,856	915,098
Charles H. Ruhl	12,934	17,239
Total perpetual trusts	<u>3,487,995</u>	<u>4,476,700</u>
Total net assets with donor restrictions	<u>\$ 89,621,218</u>	<u>\$ 110,446,983</u>

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

	<u>2022</u>	<u>2021</u>
Community Services	\$ 4,702,874	\$ 3,483,904
VCB	941,903	953,153
Selis Manor	1,010,408	1,023,569
General operations - endowment appropriations	4,217,954	4,462,526
	<u>\$ 10,873,139</u>	<u>\$ 9,923,152</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 net assets with donor restrictions (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 net assets with donor restrictions is classified as net assets with donor restrictions 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:

	<u>2022</u>	<u>2021</u>
Endowment net assets at beginning of year	\$ 105,549,443	\$ 91,120,858
Contributions	-	231
Interest and dividends	1,619,618	1,568,308
Net realized and unrealized gains	(17,226,513)	17,322,572
Appropriated for expenditure	(4,217,954)	(4,462,526)
	<u>\$ 85,724,594</u>	<u>\$ 105,549,443</u>

Funds with Deficiencies

VISIONS does not have any funds with deficiencies as of September 30, 2022 and 2021.

9. COMMITMENTS AND CONTINGENCIES

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.

The COVID-19 Pandemic continues to impact people and business, including not-for-profits, throughout the world. VISIONS continues to monitor this continuously evolving situation closely and to evaluate what impact, if any, this may have on its future operations.

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 support with donor restrictions and the annual distributions from the trusts are reported as investment income.

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 14, 2023, the date the financial statements were available for issuance.