Vista Center for the Blind and Visually Impaired

Financial Statements

June 30, 2021
(With Comparative Totals for 2020)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Vista Center for the Blind and Visually Impaired
Palo Alto, California

We have audited the accompanying financial statements of Vista Center for the Blind and Visually Impaired (a California nonprofit corporation) (the "Organization"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vista Center for the Blind and Visually Impaired as of June 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.

Emphasis of Matter

As described in Note 8 of the financial statements, on March 11, 2020, the World Health Organization declared the novel strain of coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of COVID-19 cannot be reasonably estimated through the report date of April 11, 2022. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited Vista Center for the Blind and Visually Impaired's 2020 financial statements, and our report dated January 4, 2021 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 June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Armanino LLP

Armanino LLP
San Jose, California

April 11, 2022

Vista Center for the Blind and Visually Impaired
Statement of Financial Position
June 30, 2021
(With Comparative Totals for 2020)

	2021	2020
ASSETS		
Cash and cash equivalents	$ 271,173	$ 667,480
Investments	2,790,093	1,620,009
Accounts receivable	97,716	54,344
Grants receivable	48,251	56,782
Pledges receivable	50,543	35,000
Inventory	47,136	50,627
Prepaid expenses	789,175	861,169
Property, equipment and leasehold improvements, net	5,422,812	5,444,069
Endowment investments	2,681,528	2,681,528
Total assets	$ 12,198,427	$ 11,471,008
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	$ 238,140	$ 170,738
Deferred rent	108,026	90,321
Refundable advance - Paycheck Protection Program	-	136,375
Total liabilities	346,166	397,434
Net assets		
Without donor restrictions		
Undesignated	2,206,691	2,104,507
Investment in property, equipment and leasehold improvements	5,422,812	5,444,069
Total without donor restrictions	7,629,503	7,548,576
With donor restrictions		
Restricted to passage of time	5,000	5,000
Restricted for a specified purpose	129,507	53,450
Unappropriated earnings on endowment	1,406,723	785,020
Perpetual endowment	2,681,528	2,681,528
Total with donor restrictions	4,222,758	3,524,998
Total net assets	11,852,261	11,073,574
Total liabilities and net assets	$ 12,198,427	$ 11,471,008

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

Vista Center for the Blind and Visually Impaired
Statement of Activities
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Support and revenue				
Contributions and grants	$ 796,580	$ 231,000	$ 1,027,580	$ 1,243,801
Investment income, net	615,858	754,334	1,370,192	246,369
Contribution revenue - Paycheck Protection Program	568,273	-	568,273	338,025
Program service fees	533,639	-	533,639	574,778
Government grants	424,747	-	424,747	400,494
Fundraising events, net	284,470	-	284,470	112,040
Merchandise sales, net	25,127	-	25,127	19,855
Individual fees and services	19,711	-	19,711	22,809
In-kind contributions	1,192	-	1,192	8,498
Miscellaneous income	330	-	330	2,117
Change in fair value of beneficial interest in irrevocable charitable trust	-	-	-	455
Net assets released from restriction	287,574	(287,574)	-	-
Total support, revenue and net assets released from restriction	3,557,501	697,760	4,255,261	2,969,241
Functional expenses				
Program services	2,618,052	-	2,618,052	2,622,557
Support services				
Management and general	477,903	-	477,903	449,127
Fundraising	380,619	-	380,619	403,573
Total support services	858,522	-	858,522	852,700
Total functional expenses	3,476,574	-	3,476,574	3,475,257
Change in net assets	80,927	697,760	778,687	(506,016)
Net assets, beginning of year	7,548,576	3,524,998	11,073,574	11,579,590
Net assets, end of year	$ 7,629,503	$ 4,222,758	$ 11,852,261	$ 11,073,574

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

Vista Center for the Blind and Visually Impaired
Statement of Functional Expenses
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

		Support Services			
	Program Services	Management and General	Fundraising	2021 Total	2020 Total
Salaries and related expenses					
Salaries and wages	$ 1,535,123	$ 180,680	$ 224,021	$ 1,939,824	$ 2,029,079
Employee benefits	191,814	35,373	33,061	260,248	235,759
Payroll taxes	110,405	9,634	15,841	135,880	147,593
Total salaries and related expenses	1,837,342	225,687	272,923	2,335,952	2,412,431
Facilities expense	315,511	25,954	18,916	360,381	364,518
Professional services	118,816	177,645	48,527	344,988	245,621
Office expenses and supplies	153,253	25,236	17,274	195,763	180,034
Depreciation and amortization	111,414	12,915	8,977	133,306	127,359
Expenses from fundraising events	-	-	38,551	38,551	40,222
Employee related expenses	29,586	5,626	165	35,377	49,297
Scholarship aids and exams	25,153	-	1,192	26,345	44,531
Other	19,558	41	-	19,599	24,590
Miscellaneous	5,083	4,367	4,300	13,750	12,270
Marketing and promotion	-	-	8,133	8,133	8,496
Bad debts	1,380	-	-	1,380	1,276
Vehicle costs	956	248	142	1,346	790
Meals, meetings and conferences	-	184	70	254	4,044
Less: expenses included with revenue on the statement of activities	-	-	(38,551)	(38,551)	(40,222)
	$ 2,618,052	$ 477,903	$ 380,619	$ 3,476,574	$ 3,475,257
Percentage of total	75 %	14 %	11 %	100 %	

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

Vista Center for the Blind and Visually Impaired
Statement of Cash Flows
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

	2021	2020
Cash flows from operating activities		
Change in net assets	$ 778,687	$ (506,016)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation and amortization	133,306	127,359
Amortization of prepaid rent	66,667	66,667
Net realized and unrealized gains on investments	(1,301,337)	(162,629)
Contributions of investment restricted for permanent endowment	-	(25,577)
Change in fair value of beneficial interest in irrevocable charitable trust	-	(455)
Changes in operating assets and liabilities		
Accounts receivable	(43,372)	814
Grants receivable	8,531	107,982
Pledges receivable	(15,543)	(2,500)
Inventory	3,491	8,131
Prepaid expenses	5,327	34,985
Beneficial interest in irrevocable charitable trust	-	41,746
Accounts payable and accrued liabilities	67,402	(31,021)
Deferred revenue	-	(3,656)
Deferred rent	17,705	22,405
Refundable advance - Paycheck Protection Program	(136,375)	136,375
Net cash used in operating activities	(415,511)	(185,390)
Cash flows from investing activities		
Proceeds from sale of investments	200,000	668,646
Purchase of property, equipment and leasehold improvements	(112,049)	(9,833)
Purchases of investments	(68,747)	-
Net cash provided by investing activities	19,204	658,813
Net increase (decrease) in cash and cash equivalents	(396,307)	473,423
Cash and cash equivalents, beginning of year	667,480	194,057
Cash and cash equivalents, end of year	$ 271,173	$ 667,480

Supplemental schedule of noncash investing and financing activities

	2021	2020
Contributions of investment restricted for permanent endowment	$ -	$ 25,577

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

Vista Center for the Blind and Visually Impaired
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

1. NATURE OF OPERATIONS

Vista Center for the Blind and Visually Impaired ("Vista Center" or the "Organization") is a California nonprofit corporation chartered on February 21, 1945. Its purpose is to provide vision loss rehabilitation programs for clients in Santa Clara, San Mateo, San Benito and Santa Cruz counties with severe vision loss, including evaluation, counseling, education and training. The Organization's primary source of support and revenue is from contributions and program service fees. During the year ended June 30, 2021, Vista Center served more than 3,700 clients and their families throughout four counties in Northern California.

On November 19, 2018, Santa Clara Valley Blind Center, Inc. ("the Blind Center") merged into Vista Center to operate as one organization to better provide services to those with vision loss in the San Jose Metropolitan Area. As a combined entity, Vista Center gained new and unique programs serving the visually impaired and space for capacity building. The excess of the fair value of the identifiable assets acquired over the fair value of the liabilities assumed was $4,848,646 and was recognized and included on the statement of activities for the year ended June 30, 2019 as Inherent Contribution from Acquisition.

Program services are as follows:

- ***Safe and Healthy Living*** **- Without sight the most routine tasks can seem insurmountable. The Safe and Healthy Living program assesses the individual needs of a client and develops a customized plan of action for teaching the skills that enable independence.**

  Social Services - Participants receive an overall assessment of their current situation and needs. Vista Center's social workers help individuals develop a rehabilitation plan, provide case management and keep the individual informed about programs, services and resources to support that person's independence.

  Orientation and Mobility - Vista Center's teachers work with clients on mastering activities such as cane use, crossing streets, using public transportation, walking with a guide dog and navigating everyday environments.

  Daily Living Skills - Training helps clients live safely and become more independent by learning safe cooking techniques, independent medication and health management, housekeeping, personal hygiene, money and paperwork management and adapting to everyday environments so clients can negotiate daily tasks.

  Counseling and Support Groups - Includes individual and/or group professional counseling. Sessions help clients adjust to living with a disability.

  The Health Library - An affiliate of The Stanford Health Library, offers a variety of scientifically-based medical information on vision loss and rehabilitation. Skilled volunteers can research medical topics for any blind or visually impaired person who requests assistance.

  Support for Vocational Services - Vista Center staff support visually impaired people who are working or returning to work with orientation to the job site, organizational skills, technology training and by linking them to community resources that provide job support.

1. NATURE OF OPERATIONS (continued)

The Store at Vista Center - Is stocked with a variety of products that can help people who are blind or visually impaired enjoy and lead more independent lives.

Volunteers - Vista Center's enthusiastic volunteers work directly with its clients filling a variety of needs. They also work in The Store at Vista Center, The Health Library or assist visually impaired staff members.

- ***Low Vision Services*** **- When someone is slowly losing sight, losing faith in one's ability to function independently becomes a real fear. By conducting evaluations, which result in recommendations and education to enhance the use of remaining vision, Vista Center's specially trained low vision optometrists provide devices, services and support that alleviate fear and restore hope.**

Low Vision Clinic - The individual's functional vision will be evaluated by Vista Center's low vision optometrist who will recommend adaptive equipment to assist in daily life activities. These adaptive aids can assist with reading, writing, watching television, seeing street signs and many other daily activities.

Lighting Evaluations and Contrast Training - Vista Center's occupational therapist will provide an evaluation to determine the best lighting for its clients' home environments and for completing a task. The use of contrast in client homes will also be demonstrated to make daily tasks easier.

Low Vision Aids and Devices Training - Appropriate magnifying devices and electronic equipment are demonstrated and recommended to allow the client to maximize the use of remaining vision.

Low Vision Expo - Event provides speakers from the ophthalmology community, the technology field and a variety of vendors demonstrating the latest in assistive technology and community resources.

- ***School and Youth Services*** **- Blind and visually impaired young people are no different from their sighted peers in their desire for opportunities to engage with others and make a difference in the world. The School and Youth Services Program provides them with the tools, strategies, confidence and courage to build the future that they dream of and that is possible.**

Family and Youth Activities - Planned events are scheduled throughout the year for a family day of fun! They enjoy amusement parks, visiting the zoo, going fishing, kayaking, ice skating and a whole lot more!

When I Grow Up - Offers the opportunity for blind or visually impaired youth to "see" their future possibilities by getting to know blind and visually impaired adults who have succeeded in a sighted world.

Teens Together Plus - Is a monthly support group for Vista Center's blind and visually impaired youth who are between the ages of 15 and 22 years old. It is an excellent opportunity to connect with peers, build social skills, receive emotional support and share information about technology and other areas of interest related to blindness.

1. NATURE OF OPERATIONS (continued)

Braille Challenge - Is a celebration of Braille literacy in the form of a contest among blind school children. The contestants are public and private school students in grades one through twelve. Winners participate in the National Braille Challenge sponsored by the Braille Institute.

Instruction in Schools - Teachers of the visually impaired are directly involved in the education and rehabilitation of blind children. The Organization contracts with numerous school districts to provide their blind education and rehabilitation services. The Organization's services include Orientation and Mobility, Technology for Youth, Teachers of the Visually Impaired and Assessment Services.

- ***Technology Program*** **- Vista Center's Technology Program, part of Safe and Healthy Living, is leading the way in bringing technology that was once only available to the sighted community to those who are blind or visually impaired. Vista Center's access technology specialists provide basic to advanced customized training to enrich, simplify, transform and open up new worlds to Vista Center's clients.**

Technology Lab Days - The Tech Lab is a free one-on-one session designed to demonstrate a variety of devices and help with selecting the best option in a supportive setting.

Technology User Group - These free meetings are scheduled once a month in Vista Center's Palo Alto and Santa Cruz offices. Learn from speakers from assistive technology companies and be in the know about what is new.

Assistive Technology Training - This is a one-on-one training session at Vista Center's Palo Alto office with Vista Center's technology specialist. Topics include using a personal computer with the latest assistive software including ZoomText, Magic, JAWS, MS Office with Assistive Technology and Internet Explorer with Assistive Technology. Individual instruction on the latest Apple IOS and Android devices is also available.

Concierge Training in Your Home - Vista Center offers individualized instruction in client homes, including a personalized assessment of client training needs and equipment, one-on-one instruction on client personal computers using assistive technology software and teaching clients how to use other devices effectively. Vista Center will help clients to select applications that suit their needs and offer training on them. Follow-up services are offered to verify that clients have mastered the skills they need.

Technology for Youth - Offering opportunities for youth to learn the latest assistive technology and applications, especially those being used in the classroom.

VIPTUC (Visually Impaired Persons Technology Users Conference) is for those interested in learning about cutting edge technologies being incorporated in a variety of products, especially the latest smart phones and how that technology is being made accessible to those who are blind or visually impaired.

1. NATURE OF OPERATIONS (continued)

- ***Community Outreach*** **- Vista Center is committed to communicating its mission and how it can help all individuals in its service area who are experiencing vision loss, through a comprehensive community outreach program.**

  Community Outreach - Includes presentations and educational events targeted to specific groups including:

  Medical referral sources, including MDs, ODs and medical groups

  Community centers and civic organizations

  Health fairs

  Senior residences

  Vista Center open house events and Low Vision Expos

  Corporate employee presentations

  Classroom Outreach and Education - Vista Center's teachers provide education and outreach at K-12 schools to educate students about what vision loss is, how they can help someone who has vision loss and what they should do to take care of their own eye health. Students are offered the opportunity to become volunteers to help someone who is blind.

  Paratransit, Public Transit and Intersection Consulting - Municipal traffic departments and public transportation agencies contract with Vista Center to formally analyze street intersections for pedestrian safety and to make suggestions as to how they can be modified. Vista Center also analyzes bus and train embarkation points and advises on how they may be improved.

  Vista Center's Orientation and Mobility staff participates on county paratransit agency advisory boards to monitor trends and suggest service improvements.

  Professional Staff In-Services - are offered to cover a variety of topics including An Insight into Vision Loss, The Sighted Guide Experience, Essential Communication Strategies and Strategies for Coping with Significant Vision Loss. If an entity's staff works with or assists individuals who are blind or visually impaired, Vista Center can provide the training that is needed to promote a safe and respectful environment.

  Corporate Outreach - Vista Center provides expertise and resources to corporate partners for research and development purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting. Net assets and changes therein are classified as follows:

- *Net assets without donor restrictions* - are available for the various programs and the administration of the Organization. Net assets without donor restrictions include net assets invested in property, equipment and leasehold improvements. Board designated funds, when established by the Board of Directors, represent funds without donor restrictions which are to be used for future needs of the Organization. Net investment in property, equipment and leasehold improvements represents the carrying value of the property, equipment and leasehold improvements used in the operations of the Organization, net of amounts borrowed, if any.
- *Net assets with donor restrictions* - consist of net assets subject to stipulations by donors and grantors, including the portion of donor-restricted endowment funds that are available for appropriation for expenditure by the Organization's Board of Directors. Amounts restricted by the donor, grantor or other outside party for a particular purpose or time period are reported as support and revenue when received and as net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. Net assets with donor restrictions also include those assets which are subject to non-expiring donor restrictions, such as endowments.

Change in accounting principle

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606).* This ASU provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. GAAP. The core principle of the new guidance is that an entity should reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. The Organization adopted ASU 2014-09 with a date of the initial application of July 1, 2020, using the full retrospective method. The adoption of ASU 2014-09 did not have a significant impact on the Organization's financial position, result of operations, or cash flows. No changes were required to previously reported revenue as a result of the adoption of this standard.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("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 support, revenue and expenses during the reporting period. Actual results could differ from those estimates.

Uses of estimates include, but are not limited to, accounting for the acquired land and building, allowance for doubtful receivables, depreciation and amortization and the allocation of functional expenses.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments and investments with a maturity of three months or less. The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash accounts.

Investments

Investments are stated at fair value in the statement of financial position based on quoted market prices provided by investment managers. Dividends and interest are accrued as earned and recorded as revenue without donor restrictions unless income is restricted by the donor. The unrealized gain or loss for the current period is reported as investment income or loss.

Fair value measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value (Level 1, Level 2 and Level 3). Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs reflect the Organization's own assumptions about what market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Organization's own data. Financial assets that are included in Level 3 investments include a privately held investment in a partnership interest.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements (continued)

Valuation techniques utilized during the reporting period in the fair value measurement of assets and liabilities presented on the Organization's statement of financial position were not changed from previous practice.

Accounts, grants and pledges receivable

Accounts, grants and pledges receivable represent amounts due from contractors, grantors and donors. The Organization uses the allowance method. An allowance for uncollectible accounts, grants and pledges receivable is provided based upon management's judgment of the amount receivable. The determination includes such factors as prior collection and type of receivable. The Organization considers all accounts, grants and pledges receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary.

Prepaid expenses

The prepaid expense balance is comprised primarily of prepaid rent (see Note 9).

Inventory

Inventory consists of low-vision aids and appliances used in the Organization's programs as well as held for sale to the public. These items are stated at the lower of cost or fair value.

Property, equipment and leasehold improvements

Property, equipment and leasehold improvements are recorded at cost or, if contributed, at the estimated fair value when donated. It is the Organization's policy to capitalize items costing more than $500. Depreciation and amortization is computed using the straight-line method over estimated useful lives, which range from five to fifteen years. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the property. Depreciation and amortization is recorded as a decrease in net assets without donor restrictions and the expense is charged to the activity benefiting from the use of the property, equipment or leasehold improvements.

Deferred rent

The Organization recognizes rent expense on a straight-line basis over the lease term and, accordingly, the difference between cash rent payments and the recognition of rent expense is reported as deferred rent.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Organization generates revenue through programs and contract services, by providing vision services, various trainings, visual impairment classes to clients. The Organization follows the following steps to determine revenue recognition:

- Identifying the contract(s) with a customer,
- Identifying the performance obligations in the contract(s),
- Determining the transaction price,
- Allocating the transaction price to the performance obligations in the contract(s), and
- Recognizing revenue when, or as, the Organization satisfies a performance obligation.

The Organization recognizes revenue on the accrual basis of accounting. Contract revenue and program fees are recognized as revenue in the period in which the service is provided.

Contributions

Contributions are recognized when the donor makes a pledge to give that is, in substance, an unconditional promise. Contributions are recorded as with or without donor restrictions depending on the nature of donor restrictions. Contributions with donor restrictions are reported as increases in net assets with donor restrictions. When the restriction is met, the amount is shown as a reclassification of net assets with donor restrictions to net assets without donor restrictions.

Contributions that are considered conditional promises to give which contain barriers and a right of return or right of release are not recognized until the conditions on which they depend are met, at which time, the gift is recognized as either grants and contributions support with or without donor restrictions. The Organization's programs are supported by grants and contracts from federal, state and local governments requiring services to be rendered to eligible individuals. The support generated from these programs is recorded as government grants in the statement of activities. These government grants meet the criteria to be classified as conditional contributions under GAAP revenue recognition for nonprofit organizations as they contain barriers related to incurrence of qualifying expenditures and a right of return or release. The Organization has elected a simultaneous release option to account for these grants. Therefore, they are recorded as government grants without donor restrictions upon satisfaction of the barriers. During the year ended June 30, 2021, these conditions were met and revenue was recognized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In-kind contributions

Contributed materials and equipment are reflected as contributions in the accompanying financial statements at their estimated fair value at date of receipt. Contributed services are reflected in the financial statements at the fair value of the services received. Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Organization recognized in-kind contributions for goods and services during the years ended June 30, 2021 and 2020 totaling $1,192 and $8,498, respectively.

Income tax status

The Organization is a qualified organization exempt from federal and California income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (IRC) and 23701(d) of the State of California Revenue and Taxation Code. As such, the Organization qualifies for the maximum charitable contribution deduction by donors.

The Organization has evaluated its current tax positions and has concluded that as of June 30, 2021, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

Advertising

The Organization expenses all advertising costs, including direct response advertising costs, as they are incurred. Advertising costs for the years ended June 30, 2021 and 2020 totaled $8,133 and $8,496, respectively.

Functional expense allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and support services benefited. Indirect salary expense allocation is based in individual employee estimated time spent by function. Other indirect cost allocations are based on salary expense or square footage.

Comparative financial information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional expense categories. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain amounts in the prior year have been reclassified in order to be consistent with the current year presentation.

3. INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2021:

	Level 1	Level 2	Level 3	Fair Value
Dodge and Cox Balanced Fund	$ 3,099,130	$ -	$ -	$ 3,099,130
Harbor Capital Appreciation Fund	1,472,471	-	-	1,472,471
Harbor Bond Fund	835,610	-	-	835,610
Partnership interest	-	-	27,088	27,088
Krupp Endowment Fund	-	-	24,943	24,943
Dodge and Cox International Equity Fund	12,379	-	-	12,379
	$ 5,419,590	$ -	$ 52,031	$ 5,471,621

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2020:

	Level 1	Level 2	Level 3	Fair Value
Dodge and Cox Balanced Fund	$ 2,391,728	$ -	$ -	$ 2,391,728
Harbor Capital Appreciation Fund	1,028,441	-	-	1,028,441
Harbor Bond Fund	820,519	-	-	820,519
Partnership interest	-	-	27,088	27,088
Krupp Endowment Fund	-	-	24,943	24,943
Dodge and Cox International Equity Fund	8,818	-	-	8,818
	$ 4,249,506	$ -	$ 52,031	$ 4,301,537

3. INVESTMENTS (continued)

Investment earnings consisted of the following:

	2021	2020
Interest and dividends	$ 68,855	$ 83,285
Net realized and unrealized gains on investments	1,301,337	163,084
	$ 1,370,192	$ 246,369

4. BENEFICIAL INTEREST IN IRREVOCABLE CHARITABLE TRUST

The Organization assumed a beneficial interest in an irrevocable charitable trust upon acquisition of the Blind Center during the year ended June 30, 2019 (see Note 1). The Organization was a co-beneficiary of the irrevocable charitable trust. Under the trust agreement, the Organization was entitled to 50% of the trust assets which were paid in fixed sum annual distributions adjusted for an annual inflation rate of 5%. The Organization's pro-rata interest in the trust was recorded at the fair value of the assets contributed to the trust and was donor restricted. The trust holdings included investments in stocks, bonds and mutual funds. The Organization's interest in the trust was valued at $41,476 as of June 30, 2019 and was distributed in full during the year ended June 30, 2020.

5. PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Property, equipment and leasehold improvements consisted of the following:

	2021	2020
Land	$ 4,100,000	$ 4,100,000
Building	472,830	471,497
Leasehold improvements	1,020,014	1,020,014
Furniture and fixtures	174,355	97,863
Computer equipment	111,676	97,126
Office equipment	101,153	81,479
Automobiles	20,499	20,499
	6,000,527	5,888,478
Accumulated depreciation and amortization	(577,715)	(444,409)
	$ 5,422,812	$ 5,444,069

Depreciation and amortization expense was $133,306 and $127,359 for the years ended June 30, 2021 and 2020, respectively.

5. PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS (continued)

The Organization acquired a building and land upon acquisition of the Blind Center during the year ended June 30, 2019 (see Note 1). The Organization's San Jose office operates from a building which, along with the land on which the building is located, was conditionally deeded to it in 1953. Under the terms of the conditional deed, the Organization may retain possession of the property so long as it is used primarily for the benefit of the visually and physically handicapped and in the event that the property is not so used, title to the land and building would revert to the donor. The Organization may not sell the property.

6. REFUNDABLE ADVANCE - PAYCHECK PROTECTION PROGRAM

On May 1, 2020, the Organization received a loan from a qualified lender under the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration ("SBA") under the Coronavirus Aid, Relief, and Economic Security Act ("CARES") Act, for an aggregate principal amount of $474,400 ("PPP loan"). In addition, on March 17, 2021, the Organization received funding related to a second draw of funds under the PPP in the amount of $431,898. The PPP loans bear interest at a fixed rate of 1% per annum, with the first ten months of interest deferred, have terms of two years (first draw) and five years (second draw) and are unsecured and guaranteed by the SBA. Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loan proceeds. Such forgiveness will be determined based on the use of the loan proceeds for payroll costs, rent and utility expenses and the maintenance of workforce and compensation levels with certain limitations.

On June 5, 2020, the Paycheck Protection Program Flexibility Act ("PPPFA") was signed into law, and was followed by revised forgiveness applications on June 16, 2020 and revised interim final rules ("IFRS") on June 22, 2020. The enactment of the PPPFA and subsequent releases of the related IFRS and forgiveness applications provided several structural changes to the PPP aimed to provide businesses with added flexibility to utilize the funds and to be able to obtain forgiveness. The primary modifications include: reducing from 75% to 60% the percent of a borrower's loan proceeds which must be used for payroll costs; increase from 8 weeks to 24 weeks the covered period, which is the period eligible costs can qualify for forgiveness; extended the deferral period for principal and interest on the loan to the date SBA remits the loan forgiveness amount to the lender or ten months after the loan forgiveness covered period if the borrower has not applied for forgiveness.

The Organization expects to meet the PPP's eligibility criteria and, therefore, has concluded that the PPP loan represents, in substance, a contribution that is expected to be forgiven. As a result, the Organization has accounted for the PPP loan in accordance with FASB ASC 958-605 as a conditional contributions and recognized $568,273 and $338,025 in contribution revenue on the statement of activities during the years ended June 30, 2021 and 2020, respectively.

6. REFUNDABLE ADVANCE - PAYCHECK PROTECTION PROGRAM (continued)

In July 2021, the Organization received notice of full forgiveness of the initial draw under the PPP in the amount of $474,400. The Organization believes that it will likely qualify for full forgiveness of the remaining funds, and will submit its forgiveness application shortly after the end of its covered period, but there is uncertainty around the standards and operation of the PPP and no assurance is provided that the Organization will obtain forgiveness in whole.

7. CONTRIBUTIONS

The Organization received contributions from two nonprofit organizations that fundraise on behalf of the Organization as summarized below. These contributions are intended for general operating support.

Contributions received from the two nonprofit organizations consisted of the following:

	2021	2020
Vista Center Foundation	$ 155,000	$ 133,600
Menlo Charity Horse Show	70,333	157,819
	$ 225,333	$ 291,419

8. COMMITMENTS AND CONTINGENCIES

Forgivable loans

The Organization assumed multiple forgivable loans upon acquisition of the Blind Center on November 19, 2018 (see Note 1).

On January 1, 2008, the Blind Center entered into a loan agreement with the City of Mountain View in the amount of $65,000. On July 30, 2004 and September 19, 2008, the Blind Center entered into loan agreements with the City of San Jose in the amounts of $226,100 and $471,550, respectively. The Blind Center was awarded loans for the completion of the renovation of its building and property. The loans each include a provision that the balance be forgiven after a period of time, subject to the Blind Center's completion of the remodel and compliance with the terms of the agreements. The funds will be forgiven as follows: $471,550 to be forgiven in 2024; $226,100 to be forgiven in 2023; and $65,000 to be forgiven in 2022.

The City of San Jose and the City of Mountain View have the option of requiring the Organization to repay the loans in full if the Organization does not comply with program requirements or the terms of the agreements. The loans have been accounted for as contributions when received since management believes that the Organization will be able to comply with the terms and conditions of the loans throughout the loan terms.

8. COMMITMENTS AND CONTINGENCIES (continued)

Contingent liabilities

Conditions contained within the various contracts awarded to the Organization are subject to the funding agencies' criteria and regulations under which expenditures may be charged against and are subject to be audited under such regulations and criteria. Occasionally, such audits may determine that certain costs incurred against the grants may not comply with the established criteria that govern them. In such cases, the Organization could be held responsible for repayments to the funding source for the costs or be subject to the reductions in future funding in the amount of the costs. Management does not anticipate any material questioned costs for the contracts and grants administered during the years ended June 30, 2021 or 2020.

Risks and uncertainties

On March 11, 2020, the World Health Organization recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and widesweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy, including the industry in which the Organization operates. For example, several of the Organization's programs, including the Low Vision Clinic and School Services, were unable to see clients for the majority of the year and were, therefore, unable to generate revenue through these activities. Additionally, several grantors which had provided funds in the past were unable to renew their grants for the years FY21 and FY22. Although the Organization has been able to resume the majority of activities that were previously restricted by the government orders, it continues to assess the impact of the pandemic on the entity's operations.

Legal proceedings

The Organization may from time to time be involved in various legal actions in the normal course of operations. It is management's opinion that the resolution of such matters relating to litigation will not have a material adverse impact on the financial position of the Organization.

9. LEASE COMMITMENTS

The Organization entered into two lease agreements during the year ended June 30, 2017 for office spaces located in Palo Alto and Santa Cruz, California. The Organization paid $1,000,000 in advance lease payments for the Palo Alto lease which is being amortized over the lease term. The advance lease payments as of June 30, 2021 and 2020 totaled $743,795 and $809,105, and are included in prepaid expenses on the statement of financial position. The lease in Palo Alto commenced on May 15, 2017 and expires on July 31, 2031 with two renewal options for additional terms of five years each. The lease in Santa Cruz commenced on August 1, 2016. After the expiration date of July 31, 2021, the rent in Santa Cruz is based on a month to month lease term until the Organization signs a one-year lease agreement. Each lease provides for fixed annual lease increases of three percent.

9. LEASE COMMITMENTS (continued)

The scheduled minimum lease payments under the lease terms are as follows:

Year ending June 30,	
2022	$ 155,480
2023	156,806
2024	161,510
2025	166,355
2026	171,346
Thereafter	1,106,637
	$ 1,918,134

10. RETIREMENT PLAN

The Organization maintains a 403(b) retirement plan for all eligible employees. Employees are allowed to contribute the maximum amount set by law. The Organization also maintains a Simplified Employee Pension Plan ("SEP") that provides for retirement benefits, based on employer contributions only, for qualified employees. Employer contributions made by the Organization to the employees' SEP accounts totaled $38,142 and $38,909 for the years ended June 30, 2021 and 2020, respectively.

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

	2021	2020
Restricted to passage of time		
General operating support	$ 5,000	$ 5,000
Restricted for a specified purpose		
Low vision services	109,957	-
Safe and healthy living	18,000	51,900
Technology	1,550	1,550
	129,507	53,450
Unappropriated earnings on endowment	1,406,723	785,020
Perpetual endowment	2,681,528	2,681,528
	$ 4,222,758	$ 3,524,998

11. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets were released from donor restriction by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the year.

Net assets with donor restrictions released from restriction during the year were as follows:

	2021	2020
Restricted to passage of time	$ -	$ 10,000
Restricted to a specified purpose		
Safe and healthy living	139,900	153,400
Low vision services	15,043	25,000
Beneficial interest in irrevocable charitable trust	-	42,201
Youth program	-	10,000
	154,943	230,601
Endowment appropriations	132,631	132,048
	$ 287,574	$ 372,649

12. ENDOWMENT

The Organization's endowment consists of several individual funds established for a variety of purposes. Its endowment includes only donor restricted endowment funds and accumulated endowment earnings. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

Interpretation of relevant law

The Organization's Board of Directors has interpreted the California version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions - perpetual endowment (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, collectively the "principal", and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

12. ENDOWMENT (continued)

Interpretation of relevant law (continued)

The remaining portion of the donor restricted endowment fund that is not classified in net assets with donor restrictions - perpetual endowment is classified as net assets with donor restrictions - unappropriated earnings on endowment until these amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the California version of the UPMIFA. In accordance with the California version of the UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

(1) The duration and preservation of the fund

(2) The purposes of the Organization and the donor restricted endowment fund

(3) General economic conditions

(4) The possible effect of inflation and deflation

(5) The expected total return from income and the appreciation of investments

(6) Other resources of the Organization

(7) The investment policies of the Organization

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions. There were no such deficiencies as of June 30, 2021 and 2020.

Return objectives and risk parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the Organization must hold in perpetuity or for a donor specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested in an asset allocation of equities (40% - 70%) and fixed income (30% - 60%).

12. ENDOWMENT (continued)

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending policy

The Organization has a policy for appropriating for distribution each year up to 5% of the average principal balance over the preceding three fiscal years.

Endowment composition

Endowment net asset composition by type of fund as of June 30, 2021 is as follows:

	Unappropriated Earnings on Endowment	Perpetual Endowment	Total
Donor restricted endowment funds	$ 1,406,723	$ 2,681,528	$ 4,088,251

Endowment net asset composition by type of fund as of June 30, 2020 is as follows:

	Unappropriated Earnings on Endowment	Perpetual Endowment	Total
Donor restricted endowment funds	$ 785,020	$ 2,681,528	$ 3,466,548

Changes in endowment net assets for the year ended June 30, 2021 is as follows:

	Unappropriated Earnings on Endowment	Perpetual Endowment	Total
Balance, June 30, 2020	$ 785,020	$ 2,681,528	$ 3,466,548
Investment income	754,334	-	754,334
Appropriation	(132,631)	-	(132,631)
Balance, June 30, 2021	$ 1,406,723	$ 2,681,528	$ 4,088,251

12. ENDOWMENT (continued)

Endowment composition (continued)

Changes in endowment net assets for the year ended June 30, 2020 is as follows:

	Unappropriated Earnings on Endowment	Perpetual Endowment	Total
Balance, June 30, 2019	$ 764,777	$ 2,655,951	$ 3,420,728
Investment income	152,291	-	152,291
Contributions	-	25,577	25,577
Appropriation	(132,048)	-	(132,048)
Balance, June 30, 2020	$ 785,020	$ 2,681,528	$ 3,466,548

13. LIQUIDITY

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The Organization has a policy for appropriating for distribution each year up to 5% of the average principal balance over the preceding three fiscal years.

13. LIQUIDITY (continued)

The following is a quantitative disclosure which describes financial assets that are available or expected to be available within one year of June 30, 2021 to fund general expenditures and other obligations as they become due:

Financial assets	
Cash and cash equivalents	$ 271,173
Investments	2,790,093
Accounts receivable	97,716
Grants receivable	48,251
Pledges receivable	50,543
Endowment investments	2,681,528
	5,939,304
Less: amounts unavailable for general expenditure within one year	
Net assets restricted for a specified purpose	(129,507)
Unappropriated earnings on endowment, net of earnings expected to be appropriated within one year	(1,276,723)
Perpetual endowment	(2,681,528)
	(4,087,758)
	$ 1,851,546

14. RELATED PARTY TRANSACTIONS

The Organization received approximately $52,000 and $92,000 in contributions from board members for the year ended June 30, 2021 and 2020, respectively. Also, see Note 7.

15. SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 11, 2022, which is the date the financial statements were available to be issued. In July 2021, the Organization received notice of full forgiveness of the first draw of funds under the Paycheck Protection Program, in the amount of $474,400.