



# New Hampshire Association for the Blind d/b/a Future In Sight

FINANCIAL STATEMENTS

August 31, 2021

(with comparative totals for August 31, 2020)

With Independent Auditor's Report





## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
New Hampshire Association for the Blind  
d/b/a Future In Sight

We have audited the accompanying financial statements of New Hampshire Association for the Blind d/b/a Future In Sight (the Association), which comprise the statement of financial position as of August 31, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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 U.S. generally accepted auditing standards. 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 the Association as of August 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

### **Report on Summarized Comparative Information**

We have previously audited the Association's 2020 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 7, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Matter**

#### *Change in Accounting Principle*

As discussed in Note 1 to the financial statements, in 2021, the Association adopted Financial Accounting Standards Board Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), and related guidance. Our opinion is not modified with respect to this matter.

*Berry Dunn McNeil & Parker, LLC*

Manchester, New Hampshire  
January 6, 2022

**NEW HAMPSHIRE ASSOCIATION FOR THE BLIND  
D/B/A FUTURE IN SIGHT**

**Statement of Financial Position**

**August 31, 2021  
(with comparative totals for August 31, 2020)**

**ASSETS**

	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 349,502	\$ 248,566
Accounts receivable, net	83,336	80,329
Interest and dividends receivable	26,278	23,212
Current portion of contributions receivable	78,006	82,919
Supplies	45,529	37,056
Prepaid and other	<u>15,123</u>	<u>37,815</u>
Total current assets	<u>597,774</u>	<u>509,897</u>
Property and equipment, net	<u>587,953</u>	<u>612,377</u>
Other assets		
Contributions receivable, net of current portion	2,288	12,761
Charitable gift annuities	71,400	64,046
Investments	10,417,317	8,667,464
Beneficial interest in trusts	<u>2,291,543</u>	<u>1,970,418</u>
Total other assets	<u>12,782,548</u>	<u>10,714,689</u>
Total assets	<u>\$13,968,275</u>	<u>\$11,836,963</u>

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

## LIABILITIES AND NET ASSETS

	<u>2021</u>	<u>2020</u>
Current liabilities		
Current portion of long-term debt	\$ 9,211	\$ 27,246
Accounts payable and accrued expenses	87,394	37,212
Accrued payroll and related taxes	252,395	126,698
Deferred revenue	45,568	47,378
Current portion of charitable gift annuities obligation	2,885	2,885
Paycheck Protection Program (PPP) funding	<u>358,100</u>	<u>358,100</u>
Total current liabilities	755,553	599,519
Long-term liabilities		
Long-term debt, less current portion	-	9,416
Charitable gift annuities obligation, less current portion	<u>36,227</u>	<u>42,195</u>
Total liabilities	<u>791,780</u>	<u>651,130</u>
Net assets		
Without donor restrictions	8,642,986	7,191,858
With donor restrictions	<u>4,533,509</u>	<u>3,993,975</u>
Total net assets	<u>13,176,495</u>	<u>11,185,833</u>
Total liabilities and net assets	<u>\$13,968,275</u>	<u>\$11,836,963</u>

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**NEW HAMPSHIRE ASSOCIATION FOR THE BLIND  
D/B/A FUTURE IN SIGHT**

**Statement of Activities and Changes in Net Assets**

**Year Ended August 31, 2021  
(With Comparative Totals for the Year Ended August 31, 2020)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
Revenue and support				
Public support	\$ 1,587,726	\$ 314,606	\$ 1,902,332	\$ 933,942
Service revenue	1,031,943	-	1,031,943	1,061,762
Endowment spending draw for operations	<u>676,400</u>	<u>78,989</u>	<u>755,389</u>	<u>514,830</u>
Total revenue and support before net assets released from restrictions	3,296,069	393,595	3,689,664	2,510,534
Net assets released from restrictions	<u>383,356</u>	<u>(383,356)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>3,679,425</u>	<u>10,239</u>	<u>3,689,664</u>	<u>2,510,534</u>
Expenses				
Program services	1,734,436	-	1,734,436	1,760,518
Public support	234,077	-	234,077	267,339
General and administration	<u>657,626</u>	<u>-</u>	<u>657,626</u>	<u>526,831</u>
Total expenses	<u>2,626,139</u>	<u>-</u>	<u>2,626,139</u>	<u>2,554,688</u>
Change in net assets from operations	<u>1,053,286</u>	<u>10,239</u>	<u>1,063,525</u>	<u>(44,154)</u>
Nonoperating activities				
Realized and unrealized gains on investments	885,705	267,317	1,153,022	915,829
Interest and dividend income	127,964	16,760	144,724	151,519
Change in value of charitable gift annuities	-	3,082	3,082	(4,551)
Investment income from trusts	61,162	-	61,162	70,975
Endowment spending draw for operations	(676,400)	(78,989)	(755,389)	(514,830)
Change in value of beneficial interest in trusts	-	321,125	321,125	157,159
Loss on disposal of property and equipment	<u>(589)</u>	<u>-</u>	<u>(589)</u>	<u>-</u>
Total nonoperating activities	<u>397,842</u>	<u>529,295</u>	<u>927,137</u>	<u>776,101</u>
Change in net assets	1,451,128	539,534	1,990,662	731,947
Net assets, beginning of year	<u>7,191,858</u>	<u>3,993,975</u>	<u>11,185,833</u>	<u>10,453,886</u>
Net assets, end of year	<u>\$ 8,642,986</u>	<u>\$ 4,533,509</u>	<u>\$ 13,176,495</u>	<u>\$ 11,185,833</u>

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

**NEW HAMPSHIRE ASSOCIATION FOR THE BLIND  
D/B/A FUTURE IN SIGHT**

**Statement of Functional Expenses**

**Year Ended August 31, 2021  
(With Comparative Totals for the Year Ended August 31, 2020)**

	<u>Program Services</u>	<u>Public Support</u>	<u>General and Administration</u>	<u>2021 Total</u>	<u>2020 Total</u>
Direct expenses					
Personnel expenses	\$ 1,196,338	\$ 148,615	\$ 536,148	\$ 1,881,101	\$ 1,870,899
Client aids and program supplies	28,481	-	-	28,481	24,246
Client programs and transportation	1,242	-	-	1,242	3,738
Professional fees	26,761	30,526	48,906	106,193	104,145
Staff training and development	4,798	-	34,348	39,146	24,476
Office equipment and supplies	12,560	25,181	13,451	51,192	67,694
Telephone	275	275	-	550	654
Postage and shipping	656	2,114	690	3,460	4,051
Travel	80,598	457	584	81,639	73,267
Events and activities	1,338	3,278	939	5,555	5,931
Printing and publications	5,909	6,918	50	12,877	12,898
Dues and subscriptions	4,406	905	1,153	6,464	9,693
Interest expense	-	-	241	241	360
Miscellaneous	1,144	2,256	1,077	4,477	6,268
Bad debt expense	<u>1,489</u>	<u>-</u>	<u>-</u>	<u>1,489</u>	<u>4,066</u>
Total direct expenses	<u>1,365,995</u>	<u>220,525</u>	<u>637,587</u>	<u>2,224,107</u>	<u>2,212,386</u>
Indirect expenses					
Occupancy, including depreciation	94,781	5,056	13,606	113,443	114,101
Information technology and general office	<u>273,660</u>	<u>8,496</u>	<u>6,433</u>	<u>288,589</u>	<u>228,201</u>
Total indirect expenses	<u>368,441</u>	<u>13,552</u>	<u>20,039</u>	<u>402,032</u>	<u>342,302</u>
Total expenses	<u>\$ 1,734,436</u>	<u>\$ 234,077</u>	<u>\$ 657,626</u>	<u>\$ 2,626,139</u>	<u>\$ 2,554,688</u>

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

**NEW HAMPSHIRE ASSOCIATION FOR THE BLIND  
D/B/A FUTURE IN SIGHT**

**Statement of Cash Flows**

**Year Ended August 31, 2021  
(With Comparative Totals for the Year Ended August 31, 2020)**

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 1,990,662	\$ 731,947
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
PPP funding forgiveness	(358,100)	-
Depreciation	45,171	44,758
Bad debt expense	1,489	4,066
Change in value of beneficial interest in trusts	(321,125)	(157,159)
Loss on disposal of property and equipment	589	-
Net realized and unrealized gain on investments	(1,153,022)	(915,829)
Change in value of charitable gift annuities	(3,082)	4,551
Change in assets and liabilities		
Accounts receivable, net	(4,496)	(2,077)
Contributions receivable	15,386	142,599
Supplies	(8,473)	(9,270)
Prepaid and other	22,692	(25,608)
Accounts payable and accrued expenses	50,182	450
Accrued payroll and related taxes	125,697	30,960
Deferred revenue	(1,810)	47,378
Deferred compensation	-	(23,238)
	<u>401,760</u>	<u>(126,472)</u>
Net cash provided (used) by operating activities		
Cash flows from investing activities		
Proceeds from sales of investments	1,486,160	1,154,715
Purchases of investments	(2,096,296)	(1,144,595)
Purchases of property and equipment	(21,337)	(42,037)
	<u>(631,473)</u>	<u>(31,917)</u>
Net cash used by investing activities		
Cash flows from financing activities		
PPP funding	358,100	358,100
Principal payments on long-term debt	(27,451)	(20,409)
	<u>330,649</u>	<u>337,691</u>
Net cash provided by financing activities		
Net increase in cash and cash equivalents	100,936	179,302
Cash and cash equivalents, beginning of year	<u>248,566</u>	<u>69,264</u>
Cash and cash equivalents, end of year	<u>\$ 349,502</u>	<u>\$ 248,566</u>

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

**NEW HAMPSHIRE ASSOCIATION FOR THE BLIND  
D/B/A FUTURE IN SIGHT**

**Notes to Financial Statements**

**August 31, 2021  
(with comparative totals for August 31, 2020)**

**Nature of Activities**

The New Hampshire Association for the Blind d/b/a Future In Sight (the Association) is a nonprofit organization established in 1912 and incorporated in 1933 under the laws of the State of New Hampshire. The primary mission of the Association is to provide social and rehabilitation services on a year-round, statewide basis to meet the special needs of New Hampshire's residents with severe vision loss.

The Association utilizes a team approach to the rehabilitation process encompassing individual and family counseling, orientation and mobility training, rehabilitation teaching (daily living skills), low vision clinics, and educational services. In addition, the Association maintains an active speakers' bureau and engages in public education and prevention activities disseminating information statewide, via direct mail and the media, concerning blindness, eye conditions and diseases, eye health care and safety, availability of rehabilitation services and related subject matters to promote greater awareness to the general public of the importance of eye care.

The Association's headquarters is located in Concord, New Hampshire. The Association cooperates and collaborates with other New Hampshire human service organizations and health care providers for informational and referral purposes. It performs low vision examinations and prescribes and trains clients in the use of low vision aids and rehabilitation devices.

The Association is dependent, to a significant extent, upon contributions from the general public for annual support of its operations and services. Contributions are obtained through a year-round approach that encompasses solicitation by direct mail, in-person, and at special events, proposals for funding to foundations and to individuals for planned gifts, and other related development activities which generate public support.

**1. Summary of Significant Accounting Policies**

**Newly Adopted Accounting Pronouncement**

In May 2014, the Financial Accounting and Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which identifies a five step core principle guide for organizations to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. This ASU and related guidance were adopted by the Association for the year ended August 31, 2021. Adoption of this ASU did not have a material impact on the Association's financial reporting.

**Basis of Presentation**

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

**NEW HAMPSHIRE ASSOCIATION FOR THE BLIND  
D/B/A FUTURE IN SIGHT**

**Notes to Financial Statements**

**August 31, 2021  
(with comparative totals for August 31, 2020)**

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. These net assets may be used at the discretion of the Association's management and the Board of Directors (board).

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions are to be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Comparative Financial Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended August 31, 2020, from which the summarized information was derived.

**Contributions**

Contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for a specific purpose are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions temporary in nature are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Association uses the allowance method to provide for uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

**NEW HAMPSHIRE ASSOCIATION FOR THE BLIND  
D/B/A FUTURE IN SIGHT**

**Notes to Financial Statements**

**August 31, 2021  
(with comparative totals for August 31, 2020)**

**Income Taxes**

The Association is a public charity under Section 501(c)(3) of the Internal Revenue Code. As a public charity, the Association is exempt from state and federal income taxes on income earned in accordance with its tax-exempt purpose. Unrelated business income is subject to state and federal income tax. Management has evaluated the Association's tax positions and concluded that the Association has no unrelated business income or uncertain tax positions that require adjustment to the financial statements.

**Cash and Cash Equivalents**

The Association considers all highly liquid investments with an original maturity date of less than three months to be cash equivalents.

The Association maintains its cash in bank deposit accounts which, at times, may exceed federally-insured limits. It has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash and cash equivalents.

**Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Management provides for probable uncollectible accounts after considering each category of receivable individually, and estimates an allowance according to the nature of the receivable. Allowances are estimated from historical performance and current trends. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

**Supplies**

Inventories are stated at cost and consist of aids and devices, program supplies and postage.

**Functional Allocation of Expenses**

Direct expenses are charged to their specific program as incurred. Any expenditures not directly chargeable are allocated among the functions benefited based on the proportion of full time equivalents.

**Advertising**

The Association follows the policy of charging the costs of advertising to expense as incurred with the exception of certain development supplies that are included in inventory and expensed when utilized. Advertising expense for the years ended August 31, 2021 and 2020 amounted to \$10,970 and \$4,425, respectively.

**NEW HAMPSHIRE ASSOCIATION FOR THE BLIND  
D/B/A FUTURE IN SIGHT**

**Notes to Financial Statements**

**August 31, 2021  
(with comparative totals for August 31, 2020)**

**Property and Equipment**

Purchased property and equipment are recorded at cost, while donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Expenditures for repairs and maintenance are charged against operations. Renewals and betterments which materially extend the life of the assets are capitalized. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Association reports expirations of donor restrictions at the time the asset is placed into service. The Association reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Depreciation is provided using the straight-line method in amounts designed to amortize the costs of the assets over their estimated useful lives as follows:

	<u>Years</u>
Buildings	33
Building improvements	3-33
Furniture and office equipment	5-20
Software	3

**Revenue Recognition**

Service revenue is reported at the estimated net realizable amount that reflects the consideration to which the Association expects to be entitled in exchange for providing client services. These amounts are due from third-party payors (including health insurers and government programs) and others, and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Association bills third-party payors several days after services are provided. Revenue is recognized as performance obligations are satisfied. It is the Association's expectation that the period between the time the service is provided to a client and the time a third-party payor pays for that service will be one year or less.

Under the Association's contractual arrangements, the Association provides services to clients for an agreed upon fee. The Association recognizes revenue for client services in accordance with the provisions of ASU No. 2014-09 and related guidance.

Performance obligations are determined based on the nature of the services provided by the Association. Revenue for performance obligations satisfied over time is recognized based on actual services rendered. Generally, performance obligations are satisfied over time when services are provided. The Association measures the performance obligation from when the Association begins to provide services to a client to the point when it is no longer required to provide services to that client, which is generally at the time of notification to the Association.

**NEW HAMPSHIRE ASSOCIATION FOR THE BLIND  
D/B/A FUTURE IN SIGHT**

**Notes to Financial Statements**

**August 31, 2021  
(with comparative totals for August 31, 2020)**

Each performance obligation is separately identifiable from other promises in the contract with the client. As the performance obligations are met, revenue is recognized based upon allocated transaction price. The transaction price is allocated to separate performance obligations based upon the relative stand-alone selling price.

Because all of its performance obligations relate to short-term contracts, the Association has elected to apply the optional exemption provided in FASB Accounting Standards Codification (ASC) Subtopic 606-10-50-14(a), and therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

**Subsequent Events**

For purposes of the preparation of these financial statements in conformity with U.S. GAAP, management has considered transactions or events occurring through January 6, 2022, which is the date that the financial statements were available to be issued. Management has not evaluated subsequent events after that date for inclusion in the financial statements.

**2. Availability and Liquidity of Financial Assets**

The Association regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to optimize its available funds. The Association has various sources of liquidity at its disposal, including cash and cash equivalents and a line of credit, as disclosed in Note 8.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Association considers all expenditures related to its ongoing operating activities as well as the conduct of services undertaken to support those operating activities.

In addition to financial assets available to meet general expenditures over the next 12 months, the Association operates with a balanced budget and anticipates collecting sufficient revenue to cover expenditures not covered by donor-restricted resources or, where appropriate, borrowings. Refer to the statements of cash flows, which identify the sources and uses of the Association's cash and cash equivalents.

**NEW HAMPSHIRE ASSOCIATION FOR THE BLIND  
D/B/A FUTURE IN SIGHT**

**Notes to Financial Statements**

**August 31, 2021  
(with comparative totals for August 31, 2020)**

The following financial assets are expected to be available within one year of the statement of financial position date to meet general expenditures:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 349,502	\$ 248,566
Accounts receivable, net	83,336	80,329
Contributions receivable due in one year or less	78,006	82,919
Non-endowed investments without donor restrictions	920,169	550,198
Expected appropriation of donor-restricted endowed funds for use over the next 12 months	81,856	78,988
Expected appropriation of board-designated endowed funds for use over the next 12 months	<u>473,809</u>	<u>676,400</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,986,678</u>	<u>\$ 1,542,567</u>

The Association has board-designated long-term investments that are intended to function as an endowment that could be made available for general expenditure upon board approval. Since these investments are currently intended for long-term investments, they have not been included in the information above. The Association has other long-term investments and assets with donor restrictions, which are more fully described in Note 3, that are not available for general expenditure within the next year.

**3. Investments**

The fair value of the investments is as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 630,757	\$ 992,401
U.S. Government agencies	1,159,347	1,040,177
Corporate and foreign bonds	1,296,357	1,215,049
Mutual funds	282,426	80,002
Exchange traded funds	25,660	133,250
Equities	<u>7,022,770</u>	<u>5,206,585</u>
	<u>\$ 10,417,317</u>	<u>\$ 8,667,464</u>

**NEW HAMPSHIRE ASSOCIATION FOR THE BLIND  
D/B/A FUTURE IN SIGHT**

**Notes to Financial Statements**

**August 31, 2021  
(with comparative totals for August 31, 2020)**

Investments by class of net assets consist of the following:

	<u>2021</u>	<u>2020</u>
Without donor restrictions	\$ 8,390,316	\$ 6,835,292
With donor restrictions	<u>2,027,001</u>	<u>1,832,172</u>
	<u>\$ 10,417,317</u>	<u>\$ 8,667,464</u>

**4. Beneficial Interest in Trusts**

The Association is the beneficiary of several irrevocable perpetual trusts, managed by independent financial institutions. The Association has legally enforceable rights and claims to such assets, including the right to income therefrom. Consistent with the provisions of FASB ASC Topic 958 Subtopic 605, *Not-for-Profit Entities - Revenue Recognition*, related to accounting for contributions received, these funds are included in the Association's financial statements. The fair value of the trust assets is reflected as an estimate of the present value of the future cash flows from the trusts and is reported as net assets with donor restrictions held in perpetuity. Appreciation of the trusts is not available for expenditure by the Association unless the trustees decide to appropriate it. Total contributions from these trusts were \$61,162 and \$70,975 in 2021 and 2020, respectively.

**5. Contributions Receivable**

Contributions receivable consist of the following:

	<u>2021</u>	<u>2020</u>
Contributions receivable	\$ 91,112	\$ 98,842
Less present value discount at 2.74%	10,818	3,162
Less current portion	<u>78,006</u>	<u>82,919</u>
Contributions receivable, net of current portion	<u>\$ 2,288</u>	<u>\$ 12,761</u>

Contributions are due as follows:

Less than one year	\$ 78,006	\$ 82,919
One to five years	<u>13,106</u>	<u>15,923</u>
	<u>\$ 91,112</u>	<u>\$ 98,842</u>

**NEW HAMPSHIRE ASSOCIATION FOR THE BLIND  
D/B/A FUTURE IN SIGHT**

**Notes to Financial Statements**

**August 31, 2021  
(with comparative totals for August 31, 2020)**

**6. Fair Value Measurements**

FASB ASC Topic 820, *Fair Value Measurement*, defines fair value as the exchange price that would be received for 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. FASB ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Association's assets and liabilities measured at fair value on a recurring basis are as follows as of August 31:

	<u>2021</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Cash and cash equivalents	\$ 630,757	\$ 630,757	\$ -	\$ -
U.S. Government agencies	1,159,347	-	1,159,347	-
Corporate and foreign bonds	1,296,357	-	1,296,357	-
Mutual funds	282,426	282,426	-	-
Exchange traded funds	25,660	25,660	-	-
Equities	<u>7,022,770</u>	<u>7,022,770</u>	<u>-</u>	<u>-</u>
	<u>\$ 10,417,317</u>	<u>\$ 7,961,613</u>	<u>\$ 2,455,704</u>	<u>\$ -</u>
Charitable gift annuities	<u>\$ 71,400</u>	<u>\$ 71,400</u>	<u>\$ -</u>	<u>\$ -</u>
Beneficial interest in perpetual trusts	<u>\$ 2,291,543</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,291,543</u>
Charitable gift annuities obligation	<u>\$ (39,112)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (39,112)</u>

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	2020			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Cash and cash equivalents	\$ 992,401	\$ 992,401	\$ -	\$ -
U.S. Government agencies	1,040,177	-	1,040,177	-
Corporate and foreign bonds	1,215,049	-	1,215,049	-
Mutual funds	80,002	80,002	-	-
Exchange traded funds	133,250	133,250	-	-
Equities	<u>5,206,585</u>	<u>5,206,585</u>	<u>-</u>	<u>-</u>
	<u>\$ 8,667,464</u>	<u>\$ 6,412,238</u>	<u>\$ 2,255,226</u>	<u>\$ -</u>
Charitable gift annuities	<u>\$ 64,046</u>	<u>\$ 64,046</u>	<u>\$ -</u>	<u>\$ -</u>
Beneficial interest in perpetual trusts	<u>\$ 1,970,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,970,418</u>
Charitable gift annuities obligation	<u>\$ (45,080)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (45,080)</u>

Fair value of the investments is measured using quoted prices in active markets where available. Fair value of Level 2 investments is primarily based on estimates using market prices of comparable securities. Level 3 liabilities are valued based on life expectancy tables and discounted cash flows.

Fair value of the beneficial interest in perpetual trusts is measured based on quoted market prices of the investments in the trusts, but is classified as Level 3 as there is no market in which to trade the beneficial interest itself.

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Changes in the fair value of assets and liabilities classified as Level 3 are comprised of the following:

	Beneficial Interest in Charitable <u>Trusts</u>	Charitable Gift Annuities <u>Obligation</u>
Balance, September 1, 2019	\$ 1,813,259	\$ (43,414)
Change in value	<u>157,159</u>	<u>(1,666)</u>
Balance, August 31, 2020	1,970,418	(45,080)
Change in value	<u><b>321,125</b></u>	<u><b>5,968</b></u>
Balance, August 31, 2021	<u><b>\$ 2,291,543</b></u>	<u><b>\$ (39,112)</b></u>

**7. Property and Equipment**

Property and equipment consists of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 66,000	\$ 66,000
Buildings and building improvements	1,469,983	1,453,023
Furniture, office equipment and software	485,236	478,729
Construction in progress	<u>-</u>	<u>5,415</u>
	<u>2,021,219</u>	2,003,167
Less accumulated depreciation	<u>1,433,266</u>	<u>1,390,790</u>
Property and equipment, net	<u><b>\$ 587,953</b></u>	<u><b>\$ 612,377</b></u>

**8. Line of Credit**

The Association has borrowing capacity in the maximum amount of \$150,000 under a revolving line of credit arrangement with a local bank. Outstanding advances are payable on demand and collateralized by inventory, chattel paper, accounts, equipment and general intangibles. The interest rate is the Wall Street Journal Prime Rate plus 0.50% (3.75% at August 31, 2021). There was no outstanding balance on the line of credit at August 31, 2021 and 2020.

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**9. Long-term Debt**

Long-term debt consists of the following:

	<u>2021</u>	<u>2020</u>
Note payable to New Hampshire Health and Education Facilities Authority in monthly principal and interest installments of \$2,308 with interest at 1.00% through December 2021.	\$ 9,211	\$ 36,662
Less current portion	<u>(9,211)</u>	<u>(27,246)</u>
Long-term debt, less current portion	\$ <u>-</u>	\$ <u>9,416</u>

Cash paid for interest approximates interest expense for the years ended August 31, 2021 and 2020.

**10. Charitable Gift Annuities**

The Association has established a program under which donors may set up charitable gift annuities. Under this program, donors can contribute assets to the Association and in return receive a guaranteed fixed income for life. The Association recognizes contribution revenue for the difference between the fair value of the assets received and the annuity liability.

Annuity liabilities are recorded for the required life annuity payments at the present value of expected future cash payments discounted using current interest rates and actuarial assumptions for those annuities. The annuity obligations are adjusted each year for changes in the life expectancy of the beneficiaries and are reduced as payments are made to the donor. The present value of future payment liabilities of charitable gift annuities was \$39,112 and \$45,080 at August 31, 2021 and 2020, respectively.

**11. Retirement Plan**

The Association offers employees a 403(b) tax deferred annuity retirement plan based on the Association's maximum contributions of 5% of employee's annual salary. The plan covers all full time and part-time employees working 20 hours or more, who have completed a minimum of six months of service and attained the age of 20½. Contributions to the Plan were \$37,733 and \$39,798 for 2021 and 2020, respectively.

**12. Concentrations**

For the years ended August 31, 2021 and 2020, approximately 22% and 36%, respectively, of total revenue and support of the Association was derived from State of New Hampshire contracts and school system contracts.

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**13. Endowment**

The Association's endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by U.S. 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 Association has interpreted the State of New Hampshire Uniform Prudent Management of Institutional Funds Act (the Act) as requiring the preservation of the contributed value of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as net assets with perpetual donor restrictions (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. If the donor-restricted endowment assets earn investment returns beyond the amount necessary to maintain the endowment assets' corpus value, the excess is available for appropriation and, therefore, classified as net assets with donor restrictions until appropriated by the Board of Directors for expenditure. Funds designated by the Board of Directors to function as endowments are classified as net assets without donor restrictions. The Association has interpreted the Act to permit spending from funds with deficiencies in accordance with the prudent measures required under the Act.

In accordance with the Act, the Association 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

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**Endowment Composition and Changes in Endowment**

The endowment net assets composition by type of fund as of August 31, 2021 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 2,027,001	\$ 2,027,001
Board-designated endowment funds	<u>7,470,147</u>	<u>-</u>	<u>7,470,147</u>
Total funds	<u>\$ 7,470,147</u>	<u>\$ 2,027,001</u>	<u>\$ 9,497,148</u>

The changes in endowment net assets for the year ended August 31, 2021 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, August 31, 2020	\$ 6,285,094	\$ 1,832,172	\$ 8,117,266
Investment return	1,013,489	273,818	1,287,307
Contributions	856,041	-	856,041
Withdrawals	(8,077)	-	(8,077)
Endowment assets appropriated for expenditure	<u>(676,400)</u>	<u>(78,989)</u>	<u>(755,389)</u>
Endowment net assets, August 31, 2021	<u>\$ 7,470,147</u>	<u>\$ 2,027,001</u>	<u>\$ 9,497,148</u>

The endowment net assets composition by type of fund as of August 31, 2020 was as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 1,832,172	\$ 1,832,172
Board-designated endowment funds	<u>6,285,094</u>	<u>-</u>	<u>6,285,094</u>
Total funds	<u>\$ 6,285,094</u>	<u>\$ 1,832,172</u>	<u>\$ 8,117,266</u>

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The changes in endowment net assets for the year ended August 31, 2020 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, August 31, 2019	\$ 5,598,461	\$ 1,670,289	\$ 7,268,750
Investment return	818,922	237,546	1,056,468
Contributions	324,096	-	324,096
Withdrawals	(17,218)	-	(17,218)
Endowment assets appropriated for expenditure	<u>(439,167)</u>	<u>(75,663)</u>	<u>(514,830)</u>
Endowment net assets, August 31, 2020	<u>\$ 6,285,094</u>	<u>\$ 1,832,172</u>	<u>\$ 8,117,266</u>

**Return Objectives and Risk Parameters**

The Association has adopted investment and spending policies for endowment assets that attempt to provide for equal treatment of present and future needs, with neither group favored at the expense of the other. To meet these objectives, the Board seeks to provide reasonably stable and predictable funds from the endowment for the Association's operating budget, to grow capital and to preserve and grow the real (inflation-adjusted) purchasing power of assets as indicated by the aggregate value of appreciation and income. The Association seeks to achieve an after cost total real rate of return, including investment income as well as capital appreciation, which exceeds that annual distribution with acceptable levels of risk.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Association 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 Association targets an asset allocation strategy wherein assets are diversified among several asset classes. The pursuit of maximizing total return is tempered by the need to mitigate the volatility of returns and preserve capital. As such, the Association seeks broad diversification among assets having different characteristics with the intent to endure lower relative performance in strong markets in exchange for greater downside protection in weak markets.

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**Spending Policy**

The Association's investment policy states that spendable investment income will be calculated as 5% of the average donor restricted endowment portfolio value based on the portfolio market value at the end of the most recent 12 quarters. Appropriations and withdrawals in excess of this policy must be approved by the Board of Trustees. Under this policy, the Association appropriated for distribution \$78,989 and \$75,663 for operating purposes for the years ended August 31, 2021 and 2020, respectively, which are included in revenue and support in the statement of activities and changes in net assets.

The Association has elected to transfer from the board-designated funds to the operating account annually an amount equal to the sum of (a) 70% of the average annual unrestricted bequest income plus gift annuity remainder from the previous five fiscal years, excluding the high and low years and (b) 6% of the average balance of the board-designated funds for the twelve quarters ending the previous fiscal year. Transfers may exceed the 70% with proper Board approval. Under this policy, the Association appropriated for distribution \$676,400 and \$439,167 for operating purposes for the years ended August 31, 2021 and 2020, respectively, which are included in revenue and support in the statement of activities and changes in net assets.

**Funds with Deficiencies**

Unless otherwise directed by the donor, the annual draw for operations from donor-restricted endowment funds shall be equal to 5% of the average balance of the donor-restricted funds for the twelve quarters ending December unless such draw would reduce the fund balance to an amount less than the historical value of the fund. In such cases, the Association's Finance Committee shall recommend the amount of draw, if any, to the Board of Directors as part of the annual budget process. As of August 31, 2021 and 2020, there were no deficiencies of this nature associated with the donor-restricted endowment funds.

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**14. Net Assets with Donor Restrictions**

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

	<u>2021</u>	<u>2020</u>
Funds maintained with donor restrictions temporary in nature:		
Donor-restricted funds designated to support:		
Manchester area senior women	\$ 62,805	\$ 36,411
Education, training and support to Greater Nashua	-	6,000
Strategic planning	10,000	-
Living well with vision loss initiative: Manchester & Amherst	17,500	-
Elderly in Manchester area	-	17,987
Support of volunteer client transportation	24,758	25,000
Contributions receivable - time restriction	91,112	98,842
Other	8,790	7,145
Accumulated earnings on funds maintained in perpetuity to be used for general charitable purposes	<u>865,827</u>	<u>670,998</u>
Total funds maintained with donor restrictions temporary in nature	<u>1,080,792</u>	<u>862,383</u>
Funds maintained in perpetuity:		
Endowment funds whose accumulated earnings are to be used for general charitable purposes:		
Principal restricted, 5% maximum distribution	824,215	824,215
Principal restricted, greater of income or 6%	<u>336,959</u>	<u>336,959</u>
	1,161,174	1,161,174
Beneficial interest in trusts		
Fair value of investments held in trust by others, distributions are to be used for general charitable purposes	<u>2,291,543</u>	<u>1,970,418</u>
Total funds maintained in perpetuity	<u>3,452,717</u>	<u>3,131,592</u>
Total net assets with donor restrictions	<u>\$ 4,533,509</u>	<u>\$ 3,993,975</u>

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**15. Uncertainty and Relief Funding**

On March 11, 2020, the World Health Organization declared coronavirus disease (COVID-19) a global pandemic. Local, U.S., and world governments encouraged self-isolation to curtail the spread of COVID-19 by mandating the temporary shut-down of business in many sectors and imposing limitations on travel and the size and duration of group gatherings. Most sectors are experiencing disruption to business operations and may feel further impacts related to delayed government reimbursement. The Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020 provides several relief measures to allow flexibility to providers to deliver critical care. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and additional government actions to mitigate them. Accordingly, while management expects this matter to impact operating results, the related financial impact and duration cannot be reasonably estimated.

The U.S. government has responded with three phases of relief legislation, as a response to the COVID-19 outbreak. Recent legislation was enacted into law on March 27, 2020, called the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), a statute to address the economic impact of the COVID-19 outbreak. The CARES Act, among other things, 1) authorizes emergency loans to distressed businesses by establishing, and providing funding for, forgivable bridge loans; 2) provides additional funding for grants and technical assistance; and 3) delays due dates for employer payroll taxes and estimated tax payments for organizations. Management has evaluated the impact of the CARES Act on the Association, including its potential benefits and limitations that may result from additional funding.

During 2020, the Association received \$358,100 under the CARES Act PPP. The PPP has specific criteria for eligibility and provides for forgiveness of the funds under this program if the Association meets certain requirements. In November 2020, the Association received notice from the Small Business Administration (SBA) and the lender that its PPP funds were forgiven. The PPP funds are included with public support revenue in the statement of activities and changes in net assets as of and for the year ended August 31, 2021.

In August 2020, the Association was awarded \$97,657 from the Governor's Office for Emergency Relief and Recovery (GOFERR). The GOFERR grant is a pass-through grant provided to the State of New Hampshire through the CARES Act. The GOFERR grant is to be used by the Association to cover eligible costs outlined in the grant agreement that were incurred through December 30, 2020 or lost revenues. As of August 31, 2021, the Association had satisfied the terms and conditions of the grant agreement and recognized the revenue which is included with public support in the statement of activities and changes in net assets.

During 2021, the Association obtained \$358,100 under the second round of the CARES Act PPP. This round of PPP also has specific criteria for eligibility and provides for forgiveness of the funds under the program if the Association meets certain requirements. Any portion of the funds that are not forgiven are to be repaid within 5 years at a 1% interest rate. Subsequent to August 31, 2021, the Association submitted a forgiveness application and is awaiting notification from the SBA.