



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

FINANCIAL STATEMENTS

August 31, 2024

(with Comparative Totals for August 31, 2023)

With Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of August 31, 2024, changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Basis for Opinion

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

Prior Period Financial Statements and Report on Summarized Comparative Information

The financial statements of the Association as of and for the year ended August 31, 2023, were audited by Berry, Dunn, McNeil & Parker, LLC whose report dated January 16, 2024 expressed an unmodified opinion on those financial statements. The summarized comparative information presented herein as of and for the year ended August 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

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

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

BMP Assurance, LLP

Manchester, New Hampshire
January 9, 2025

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

Statement of Financial Position

**August 31, 2024
(with Comparative Totals for August 31, 2023)**

ASSETS

	<u>2024</u>	<u>2023</u>
Current assets		
Cash and cash equivalents	\$ 120,627	\$ 84,860
Accounts receivable, net	145,702	118,365
Interest and dividends receivable	36,584	32,513
Contributions receivable	326,191	344,241
Supplies	44,191	44,582
Prepaid and other	<u>18,402</u>	<u>12,783</u>
Total current assets	<u>691,697</u>	<u>637,344</u>
Property and equipment, net	<u>481,814</u>	<u>517,216</u>
Other assets		
Charitable gift annuities	70,339	63,150
Investments	9,496,490	8,632,557
Beneficial interest in trusts	<u>2,129,180</u>	<u>1,902,575</u>
Total other assets	<u>11,696,009</u>	<u>10,598,282</u>
Total assets	<u>\$ 12,869,520</u>	<u>\$ 11,752,842</u>

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

LIABILITIES AND NET ASSETS

	<u>2024</u>	<u>2023</u>
Current liabilities		
Accounts payable and accrued expenses	\$ 47,633	\$ 20,331
Accrued payroll and related taxes	94,092	96,808
Deferred revenue	-	3,375
Current portion of charitable gift annuities obligations	<u>2,885</u>	<u>2,885</u>
Total current liabilities	144,610	123,399
Long-term liabilities		
Charitable gift annuities obligations, net	<u>23,469</u>	<u>26,778</u>
Total liabilities	<u>168,079</u>	<u>150,177</u>
Net assets		
Without donor restrictions	8,123,986	7,523,395
With donor restrictions	<u>4,577,455</u>	<u>4,079,270</u>
Total net assets	<u>12,701,441</u>	<u>11,602,665</u>
Total liabilities and net assets	<u>\$ 12,869,520</u>	<u>\$ 11,752,842</u>

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

Statement of Activities and Changes in Net Assets

**Year Ended August 31, 2024
(with Comparative Totals for the Year Ended August 31, 2023)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2024 Total</u>	<u>2023 Total</u>
Revenue and support				
Public support	\$ 698,640	\$ 307,250	\$ 1,005,890	\$ 1,314,727
Service revenue	1,150,456	-	1,150,456	955,975
Endowment spending draw for operations	<u>687,050</u>	<u>87,580</u>	<u>774,630</u>	<u>788,932</u>
Total revenue and support before net assets released from restrictions	2,536,146	394,830	2,930,976	3,059,634
Net assets released from restrictions	<u>350,875</u>	<u>(350,875)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>2,887,021</u>	<u>43,955</u>	<u>2,930,976</u>	<u>3,059,634</u>
Expenses				
Program services	1,839,324	-	1,839,324	1,887,161
Public support	289,025	-	289,025	278,247
General and administration	<u>632,253</u>	<u>-</u>	<u>632,253</u>	<u>610,180</u>
Total expenses	<u>2,760,602</u>	<u>-</u>	<u>2,760,602</u>	<u>2,775,588</u>
Change in net assets from operations	<u>126,419</u>	<u>43,955</u>	<u>170,374</u>	<u>284,046</u>
Nonoperating activities				
Realized and unrealized gains on investments	908,764	263,124	1,171,888	407,124
Interest and dividend income	173,365	51,657	225,022	232,855
Change in value of charitable gift annuities	-	424	424	(953)
Distributions from trusts	79,393	-	79,393	75,653
Endowment spending draw for operations	(687,050)	(87,580)	(774,630)	(788,932)
Change in value of beneficial interest in trusts	-	226,605	226,605	50,505
Loss on disposal of property and equipment	<u>(300)</u>	<u>-</u>	<u>(300)</u>	<u>-</u>
Total nonoperating activities	<u>474,172</u>	<u>454,230</u>	<u>928,402</u>	<u>(23,748)</u>
Change in net assets	600,591	498,185	1,098,776	260,298
Net assets, beginning of year	<u>7,523,395</u>	<u>4,079,270</u>	<u>11,602,665</u>	<u>11,342,367</u>
Net assets, end of year	<u>\$ 8,123,986</u>	<u>\$ 4,577,455</u>	<u>\$ 12,701,441</u>	<u>\$ 11,602,665</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, 2024
(with Comparative Totals for the Year Ended August 31, 2023)**

	<u>Program Services</u>	<u>Public Support</u>	<u>General and Administration</u>	<u>2024 Total</u>	<u>2023 Total</u>
Direct expenses					
Personnel expenses	\$ 1,295,590	\$ 214,431	\$ 513,550	\$ 2,023,571	\$ 2,006,307
Client aids and program supplies	37,330	-	-	37,330	30,458
Client programs and transportation	13,719	-	-	13,719	13,335
Professional fees	4,031	1,494	34,043	39,568	39,863
Staff training and development	9,794	1,193	3,039	14,026	15,230
Office equipment and supplies	13,507	4,788	3,703	21,998	21,903
Telephone	-	-	-	-	117
Postage and shipping	387	3,133	724	4,244	5,465
Travel	90,154	3	528	90,685	106,697
Events and activities	45,689	8,103	645	54,437	40,652
Printing and publications	11,002	9,222	216	20,440	17,442
Dues and subscriptions	3,205	-	3,477	6,682	6,043
Miscellaneous	3,916	5,010	1,286	10,212	10,923
Bad debt (recoveries) expense	<u>(61)</u>	<u>-</u>	<u>-</u>	<u>(61)</u>	<u>15,031</u>
Total direct expenses	1,528,263	247,377	561,211	2,336,851	2,329,466
Indirect expenses					
Occupancy, including depreciation	98,366	12,606	29,222	140,194	117,026
Information technology and general office	<u>212,695</u>	<u>29,042</u>	<u>41,820</u>	<u>283,557</u>	<u>329,096</u>
Total indirect expenses	<u>311,061</u>	<u>41,648</u>	<u>71,042</u>	<u>423,751</u>	<u>446,122</u>
Total expenses	<u>\$ 1,839,324</u>	<u>\$ 289,025</u>	<u>\$ 632,253</u>	<u>\$ 2,760,602</u>	<u>\$ 2,775,588</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, 2024
(with Comparative Totals for the Year Ended August 31, 2023)**

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ 1,098,776	\$ 260,298
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	43,758	45,581
Bad debt (recoveries) expense	(61)	15,031
Change in value of beneficial interest in trusts	(226,605)	(50,505)
Loss on disposal of property and equipment	300	-
Net realized and unrealized gains on investments	(1,171,888)	(407,124)
Change in value of charitable gift annuities	(424)	953
Change in operating assets and liabilities		
Accounts receivable	(27,276)	(44,111)
Contributions receivable	18,050	(323,176)
Supplies	391	(2,174)
Prepaid and other	(5,619)	5,559
Accounts payable and accrued expenses	27,302	(31,057)
Accrued payroll and related taxes	(2,716)	11,323
Deferred revenue	<u>(3,375)</u>	<u>3,225</u>
Net cash used by operating activities	<u>(249,387)</u>	<u>(516,177)</u>
Cash flows from investing activities		
Proceeds from sales of investments	2,471,320	2,029,607
Purchases of investments	(2,177,510)	(1,662,531)
Purchases of property and equipment	<u>(8,656)</u>	<u>(6,507)</u>
Net cash provided by investing activities	<u>285,154</u>	<u>360,569</u>
Net increase (decrease) in cash and cash equivalents	35,767	(155,608)
Cash and cash equivalents, beginning of year	<u>84,860</u>	<u>240,468</u>
Cash and cash equivalents, end of year	\$ <u>120,627</u>	\$ <u>84,860</u>

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, 2024
(with Comparative Totals for August 31, 2023)**

Nature of Activities

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 are 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

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:

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 (the 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.

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

Notes to Financial Statements

**August 31, 2024
(with Comparative Totals for August 31, 2023)**

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 as of and for the year ended August 31, 2023, 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 and changes in net assets as net assets released from restrictions.

The Association uses the allowance method to provide for uncollectible unconditional contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Based on management's assessment, no allowance was necessary at August 31, 2024 and 2023.

At August 31, 2024, all contributions receivable are expected to be collected within one year and are included within contributions receivable within the statement of financial position.

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 income taxes on income earned in accordance with its tax-exempt purpose. Unrelated business income is subject to 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.

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

Notes to Financial Statements

**August 31, 2024
(with Comparative Totals for August 31, 2023)**

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. The balance of accounts receivable as of September 1, 2022 was \$89,285.

Supplies

Supplies 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.

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.

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

Notes to Financial Statements

**August 31, 2024
(with Comparative Totals for August 31, 2023)**

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 Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*.

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.

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 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.

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

Notes to Financial Statements

**August 31, 2024
(with Comparative Totals for August 31, 2023)**

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 9, 2025, 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 lines of credit, as disclosed in Note 6.

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 statement of cash flows, which identify the sources and uses of the Association's cash and cash equivalents.

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 120,627	\$ 84,860
Accounts receivable, net	145,702	118,365
Contributions receivable due in one year or less	326,191	344,241
Non-endowed investments without donor restrictions	767,392	558,053
Expected appropriation of donor-restricted endowed funds for use over the next 12 months	87,337	87,580
Expected appropriation of board-designated endowed funds for use over the next 12 months	801,551	687,051
Less amounts not available for general expenditures: Net assets with donor restrictions included in cash and cash equivalents	<u>(137,633)</u>	<u>(65,143)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 2,131,167</u>	<u>\$ 1,815,007</u>

**NEW HAMPSHIRE ASSOCIATION FOR THE BLIND
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Notes to Financial Statements

**August 31, 2024
(with Comparative Totals for August 31, 2023)**

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, described in Note 4, are not available for general expenditure within the next year.

3. 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 there from. 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 measured based on quoted market prices of the investments in 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 distributions from these trusts were \$79,393 and \$75,653 in 2024 and 2023, respectively.

4. Fair Value Measurement

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.

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

Notes to Financial Statements

**August 31, 2024
(with Comparative Totals for August 31, 2023)**

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

	2024			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Cash and cash equivalents	\$ 372,476	\$ 372,476	\$ -	\$ -
U.S. government agencies	929,278	-	929,278	-
Corporate and foreign bonds	1,788,378	-	1,788,378	-
Mutual funds	463,576	463,576	-	-
Equities	<u>5,942,782</u>	<u>5,942,782</u>	-	-
	<u>\$ 9,496,490</u>	<u>\$ 6,778,834</u>	<u>\$ 2,717,656</u>	<u>\$ -</u>
Charitable gift annuities	<u>\$ 70,339</u>	<u>\$ 70,339</u>	-	-
Beneficial interest in trusts	<u>\$ 2,129,180</u>	-	-	<u>\$ 2,129,180</u>
Charitable gift annuities obligations	<u>\$ (26,354)</u>	-	-	<u>\$ (26,354)</u>
	2023			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Cash and cash equivalents	\$ 564,480	\$ 564,480	\$ -	\$ -
U.S. government agencies	942,203	-	942,203	-
Corporate and foreign bonds	1,616,177	-	1,616,177	-
Mutual funds	390,295	390,295	-	-
Exchange traded funds	126,467	126,467	-	-
Equities	<u>4,992,935</u>	<u>4,992,935</u>	-	-
	<u>\$ 8,632,557</u>	<u>\$ 6,074,177</u>	<u>\$ 2,558,380</u>	<u>\$ -</u>
Charitable gift annuities	<u>\$ 63,150</u>	<u>\$ 63,150</u>	-	-
Beneficial interest in trusts	<u>\$ 1,902,575</u>	-	-	<u>\$ 1,902,575</u>
Charitable gift annuities obligations	<u>\$ (29,663)</u>	-	-	<u>\$ (29,663)</u>

**NEW HAMPSHIRE ASSOCIATION FOR THE BLIND
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Notes to Financial Statements

**August 31, 2024
(with Comparative Totals for August 31, 2023)**

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 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.

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

	Beneficial Interest in <u>Trusts</u>	Charitable Gift Annuities <u>Obligations</u>
Balance, August 31, 2022	\$ 1,852,070	\$ (31,595)
Change in value	<u>50,505</u>	<u>1,932</u>
Balance, August 31, 2023	1,902,575	(29,663)
Change in value	<u>226,605</u>	<u>3,309</u>
Balance, August 31, 2024	<u>\$ 2,129,180</u>	<u>\$ (26,354)</u>

Investments by class of net assets consist of the following:

	<u>2024</u>	<u>2023</u>
Without donor restrictions	\$ 7,512,039	\$ 6,865,246
With donor restrictions	<u>1,984,451</u>	<u>1,767,311</u>
	<u>\$ 9,496,490</u>	<u>\$ 8,632,557</u>

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5. Property and Equipment

Property and equipment consists of the following:

	<u>2024</u>	<u>2023</u>
Land	\$ 66,000	\$ 66,000
Buildings and building improvements	1,477,925	1,477,925
Furniture, office equipment and software	<u>452,174</u>	<u>496,244</u>
	1,996,099	2,040,169
Less accumulated depreciation	<u>1,514,285</u>	<u>1,522,953</u>
Property and equipment, net	<u>\$ 481,814</u>	<u>\$ 517,216</u>

6. Lines of Credit

The Association has borrowing capacity in the maximum amount of \$150,000 under a revolving line of credit agreement with a local bank. Outstanding advances are payable on demand and collateralized by supplies, chattel paper, accounts receivable, equipment and general intangibles. The interest rate is the Wall Street Journal Prime Rate plus 0.50% (9.00% at August 31, 2024). There was no outstanding balance on the revolving line of credit at August 31, 2024.

The Association has a \$1,000,000 demand line of credit to support working capital or other capital needs with a local bank. Outstanding advances are due on demand and collateralized by investments held at the bank. The interest rate is the Wall Street Journal Prime Rate minus 0.50%, with a floor of 5%, (8.00% at August 31, 2024). There was no outstanding balance on the demand line of credit at August 31, 2024.

7. 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 obligations.

Annuity obligations 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 \$26,354 and \$29,663 at August 31, 2024 and 2023, respectively.

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8. 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 \$67,665 and \$50,034 for 2024 and 2023, respectively.

9. Concentrations

For the years ended August 31, 2024 and 2023, approximately 33% and 26%, respectively, of total revenue and support of the Association was derived from State of New Hampshire contracts and school system contracts.

10. Endowment

The Association's endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board 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 for expenditure. Funds designated by the Board 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.

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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

Endowment Composition and Changes in Endowment

The endowment net assets composition by type of fund as of August 31, 2024 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 1,984,451	\$ 1,984,451
Board-designated endowment funds	<u>6,744,647</u>	<u>-</u>	<u>6,744,647</u>
	<u>\$ 6,744,647</u>	<u>\$ 1,984,451</u>	<u>\$ 8,729,098</u>

The changes in endowment net assets for the year ended August 31, 2024 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, August 31, 2023	\$ 6,307,193	\$ 1,767,311	\$ 8,074,504
Investment return	1,064,872	304,720	1,369,592
Transfer from operating funds	59,632	-	59,632
Endowment assets appropriated for expenditure	<u>(687,050)</u>	<u>(87,580)</u>	<u>(774,630)</u>
Endowment net assets, August 31, 2024	<u>\$ 6,744,647</u>	<u>\$ 1,984,451</u>	<u>\$ 8,729,098</u>

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The endowment net assets composition by type of fund as of August 31, 2023 was as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 1,767,311	\$ 1,767,311
Board-designated endowment funds	<u>6,307,193</u>	<u>-</u>	<u>6,307,193</u>
	<u>\$ 6,307,193</u>	<u>\$ 1,767,311</u>	<u>\$ 8,074,504</u>

The changes in endowment net assets for the year ended August 31, 2023 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, August 31, 2022	\$ 6,422,946	\$ 1,718,245	\$ 8,141,191
Investment return	485,310	135,024	620,334
Transfer from operating funds	101,911	-	101,911
Endowment assets appropriated for expenditure	<u>(702,974)</u>	<u>(85,958)</u>	<u>(788,932)</u>
Endowment net assets, August 31, 2023	<u>\$ 6,307,193</u>	<u>\$ 1,767,311</u>	<u>\$ 8,074,504</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.

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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.

Spending Policy

In the absence of a specific donor 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. Under this policy, the Association appropriated for distribution \$87,580 and \$85,958 for operating purposes for the years ended August 31, 2024 and 2023, 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 12 quarters ending the previous fiscal year. Transfers may exceed the 70% with proper approval by the Board. Under this policy, the Association appropriated for distribution \$687,050 and \$702,974 for operating purposes for the years ended August 31, 2024 and 2023, 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 12 quarters ending December. The Association has a policy that restricts the annual draw if it 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 as part of the annual budget process. As of August 31, 2024 and 2023, there were no deficiencies of this nature associated with the donor-restricted endowment funds.

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11. Net Assets with Donor Restrictions

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

	<u>2024</u>	<u>2023</u>
Funds maintained with donor restrictions temporary in nature:		
Donor-restricted funds designated to support:		
Manchester area senior women	\$ 68,833	\$ 43,716
Real world skill building	26,079	-
Support voter outreach and engagement	16,474	-
Support of volunteer client transportation	324	6,070
Contributions receivable - time restriction	326,191	344,241
Other	25,923	15,357
Accumulated earnings on funds maintained in perpetuity to be used for general charitable purposes	<u>823,277</u>	<u>606,137</u>
Total funds maintained with donor restrictions temporary in nature	<u>1,287,101</u>	<u>1,015,521</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	<u>2,129,180</u>	<u>1,902,575</u>
Total funds maintained in perpetuity	<u>3,290,354</u>	<u>3,063,749</u>
Total net assets with donor restrictions	<u>\$ 4,577,455</u>	<u>\$ 4,079,270</u>