

**IN-SIGHT**

\* \* \* \* \*

**Financial Statements**

**December 31, 2022**

**Mullen Scorpio Cerilli**  
Certified Public Accountants  
Business Consultants

# Mullen Scorpio Cerilli

## IN-SIGHT

### Table of Contents

	<i>Page Number</i>
Independent Auditor's Report	1-2
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-21

# Mullen Scorpio Cerilli

Certified Public Accountants  
Business Consultants

67 Cedar Street, Suite 106  
Providence, RI 02903  
401-751-3860  
401-751-3987 Fax  
[www.mullenscorpiorcerilli.com](http://www.mullenscorpiorcerilli.com)

## Independent Auditor's Report

To the Board of Directors of  
IN-SIGHT

### Opinion

We have audited the accompanying financial statements of IN-SIGHT (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, 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 IN-SIGHT as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

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

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

# Mullen Scorpio Cerilli

IN-SIGHT

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

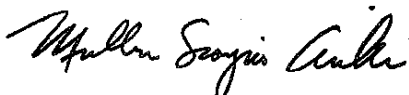
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of IN-SIGHT'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 IN-SIGHT'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.

## **Report on Summarized Comparative Information**

We have previously audited IN-SIGHT's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 11, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



May 10, 2023  
Providence, Rhode Island

**IN-SIGHT**  
**Statements of Financial Position**  
**December 31, 2022 and 2021**

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 227,125	\$ 228,080
Accounts receivable, net	46,022	4,423
Inventory	15,360	17,872
Prepaid expenses	10,035	16,448
Total current assets	298,542	266,823
Noncurrent assets:		
Net property and equipment	1,050,073	1,027,979
Investments	6,494,981	8,571,991
Beneficial interest in perpetual trusts	2,552,868	3,253,786
Total noncurrent assets	10,097,922	12,853,756
Total assets	<u>\$ 10,396,464</u>	<u>\$ 13,120,579</u>
Liabilities and Net Assets		
Liabilities (all current):		
Accounts payable and accrued expenses	\$ 53,488	\$ 40,340
Accrued payroll and taxes	15,260	20,046
Total liabilities	68,748	60,386
Net assets:		
Without donor restrictions:		
Available for operations	104,593	43,518
Invested in property and equipment	1,050,073	1,027,979
Board designated for investments	6,426,981	8,503,991
Total without donor restrictions	7,581,647	9,575,488
With donor restrictions:		
Purpose and time restricted	125,201	162,919
Investments held in perpetual trusts	2,552,868	3,253,786
Donor-restricted endowments	68,000	68,000
Total with donor restrictions	2,746,069	3,484,705
Total net assets	10,327,716	13,060,193
Total liabilities and net assets	<u>\$ 10,396,464</u>	<u>\$ 13,120,579</u>

See accompanying notes to the financial statements.

**IN-SIGHT**  
**Statements of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2022**  
**(With Comparative Totals for the Year Ended December 31, 2021)**

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating activities				
Revenues and other support:				
Grant income	\$ 80,239	\$ 132,701	\$ 212,940	\$ 257,426
Trust fund income	142,537	-	142,537	104,546
Contributions	133,296	5,000	138,296	85,928
Rental income	197,900	-	197,900	136,625
Fee for service income	96,942	-	96,942	58,593
Special event	-	-	-	8,159
Other income	2,595	-	2,595	-
Net assets released from restrictions	175,419	(175,419)	-	-
Total revenues and other support	<u>828,928</u>	<u>(37,718)</u>	<u>791,210</u>	<u>651,277</u>
Expenses:				
Rehabilitation	595,362	-	595,362	610,533
Low vision clinic	97,868	-	97,868	81,139
Radio program	46,372	-	46,372	50,834
Youth program	36,543	-	36,543	35,715
Rental expenses	139,655	-	139,655	101,751
General and administrative	106,860	-	106,860	94,328
Development	21,471	-	21,471	15,435
Total expenses	<u>1,044,131</u>	<u>-</u>	<u>1,044,131</u>	<u>989,735</u>
Income (loss) from operations	(215,203)	(37,718)	(252,921)	(338,458)
Nonoperating activities:				
Investment income, net	(1,780,172)	-	(1,780,172)	932,839
Bequest income - board designated for investment	1,534	-	1,534	95,752
Change in value of beneficial interest in perpetual trust	-	(700,918)	(700,918)	283,840
Forgiveness of Paycheck Protection Program - SBA loan	-	-	-	100,122
Total nonoperating activities	<u>(1,778,638)</u>	<u>(700,918)</u>	<u>(2,479,556)</u>	<u>1,412,553</u>
Change in net assets	(1,993,841)	(738,636)	(2,732,477)	1,074,095
Net assets, beginning of year	<u>9,575,488</u>	<u>3,484,705</u>	<u>13,060,193</u>	<u>11,986,098</u>
Net assets, end of year	<u>\$ 7,581,647</u>	<u>\$ 2,746,069</u>	<u>\$ 10,327,716</u>	<u>\$ 13,060,193</u>

See accompanying notes to the financial statements.

**IN-SIGHT**  
**Statements of Functional Expenses**  
**For the Year Ended December 31, 2022**  
**(With Comparative Totals for the Year Ended December 31, 2021)**

	2022							2021	
	Rehabilitation	Low Vision Clinic	Radio Program	Youth Program	Rental Expenses	General and Administrative	Development	Total Expenses	Total
Salaries and related expenses:									
Salaries	\$ 356,843	\$ 47,096	\$ 8,397	\$ 4,076	\$ -	\$ 58,654	\$ 4,096	\$ 479,162	\$ 519,002
Fringe benefits	45,643	675	463	-	-	2,596	2,250	51,627	47,395
Payroll taxes	29,411	3,887	695	304	-	4,991	220	39,508	44,645
Total salaries and related expenses	<u>431,897</u>	<u>51,658</u>	<u>9,555</u>	<u>4,380</u>	<u>-</u>	<u>66,241</u>	<u>6,566</u>	<u>570,297</u>	<u>611,042</u>
Administrative and other expenses:									
Supplies and materials	35,777	1,776	100	11,468	-	17,754	-	66,875	40,364
Communications	3,166	897	4,890	158	-	344	53	9,508	9,770
Office expense	10,082	2,961	2,082	466	145	1,086	154	16,976	18,940
Computers and software	8,985	3,498	3,772	578	-	1,158	4,999	22,990	17,343
Postage and freight	3,347	842	586	439	-	385	469	6,068	4,689
Professional fees	10,117	1,973	1,508	348	84	1,562	116	15,708	17,835
Commission expense	-	-	-	-	52,242	-	-	52,242	5,567
Bookkeeping	3,410	966	739	170	-	341	57	5,683	5,685
Consultants	4,452	3,326	640	10,148	-	295	49	18,910	21,556
Utilities	11,095	2,850	2,217	425	3,298	1,475	209	21,569	22,103
Repairs and maintenance	32,215	8,253	6,405	1,257	20,905	4,366	882	74,283	73,945
Insurance	11,873	2,532	2,356	520	1,623	1,335	16	20,255	17,497
Property taxes	-	-	-	-	30,536	-	-	30,536	38,170
Transportation expense	5,950	6,346	-	106	-	45	82	12,529	5,322
Dues, licenses and fees	1,225	170	2,337	30	-	82	104	3,948	2,548
Promotional materials	3,649	1,034	791	182	-	365	434	6,455	1,812
Fundraising expenses	3,859	1,093	836	2,492	-	386	1,255	9,921	12,352
Conferences and education	3,899	-	-	-	-	1,158	-	5,057	1,190
Payroll service fees	1,799	510	390	90	-	180	30	2,999	2,752
Bank charges and miscellaneous	94	15	-	28	196	2,437	3,390	6,160	4,014
Total administrative and other expenses	<u>154,994</u>	<u>39,042</u>	<u>29,649</u>	<u>28,905</u>	<u>109,029</u>	<u>34,754</u>	<u>12,299</u>	<u>408,672</u>	<u>323,454</u>
Depreciation	<u>8,471</u>	<u>7,168</u>	<u>7,168</u>	<u>3,258</u>	<u>30,626</u>	<u>5,865</u>	<u>2,606</u>	<u>65,162</u>	<u>55,239</u>
Total expenses	<u>\$ 595,362</u>	<u>\$ 97,868</u>	<u>\$ 46,372</u>	<u>\$ 36,543</u>	<u>\$ 139,655</u>	<u>\$ 106,860</u>	<u>\$ 21,471</u>	<u>\$ 1,044,131</u>	<u>\$ 989,735</u>

See accompanying notes to the financial statements.

**IN-SIGHT**  
**Statements of Cash Flows**  
**December 31, 2022**  
**(With Comparative Totals for the Year Ended December 31, 2021)**

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (2,732,477)	\$ 1,074,095
Adjustments to reconcile total change in net assets to net cash used by operating activities:		
Depreciation	65,162	55,239
Realized (gains) losses on investments	(199,284)	(110,649)
Unrealized (gains) losses on investments	2,070,796	(751,054)
Unrealized (gains) losses on beneficial interest in perpetual trusts	700,918	(283,840)
Changes in current assets and liabilities:		
Accounts receivable	(41,599)	(2,299)
Inventory	2,512	(82)
Prepaid expenses	6,413	(9,724)
Accounts payable and accrued expenses	13,148	39
Deferred revenue	-	-
Accrued payroll and taxes	(4,786)	2,370
	(119,197)	(25,905)
Net cash used by operating activities		
Cash flows from investing activities:		
Acquisition of property and equipment	(87,256)	(18,286)
Proceeds from sale of investments	662,759	662,850
Purchase of investments	(457,261)	(572,004)
	118,242	72,560
Net cash provided by investing activities		
Cash flows from financing activities:		
Forgiveness of Paycheck Protection Program - SBA Loan	-	(100,122)
Proceeds from Paycheck Protection Program - SBA Loan	-	-
	-	(100,122)
Net cash used by financing activities		
Net decrease in cash and cash equivalents	(955)	(53,467)
Cash and cash equivalents, beginning of year	228,080	281,547
Cash and cash equivalents, end of year	\$ 227,125	\$ 228,080
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

See accompanying notes to the financial statements. 6 -



# IN-SIGHT

## Notes to Financial Statements

December 31, 2022

### Note 1 - Description of Organization

IN-SIGHT (the Organization) is a not-for-profit corporation located in Warwick, Rhode Island, organized in 1925 under the laws of the State of Rhode Island. Its mission is to inspire confidence and build skills that help people who are visually impaired and blind to thrive and succeed. The Organization provides opportunities for education, vocational and rehabilitative training, work in the arts, industries and business, and leisure time activities, which are promoted on local, state, and national levels. The Organization also evaluates low vision patients for the purpose of dispensing aids and appliances appropriate for their needs. The majority of revenue for the Organization consists of rental income, fee for service, contributions, and grants.

### Note 2 - Summary of Significant Accounting Policies

#### Basis of Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**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 Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

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

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in net assets.

*Note 2 continued on the next page.*

## **Note 2 - Summary of Significant Accounting Policies (continued)**

### **Measure of Operations**

The statements of activities and changes in net assets report all changes in net assets including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing program service and interest earned on savings accounts. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

### **Cash and Cash Equivalents**

The Organization's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

### **Concentrations of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Organization's cash and cash equivalent accounts have been placed with a high credit quality financial institution. Interest and non-interest-bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash deposits exceeding federally insured limits are \$0 and \$0 at December 31, 2022 and 2021, respectively. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

### **Accounts Receivable**

Accounts receivable are stated at the amount the Organization expects to collect from balances outstanding at year-end. Receivables are primarily related to grants and program service revenue. The Organization has adopted the reserve method of recording bad debts. Under this method, an allowance for doubtful accounts is recorded as an estimate of the amount of uncollectible accounts. The allowance for doubtful accounts was \$0 and \$0 for the years ended December 31, 2022 and 2021.

Unconditional promises to give that are expected to be collected within one year are recorded at net realized value. Unconditional promises to give that are expected to be collect in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to gives are not included as support until the conditions are met.

### **Inventory**

Inventory is stated at the lower of cost or market, determined by the first-in, first-out (FIFO) method. Inventory consists of raw materials, work in progress, finished goods and retail merchandise.

*Note 2 continued on the next page.*

## **Note 2 - Summary of Significant Accounting Policies (continued)**

### **Property and Equipment, net**

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from three to twenty years. The Organization's policy is to capitalize renewals and betterments acquired for greater than \$1,000 and expense normal repairs and maintenance as incurred. The Organization's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

### **Investments**

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities and changes in net assets. Included in investments is a certificate deposit with an original maturity of greater than three months.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities and changes in net assets in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

The Board of Directors has the responsibility for investment activity for the Organization and maintains separate portfolios for net assets without donor restriction (including board-designated assets) and net assets with donor restriction. The Organization has developed a spending policy that allows five percent of the thirty-six-month trailing average market value of both with donor restriction and without donor restriction accounts to be transferred for operations on a monthly basis.

### **Investments Held in Perpetual Trusts**

Perpetual trusts are initially recorded as with donor restriction contribution revenue, at fair value, based on the Organization's interest in the fair value of the underlying trust assets at the time of the gift. Subsequent changes to the trusts' fair values are reported as with donor restrictions net unrealized gains or losses on perpetual trusts and are reported as change in value of beneficial interest in perpetual trusts in the statements of activities and changes in net assets. Income received from the trusts is reported as with donor restrictions or without donor restrictions investment income, depending on the existence or absence of donor-imposed restrictions.

The Organization also may be the beneficiary of interests in trusts and other assets in situations where the Organization has not been notified of its interest. The interest may be conditional or revocable, or the value of the interest may not be readily ascertainable. In such circumstances, no revenue has been recorded.

*Note 2 continued on the next page.*

## **Note 2 - Summary of Significant Accounting Policies (continued)**

### **Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 Other observable inputs, either directory or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 Unobservable inputs that cannot be corroborated by observable market data.

### **Board Designated Funds**

The Board of Directors of the Organization has designated certain portions of net assets without donor restrictions for specific purposes. The Organization currently has designated funds for long-term investment.

### **Revenue Recognition**

The Organization recognizes contributions when cash, securities, or other assets; as unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Contributions received are recorded as net assets without donor restriction or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions, otherwise, the contributions are recorded as net assets without donor restrictions.

*Note 2 continued on the next page.*

## Note 2 - Summary of Significant Accounting Policies (continued)

### Revenue Recognition (continued)

The Organization records special events revenue at the time the event takes place. Revenue may include fair value of direct benefits received by donors, and contribution income.

Revenue from fee for service income is recognized in the period the services are performed.

Rental income is recognized as rent becomes due. Rental payments received in advance are deferred until earned.

### Contributions and Bequests

The Organization is the beneficiary under various wills and trust agreements. Such amounts are recorded when a will is declared valid by a probate court and the proceeds are measurable.

### Contributions of Nonfinancial Assets

Donated property and other noncash donations are recorded as contributions at their estimated fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions, otherwise, the contributions are recorded as net assets without donor restrictions.

### Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and related expenses	Time and effort
Occupancy	Square footage
Consultants	Full time equivalent
Supplies and materials	Full time equivalent
Depreciation	Square footage
Other	Time and effort

### Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

*Note 2 continued on the next page.*

## **Note 2 - Summary of Significant Accounting Policies (continued)**

### **Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the depreciable lives of the Organization's property, plant and equipment, the allowance for doubtful accounts, and the fair values of investments. Estimates are based on historical experience, current conditions and various other assumptions that are believed to be reasonable under the circumstances. Such estimates and assumptions are adjusted when facts and circumstances dictate.

### **Income Taxes**

The Organization is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

### **Prior Year 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statement for the year ended December 31, 2021, from which the summarized information was derived.

### **Reclassifications**

Certain prior year amounts have been reclassified to conform to the current year presentation.

### **Recently Adopted Accounting Pronouncements**

Effective January 1, 2022, the Organization adopted ASU No. 2016-02, *Leases*, which requires lessees to recognize leases with a term greater than twelve months to be recognized on the statement of financial position through a right-of-use asset and a lease liability and the disclosure of key information pertain to leasing arrangements. The Organization has implemented this ASU for these financial statements and related disclosures. The Organization elected not to restate the comparative period (2021) and not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. The adoption did not result in any effect on amounts reported in the statement of activities and changes in net assets for year ended December 31, 2022.

*Note 2 continued on the next page.*

## Note 2 - Summary of Significant Accounting Policies (continued)

### Recently Adopted Accounting Pronouncements (continued)

The Organization has also adopted ASU No. 2020-07, *Presentation and Disclosures by Non-Profit Entities for Contributed Nonfinancial Assets* for the year ended December 31, 2022 on a retrospective basis. The standard provides new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed assets. The amendments did not change the recognition and measurement requirements. There was no impact on the Organization's financial position and change in net assets upon adoption.

### Note 3 - Availability and Liquidity

The following represents the Organization's financial assets at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 227,125	\$ 228,080
Accounts receivable, net	46,022	4,423
Total financial assets	<u>273,147</u>	<u>232,503</u>
Less amounts not available to be used within one year:		
Net assts with donor restrictions	<u>125,201</u>	<u>162,919</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 147,946</u>	<u>\$ 69,584</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments.

### Note 4 - Property and Equipment

The Organization's property and equipment at December 31, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Building and improvements	\$ 2,561,068	\$ 2,483,929
Land and land improvements	116,625	116,625
Equipment and furniture	377,051	369,329
Total property and equipment	<u>3,054,744</u>	<u>2,969,883</u>
Accumulated depreciation	<u>(2,004,671)</u>	<u>(1,941,904)</u>
Net property and equipment	<u>\$ 1,050,073</u>	<u>\$ 1,027,979</u>

Depreciation expense was \$65,162 and \$55,239 for the years ended December 31, 2022 and 2021, respectively.

## Note 5 - Investments

Investments are stated at fair market value and consist of equity and debt securities. Cost, fair market value and net unrealized gains and losses are summarized as follows at December 31, 2022 and 2021:

	2022		
	Cost	Fair Market Value	Net Unrealized Gains (Losses)
Cash and money market	\$ 227,875	\$ 227,875	\$ -
Certificate of deposits	448,882	448,882	-
Government obligations	579,082	488,979	(90,103)
Corporate bonds	576,434	533,510	(42,924)
Mutual funds	1,277,826	1,323,269	45,443
Equity securities			
Healthcare industry	222,682	586,941	364,259
Information technology	484,470	1,181,922	697,452
Financial industry	189,457	376,326	186,869
Consumer staples	120,774	275,409	154,635
Consumer discretionary	144,722	303,032	158,310
Industrials	213,107	375,733	162,626
Telecommunication	217,509	274,504	56,995
Utilities	23,127	60,192	37,065
Real Estate	19,971	38,407	18,436
Total investments	<u>\$ 4,745,918</u>	<u>\$ 6,494,981</u>	<u>\$ 1,749,063</u>

*Note 5 continued on the next page.*



**Note 5 - Investments (continued)**

	2021		
	Cost	Fair Market Value	Net Unrealized Gains (Losses)
Cash and money market	\$ 116,982	\$ 116,982	\$ -
Certificate of deposits	349,070	362,686	13,616
Government obligations	481,178	476,958	(4,220)
Corporate bonds	877,968	905,378	27,410
Mutual funds	1,261,714	1,675,514	413,800
Equity securities			
Healthcare industry	238,176	792,752	554,576
Information technology	463,303	1,757,163	1,293,860
Financial industry	189,457	480,911	291,454
Consumer staples	120,774	363,966	243,192
Consumer discretionary	163,725	520,768	357,043
Industrials	240,101	488,575	248,474
Telecommunication	224,329	510,219	285,890
Utilities	23,127	67,219	44,092
Real Estate	19,971	52,900	32,929
Total investments	<u>\$ 4,769,875</u>	<u>\$ 8,571,991</u>	<u>\$ 3,802,116</u>

As of December 31, 2022 and 2021 all investments were considered Level 1 investments.

The composition of investment return is as follows at December 31, 2022 and 2021:

	2022	2021
Interest and dividends	\$ 145,488	\$ 132,682
Net realized gains (losses) on sale of investments	199,284	110,649
Net unrealized gains (losses) on investments	(2,070,796)	751,054
Investment fees	<u>(54,148)</u>	<u>(61,546)</u>
Total investment return	<u>\$ (1,780,172)</u>	<u>\$ 932,839</u>

**Note 6 - Investments Held in Perpetual Trust**

The Organization is a beneficiary of the Mary Yonker Memorial Trust, Arthur M. Potter Charitable Trust, E. Thompson Perpetual Charitable Trust and W. A. Thompson Trust. The income from the trusts is distributed to the Organization based on allocations of 20%, 33.34%, 16.67% and 16.67%, respectively. The remaining income is distributed to unrelated not-for-profit organizations as required by split-interest agreements contained in trust instruments. This income may be used for any purpose consistent with the Organization's charitable purpose.

*Note 6 continued on the next page.*

**Note 6 - Investments Held in Perpetual Trust (continued)**

Distributions to the Organization from the trusts totaled \$142,537 and \$104,546 for the years ended December 31, 2022 and 2021, respectively.

The following is a schedule of assets held in the trust funds and the Organization's beneficial share of those assets at market value at December 31, 2022 and 2021:

	2022		2021	
	Total Trust Assets	IN-SIGHT's Beneficial Share	Total Trust Assets	IN-SIGHT's Beneficial Share
Mary Yonker Memorial Trust	\$ 1,517,727	\$ 303,545	\$ 1,976,285	\$ 395,256
Arthur M. Potter Charitable Trust	1,684,088	561,363	2,185,690	728,563
E. Thompson Perpetual Charitable Trust	1,823,736	303,957	2,358,085	393,015
W.A. Thompson Trust	8,304,020	1,384,003	10,421,711	1,736,952
Total	<u>\$ 13,329,571</u>	<u>\$ 2,552,868</u>	<u>\$16,941,771</u>	<u>\$ 3,253,786</u>

As of December 31, 2022 and 2021 all investments held in perpetual trusts were considered Level 3 investments. The Level 3 valuation of the interest in perpetual trusts held by various financial institutions are determined using the investment statements provided by the trustees, which include market values for publicly traded investments. Due to the Organization's lack of control over the investing activities, the funds held by the financial institutions are considered to be valued using unobservable market inputs.

The table below provides a summary of changes in the fair value of the Level 3 financial assets measured on a recurring basis for the years ended December 31, 2022 and 2021:

	2022	2021
Balance, beginning of year	\$ 3,253,786	\$ 2,969,946
Change in value	(700,918)	283,840
Balance, end of year	<u>\$ 2,552,868</u>	<u>\$ 3,253,786</u>

### Note 7 - Net Assets with Donor Restrictions

Net assets with donor restriction may be restricted temporarily for a specific time period or purpose, or permanently, whereby the principal is required to be invested in perpetuity, and only the income may be utilized by the Organization.

Net assets with donor restrictions were as follows for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Specific purpose:		
Low vision program	\$ 75,000	\$ 55,000
Woonsocket services	19,138	18,177
Children's vision program	5,000	5,000
South County services	26,063	24,752
HVAC replacement	-	59,990
	<u>          </u>	<u>          </u>
Total purpose restricted net assets	<u>\$ 125,201</u>	<u>\$ 162,919</u>

Net assets with permanent restrictions were as follows for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Mary Yonker Memorial Trust	\$ 303,545	\$ 395,256
Arthur M. Potter Charitable Trust	561,363	728,563
E. Thompson Perpetual Charitable Trust	303,957	393,015
W.A. Thompson Trust	1,384,003	1,736,952
	<u>          </u>	<u>          </u>
Total investments held in perpetual trusts	<u>\$ 2,552,868</u>	<u>\$ 3,253,786</u>
	<u>          </u>	<u>          </u>
Donor-restricted endowments	<u>\$ 68,000</u>	<u>\$ 68,000</u>
	<u>          </u>	<u>          </u>
Total net assets with donor restrictions	<u>\$ 2,746,069</u>	<u>\$ 3,484,705</u>

### Note 8 - Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors. The amounts released during the years ended December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Vision rehabilitation	\$ 55,000	\$ 85,000
Woonsocket services	18,177	17,463
Children's vision program	5,000	5,000
South County services	24,752	-
Summer program	12,500	12,500
HVAC replacement	59,990	-
	<u>          </u>	<u>          </u>
Total net assets released from restrictions	<u>\$ 175,419</u>	<u>\$ 119,963</u>

## Note 9 - Endowment

The Organization's endowment includes both donor-restricted endowment funds and funds designated by the Board to function as an endowment. As required by accounting principles generally accepted in the United States of America, 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.

The Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) 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. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as net assets with donor restriction until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with Rhode Island State law, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- a) the duration and preservation of the endowment fund,
- b) the purpose of the Organization and the endowment,
- c) general economic conditions,
- d) the possible effect of inflation or deflation,
- e) the expected total return from income and the appreciation of investments,
- f) other resources of the Organization, and
- g) the investment policy of the Organization.

In addition, the appropriation for expenditure in any year of an amount greater than seven percent of a three year-rolling average fair market value, may be deemed imprudent.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold for a donor-specified time as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that match or exceed the results of the Standard & Poor 500 index and other comparable indices, as applicable, while assuming a moderate level of investment risk.

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

*Note 9 continued on the next page.*

**Note 9 - Endowment (continued)**

Under the Organization's spending policy, the Board has approved a five percent annual distribution based on a thirty-six-month trailing average market value, on an annual basis, to support operations.

The composition of endowment net assets by net asset class for the years ended December 31, 2022 and 2021 is as follows:

	2022			2021
	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose & Time Restrictions	Donor Restricted Endowments	
Donor-restricted endow- ment funds	\$ -	\$ -	\$ 68,000	\$ 68,000
Board designated endow- ment funds	33,457	-	-	60,628
<b>Total</b>	<b>\$ 33,457</b>	<b>\$ -</b>	<b>\$ 68,000</b>	<b>\$ 126,628</b>

Endowment activities by net asset class for the years ended December 31, 2022 and 2021 is as follows:

	2022			2021
	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose & Time Restrictions	Donor Restricted Endowments	
Endowment net assets, beginning of year	\$ 60,628	\$ -	\$ 68,000	\$ 128,628
Investment return:				
Investment income, net of fees	1,829	-	-	1,299
Net realized and unreal- ized gains (losses)	(24,738)	-	-	13,034
Appropriation of endow- ment funds for expenditure	(4,262)	-	-	(3,816)
<b>Endowment net assets, end of year</b>	<b>\$ 33,457</b>	<b>\$ -</b>	<b>\$ 68,000</b>	<b>\$ 128,628</b>

*Note 9 continued on the next page.*

**Note 9 - Endowment (continued)**

Reconciliation of endowment assets to total net assets at December 31, 2022 and 2021 is as follows:

	2022			2021	
	Without Donor Restrictions	Purpose & Time Restrictions	Donor Restricted Endowments	Total	Total
Endowment assets and those functioning as endowment assets	\$ 33,457	\$ -	\$ 68,000	\$ 101,457	\$ 128,628
Beneficial interest in perpetual trust	-	-	2,552,868	2,552,868	3,253,786
Other net assets	<u>7,548,190</u>	<u>125,201</u>	<u>-</u>	<u>7,673,391</u>	<u>9,677,779</u>
Total net assets	<u>\$ 7,581,647</u>	<u>\$ 125,201</u>	<u>\$ 2,620,868</u>	<u>\$10,327,716</u>	<u>\$13,060,193</u>

**Note 10 - Leases**

The Organization received rental payments from two tenants as provided under operating agreements. One operating agreement commenced on May 15, 2014, with a lease term of twelve years and an option of extending the agreement for an additional five years. An amendment was signed on May 1, 2022 for this lease, which included additional square footage and extends the current lease until May 1, 2032. The second operating agreement commenced on September 16, 2021, with a lease term of three years and an option of extending the agreement for an additional three years.

Future minimum rents to be received are as follows:

December 31, 2023	\$ 182,989
2024	188,479
2025	194,133
2026	199,957
2027 and thereafter	<u>1,211,064</u>
Total	<u>\$ 1,976,622</u>

Total rental income received under operating agreements totaled \$197,900 and \$136,625 for the years ended December 31, 2022 and 2021, respectively.

**Note 11 - Pension Plan**

The Organization sponsors a defined-contribution plan that covers all of its full-time employees. Employees are eligible to participate after one year of employment. The Organization matches 100% of compensation deferrals, up to a maximum of 3% of compensation deferred. For the years ended December 31, 2022 and 2021, the employer contributions was \$8,879 and \$9,374, respectively.

### **Note 12 - Contributions of Nonfinancial Assets**

During December 31, 2022 and 2021, volunteers donated their services to the Organization for the radio reading program, vision rehabilitation program and other programs operated by the Organization. An objective basis to measure the approximate amount of time donated by volunteers for its programs has been developed. According to generally accepted accounting principles for accounting for contributions received and contributions made, services requiring specialized skills that would have had to be purchased would be recorded. During December 31, 2022 and 2021, \$0 and \$0 has been recorded as in-kind services in the accompanying financial statements.

In addition, during December 31, 2022 and 2021 there was over 2,637 and 2,312 hours of other volunteer services provided to the Organization that did not meet the criteria for recognition as contributed services.

### **Note 13 - Related Party Transactions**

The Chair of the Board of Directors is an employee of a law firm that provides services to the Organization. Total amounts paid to this firm for the years ended December 31, 2022 and 2021 was \$4,105 and \$6,242. As of December 31, 2022 and 2021, there was no amounts owed to this firm.

The Organization's investment advisor employs a member of the Board of Directors. Total amounts paid to this advisor for investment fees for the years ended December 31, 2022 and 2021 was \$54,148 and \$61,546. As of December 31, 2022 and 2021, there were no amounts owed to this advisor for investment fees.

The Secretary of the Board of Directors is an employee of a real estate brokerage firm that provides services to the Organization. Total amounts paid to this firm for commission expenses for the years ended December 31, 2022 and 2021 were \$52,242 and \$5,567, respectively. As of December 31, 2022 and 2021, there were no amounts owed to this firm for commission expenses.

### **Note 14 - Subsequent Events**

Subsequent events have been evaluated through May 10, 2023, which is the date the financial statements were available for issuance.