IN-SIGHT

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Financial Statements

December 31, 2017

Mullen Scorpio Cerilli

Certified Public Accountants
Business Consultants

Mullen Scorpio Cerilli

IN-SIGHT

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Independent Auditor's Report

To the Board of Directors of
IN-SIGHT

We have audited the accompanying financial statements of IN-SIGHT (a Rhode Island nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IN-SIGHT as of December 31, 2017, 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.

Report on Summarized Comparative Information

We have previously audited IN-SIGHT's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 3, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mullen Scorpio Cerilli

May 23, 2018
Providence, Rhode Island

IN-SIGHT

Statement of Financial Position

December 31, 2017
(With Comparative Totals as of December 31, 2016)

	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	$ 142,669	$ 168,080
Accounts receivable, net	97,252	932
Inventory	19,329	19,945
Prepaid expenses	8,984	6,140
Total current assets	268,234	195,097
Net property and equipment	1,165,572	1,205,542
Noncurrent assets:		
Investments	6,396,878	5,520,107
Beneficial interest in perpetual trusts	2,633,041	2,338,035
Total noncurrent assets	9,029,919	7,858,142
Total assets	$ 10,463,725	$ 9,258,781
Liabilities and Net Assets		
Liabilities (all current):		
Accounts payable and accrued expenses	$ 59,407	$ 46,432
Deferred revenue	18,288	17,714
Accrued payroll and taxes	7,468	7,788
Total liabilities	85,163	71,934
Net assets:		
Unrestricted net assets:		
Available for operations	82,197	26,641
Invested in property and equipment	1,165,572	1,205,542
Board designated for investments	6,328,878	5,452,107
Total unrestricted net assets	7,576,647	6,684,290
Temporarily restricted net assets	100,874	96,522
Permanently restricted net assets	2,701,041	2,406,035
Total net assets	10,378,562	9,186,847
Total liabilities and net assets	$ 10,463,725	$ 9,258,781

See accompanying notes to the financial statements.

IN-SIGHT

Statement of Activities and Changes in Net Assets

For the Year Ended December 31, 2017
(With Comparative Totals for the Year Ended December 31, 2016)

	2017				2016
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Support and revenue:					
Grant income	$ 85,499	$ 139,894	$ -	$ 225,393	$ 186,315
Workshop contract income	30,881	-	-	30,881	25,334
Trust fund income	92,421	-	-	92,421	90,559
Contributions	54,525	5,000	-	59,525	56,250
Rental income	215,075	-	-	215,075	167,635
Interest and dividend income	91,790	-	-	91,790	98,923
Fee for service income	105,532	-	-	105,532	108,707
Special event	18,662	-	-	18,662	-
In-kind donations	1,267	-	-	1,267	-
Other income	396	-	-	396	2,817
Total support and revenue	696,048	144,894	-	840,942	736,540
Reclassification - net assets released from restrictions	140,542	(140,542)	-	-	-
Total support, revenue and reclassification	836,590	4,352	-	840,942	736,540
Expenses:					
Rehabilitation	316,349	-	-	316,349	293,340
Low vision clinic	119,955	-	-	119,955	114,628
Radio program	106,399	-	-	106,399	122,759
Workshop	108,346	-	-	108,346	112,114
Youth program	40,393	-	-	40,393	37,871
Rental expenses	97,857	-	-	97,857	96,070
General and administrative	126,665	-	-	126,665	117,531
Development	39,488	-	-	39,488	26,425
Total expenses	955,452	-	-	955,452	920,738
Income (loss) from operations	(118,862)	4,352	-	(114,510)	(184,198)
Non-operating income (expense):					
Bequest income - board designated for investment	105,894	-	-	105,894	33,145
Net realized and unrealized gains (losses) on investments	905,325	-	-	905,325	116,967
Change in value of beneficial interest in perpetual trust	-	-	295,006	295,006	31,772
Total non-operating income	1,011,219	-	295,006	1,306,225	181,884
Change in net assets	892,357	4,352	295,006	1,191,715	(2,314)
Net assets, beginning of year	6,684,290	96,522	2,406,035	9,186,847	9,189,161
Net assets, end of year	$ 7,576,647	$ 100,874	$ 2,701,041	$10,378,562	$ 9,186,847

See accompanying notes to the financial statements.

IN-SIGHT

Statement of Functional Expenses

For the Year Ended December 31, 2017
(With Comparative Totals for the Year Ended December 31, 2016)

	2017									2016
	Rehabilitation	Low Vision Clinic	Radio Program	Workshop	Youth Program	Rental Expenses	General and Administrative	Development	Total Expenses	Total Expenses
Salaries and related expenses:										
Salaries	$ 185,091	$ 61,474	$ 56,202	$ 80,187	$ 5,621	$ -	$ 45,824	$ 14,075	$ 448,474	$ 441,282
Fringe benefits	17,237	1,126	10,350	1,579	-	-	8,234	1,629	40,155	32,798
Payroll taxes	17,708	5,950	5,406	7,718	490	-	4,035	1,346	42,653	43,821
Total salaries and related expenses	220,036	68,550	71,958	89,484	6,111	-	58,093	17,050	531,282	517,901
Administrative and other expenses:										
Supplies and materials	12,203	19,275	18	9,399	13,562	-	-	-	54,457	46,808
Communications	3,582	1,324	9,512	467	234	-	718	389	16,226	15,263
Office expense	6,504	2,427	1,610	731	366	-	1,302	616	13,556	8,944
Computers and software	3,422	1,344	2,089	446	223	-	833	622	8,979	11,456
Postage and freight	1,513	561	414	192	122	-	340	605	3,747	4,278
Professional fees	4,968	3,182	1,404	648	324	-	1,580	540	12,646	14,588
Bookkeeping	3,563	1,317	1,007	465	232	-	774	387	7,745	8,099
Consultants	2,689	3,465	661	281	13,220	-	494	234	21,044	20,896
Commissions	-	-	-	-	-	-	-	-	-	15,168
Utilities	8,594	3,044	2,391	1,143	571	2,348	1,889	945	20,925	17,095
Repairs and maintenance	11,906	2,557	2,041	1,409	484	26,816	2,578	1,281	49,072	39,243
Insurance	6,978	2,579	1,972	910	558	2,128	3,945	758	19,828	14,796
Property taxes	-	-	-	-	-	31,741	-	-	31,741	31,741
Transportation expense	12,516	210	26	25	60	-	49	100	12,986	14,965
Dues, licenses and fees	543	136	354	58	24	-	140	134	1,389	2,200
Promotional materials	1,573	340	1,762	120	60	-	200	150	4,205	7,765
Fundraising expenses	3,309	1,223	935	432	216	-	419	12,055	18,589	7,855
Conferences and education	1,412	32	25	11	6	-	389	535	2,410	1,746
Investment expenses	-	-	-	-	-	-	44,584	-	44,584	40,675
Interest expense	-	-	-	-	-	-	-	-	-	-
Payroll service fees	985	364	278	129	64	-	214	107	2,141	2,153
Bank charges and miscellaneous	197	140	57	26	13	-	3,195	23	3,651	3,796
Total administrative and other expenses	86,457	43,520	26,556	16,892	30,339	63,033	63,643	19,481	349,921	329,530
Depreciation	9,856	7,885	7,885	1,970	3,943	34,824	4,929	2,957	74,249	73,307
Total expenses	$ 316,349	$ 119,955	$ 106,399	$ 108,346	$ 40,393	$ 97,857	$ 126,665	$ 39,488	$ 955,452	$ 920,738

See accompanying notes to the financial statements.

IN-SIGHT

Statement of Cash Flows

For the Year Ended December 31, 2017
(With Comparative Totals for the Year Ended December 31, 2016)

	2017	2016
Cash flows from operating activities:		
Change in net assets	$ 1,191,715	$ (2,314)
Adjustments to reconcile total change in net assets to net cash used by operating activities:		
Depreciation	74,249	73,307
Realized gains on investments	(294,799)	(84,648)
Unrealized (gains) losses on investments	(610,526)	(32,319)
Unrealized (gains) losses on beneficial interest in perpetual trusts	(295,006)	(31,772)
Changes in current assets and liabilities:		
Accounts receivable	(96,320)	8,412
Inventory	616	(3,261)
Prepaid expenses	(2,844)	3,864
Accounts payable and accrued expenses	12,975	(1,092)
Deferred revenue	574	8,683
Accrued payroll and taxes	(320)	568
Net cash used by operating activities	(19,686)	(60,572)
Cash flows from investing activities:		
Acquisition of property and equipment	(34,279)	(52,881)
Proceeds from sale of investments	966,321	1,176,713
Purchase of investments	(937,767)	(1,111,779)
Net cash provided by investing activities	(5,725)	12,053
Cash flows from financing activities:		
Payments on line of credit	-	-
Net cash used by financing activities	-	-
Net decrease in cash and cash equivalents	(25,411)	(48,519)
Cash and cash equivalents, beginning of year	168,080	216,599
Cash and cash equivalents, end of year	$ 142,669	$ 168,080
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -

See accompanying notes to the financial statements.

Note 1 - Summary of Significant Accounting Policies

Nature of Operations

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, build skills and empower people who are blind and visually impaired to become fully integrated, equally valued members of society by providing diverse services that produce opportunities and choices. 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.

Basis of Financial Reporting

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting.

The net assets of the Organization are classified as follows:

- Unrestricted net assets consist of unrestricted amounts that are available for use in accomplishing the mission of the Organization.
- Temporarily restricted net assets consist of those amounts which are donor restricted for a specific purpose. When a donor restriction expires, either by the passage of a stipulated time restriction or by the accomplishment of a specific purpose restriction, temporarily restricted net assets are reclassified to unrestricted net assets, and reported in the statement of activities and as net assets released from restrictions.
- Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity. Investment income may be either an unrestricted or temporarily restricted resource when earned, determined according to the gift instrument and relevant State law.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with maturities of three months or less, except for those amounts contained in the long-term investment portfolio.

Note 1 continued on the next page.

Note 1 - Summary of Significant Accounting Policies (continued)

Accounts Receivable

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 for the years ended December 31, 2017 and 2016.

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.

Property and equipment

Acquisitions of land, building, furniture and office and program equipment of $1,000 or greater have been capitalized as fixed assets at cost. These assets are depreciated using the straight-line method of depreciation over estimated useful lives between five to forty years.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding the time period those donated assets must be maintained, the Organization reports expirations of donor restrictions when the asset is placed in service, at which time the Organization reclassifies temporarily restricted net assets to unrestricted net assets.

Investments

Investments in marketable equity securities and all debt securities are recorded at fair value, which is based on quoted market prices. Unrealized and realized gains and losses are reported as investment income on the statement of activities. Investments are exposed to certain risks, such as interest rate, credit and overall market volatility.

Included in investments are certain money market funds with maturities of less than three months. Such money market funds are held for the express purpose of investment. All investment income and sale proceeds are deposited in these accounts until the funds can be reinvested or distributed. As such, these money market funds are reported as investments rather than cash equivalents in the accompanying financial statements.

The Board of Directors has the responsibility for investment activity for the Organization and maintains separate portfolios for unrestricted assets (including board-designated assets) and permanently restricted assets. The Organization has developed a spending policy that allows five percent of the thirty-six month trading average market value of both the restricted and unrestricted accounts to be transferred for operations on a monthly basis.

Note 1 continued on the next page.

Note 1 - Summary of Significant Accounting Policies (continued)

Investments Held in Perpetual Trusts

Perpetual trusts are initially recorded as permanently restricted 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 permanently restricted net unrealized gains or losses on perpetual trusts and are reported as change in value of beneficial interest in perpetual trusts in the statement of activities. Income received from the trusts is reported as temporarily restricted or unrestricted 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.

Contributions and Bequests

Unrestricted contributions received for the Organization's programs are recognized as income when received. All donor-restricted support is reported as an increase in temporarily restricted net assets. When the restriction expires, the restricted net assets are reclassified to unrestricted net assets.

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.

Contributed Services

Contributed services are reflected in the accompanying statements at their estimated fair values at the date of receipt to the extent that they create or enhance non-financial assets or require specialized skills and if not provided by donation, would have to be purchased by the Organization. The contributed services have been reported in the accompanying financial statements as revenue with an offsetting expense.

Exchange Transactions and Deferred Revenue

The Organization records revenues from exchange transactions as increases in unrestricted net assets to the extent that the earnings process is complete. These transactions primarily include fees for services and rental income. Receivables from exchange transactions are expected to be collected within one year and are recorded at net realizable value.

Resources received in exchange transactions are recognized as deferred revenue to extent that the earnings process has not been completed. These resources are recorded as unrestricted revenues when the related obligations have been satisfied.

Note 1 continued on the next page.

Note 1 - Summary of Significant Accounting Policies (continued)

Board Designated Funds

The Board of Directors of the Organization has designated certain portions of unrestricted net assets for specific purposes. The Organization currently has designated funds for long-term investment.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, management has allocated certain costs among various programs and supporting services benefited. Personnel and other costs have been allocated based upon time devoted to various programs and functions.

Income Taxes

The Organization is exempt from federal income taxes as a charitable organization under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation.

The Organization evaluates its uncertain tax positions using guidance for contingencies as contained in U.S. generally accepted accounting principles. The Organization was not aware of any uncertain tax positions that were not provided for in the accompanying financial statements.

The Organization annually files Internal Revenue Service Form 990 – *Return of Organization Exempt from Income Tax*, reporting various information that the IRS uses to monitor the activities of tax-exempt entities. The tax return is subject to review by the taxing authorities generally for three years after filing. The Organization currently has no tax examinations in progress.

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Financial Statements

The statement of activities and changes in net assets and functional expenses include certain summarized comparative information for the year ended December 31, 2016. 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 statements for the year ended December 31, 2016, from which the summarized information was derived.

Note 2 - Property and Equipment

The Organization's property and equipment at December 31, 2017 and 2016 consisted of the following:

	2017	2016
Building and improvements	$ 2,308,851	$ 2,308,851
Land and land improvements	116,625	116,625
Equipment and furniture	407,429	373,150
Total property and equipment	2,832,905	2,798,626
Accumulated depreciation	(1,667,333)	(1,593,084)
Net property and equipment	$ 1,165,572	$ 1,205,542

Depreciation expense was $74,249 and $73,307 for the years ended December 31, 2017 and 2016, respectively.

Note 3 - 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:

	2017		
	Cost	Fair Market Value	Net Unrealized Gains (Losses)
Cash and money market	$ 149,151	$ 149,151	$ -
Government obligations	557,889	455,983	(101,906)
Corporate bonds	1,057,861	1,068,129	10,268
Common stock	1,696,466	2,996,662	1,300,196
Mutual funds	1,404,800	1,726,953	322,153
Total investments	$ 4,866,167	$ 6,396,878	$ 1,530,711

Note 3 continued on the next page.

Note 3 - Investments (continued)

	2016		
	Cost	Fair Market Value	Net Unrealized Gains (Losses)
Cash and money market	$ 239,428	$ 239,428	$ -
Government obligations	358,839	353,024	(5,815)
Corporate bonds	1,008,522	1,015,122	6,600
Common stock	1,663,291	2,551,892	888,601
Mutual funds	1,329,847	1,360,641	30,794
Total investments	$ 4,599,927	$ 5,520,107	$ 920,180

The composition of investment return is as follows at December 31, 2017 and 2016:

	2017	2016
Interest and dividends	$ 91,790	$ 98,923
Net realized gains on sale of investments	294,799	84,648
Net unrealized gains (losses) on investments	610,526	32,319
Total investment return	$ 997,115	$ 215,890

Total investment fees were $44,584 and $40,675 for the years ended December 31, 2017 and 2016, respectively.

Note 4 - 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.

Distributions to the Organization from the trusts totaled $92,421 and $90,559 for the years ended December 31, 2017 and 2016, respectively.

Note 4 continued on the next page.

Note 4 - Investments Held in Perpetual Trust (continued)

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, 2017 and 2016:

	2017	
	Total Trust Assets	IN-SIGHT's Beneficial Share
Mary Yonker Memorial Trust	$ 1,613,226	$ 322,645
Arthur M. Potter Charitable Trust	1,784,093	594,698
E. Thompson Perpetual Charitable Trust	1,911,544	318,591
W.A. Thompson Trust	8,382,643	1,397,107
Total	$ 13,691,506	$ 2,633,041

	2016	
	Total Trust Assets	IN-SIGHT's Beneficial Share
Mary Yonker Memorial Trust	$ 1,436,448	$ 287,289
Arthur M. Potter Charitable Trust	1,590,943	530,312
E. Thompson Perpetual Charitable Trust	1,699,631	283,272
W.A. Thompson Trust	7,422,961	1,237,162
Total	$ 12,149,983	$ 2,338,035

Note 5 - Fair Value Measurements

Generally accepted accounting principles establish a framework for measuring fair value and expand disclosures about fair value measurements for assets and liabilities. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). The three levels of the fair value hierarchy according to generally accepted accounting principles are as follows:

- Level 1 – valuations based on quoted prices in active markets for identical investments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.
- Level 2 – valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, and determined through the use of models or other valuation methodologies.
- Level 3 – valuations based on inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

Note 5 continued on the next page.

Note 5 - Fair Value Measurements (continued)

The following tables present financial assets at December 31, 2017 and 2016 that the Organization measures fair values on a recurring basis, by level, within the fair value hierarchy.

Investments at fair value as of December 31, 2017:

	Level 1	Level 2	Level 3	Total
Interests in perpetual trusts	$ -	$ -	$ 2,633,041	$ 2,633,041
Government obligations	455,983	-	-	455,983
Corporate bonds	1,068,129	-	-	1,068,129
Mutual funds	1,726,953	-	-	1,726,953
Equity securities:				
Healthcare industry	503,711	-	-	503,711
Information technology	968,243	-	-	968,243
Financial industry	491,208	-	-	491,208
Consumer staples	153,069	-	-	153,069
Consumer discretionary	331,313	-	-	331,313
Energy industry	154,585	-	-	154,585
Industrials	313,739	-	-	313,739
Telecommunication	26,994	-	-	26,994
Utilities	28,114	-	-	28,114
Real Estate	25,686	-	-	25,686
Money market funds	149,151	-	-	149,151
Total investments	$ 6,396,878	$ -	$ 2,633,041	$ 9,029,919

Investments at fair value as of December 31, 2016:

	Level 1	Level 2	Level 3	Total
Interests in perpetual trusts	$ -	$ -	$ 2,338,035	$ 2,338,035
Government obligations	353,024	-	-	353,024
Corporate bonds	1,015,122	-	-	1,015,122
Mutual funds	1,360,641	-	-	1,360,641
Equity securities:				
Healthcare industry	513,669	-	-	513,669
Information technology	703,502	-	-	703,502
Financial industry	412,691	-	-	412,691
Consumer staples	136,478	-	-	136,478
Consumer discretionary	278,110	-	-	278,110
Energy industry	170,982	-	-	170,982
Industrials	309,236	-	-	309,236
Telecommunication	27,224	-	-	27,224
Money market funds	239,428	-	-	239,428
Total investments	$ 5,520,107	$ -	$ 2,338,035	$ 7,858,142

Note 5 continued on the next page.

Note 5 - Fair Value Measurements (continued)

For the years ended December 31, 2017 and 2016, Level 1 assets are valued at the closing price reported on the active market on which the funds are traded.

For the years ended December 31, 2017 and 2016, the Level 3 valuation of the interests 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, 2017 and 2016:

	2017	2016
Balance, beginning of year	$ 2,338,035	$ 2,306,263
Change in value	295,006	31,772
Balance, end of year	$ 2,633,041	$ 2,338,035

Note 6 - Temporarily Restricted Net Assets

As of December 31, 2017 and 2016, temporarily restricted net assets are available for the following purposes:

	2017	2016
Low vision program	$ 84,100	$ 80,000
Woonsocket services	16,774	16,522
Total temporarily restricted net assets	$ 100,874	$ 96,522

Note 7 - Net Assets Released from 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, 2017 and 2016 are as follows:

	2017	2016
Vision rehabilitation	$ 75,000	$ 75,000
Woonsocket services	16,522	16,208
Low vision	5,000	5,000
"On the Move" Mobility Summer Program	14,000	16,900
Tobii Pro Eye Tracking Instrument	22,520	-
Summer program	7,500	-
Total net assets released from restrictions	$ 140,542	$ 113,108

Note 8 - 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 temporarily restricted net assets 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 either 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 8 continued on the next page.

Note 8 - 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, 2017 and 2016 is as follows:

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ -	$ 68,000	$ 68,000
Board designated endowment funds	21,502	-	-	21,502
Total	$ 21,502	$ -	$ 68,000	$ 89,502

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ -	$ 68,000	$ 68,000
Board designated endowment funds	7,280	-	-	7,280
Total	$ 7,280	$ -	$ 68,000	$ 75,280

Endowment activities by net asset class for the years ended December 31, 2017 and 2016 are as follows:

	2017				2016
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Endowment net assets, beginning of year	$ 7,280	$ -	$ 68,000	$ 75,280	$ 72,313
Investment return:					
Investment income, net of fees	1,439	-	-	1,439	690
Net realized and unrealized gains (losses)	12,783	-	-	12,783	2,277
Appropriation of endowment funds for expenditure	-	-	-	-	-
Endowment net assets, end of year	$ 21,502	$ -	$ 68,000	$ 89,502	$ 75,280

Note 8 continued on the next page.

Note 8 - Endowment (continued)

Reconciliation of endowment assets to total net assets at December 31, 2017 and 2016 is as follows:

	2017			
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Endowment assets and those functioning as endowment assets	$ 21,502	$ -	$ 68,000	$ 89,502
Beneficial interest in perpetual trust	-	-	2,633,041	2,633,041
Other net assets	7,555,145	100,874	-	7,656,019
Total net assets	$ 7,576,647	$ 100,874	$ 2,701,041	$ 10,378,562

	2016			
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Endowment assets and those functioning as endowment assets	$ 7,280	$ -	$ 68,000	$ 75,280
Beneficial interest in perpetual trust	-	-	2,338,035	2,338,035
Other net assets	6,677,010	96,522	-	6,773,532
Total net assets	$ 6,684,290	$ 96,522	$ 2,406,035	$ 9,186,847

Note 9 - Lease Agreements for Rental Income

During 2016, the Organization received rental payments from two tenants as provided under operating agreements. One operating agreement commenced in May 15, 2014, with a lease term of twelve years and an option of extending the agreement for an additional five years. The second operating agreement commenced on June 1, 2016, with a lease term of three years and an option of extending the agreement for an additional two years.

Future minimum rents to be received are as follows:

December 31,	
2018	$ 217,805
2019	161,780
2020	122,244
2021	125,911
2022	129,688
2023 and beyond	484,783

Note 10 - Line of Credit

During 2015, the Organization had a line of credit with a local bank. The maximum borrowing limit on the line of credit was $400,000, with interest payable at the prime rate of 3.25%. The line was secured by the unrestricted investment account. The outstanding balance on this line of credit was $0 as of December 31, 2015. The line of credit was not renewed during 2016.

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, 2017 and 2016, the employer contributions were $6,605 and $6,615, respectively.

Note 12 - Contributed Services

During 2017 and 2016, 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 2017 and 2016, $1,267 and $0 have been recorded as in-kind services in the accompanying financial statements.

In addition, in 2017 and 2016 there were over 3,702 and 3,702 hours, respectively, of other volunteer services provided to the Organization that did not meet the criteria for recognition as contributed services.

Note 13 - Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, are investments and accounts receivable. Management believes that there is no risk of loss related to the accounts receivable at December 31, 2017 and 2016.

The Organization maintains its investments in financial instruments of various industries to diversify the portfolio and minimize the Conference's exposure to investment risk. At year-end, management has performed a detailed analysis and does not believe that significant credit risk exists related to the above-mentioned financial instruments.

Note 14 - Related Party Transactions

The Treasurer of the Board of Directors is a partner of a law firm that provides services to the Organization. Total amounts paid to this firm for the years ended December 31, 2017 and 2016 were $1,601 and $4,542, respectively. As of December 31, 2017 and 2016, there were no amounts owed to this firm.

The Secretary of the Board of Directors is a partner 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, 2017 and 2016 were $0 and $15,168, respectively. As of December 31, 2017 and 2016, there were no amounts owed to this firm for commission expenses.

The Organization's investment advisor employed the chair until December 2017 and employs a member of the Board of Directors. Total amounts paid to this advisor for investment fees for the years ended December 31, 2017 and 2016 were $44,584 and $40,675, respectively. As of December 31, 2017 and 2016, there were no the amounts owed to this advisor for investment fees.

Note 15 - Subsequent Events

Subsequent events have been evaluated through May 23, 2018, which is the date the financial statements were available for issuance.