THE CARROLL CENTER FOR THE BLIND, INC.

FINANCIAL STATEMENTS

For the Years Ended June 30, 2023 and 2022

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FINANCIAL STATEMENTS

For the Years Ended June 30, 2023 and 2022

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500 Victory Road, Marina Bay, Quincy, MA 02171
DI PESA & COMPANY
CPAS
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Dorothy F. Di Pesa, CPA
John F. Oteri, CPA

To the Board of Directors
Carroll Center for the Blind, Inc.
Newton, Massachusetts

Re: Independent Auditor's Report

Ladies and Gentlemen:

Opinion

We have audited the accompanying financial statements of Carroll Center for the Blind, Inc. (a Massachusetts nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years 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 Carroll Center for the Blind, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Carroll Center for the Blind, Inc. and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these 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 Carroll Center for the Blind, Inc.'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 Responsibility

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 the 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

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Auditor's Responsibility (Continued)

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 Carroll Center for the Blind, Inc.'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 Carroll Center for the Blind, Inc.'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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 15, 2023, on our consideration of the Carroll Center for the Blind's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Carroll Center for the Blind Inc.'s internal control over financial reporting and compliance.

Respectfully submitted,

DI PESA & COMPANY
Di Pesa & Company

Certified Public Accountants
Quincy, Massachusetts
December 15, 2023

THE CARROLL CENTER FOR THE BLIND, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	2023	2022		2023	2022
ASSETS			**LIABILITIES AND NET ASSETS**		
Current Assets:			**Current Liabilities:**		
Cash and cash equivalents	$ 1,003,051	$ 835,060	Accounts payable	$ 143,123	$ 130,015
Short-term investments	952,947	2,008,187	Accrued payroll	259,433	439,697
Accounts receivable, net	811,315	772,459	Accrued expenses	33,239	32,790
Contributions receivable	262,333	190,646	Deferred revenue	100	7,050
Other receivables	13,613	556,246	Current portion of operating lease obligations	3,383	3,256
Merchandise inventory	104,629	91,693	Current portion of annuity obligation	13,500	13,500
Prepaid expenses	174,007	165,900			
			Total current liabilities	452,777	626,308
Total current assets	3,321,894	4,620,192			
			Operating Lease Obligations	8,043	11,421
Investments	5,133,679	3,960,390			
			Annuity Obligation	73,315	86,880
Long-term Contributions Receivable	218,513	98,197			
			Total liabilities	534,136	724,609
Property, Plant, and Equipment	3,775,227	3,480,370			
			Net Assets:		
Single Premium Life Annuity	100,751	114,315	Without donor restrictions:		
			Undesignated	1,168,120	1,285,128
			Net investment in plant	3,775,227	3,480,370
			Designated by the Board for operating reserves	1,415,000	1,395,000
			Comprehensive campaign	2,100,923	2,095,923
			Designated by the Board for endowment	1,953,731	1,841,646
				10,413,001	10,098,067
			With donor restrictions:		
			Perpetual in nature	732,949	732,949
			Purpose restricted	640,397	500,367
			Time restricted	229,581	217,472
				1,602,927	1,450,788
			Total net assets	12,015,928	11,548,854
Total Assets	$ 12,550,064	$ 12,273,463	**Total Liabilities and Net Assets**	$ 12,550,064	$ 12,273,463

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

THE CARROLL CENTER FOR THE BLIND, INC.
STATEMENTS OF ACTIVITIES WITHOUT DONOR RESTRICTIONS
For the Years Ended June 30, 2023 and 2022

	2023	2022
OPERATING ACTIVITIES:		
Revenues:		
Operating revenues:		
Program services	$ 4,796,628	$ 4,993,123
Contributions and grants:		
General donations and grants	1,323,678	1,092,830
In-kind contributions	143,907	23,025
Retail store gross margin	57,589	44,590
Investment income	167,191	24,496
Other income	6,754	3,954
Total operating revenues	6,495,747	6,182,018
Net assets released from restrictions:		
Satisfaction of program restrictions	518,956	2,506,338
Satisfaction of property acquisition restrictions	259,618	62,530
Satisfaction of time restrictions	152,000	189,958
Total net assets released from restrictions	930,575	2,758,826
Total revenues, gains, and other support	7,426,322	8,940,843
Expenses:		
Program services:		
Education services	2,150,809	2,080,125
Rehabilitation services	1,972,358	1,794,752
Community services	489,878	555,479
Computer training	463,154	372,554
Other	160,396	329,443
Support services:		
General and administrative	1,355,971	1,354,640
Fundraising	828,525	804,553
Total expenses	7,421,091	7,291,545
Change in Net Assets Without Donor Restrictions from Operating Activities	5,231	1,649,298
NONOPERATING ACTIVITIES:		
Bequests	309,723	212,635
Net realized and unrealized gain/(loss) on investments	(50,019)	(60,220)
Gain on sale of business segment	50,000	-
Gain on sale of property, plant, and equipment	-	6,300
Change in Net Assets Without Donor Restrictions from Nonoperating Activities	309,703	158,715
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	$ 314,934	$ 1,808,013

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

THE CARROLL CENTER FOR THE BLIND, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT:						
Program services	$ 4,796,628	$ -	$ 4,796,628	$ 4,993,123	$ -	$ 4,993,123
Contributions and grants	1,777,307	1,082,714	2,860,022	1,328,490	1,572,454	2,900,944
Retail store gross margin	57,589	-	57,589	44,590	-	44,590
Investment income	167,191	-	167,191	24,496	-	24,496
Net realized and unrealized gain/(loss) on investments	(50,019)	-	(50,019)	(60,220)	-	(60,220)
Gain on sale of business segment	50,000	-	50,000	-	-	-
Gain on sale of property, plant and equipment	-	-	-	6,300	-	6,300
Other income	6,754	-	6,754	3,954	-	3,954
Net assets released from restrictions	930,575	(930,575)	-	2,758,826	(2,758,826)	-
Total revenues, gains, and other support	7,736,025	152,139	7,888,164	9,099,558	(1,186,371)	7,913,187
EXPENSES:						
Program services	5,236,595	-	5,236,595	5,132,352	-	5,132,352
General and administrative	1,355,971	-	1,355,971	1,354,640	-	1,354,640
Fundraising	828,525	-	828,525	804,553	-	804,553
Total expenses	7,421,091	-	7,421,091	7,291,545	-	7,291,545
CHANGE IN NET ASSETS	314,934	152,139	467,074	1,808,013	(1,186,371)	621,642
NET ASSETS - Beginning of Year	10,098,067	1,450,788	11,548,854	8,290,054	2,637,159	10,927,213
NET ASSETS - End of Year	$ 10,413,001	$ 1,602,927	$ 12,015,928	10,098,067	1,450,788	11,548,854

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

The Carroll Center FOR THE BLIND

THE CARROLL CENTER FOR THE BLIND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023

	Program Services								Supporting Services				
	Education Services	Rehabilitation Services	Community Services	Computer Training	Accessibility Services	Retail Store	Low Vision	Total	Plant Operations	General and Admin	Fundraising	Total	Grand Total
Salaries	$ 1,539,923	$ 1,048,172	$ 375,440	$ 262,981	$ -	$ 59,812	$ 32,839	$ 3,319,168	$ 146,654	$ 852,318	$ 470,377	$ 1,469,350	$ 4,788,517
Employee benefits	204,701	135,672	27,973	29,936	-	11,187	3,179	412,648	35,159	78,513	40,079	153,751	566,399
Payroll taxes	113,959	77,062	28,084	19,429	-	4,257	2,455	245,246	13,780	54,155	35,031	102,966	348,212
	1,858,583	1,260,906	431,497	312,346	-	75,255	38,473	3,977,061	195,594	984,986	545,487	1,726,067	5,703,128
Accounting and audit	-	-	-	-	-	-	-	-	-	33,158	-	33,158	33,158
Bad debt expense	10,000	-	-	-	-	-	-	10,000	-	-	-	-	10,000
Bank charges	-	-	13	2	-	5,441	-	5,457	-	1,149	7,220	8,369	13,826
Conferences	16,086	2,692	255	2,755	-	-	-	21,788	-	8,471	543	9,014	30,802
Consultants	10,567	15,048	-	15,112	-	-	-	40,727	-	726	66,637	67,363	108,090
Depreciation	19,202	12,503	155	1,440	-	-	2,028	35,328	168,621	31,679	3,527	203,827	239,155
Dining service	8,492	215,735	190	26,372	-	-	-	250,788	212	7,096	4,408	11,716	262,505
Dues and subscriptions	1,591	572	-	248	-	-	-	2,410	75	12,252	7,506	19,833	22,243
Equipment rental	4,819	7,642	-	68	-	-	-	12,529	-	5,321	10,113	15,434	27,963
Events	-	-	-	-	-	-	-	-	-	4,701	14,011	18,712	18,712
Insurance	6,635	6,844	1,819	1,730	-	503	121	17,652	26,942	26,616	224	53,782	71,434
Legal	125	-	-	-	-	-	-	125	-	-	184	184	309
Marketing	-	-	-	-	-	-	-	-	-	5,674	27,845	33,519	33,519
Occupancy	4,655	16,549	-	-	-	-	-	21,204	-	-	-	-	21,204
Postage	206	359	45	-	-	4,216	6	4,832	-	842	7,615	8,457	13,289
Printing	110	304	-	105	-	459	-	978	97	2,810	29,097	32,004	32,982
Professional fees	1,736	10,415	-	-	-	61	-	12,212	-	3,480	7,630	11,110	23,322
Recruitment	-	285	-	65	-	-	-	350	-	14,048	-	14,048	14,398
Repairs and maintenance	1,043	5,824	-	67	-	-	-	6,934	210,321	3,084	-	213,405	220,339
Scholarships	3,900	-	1,255	11,659	-	-	-	16,814	-	-	-	-	16,814
Supplies	14,605	18,475	6,333	1,463	-	1,516	325	42,716	808	26,014	9,388	36,209	78,926
Technical support	13,372	12,104	5,186	2,400	-	7,400	1,022	41,484	-	49,246	23,964	73,211	114,695
Travel	96,425	14,900	29,563	511	-	-	54	141,453	1,181	2,499	227	3,906	145,360
Utilities	18,776	5,952	2,514	2,475	-	-	-	29,718	127,631	7,570	-	135,202	164,919
	2,090,927	1,607,108	478,827	378,819	-	94,850	42,030	4,692,561	731,483	1,231,423	765,624	2,728,530	7,421,091
Plant operations allocated	59,882	365,250	11,051	84,335	-	15,677	7,838	544,034	(731,483)	124,548	62,901	(544,034)	-
	$ 2,150,809	$ 1,972,358	$ 489,878	$ 463,154	$ -	$ 110,527	$ 49,869	$ 5,236,595	$ -	$ 1,355,971	$ 828,525	$ 2,184,496	$ 7,421,091
	29.0%	26.6%	6.6%	6.2%	0.0%	1.5%	0.7%	70.6%	0.0%	18.3%	11.2%	29.4%	100.0%

Note: Columns and rows may not add properly due to rounding.

The Carroll Center
FOR THE BLIND

THE CARROLL CENTER FOR THE BLIND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022

	Program Services								Supporting Services				
	Education Services	Rehabilitation Services	Community Services	Computer Training	Accessibility Services	Retail Store	Low Vision	Total	Plant Operations	General and Admin	Fundraising	Total	Grand Total
Salaries	$ 1,561,201	$ 1,007,350	$ 374,806	$ 248,590	$ 89,376	$ 58,779	$ 34,885	$ 3,374,986	$ 143,160	$ 863,432	$ 419,362	$ 1,425,954	$ 4,800,940
Employee benefits	178,550	106,465	27,382	31,399	19,865	11,270	3,813	378,744	44,901	93,794	44,766	183,461	562,205
Payroll taxes	114,277	74,596	28,088	18,163	6,650	4,183	2,576	248,531	9,819	54,795	30,798	95,412	343,943
	1,854,027	1,188,411	430,276	298,152	115,891	74,231	41,273	4,002,261	197,880	1,012,020	494,926	1,704,827	5,707,088
Accounting and audit	-	-	-	-	-	-	-	-	-	36,610	-	36,610	36,610
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank charges	-	-	122	55	-	4,558	-	4,736	-	1,145	7,149	8,294	13,030
Conferences	7,431	2,158	-	-	341	50	-	9,981	-	11,109	222	11,331	21,311
Consultants	885	13,995	75,000	671	42,568	-	-	133,119	-	1,915	137,930	139,845	272,964
Depreciation	9,872	8,886	155	1,345	101	-	-	20,359	158,082	26,242	2,485	186,809	207,168
Dining service	3,988	212,138	95	3,617	-	-	-	219,838	93	5,005	4,752	9,850	229,688
Dues and subscriptions	1,416	488	-	-	15	-	-	1,918	55	9,198	7,633	16,887	18,805
Equipment rental	2,072	5,159	-	9	-	-	-	7,240	-	4,524	11,431	15,955	23,196
Events	-	-	-	-	-	-	-	-	-	1,108	3,109	4,217	4,217
Insurance	6,603	6,894	1,811	939	704	500	121	17,571	24,461	24,430	300	49,191	66,762
Legal	785	-	-	-	-	-	-	785	-	8,003	3,845	11,848	12,633
Marketing	-	-	-	-	-	-	-	-	-	5,075	-	5,075	5,075
Occupancy	7,000	21,496	-	-	-	-	-	28,496	-	-	-	-	28,496
Postage	1,166	685	57	14	-	3,559	5	5,485	1	800	8,367	9,167	14,652
Printing	-	590	235	-	-	40	-	865	-	2,454	33,876	36,331	37,196
Professional fees	1,574	1,300	-	-	-	250	-	3,124	-	6,150	6,255	12,405	15,529
Publications	-	-	-	-	-	-	-	-	-	-	-	-	-
Recruitment	-	96	-	-	-	-	-	96	-	14,832	-	14,832	14,928
Repairs and maintenance	-	3,641	-	-	-	-	-	3,641	105,527	1,448	-	106,975	110,616
Scholarships	1,950	-	1,605	-	-	-	750	4,305	-	-	-	-	4,305
Supplies	9,242	20,300	8,025	1,454	71	1,563	310	40,965	1,059	25,722	13,198	39,979	80,943
Technical support	8,451	4,133	2,748	(20)	-	3,170	497	18,979	-	43,903	21,141	65,044	84,023
Travel	91,059	8,411	20,014	2,441	-	-	-	121,925	564	3,668	9	4,241	126,166
Utilities	22,245	6,772	3,018	3,356	159	-	-	35,550	109,696	10,899	-	120,595	156,145
	2,029,766	1,505,553	543,160	312,033	159,849	87,921	42,956	4,681,238	597,417	1,256,260	756,630	2,610,307	7,291,545
Plant operations allocated	50,359	289,199	12,319	60,520	12,183	13,267	13,267	451,114	(597,417)	98,380	47,923	(451,114)	-
	$ 2,080,125	$ 1,794,752	$ 555,479	$ 372,554	$ 172,033	$ 101,188	$ 56,223	$ 5,132,352	$ -	$ 1,354,640	$ 804,553	$ 2,159,193	$ 7,291,545
	28.5%	24.6%	7.6%	5.1%	2.4%	1.4%	0.8%	70.4%	0.0%	18.6%	11.0%	29.6%	100.0%

Note: Columns and rows may not add properly due to rounding.

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

THE CARROLL CENTER FOR THE BLIND, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities:		
Cash received from clients, consumers, and contracts	$ 4,883,644	$ 5,173,169
Cash received from contributors and grantors	3,033,057	2,190,641
Proceeds from sales of donated securities	25,697	64,432
Interest and dividends received	167,155	24,478
Interest paid	-	-
Cash paid to employees	(5,456,398)	(5,089,136)
Cash paid to suppliers	(1,361,262)	(1,257,709)
Cash paid to benefit plan providers	(627,028)	(643,451)
Net cash provided from operating activities	664,867	462,424
Cash Flows from Investing Activities:		
Purchases of property, plant, and equipment	(393,923)	(216,761)
Proceeds from sale of business segment	50,000	-
Proceeds from sale of property, plant, and equipment	-	6,300
Proceeds from maturities and redemptions of investments	1,348,839	1,982,062
Purchases of investments	(1,501,791)	(2,070,971)
Net cash used in investing activities	(496,875)	(299,371)
Cash Flows from Financing Activities:		
Cash received from contributors restricted for long-term investment	-	1,000
Net cash provided from financing activities	-	1,000
Net Change in Cash and Cash Equivalents	167,992	164,053
Cash and Cash Equivalents - Beginning of Year	835,060	671,006
Cash and Cash Equivalents - End of Year	$ 1,003,051	$ 835,060

	2023	2022
Reconciliation of change in net assets to net cash used in operating activities:		
Change in net assets	$ 467,074	$ 621,642
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation	239,155	207,168
Net realized and unrealized (gain)/loss on investments	50,019	60,220
Net gain on sale of business segment	(50,000)	-
Net gain on sale of property, plant, and equipment	-	(6,300)
Noncash contributions received	(160,585)	(66,591)
Proceeds from sales of contributed marketable securities	25,697	64,432
Contributions restricted for long-term investment	-	(1,000)
(Increase)/decrease in operational assets:		
Accounts receivable	(38,855)	18,838
Contributions receivable	(192,003)	(60,799)
Other receivables	542,633	(556,246)
Merchandise inventory	(12,936)	4,582
Prepaid expenses	(8,107)	(31,502)
Increase/(decrease) in operational liabilities:		
Accounts payable	(7,211)	24,402
Accrued payroll	(180,264)	175,247
Accrued expenses	448	549
Deferred revenue	(6,950)	(6,896)
Operating lease obligation	(3,250)	14,677
Total adjustments	197,793	(159,218)
Net cash provided from operating activities	$ 664,867	$ 462,424
Supplemental disclosures for noncash investing and financing activities:		
Gifts of marketable securities	$ 40,814	$ 66,591
Capital acquisitions included in accounts payable	$ 60,644	$ 40,326
Gifts of property, plant, and equipment	$ 119,771	$ -

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

THE CARROLL CENTER FOR THE BLIND, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023 and 2022

Note 1. Nature of the Organization

The Carroll Center for the Blind (the "Center") is a Massachusetts not-for-profit corporation chartered in 1947. It was founded in 1936 as the Catholic Guild for All the Blind. The Center is the first civilian-operated organization in the United States designed specifically to meet the needs of blind adult citizens where individuals can learn to be independent.

The Center has evolved as a world leader in providing meaningful services to blind persons of all ages. This began with its innovative Residential Rehabilitation Program for newly blinded adults in 1954, and has continued with programs of Low Vision Training, Community Mobility Training, Educational Services in public schools, Adaptive Technology Training, and Outdoor Recreation Programs. The Center also operates a retail store.

Funding sources for payment of fees for services to individual clients are derived from government units and other third parties. The Center supplements the cost of programs through fundraising and gifts from friends, foundations, and businesses. Individuals serviced are principally from the Commonwealth of Massachusetts, with a significant number of residential rehabilitation clients originating from throughout the U.S.

Note 2. Significant Accounting Policies

a) Basis of Presentation

The Center's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, expenses, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

- Without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions. Assets restricted solely through the actions of the Board of Directors (the "Board") are reported as net assets without donor restrictions, board designated.
- With Donor Restrictions – Net assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature where the donor stipulates that resources be maintained in perpetuity.

Note 2. Significant Accounting Policies (continued)

Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities, other than endowment and similar funds, are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Expirations of time restriction on net assets (i.e., the donor-stipulated purposes have been fulfilled and/or the stipulated time period has elapsed) are reported as releases of the restrictions and therefore reclassifications between the applicable classes of net assets.

b) Cash and Cash Equivalents

The Center considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Money market funds and certificates of deposit which are maintained for long-term investment are not considered to be cash equivalents.

The Center maintains cash balances at financial institutions which at times may exceed federally insured limits. The Center has not experienced any losses in such accounts. The Center believes it is not exposed to any significant credit risk on cash and cash equivalents.

c) Accounts Receivable

The timing of revenue recognition, billings, and cash collections results in accounts receivable. Accounts receivable are recorded when the right to consideration becomes unconditional.

Receivables are carried at original invoice amount less an allowance made for doubtful accounts based on a monthly review of all outstanding amounts. Many client services are provided under contractual terms with state and local governments and agencies. Such contracts may be subject to limits in allowances and/or audits which could produce adjustments to revenues.

A receivable is considered past due if any portion of its balance is outstanding for more than 90 days. It is the Center’s policy to write off delinquent accounts when management determines the receivable will not be collected. Interest is not charged on past due receivables and they are not collateralized.

Note 2. Significant Accounting Policies (continued)

d) Inventories

Inventories include items held for resale at the Center's low vision retail store and are carried at the lower of cost (first-in, first-out method) or net realizable value.

e) Contributions and Contributions Receivable

Contributions, including unconditional promises to give, are recognized as revenues as either without or with donor restrictions in the period verifiably committed by the donor. New pledges and contributions of assets other than cash are recorded at their estimated fair value and per the fair value policies described elsewhere in these policies.

The presence of both a barrier and a right of return make a contribution conditional. Conditional promises to give to the Center are not recognized until the conditions are satisfied.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows using a risk adjusted discount rate depending on the time period involved. Amortization of the discount is included in contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment of potential defaults. This determination includes such factors as prior collection history, type of contribution, and nature of fundraising activity. Management has determined that no allowance is required.

Contributions with donor-imposed restrictions that can be met through the passage of time or upon the incurring of expenses consistent with the purposes are recorded as net assets with restrictions and reclassified to net assets without donor restrictions unless the donor explicitly states how such assets should be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions.

The Center reports expirations of donor restrictions when the donated or acquired long-lived asset is placed in service. Conditional contributions are recorded as revenue when such amounts become unconditional, which generally involves the meeting of a barrier to entitlement. A barrier can include meeting a matching provision or incurring specified allowable expenses in accordance with a framework of allowable costs.

Contributions of works of art, historical treasures, and similar assets held as part of a collection for exhibition purposes rather than for sale or financial gain are not recognized or capitalized.

Note 2. Significant Accounting Policies (continued)

f) Gifts-In-Kind

The Center utilizes in-kind gifts, which are professional services and tangible property contributions, in the performance of its mission. If property is provided that is not applicable to the Center's normal course of business, it is the Center's policy to sell the property at its fair value as determined by appraisal or specialist.

g) Investments

Investments consist primarily of money market securities and mutual funds and are stated at fair value. Interest and dividend income yielded on investments and the net realized and unrealized gains or losses on investments are recorded in the statements of activities and changes in net assets. Investment returns are reported as revenue based on the fair value of such investments at year end. Such returns are allocated ratably based on the relative proportion of funds invested with donor-imposed restrictions and those without donor-imposed restrictions. Investment returns allocated to net assets with donor-imposed restrictions remain in such category until appropriated by the Board unless otherwise required by the terms of the gift that they be added to the principal of the endowment.

h) Fair Value Measurements

Fair value refers to the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The Center establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels:

- Level 1 – quoted prices in active markets accessible at the measurement date for assets of liabilities.
- Level 2 – observable prices based on inputs not quoted in active markets but corroborated by market data.
- Level 3 – unobservable inputs are used when little or no market data is available.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. All of the Center's fair value measures are Level 1 inputs.

Note 2. Significant Accounting Policies (continued)

i) Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost, or if received by donation, at estimated fair value at the time such items are received. Expenditures for major renewals and improvements exceeding $500 are capitalized, while ordinary expenditures for repairs and maintenance are expensed as incurred.

When assets are retired or otherwise disposed, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis as follows:

Description	Estimated Useful Life
Buildings and Improvements	10 – 45 Years
Land Improvements	15 Years
Equipment and Fixtures	3 – 20 Years

j) Program Revenue Recognition

Revenue under grants, contracts, and similar agreements comprises federal and non-federal (e.g., state, private foundation, etc.) grants and contracts. The funding may represent a reciprocal transaction in which the resources provided are for the benefit of the Center, the funding organization's mission, or the public at large. Federal grants and non-federal grants with similar restrictions on spending are conditional and revenue is recognized at the time expenditures are incurred. Unconditional non-exchange revenue is recognized in full when a qualifying promise to give has been made, generally when the agreement is finalized. Revenues from exchange transactions are recognized as performance obligations are satisfied, which may be as milestones are achieved or as related costs are incurred.

k) Impairment of Long-Lived Assets

Long-lived assets, such as buildings, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated discounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount exceeds the fair value of the asset. No impairments were recognized for the years ended June 30, 2023 and 2022.

Note 2. Significant Accounting Policies (continued)

l) Measure of Operations

The Center separates its activities without donor restrictions between operating and non-operating segments. Operating activities represent those revenues and expenses incurred in the day-to-day operation of the Center. They also include income yielded from the Center's investments, which are generally used to fund program expenses. Non-operating activities represent those transactions having no effect on the Center's day-to-day performance, which include, but are not limited to, contributions received from decedents' estates under testamentary bequests; investment gains or losses; and gains or losses on the dispositions of property, plant, and equipment.

m) Split-Interest Agreements

The Center's split-interest agreements with donors consist of charitable gift annuities, charitable remainder trusts, and beneficial interest in perpetual trusts. Assets related to charitable gift annuities are recorded at their fair values when received and an annuity payment liability is recognized at the present value of future cash flows expected to be paid to the donor or other designee. At the time of the gift, the Center recognizes contribution revenue in an amount equal to the difference between these two amounts. Discount rates and actuarial assumptions used to determine the liability are those contained in mortality tables published by the Internal Revenue Service and are typically based on factors such as applicable federal interest rates and donor life expectancies. The liabilities are adjusted annually for changes in the estimates of future benefits, and the changes in the value of these agreements are included in the statements of activities.

n) Functional Allocation of Expenses

The Center allocates expenses by functional responsibility. In not-for-profit accounting, these functions are designated Programming, Management, and Fundraising. The Center's programming expenses are segmented between its individual programs and the operation of its retail store.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Expenses therefore require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include plant operations and depreciation which are allocated on a square footage basis; as well as compensation, professional services, office expenses, information technology, and other, which are allocated on the basis of estimates of time and effort.

Note 2. Significant Accounting Policies (continued)

o) Income Taxes

The Center is recognized as an organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It is not a private foundation. The Center's Federal tax returns are open to examination by Federal authorities for the fiscal years ended June 30, 2022, 2021, and 2020.

The Center's policies for income taxes help determine the proper recognition, classification, and disclosure of taxes, interest, and penalties. Management has evaluated significant tax positions against criteria established by professional standards and believes there are no tax positions that require accounting recognition in the financial statements, nor are there any material uncertainties regarding income taxes.

p) Use of Estimates

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 effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include, but are not limited to, fair value of investments, carrying amount of property and equipment, and allowances for receivables balances. Although these estimates are based on management's best knowledge of current events and actions the Center may undertake in the future, actual results could differ from those estimates.

q) Leases

During the year ended June 30, 2022, the Center entered into two new long-term leases. Management therefore early-adopted a new accounting standard for lease reporting which is required for fiscal years beginning after December 31, 2021. As a result, the early adoption of the new accounting standard had no impact to prior year statement of financial position information, and because these leases are operating leases, the adoption of this standard has no impact on the results of operations. The Center has no finance leases.

The Center determines whether an arrangement is a lease at inception. The operating leases' right of use assets are included with prepaid expenses within current assets, current lease liabilities, and long-term lease liabilities. Leases with initial terms of 12 months or less are not included on the Statements of Financial Position and are recognized as lease expense on a straight-line basis over the lease term.

Note 2. Significant Accounting Policies (continued)

r) Advertising

The Center expenses advertising as incurred. The Center includes advertising expenses on the statements of functional expenses with marketing expenses.

s) Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications have no effect on the reported results of activities or changes in net assets.

t) Management's Review of Subsequent Events

The Center recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the Statement of Financial Position, including the estimates inherent in the process of preparing financial statements. Subsequent events have been evaluated through December 15, 2023, which is the date the financial statements were available to be issued.

Note 3. Accounts Receivable

The following summarizes accounts receivable at June 30, 2023 and 2022:

	2023	2022
0 - 30 days	$ 386,684	$ 467,938
31 - 60 days	282,371	256,912
61 - 90 days	65,433	36,406
91 - 120 days	44,034	16,818
Over 120 days	44,910	4,524
	823,433	782,598
Allowance for doubtful accounts	(12,118)	(10,139)
	$ 811,315	$ 772,459

The Center receives a significant portion of funding for its programs as cost reimbursement contracts with the United States Department of Education, Office of Special Education and Rehabilitation Services (the "DOE"). These awards are passed through to the Commonwealth of Massachusetts Department of Education and Executive Office of Health and Human Services.

Note 3. Accounts Receivable (continued)

The pricing and terms for contracts for education, orientation and mobility, and rehabilitation services are set by the Commonwealth of Massachusetts and individual municipalities. The contracts do not contain a financing component and generally require payment within 30 days from the invoice date, which are typically billed monthly.

Credit risk for the Center for the years ended June 30, 2023 and 2022, was concentrated in the following clients who each comprised more than 10% of the Center's program services revenues:

	2023	2022
Massachusetts Commission for the Blind	41%	41%
Massachusetts public and private school systems	39%	42%

On June 30, 2023 and 2022, the significant clients accounted for the following amounts of the Center's accounts receivable.

	2023		2022	
Massachusetts public and private school systems	$ 327,064	38%	$ 392,439	51%
Massachusetts Commission for the Blind	$ 326,755	38%	$ 314,584	41%

Note 4. Contributions Receivable

Unconditional promises to give (pledges) are included in the financial statements as contributions receivable and revenue of the appropriate net asset category. Generally, receivables are discounted at an interest rate equivalent to the Center's prevailing cost of short-term borrowing. At June 30, 2023, that rate was 3.25% per annum. All contributions receivable are expected to be collected within the next five years as follows:

Year Ending June 30,	Gross	Discount	Net
2024	$ 265,267	$ 2,934	$ 262,333
2025	119,500	10,597	108,903
2026	64,500	4,434	60,066
2027	53,500	4,865	48,635
2028	1,000	91	909
Total	$ 503,767	$ 22,921	$ 480,846

Note 5. Investments

The Center's investment policy is to enhance income wherein:

a) estimated amounts required for operating purposes are invested with varied maturity dates; and
b) all other investable assets are pooled in institutional mutual fund portfolios allocated between money market funds, fixed income funds, and equity funds.

The Board considers its assets held for long-term investment to function as endowment funds. The Center's long-term and short-term investments are summarized as follows at June 30, 2023 and 2022:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Money market funds	$ 2,056,954	$ 2,056,954	$ 4,004,018	$ 4,004,018
US Treasury notes	4,036,144	4,023,672	1,969,641	1,964,559
Life insurance policy	6,000	6,000	-	-
	$ 6,099,098	$ 6,086,626	$ 5,973,658	$ 5,968,577

Accrued interest receivable at June 30, 2023 and 2022, totals $22,867 and $8,187 respectively, and is included in the cost and fair values of the investments.

The scheduled maturities of United States government fixed income securities as of June 30, 2023 and 2022, are as follows:

	2023	2022
Less than 1 year	$ 2,099,352	$ 1,964,559
1 to 2 years	1,924,320	-
	$ 4,023,672	$ 1,964,559

a) Interpretation of Relevant Law

The Center is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by the Commonwealth of Massachusetts. Under UPMIFA, the Board has discretion to determine appropriate expenditures of a donor-restricted endowment fund in accordance with a robust set of guidelines about what constitutes prudent spending. UPMIFA permits the Center to appropriate for expenditure as much of an endowment fund as the Board determines to be prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. Seven criteria are used to guide the Board in determining whether to appropriate from or accumulate to a fund:

Note 5. Investments (continued)

1) the duration and preservation of the fund
2) the purposes of the Center and the endowment fund
3) general economic conditions
4) the possible effect of inflation or deflation
5) the expected total return from income and the appreciation of investments
6) other resources of the Center
7) the investment policy of the Center

The Board 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 donor stipulations to the contrary. As a result of this interpretation, the Center classifies as donor-imposed restricted net assets that are perpetual in nature:

a) the original value of gifts donated to the permanent endowment
b) the original value of subsequent gifts donated to the permanent endowment
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-imposed restricted endowment fund that is not classified as perpetual in nature is classified as donor-imposed purpose restricted net assets, until appropriated for spending by the Board.

b) Return Objectives and Risk Parameters

The Center 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.

To satisfy its long-term objectives, the Center 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 ongoing short-term needs of the Center will be achieved by investing in money market funds and certificates of deposit.

Note 5. Investments (continued)

c) Spending Policy and How the Investment Objectives Relate to Spending Policy

It is anticipated that cash needs to support the ongoing operations of the Center will be supplied by a short-term operating account to be invested in money markets and maintained separately from the long-term portfolio. This policy may be altered depending upon the growth of the longer-term assets and the needs of the Center.

Rolling three and five-year periods are used to determine whether the portfolio's objectives are being met, and investment returns are reviewed quarterly. The current spending policy for the pooled assets is to allow them to grow whenever possible, and should the need for funds arise for the Center, to utilize the elements of the invested assets that are without donor restrictions.

d) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below their original contributed value. These deficiencies result from unfavorable market fluctuation that occurred after the investment of new contributions with donor restrictions that are perpetual in nature. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in net assets with donor restrictions. There were no deficiencies of this nature as of June 30, 2023 and 2022.

Note 6. Property, Plant, and Equipment

Property, plant, and equipment are summarized as follows at June 30, 2023 and 2022:

	2023	2022
Land and improvements	$ 2,266,806	$ 191,393
Buildings and improvements	6,008,197	5,880,964
Equipment and fixtures	1,092,295	880,326
	9,367,298	6,952,684
Accumulated depreciation	(3,592,071)	(3,472,314)
	$ 5,775,227	$ 3,480,370

Depreciation expense totaled $239,154 in 2023 and $207,168 in 2022. In 2023 the Center retired $119,398 of fully depreciated fixed assets.

Note 7. Liquidity and Availability of Resources

The Center has $6.9 million of financial assets available within one year of the Statement of Financial Position date to meet cash needs for general expenditure. They comprise the following:

Cash and cash equivalents	$	632,817
Accounts receivable		852,986
Contributions receivable		108,658
Short-term investments		930,080
Long-term investments		4,419,597
	$	6,944,138

None of the financial assets listed are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the Statement of Financial Position date. The contributions receivable are subject to implied time restrictions but are expected to be collected within one year.

The Center has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due; and to maintain an operating reserve of 75 days of recurring operating expenses calculated on a 3-year average, which total approximately $1.4 million. As part of the Center's liquidity management, excess cash is invested in short-term investments, including money market accounts. Refer to the Statements of Cash Flows which identify the sources and uses of the Center's cash and shows positive cash provided from operations for each of the years ended June 30, 2023 and 2022.

Note 8. Program Revenues

The Center has a variety of business lines which include adult rehabilitation training and primary and secondary school education. The following table summarizes the percentages of revenue derived from each of these programs.

	2023	2022
Education services	44.3%	47.0%
Rehabilitation services	36.7%	33.4%
Community services	11.2%	13.4%
Computer training services	7.3%	4.1%
Low Vision services	0.4%	0.4%
Accessibility services	0.0%	1.7%
	100.0%	100.0%

Note 9. Split Interest Agreement

The Center received a $250,000 gift in 2018, the terms of which stipulate that the Center pay a quarterly annuity to a third party at 5.4% per annum of the corpus for life. Upon the death of the annuitant the remainder becomes the property of the Center. The net present value of the annuity liability as of June 30, 2023 and 2022, is $86,815 and $100,380, respectively. After the receipt of the gift the Center used the proceeds to purchase a single premium life annuity to collateralize the liability to the annuitant.

Note 10. Leasing Activities

The Center is under contract on two operating leases for office equipment. The leases have remaining lease terms of three to five years. The leases have no residual value, and upon termination Management plans to return the underlying equipment to the lessors. The following summarizes the items in the Statements of Financial Position which include amounts for operating leases as of June 30, 2023 and 2022:

	2023	2022
Operating lease right-of-use assets	$ 11,426	$ 14,677
Operating lease obligation liabilities:		
Due within one year	$ 3,383	$ 3,256
Due within more than one year	8,043	11,421
	$ 11,426	$ 14,677

Minimum lease payments and the maturities of lease liabilities as of June 30, 2023, are as follows:

Year Ending June 30,	
2024	$ 3,778
2025	3,778
2026	2,183
2027	2,038
2028	510
Total lease payments	12,287
Less: interest (discounted at 4.00%)	861
Present value of lease liabilities	$ 11,426

Note 11. Gifts-In-Kind

The Center received donated property with an aggregate value of $143,907 and $23,205 during the years ended June 30, 2023 and 2022, respectively. Among the gifts received during 2023 are $119,771of items that are capitalized as property, plant, and equipment. These include office furniture and equipment with an estimated value of $100,000; program equipment with an estimated value of $13,296; and a motor vehicle with an estimated value of $6,200. There were no such capitalized gifts received in 2022.

Note 12. Retirement and Cafeteria Plans

The Center has a defined contribution retirement plan available to substantially all of its employees. The Center's contribution matches up to 3% of participating employees' salaries to the plan. For the years ended June 30, 2023 and 2022, the Center's contributions to the plan were $78,838 and $66,592, respectively.

The Center provides employees with a flexible spending plan that offer participants the choice of receiving certain health, dental, and childcare benefits through reduced taxable compensation in lieu of cash. For the years ended June 30, 2023 and 2022, the Center's contributions to the plan were $23,579 and $32,034, respectively.

Note 13. Restrictions and Limitations on Net Asset Balances

Net assets with donor-imposed restrictions that are not invested in perpetuity at June 30, 2023 and 2022, were allocated as follows:

	2023	2022
Time restricted	$ 229,581	$ 217,472
Capital projects	168,875	182,570
Computer training services	148,341	40,000
Education services	90,133	74,292
Internships	85,150	82,723
Summer programs	71,287	64,958
Strategic initiatives	28,225	-
Community services	26,690	22,653
Low vision services	13,850	17,225
Employee recognition	5,146	5,996
Rehabilitation services	2,700	4,950
Scholarships	-	5,000
	$ 869,978	$ 717,839

The Carroll Center FOR THE BLIND

THE CARROLL CENTER FOR THE BLIND, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023 and 2022

Note 13. Restrictions and Limitations on Net Asset Balances (continued)

The sources of net assets released from donor-imposed restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors and grantors were as follows:

	2023	2022
Program restrictions:		
Education services	$ 140,442	$ 162,535
Internships	100,748	67,931
Summer programs	95,958	16,500
Computer training services	51,659	40,200
Rehabilitation services	50,550	41,971
Community services	30,713	37,345
Low vision services	26,625	25,125
Job readiness	5,000	5,000
Coronavirus Aid, Relief, and Economic Security Act	16,411	550,530
Information technology	-	11,400
Employee recognition	849	1,801
Building rededication	-	1,500,000
Accessibility services	-	46,000
	518,956	2,506,338
Expiration of time restrictions	152,000	189,958
Property and equipment acquistion restrictions	259,618	62,530
	$ 930,575	$ 2,758,826

Note 14. Endowment Fund

The Center's Endowment Fund consists of various donor-imposed restricted endowment funds and funds designated as quasi-endowment by the Board. Net assets associated with endowment funds, including funds designated to function as endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions. The following is a breakdown of endowment funds by net asset classification as of June 30, 2023 and 2022:

	2023	2022
Donor restricted endowment funds	$ 732,949	$ 732,949
Board designated endowment funds	1,953,731	1,841,646
	$ 2,686,680	$ 2,574,595

The changes in endowment net asset fair values for the years ended June 30, 2023 and 2022 were as follows:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of fiscal year	$ 1,841,646	$ 732,949	$ 2,574,595
Investment return:			
Interest and dividends net of fees	86,761	34,530	121,291
Net realized depreciation	(8,910)	-	(8,910)
Net unrealized depreciation	(29,406)	(11,703)	(41,110)
Net investment gain	48,445	22,826	71,271
Contributions	40,814	-	40,814
Appropriation of funds	22,826	(22,826)	-
Transfers from operations	-	-	-
Net increase in endowment net assets	112,085	-	112,085
Endowment net assets at end of fiscal year	$ 1,953,731	$ 732,949	$ 2,686,680

Note 14. Endowment Fund (continued)

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of fiscal year	$ 1,810,780	$ 731,949	$ 2,542,729
Investment return:			
Interest and dividends net of fees	9,314	15,182	24,496
Net realized depreciation	(2,159)	(47,038)	(49,196)
Net unrealized depreciation	(1,833)	(9,191)	(11,024)
Net investment gain/(loss)	5,322	(41,047)	(35,724)
Contributions	66,591	1,000	67,591
Appropriation of funds	(41,047)	41,047	-
Transfers from operations	-	-	-
Net increase in endowment net assets	30,866	1,000	31,866
Endowment net assets at end of fiscal year	$ 1,841,646	$ 732,949	$ 2,574,595

Note 15. Related Party Transactions

A member of the Board was employed by an unrelated organization which rendered information technology services to the Center. Fees incurred to this organization for the years ended June 30, 2023 and 2022, totaled $0 and $4,818, respectively. There were no amounts payable to this vendor at June 30, 2023 and 2022. The unrelated organization terminated its business relationship with the Center in 2022.

Note 16. Sale of Business Segment

For several years the Center operated a business segment that provided information technology consulting services to other enterprises. These consulting services allowed clients to make their websites accessible to end users with visual disabilities, a requirement of the Americans with Disabilities Act. During the year ended June 30, 2023, the Center sold this business line to a nonrelated party for $50,000. The business line held no carrying value on the Statements of Financial Position prior to the transaction, resulting in a nonoperating gain on the sale of $50,000.

Note 17. Subsequent Event

Subsequent to the Statement of Financial Position date in 2023, the Center was notified of a $3 million gift from a deceased donor's estate. The trust instrument stipulates that half of the proceeds be permanently invested in the Center's endowment fund and half be unrestricted for general uses.

Note 18. Coronavirus Aid, Relief, and Economic Security Act

In 2020 the Center received loan proceeds from Century Bank in the amount of $844,000 under the Paycheck Protection Program ("PPP"). The PPP was established as part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), which was enacted in March 2020. A second draw on the PPP occurred in 2021 in the amount of $920,400. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll and benefits, within a certain time frame.

The first PPP draw was forgiven in its entirety in 2021, while the second PPP draw was forgiven in its entirety during fiscal 2022. The Center's management is treating both loan proceeds as government grants. Accordingly, the loan proceeds are recorded on the financial statements as donor-imposed restricted revenue. The restrictions were released based on the timing of qualified expenses. The amount of such expenses incurred totaled $167,196 applied to the first draw and $920,400 applied to the second draw in 2021; and $676,804 applied to the first draw in 2020.

Subsequent to the fiscal year ended June 30, 2022, the Center applied for additional relief under the CARES Act. The Employee Retention Credit, as administered by the IRS, encourages businesses to keep employees on their payroll. The refundable tax credit is 50% of up to $10,000 in wages paid by an eligible employer whose business has been financially impacted by COVID-19. Federal tax law allows for an eligible entity to file for refunds available from the IRS on this credit up to three years after the affected time period has passed.

The Center applied for $16,011 of credits applicable to the fiscal year ended June 30, 2020; $7,297 of credits applicable to the fiscal year ended June 30, 2021; and $527,220 of credits applicable to the fiscal year ended June 30, 2022. The Center's management is treating the credit proceeds as government grants. Accordingly, the credit proceeds are recorded on the financial statements as donor-imposed restricted revenue, with all restrictions released in the fiscal year ended June 30, 2022. The total amount refundable is included with Other Receivables on the Statements of Financial Position.

Note 19. Retail Store

The Center operates a retail store on its campus, that specializes in providing low vision products, adaptive devices, and technology. The following is a summary of its operations for the years ended June 30, 2023 and 2022.

	2023		2022	
Sales		$ 145,113		$ 156,052
Cost of goods sold:				
Inventory - beginning	$ 91,693		$ 96,275	
Purchases	100,459		106,879	
	192,152		203,154	
Inventory - end	104,629		91,693	
		87,523		111,462
Gross margin		57,589		44,590
Expenses:				
Direct	94,347		87,421	
Indirect	16,180		13,767	
		110,527		101,188
Net margin		$ (52,938)		$ (56,598)

Note 20. Contingencies

From time to time the Center is involved in legal actions arising in the ordinary course of business. Although the ultimate outcome of the actions cannot be determined, management's opinion is that the Center has adequate legal defenses or insurance coverage with respect to these actions, and that the amount of any liability will not have a material impact on the financial statements.

Federal and state funded programs are routinely subject to audit. The reports on such audit examinations, which are conducted pursuant to specific regulatory requirements by the auditors for the Center, are required to be submitted to both the Center and the DOE. The DOE has the authority to determine liabilities as well as to limit, suspend, or terminate Federal cost reimbursement programs. In the opinion of management, the results of such audits, if any, will not have a material effect on the Center's financial position as of June 30, 2023 or 2022, or on its changes in net assets for the years then ended.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
The Carroll Center for the Blind, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Carroll Center for the Blind, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities without donor restrictions, activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Carroll Center for the Blind, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Carroll Center for the Blind, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Carroll Center for the Blind, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Carroll Center for the Blind, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DI PESA & COMPANY

Di Pesa & Company

Certified Public Accountants
Quincy, Massachusetts

December 15, 2023