The Carroll Center for the Blind, Inc.

Financial Statements and Independent Auditor's Report

June 30, 2024 and 2023

The Carroll Center for the Blind, Inc.

Index

NASH
CPAS AND ADVISORS

Independent Auditor's Report

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

Report on the Audit of the Financial Statements
Opinion

We have audited the financial statements of The Carroll Center for the Blind (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Carroll Center for the Blind as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Other Matter

The financial statements of The Carroll Center for the Blind for the year ended June 30, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on December 15, 2023.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The 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.

NASH CPAs LLC
501 PROVIDENCE HWY
NORWOOD, MA 02062

NASH.CPA
781-286-1320
INFO@NASH.CPA

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The 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 The 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 January 10, 2025 on our consideration of The Carroll Center for the Blind, Inc.'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 solely 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 the effectiveness of internal control 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.

Nash CPAs, LLC

Nash CPAs, LLC

Norwood, MA
January 10, 2025

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 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., which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, 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 January 10, 2025.

Report on 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) as a basis for designing 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.

Report on 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 financial statements. 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.*

Nash CPAs LLC
501 Providence Hwy
Norwood, MA 02062

nash.cpa
781-286-1320
info@Nash.cpa

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Nash CPAs, LLC

Nash CPAs, LLC

Norwood, MA
January 10, 2025

The Carroll Center FOR THE BLIND

THE CARROLL CENTER FOR THE BLIND, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

ASSETS	2024	2023
Current Assets:		
Cash and cash equivalents - operations	$ 574,380	$ 1,003,051
Cash and cash equivalents - money market funds	2,494,664	2,056,954
Total cash and cash equivalents	3,069,044	3,060,005
Accounts receivable, net	961,612	811,314
Contributions receivable	562,643	262,333
Accrued interest receivable	48,428	22,867
Other receivables	932	13,613
Merchandise inventory	106,505	104,629
Prepaid expenses	151,171	174,007
Total current assets	4,900,335	4,448,768
Investments	5,882,459	4,006,805
Long-term Contributions Receivable	259,201	218,513
Property, Plant, and Equipment	4,332,138	3,775,227
Single Premium Life Annuity	87,186	100,751
Total Assets	$ 15,461,319	$ 12,550,064

LIABILITIES AND NET ASSETS	2024	2023
Current Liabilities:		
Accounts payable	$ 126,432	$ 143,123
Accrued payroll	337,677	259,433
Accrued expenses	36,418	33,239
Deferred revenue	13,320	100
Current portion of operating lease obligations	3,758	3,383
Current portion of annuity obligation	13,500	13,500
Total current liabilities	531,105	452,778
Operating Lease Obligations	4,544	8,043
Annuity Obligation	59,751	73,315
Total liabilities	595,400	534,136
Net Assets:		
Without donor restrictions:		
Undesignated	1,121,709	1,168,120
Net investment in plant	4,332,138	3,775,227
Designated by the Board for operating reserves	1,550,000	1,415,000
Comprehensive campaign	2,100,923	2,100,923
Designated by the Board for endowment	2,284,692	1,953,731
	11,389,462	10,413,001
With donor restrictions:		
Perpetual in nature	2,234,949	732,949
Purpose restricted	767,935	640,397
Time restricted	473,573	229,581
	3,476,457	1,602,927
Total net assets	14,865,919	12,015,928
Total Liabilities and Net Assets	$ 15,461,319	$ 12,550,064

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, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER OPERATING SUPPORT:						
Program services	$ 4,586,557	$ -	$ 4,586,557	$ 4,796,628	$ -	$ 4,796,628
Contributions and grants:						
General donations and grants	1,269,849	1,504,556	2,774,405	1,323,678	1,082,714	2,406,392
In-kind contributions	363,765	-	363,765	143,907	-	143,907
Retail store gross margin	58,622	-	58,622	57,589	-	57,589
Investment income	255,687	-	255,687	167,191	-	167,191
Other income	8,589	-	8,589	6,754	-	6,754
Net assets released from restrictions	1,131,026	(1,131,026)	-	930,575	(930,575)	-
Total operating support	7,674,095	373,530	8,047,625	7,426,322	152,139	7,578,461
EXPENSES:						
Program services	5,416,839	-	5,416,839	5,236,595	-	5,236,595
General and administrative	2,040,878	-	2,040,878	1,355,971	-	1,355,971
Fundraising	896,031	-	896,031	828,525	-	828,525
Total expenses	8,353,748	-	8,353,748	7,421,091	-	7,421,091
CHANGE IN NET ASSETS FROM OPERATIONS	(679,653)	373,530	(306,123)	5,231	152,139	157,371
NONOPERATING SUPPORT:						
Bequests	1,580,840	1,500,000	3,080,840	309,723	-	309,723
Net realized and unrealized gain/(loss) on investments	75,274	-	75,274	(50,020)	-	(50,020)
Gain on sale of business segment	-	-	-	50,000	-	50,000
Total nonoperating support	1,656,114	1,500,000	3,156,114	309,703	-	309,703
CHANGE IN NET ASSETS	976,461	1,873,530	2,849,991	314,934	152,139	467,074
NET ASSETS - Beginning of Year	10,413,001	1,602,927	12,015,928	10,098,067	1,450,788	11,548,854
NET ASSETS - End of Year	$ 11,389,462	$ 3,476,457	$ 14,865,919	$ 10,413,001	$ 1,602,927	$ 12,015,928

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

THE CARROLL CENTER FOR THE BLIND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2024

	Program Services							Supporting Services				
	Education Services	Rehabilitation Services	Community Services	Computer Training	Retail Store	Low Vision	Total	Plant Operations	General and Admin	Fundraising	Total	Grand Total
Salaries	$ 1,456,713	$ 1,198,883	$ 375,313	$ 295,616	$ 56,518	$ 47,746	$ 3,430,789	$ 134,379	$ 1,031,514	$ 573,850	$ 1,739,743	$ 5,170,532
Employee benefits	192,120	165,508	29,975	29,623	11,049	2,261	430,537	41,387	121,327	52,830	215,544	646,081
Payroll taxes	108,008	87,858	28,149	22,040	4,054	3,662	253,771	11,673	77,549	43,073	132,294	386,065
	1,756,841	1,452,250	433,437	347,279	71,621	53,669	4,115,097	187,439	1,230,390	669,753	2,087,582	6,202,679
Accounting and audit	-	-	-	-	-	-	-	-	36,579	-	36,579	36,579
Bad debt expense	17,000	-	-	-	-	-	17,000	-	-	-	-	17,000
Bank charges	-	-	-	-	5,785	-	5,785	-	3,793	8,281	12,075	17,860
Conferences	6,931	8,238	71	1,719	-	-	16,959	-	3,100	2,068	5,168	22,127
Consultants	10,567	57,901	15,000	7,839	-	-	91,307	-	2,333	2,145	4,477	95,785
Depreciation	24,067	19,982	155	1,440	-	5,099	50,743	185,741	43,098	3,674	232,514	283,257
Dining service	6,350	244,306	78	32,807	-	-	283,542	70	10,590	9,501	20,161	303,703
Dues and subscriptions	1,085	447	13	299	-	-	1,844	-	17,397	7,074	24,471	26,316
Equipment rental	4,207	14,168	-	70	-	-	18,446	-	5,016	14,524	19,540	37,986
Events	-	-	-	-	-	-	-	-	564	1,087	1,651	1,651
Insurance	7,531	7,654	2,063	1,149	570	137	19,104	42,600	25,068	524	68,192	87,296
Legal	-	-	-	-	-	-	-	-	280,125	1,007	281,132	281,132
Marketing	-	-	-	-	-	-	-	-	13,775	37,080	50,855	50,855
Occupancy	4,010	21,193	-	-	-	-	25,203	-	-	-	-	25,203
Postage	161	117	11	1	6,978	1	7,269	-	1,357	6,859	8,216	15,485
Printing	353	1,601	-	258	-	-	2,211	198	2,900	32,256	35,354	37,565
Professional fees	2,067	1,320	-	295	300	-	3,982	-	4,480	4,732	9,212	13,194
Recruitment	-	1	-	0	-	-	1	-	28,406	-	28,406	28,407
Repairs and maintenance	231	8,583	-	159	-	-	8,973	169,606	7,983	-	177,590	186,563
Scholarships	6,950	10,620	125	7,460	-	600	25,755	-	-	-	-	25,755
Supplies	8,917	18,150	5,667	3,536	564	540	37,375	2,016	29,803	5,311	37,129	74,504
Technical support	10,960	10,749	4,251	2,193	5,755	827	34,735	-	168,360	27,672	196,032	230,767
Travel	64,847	11,192	29,761	930	-	29	106,761	1,988	1,311	279	3,579	110,340
Utilities	11,668	5,755	2,906	2,986	-	-	23,314	110,586	7,842	-	118,428	141,742
	1,944,743	1,894,228	493,538	410,422	91,573	60,902	4,895,407	700,245	1,924,269	833,827	3,458,341	8,353,748
Plant operations allocated	58,855	346,308	10,803	82,003	15,643	7,821	521,433	(700,245)	116,609	62,203	(521,433)	-
	$ 2,003,598	$ 2,240,536	$ 504,341	$ 492,425	$ 107,216	$ 68,723	$ 5,416,839	$ -	$ 2,040,878	$ 896,031	$ 2,936,909	$ 8,353,748
	24.0%	26.8%	6.0%	5.9%	1.3%	0.8%	64.8%	0.0%	24.4%	10.7%	35.2%	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.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023

	Program Services							Supporting Services				
	Education Services	Rehabilitation Services	Community Services	Computer Training	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%	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 accompanying notes are an integral part of the financial statements.

The Carroll Center FOR THE BLIND

THE CARROLL CENTER FOR THE BLIND, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities:		
Cash received from clients, consumers, and contracts	$ 4,569,759	$ 4,883,644
Cash received from contributors and grantors	4,040,062	3,033,058
Proceeds from sales of donated securities	-	25,697
Interest and dividends received	230,089	152,475
Interest paid	-	-
Cash paid to employees	(5,542,755)	(5,456,398)
Cash paid to suppliers	(1,451,361)	(1,361,262)
Cash paid to benefit plan providers	(710,678)	(627,027)
Net cash provided from operating activities	1,135,116	650,187
Cash Flows from Investing Activities:		
Purchases of property, plant, and equipment	(825,697)	(393,923)
Proceeds from sale of business segment	-	50,000
Proceeds from maturities and redemptions of investments	2,180,000	1,950,000
Purchases and transfers of investments	(3,980,380)	(4,035,336)
Net cash used in investing activities	(2,626,077)	(2,429,259)
Cash Flows from Financing Activities:		
Cash received from contributors restricted for endowment	1,500,000	-
Net cash provided from financing activities	1,500,000	-
Net Change in Cash and Cash Equivalents	9,039	(1,779,073)
Cash and Cash Equivalents - Beginning of Year	3,060,005	4,839,077
Cash and Cash Equivalents - End of Year	$ 3,069,044	$ 3,060,005

	2024	2023
Reconciliation of change in net assets to net cash used in operating activities:		
Change in net assets	$ 2,849,991	$ 467,074
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation	283,257	239,155
Net realized and unrealized (gain)/loss on investments	(75,274)	50,020
Net gain on sale of business segment	-	(50,000)
Noncash contributions received	(19,700)	(160,585)
Proceeds from sales of contributed marketable securities	-	25,697
Contributions restricted for endowment	(1,500,000)	-
(Increase)/decrease in operational assets:		
Accounts receivable	(150,298)	(38,855)
Contributions receivable	(340,998)	(192,003)
Accrued interest receivable	(25,561)	(14,679)
Other receivables	12,681	542,633
Merchandise inventory	(1,876)	(12,936)
Prepaid expenses	22,836	(8,107)
Increase/(decrease) in operational liabilities:		
Accounts payable	(11,461)	(7,211)
Accrued payroll	78,244	(180,264)
Accrued expenses	3,180	448
Deferred revenue	13,220	(6,950)
Operating lease obligation	(3,124)	(3,250)
Total adjustments	(1,714,875)	183,114
Net cash provided from operating activities	$ 1,135,116	$ 650,188
Supplemental disclosures for noncash investing and financing activities:		
Gifts of marketable securities	$ -	$ 40,814
Capital acquisitions included in accounts payable	$ 55,415	$ 60,644
Gifts of property, plant, and equipment	$ 19,700	$ 119,771

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

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. The Statements of Financial Position presents two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) and the Statements of Activities display the change in each class of net assets. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

- <u>Without Donor Restrictions</u> – Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions consist of assets and contributions available for the support of operations. These net assets may be designated for specific purposes by the Center's governing Board of Directors (the "Board"). Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Note 2. Significant Accounting Policies (continued)

- With Donor Restrictions – Net assets that are subject to donor-imposed stipulations that may or will be met either by the actions of the Center and/or the passage of time. When a restriction expires, net assets without donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. Net assets with donor restrictions also include the original amount of gifts and investment earnings required by the donor to be permanently retained. Generally, the donors of these assets permit the Center to use all or part of the income earned on underlying investments for general or specific purposes.

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.

The Center maintains cash balances at three financial institutions located in Massachusetts and New York. The cash balances are insured by the Federal Deposit Insurance Corporation. At times these balances may exceed the federal insurance limits. The Center has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of June 30, 2024.

Note 2. Significant Accounting Policies (continued)

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. 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.

Accounts receivable are stated at the amount Management expects to collect from outstanding balances. The Center estimates expected credit losses from doubtful accounts based on the expected collectability of its accounts, which considers the aging of a customer's account, creditworthiness, and historical trends. Balances that are outstanding after Management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

d) Program Revenue Recognition

Program service revenue is reported at the estimated net realizable amount that reflects the consideration the Center expects to receive in exchange for providing client services. Under the Center's contractual agreements, the Center provides services to clients for an agreed upon fee. These amounts are due from either the individuals receiving the services or third-party payors (typically government programs) and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Revenues from exchange transactions are recognized as performance obligations are satisfied, which may be as milestones are achieved or as related costs are incurred.

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.

Note 2. Significant Accounting Policies (continued)

e) 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.

f) 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)

g) Donated Materials

Donations of materials are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to 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 contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Center reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

h) Donated Services

Donated services are recognized as contributions if the services

1) create or enhance nonfinancial assets, or
2) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the Center.

Volunteer-provided fundraising and client services are not recognized as donated services if neither recognition criterion is met.

i) Investments

Investments consist primarily of U.S. government securities 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.

Note 2. Significant Accounting Policies (continued)

j) 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. Investments were measured on a recurring basis, all other fair value measurements are non-recurring. 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.

- Quoted market prices are used to determine the fair value of investment securities, and they are included in Level 1.
- Unconditional contribution receivables that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows and are all Level 3.
- The Center had no liabilities measured at fair value on a recurring basis as of June 30, 2024 and 2023.
- Annuity payment liability is recognized at the present value of future cash flows expected to be paid to the donor or other designee and are all Level 2.

Note 2. Significant Accounting Policies (continued)

k) 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 – 40 Years
Equipment and Fixtures	3 – 20 Years

l) 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, 2024 and 2023.

m) 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.

Note 2. Significant Accounting Policies (continued)

n) 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.

o) 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.

p) 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, 2023, 2022, and 2021.

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.

Note 2. Significant Accounting Policies (continued)

q) 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.

r) Leases

The Center follows accounting standards which state that a contract contains lease language if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under these standards as having both the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset. The Center determines whether an arrangement is a lease at inception, and Management reassesses its determination of a lease's status when the contract's terms and conditions are changed.

Right of use ("ROU") assets represent the Center's right to use an underlying asset for the lease term, and lease obligations represent the Center's obligation to make lease payments. The operating leases' ROU assets are included on the Statements of Financial Position with prepaid expenses within current assets. Operating lease ROU assets and obligations are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Center uses an implicit interest rate when such a rate is readily determinable. If the lease does not provide an implicit rate, Management will then use a risk-free rate based on information at lease commencement so as to determine the present value of lease payments.

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)

s) Advertising

The Center expenses advertising as incurred. The Center includes advertising expenses on the Statements of Functional Expenses with marketing expenses.

t) 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 prior year activities or changes in net assets.

u) 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 January 10, 2025, which is the date the financial statements were available to be issued.

v) Recently Adopted Accounting Guidance

In June 2016 the Financial Accounting Standards Board (the "FASB") issued guidance which changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Center that are subject to this guidance are accounts receivable. The Center adopted the standard effective July 1, 2023. The impact of the adoption is not considered material to the financial statements and primarily results in new/enhanced disclosures only.

Note 3. Accounts Receivable

The beginning accounts receivable balance for reciprocal revenue was $722,459 for the year beginning **July 01, 2022** and $811,315 for the year beginning July 01, 2023. The following summarizes accounts receivable at June 30, 2024 and 2023:

	2024	2023
0 - 30 days	$ 300,781	$ 386,684
31 - 60 days	377,248	282,371
61 - 90 days	114,752	65,433
91 - 120 days	106,106	44,034
Over 120 days	77,987	44,910
	976,874	823,432
Allowance for credit losses	(15,262)	(12,118)
	$ 961,612	$ 811,314

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.

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, 2024 and 2023, was concentrated in the following clients who each comprised more than 10% of the Center's program services revenues:

	2024	2023
Massachusetts public and private school systems	42%	39%
Massachusetts Commission for the Blind	37%	41%

On June 30, 2024 and 2023, the significant clients accounted for the following amounts of the Center's accounts receivable:

	2024		2023	
Massachusetts public and private school systems	$ 413,113	43%	$ 327,064	40%
Massachusetts Commission for the Blind	$ 349,579	36%	$ 326,755	40%

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, 2024, that rate was 8.50% per annum. At June 30, 2023, the rate was 3.25% per annum.

Contributions receivable are expected to be collected within the next five years as follows:

Year Ending June 30,	Gross	Discount	Net
2025	$ 571,388	$ 8,745	$ 562,643
2026	192,850	9,073	183,777
2027	64,350	5,198	59,152
2028	10,850	978	9,872
2029	8,350	2,011	6,339
Thereafter	1,540	1,479	61
Total	$ 849,328	$ 27,484	$ 821,844

For comparative purposes, contributions receivable that were expected to be collected within five years from June 30, 2023, were 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

Credit risk for the Center for the years ended June 23, 2024 and 2023, was concentrated in the following donors whose outstanding pledges net of discount comprised more than 10% of the Center's contributions receivable.

	2024		2023	
Donor A	$ 250,681	31%	$ -	-
Donor B	$ 100,000	12%	$ -	-
Donor C	$ 77,590	9%	$ 152,603	32%
Donor D	$ -	-	$ 73,175	15%
Donor E	$ -	-	$ 50,000	10%

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, 2024 and 2023:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Money market funds	$ 2,494,664	$ 2,494,664	$ 2,056,954	$ 2,056,954
US Treasury notes	5,860,358	5,868,459	4,013,276	4,000,805
Life insurance policy	14,000	14,000	6,000	6,000
	$ 8,369,022	$ 8,377,123	$ 6,076,230	$ 6,063,759

The scheduled maturities of United States government fixed income securities as of June 30, 2024 and 2023, are as follows:

	2024	2023
Less than 1 year	$ 2,870,905	$ 2,090,634
1 to 2 years	2,997,554	1,910,171
	$ 5,868,459	$ 4,000,805

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.

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.

Note 5. Investments (continued)

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, 2024 and 2023.

Note 6. Property, Plant, and Equipment

Property, plant, and equipment are summarized as follows at June 30, 2024 and 2023:

	2024	2023
Land and improvements	$ 631,593	$ 266,806
Buildings and improvements	6,365,794	6,008,197
Equipment and fixtures	1,120,342	1,092,295
	8,117,729	7,367,298
Accumulated depreciation	(3,785,591)	(3,592,071)
	$ 4,332,138	$ 3,775,227

Depreciation expense totaled $283,257 in 2024 and $239,155 in 2023. In 2024 the Center retired $89,737 of fully depreciated fixed assets. In 2023 the Center retired $119,398 of fully depreciated fixed assets.

Note 7. 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, 2024 and 2023, is $73,251 and $86,815, 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 8. Liquidity and Availability of Resources

The Center has $4 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 as of June 30, 2024 and 2023:

	2024	2023
Cash and cash equivalents - operations	$ 154,715	$ 613,919
Cash and cash equivalents - money market funds	2,494,664	2,056,954
Accounts receivable	961,612	811,314
Contributions receivable	382,665	108,658
Accrued interest receivable	48,429	22,867
Other receivables	932	13,613
	$ 4,043,017	$ 3,627,325

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 $1.5 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, 2024 and 2023.

Note 9. 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.

	2024	2023
Education services	47.4%	44.5%
Rehabilitation services	33.9%	37.1%
Community services	10.6%	10.6%
Computer training services	7.6%	7.4%
Low Vision services	0.5%	0.4%
	100.0%	100.0%

Note 10. Leasing Activities

The Center is under contract on two operating leases for office equipment. The leases have remaining lease terms of two to four 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, 2024 and 2023:

	2024	2023
Operating lease right-of-use assets	$ 8,302	$ 11,426
Operating lease obligation liabilities:		
Due within one year	$ 3,758	$ 3,383
Due within more than one year	4,544	8,043
	$ 8,302	$ 11,426

Minimum lease payments and maturities of lease liabilities as of June 30, 2024, are as follows:

Year Ending June 30,	
2025	$ 4,022
2026	2,204
2027	2,038
2028	510
Total lease payments	8,774
Less: interest (discounted at 4.00%)	472
Present value of lease liabilities	$ 8,302

Note 11. Contributed Nonfinancial Assets

Contributed legal services are provided by attorneys who advise the Center on various administrative legal matters. Contributed legal services are used for management and general activities and are recognized at fair value based on current rates for similar legal services. Donated legal services for the years ended June 30, 2024 and 2023 were $280,125 and $0, respectively.

The Center received donated property with an aggregate value of $19,700 and $119,771 during the years ended June 30, 2024 and 2023, respectively, that are capitalized as property, plant, and equipment. In 2023 these included office furniture and equipment with an estimated value of $100,000; program equipment with an estimated value of $13,571; and a motor vehicle with an estimated value of $6,200.

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 4% of participating employees' salaries to the plan. For the years ended June 30, 2024 and 2023, the Center's contributions to the plan were $91,247 and $78,838, 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, 2024 and 2023, the Center's contributions to the plan were $29,520 and $23,579, 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, 2024 and 2023, were allocated as follows:

	2024	2023
Time restricted	$ 473,573	$ 229,581
Rehabilitation services	212,416	2,700
Low vision services	163,075	13,850
Capital projects	131,541	168,875
Computer training services	85,159	148,341
Education services	81,875	90,133
Summer programs	69,750	71,287
Community services	19,893	26,690
Employee recognition	4,227	5,146
Internships	-	85,150
Strategic initiatives	-	28,225
	$ 1,241,508	$ 869,978

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:

	2024	2023
Program restrictions:		
Education services	$ 190,658	$ 140,442
Rehabilitation services	109,250	50,550
Internships	94,401	100,748
Computer training services	88,991	51,659
Summer programs	63,937	95,958
Low vision services	46,991	26,625
Community services	29,797	30,713
Strategic initiatives	28,225	-
Job readiness	5,000	5,000
Employee recognition	919	849
Coronavirus Aid, Relief, and Economic Security Act	-	16,411
	658,168	518,956
Expiration of time restrictions	108,042	152,000
Property and equipment acquistion restrictions	364,817	259,618
	$ 1,131,026	$ 930,575

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, 2024 and 2023:

	2024	2023
Donor restricted endowment funds	$ 2,234,949	$ 732,949
Board designated endowment funds	2,284,692	1,953,731
	$ 4,519,641	$ 2,686,680

The changes in endowment net asset fair values for the years ended June 30, 2024 and 2023 were as follows:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of fiscal year	$ 1,953,731	$ 732,949	$ 2,686,680
Investment return:			
Interest and dividends net of fees	130,025	125,662	255,687
Net realized appreciation	42,400	-	42,400
Net unrealized appreciation	16,717	16,156	32,874
Net investment gain	189,142	141,819	330,961
Contributions	-	1,502,000	1,502,000
Appropriation of funds	141,819	(141,819)	-
Net increase in endowment net assets	330,961	1,502,000	1,832,961
Endowment net assets at end of fiscal year	$ 2,284,692	$ 2,234,949	$ 4,519,641

Note 14. Endowment Fund (continued)

	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)	-
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 15. 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 16. 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, 2024 and 2023.

	2024		2023	
Sales		$ 148,380		$ 145,113
Cost of goods sold:				
Inventory - beginning	$ 104,629		$ 91,693	
Purchases	91,633		100,459	
	196,262		192,152	
Inventory - end	106,505		104,629	
		89,757		87,523
Gross margin		58,622		57,589
Expenses:				
Direct	91,003		94,347	
Indirect	16,212		16,180	
		107,215		110,527
Net margin		$ (48,593)		$ (52,938)

Note 17. 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, 2024 or 2023, or on its changes in net assets for the years then ended.

Current year audit findings

No significant deficiencies or material weaknesses reported.

Status of prior year audit findings

No significant deficiencies or material weaknesses reported