RestoringVision

Financial Statements

December 31, 2021

(with summarized comparative information for 2020)

RESTORINGVISION

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BPM

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
RestoringVision
San Rafael, California

Opinion

We have audited the financial statements of RestoringVision, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of RestoringVision as of December 31, 2021, 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 ("U.S. GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RestoringVision and to meet our other 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 the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

Report on Summarized Comparative Information

We have previously audited RestoringVision's December 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 5, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

BPM LLP

San Francisco, California
August 3, 2022

RestoringVision

Statement of Financial Position

As of December 31, 2021

(with summarized comparative information for 2020)

	2021	2020
ASSETS		
Cash	$ 1,668,897	$ 1,106,960
Pledges receivable	390,890	69,043
Inventory	1,196,683	1,462,254
Prepaid expenses	6,815	8,810
Total assets	$ 3,263,285	$ 2,647,067
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	$ 260,846	$ 37,920
Deferred revenue	2,163	1,630
Total current liabilities	263,009	39,550
Note payable from Paycheck Protection Program	103,363	103,359
Total liabilities	366,372	142,909
Net assets:		
Without donor restrictions:		
Operations	1,450,230	1,041,904
Contributed inventory	1,196,683	1,462,254
Total without donor restrictions	2,646,913	2,504,158
With donor restrictions	250,000	-
Total net assets	2,896,913	2,504,158
Total liabilities and net assets	$ 3,263,285	$ 2,647,067

RESTORINGVISION

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2021

(with summarized comparative information for 2020)

	Without Donor Restriction	With Donor Restriction	2021 Total	2020 Total
Revenue and support:				
Contributions	$ 1,031,608	$ 1,190,000	$ 2,221,608	$ 901,330
Contributed use of facilities	276,000	-	276,000	80,000
Contributed inventory	260,889	-	260,889	354,655
Program income	150,511	-	150,511	139,250
Contributed other goods and services	5,874	-	5,874	5,157
Interest income	178	-	178	414
Miscellaneous income	14,625	-	14,625	3,671
Net assets released from restrictions	940,000	(940,000)	-	-
Total revenue and support	2,679,685	250,000	2,929,685	1,484,477
Expenses:				
Program	2,031,604	-	2,031,604	1,231,394
General and administrative	236,486	-	236,486	260,812
Fundraising	268,840	-	268,840	245,015
Total expenses	2,536,930	-	2,536,930	1,737,221
Change in net assets	142,755	250,000	392,755	(252,744)
Net assets, beginning of year	2,504,158	-	2,504,158	2,756,902
Net assets, end of year	$ 2,646,913	$ 250,000	$ 2,896,913	$ 2,504,158

RestoringVision

Statement of Functional Expenses

For the year ended December 31, 2021
(with summarized comparative information for 2020)

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	2021 Total Expenses	2020 Total Expenses
Expenses:					
Salaries and related expenses	$ 461,095	$ 72,196	$ 206,008	$ 739,299	$ 570,147
Contract services	54,309	116,602	24,150	195,061	191,456
Freight and shipping supplies	78,094	-	-	78,094	66,271
Production services	32,716	-	-	32,716	47,255
Travel and meetings	2,290	-	1,338	3,628	9,365
Other	50,188	41,814	37,344	129,346	60,102
Total expenses	678,692	230,612	268,840	1,178,144	944,596
Contributed expenses:					
Inventory awarded	1,076,912	-	-	1,076,912	707,468
Contributed use of facilities	276,000	-	-	276,000	80,000
Contributed services	-	5,874	-	5,874	5,157
Total contributed expenses	1,352,912	5,874	-	1,358,786	792,625
	$ 2,031,604	$ 236,486	$ 268,840	$ 2,536,930	$ 1,737,221

RestoringVision

Statement of Cash Flows

For the year ended December 31, 2021

(with summarized comparative information for 2020)

	2021	2020
Cash flows from operating activities:		
Change in net assets	$ 392,755	$ (252,744)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Contributed inventory	(265,889)	(359,655)
Extinguishment of note payable from Paycheck Protection Program	(103,359)	-
Inventory awarded	1,076,912	707,468
Changes in operating assets and liabilities:		
Inventory	(545,452)	18,716
Pledges receivable	(321,847)	(17,044)
Prepaid expenses	1,995	1,274
Accounts payable and accrued liabilities	222,926	(223,449)
Deferred revenue	533	1,630
Net cash provided by (used in) operating activities	458,574	(123,804)
Cash flows from investing activities:		
Proceeds from note payable from Paycheck Protection Program	103,363	103,359
Net cash provided by investing activities	103,363	103,359
Net change in cash	561,937	(20,445)
Cash, beginning of year	1,106,960	1,127,405
Cash, end of year	$ 1,668,897	$ 1,106,960

1. Organization

RestoringVision (the "Organization") is a California nonprofit corporation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). The Organization is dedicated to providing new reading glasses and sunglasses for charitable partners distributing glasses to communities in need around the world. The Organization's funding is from contributions from corporations, foundations and individuals.

The following program and supporting services are included in the accompanying financial statements:

Program – that is changing the world for individuals who lack the means necessary to obtain glasses. The impact is significant on the lives of many in underserved populations. The Organization's mission is to empower lives by restoring vision for millions of people in need.

General and Administrative – includes the function necessary to support the programs, ensure an adequate working environment, secure proper administrative functioning of the management and Board of Directors, and manage the financial and budgetary responsibilities of the Organization.

Fundraising – provides the structure necessary to encourage and secure financial support from individuals, foundations, and corporations.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Net assets are classified based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions represent resources that are not subject to donor-imposed restrictions and are available to support all activities of the Organization. Net assets with donor restrictions represent contributions whose use by the Organization is limited in accordance with the restrictions imposed by donors. These restrictions may expire when the stipulated time has passed or may be satisfied by the actions of the Organization according to the stipulations made by the donors.

Revenue Recognition

Contributions received are recorded as increases in net assets with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or specific purpose is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Program Income

Program income consists of fees paid by charitable partners for glasses to distribute to those in need. Charitable partners pay an average of $0.55 per pair of glasses to cover sorting, packing, and shipping. These fees are typically paid at the time of the transaction and when the point in time performance obligation is satisfied.

2. Summary of Significant Accounting Policies, continued

Inventory

Inventory consists of new reading glasses, sunglasses, and distance vision glasses, and is recorded at the average cost of $0.50 per pair of glasses. Contributed glasses are also recorded at the average cost per pair, which is the estimated fair value.

Contributed Use of Facilities

The Organization receives free or discounted use of facilities from third parties. A contribution is recognized as revenue in the period the use of facilities is received, regardless of whether the Organization could afford to pay rent for the facilities. On May 13, 2019, the Organization entered into an agreement for storage in a commercial warehouse. The term is for one year and will automatically renew until canceled for successive one-year terms upon expiration of the initial term. The Organization was previously on a month-to-month agreement. There was no pledge receivable recorded for the remaining four and a half months of the current year term as there is a provision in the agreement that states that the agreement can be terminated by either party with a sixty day notice.

Cash

Cash accounts are maintained at two financial institutions. Cash is maintained in bank deposit accounts that may, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts.

Pledges Receivable

For the year ended December 31, 2021, two donors accounted for 64% and 35% of pledges receivable.

Pledges receivable are recognized as revenues or gains in the period received as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional pledges receivable are recognized when the conditions on which they depend are substantially met. Pledges receivable that extend beyond one year are discounted to reflect their net present value at the date of contribution. For the year ended December 31, 2021, there was no discount recorded, as all pledges were due within one year. Additionally, there was no allowance recorded, as all pledges were deemed to be fully collectable.

Contributions

For the year ended December 31, 2021, two donors accounted for 33% and 24% of contributions revenue.

Promises to give are recognized as revenues or gains in the period received as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Promises to give that extend beyond one year are discounted to reflect their net present value at the date of contribution. For the year ended December 31, 2021, there was no discount or allowance, as all promises to give were due within one year and were deemed to be fully collectable.

2. Summary of Significant Accounting Policies, continued

Contributed Inventory

Contributed inventory is recorded at fair value based on estimated values at wholesale prices for the markets that are considered to be the Organization's principal market. For the year ended December 31, 2021, two donors accounted for 68% and 18% of contributed inventory.

Contributed Services

Donated services are only recognized as in-kind contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Contributions from services are recognized at fair value. A contribution is recognized as revenue in the period the use of services is received, regardless of whether the Organization could afford to pay for the services.

Functional Expense Allocations

The costs of providing the Organization's program and other activities have been summarized on a functional basis in the statement of functional expenses, which presents natural classification detail of expenses by function. The major functional expense classifications are program services and supporting services. Program services include expenses that are directly related to providing new reading glasses and sunglasses for charitable partners distributing glasses to communities in need around the world. Supporting services are all activities of the Organization other than program services and consist of general and administration and fundraising. General and administration includes expenses for general oversight and management of the Organization, recordkeeping, and budgeting. Fundraising includes expenses for bringing awareness and future benefit of the Organization.

The indirect costs associated with program activities have been allocated on a functional basis. Certain expenses, such as salaries and related expenses, contract services, and travel and meetings are allocated among program and administrative expenses based on estimates of time and use made by the Organization's management and consistently applied.

Shipping and Handling Costs

Shipping and handling costs paid by partners for inventory are included in program income and costs. This process is done through the Organization's website, with checkout including shipping costs specific to the related order.

Income Taxes

The Organization is a nonprofit organization exempt from income tax under Section 501(c)(3) of the IRC and Section 23701(d) of the Revenue and Taxation Code of the State of California. The Organization has been determined by the Internal Revenue Service ("IRS") to be a public charity within the meaning of Section 509(a) of the IRC. However, income from certain activities not directly related to the Organization's tax-exempt purpose could be subject to taxation as unrelated business income.

2. Summary of Significant Accounting Policies, continued

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

Certain reclassifications have been made to the prior year reported amounts in order to conform to the current year presentation.

Recent Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)* ("ASU 2020-07"). ASU 2020-07 requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. ASU 2020-07 requires the new standard to be applied retrospectively, with amendments taking effect for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. The Organization is currently evaluating the impact of adopting ASU 2020-07 on its financial statements.

3. Liquidity and Availability

As of December 31, 2021, the Organization has financial assets available to meet cash needs for general expenditures within one year as follows:

Cash	$ 1,668,897
Pledges receivable	390,890
Financial assets available to meet cash needs for general expenditures within one year	$ 2,059,787

The Organization has a goal to maintain financial assets sufficient to meet one year of ongoing operating expenses, which currently approximate $1,000,000. As part of its liquidity management, the Organization invests cash in excess of daily requirements in a savings account. In 2020, the Organization obtained a Paycheck Protection Program ("PPP") note payable for $103,359, which was forgiven during the current year (see Note 7). Additionally, the Organization obtained a second PPP note payable during 2021 for $103,363, which also helped with cash flow (see Note 4).

4. Note Payable from Paycheck Protection Program

On May 7, 2020, the Organization obtained a $103,359 Small Business Association ("SBA") loan under the PPP to secure payroll expenses for otherwise furloughed employees impacted by government-imposed shelter in place orders. According to the terms of the loan, the full amount can be forgiven as long as loan proceeds are used to cover payroll costs and other specified non-payroll costs. On April 9, 2021, the Organization received full forgiveness of this PPP loan.

On March 11, 2021, the Organization obtained a $103,363 SBA loan under the PPP to secure payroll expenses for otherwise furloughed employees impacted by government-imposed shelter in place orders. According to the terms of the loan, the full amount can be forgiven as long as loan proceeds are used to cover payroll costs and other specified non-payroll costs. Subsequent to year-end, the Organization received full forgiveness of the loan (see Note 7).

5. Net Assets

A restriction on the Organization's use of the assets contributed results either from a donor's explicit stipulation or from circumstances surrounding the receipt of the contribution that make clear the donor's implicit restriction on use.

Net assets with donor restrictions consisted of the following as of December 31, 2021:

Acquiring and distributing glasses	$ 250,000

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by circumstances surrounding the receipt of the contribution that make clear the donor's implicit restriction on use were as follows as of December 31, 2021:

Purpose restrictions accomplished:	
Acquiring and distributing glasses	$ 940,000

6. Retirement Plan

The Organization has a deferred compensation plan under the provisions of Section 401(k) of the IRC. All employees are eligible to participate and participants can choose to deduct and contribute a portion of their salaries within IRS limits and guidelines. The Organization matches up to 4% of participant deferrals and may, at the discretion of the Board of Directors, contribute additional monies under a profit-sharing provision of the plan for employees with at least 500 hours of service.

The Organization made contributions of $14,709 under this plan for the year ended December 31, 2021.

7. Subsequent Events

On February 15, 2022, the Organization received full forgiveness of the second PPP loan dated March 11, 2021, in the amount of $103,363.

In accordance with accounting standards affecting disclosure of subsequent events, the Organization evaluated subsequent events for recognition and disclosure through August 3, 2022, the date which these financial statements were available to be issued. Management concluded that, other than above, no additional material subsequent events have occurred since December 31, 2021 that require recognition or disclosure in the financial statements.