RestoringVision

Financial Statements

December 31, 2020 and 2019

BPM

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BPM

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
RestoringVision
San Rafael, California

We have audited the accompanying financial statements of RestoringVision (a nonprofit organization; the "Organization"), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2020 and 2019, 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.

Emphasis of Matter

As discussed in Note 7 to the financial statements, the COVID-19 Pandemic has affected the Organization's operations throughout 2020. The ultimate financial impact of these events cannot be reasonably estimated at this time. Our opinion is not modified with respect to that matter.

BPM LLP

San Francisco, California
October 5, 2021

RestoringVision

Statements of Financial Position

As of December 31, 2020 and 2019

	2020	2019
ASSETS		
Cash	$ 1,106,960	$ 1,127,405
Pledges receivable	69,043	51,999
Inventory	1,462,254	1,828,783
Prepaid expenses	8,810	10,084
Total assets	$ 2,647,067	$ 3,018,271
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	$ 37,920	$ 261,369
Deferred revenue	1,630	-
Total current liabilities	39,550	261,369
Note payable from Paycheck Protection Program	103,359	-
Total liabilities	142,909	261,369
Net assets:		
Without donor restrictions:		
Operations	1,041,904	926,119
Contributed inventory	1,462,254	1,828,783
Total without donor restrictions	2,504,158	2,754,902
With donor restrictions	-	2,000
Total net assets	2,504,158	2,756,902
Total liabilities and net assets	$ 2,647,067	$ 3,018,271

RestoringVision

Statements of Activities and Changes in Net Assets

For the years ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Revenue and support:						
Contributed inventory	$ 354,655	$ -	$ 354,655	$ 1,449,376	$ -	$ 1,449,376
Contributions	701,330	200,000	901,330	784,379	92,000	876,379
Program income	139,250	-	139,250	433,598	-	433,598
Contributed use of facilities	80,000	-	80,000	80,000	-	80,000
Contributed other goods and services	5,157	-	5,157	43,056	-	43,056
Interest income	414	-	414	714	-	714
Miscellaneous income	3,671	-	3,671	-	-	-
Net assets released from restrictions	202,000	(202,000)	-	90,000	(90,000)	-
Total revenue and support	1,486,477	(2,000)	1,484,477	2,881,123	2,000	2,883,123
Expenses:						
Program	1,231,394	-	1,231,394	2,086,126	-	2,086,126
General and administrative	260,812	-	260,812	309,350	-	309,350
Fundraising	245,015	-	245,015	244,963	-	244,963
Total expenses	1,737,221	-	1,737,221	2,640,439	-	2,640,439
Change in net assets	(250,744)	(2,000)	(252,744)	240,684	2,000	242,684
Net assets, beginning of year	2,754,902	2,000	2,756,902	2,514,218	-	2,514,218
Net assets, end of year	$ 2,504,158	$ -	$ 2,504,158	$ 2,754,902	$ 2,000	$ 2,756,902

RestoringVision

Statements of Functional Expenses

For the years ended December 31, 2020 and 2019

	2020				2019			
	Program	General and Administrative	Fundraising	Total	Program	General and Administrative	Fundraising	Total
Expenses:								
Salaries and related expenses	$ 262,510	$ 92,826	$ 214,811	$ 570,147	$ 301,451	$ 130,935	$ 175,800	$ 608,186
Freight and shipping supplies	66,271	-	-	66,271	76,498	-	-	76,498
Contract services	50,575	119,236	21,645	191,456	103,810	90,665	15,539	210,014
Production services	47,255	-	-	47,255	81,826	-	-	81,826
Travel and meetings	1,405	7,812	148	9,365	18,974	15,460	19,680	54,114
Other	15,910	35,781	8,411	60,102	43,232	29,234	33,944	106,410
Total expenses	443,926	255,655	245,015	944,596	625,791	266,294	244,963	1,137,048
Contributed expenses:								
Inventory awarded	707,468	-	-	707,468	1,380,335	-	-	1,380,335
Contributed use of facilities	80,000	-	-	80,000	80,000	-	-	80,000
Contributed services	-	5,157	-	5,157	-	43,056	-	43,056
Total contributed expenses	787,468	5,157	-	792,625	1,460,335	43,056	-	1,503,391
	$ 1,231,394	$ 260,812	$ 245,015	$ 1,737,221	$ 2,086,126	$ 309,350	$ 244,963	$ 2,640,439

RESTORINGVISION

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	$ (252,744)	$ 242,684
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Contributed inventory	(359,655)	(1,449,376)
Inventory awarded	671,921	1,380,335
Changes in operating assets and liabilities:		
Inventory	54,263	(199,791)
Pledges receivable	(17,044)	(4,871)
Prepaid expenses	1,274	(4,903)
Accounts payable and accrued liabilities	(223,449)	117,447
Deferred revenue	1,630	-
Net cash (used in) provided by operating activities	(123,804)	81,525
Cash Flows from investing activities:		
Proceeds from note payable from Paycheck Protection Program	103,359	-
Net cash provided by operating activities	103,359	-
Net change in cash	(20,445)	81,525
Cash, beginning of year	1,127,405	1,045,880
Cash, end of year	$ 1,106,960	$ 1,127,405

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 programs and supporting services are included in the accompanying financial statements:

Programs – that are 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.

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

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, 2020, 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, 2020, two donors accounted for 22% and 17% of contribution revenue. For the year ended December 31, 2019, three donors accounted for 17%, 11% and 10% 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, 2020, there was no discount or allowance, as all promises to give were due within one year and were deemed to be fully collectable.

Contributed Inventory

For the year ended December 31, 2020, two donors accounted for 81% and 10% of contributed inventory. For the year ended December 31, 2019, one donor accounted for 89% of contributed inventory.

2. **Summary of Significant Accounting Policies**, continued

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 statements of functional expenses, which present 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.

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.

2. Summary of Significant Accounting Policies, continued

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases* ("ASU 2016-02"). The objective of ASU 2016-02 is to increase transparency and comparability among organizations by recognizing lease assets and liabilities on the balance sheet for leases with a lease term of more than 12 months. In addition, ASU 2016-02 will require additional disclosures regarding key information about leasing arrangements. Under existing guidance, operating leases are not recorded as lease assets and lease liabilities on the balance sheet. ASU 2016-02 will be effective for fiscal years beginning after December 15, 2021, with early adoption permitted. The Organization is currently evaluating the impact of the adoption of ASU 2016-02 and the various subsequent amendments that were issued by the FASB on its financial statements.

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, 2020 and 2019, the Organization has financial assets available to meet cash needs for general expenditures within one year as follows:

	2020	2019
Cash	$ 1,106,960	$ 1,127,405
Pledges receivable	69,043	51,999
Financial assets available to meet cash needs for general expenditures within one year	$ 1,176,003	$ 1,179,404

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 helped with cash flow during the current year. This PPP note payable was forgiven subsequent to year-end and the Organization received a second PPP note payable in 2021 (see Note 8).

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. The Organization fully intends to comply with the above terms in order to qualify for loan forgiveness. In the event the Organization is required to repay the loan, all payments are deferred for six months with accrued interest over this period. Amounts outstanding under the loan will bear a fixed interest rate of 1% per annum with a maturity date of May 7, 2025 (or five years from the commencement date). Subsequent to year-end, RestoringVision received full forgiveness of the loan (See Note 8).

5. Net Assets

Net assets were released from donor restrictions by satisfying the stipulations for the following restricted purpose during the year ended December 31, 2020:

Acquiring and distributing glasses	$ 200,000
Time restriction	2,000
Total	$ 202,000

Net assets were released from donor restrictions by satisfying the stipulations for the following restricted purpose during the year ended December 31, 2019:

Purchase of 75,000 pairs of glasses and performance of evaluation study	$ 90,000
Total	$ 90,000

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 $13,590 and $12,629 for the years ended December 31, 2020 and 2019, respectively, under this plan.

7. Commitments and Contingencies

COVID-19 Pandemic

In March 2020, the World Health Organization declared the novel coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, have adversely affected workforces, customers, economies, and financial markets globally, potentially leading to an economic downturn. During 2020, the Organization experienced a decline in operations due to various shelter in place orders. During this time, there was significantly less contributed inventory. Additionally, expenses of running the Organization ensued which contributed to the negative change in net assets during the year. It is not possible for the Organization to predict the duration or magnitude of the adverse results of the outbreak and its disruptive effects on its operations and financial results at this time.

8. Subsequent Events

On March 11, 2021, the Organization successfully secured a second SBA loan for $103,363 under the PPP to secure payroll expenses for otherwise furloughed employees impacted by government-imposed shelter in place orders. Per the terms of the loan, the full amount will be forgiven as long as loan proceeds are used to cover eligible payroll costs and other specified non-payroll costs (provided any non-payroll costs do not exceed 40% of the forgiven amount) over a certain period after the loan is made; and employee and compensation levels are maintained. However, the terms and conditions of the PPP and the loan obtained thereunder are still subject to change. The Organization will utilize the loan with caution in order to maximize the forgivable portion of the loan.

On April 9, 2021, the Organization received full forgiveness of the first PPP loan dated May 7, 2020, in the amount of $103,359.

In accordance with accounting standards affecting disclosure of subsequent events, the Organization evaluated subsequent events for recognition and disclosure through October 5, 2021, the date which these financial statements were available to be issued. Management concluded that no additional material subsequent events have occurred since December 31, 2020 that require recognition or disclosure in the financial statements.