RestoringVision

Financial Statements

December 31, 2022
(with summarized comparative information for December 31, 2021)

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RESTORINGVISION

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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, 2022, 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, 2022, 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 audit. 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, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 3, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BPM LLP

Long Beach, California
October 16, 2023

RESTORINGVISION

STATEMENT OF FINANCIAL POSITION

As of December 31, 2022

(with summarized comparative information for 2021)

	2022	2021
ASSETS		
Cash	$ 2,082,982	$ 1,668,897
Pledges receivable	9,015	390,890
Inventory	1,753,967	1,196,683
Prepaid expenses	5,300	6,815
Total assets	$ 3,851,264	$ 3,263,285
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,393,320	$ 260,846
Deferred revenue	-	2,163
Total current liabilities	1,393,320	263,009
Note payable from Paycheck Protection Program	-	103,363
Total liabilities	1,393,320	366,372
Net assets:		
Without donor restrictions:		
Operations	703,977	1,450,230
Contributed inventory	1,753,967	1,196,683
Total without donor restrictions	2,457,944	2,646,913
With donor restrictions	-	250,000
Total net assets	2,457,944	2,896,913
Total liabilities and net assets	$ 3,851,264	$ 3,263,285

RestoringVision

Statement of Activities and Changes in Net Assets

For the year ended December 31, 2022
(with summarized comparative information for 2021)

	2022			
	Without Donor Restriction	With Donor Restriction	Total	2021 Total
Revenue and support:				
Contributions	$ 1,793,304	$ 1,186,480	$ 2,979,784	$ 2,221,608
Contributed use of facilities	276,000	-	276,000	276,000
Contributed inventory	348,499	-	348,499	260,889
Program income	257,200	-	257,200	150,511
Contributed other goods and services	46,256	-	46,256	5,874
Interest income	363	-	363	178
Miscellaneous income	85,129	-	85,129	14,625
Net assets released from restrictions	1,436,480	(1,436,480)	-	-
Total revenue and support	4,243,231	(250,000)	3,993,231	2,929,685
Expenses:				
Program	3,974,542	-	3,974,542	2,031,604
General and administrative	219,601	-	219,601	236,486
Fundraising	238,057	-	238,057	268,840
Total expenses	4,432,200	-	4,432,200	2,536,930
Change in net assets	(188,969)	(250,000)	(438,969)	392,755
Net assets, beginning of year	2,646,913	250,000	2,896,913	2,504,158
Net assets, end of year	$ 2,457,944	$ -	$ 2,457,944	$ 2,896,913

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STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2022
(with summarized comparative information for 2021)

	2022				2021
		Supporting Services			
	Program Services	General and Administrative	Fundraising	Total Expenses	Total Expenses
Expenses:					
Salaries and related expenses	$ 964,285	$ 68,835	$ 175,646	$ 1,208,766	$ 739,299
Freight and shipping supplies	334,410	-	-	334,410	78,094
Other	93,697	60,251	45,202	199,150	129,346
Contract services	124,324	48,327	13,560	186,211	195,061
Production services	26,103	-	-	26,103	32,716
Travel and meetings	20,071	1,439	3,649	25,159	3,628
Total expenses	1,562,890	178,852	238,057	1,979,799	1,178,144
Contributed expenses:					
Inventory awarded	2,135,652	-	-	2,135,652	1,076,912
Contributed use of facilities	276,000	-	-	276,000	276,000
Contributed services	-	40,749	-	40,749	5,874
Total contributed expenses	2,411,652	40,749	-	2,452,401	1,358,786
	$ 3,974,542	$ 219,601	$ 238,057	$ 4,432,200	$ 2,536,930

RESTORINGVISION

STATEMENT OF CASH FLOWS

For the year ended December 31, 2022
(with summarized comparative information for 2021)

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ (438,969)	$ 392,755
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributed inventory	(354,006)	(265,889)
Extinguishment of note payable from Paycheck Protection Program	(103,363)	(103,359)
Inventory awarded	2,135,652	1,076,912
Changes in operating assets and liabilities:		
Inventory	(2,338,930)	(545,452)
Pledges receivable	381,875	(321,847)
Prepaid expenses	1,515	1,995
Accounts payable and accrued liabilities	1,132,474	222,926
Deferred revenue	(2,163)	533
Net cash provided by operating activities	414,085	458,574
Cash flows from investing activities:		
Proceeds from note payable from Paycheck Protection Program	-	103,363
Net cash provided by investing activities	-	103,363
Net change in cash	414,085	561,937
Cash, beginning of year	1,668,897	1,106,960
Cash, end of year	$ 2,082,982	$ 1,668,897

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.

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, 2022, 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, 2022, contributions received was $2,876,421, with two donors who accounted for 41% and 31% 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, 2022, there was no discount or allowance, as all promises to give were due within one year and were deemed to be fully collectable.

Contributed Nonfinancial Assets

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, 2022, two donors accounted for 64% and 22% 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.

2. Summary of Significant Accounting Policies, continued

Contributed Nonfinancial Assets, continued

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 60-day notice.

Contributed nonfinancial assets are recorded as revenue at fair value. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. During the years ended December 31, 2022 and 2021, the values of contributed services included as in-kind donations in the accompanying financial statements were $670,755 and $542,763, respectively. The in-kind services consisted of inventories, pro bono legal services, IT license services, and use of warehouse space, with the following details:

Non-financial Contributions Category	Valuation Technique and Inputs	Amount Recognized 2022	Amount Recognized 2021	Program/Activity Utilization
Contributed inventory	U.S. wholesale prices of identical or similar goods	$ 348,499	$ 260,889	Program services
Contributed services - IT license	Third-party estimates using billing rates	5,507	5,000	50% fundraising, 50% G&A
Contributed services - Legal	Third-party estimates using billing rates	40,749	874	G&A
Contributed use of facilities	FMV of similar property rental	276,000	276,000	Program services
Total expenses		$ 670,755	$ 542,763	

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.

2. Summary of Significant Accounting Policies, continued

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.

Recently Adopted Accounting Standards

Leases

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02" or "ASC 842"). ASC 842 requires lessees to recognize a right-of-use ("ROU") asset and a lease liability for virtually all leases (other than leases that meet the definition of a short-term lease). The new guidance is effective for fiscal years beginning after December 15, 2021 and interim periods beginning the following year. Early application is permitted.

In 2022, the Organization adopted ASU No. 2016-02 however there was no impact to the financial statements as the Organization had no existing long-term leases during the year ended December 31, 2022.

Contributed Nonfinancial Assets

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. In 2022, the Organization adopted ASU 2020-07 which resulted in detailed disclosure shown in Note 2 above.

2. Summary of Significant Accounting Policies, continued

Recent Accounting Pronouncements

FASB ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments*, and related amendments, replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The new Current Expected Credit Losses ("CECL") model applies to financial assets at amortized cost, including trade receivables, contract assets and certain off-balance sheet credit exposures, such as loan commitments. The ASU is effective for fiscal years beginning after December 31, 2022. The Organization is currently evaluating the impact of this standard.

3. Liquidity and Availability

As of December 31, 2022, the Organization has financial assets available to meet cash needs for general expenditures within one year as follows:

Cash	$	2,082,982
Pledges receivable		9,015
Financial assets available to meet cash needs for general expenditures within one year	$	2,091,997

The Organization has a goal to maintain financial assets sufficient to meet one year of ongoing operating expenses, which currently approximates $1,000,000. As part of its liquidity management, the Organization invests cash in excess of daily requirements in a savings account. In 2021, the Organization obtained a second Paycheck Protection Program ("PPP") note payable for $103,363, which was forgiven during the current year (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. On February 15, 2022, the Organization received full forgiveness of the loan.

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. There were no net assets with donor restrictions as of December 31, 2022.

5. Net Assets, continued

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, 2022:

Purpose restrictions accomplished:	
Acquiring and distributing glasses	$ 1,436,480

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 $27,831 under this plan for the year ended December 31, 2022.

7. Subsequent Events

In accordance with accounting standards affecting disclosure of subsequent events, the Organization evaluated subsequent events for recognition and disclosure through October 16, 2023, the date which these financial statements were available to be issued. Management concluded that no additional material subsequent events have occurred since December 31, 2022 that require recognition or disclosure in the financial statements.