

**BLINDED VETERANS ASSOCIATION**

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**FINANCIAL STATEMENTS**

**Year Ended June 30, 2021**

**AND**

**INDEPENDENT AUDITORS' REPORT**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Blinded Veterans Association

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Blinded Veterans Association (a nonprofit organization) which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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' judgment, 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 Blinded Veterans Association as of June 30, 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.

*Rubins & Company*

January 3, 2022  
Bethesda, Maryland

**BLINDED VETERANS ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2021**

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**ASSETS**

Current assets	
Cash and cash equivalents	\$ 279,139
Promises to give	85,318
Accounts receivable, other	7,020
Prepaid expenses and other assets	<u>54,355</u>
Total current assets	425,832
Property and equipment, net	1,986,884
Investments - board designated	
Investment fund	8,923,469
Life membership fund	<u>1,210,172</u>
Total assets	<u>\$ 12,546,357</u>

**LIABILITIES AND NET ASSETS**

Current liabilities	
Accounts payable and accrued expenses	\$ 140,406
Contract liabilities	<u>7,000</u>
Total current liabilities	147,406
Net assets	
Without donor restrictions	
Undesignated	2,154,627
Board designated	<u>10,107,709</u>
	12,262,336
With donor restrictions	<u>136,615</u>
Total net assets	<u>12,398,951</u>
Total liabilities and net assets	<u>\$ 12,546,357</u>

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

**BLINDED VETERANS ASSOCIATION**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2021**

	Without donor restrictions		With donor	Total
	Undesignated	Designated	restrictions	
Revenue and support				
Contributions and grants	\$ 40,263	\$ -	\$ 9,976	\$ 50,239
Fundraising	<u>1,165,002</u>	<u>-</u>	<u>-</u>	<u>1,165,002</u>
	1,205,265	-	9,976	1,215,241
Net assets released from restrictions	<u>15,565</u>	<u>-</u>	<u>(15,565)</u>	<u>-</u>
Total revenue and support	<u>1,220,830</u>	<u>-</u>	<u>(5,589)</u>	<u>1,215,241</u>
Expenses				
Program services				
Field service programs	322,753	-	-	322,753
Annual convention	6,805	-	-	6,805
Operation peer support	5,109	-	-	5,109
Education	<u>449,709</u>	<u>-</u>	<u>-</u>	<u>449,709</u>
Total program services	<u>784,376</u>	<u>-</u>	<u>-</u>	<u>784,376</u>
Support services				
Fundraising	279,005	-	-	279,005
Management and general	<u>688,273</u>	<u>-</u>	<u>-</u>	<u>688,273</u>
Total support services	<u>967,278</u>	<u>-</u>	<u>-</u>	<u>967,278</u>
Total expenses	<u>1,751,654</u>	<u>-</u>	<u>-</u>	<u>1,751,654</u>
Change in net assets from operations	<u>(530,824)</u>	<u>-</u>	<u>(5,589)</u>	<u>(536,413)</u>
Non-operating activity				
Interest and dividends, net of fees	-	194,531	-	194,531
Realized gain on investments	-	300,534	-	300,534
Unrealized gain on investments	-	1,338,629	-	1,338,629
Apportionment of life membership fund investment income	-	(38,723)	-	(38,723)
Life member dues and miscellaneous income	<u>-</u>	<u>10,025</u>	<u>-</u>	<u>10,025</u>
	<u>-</u>	<u>1,804,996</u>	<u>-</u>	<u>1,804,996</u>
Change in net assets	(530,824)	1,804,996	(5,589)	1,268,583
Transfers	400,000	(400,000)	-	-
Net assets, beginning of year	<u>2,285,451</u>	<u>8,702,713</u>	<u>142,204</u>	<u>11,130,368</u>
Net assets, end of year	<u>\$ 2,154,627</u>	<u>\$10,107,709</u>	<u>\$ 136,615</u>	<u>\$12,398,951</u>

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

**BLINDED VETERANS ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2021**

	Program Services				Supporting Services				Total
	Field Service Programs	Annual Convention	Operation Peer Support	Education	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Salaries and wages	\$ 180,827	\$ 3,405	\$ 142	\$ 191,500	\$ 375,874	\$ 43,181	\$ 234,916	\$ 278,097	\$ 653,971
Payroll taxes	16,543	260	11	18,159	34,973	3,986	23,508	27,494	62,467
Employee benefits	22,584	-	-	27,430	50,014	4,759	29,808	34,567	84,581
Audit and tax	-	-	-	-	-	-	16,973	16,973	16,973
Bank charges	-	-	-	-	-	3,551	8,304	11,855	11,855
Building expenses	39,226	2,802	-	33,623	75,651	1,401	63,042	64,443	140,094
BVA bulletin	-	-	-	14,869	14,869	-	-	-	14,869
Depreciation	49,053	-	-	24,942	73,995	4,157	4,989	9,146	83,141
Financial management and accounting	-	-	-	-	-	-	125,186	125,186	125,186
Gifts and awards	-	-	-	-	-	-	3,015	3,015	3,015
Golf tournament	-	-	3,259	-	3,259	-	-	-	3,259
Insurance	2,659	-	-	-	2,659	-	67,178	67,178	69,837
Legal	-	-	-	-	-	-	3,056	3,056	3,056
Merchandise	-	-	-	-	-	-	822	822	822
Miscellaneous	6,827	336	4	2,313	9,480	179	457	636	10,116
Office expense and supplies	289	-	-	-	289	342	4,483	4,825	5,114
Payroll service	-	-	-	-	-	-	21,772	21,772	21,772
Postage and shipping	160	-	-	-	160	-	4,644	4,644	4,804
Printing and stationery	-	-	-	3,255	3,255	-	10,826	10,826	14,081
Professional fees	-	-	-	-	-	79,523	19,066	98,589	98,589
Repairs and maintenance	-	-	-	-	-	-	33,563	33,563	33,563
Retirement plan expense	1,083	2	-	491	1,576	381	973	1,354	2,930
Storage	-	-	-	-	-	-	2,299	2,299	2,299
Subscriptions and dues	3,384	-	-	9,906	13,290	-	-	-	13,290
Telephone and communications	-	-	-	-	-	-	9,351	9,351	9,351
Website design	-	-	-	10,000	10,000	-	-	-	10,000
Travel	118	-	1,693	-	1,811	-	42	42	1,853
Direct mail	-	-	-	113,221	113,221	137,545	-	137,545	250,766
<b>Total expenses</b>	<b>\$ 322,753</b>	<b>\$ 6,805</b>	<b>\$ 5,109</b>	<b>\$ 449,709</b>	<b>\$ 784,376</b>	<b>\$ 279,005</b>	<b>\$ 688,273</b>	<b>\$ 967,278</b>	<b>\$ 1,751,654</b>

See independent auditors' report and accompanying notes to financial statements.

**BLINDED VETERANS ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
**Year Ended June 30, 2021**

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Cash flows from operating activities	
Change in net assets	\$ 1,268,583
Adjustments to reconcile change in net assets to net cash and cash equivalents used in operating activities:	
Depreciation	83,141
Net realized and unrealized (gain) loss on investments	(1,617,240)
(Increase) decrease in operating assets:	
Promises to give	73,002
Accounts receivable, other	3,291
Prepaid expenses and other assets	(15,983)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	(9,556)
Contract liabilities	<u>(34,600)</u>
Net cash used in operating activities	<u>(249,362)</u>
Cash flows from investing activities	
Acquisition of property and equipment	(11,904)
Purchase and reinvestment of investments	(6,943,819)
Proceeds from redemption and sale of investments	<u>7,183,787</u>
Net cash provided by investing activities	<u>228,064</u>
Net decrease in cash and cash equivalents	(21,298)
Cash and cash equivalents, beginning of year	<u>300,437</u>
Cash and cash equivalents, end of year	<u><u>\$ 279,139</u></u>

The accompanying notes are an integral part of these financial statements



**BLINDED VETERANS ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2021**

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**1. Organization**

The Blinded Veterans Association (BVA or Organization) was chartered by an act of the U.S. Congress in 1958 to promote the welfare of blinded veterans, strengthen the spirit of fellowship among blinded veterans and further the institutions of American freedom and loyalty to the Constitution and laws of the United States. The Organization is a publicly supported organization and, as such, contributions to the Organization qualify as charitable deductions for tax purposes by the donor. The Organization is primarily supported by donor contributions, bequests, and investment income.

**2. Summary of Significant Accounting Policies**

***Method of Accounting***

The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

***Basis of Presentation***

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles, which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Board-designated net assets are net assets without donor restrictions that are used only for the specific purpose by Board resolution (See Note 11).

**BLINDED VETERANS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2021**

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**2. Summary of Significant Accounting Policies (continued)**

***Measure of Operations***

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing services. Non-operating activities are limited to resources that generate return from other activities considered to be of a more unusual or nonrecurring nature.

***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 affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at 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.

***Cash and Cash Equivalents***

The Organization maintains cash balances at various financial institutions which, at times, may exceed federally insured limits. The Organization has not experienced any losses related to these accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents. The Organization considers all highly liquid investments, except for cash and money market funds held in brokerage accounts designated by the Board of Directors, purchased with an original maturity of three months or less to be cash equivalents.

***Investments***

Investments in marketable securities with readily determinable fair values and investments in debt securities are reported at estimated fair value. Purchases and sales of securities are recorded on a trade-date basis. Investment income, including realized and unrealized gains and losses, is reported in the statement of activities as increases or decreases in net assets without restrictions, unless otherwise restricted by the donor or by law. Interest and dividends are recorded when earned.

The Organization's investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair values reported are subject to various risks including changes in equity markets, the interest rate, and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported could change materially in the near term.

**BLINDED VETERANS ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2021**

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**2. Summary of Significant Accounting Policies (continued)**

***Property and Equipment***

Property and equipment are stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets. The Organization capitalizes property and equipment acquired with a value greater than \$2,000. Repairs and maintenance costs are charged to expense as incurred. At the time properties are retired or otherwise disposed of, the property and related accumulated depreciation or amortization accounts are relieved of the applicable amounts and any gain or loss is credited or charged to income.

***Contract Liabilities***

Contract liabilities consists primarily of advance payments received for sponsorship of events occurring in the next fiscal year. The Organization records revenue for the events when the event occurs.

***Contributions and Promises to Give***

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction 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.

All promises to give are expected to be collected within one year. The Organization uses the allowance method to determine uncollectible unconditional promises to give and is based on prior years' experience and management's analysis of specific promises made. As of June 30, 2021, management's assessment was that all promises to give were deemed to be collectible.

***Contributed Services***

Donated professional services meeting the criteria for recognition as contributed services are reflected in the financial statements at estimated fair value. The Organization also receives contributed services in various capacities from volunteers to help accomplish its program objectives. The estimated value of these donated, nonprofessional services is not reflected in the financial statements as the services do not meet the criteria for recognition as contributed services.

**BLINDED VETERANS ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2021**

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**2. Summary of Significant Accounting Policies (continued)**

***Revenue Recognition***

Fundraising revenue consists primarily of contributions from direct mail activities and is recorded at a point in time when contributions are received.

Unconditional promises to give are recognized as revenue in the period the promise to give is received. Grant revenue for unconditional grants is recognized in the period the grant is received. Bequests are recorded as revenue at a point in time when the bequest is determined to be irrevocable and the amount to be received can be reasonably determined.

The Organization holds an annual conference and other events and collects registration fees, sponsorship fees, and other income associated with the events. Revenue is recorded at a point in time when the event occurs.

Life and associate member dues are recorded at the amount that reflects consideration the Organization expects to receive in exchange for the goods and services provided. Dues are invoiced on a fiscal year basis and member benefits are provided continuously over the course of the year. As a result, revenue is recognized on a straight-line basis over the one-year membership period as performance obligations are fulfilled.

***Disaggregation of Revenue***

The Organization recognizes revenue over time or at a point in time based on the performance obligation of each contract. Substantially all members are in the United States. Revenue for each source is typically collected within 90 days, although various economic factors may affect revenue and cash flows.

***Functional Expense Allocation***

The costs of providing various programs and other activities of the Organization have been summarized on a functional basis in the statement of activities. Expenses are allocated among the programs and supporting services based on the functions they directly benefit or upon management's estimates of the proportion of the expenses applicable to each function. Management and general expenses include those expenses that are not directly identifiable with any specific function but that provide for the overall support and management of the Organization.

***Income Taxes***

The Organization is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. As a result, the Organization is not subject to federal income taxes, except for taxes on unrelated business income. There was no unrelated business net income for the year ended June 30, 2021.

The Organization's income tax returns are subject to review and examination by federal and state taxing authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. Income tax returns for the years ended June 30, 2020, 2019 and 2018 remain open to examination by the taxing jurisdictions.

**BLINDED VETERANS ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2021**

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**2. Summary of Significant Accounting Policies (continued)**

***Subsequent Events***

Management has evaluated subsequent events through January 3, 2022, which is the date the financial statements were available to be issued.

**3. Financial Management Agreement**

The Organization has an agreement with SmithBucklin Corporation to oversee and handle its financial management. SmithBucklin Corporation provides financial management and accounting services. This agreement is automatically renewed on an annual basis, with the current agreement scheduled to expire on February 28, 2022. The total fees paid to SmithBucklin Corporation were \$125,186 for the year ended June 30, 2021.

**4. Availability and Liquidity**

The following reflects the Organization's financial assets at June 30, 2021, reduced by amounts not available for general use within one year of the statement of financial position date because of donor imposed restrictions.

Cash and cash equivalents	\$ 279,139
Promises to give	85,318
Accounts receivable, other	7,020
Investments	<u>10,133,641</u>
Total financial assets	<u>10,505,118</u>
Less amounts not available to be used within one year	
Board-designated restrictions:	
Investment fund	(8,923,468)
Life membership fund	(1,184,241)
Donor imposed restrictions:	
Operation peer support	<u>(136,615)</u>
Financial assets with restrictions	<u>(10,244,324)</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 260,794</u></u>

The Organization's investments consist of board-designated investments. The use of these assets is limited to the spending policy for which they were designated and may be available for general expenditure (see Note 11). Upon approval of the board, the Organization may utilize the investment funds in excess of the spending policy. Accordingly, these investments may become available for general expenditure.

**BLINDED VETERANS ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2021**

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**4. Availability and Liquidity (continued)**

As part of BVA’s liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Organization invests cash in excess of daily requirements in short-term investments. Although the Organization does not intend to spend from the investment fund other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its investment fund could be made available, if necessary, with the approval from the Board of Directors.

**5. Investments**

Investments consist of the following as of June 30, 2021:

	<u>Fair Value</u>	<u>Cost</u>
Cash and cash equivalents	\$ 1,447,103	\$ 1,447,103
Common stocks	1,829,482	1,086,645
Exchange traded funds	4,817,153	4,358,121
Mutual funds	2,021,189	1,868,203
Corporate bonds	18,714	20,482
	<u>\$10,133,641</u>	<u>\$ 8,780,554</u>

The Organization continually reviews its investment portfolios and evaluates whether declines in the fair value of securities should be considered other-than-temporary. Management considers in the evaluation the general market conditions, the issuer’s financial condition and near-term prospects, conditions in the issuer’s industry, the recommendation of investment advisors, the length of time and extent to which the market’s value has been less than cost, and the ability and intent of the Organization to hold investments in the long term.

**BLINDED VETERANS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2021**

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**6. Fair Value Measurements**

The Organization reports its fair value measurements using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The fair value hierarchy is as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities that the Organization has the ability to access.
- Level 2: Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for investments measured at fair value and their classification in the valuation hierarchy:

- Investments in *common stocks and exchange traded funds (ETFs)* are valued at the closing price reported in the active markets in which the common stocks and ETFs are traded. Such securities are classified within Level 1 of the valuation hierarchy.
- Investments in *mutual funds* are valued at net asset value, reported daily in the active exchanges, of shares held by the Organization at year-end. Such securities are classified within Level 1 of the valuation hierarchy.
- Investments in *fixed income securities* are valued using the latest bid prices and significant inputs including benchmark yields, broker-dealer quotes, issuer spreads, and measures of volatility provided by independent pricing services. Such securities are classified within Level 2 of the valuation hierarchy.

**BLINDED VETERANS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2021**

**6. Fair Value Measurements (continued)**

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported as of the end of the reporting period. For the year ended June 30, 2021, there were no significant transfers in or out of levels 1, 2 or 3.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$1,829,482	\$ -	\$ -	\$1,829,482
Exchange traded funds	4,817,153	-	-	4,817,153
Mutual funds	2,021,189	-	-	2,021,189
Corporate bonds	-	18,714	-	18,714
	<u>\$8,667,824</u>	<u>\$ 18,714</u>	<u>\$ -</u>	<u>\$8,686,538</u>

Cash and cash equivalents of \$1,447,103 as of June 30, 2021, which are included in investments in the statement of financial position have been excluded from the table of investments at fair value because they are not considered recurring fair value measures.

**7. Property and Equipment**

Property and equipment at June 30, 2021, is comprised of the following:

Furniture and equipment	\$ 227,891
Building	<u>2,040,911</u>
	2,268,802
Less: accumulated depreciation	<u>281,918</u>
Total property and equipment, net	<u>\$ 1,986,884</u>

Depreciation expense for the year ended June 30, 2021, was \$83,141.



**BLINDED VETERANS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2021**

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**8. Operating Leases**

There are various operating leases for office equipment with lease terms expiring at various times through August 2022. The equipment lease agreements are collateralized by the equipment. Rent expense of \$5,025 for these leases is included in management and general expenses on the statement of activities for the year ended June 30, 2021.

Future minimum lease payments under noncancelable operating leases for the year ended June 30, 2021, are approximately \$4,000 for the year ending June 30, 2022, and \$700 for the year ending June 30, 2023.

**9. Retirement Benefits**

The Organization participates in a tax deferred plan for the benefit of its employees under Section 403(b) of the Internal Revenue Code. The Organization provides a matching contribution equal to 25% of participating employee contributions with a maximum at 4% of annual salary. The retirement expense for the year ended June 30, 2021, was \$2,930.

**10. Allocation of Joint Costs**

The Organization conducts mail campaigns that include requests for contributions, as well as program components. The costs of conducting those campaigns included joint costs totaling \$250,766 in 2021, which are not specifically attributable to particular components of the activities. These joint costs were allocated with \$113,221 included with program services and with \$137,545 including with fundraising.

**11. Board Designated Net Assets**

The Board designated programs are as follows:

***Investment Fund***

Established for the purpose of investing specifically designated funds of the Organization. The Board determines the amount of the funds to be invested and has established a cash reserve requirement equal to, at a minimum, the current year's operating budget. At June 30, 2021, the investment fund balance was \$8,923,469.

***Life Membership Fund***

Life and associate membership dues paid to the Organization are placed in the Life Membership Fund. Net earnings are divided among the various regional groups in good standing. At June 30, 2021, apportionment of net earnings and life membership dues refunds to regional groups was \$51,982, and the life membership fund balance was \$1,210,172.

**BLINDED VETERANS ASSOCIATION**  
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**12. Net Assets**

The Organization's net assets without donor restrictions and net assets with donor restrictions are comprised of the following as of June 30, 2021:

With donor restrictions	
Purpose restricted	<u>\$ 136,615</u>
Without donor restrictions	
Designated by Board for investing	8,923,468
Designated by Board for life membership fund	<u>1,184,241</u>
Total designated by Board	10,107,709
Undesignated	<u>2,154,627</u>
Total without donor restrictions	<u>12,262,336</u>
Total net assets	<u>\$12,398,951</u>

Further, net assets with donor restrictions were designated as follows:

	Operation peer support	Direct program activities	Total
Balance at June 30, 2020	\$ 136,615	\$ 5,589	\$ 142,204
Contributions	9,976	-	9,976
Releases	<u>(9,976)</u>	<u>(5,589)</u>	<u>(15,565)</u>
Balance at June 30, 2021	<u>\$ 136,615</u>	<u>\$ -</u>	<u>\$ 136,615</u>

Releases from donor restrictions, as noted above, occurred as purpose restricted donations were expended specifically for the purposes of the operation peer support program and other direct program activities.

**13. Related Parties**

The Organization and various regional groups are related inasmuch as the Organization has the authority to issue, revoke, and amend their charters. The Organization collects and remits a portion of the annual dues collected from members and the entire portion of designated investment earnings from life dues to the regional groups.

At June 30, 2021, amounts payable to the various regional groups for designated investment earnings were \$51,982 and are included in accounts payable and accrued expenses on the accompanying statement of financial position.

**BLINDED VETERANS ASSOCIATION  
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**14. COVID-19 Financial Statement Impact**

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which may negatively impact changes in net assets and future operations. The Organization is closely monitoring its operations, liquidity, and net assets and is actively working to minimize the current and future impact of this unprecedented situation. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization's customers, members, employees, and vendors, all of which at present, cannot be determined.