

**NEW EYES FOR THE NEEDY, INC.**

FINANCIAL STATEMENTS

MARCH 31, 2023 AND 2022



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**NEW EYES FOR THE NEEDY, INC.**

MARCH 31, 2023 AND 2022

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
New Eyes for the Needy, Inc.  
Short Hills, New Jersey

### ***Opinion***

We have audited the accompanying financial statements of New Eyes for the Needy, Inc. (Organization), a nonprofit organization, which comprise the statements of financial position as of March 31, 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of New Eyes for the Needy, Inc. as of March 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 New Eyes for the Needy, Inc. 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.

### ***Other Matter***

The financial statements of New Eyes for the Needy, Inc. as of March 31, 2022, were audited by Sobel & Co. LLC whose shareholders and professional staff joined CliftonLarsonAllen LLP as of February 1, 2023, and has subsequently ceased operations. Sobel & Co. LLC's report dated June 30, 2022 expressed an unmodified opinion on those financial statements.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about New Eyes for the Needy, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 New Eyes for the Needy, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New Eyes for the Needy, Inc.'s ability to continue as a going concern for a reasonable period of time.

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



**CliftonLarsonAllen LLP**

Livingston, New Jersey  
August 15, 2023

**NEW EYES FOR THE NEEDY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

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	<b>March 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 208,113	\$ 692,225
Accounts receivable	27,320	5,221
Investments, at fair value	4,723,783	4,203,708
Jewelry inventory	7,393	4,739
Azimuth inventory	45,065	-
Property and equipment, net	96,027	160,715
Prepaid expenses and other	20,410	8,020
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 5,128,111</b>	<b>\$ 5,074,628</b>
	<hr/>	<hr/>
<b>LIABILITIES AND NET ASSETS</b>		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 81,033	\$ 65,138
	<hr/>	<hr/>
COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Without donor restrictions:		
Operations	1,133,231	802,451
Board-designated endowment	3,721,743	4,007,668
Total without donor restrictions	<hr/>	<hr/>
	4,854,974	4,810,119
With donor restrictions:		
Restricted for purpose or time	18,515	25,782
Endowment	173,589	173,589
Total with donor restrictions	<hr/>	<hr/>
	192,104	199,371
Total Net Assets	<hr/>	<hr/>
	5,047,078	5,009,490
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,128,111</b>	<b>\$ 5,074,628</b>
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*The accompanying notes are an integral part of these financial statements.*

**NEW EYES FOR THE NEEDY, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

	Year Ended March 31, 2023			Year Ended March 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>CONTRIBUTIONS, REVENUE AND OTHER SUPPORT:</b>						
Sales of donated jewelry, metals, hearing aids, frames	\$ 72,544	\$ -	\$ 72,544	\$ 43,108	\$ -	\$ 43,108
Individual and corporate donations	524,352	-	524,352	752,705	-	752,705
Grants	10,000	29,982	39,982	10,000	44,000	54,000
Government contributions	-	-	-	34,437	-	34,437
Investment income, net of fees	59,629	4,086	63,715	167,368	4,811	172,179
Net realized and unrealized losses on investments	(329,577)	(14,062)	(343,639)	(89,782)	(14,193)	(103,975)
Azimuth sales	24,152	-	24,152	-	-	-
Donated goods and services	844	-	844	1,285	-	1,285
Realized gain on sale of building	957,015	-	957,015	-	-	-
Other income	11,750	-	11,750	10,766	-	10,766
	1,330,709	20,006	1,350,715	929,887	34,618	964,505
Net assets released from restrictions	27,273	(27,273)	-	43,108	(43,108)	-
Total Contributions, Revenue and Other Support	1,357,982	(7,267)	1,350,715	972,995	(8,490)	964,505
<b>EXPENSES:</b>						
Program services	1,018,124	-	1,018,124	648,698	-	648,698
Management and general	134,386	-	134,386	132,632	-	132,632
Fundraising	160,617	-	160,617	80,497	-	80,497
Total Expenses	1,313,127	-	1,313,127	861,827	-	861,827
CHANGES IN NET ASSETS	44,855	(7,267)	37,588	111,168	(8,490)	102,678
NET ASSETS - Beginning of year	4,810,119	199,371	5,009,490	4,698,951	207,861	4,906,812
NET ASSETS - End of year	\$ 4,854,974	\$ 192,104	\$ 5,047,078	\$ 4,810,119	\$ 199,371	\$ 5,009,490

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

**NEW EYES FOR THE NEEDY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MARCH 31, 2023**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Program and Support Services</b>
Salaries	\$ 340,674	\$ 65,009	\$ 96,515	\$ 502,198
Payroll taxes and related benefits	33,572	6,396	7,555	47,523
Total salaries, payroll taxes and related benefits	374,246	71,405	104,070	549,721
Purchase of eyeglasses	364,689	-	-	364,689
Store expenses	4,675	-	435	5,110
Volunteer support	440	74	121	635
Professional services	92,077	45,316	21,999	159,392
Building repairs and maintenance	4,715	1,028	766	6,509
Depreciation	23,834	4,131	3,813	31,778
Information technology - consulting and website	16,023	1,907	433	18,363
Information technology - donor management software	-	-	1,981	1,981
Insurance	4,300	4,336	296	8,932
Miscellaneous, travel and other expenses	4,300	1,111	2,987	8,398
Office expenses - telephone, mail supplies	2,868	567	788	4,223
Postage and shipping	4,951	1,902	1,776	8,629
Printing and publications	61,818	-	18,786	80,604
Utilities expenses	14,788	2,503	2,366	19,657
Voucher program expenses	14,096	-	-	14,096
Azimuth operating expenses	30,304	106	-	30,410
Total Functional Expenses	\$ 1,018,124	\$ 134,386	\$ 160,617	\$ 1,313,127

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

**NEW EYES FOR THE NEEDY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MARCH 31, 2022**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Program and Support Services</b>
Salaries	\$ 268,915	\$ 51,298	\$ 30,994	\$ 351,207
Payroll taxes and related benefits	28,407	3,783	3,056	35,246
Total salaries, payroll taxes and related benefits	297,322	55,081	34,050	386,453
Purchase of eyeglasses	259,794	-	-	259,794
Store expenses	196	6	668	870
Professional services	36,596	60,509	16,603	113,708
Building repairs and maintenance	7,259	1,969	1,443	10,671
Depreciation	20,904	3,823	3,345	28,072
Information technology - consulting and website	4,188	1,951	134	6,273
Information technology - donor management software	-	-	2,129	2,129
Insurance	3,387	3,973	66	7,426
Miscellaneous, travel and other expenses	2,675	916	8,047	11,638
Office expenses - telephone, mail supplies	4,171	1,337	454	5,962
Postage and shipping	-	2,299	2,113	4,412
Printing and publications	407	-	10,913	11,320
Utilities expenses	3,361	768	532	4,661
Voucher program expenses	8,438	-	-	8,438
Total Functional Expenses	\$ 648,698	\$ 132,632	\$ 80,497	\$ 861,827

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



**NEW EYES FOR THE NEEDY, INC.**  
**STATEMENTS OF CASH FLOWS**

	<b>Year Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS (USED FOR) PROVIDED BY :</b>		
<b>OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ 37,588	\$ 102,678
Adjustments to reconcile changes in net assets to net cash (used for) provided by operating activities:		
Depreciation	31,778	28,072
Net realized and unrealized losses on investments	343,639	103,975
Realized gain on sale of building	(957,015)	-
Changes in certain assets and liabilities:		
Accounts receivable	(22,099)	9,036
Jewelry inventory	(2,654)	(134)
Azimuth inventory	(45,065)	-
Prepaid expenses	(12,390)	(959)
Accounts payable and accrued expenses	15,895	38,871
Refundable advance	-	(34,437)
Net Cash (Used for) Provided by Operating Activities	<u>(610,323)</u>	<u>247,102</u>
<b>INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(25,075)	(41,592)
Proceeds from sale of building	1,015,000	-
Proceeds from sale of investments	3,271,174	265,420
Purchase of investments	(4,134,888)	(187,599)
Net Cash Provided By Investing Activities	<u>126,211</u>	<u>36,229</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(484,112)</b>	<b>283,331</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of year	<u>692,225</u>	<u>408,894</u>
End of year	<u><u>\$ 208,113</u></u>	<u><u>\$ 692,225</u></u>

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

**NEW EYES FOR THE NEEDY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

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**NOTE 1 - NATURE OF ACTIVITIES:**

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New Eyes for the Needy, Inc. (Organization) is a 501(c)(3) nonprofit organization founded in 1932 to improve the vision of the poor. The Organization purchases new prescription eyeglasses through an e-voucher program for children and adults in the United States deemed to have significant financial needs.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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***Basis of Accounting:***

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

***Financial Statement Presentation:***

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. Also, other net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

***Cash and Cash Equivalents:***

Cash consists of funds maintained in bank accounts. Cash equivalents include short-term, highly liquid money market investments.

***Accounts Receivable:***

Accounts receivable is stated at the amount management expects to collect from outstanding donors. The Organization utilizes the reserve method of accounting for doubtful accounts. The reserves are based on historical experience and management's evaluation of outstanding accounts receivable at the end of the year. At March 31, 2023 and 2022, an allowance was not deemed necessary.

***Investments:***

Interest and dividend income is reflected as investment income on the accompanying statements of activities and changes in net assets net of investment advisory/management fees. All investment income is credited directly to net assets without donor restrictions unless otherwise restricted by the donor. All realized and unrealized gains/losses earned on investments are reported as a change in net assets without donor restrictions unless otherwise restricted by the donor. All investments are carried at fair value with the related gains and losses included in the statements of activities and changes in net assets.

**NEW EYES FOR THE NEEDY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

**Fair Value:**

Fair value measurements are defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There are three defined hierarchical levels based on the quality of inputs used that directly relate to the amount of subjectivity associated with the determination of fair value.

The fair value hierarchy defines the three levels as follows:

- Level 1:** Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2:** Valuations based on observable inputs other than Level 1 prices, such as: quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
- Level 3:** Valuations based on unobservable inputs are used when little or no market is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

The fair value of investments are as follows:

- Equity funds* – valued at the net asset value of shares held by the Organization at year-end.
- Fixed income funds* – valued at the closing price reported in the active market in which the fund is traded at year-end.

**Inventories:**

Inventories, which consist primarily of frames and glasses cases, are valued and recorded at cost at year-end.

**Property and Equipment:**

Property and equipment purchases greater than \$1,500 that extend the useful lives of the assets are capitalized and recognized in the statements of financial position at cost.

Depreciation is recorded over the estimated useful lives of such assets as follows:

	<b>Method</b>	<b>Estimated Useful Life</b>
Building	Straight-line	30 years
Improvements	Straight-line	7-25 years
Furniture and fixtures	Straight-line	3-25 years
Software	Straight-line	5 years

When assets are retired, or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. Maintenance, repairs and minor replacements that do not improve or extend the life of an asset are expensed as incurred.

**NEW EYES FOR THE NEEDY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

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***Revenue Recognition:***

During the year ended March 31, 2023, The Organization began selling eyeglasses to the public online under Azimuth Eyewear at market value, directing net proceeds to help fund the e-voucher program. The Organization also generates revenue from sales of donated items. Revenues are recognized when goods are transferred to the Organization's purchasers in an amount The Organization deems appropriate in the exchange of these goods. The performance obligation of the sales of eyeglasses and of donated items occurs when control of the goods is transferred to the purchaser at the time of sale. Revenues from the sales of donated items are recognized based on their fair market value. There are no significant financing components or variable considerations provided to purchasers.

***Grants and Contributions:***

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. When a donor 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 statements of activities and changes in net assets as net assets released from restrictions. Conditional contributions are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Revenue from government grants is considered a conditional contribution and is not recognized until the conditions related to this revenue are substantially met or explicitly waived.

***In-kind Contributions:***

Donated goods and services are reflected in the statements of activities and changes in net assets at their fair value at the date of donation and reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used. During the years ended March 31, 2023 and 2022, donated goods in the amount of \$844 and \$1,285, respectively, were received. These amounts are included in donated goods and services on the statements of activities and changes in net assets.

Amounts are recorded in the financial statements for voluntary donations of services when those services create or enhance nonfinancial assets or require specialized skills provided by individuals possessing those skills and which would typically be purchased if not provided by donation. During the years ending March 31, 2023 and 2022, no such in-kind donations were received.

***Income Taxes:***

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not liable for federal and state income taxes. The Organization follows standards that provide clarification on accounting for uncertainty in income taxes recognized in the Organization's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the recognition and measurement of a tax position taken, or expected to be taken, in a tax return, and also provides guidance on derecognition, classification, interest and penalties, disclosure and transition. The Organization's policy is to recognize interest and penalties on unrecognized tax benefits in income tax expense. No interest or penalties were recorded during the fiscal years ended 2023 and 2022. At March 31, 2023 and 2022, there are no significant income tax uncertainties.

**NEW EYES FOR THE NEEDY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

***Use of Estimates:***

In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 3 - INVESTMENTS:**

Investments are stated at fair value and consist of the following:

	<b>March 31, 2023</b>	
	<b>Cost</b>	<b>Fair Value</b>
Equity funds	\$ 2,469,651	\$ 2,533,452
Fixed income funds	1,652,860	2,190,331
	<u>\$ 4,122,511</u>	<u>\$ 4,723,783</u>

	<b>March 31, 2022</b>	
	<b>Cost</b>	<b>Fair Value</b>
Equity funds	\$ 1,906,330	\$ 2,856,629
Fixed income funds	1,359,321	1,347,079
	<u>\$ 3,265,651</u>	<u>\$ 4,203,708</u>

Investment income, net of investment fees, is summarized as follows:

	<b>Year Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Interest and dividend income	\$ 78,493	\$ 187,599
Investment fees	(14,778)	(15,420)
	<u>\$ 63,715</u>	<u>\$ 172,179</u>

**NEW EYES FOR THE NEEDY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

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**NOTE 3 - INVESTMENTS: (Continued)**

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The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value at March 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Equity Funds:</b>				
Vanguard Total Stock Market Index Fund	\$ 317,867	\$ -	\$ -	\$ 317,867
Artisan Global Value Fund	375,684	-	-	375,684
Artisan International Value Fund	214,080	-	-	214,080
Brown Advisory Sustainable Growth Fund	160,677	-	-	160,677
Brown Advisory Global Leaders Fund	337,927	-	-	337,927
Brown Advisory Beutel Goodman Large-Cap Value Fund	263,900	-	-	263,900
Brown Advisory Emerging Markets Select Fund	120,166	-	-	120,166
Brown Advisory Small-Cap Fundamental Value Fund	170,111	-	-	170,111
Brown Advisory Small-Cap Growth Fund	174,856	-	-	174,856
DFA Real Estate Securities Portfolio	71,979	-	-	71,979
Lazard Global Listed Infrastructure Portfolio	148,812	-	-	148,812
Vanguard Dividend Growth Fund	177,393	-	-	177,393
	<u>2,533,452</u>	-	-	<u>2,533,452</u>
<b>Fixed-income Funds:</b>				
Vanguard Intermediate-Term Investment Grade Fund	131,336	-	-	131,336
Vanguard Long-Term Investment Grade Fund	15,272	-	-	15,272
Vanguard Short-Term Investment Grade Fund	29,479	-	-	29,479
Vanguard Core Bond Fund	453,112	-	-	453,112
Fidelity Treasury Money Market Fund	394,481	-	-	394,481
United States Treasury Bills Zero Coupon	1,166,651	-	-	1,166,651
	<u>2,190,331</u>	-	-	<u>2,190,331</u>
	<u>\$ 4,723,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,723,783</u>

**NEW EYES FOR THE NEEDY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

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**NOTE 3 - INVESTMENTS: (Continued)**

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The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value at March 31, 2022:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Equity Funds:</b>				
Vanguard Strategic Equity Fund	\$ 184,788	\$ -	\$ -	\$ 184,788
Vanguard Total Stock Market Index Fund	905,458	-	-	905,458
Vanguard US Growth Fund	297,568	-	-	297,568
Vanguard Windsor II Fund	368,195	-	-	368,195
Vanguard Total International Stock Index Fund	1,100,620	-	-	1,100,620
	<u>2,856,629</u>	-	-	<u>2,856,629</u>
<b>Fixed-income Funds:</b>				
Vanguard Intermediate-Term Investment Grade Fund	137,204	-	-	137,204
Vanguard Long-Term Investment Grade Fund	111,011	-	-	111,011
Vanguard Short-Term Investment Grade Fund	212,574	-	-	212,574
Vanguard Total International Bond Index Fund	407,784	-	-	407,784
Vanguard Core Bond Fund	478,506	-	-	478,506
	<u>1,347,079</u>	-	-	<u>1,347,079</u>
	<u>\$ 4,203,708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,203,708</u>

**NEW EYES FOR THE NEEDY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

**NOTE 4 - PROPERTY AND EQUIPMENT:**

Property and equipment consists of the following:

	<b>March 31,</b>	
	<b>2023</b>	<b>2022</b>
Land and building	\$ -	\$ 65,000
Building improvements	-	254,893
Furniture and fixtures	3,965	32,834
Software	176,690	176,690
Azimuth Website	25,075	-
	<u>205,730</u>	<u>529,417</u>
Less: Accumulated depreciation	(109,703)	(368,702)
Property and Equipment, Net	<u>\$ 96,027</u>	<u>\$ 160,715</u>

In September 2022, the Organization sold their building and recognized a realized gain of approximately \$957,000, which is reflected on the statement of activities and changes in net assets.

**NOTE 5 - UNREDEEMED EYEGLASS VOUCHER LIABILITY:**

The Organization issues vouchers with an average value of \$24 for the benefit of the individuals who are deemed by the Organization to be financially needy, for the purchase of prescription eyeglasses. The needy individuals work with social service agencies who apply for the vouchers on behalf of their customers. If approved, the individuals are given a voucher to order eyeglasses online. The vouchers are exercisable up to three months from the date of the issuance to the applicant. At March 31, 2023 and 2022, the total value of the vouchers issued, but not yet exercised, is \$58,832 and \$8,337, respectively, and is recorded in accounts payable and accrued expenses on the statements of financial position. For the years ended March 31, 2023 and 2022, the total value of vouchers purchased is \$364,689 and \$259,794, respectively, and is recorded in the statements of functional expenses.

**NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS:**

Net assets with donor restrictions is comprised of the following:

	<b>March 31,</b>	
	<b>2023</b>	<b>2022</b>
Purchase of eyeglasses – New Jersey	\$ 6,040	\$ 3,331
Endowment investment income	12,475	22,451
Endowment corpus	173,589	173,589
Total Net Assets with Donor Restrictions	<u>\$ 192,104</u>	<u>\$ 199,371</u>



**NEW EYES FOR THE NEEDY, INC.**  
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**NOTE 7 - ENDOWMENT FUNDS:**

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***Donor-restricted Endowment:***

The Organization's endowment consists of various bequests and donations, which are invested in fixed income funds. Net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

The board of trustees' interpretation requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this, the Organization classified as net assets restricted in perpetuity, the original value of the gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions.

The Organization considers the following factors in making a determination to appropriate or accumulate any new donor-restricted endowment funds:

- (1) The duration and preservation of the program
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

***Board-designated Endowment:***

The board of trustees has designated the Organization's unrestricted investment account as an endowment fund. It is the intent of the board of trustees to maintain the endowment and utilize the total return (income plus capital change) to further the mission of the Organization. In recognition of the prudence required of fiduciaries, reasonable diversification of quality investment securities will be sought where possible, knowing that fluctuating rates of return are a characteristic of the investment market and performance cycles cannot be accurately predicted. The fund may be held in equity or fixed income funds, and will be further diversified into asset classes.

**NEW EYES FOR THE NEEDY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 7 - ENDOWMENT FUNDS: (Continued)**

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As of March 31, 2023 and 2022, the Organization had the following endowment net asset composition by type of fund:

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
Board-designated endowment funds	\$ 3,721,743	\$ -	\$ 3,721,743
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amount required to be maintained in perpetuity by donor	-	173,589	173,589
Accumulated investment gains	-	12,475	12,475
March 31, 2023, net endowment assets	<u>\$ 3,721,743</u>	<u>\$ 186,064</u>	<u>\$ 3,907,807</u>

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
Board-designated endowment funds	\$ 4,007,668	\$ -	\$ 4,007,668
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amount required to be maintained in perpetuity by donor	-	173,589	173,589
Accumulated investment gains	-	22,451	22,451
March 31, 2022, net endowment assets	<u>\$ 4,007,668</u>	<u>\$ 196,040</u>	<u>\$ 4,203,708</u>

***Funds with Deficiencies:***

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act to permit spending from underwater endowments in accordance with prudent measures required under law.

At March 31, 2023 and 2022, there were no funds with deficiencies.

***Spending Policy:***

For the years ended March 31, 2023 and 2022, the Organization may transfer up to 5% of the endowment investment portfolio value each year to its most liquid accounts, as approved by the board of trustees. Transfers may be paid and performance will be measured on the basis of average endowment values for each year for the previous five years. The base on which these transfers are calculated will add the most recent year-end valuation and delete the earliest year-end valuation so that the five-year rolling average is maintained. The Organization made no transfers during the year ended March 31, 2023 and transferred \$250,000 to its most liquid accounts during the year ended March 31, 2022.

**NEW EYES FOR THE NEEDY, INC.**  
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**NOTE 7 - ENDOWMENT FUNDS: (Continued)**

Changes in endowment net assets for the years ended March 31, 2023 and 2022, are as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, March 31, 2022	\$ 4,007,668	\$ 196,040	\$ 4,203,708
Realized and unrealized gains (losses) and investment income, net of fees	(285,925)	(9,976)	(295,901)
Appropriation for expenditure	-	-	-
Endowment net assets, March 31, 2023	<u>\$ 3,721,743</u>	<u>\$ 186,064</u>	<u>\$ 3,907,807</u>

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, March 31, 2021	\$ 4,180,082	\$ 205,422	\$ 4,385,504
Realized and unrealized gains (losses) and investment income, net of fees	77,586	(9,382)	68,204
Appropriation for expenditure	(250,000)	-	(250,000)
Endowment net assets, March 31, 2022	<u>\$ 4,007,668</u>	<u>\$ 196,040</u>	<u>\$ 4,203,708</u>

**NOTE 8 - FUNCTIONAL EXPENSES:**

The financial statements contain certain categories of expense that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of square footage percentage allocations. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

The expenses that are allocated include salaries, payroll taxes and workers compensation which are based on time studies, and building repairs and maintenance, depreciation, and utilities which are based on square footage. All other categories are based on direct costs.

**NEW EYES FOR THE NEEDY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 9 - SIGNIFICANT RISKS AND UNCERTAINTIES:**

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Financial instruments that expose the Organization to concentrations of credit risk consist primarily of cash and cash equivalents, and investments. The Organization maintains cash balances at one financial institution. Balances may exceed the insured limit. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of financial position.

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**NOTE 10 - CONCENTRATIONS:**

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The Organization's optical supplier represented approximately 28% and 31% of the Organization's total expenses for the years ended March 31, 2023 and 2022, respectively.

During the year ended March 31, 2022, the Organization received approximately 43% of its contributions, revenue and other support from two donors. There was no such concentration during the year ended March 31, 2023.

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**NOTE 11 - LIQUIDITY AND AVAILABILITY:**

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The following represents the Organization's financial assets reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts available include donor-restricted amounts that are available for general expenditure in the following year. Amounts not available include amounts set aside by the board of trustees that could be drawn upon if the Board approves that action.

	<b>March 31,</b>	
	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 208,113	\$ 692,225
Accounts receivable	27,320	5,221
Investments, at fair value	4,723,783	4,203,708
	<u>4,959,216</u>	<u>4,901,154</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(192,104)	(199,371)
Board-designated net assets	<u>(3,721,743)</u>	<u>(4,007,668)</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 1,045,369</u>	<u>\$ 694,115</u>

**NEW EYES FOR THE NEEDY, INC.**  
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**NOTE 11 - LIQUIDITY AND AVAILABILITY: (Continued)**

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The Organization's goal is generally to maintain the most liquid financial assets to meet operating expenses. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of its liquidity plan, excess cash is invested in short-term investments, such as money market accounts. In addition, the Organization has liquid Board-designated endowment funds of \$3,721,743 as of March 31, 2023. Liquid Board-designated endowment funds could be made available through Board resolution if necessary.

**NOTE 12 - SUBSEQUENT EVENTS:**

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The Organization has evaluated events subsequent to the statement of financial position date as of March 31, 2023 through August 15, 2023, the date that the financial statements were available to be issued.