BRAILLE INSTITUTE OF AMERICA
(A California Nonprofit Corporation)

Consolidated Financial Statements
and Report of Independent Certified Public Accountant.
For the years ended June 30, 2022 and June 30, 2021.

Contents

GrantThornton

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Braille Institute of America, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Braille Institute of America, Inc. (the “Institute”), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Braille Institute of America, Inc. as of June 30, 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.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Institute 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 US 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 consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 the Institute'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute'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 2021 summarized comparative information
We have previously audited the Institute's 2021 consolidated financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated September 9, 2021. In our opinion, the accompanying summarized comparative information as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Grant Thornton LLP

Los Angeles, California
September 14, 2022

Braille Institute of America, Inc.
(A California Nonprofit Corporation)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2022
(With Summarized Comparative Financial Information as of June 30, 2021)
(In Thousands)

	2022	2021
ASSETS		
Cash and cash equivalents (Note 2)	$ 1,378	$ 1,479
Marketable investment securities (Note 3)	218,707	250,147
Investments in gift annuity contracts (Note 3)	3,286	3,977
Contributions receivable, net (Note 5)	51	454
Accounts receivable	27	14
BIA-ROU lease assets (Note 14)	1,870	-
Prepaid expenses and inventories	197	92
Long-term other investments (Note 6)	166	166
Beneficial interest in trusts	2,098	2,394
Other assets	417	417
Land, buildings and equipment, net (Note 7)	22,316	22,204
Property held for sale, net (Note 7)	-	741
Total assets	$ 250,513	$ 282,085
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 3,327	$ 2,703
Present value of lease liability (Note 14)	1,870	-
Gift annuity liabilities and benefit payments	2,333	2,797
Total liabilities	7,530	5,500
Net assets		
Net assets without donor restrictions	201,264	230,195
Net assets with donor restrictions		
Temporarily restricted	12,263	16,705
Permanently restricted	29,456	29,685
Total net assets	242,983	276,585
Total liabilities and net assets	$ 250,513	$ 282,085

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

Braille Institute of America, Inc.
(A California Nonprofit Corporation)

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022
(With Summarized Comparative Financial Information for the Year Ended June 30, 2021)
(In Thousands)

	2022				2021
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Operating:					
Revenues:					
Public support and other revenues					
Public support:					
Bequests	$ 9,315	$ 2,583	$ -	$ 11,898	$ 7,802
Trusts	567	21	-	588	509
Contributions	1,640	2,292	25	3,957	8,993
Total public support	11,522	4,896	25	16,443	17,304
Other revenues:					
Investment income	6,881	460	-	7,341	5,314
State library appropriation	608	748	-	1,356	748
Rent and miscellaneous	35	-	-	35	49
Total other revenues	7,524	1,208	-	8,732	6,111
Net assets released from restrictions:					
State library	140	(140)	-	-	-
Program and time restrictions	6,652	(6,652)	-	-	-
Total revenues	25,838	(688)	25	25,175	23,415
Expenses:					
Program services:					
Educational programs and services	10,277	-	-	10,277	9,825
Library services	2,332	-	-	2,332	2,207
National programs/publishing	1,219	-	-	1,219	905
Depreciation expense	1,047	-	-	1,047	1,125
Total program services	14,875	-	-	14,875	14,062
Supporting services:					
Administration	874	-	-	874	857
General operations	1,695	-	-	1,695	1,453
Development (fund-raising)	2,976	-	-	2,976	3,028
Marketing and communications	890	-	-	890	860
Depreciation expense	38	-	-	38	38
Total supporting services	6,473	-	-	6,473	6,236
Total expenses	21,348	-	-	21,348	20,298
Total change in net assets from operating activities	4,490	(688)	25	3,827	3,117
Nonoperating:					
Realized and unrealized investment gains (losses), net	(33,450)	(3,754)	(254)	(37,458)	58,686
Gain on sale of other assets	-	-	-	-	70
Change in value of beneficial interests in trusts and actuarial liability, net	29	-	-	29	(221)
Total change in net assets from nonoperating activities	(33,421)	(3,754)	(254)	(37,429)	58,535
TOTAL CHANGE IN NET ASSETS	(28,931)	(4,442)	(229)	(33,602)	61,652
Net assets at beginning of year	230,195	16,705	29,685	276,585	214,933
Net assets at end of year	$ 201,264	$ 12,263	$ 29,456	$ 242,983	$ 276,585

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

Braille Institute of America, Inc.
(A California Nonprofit Corporation)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2022
(With Summarized Comparative Financial Information for the Year Ended June 30, 2021)
(In Thousands)

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ (33,602)	$ 61,652
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,085	1,163
Investments acquired through stock donations	(19)	(5,006)
Increase/(decrease) in beneficial interest	297	(433)
Actuarial adjustment for gift annuities	(29)	221
Unrealized loss/(gain) on investments	49,662	(49,685)
Realized gain on investments/real property	(12,502)	(8,570)
Gain on sale of other assets	-	(70)
Permanently restricted contributions within net assets with donor restrictions	(25)	(59)
Changes in operating assets and liabilities:		
Increase (decrease) in accounts receivable, prepaid expense and inventories	(118)	38
Decrease in contributions receivable	403	435
Increase in accounts payable and accrued expenses	625	218
Net cash provided by (used in) operating activities	5,777	(96)
Cash flows from investing activities:		
Capital improvements and purchases of equipment	(1,203)	(525)
Purchases of investments	(15,001)	(14,396)
Proceeds from sale of investments/real property	10,736	14,671
Net cash (used in) investing activities	(5,468)	(250)
Cash flows from financing activities:		
Payments of gift annuity contracts	(435)	(491)
Payments of contributions with donor restrictions	25	59
Net cash (used in) financing activities	(410)	(432)
Net (decrease) in cash and cash equivalents	(101)	(778)
Cash and cash equivalents at beginning of year	1,479	2,257
Cash and cash equivalents at end of year	$ 1,378	$ 1,479
Supplemental cash flow information:		
Non-cash gifts - securities received	$ 19	$ 5,006

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

NOTE 1 - INSTITUTE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Institute

Braille Institute of America, Inc. (the “Institute”) is a private, nonprofit institute offering its programs and services at no charge to legally blind men, women and children of all ages. Its educational training, programs and services are directed toward one primary objective - helping those who have lost or never had the gift of sight to lead full, productive lives.

The Institute receives financial support through individual contributions, bequests and foundation grants. Community groups also assist significantly through sponsorship of many events and activities.

Basis of Reporting

The consolidated financial statements include the Institute and Braille Institute of America, Inc. Charitable Gift Annuity Fund (the “Fund”) and beneficial interests in charitable trusts.

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“US GAAP”).

Net Assets

The Institute reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions

Net assets that are not subject to donor-imposed stipulations. The only limits on net assets without donor restrictions are the broad limits resulting from the nature of the Institute and the purposes specified in its articles of incorporation or bylaws and, perhaps, limits resulting from contractual agreements. Net assets without donor restrictions include Board-designated funds and realized and unrealized investment gains and losses.

Net Assets with Donor Restrictions

Net assets with donor restrictions include net assets that are subject to donor restrictions, which the Institute has defined into two categories:

Temporarily Restricted Net Assets

These are net assets resulting from contributions and other inflows of assets whose use by the Institute is limited by donor-imposed stipulations that expire by passage of time or can be fulfilled and removed by actions of the Institute pursuant to those stipulations. All temporarily restricted net assets are available for general time restrictions related to program activities.

Permanently Restricted Net Assets

These are net assets resulting from contributions and other inflows of assets whose use by the Institute is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Institute. All permanently restricted net assets are available for endowment.

Non-Operating

Non-operating revenues and expenses include all realized and unrealized gains and losses on investments and real property, and change in value of beneficial interest in trusts. All other activity is classified as operating revenue and expense.

Donated Services

Many individuals have donated time and services to advance the Institute's programs and objectives. In some instances, the value of these services has not been recorded in the consolidated financial statements because they do not meet the requirements for recognition under US GAAP. While the value of donated labor is not reflected in the accompanying consolidated financial statements, the financial results of fund-raising and other activities are included.

Cash and Cash Equivalents

Short-term investments with an original maturity of three months or less at the time of purchase are cash equivalents. Short-term investments with an original maturity greater than three months are included in investments. Cash and cash equivalents are reported at cost, which approximates fair value. The Institute maintains cash in various financial institutions that periodically, and as of year end, exceeds federally insured limits of $250. Management does not consider this concentration to be a significant credit risk. Certain items that meet the definition of cash equivalents but are part of a larger pool of investments are included in marketable investment securities.

Marketable Investment Securities

Marketable investment securities include bond and equity mutual funds, money market funds, and real estate funds, which are valued at fair value. Interest and dividends are accrued as earned or declared. Investments that are valued at net asset value (“NAV”) do not have any future commitments, redemption or lock up periods.

Investments in Gift Annuity Contracts

Investments in gift annuity contracts are valued at fair value. Purchases and sales of investments are recorded at trade dates. Realized gains and losses on investments are recorded based on net proceeds of individual investments less cost. Marketable investment securities including equity securities, money market funds and fixed income funds, are valued at fair value. Interest and dividends are accrued as earned or declared.

Inventories

Inventories consist of store merchandise and press department materials. Inventories are valued at the lower of cost or market on a first-in, first-out (“FIFO”) basis.

Long-Term Other Investments

Long-term other investments are carried at the lower of cost or market value, except for oil and gas lease rights, which are carried at nominal values due to uncertainties inherent in any valuation of future royalty revenues.

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, *Not-for-Profit Entities:* Scope - *Investments*, the Institute records all in-kind donations at their fair value at the time of donation and the Institute continues to report in-kind donations at their carrying value or cost, including oil and gas interests.

Impairment of Long-Lived Assets

Management reviews each asset or asset group for impairment whenever events or circumstances indicate that the carrying value of an asset or asset group may not be recoverable. The review of recoverability is based on management's estimate of the undiscounted future cash flows that are expected to result from the asset's use and eventual disposition. These cash flows consider factors such as expected future operating income, trends and prospects, as well as the effects of competition and other factors. If an impairment event exists due to the projected inability to recover the carrying value of an asset or asset group, an impairment loss is recognized to the extent that the carrying value exceeds estimated fair value. No impairment was recorded by the Institute during the year ended June 30, 2022.

Beneficial Interest in Trusts

The Institute is also a beneficiary of irrevocable split-interest agreements, consisting primarily of charitable remainder trusts and charitable lead trusts administered by other trustees. A receivable is recorded at the estimated fair value of the amount held by the trustee that is due to the Institute. The Institute uses an interest rate commensurate with the risks involved to discount the contribution receivable. The amortization of this discount and changes in assumptions are reflected in the consolidated statement of activities as a change in value of beneficial interest.

Land, Buildings and Equipment

Additions to land, buildings and equipment are recorded at cost. Donated assets are recorded at fair value at the time of donation. Fixed assets are stated at cost less accumulated depreciation.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets: forty years for the building, twenty years for improvements, generally three to ten years for furniture, equipment, and vehicles. The Institute's policy is to capitalize all asset improvements in excess of $5 that extend the useful life or increase the utility of the property.

Taxes

The Institute follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The Institute was organized pursuant to the General Nonprofit Corporation Law of the State of California. The Institute is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the “Code”) (though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code). The Institute has also been recognized by the California Franchise Tax Board as an organization that is exempt from California franchise and income taxes under Section 23701d of the California Revenue and Taxation Code. The Institute has processes in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Institute presently has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

Summarized Information

The consolidated financial statements include certain prior-year summarized consolidated financial information in total, but not by net asset category. Such information does not include enough detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Institute’s consolidated financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Use of Estimates

The preparation of the consolidated financial statements in conformity with US GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses. While management believes that these estimates are adequate as of June 30, 2022, it is possible that actual results could differ from those estimates.

Functional Expense Reporting

The costs of providing program and supporting services have been summarized by functions and direct expenses incurred. Any expense not directly chargeable to a functional expense category is allocated based on appropriate allocation methods, such as percentage of time spent or percentage of space used.

Accounts Receivable Valuation

Accounts receivable are considered by management to be fully collectible.

Revenue and Expense Recognition

Contributions, including unconditional promises to give, are recognized as revenue in the period received and are reported as increases in the appropriate class of net assets. Contributions where donor restrictions are met within the same fiscal year as the contribution is received are included in net assets without donor restrictions. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate.

An allowance for uncollectible contributions is estimated based upon such factors as prior collection history, type of contribution and nature of fundraising activity. Expenses are recognized when incurred.

(In Thousands)

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The provisions of this ASU require accounting for operating leases in the statements of financial position. The provisions in this ASU are effective for fiscal years beginning after December 15, 2021. The Institute has early adopted ASU 2016-02 as of the year ended June 30, 2022. See Note 14 for impact of adoption.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a separate line-item for contributed nonfinancial assets on the statement of activities, apart from contributed cash and other financial assets. ASU 2020-07 should be applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021. The Institute reviewed the guidance in the current fiscal year and determined that there was no impact as a result of ASU 2020-07.

NOTE 2 - CASH AND CASH EQUIVALENTS

A summary of the composition of cash and cash equivalents follows:

	June 30,	
	2022	2021
Interest-bearing accounts	$ 469	$ 767
Non-interest-bearing accounts	903	706
Petty cash	6	6
Total	$ 1,378	$ 1,479

NOTE 3 - MARKETABLE INVESTMENT SECURITIES AND INVESTMENTS IN GIFT ANNUITY CONTRACTS

A summary of the composition of the Institute's marketable investment securities follows:

	June 30,	
	2022	2021
Fixed income mutual funds	$ 56,802	$ 57,107
Real estate mutual funds	13,479	16,940
Equity mutual funds	148,250	175,929
Money market funds	176	171
Total	$ 218,707	$ 250,147

(In Thousands)

A summary of the composition of investments in gift annuity contracts follows:

	June 30, 2022	June 30, 2021
Fixed income funds	$ 1,130	$ 1,642
Real estate funds	139	160
Equity mutual funds	1,672	2,039
Money market funds	345	136
Total	$ 3,286	$ 3,977

The Institute holds significant investments in the form of fixed-income and equity securities. Market risk is the risk of a decline in the fair value of the investment portfolio due to adverse financial market conditions. The Institute is exposed to market risk for the total amount of the investments.

NOTE 4 - FAIR VALUE OF INVESTMENTS

The Institute accounts for its investments at fair value. ASC 820, *Fair Value Measurements*, defines fair value, establishes a framework used to measure fair value, and expands disclosures about fair value measurements. This standard prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurement based on the transparency of information, such as the pricing source, used in the valuation of an asset or liability as of the measurement date.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - Quoted prices in active markets for identical investments as of the reporting date, without adjustment. The types of investments in Level 1 include listed equities held in the name of the Institute and exclude listed equities and other securities held indirectly through commingled funds.

Level 2 - Valuations based on inputs, including broker quotes, in markets that are not active or for which all significant inputs are either directly or indirectly observable for similar assets or liabilities as of the reporting date.

Level 3 - Valuations based on inputs that are both significant to the fair value measurement and unobservable, as they trade infrequently and, therefore, have little or no price transparency. These inputs into the determination of fair value require significant management judgment or estimation and typical investments of the category are privately held investments and partnership interests.

The determination of where an asset or liability falls in the hierarchy requires significant judgment. The Institute evaluates its hierarchy disclosures each reporting period and based on various factors, it is possible that an asset or liability may be classified differently from period to period. However, the Institute expects that changes in classifications between different levels will be rare.

The Institute's valuation methodologies used for mutual funds measured at fair value is based on NAV of shares held by the Institute at year end.

(In Thousands)

Mutual funds - Valued at the daily closing price as reported by the fund. The funds and accounts held by the Institute are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds and accounts are required to publish their daily NAV and to transact at that price. The funds and accounts held by the Institute are deemed to be actively traded. The money market funds are valued at the NAV of shares held by the Institute at year end. The funds attempt to stabilize the NAV of its shares at $1.00 by valuing the portfolio securities using the amortized cost method. The funds calculate a market-based NAV per share on a periodic basis. The funds do not guarantee that its NAV will always remain at $1.00 per share. Shares can be redeemed on a same day basis but only directly from the funds. Such transactions do not constitute an active market. Investments measured using a NAV per share, or its equivalent, are not classified in the fair value hierarchy above because they may or may not be redeemed at the NAV or because redemption at NAV is uncertain due to lock-up periods or other investment restrictions.

Separately managed accounts - Valued at the daily closing price as reported by the investment manager. To the extent that they are actively traded at a securities exchange, they are valued at quoted prices from the applicable exchange and are classified as Level 1. To the extent that valuation adjustments are applied to these securities, they are classified as Level 2.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Transfers in and out of levels are recognized as of the beginning of the reporting period. During the years ended June 30, 2022 and 2021, there were no transfers among Level 1, Level 2 or Level 3.

Furthermore, although the Institute 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 summarizes the valuation of the Institute's investments by the ASC 820 fair value hierarchy levels as of June 30, 2022:

	Level 1	Level 2	Level 3	NAV	Total
Asset class:					
Money Market Fund [(a)]	$ -	$ 521	$ -	$ -	$ 521
Equity - international [(b)]	58,568	-	-	129	58,697
Equity - small-mid cap domestic [(c)]	220	-	-	45	265
Equity - large cap domestic [(d)]	90,665	-	-	295	90,960
Equity - real estate [(e)]	13,593	-	-	24	13,617
Fixed income - US and Non-US [(f)]	57,651	150	-	132	57,933
	$ 220,697	$ 671	$ -	$ 625	$ 221,993

(In Thousands)

The following table summarizes the valuation of the Institute's investments by the ASC 820 fair value hierarchy levels as of June 30, 2021:

	Level 1	Level 2	Level 3	NAV	Total
Asset class:					
Money Market Fund [a]	$ -	$ 307	$ -	$ -	$ 307
Equity - international [b]	71,755	-	-	155	71,910
Equity - small-mid cap domestic [c]	278	-	-	56	334
Equity - large cap domestic [d]	105,413	-	-	311	105,724
Equity - real estate [e]	17,071	-	-	28	17,099
Fixed income - US and Non-US [f]	58,135	460	-	155	58,750
	$ 252,652	$ 767	$ -	$ 705	$ 254,124

[a] Money market funds - Money market funds seek to provide current income while maintaining liquidity and a stable per share price.

[b] Equity - international - Comprised of mutual funds investing in equity securities of non-U.S. companies. While generally limited in their use, the funds may invest in derivative securities.

[c] Equity - small-mid cap domestic - Comprised of mutual funds investing in common stocks of U.S. companies with market capitalizations similar to companies in the Russell 2500 Index.

[d] Equity - large cap domestic - Comprised primarily of common stocks and mutual funds of U.S. companies with market capitalizations similar to companies in the Russell 1000 Index.

[e] Equity - real estate - The Fund seeks to provide income and capital growth by investing primarily in publicly traded securities issued by real estate investment trusts.

[f] Fixed income - US and Non-US - Comprised of mutual funds investing in fixed income instruments of varying maturities issued primarily by U.S. public and private-sector entities and secondarily by non-U.S. entities. Fixed income instruments include investment grade bonds and high yield securities but may also be represented by derivatives including forwards, options, futures, swaps and asset-backed securities. Securities of varying maturities are permitted as well as those denominated in currencies other than the U.S. dollar.

(In Thousands)

The following table presents the category, fair value, redemption frequency, and redemption notice period for Fund investments, the fair values of which are estimated using the NAV per share as of June 30:

	2022 Fair Value	2021 Fair Value	Frequency (if currently eligible)	Redemption Notice Period
Equity - international (b)	$ 129	$ 155	Daily	Daily
Equity - small-mid cap domestic (c)	45	56	Daily	Daily
Equity - large cap domestic (d)	295	311	Daily	Daily
Equity - real estate (e)	24	28	Daily	Daily
Fixed income - US and Non-US (f)	132	155	Daily	Daily

NOTE 5 - CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are included in the consolidated financial statements as contributions receivable and revenue of the appropriate net asset category. Certain promises to give are recorded after discounting, at the prime rate of 3.25%, to the present value of the future cash flows. At June 30, 2022, unconditional promises are expected to be realized in the following period:

In one year or less	$ 53
Due between one and five years	-
Total	53
Less discount	(2)
Net receivable at June 30, 2022	$ 51

No allowance has been recorded as of June 30, 2022 as the Institute expect to collect all outstanding receivable.

NOTE 6 - LONG-TERM OTHER INVESTMENTS

Long-term other investments was comprised of the following at June 30, 2022 and 2021:

	June 30,	
	2022	2021
Oil and gas lease rights	$ 112	$ 112
Unimproved real estate	54	54
Total	$ 166	$ 166

(In Thousands)

NOTE 7 - LAND, BUILDINGS AND EQUIPMENT, NET

Land, buildings and equipment was comprised of the following at June 30, 2022 and 2021:

	June 30, 2022	June 30, 2021
Land	$ 6,229	$ 6,229
Buildings and improvements	42,967	42,600
Equipment	11,349	10,948
Total land, buildings and equipment	60,545	59,777
Less accumulated depreciation	(38,229)	(37,573)
Total land, buildings, and equipment, net	$ 22,316	$ 22,204

During the year ended June 30, 2022, the Institute sold Rancho Mirage property resulting in a gain on sale of $3,399.

NOTE 8 - TAX-SHELTERED SAVINGS PLAN

Effective April 1, 1990, the Institute adopted a tax-sheltered savings plan for its employees. Employees may defer up to $20.5 annually. The Institute will match 100% of the participant's deferral amount up to $2.4. Participants are 100% vested in their contributions, the Institute's matching contribution and the non-elective contribution. The Institute's year to date accrued contribution was $338 and $358 for the years ended June 30, 2022 and 2021, respectively.

NOTE 9 - CHARITABLE GIFT ANNUITY FUND

The Institute offers a charitable remainder annuities program for those who desire to donate. Institute annuities are written under authority granted to it by the Insurance Commissioner of the State of California. Annuity assets are held by a bank trustee with a reserve adequate to meet estimated future payments under its outstanding annuity contracts. Payments are made from these assets to the annuity beneficiary in accordance with the contract. The gift annuity liabilities are based on the present value of future payments. Due to the separate entity concept inherent in these types of gifts, the Institute produces separate financial statements for this fund. However, the Institute is required to reflect its beneficial interest in annuity contracts in its consolidated financial statements.

(In Thousands)

NOTE 10 - ENDOWMENT FUNDS

The Institute follows the FASB accounting guidance for endowments of not-for-profit organizations within ASC 205. This guidance provides for not-for-profit organizations on the net asset classifications of donor-restricted endowment funds subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). In addition, the guidance requires enhanced disclosures for all endowment funds.

The Board of Directors has interpreted UPMIFA as requiring the preservation 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 interpretation, the Institute classifies as permanently restricted net assets (within the net assets with donor restriction category): (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets (within the net assets with donor restriction category) until those amounts are appropriated for expenditure by the Institute in a manner consistent with the standards of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Institute considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Institute and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Institute
- The investment policies of the Institute

The following is the endowment net asset composition by type of fund as of June 30, 2022

	Without Donor Restrictions	With Donor Restrictions		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment funds	$ 8,151	$ 1,056	$ 29,456	$ 38,663
Total endowment funds	$ 8,151	$ 1,056	$ 29,456	$ 38,663

(In Thousands)

Changes in endowment net assets for the year ended June 30, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions		
	Unrestricted	Temporarily Restrictions	Permanently Restrictions	Total
Endowment net assets, beginning of year	$ 5,225	$ 5,205	$ 29,685	$ 40,115
Investment return:				
Interest and dividend income	-	272	-	272
Net realized and unrealized gain	-	1,774	(254)	1,520
Interest income and appreciation Larner	-	(2,105)	-	(2,105)
Endowment Fund interest income and appreciation Pool Fund	-	(217)	-	(217)
Interest income and appreciation Low Vision	-	(947)	-	(947)
Bequests and contributions				
Contributions Larner	-	-	25	25
Contributions Pool Fund	-	-	-	-
Contributions Low Vision	-	-	-	-
Endowment asset released from restriction	880	(880)	-	-
Net assets released from restriction	2,046	(2,046)	-	-
Endowment net assets, end of year	$ 8,151	$ 1,056	$ 29,456	$ 38,663

Endowment Funds with Deficits

The fair value of assets associated with individual endowment funds with donor restrictions may fall below the value of the initial and subsequent donor gift amounts, resulting in a deficit. Deficits in endowment funds with donor restrictions are classified as a reduction of net assets without donor restrictions. Subsequent gains that restore the fair value of the assets of the endowment funds to the required level are classified as an increase in net assets without donor restrictions. None of the endowment funds had deficits at June 30, 2022 and 2021.

NOTE 11 - NET ASSETS

At June 30, 2022, total temporarily restricted net assets (within net assets with donor restrictions) of $12,263 are available for programs and services such as adult education and counseling, low vision rehabilitation services, library services, community outreach, Braille publishing, and child development. For the year ended June 30, 2022, $6,652 was released from restriction by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors.

(In Thousands)

At June 30, 2022, permanently restricted net assets (within net assets with donor restrictions) of $29,456 are held in endowment and when investment income is earned on these funds, it is made available for programs and services as noted herein.

NOTE 12 - LIQUIDITY DISCLOSURE

The Institute maintains a policy of structuring its financial assets to be available as its operating expenses, liabilities, and other obligations come due. In addition, the Institute invests cash in excess of weekly requirements in short-term investments.

As of June 30, 2022 and 2021, the Institute had the following liquid financial assets available for the subsequent year:

	June 30, 2022	June 30, 2021
Cash and cash equivalents	$ 1,378	$ 1,479
Marketable investment securities	218,707	250,147
Investments in gift annuity contracts	3,286	3,977
Contributions receivable due in one year, net	51	442
Accounts receivable due in one year	27	14
Total financial assets available within one year	$ 223,449	$ 256,059
Less:		
Amounts unavailable for operating expenses within one year:		
Temporarily restricted by donors	$ (12,263)	$ (16,705)
Permanently restricted by donors	(29,456)	(29,685)
Investments in gift annuity contracts	(3,286)	(3,977)
Total financial assets available to management for operating expenses within one year	$ 178,444	$ 205,692

NOTE 13 - COMMITMENTS, CONTINGENCIES, AND OTHER RISKS

In the normal course of operations, the Institute is named as a defendant in lawsuits and is subject to periodic examinations by regulatory agencies. After consultation with legal counsel, management is of the opinion that liabilities, if any, arising from such litigation and examinations would not have a material effect on the Institute's consolidated financial position.

COVID-19

In March 2020, the Institute had to close its facilities due to government stay-in-place orders as a result of the COVID-19 pandemic. Despite this, the Institute was able to continuously deliver free programs and services to thousands of adults, children, and families. In April 2022, the Institute re-opened all of its seven center locations for one-on-one services by appointment only.

(In Thousands)

The Institute continues to manage the risk to operations posed by the global COVID-19 pandemic. As various stay-at-home orders have been lifted, employees have returned to work onsite although many now work on a hybrid basis, partly at home and partly onsite. In September 2022, the Institute will welcome back its students and volunteers as regular onsite classes will resume. The Institute will continue to provide free programs and services remotely, thus offering a hybrid delivery model allowing outreach to more visually impaired individuals.

NOTE 14 - LEASES

The Institute is the lessee of office space building under operating leases. The Institute determines whether a contract is a lease at inception. Identified leases are subsequently measured, classified, and recognized at lease commencement. The Institute categorizes leases with contractual terms longer than twelve months as either operating or finance. The Institute’s leases generally have terms that range from one to five years for property, with certain leases inclusive of renewal options if they are considered to be reasonably assured at lease commencement. Right-of-use assets and lease liabilities for operating leases are included in “BIA-ROU Lease Assets” and “Present Value of Lease Liability”, respectively, in the Consolidated Statement of Financial Position. Leased assets represent the Institute’s right to use an underlying asset for the lease term and lease liabilities represent the Institute’s obligation to make lease payments arising from the lease.

Operating right-of-use assets and associated lease liabilities are recognized based on the present value of future minimum lease payments to be made over the expected lease term, using the risk-free discount rate at the commencement date in determining the present value of future payments.

The following are the present value of lease payments as of:

Year Ending June 30,	
2023	$ 415
2024	426
2025	421
2026	409
2027	217
Thereafter	28
Total minimum lease payments	1,916
Less: amount representing interest	(46)
Present value of lease payments	$ 1,870

Weighted-average remaining lease term and discount rate for operating as of June 30, 2022, was:

Weighted-average remaining lease term	5 years
Weighted-average discount rate	1 %

(In Thousands)

NOTE 15 - FUNCTIONAL EXPENSES

The functional expenses for June 30, 2022 and 2021 are as follows:

	Library Services	Educational Programs and Services	National Programs/ Publishing	Marketing and Communications	Administration and General Operations	Development (Fund-Raising)	Total Current Operating Expenditures 2022	Total Current Operating Expenditures 2021
Salaries	$ 955	$ 6,398	$ 485	$ 395	$ 1,347	$ 1,523	$ 11,103	$ 10,564
Employment benefits	231	1,588	105	97	304	370	2,695	3,061
Community relations	5	17	-	230	-	5	257	189
Contract labor, recruitment and training	15	69	104	-	129	10	327	92
Direct mail/Consulting	-	-	-	-	-	855	855	784
Dues, subscriptions and meetings	4	55	18	5	37	93	212	130
Instructional programs, services and supplies	32	115	266	-	-	-	413	258
Materials and supplies	17	87	6	1	64	4	179	103
Maintenance - Facilities/Equipment/Software	618	695	75	37	153	66	1,644	1,726
Professional services	38	-	-	-	455	-	493	317
Publications	8	-	36	84	-	16	144	123
Travel and transportation	-	60	8	-	5	1	74	33
Utilities, taxes and insurance	409	1,193	116	41	75	33	1,867	1,755
Total before depreciation expenses	2,332	10,277	1,219	890	2,569	2,976	20,263	19,135
Depreciation expense	474	553	9	11	21	17	1,085	1,163
Total functional expenses	$ 2,806	$ 10,830	$ 1,228	$ 901	$ 2,590	$ 2,993	$ 21,348	$ 20,298

NOTE 16 - SUBSEQUENT EVENTS

The Institute evaluated its June 30, 2022 consolidated financial statements for subsequent events through September 14, 2022, the date the consolidated financial statements were available to be issued. The Institute is not aware of any subsequent events which would require recording or disclosure in the consolidated financial statements.