

**BUCKS COUNTY ASSOCIATION
FOR THE
BLIND AND VISUALLY IMPAIRED**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

YEAR ENDED June 30, 2022

(See Independent Auditors' Report)

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Independent Auditors' Report

Board of Directors
Bucks County Association for the Blind and Visually Impaired
Newtown, Pennsylvania

Opinion

We have audited the accompanying financial statements of the Bucks County Association for the Blind and Visually Impaired (a non-profit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bucks County Association for the Blind and Visually Impaired as of June 30, 2022, and the changes in 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 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 The Bucks County Association for the Blind and Visually Impaired and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 The Bucks County Association for the Blind and Visually Impaired'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 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 The Bucks County Association for the Blind and Visually Impaired'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 The Bucks County Association for the Blind and Visually Impaired's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited The Bucks County Association for the Blind and Visually Impaired's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 21, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of TSS and PSE Grant DHS Contract #4100090542, on page 23 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Bee, Bergvall and Company, P.C.
Certified Public Accountants

September 20, 2022
Warrington, PA

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Statements of Financial Position

June 30, 2022 and 2021

	<u>ASSETS</u>	
	<u>2022</u>	<u>2021</u>
Current Assets		
Cash and Cash Equivalents	\$ 281,707	\$ 275,246
Accounts Receivable	3,536	10,722
Contributions Receivable	-	1,510
Investments	4,945,385	5,497,876
Inventories	84,450	79,315
Prepaid Expenses	15,015	16,165
Total Current Assets	<u>5,330,093</u>	<u>5,880,834</u>
Property and Equipment, Net	<u>990,289</u>	<u>1,030,537</u>
Other Assets		
Restricted Investments	63,180	63,180
Beneficial Interest in Perpetual Trust	1,699,801	2,080,804
Total Other Assets	<u>1,762,981</u>	<u>2,143,984</u>
TOTAL ASSETS	<u>\$ 8,083,363</u>	<u>\$ 9,055,355</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accrued Expenses	\$ 1,880	\$ 4,297
Accrued Salaries	18,958	18,091
Accrued Vacation	23,896	25,327
Refundable Advance Liability-PPP	-	118,340
Total Current Liabilities	<u>44,734</u>	<u>166,055</u>
Net Assets		
Without Donor Restrictions		
Undesignated	1,671,840	1,461,166
Board Designated Endowment	4,603,807	5,278,470
Total Net Assets Without Donor Restrictions	<u>6,275,647</u>	<u>6,739,636</u>
With Donor Restrictions		
Perpetual in Nature	1,762,982	2,143,984
Purpose Restrictions	-	5,680
Total Net Assets With Donor Restrictions	<u>1,762,982</u>	<u>2,149,664</u>
Total Net Assets	<u>8,038,629</u>	<u>8,889,300</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,083,363</u>	<u>\$ 9,055,355</u>

The accompanying notes are an integral part of these financial statements

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Statements of Activities and Changes in Net Assets

For the Year Ended June 30, 2022

With Summarized Comparative Totals for the Year Ended June 30, 2021

	2022			2021
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
Public Support and Revenue				
Contributions	\$ 104,795	\$ -	\$ 104,795	\$ 72,709
Contributions of Nonfinancial Assets	445,938	-	445,938	421,282
Transportation Fees	5,525	-	5,525	2,582
Contract Fees	88,737	-	88,737	84,236
Grants	118,340	45,000	163,340	132,058
Vision and Hearing Screening Fees	12,121	-	12,121	2,618
Low Vision Center, Net	20,666	-	20,666	17,083
Investment Income, Net	116,866	-	116,866	88,855
Trust Investment Income	79,980	-	79,980	79,980
Bequests from Estates	-	-	-	1,152
Program Income	578	-	578	224
Miscellaneous Income	960	-	960	2,220
Net Realized/Unrealized Gain (Loss) on Investments	(623,495)	-	(623,495)	914,809
Change in Fair Value of Perpetual Trust	-	(381,003)	(381,003)	381,990
Net Assets Released from Restrictions	50,679	(50,679)	-	-
Total Public Support and Revenue	<u>421,690</u>	<u>(386,682)</u>	<u>35,008</u>	<u>2,201,798</u>
Functional Expenses				
Program Services				
Client Services	406,893	-	406,893	397,658
Transportation	93,731	-	93,731	88,256
Thrift Shop	216,581	-	216,581	230,131
Total Program Services	<u>717,205</u>	<u>-</u>	<u>717,205</u>	<u>716,045</u>
Support Services				
General and Administrative	146,754	-	146,754	130,962
Fundraising	21,720	-	21,720	18,731
Total Supporting Services	<u>168,474</u>	<u>-</u>	<u>168,474</u>	<u>149,693</u>
Total Expenses	<u>885,679</u>	<u>-</u>	<u>885,679</u>	<u>865,738</u>
Change in Net Assets	(463,989)	(386,682)	(850,671)	1,336,060
Net Assets at Beginning of Year	<u>6,739,636</u>	<u>2,149,664</u>	<u>8,889,300</u>	<u>7,553,240</u>
Net Assets at End of Year	<u>\$ 6,275,647</u>	<u>\$ 1,762,982</u>	<u>\$ 8,038,629</u>	<u>\$ 8,889,300</u>

The accompanying notes are an integral part of these financial statements

**BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED**

Statements of Functional Expenses

For the Year Ended June 30, 2022

With Summarized Comparative Totals for the Year Ended June 30, 2021

	Program Services				Support Services			2022	2021
	Client Services	Transportation Services	Thrift Shop	Total Program Expenses	General & Admin	Fund Raising	Total Support Services	Total Expenses	Total Expenses
Salaries	\$ 192,746	\$ 50,277	\$ 157,376	\$ 400,399	\$ 96,788	\$ 11,393	\$ 108,181	\$ 508,580	\$ 511,396
Payroll Taxes	20,684	4,836	14,019	39,539	8,394	872	9,266	48,805	50,850
Employee Benefits	11,255	8,158	3,976	23,389	9,884	1,374	11,258	34,647	31,726
Pension Expense	5,900	507	3,532	9,939	4,696	507	5,203	15,142	17,652
Payroll and Related Expenses	<u>230,585</u>	<u>63,778</u>	<u>178,903</u>	<u>473,266</u>	<u>119,762</u>	<u>14,146</u>	<u>133,908</u>	<u>607,174</u>	<u>611,624</u>
Vehicle Fuel	-	3,160	-	3,160	-	-	-	3,160	2,975
Vehicle Maintenance	-	985	-	985	-	-	-	985	2,874
Contracted Services	16,295	-	-	16,295	-	-	-	16,295	7,435
Liability Insurance	20,032	2,493	6,677	29,202	3,339	-	3,339	32,541	29,808
Postage	1,343	-	-	1,343	-	-	-	1,343	2,084
Thrift Shop Costs	-	-	3,110	3,110	-	-	-	3,110	4,613
Printing and Supplies	26,657	41	3,593	30,291	304	3,627	3,931	34,222	22,179
Travel & Training	3,729	-	-	3,729	-	-	-	3,729	1,398
Utilities	14,151	2,359	4,717	21,227	2,359	-	2,359	23,586	20,379
Building Maintenance	16,531	2,602	5,789	24,922	2,602	-	2,602	27,524	38,712
Equipment Maintenance	12,287	1,315	2,655	16,257	2,277	-	2,277	18,534	20,479
Professional and Audit Fees	7,140	622	1,243	9,005	9,422	-	9,422	18,427	14,246
Dues and Subscriptions	12,893	260	683	13,836	220	3,947	4,167	18,003	17,088
Advertising/Public Awareness Initiative	1,751	-	-	1,751	-	-	-	1,751	975
Other Low Vision Expenses	2,910	-	-	2,910	-	-	-	2,910	3,120
Staff and Client Expense	1,358	-	60	1,418	3,946	-	3,946	5,364	1,214
Miscellaneous	-	261	-	261	-	-	-	261	901
	<u>137,077</u>	<u>14,098</u>	<u>28,527</u>	<u>179,702</u>	<u>24,469</u>	<u>7,574</u>	<u>32,043</u>	<u>211,745</u>	<u>190,480</u>
Depreciation Expense	<u>39,231</u>	<u>15,855</u>	<u>9,151</u>	<u>64,237</u>	<u>2,523</u>	<u>-</u>	<u>2,523</u>	<u>66,760</u>	<u>63,634</u>
Total Expenses by Function	<u>\$ 406,893</u>	<u>\$ 93,731</u>	<u>\$ 216,581</u>	<u>\$ 717,205</u>	<u>\$ 146,754</u>	<u>\$ 21,720</u>	<u>\$ 168,474</u>	<u>\$ 885,679</u>	<u>\$ 865,738</u>

The accompanying notes are an integral part of these financial statements

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Statements of Cash Flows

For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities:		
Change in Net Assets	\$ (850,671)	\$ 1,336,060
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	66,760	63,634
Net Realized and Unrealized (Gains) Loss on Investments	623,495	(914,808)
Change in Fair Value of Perpetual Trust (Increase) Decrease	381,003	(381,991)
Gain on Sale of Assets	(8,500)	-
Noncash PPP Loan Forgiveness	(118,340)	(115,865)
Changes in Operating Assets:		
(Increase) Decrease in Accounts Receivable	7,186	(3,938)
Decrease in Contributions Receivable	1,510	437,719
(Increase) Decrease in Thrift Shop Inventory	(5,135)	(908)
(Increase) Decrease in Prepaid Expenses	1,150	(5,026)
Changes in Operating Liabilities:		
Increase (Decrease) in Accrued Expenses	(2,417)	(669)
Increase (Decrease) in Accrued Payroll	867	2,961
Increase (Decrease) in Accrued Vacation	(1,431)	(244)
Net Cash Provided by (Used in) Operating Activities	<u>95,477</u>	<u>416,925</u>
Cash Flows From Investing Activities:		
Purchase of Property and Equipment	(26,512)	(33,997)
Sale of Property and Equipment	8,500	-
Purchase of Investments	(229,889)	(1,418,252)
Proceeds from Sale of Investments	<u>158,885</u>	<u>979,852</u>
Net Cash Provided by (Used in) Investing Activities	<u>(89,016)</u>	<u>(472,397)</u>
Cash Flows From Financing Activities:		
Proceeds of PPP Loan	<u>-</u>	<u>118,340</u>
Net Increase (Decrease) in Cash and Cash Equivalents	6,461	62,868
Cash and Cash Equivalents at Beginning of Year	<u>275,246</u>	<u>212,378</u>
Cash and Cash Equivalents at End of Year	<u>\$ 281,707</u>	<u>\$ 275,246</u>

The accompanying notes are an integral part of these financial statements

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2022

NOTE 1. Summary of Significant Accounting Policies

Organization: The Bucks County Association for the Blind and Visually Impaired, (The Association), is a nonprofit organization, and was established in 1945. The Association provides services that assist people with blindness and visual impairments live rich, vibrant and independent lives. Specialized vision clinics, support groups, free vision screenings, in home supports, activities and community education are offered to Bucks County, PA residents experiencing vision loss.

Comparative Information: The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting policies generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Cash and Cash Equivalents: Cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturity of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

Accounts Receivable: Accounts receivables consist primarily of noninterest-bearing amounts due for Thrift Shop and Low Vision sales, and DHS contracts. We determine the allowance for uncollectible accounts receivables based on historical experience, an assessment of economic conditions, and our review of subsequent collections. Historically, accounts receivables have been fully collectible; accordingly, no allowance for doubtful accounts has been recorded.

Contributions Receivable: We record contributions receivable that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. We determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Historically, contributions receivable have been fully collectible; accordingly, no allowance for doubtful accounts has been recorded.

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2022

NOTE 1. Summary of Significant Accounting Policies (Continued)

Inventory: Donated items to the Thrift Shop are recorded as inventory on the date of contribution based on an estimated net realizable value. Thrift Shop related expenses are included in program service expenses.

Property, Plant and Equipment: Property, plant and equipment are recorded at cost if purchased and fair value if donated at the date of contribution less accumulated depreciation. Only fixed assets cost or fair value of \$1,000 and over are capitalized and depreciated. Depreciation is provided on the straight-line method based on estimated useful lives of the assets ranging from 4 to 40 years.

Beneficial Interests in Perpetual Trusts: The Association has been named as an irrevocable income beneficiary of a portion of assets in a perpetual trust held and administered by independent trustees. We have neither ownership nor control over the assets of the trust. Further, the Association has no voice in the appointment of investment managers or their investment decisions. The Perpetual Trust provides for only income distributions during each fiscal year; we will never receive possession of the assets of the trust. At the date we receive notice of a beneficial interest, a contribution with donor restrictions of a perpetual nature is recorded in the Statements of Activities, and a beneficial interest in perpetual trust is recorded in the Statements of Financial Position at the fair value of the underlying trust assets. Thereafter, beneficial interests in the trusts are reported at the fair value of the trust's assets in the Statements of Financial Position, with trust distributions and changes in fair value recognized in the Statements of Activities. The Association initially recorded \$2,080,804, as a beneficial interest, which is our proportionate share of the total fair market value of the principal upon which its income distributions are based, as net assets with donor restrictions. The Association received \$79,980 in distributions for the year ended June 30, 2022, included in income without donor-restrictions in the Statements of Activities and Changes in Net Assets. A donor-restricted decrease in the fair value of beneficial interest of (\$381,004) has been also been recorded on the Statements of Activities and Changes in Net Assets.

Investments: We record investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Statements of Financial Position. Net investment gain/(loss) is reported in the Statements of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Although the fair values of investments are subject to fluctuation on a year-to-year basis, we and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organizations.

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2022

NOTE 1. Summary of Significant Accounting Policies (Continued)

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

Net Assets Without Donor Restrictions - Net assets that are available for use in general operations and not subject to donor (or certain grantor) stipulations. The governing board has designated, from net assets without donor restrictions, a board-designated endowment.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed (or certain grantor) stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events/actions specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Revenue and Revenue Recognition: The Association receives revenue from a variety of revenue streams. The policy for material revenue streams is discussed below:

- The Association recognizes sales revenue, net of sales taxes, at the time it sells merchandise to the customer.
- The Association recognizes contributions when cash, securities or other assets and unconditional promises 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.
- Special event revenues are recorded equal to the direct benefit to donors and contribution income for the excess received when the event takes place.
- Program service fees and payments under cost-reimbursable contracts received in advance is deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2022

NOTE 1. Summary of Significant Accounting Policies (Continued)

Revenue and Revenue Recognition (continued)

Revenues are reported as increases in net assets without donor restrictions unless the related assets are limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. Support received under grants and contracts with state and local agencies is recorded as public support when the related costs are incurred and services performed. Grants and contracts receivable represent amounts due for expenditures incurred or services provided prior to year-end.

New Accounting Pronouncements: ASU No. 2020-07 (Topic 958), Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets: This standard changes the presentation and disclosure requirements of contributed nonfinancial assets. The term nonfinancial asset includes fixed assets, use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The standard requires that contributed nonfinancial assets be presented as a separate line item in the Statement of Activities and additional disclosures will be presented, including disaggregation of amounts, qualitative information, and valuation techniques and inputs be disclosed that were used to arrive at the fair value of the contributed nonfinancial assets. This standard was implemented in the fiscal year ending June 30, 2022. The standard enhanced disclosures but had no effect on change in net assets.

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2022

NOTE 1. Summary of Significant Accounting Policies (Continued)

Future Accounting Pronouncements: ASU No. 2016-02 (Topic 842), Leases: This standard substantially changes current principles of lease accounting and offers specific accounting guidance for lessees, lessors and sale-leaseback transactions. ASU 2016-02 establishes a right-of-use (ROU) model that requires lessees to record a ROU asset and lease liability in the statement of financial position for all lease with terms longer than 12 months (the standard may optionally be applied to leases with terms 12 months or less). Leases will be classified as either finance leases or operating leases depending on the characteristic of the lease; consistent with current generally accepted accounting principles, the recognition, measurement and presentation of expenses and cash flows arising from the lease will depend on the lease classification. This standard will be implemented in the fiscal year ending June 30, 2022. The Association is currently evaluating this new standard and the impact it will have on its financial statements.

Advertising: All advertising costs are expensed when incurred.

Functional Allocation of Expenses: The financial statements report certain categories of expenses that are attributed to more than one program of supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation which are allocated on a square footage basis, as well as salaries and wages; benefits; payroll taxes; professional services; office expenses; supplies; repairs and maintenance; and other, which are allocated on the basis of estimates of time.

Income Tax: The Association is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Association has been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(A)(VI). The Association files Federal Form 990 and has not filed a Form 990T. The Association's informational tax returns are subject to review and examination by taxing authorities. The Association is not aware of any activities that would jeopardize its tax-exempt status.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications: Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2022

NOTE 1. Summary of Significant Accounting Policies (Continued)

Compensated Absences: Employees of the Association are entitled to paid vacation and sick days, depending on length of service, and other factors. As of June 30, 2022 the unpaid vacation days and related costs of \$23,896 have been accrued.

Subsequent Events: The Association has evaluated events and transactions for potential recognition or disclosure in the financial statements through the date of this report, which is the date the financial statements were available to be issued.

NOTE 2. Liquidity and Availability

Financial assets of the Association available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Financial Assets at June 30, 2022:	
Cash and Cash Equivalents	\$ 281,707
Accounts Receivable	3,536
Investments	5,008,565
Beneficial Interest In Trust	<u>1,699,801</u>
	6,993,609
Less Amounts Not Available to be used within one year:	
Net Assets with Donor Restrictions	(1,762,982)
Board Designated Net Assets and Other Appropriations	<u>(4,603,807)</u>
Total Assets available to meet general expenditures within one year:	<u>\$ 626,820</u>

The Association's investments consist of donor-restricted funds, stocks without donor-restrictions and funds designated by the Board as endowments. Donor restricted funds of \$63,180 are not available for general expenditure. Income generated from these donor-restricted funds is available for general use. Although the Board does not intend to spend from the \$4,603,807 board-designated endowment funds, other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation, these amounts could be made available if necessary. As part of its liquidity management plan, the Association invests cash in excess of daily requirements into a savings account. Cash reserves in excess of three months of operating expenses are invested into short-term investments and money market funds.

BUCKS COUNTY ASSOCIATION FOR THE
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Notes to Financial Statements

June 30, 2022

NOTE 3. Investments

As discussed in Note 1, investments are carried at fair value. Investments at June 30, 2022 consist of the following:

	<u>Cost</u> <u>Basis</u>	<u>Fair</u> <u>Value</u>
Cash and Cash Equivalents	\$ 301,638	\$ 301,638
Fixed Income Securities	2,087,245	1,990,270
Mutual Funds	337,583	271,700
Common Stock Equities	<u>1,170,269</u>	<u>2,444,957</u>
Total	<u>\$ 3,896,735</u>	<u>\$ 5,008,565</u>

For the year ended June 30, 2022, the net realized gains are \$52,343 and the unrealized losses are (\$684,338). Investment income (interest, dividends, and capital gain distributions less management fees) of \$116,866 was earned on cash equivalents and investments during the year ended June 30, 2022. Investment management fees in the amount of \$24,263 have been incurred as of June 30, 2022.

NOTE 4. Fair Value Measurements

We report certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

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June 30, 2022

NOTE 4. Fair Value Measurements (Continued)

Level 2 - Inputs are other than quoted prices that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.

Level 3 - Inputs that are unobservable inputs based on the Association's assumptions used to measure assets and liabilities at fair value. The asset 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.

A significant portion of our investments are classified within Level 1 because they comprise money markets, mutual funds and equity securities with readily determinable fair values based on daily redemption values. The fair value of our beneficial interest in perpetual trust is based on the fair values of trust investments as reported by the trustee. These are considered to be Level 3 measurements.

The following table summarizes the assets of the Association for which fair values are determined on a recurring basis as of June 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Cash and Cash Equivalents	\$ 301,638	\$ -	\$ -	\$ 301,638
Fixed Income	1,990,270	-	-	1,990,270
Mutual Funds	271,700	-	-	271,700
Common Stock Equities	<u>2,444,957</u>	-	-	<u>2,444,957</u>
Total Investments	<u>\$ 5,008,565</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,008,565</u>
Beneficial Interest in Perpetual Trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,699,801</u>	<u>\$ 1,699,801</u>

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2022:

Balance, beginning of the year	\$ 2,080,804
Net unrealized gain	<u>(381,003)</u>
Balance end of year	<u>\$ 1,699,801</u>

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June 30, 2022

NOTE 4. Fair Value Measurements (Continued)

The underlying assets of the Association's beneficial interest in the Louis Spring Trust, as reported by the trustee, as of June 30, 2022 are summarized below:

	<u>Fair Value</u>
Cash and Equivalents	\$ 26,333
Fixed Income	453,997
Equities	1,142,577
Real Assets	<u>76,894</u>
Total	<u>\$ 1,699,801</u>

NOTE 5. Property and Equipment

Property and equipment consist of the following at June 30, 2022:

Land	\$ 23,300
Buildings and Improvements	1,642,748
Equipment and Fixtures	43,833
Vehicles	<u>97,583</u>
	1,807,464
Less: Accumulated Depreciation	<u>(817,175)</u>
	<u>\$ 990,289</u>

For the year ended June 30, 2022 depreciation expense totaled \$66,760.

NOTE 6. Refundable Advance Liability-Paycheck Protection Program

On February 11, 2021 the Association received a second PPP advance of \$118,340 under the Payroll Protection Program (PPP) that was established as a part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) and administered by the US Small Business Administration (SBA). The loan was forgiven in October 2021 and is included in grant income on the Statement of Activities for ended June 30, 2022.

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Notes to Financial Statements

June 30, 2022

NOTE 7. Endowments

The Association's Board of Directors has designated \$4,603,807 net assets without donor restrictions as a general endowment fund to support the mission of the Association. The Association has a spending policy of appropriating for distribution each year, based on budget approval, approximately 4 to 5% of its board-designated endowment fund's fair value. In establishing this policy, the Association, over the long-term, expects its endowment assets to generate enough income to supplement the operations of BCABVI while still allowing a significant portion of the funds invested to seek additional real growth of principal through investment return over time. To achieve that objective, the Association has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make budgeted annual distributions, while growing the fund. Actual returns in any given year may vary. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk. Since the board-designated endowment resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions. As of June 30, 2022 the Association had the following net asset composition by type of fund:

	Without Donor Restrictions
Board-Designated Endowment Funds	\$ 4,603,807
	\$ 4,603,807

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

	Without Donor Restrictions
Endowment Net Assets, Beginning of Year	\$ 5,278,470
Board-Designated Transfers, Net	37,267
Investment Return	
Investment Income	139,923
Net Depreciation (Realized and Unrealized)	(634,868)
Total Investment Return	(494,945)
Amounts Appropriated for Expenditures	(216,985)
Endowment Net Assets, End of Year	\$ 4,603,807

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Notes to Financial Statements

June 30, 2022

NOTE 8. Net Assets with Donor Restrictions

Net assets with donor restrictions have donor-imposed stipulations that must be maintained by the Association. Net assets with donor restrictions were restricted as follows for the year ended June 30, 2022:

Perpetual in Nature:	
Rose Feinstone	\$ 50,000
Estate of Grace Boone	8,000
Robert Sands Memorial Fund	5,180
Louis C. Spring Trust	<u>1,699,801</u>
Total	<u>\$ 1,762,981</u>
Purpose Restrictions:	
	<u>\$ -</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2022:

Satisfaction of Purpose Restrictions:	
COVID Relief	\$ 5,000
Technical Assistance	40,000
Low Vision Clinic Services	<u>5,679</u>
Total	<u>\$ 50,679</u>

NOTE 9. Contributed Nonfinancial Assets

The Association received the following contributions of nonfinancial assets for the year ending June 30, 2022:

Clothing and Household Goods	\$ 445,938
Other	<u>2,550</u>
Total	<u>\$ 448,488</u>

Contributed clothing and household goods were sold within the Association's Thrift Store. Unless otherwise noted, contributed nonfinancial assets did not have donor restrictions.

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Notes to Financial Statements

June 30, 2022

NOTE 9. Contributed Nonfinancial Assets (Continued)

The Association valued the donations using estimated thrift shop values on the date of contribution. The store is operated by the Association's clients, volunteers and staff. The Association's clients are provided with skills training and are part of the Association's program activities.

Contributed services are recognized as in-kind revenues at their estimated fair value if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. The Association also receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the Statements of Activities for these fundraising and special projects services because the criteria for recognition have not been satisfied.

NOTE 10. Pension Expense

Effective July 1, 1994, the Association approved a defined contribution profit sharing pension plan under Internal Revenue Code Section 403(b). The plan substantially covers all employees that complete 3 months of service, with no age requirement. The employee may contribute up to a certain percentage of their pay that is allowed under IRS 403(b). Participation is voluntary. The Association may make discretionary contributions, in an amount determined by the Association each year, for employees that have completed 1,000 hours of service during the plan year and are employed by the Association on the last day of the plan year. For June 30, 2022, the percentage was 5% of eligible employee pay, which amounted to \$15,143.

NOTE 11. Concentrations of Credit Risks and Uncertainties

The Association's operations involve a number of risks and uncertainties. Factors that could affect the Association's future operating results and cause actual results to vary materially from expectations include, but are not limited to general economic factors, lack of government spending, and dependence on key personnel. Group programs have been transitioned to a hybrid of virtual and in-person services. The full economic impact resulting from the uncertainty of the COVID-19 pandemic, that could continue to affect the Association's operations and finances, is unknown at this time.

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Notes to Financial Statements

June 30, 2022

NOTE 11. Concentrations of Credit Risks and Uncertainties (Continued)

Financial instruments that potentially expose the Association to concentrations of credit risk consist primarily of cash and cash equivalents and investments. The Association maintains cash in a demand checking and savings accounts at First National Bank of Newtown (FNB), which during the year the balances may exceed the federally insured limits (FDIC).

The remaining cash and cash equivalents are deposited in custodial investment accounts with FNB and the Bryn Mawr Trust Company which is not insured or collateralized. The FNB operating, payroll and savings account are combined for the purpose of Federal Depository Insurance (FDIC), which is \$250,000. At times such instruments may be in excess of \$250,000 FDIC insurance limits, not including market losses, thus exposing the Association to a loss in the amount of the excess. As of June 30, 2022 the amount in excess of FDIC insurance limits totaled \$167,450.

At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts. The custodial accounts with various financial investment institutions at June 30, 2022 totals \$51,638 and is not covered by collateral held at the respected institutions nor insured.

NOTE 12. Contingencies

The Association is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Association carries commercial insurance.

NOTE 13. Related Party Transactions

One member of the Board of Directors (Treasurer) is an Investment and Planning Officer at the bank where the Association maintains one of its investment management accounts.

SUPPLEMENTAL INFORMATION

BUCKS COUNTY ASSOCIATION FOR THE
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Schedules of Contracts
TSS & PSE Activities Schedule
June 30, 2022

	Contract #4100090542			
	Approved Budget	Total Program Cost	Actual DHS Funding	BCABVI Association's Subsidy
Revenue				
Department of Human Services	\$ 88,737	\$ -	\$ -	\$ -
Expenses				
Salaries	\$ 50,000	\$ 57,555	\$ 50,000	\$ 7,555
Benefits	10,000	12,879	10,000	2,879
Building Repair & Maintenance	6,000	6,862	6,000	862
Utilities and Telephone Landline	5,000	5,447	5,000	447
Leased Equipment	5,000	8,135	5,000	3,135
Liability & Vehicle Insurance	2,000	2,013	2,000	13
Vehicle Repair	1,500	2,594	1,500	1,094
Payroll & Professional Fees	1,500	2,550	1,500	1,050
IT Services	1,500	1,728	1,500	228
Dues and Subscriptions	1,000	1,535	1,000	535
Database Maintenance	1,000	1,030	1,000	30
Postage	300	343	300	43
Audit	300	336	300	36
Printing and Reproduction	200	246	200	46
Program Supplies	300	824	300	524
Office Supplies	75	150	75	75
PAB Conference	62	81	62	19
Administrative Overhead	1,500	3,522	1,500	2,022
Staff Travel	1,500	3,023	1,500	1,523
PAB Professional Fees	-	11,099	-	11,099
Total	<u>\$ 88,737</u>	<u>\$ 121,952</u>	<u>\$ 88,737</u>	<u>\$ 33,215</u>