

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

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

YEAR ENDED JUNE 30, 2019

(See Independent Auditors' Report)

TABLE OF CONTENTS

Independent Auditors' Report	3-4
Financial Statements	
Statements of Financial Position	5
Statements of Activities and Changes in Net Assets	6
Statements of Functional Expenses	7
Statements of Cash Flows	8
Notes to Financial Statements	9-19
Supplemental Information	
Schedules of Contracts	21



936 Easton Rd., PO Box 754, Warrington, PA 18976 | 70 W. Oakland Ave., Doylestown, PA 18901
130 Almshouse Rd. Suite 201A, Richboro, PA 18954 | 24 Arnett Ave. Suite 111, Lambertville, NJ 08530
215-343-2727 | www.bbco-cpa.com

Independent Auditors' Report

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

Report on the Financial Statements

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, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bucks County Association for the Blind and Visually Impaired, as of June 30, 2019 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

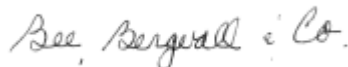
As discussed in Note 1 to the financial statements, the Organization adopted *ASU 2016-14 (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*. The implementation of this standard resulted in reclassification of net asset accounts as well as additional disclosures. The most significant changes are more fully discussed in Note 1.

Report on Summarized Comparative Information

We have previously audited Bucks County Association for the Blind and Visually Impaired's 2018 financial statements, and in our report dated September 18, 2018, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, 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 #4100081449, on page 21 are presented for purposes of additional analysis and are 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

Warrington, PA
September 18, 2019

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Statements of Financial Position

For the Years Ended June 30, 2019 and 2018

	<u>ASSETS</u>	
	<u>2019</u>	<u>2018</u>
Current Assets		
Cash and Cash Equivalents	\$ 219,196	\$ 213,687
Accounts Receivable	13,578	10,660
Bequests Receivable	17,145	-
Grants Receivable	-	5,000
Inventories	91,752	128,782
Prepaid Expenses	8,952	4,822
Investments	3,936,211	3,824,514
Total Current Assets	<u>4,286,834</u>	<u>4,187,465</u>
Property and Equipment, Net	<u>1,136,464</u>	<u>1,123,873</u>
Other Assets		
Beneficial Interest in Perpetual Trust	<u>1,781,160</u>	<u>1,342,870</u>
Total Other Assets	<u>1,781,160</u>	<u>1,342,870</u>
 TOTAL ASSETS	 <u>\$ 7,204,458</u>	 <u>\$ 6,654,208</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable	\$ 1,968	\$ 1,899
Accrued Salaries	10,202	16,926
Accrued Vacation	23,429	22,487
Total Current Liabilities	<u>35,599</u>	<u>41,312</u>
Net Assets		
Without Donor Restrictions		
Undesignated	1,482,826	1,448,254
Board Designated Endowment	<u>3,841,693</u>	<u>3,734,032</u>
	<u>5,324,519</u>	<u>5,182,286</u>
With Donor Restrictions		
Perpetual in Nature	1,844,340	1,406,050
Purpose Restrictions	-	24,560
	<u>1,844,340</u>	<u>1,430,610</u>
Total Net Assets	<u>7,168,859</u>	<u>6,612,896</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 7,204,458</u>	 <u>\$ 6,654,208</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, 2019

With Summarized Comparative Totals for the Year Ended June 30, 2018

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Public Support and Revenue				
Contributions	\$ 86,256	\$ -	\$ 86,256	\$ 84,360
Thrift Shop Gross Sales	385,239	-	385,239	343,841
Transportation Fees	45,088	-	45,088	46,776
Contract Fees	74,732	-	74,732	74,732
Grants	17,890	-	17,890	25,558
Vision and Hearing Screening Fees	9,465	-	9,465	8,492
Low Vision Center Income	40,960	-	40,960	44,845
Investment Income, Net of Management Fees	121,734	-	121,734	81,727
Trust Investment Income	78,617	-	78,617	78,617
Bequests from Estates	18,323	-	18,323	40,785
Program Income	1,794	-	1,794	1,894
Miscellaneous Income	2,775	-	2,775	2,640
Net Realized/Unrealized Gain (Loss) on Investments	175,949	-	175,949	173,017
Change in Fair Value of Perpetual Trust	-	438,290	438,290	(2,642)
Net Assets Released from Restrictions	24,560	(24,560)	-	-
Total Public Support and Revenue	<u>1,083,382</u>	<u>413,730</u>	<u>1,497,112</u>	<u>1,004,642</u>
Functional Expenses				
Program Services				
Client Services	440,044	-	440,044	427,831
Transportation	128,441	-	128,441	135,516
Thrift Shop	227,114	-	227,114	181,321
Total Program Services	<u>795,599</u>	<u>-</u>	<u>795,599</u>	<u>744,668</u>
Support Services				
General and Administrative	129,493	-	129,493	132,916
Fundraising	16,057	-	16,057	20,086
Total Supporting Services	<u>145,550</u>	<u>-</u>	<u>145,550</u>	<u>153,002</u>
Total Expenses	<u>941,149</u>	<u>-</u>	<u>941,149</u>	<u>897,670</u>
Change in Net Assets	142,233	413,730	555,963	106,972
Net Assets at Beginning of Year	<u>5,182,286</u>	<u>1,430,610</u>	<u>6,612,896</u>	<u>6,505,924</u>
Net Assets at End of Year	<u>\$ 5,324,519</u>	<u>\$ 1,844,340</u>	<u>\$ 7,168,859</u>	<u>\$ 6,612,896</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, 2019

With Summarized Comparative Totals for the Year Ended June 30, 2018

	2019				2019			2018
	Program Services			Total	Support Services		Total	Total
	Client Services	Transportation Services	Thrift Shop	Program Services	General & Admin	Fund Raising	Expenses	Total
Salaries	\$ 207,106	\$ 73,804	\$ 132,284	\$ 413,194	\$ 84,670	\$ 9,864	\$ 507,728	\$ 489,831
Payroll Taxes	18,480	6,088	10,999	35,567	6,889	755	43,211	41,969
Employee Benefits	19,660	3,030	3,638	26,328	10,705	1,346	38,379	41,220
Pension Expense	7,530	437	3,461	11,428	3,870	437	15,736	16,577
Payroll and Related Expenses	<u>252,776</u>	<u>83,359</u>	<u>150,382</u>	<u>486,517</u>	<u>106,134</u>	<u>12,402</u>	<u>605,054</u>	<u>589,597</u>
Vehicle Fuel	-	10,773	-	10,773	-	-	10,773	11,239
Vehicle Maintenance	-	4,232	-	4,232	-	-	4,232	9,194
Contracted Services	4,960	-	-	4,960	-	-	4,960	3,480
Liability Insurance	17,218	2,870	5,739	25,827	2,870	-	28,697	29,301
Postage	2,588	-	-	2,588	-	438	3,026	2,759
Thrift Shop Credit Card Fees	-	-	4,977	4,977	-	-	4,977	4,449
Thrift Shop Cost of Goods Sold	-	-	34,756	34,756	-	-	34,756	559
Printing and Supplies	13,185	231	4,471	17,887	135	2,375	20,396	27,436
Travel	8,460	-	-	8,460	-	-	8,460	8,441
Utilities	15,075	2,562	5,022	22,659	2,511	-	25,170	30,389
Building Maintenance	21,830	3,410	7,085	32,325	3,410	-	35,734	41,333
Equipment Maintenance	9,685	1,317	3,002	14,004	1,442	-	15,446	14,866
Professional and Consulting Fees	5,068	576	370	6,014	7,987	-	14,001	15,835
Dues and Subscriptions	13,787	102	195	14,084	500	752	15,336	14,910
Advertising	2,134	-	690	2,824	-	-	2,824	1,093
Low Vision COGS	24,747	-	-	24,747	-	-	24,747	21,616
Other Low Vision Expenses	4,297	-	-	4,297	-	-	4,297	2,650
Staff and Client Expense	6,177	100	274	6,551	453	-	7,005	7,019
Miscellaneous	1,660	670	1,000	3,330	680	90	4,100	4,387
	<u>150,871</u>	<u>26,843</u>	<u>67,581</u>	<u>245,295</u>	<u>19,988</u>	<u>3,655</u>	<u>268,937</u>	<u>250,956</u>
Depreciation Expense	<u>36,397</u>	<u>18,239</u>	<u>9,151</u>	<u>63,787</u>	<u>3,371</u>	<u>-</u>	<u>67,158</u>	<u>57,117</u>
Total Expenses by Function	<u>\$ 440,044</u>	<u>\$ 128,441</u>	<u>\$ 227,114</u>	<u>\$ 795,599</u>	<u>\$ 129,493</u>	<u>\$ 16,057</u>	<u>\$ 941,149</u>	<u>\$ 897,670</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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Change in Net Assets	\$ 555,963	\$ 106,972
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	67,158	57,117
Realized and Unrealized (Gains) Loss on Operating Investments	(175,949)	(173,017)
Change in Fair Value of Perpetual Trust	(438,290)	2,642
Changes in Operating Assets		
(Increase) in Accounts Receivable	(2,919)	3,879
Bequests Receivable	(17,145)	-
Grants Receivable	5,000	(5,000)
Thrift Shop Inventory	34,756	559
Low Vision Inventory	2,274	(5,437)
Prepaid Expenses	(4,130)	753
Changes in Operating Liabilities		
Increase (Decrease) in Accounts Payable	68	(12,136)
Accrued Payroll	(6,724)	6,719
Accrued Vacation	943	(1,641)
Net Cash Provided by (Used in) Operating Activities	<u>21,005</u>	<u>(18,590)</u>
Cash Flows From Investing Activities		
Purchase of Property and Equipment	(79,748)	(60,094)
Purchase of Investments	(831,737)	(118,140)
Proceeds from Sale of Investments	<u>895,989</u>	<u>265,372</u>
Net Cash Provided by (Used in) Investing Activities	<u>(15,496)</u>	<u>87,138</u>
Net (Decrease) Increase in Cash and Cash Equivalents	5,509	68,548
Cash and Cash Equivalents at Beginning of Year	<u>213,687</u>	<u>145,139</u>
Cash and Cash Equivalents at End of Year	<u>\$ 219,196</u>	<u>\$ 213,687</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, 2019

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.

Accounting Basis: The Association uses the accrual basis of accounting. Under this basis, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation: The Association has implemented *ASU 2016-14 (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*. The prior period statements have been reclassified in accordance with this standard. The most significant change on the face of the financial statements for the year ended June 30, 2019 is that Net Assets are reduced from three to two classes. 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.

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. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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.

Revenue and Revenue Recognition: Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2019

NOTE 1. Summary of Significant Accounting Policies (Continued)

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, 2018, from which the summarized information was derived.

Cash and Cash Equivalents: The Association considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments: Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their quoted fair values in the Statements of Financial Position. Unrealized gains and losses are included in the Statements of Activities. Investment income and gains restricted by a donor are reported as increases in Net Assets Without Restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Accounts and Bequests Receivable: At June 30, 2019, management of the Association considers all accounts and bequests receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded. Accounts and bequests receivable are not collateralized and are charged to expense when they are determined to be uncollectible by management on a case by case basis.

Inventories: Thrift shop revenue and inventory comprises program-related sales and is recorded at the date of contribution based on estimated net realizable value. Thrift shop related expenses are included in program service expenses. Low Vision Inventory also comprises program-related sales. Low vision related expenses are also 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. The depreciation expense is \$67,158 for the year ending June 30, 2019. Depreciation is provided on the straight-line method based on the following lives:

	<u>Years</u>
Building and Building Improvements	10-40
Equipment and Furniture	5-10
Vehicles	5

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2019

NOTE 1. Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment (continued)

Property, plant and equipment consisted of the following at June 30, 2019:

Land	\$ 23,300
Buildings and Improvements	1,637,762
Equipment and Fixtures	46,720
Vehicles	<u>162,391</u>
	1,870,173
Less: Accumulated Depreciation	<u>(733,709)</u>
	<u>\$ 1,136,464</u>

Contributions: Contributions received are recorded as with or without donor restrictions, depending on the existence or nature of any donor restriction. When a restriction expires (that is, when a stipulated time restriction ends or when the purpose of the restriction is accomplished), donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions expire within the same year as received are reflected as contributions without donor restrictions in the accompanying financial statements.

Grants and Contracts: 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.

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.

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.

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2019

NOTE 1. Summary of Significant Accounting Policies (Continued)

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.

Donated Services and Facilities: The Association generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Association at the residents' facilities, but these services do not meet the criteria for recognition as contributed services. During the fiscal year ended June 30, 2019, \$3,750 of in-kind donations were recorded. The fair value of donated rental space for the Telford Clinic was \$1,200 and the fair value of informational services was \$2,550.

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, 2019 the unpaid vacation days and related costs of \$23,429 have been accrued.

Advertising: All advertising costs are expensed when incurred.

Reclassifications: Certain reclassifications have been made to the 2018 financial statements to conform to the 2019 presentation. These reclassifications had no income effect and no impact on previously reported net assets.

New Accounting Pronouncement: The Association adopted *ASU 2016-14 (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*. The prior period statements have been reclassified in accordance with this standard. The most significant changes in the financial statements for the year ended June 30, 2019 were:

- Net asset classes were reduced from three to two; Temporarily and Permanently Restricted Net Assets have been renamed Net Assets With Donor Restrictions.
- Investment Income has been reported net of investment fees on the Statement of Activities.
- In addition, Note 2, regarding liquidity has been added to these footnotes.

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. No subsequent events have been recognized or disclosed.

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2019

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, 2019:		<u>2019</u>
Cash and Cash Equivalents	\$	219,196
Accounts Receivable		13,578
Investments		3,936,211
Beneficial Interest In Trust		<u>1,781,160</u>
		5,950,145
Less:		
Financial Assets not available to be used within one year		<u>(5,686,033)</u>
Total Assets available to meet general expenditures within one year:	\$	<u><u>264,112</u></u>

The Association's operating 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 \$3,841,693 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.

NOTE 3. Investments

As discussed in Note 1, investments are carried at fair value. Investments at June 30, 2019 consist of the following:

		<u>2019</u>
	Cost	Fair
	<u>Basis</u>	<u>Value</u>
Fixed Income Securities	\$ 1,459,810	\$ 1,535,743
Mutual Funds	93,035	288,465
Common Stock Equities	<u>1,165,276</u>	<u>2,112,003</u>
Total	<u>\$ 2,718,121</u>	<u>\$ 3,936,211</u>

For the year ended June 30, 2019, the net realized gains are \$278,181 and the unrealized losses are \$102,232 for net realized and unrealized gains of \$175,949. Investment income (interest and dividends/capital gain distributions) of \$121,736 was earned on cash equivalents and investments during the year ended June 30, 2019. Investment management fees in the amount of \$17,890 have been incurred as of June 30, 2019.

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2019

NOTE 4. Beneficial Interest in Perpetual Trust

The Association has been designated the income beneficiary of the assets contained in an irrevocable Perpetual Trust being held by an independent investment manager, in accordance with the Last Will and Testament of Louis C. Spring. The provision of the trust does not give ownership of any amount of principal to the Association. Further, the Association has no voice in the appointment of the investment manager or their investment decisions. The Association receives only quarterly income distributions during each fiscal year. The Association has adopted the accounting treatment for this trust in accordance with *FASB ASC 958-30 Split Interest Agreements*.

Given the nature of the promises as well as the inability to compute the present value of the perpetual income stream of the trust, the Association recorded \$1,781,160 as a beneficial interest, which is the total fair market value of the principal upon which its income distributions are based, as net assets with donor restrictions. For the year ended June 30, 2019, the Association received income from the irrevocable trust of \$78,617 which has been included in income without donor-restrictions in accordance with the specifics of the trust in the statement of activities and changes in net assets. Also, an increase in the fair value of the beneficial interest of \$438,290 has been recorded as donor-restricted activity for the year ended June 30, 2019 in accordance with the specifics of the trust in the statement of activities and changes in net assets.

The underlying assets of the Association's beneficial interest in the trust as of June 30, 2019 is summarized below:

	<u>Fair Value</u>
Cash and Equivalents	\$ 38,097
Fixed Income	550,801
Equities	1,061,632
Real Assets	<u>130,630</u>
Total	<u>\$ 1,781,160</u>

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2019

NOTE 5. Net Assets with Donor Restrictions

Net assets with donor restrictions have donor-imposed stipulations that must be maintained by the Association. As of June 30, 2019, the donors of these assets permit the Association to use all of the income on related investments for general purposes. The donor-restricted net assets consist of the following:

<u>Principal restricted by</u>	<u>2019</u>
Rose Feinstone	\$ 50,000
Estate of Grace Boone	8,000
Robert Sands Memorial Fund	5,180
Louis C. Spring Trust	<u>1,781,160</u>
Total	<u>\$ 1,844,340</u>

Changes in Net Assets with Donor Restrictions for the year ended June 30, 2019:

Net Assets with Donor Restrictions, Beginning of the Year	\$ 1,430,610
Net appreciation (Realized and Unrealized)	438,290
Net Assets Released From Restrictions	<u>(24,560)</u>
Net Assets with Donor Restrictions, End of the Year	<u>\$ 1,844,340</u>

NOTE 6. Fair Value Measurements

The following table summarizes the assets of the Association for which fair values are determined on a recurring basis as of June 30, 2019.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Fixed Income	\$ 1,535,743	\$ -	\$ -	\$ 1,535,743
Mutual Funds	288,465	-	-	288,465
Common Stock Equities	<u>2,112,003</u>	<u>-</u>	<u>-</u>	<u>2,112,003</u>
Total Investments	<u>\$ 3,936,211</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,936,211</u>
Beneficial Interest in Perpetual Trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,781,160</u>	<u>\$ 1,781,160</u>

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2019

NOTE 6. Fair Value Measurements (Continued)

The table below sets forth a summary of changes in the fair value of the Association's Level 3 assets for the year ended June 30, 2019.

Balance, beginning of the year	\$ 1,342,870
Net unrealized gain	<u>438,290</u>
Balance end of year	<u>\$ 1,781,160</u>

Level 1 - Inputs that utilized quoted prices (unadjusted) in active markets for identical assets or liabilities that the Association has the ability to access.

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.

Fixed Income and Equity Securities - Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual Funds - Valued at the net asset value of shares held by the Association at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Association 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.

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2019

NOTE 7. Endowments

The Association's Board of Directors has designated \$3,841,693 of net assets without donor restrictions as a general endowment fund to support the mission of the Association. Since that amount 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, 2019 the Association had the following net asset composition by type of fund:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds	\$ 3,841,693	\$ -	\$ 3,841,693
	\$ 3,841,693	\$ -	\$ 3,841,693

Changes in endowment net assets for the fiscal year ended June 30, 2019 were as follows:

	Without Donor Restrictions
Endowment Net Assets, Beginning of Year	\$ 3,734,032
Board-Designated Transfers, Net	(45,000)
Investment Return	
Investment Income	138,696
Net Appreciation (Realized and Unrealized)	170,312
Total Investment Return	309,008
Amounts Appropriated for Expenditures	(156,347)
Endowment Net Assets, End of Year	\$ 3,841,693

NOTE 8. Special Events

There was no special event income for the year ended June 30, 2019.

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2019

NOTE 9. Low Vision Sales

For the year ended June 30, 2019, the Low Vision clinics generated \$40,960 in total income. Gross product sales of Low Vision equipment were \$28,612; direct expenses related to these sales were \$24,747.

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, 2019, the percentage was 5% of eligible employee pay, which amounted to \$15,736.

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.

Financial instruments that potentially expose the Bucks County Association for the Blind and Visually Impaired to concentrations of credit risk consist primarily of bank and custodial accounts. 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 accounts with FNB and the Bryn Mawr Trust Company which is not insured or collateralized.

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2019

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

The FNB operating, payroll and savings account are combined for the purpose of Federal Depository Insurance (FDIC), which is \$250,000. At times, such balances may be in excess of \$250,000 FDIC insurance limits on interest bearing accounts (SIPC insurance for investments, not including market losses) thus exposing the Association to a loss in the amount of the excess. There is no limit on FDIC insurance for non-interest bearing accounts. At June 30, 2019 the operating, payroll and savings account balances were covered by FDIC insurance.

The custodial accounts with various financial institutions at June 30, 2019 totals \$74,627 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.

SUPPLEMENTAL INFORMATION

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Schedules of Contracts
TSS & PSE Statement of Activities

June 30, 2019

	2019			
	Contract #4100081449			
	Approved Budget	Total Program Cost	Actual DHS Funding	BCABVI Association's Subsidy
Revenue				
Department of Health Services	\$ 74,732	\$ -	\$ -	\$ -
Expenses				
Salaries	38,320	42,171	38,320	3,851
Benefits	2,932	3,226	2,932	294
Building Repair & Maintenance	7,999	8,934	7,999	935
Utilities/Landline	5,207	5,632	5,207	425
Liability & Vehicle Insurance	6,886	7,512	6,886	626
Vehicle Repair	824	925	824	101
Payroll & Professional Fees	1,370	1,437	1,370	67
Dues & Subscriptions	2,467	2,653	2,467	186
Postage	495	647	495	152
Printing and Reproduction	223	253	223	30
Program Supplies	1,110	1,669	1,110	559
Office Supplies	809	1,042	809	233
PAB Conference	31	31	31	-
Administrative Overhead	2,063	2,270	2,063	207
Staff Travel	3,996	4,357	3,996	361
PAB Professional Fees	-	9,341	-	9,341
	<u>\$ 74,732</u>	<u>\$ 92,100</u>	<u>\$ 74,732</u>	<u>\$ 17,368</u>