

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

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

YEAR ENDED JUNE 30, 2021

(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

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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

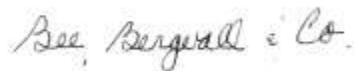
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bucks County Association for the Blind and Visually Impaired, as of June 30, 2021 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Bucks County Association for the Blind and Visually Impaired's 2020 financial statements, and in our report dated September 15, 2020, 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, 2020, 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 #4100084587, on page 23 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 21, 2021

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

June 30, 2021 and 2020

	<u>ASSETS</u>	
	<u>2021</u>	<u>2020</u>
Current Assets		
Cash and Cash Equivalents	\$ 275,246	\$ 212,378
Accounts Receivable	10,722	6,784
Contributions Receivable	1,510	439,229
Investments	5,497,876	4,109,115
Inventories	79,315	78,407
Prepaid Expenses	16,165	11,139
Total Current Assets	<u>5,880,834</u>	<u>4,857,052</u>
Property and Equipment, Net	<u>1,030,537</u>	<u>1,095,727</u>
Other Assets		
Restricted Investments	63,180	63,180
Beneficial Interest in Perpetual Trust	2,080,804	1,698,813
Total Other Assets	<u>2,143,984</u>	<u>1,761,993</u>
TOTAL ASSETS	<u>\$ 9,055,355</u>	<u>\$ 7,714,772</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accrued Expenses	\$ 4,297	\$ 4,966
Accrued Salaries	18,091	15,130
Accrued Vacation	25,327	25,571
Refundable Advance Liability-PPP	118,340	115,865
Total Current Liabilities	<u>166,055</u>	<u>161,532</u>
Net Assets		
Without Donor Restrictions		
Undesignated	1,461,166	1,881,332
Board Designated Endowment	5,278,470	3,906,165
	<u>6,739,636</u>	<u>5,787,497</u>
With Donor Restrictions		
Perpetual in Nature	2,143,984	1,761,993
Purpose Restrictions	5,680	3,750
	<u>2,149,664</u>	<u>1,765,743</u>
Total Net Assets	<u>8,889,300</u>	<u>7,553,240</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,055,355</u>	<u>\$ 7,714,772</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, 2021

With Summarized Comparative Totals for the Year Ended June 30, 2020

	<u>2021</u>			<u>2020</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
Public Support and Revenue				
Contributions	\$ 72,709	\$ -	\$ 72,709	\$ 72,253
Thrift Shop Gross Sales	421,282	-	421,282	337,945
Transportation Fees	2,582	-	2,582	29,670
Contract Fees	84,236	-	84,236	80,217
Grants	116,358	15,700	132,058	5,295
Vision and Hearing Screening Fees	2,618	-	2,618	6,973
Low Vision Center Gross Receipts	40,909	-	40,909	41,752
Investment Income, Net of Management Fees	88,855	-	88,855	96,074
Trust Investment Income	79,980	-	79,980	87,630
Bequests from Estates	1,152	-	1,152	561,567
Program Income	224	-	224	2,017
Miscellaneous Income	2,220	-	2,220	2,570
Net Realized/Unrealized Gain (Loss) on Investments	914,808	-	914,808	37,641
Change in Fair Value of Perpetual Trust	-	381,991	381,991	(82,347)
Net Assets Released from Restrictions	<u>13,770</u>	<u>(13,770)</u>	<u>-</u>	<u>-</u>
Total Public Support and Revenue	<u>1,841,703</u>	<u>383,921</u>	<u>2,225,624</u>	<u>1,279,257</u>
Functional Expenses				
Program Services				
Client Services	421,484	-	421,484	424,782
Transportation	88,256	-	88,256	116,429
Thrift Shop	<u>230,131</u>	<u>-</u>	<u>230,131</u>	<u>212,064</u>
Total Program Services	<u>739,871</u>	<u>-</u>	<u>739,871</u>	<u>753,275</u>
Support Services				
General and Administrative	130,962	-	130,962	125,329
Fundraising	<u>18,731</u>	<u>-</u>	<u>18,731</u>	<u>16,272</u>
Total Supporting Services	<u>149,693</u>	<u>-</u>	<u>149,693</u>	<u>141,601</u>
Total Expenses	<u>889,564</u>	<u>-</u>	<u>889,564</u>	<u>894,876</u>
Change in Net Assets	952,139	383,921	1,336,060	384,381
Net Assets at Beginning of Year	<u>5,787,497</u>	<u>1,765,743</u>	<u>7,553,240</u>	<u>7,168,859</u>
Net Assets at End of Year	<u>\$ 6,739,636</u>	<u>\$ 2,149,664</u>	<u>\$ 8,889,300</u>	<u>\$ 7,553,240</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, 2021

With Summarized Comparative Totals for the Year Ended June 30, 2020

	Program Services				Support Services			2021	2020
	Client Services	Transportation Services	Thrift Shop	Total Program Expenses	General & Admin	Fund Raising	Total Support Services	Total Expenses	Total Expenses
Salaries	\$ 197,576	\$ 47,937	\$ 165,984	\$ 411,497	\$ 89,267	\$ 10,632	\$ 99,899	\$ 511,396	\$ 510,652
Payroll Taxes	21,934	4,848	14,914	41,696	8,301	853	9,154	50,850	41,640
Employee Benefits	15,800	3,121	4,062	22,983	7,510	1,233	8,743	31,726	29,741
Pension Expense	8,573	498	3,584	12,655	4,499	498	4,997	17,652	16,304
Payroll and Related Expenses	<u>243,883</u>	<u>56,404</u>	<u>188,544</u>	<u>488,831</u>	<u>109,577</u>	<u>13,216</u>	<u>122,793</u>	<u>611,624</u>	<u>598,337</u>
Vehicle Fuel	-	2,975	-	2,975	-	-	-	2,975	7,502
Vehicle Maintenance	-	2,874	-	2,874	-	-	-	2,874	2,690
Contracted Services	7,435	-	-	7,435	-	-	-	7,435	2,970
Liability Insurance	17,885	2,981	5,962	26,828	2,981	-	2,981	29,808	28,900
Postage	2,084	-	-	2,084	-	-	-	2,084	2,688
Thrift Shop Costs	-	-	4,613	4,613	-	-	-	4,613	25,847
Printing and Supplies	14,062	1	3,905	17,968	6	4,204	4,210	22,179	18,430
Travel & Training	1,258	66	-	1,324	74	-	74	1,398	5,320
Utilities	12,227	2,038	4,076	18,341	2,038	-	2,038	20,379	23,096
Building Maintenance	22,562	3,422	9,305	35,289	3,423	-	3,423	38,712	30,028
Equipment Maintenance	15,110	1,282	2,865	19,257	1,222	-	1,222	20,479	18,559
Professional and Consulting Fees	4,079	660	1,010	5,749	8,497	-	8,497	14,246	15,224
Dues and Subscriptions	16,468	10	-	16,478	-	610	610	17,088	15,075
Advertising	175	-	700	875	100	-	100	975	1,032
Low Vision COGS	23,826	-	-	23,826	-	-	-	23,826	20,682
Other Low Vision Expenses	3,120	-	-	3,120	-	-	-	3,120	3,394
Staff and Client Expense	620	27	-	647	567	-	567	1,214	5,299
Miscellaneous	-	200	-	200	-	701	701	901	825
	<u>140,911</u>	<u>16,536</u>	<u>32,436</u>	<u>189,883</u>	<u>18,908</u>	<u>5,515</u>	<u>24,423</u>	<u>214,306</u>	<u>227,561</u>
Depreciation Expense	<u>36,690</u>	<u>15,316</u>	<u>9,151</u>	<u>61,157</u>	<u>2,477</u>	<u>-</u>	<u>2,477</u>	<u>63,634</u>	<u>68,978</u>
Total Expenses by Function	<u>\$ 421,484</u>	<u>\$ 88,256</u>	<u>\$ 230,131</u>	<u>\$ 739,871</u>	<u>\$ 130,962</u>	<u>\$ 18,731</u>	<u>\$ 149,693</u>	<u>\$ 889,564</u>	<u>\$ 894,876</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 1,336,060	\$ 384,381
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Donated Stock	1,972	1,659
Depreciation	63,634	68,978
Net Realized and Unrealized (Gains) Loss on Investments	(914,808)	(37,641)
Change in Fair Value of Perpetual Trust (Increase) Decrease	(381,991)	82,347
Changes in Operating Assets:		
(Increase) Decrease in Accounts Receivable	(3,938)	2,407
Decrease in Contributions Receivable	437,719	(417,697)
(Increase)/Decrease in Thrift Shop Inventory	(1,733)	20,503
(Increase) Decrease in Low Vision Inventory	825	(7,158)
(Increase) in Prepaid Expenses	(5,026)	(2,187)
Changes in Operating Liabilities:		
Increase (Decrease) in Accrued Expenses	(669)	2,998
Increase (Decrease) in Accrued Payroll	2,961	4,928
Increase (Decrease) in Accrued Vacation	(244)	2,142
Increase in PPP Advance	2,475	115,865
Net Cash Provided by (Used in) Operating Activities	<u>537,237</u>	<u>221,525</u>
Cash Flows From Investing Activities		
Purchase of Property and Equipment	(33,997)	(28,242)
Purchase of Investments	(1,420,224)	(623,278)
Proceeds from Sale of Investments	979,852	497,804
Net Cash Provided by (Used in) Investing Activities	<u>(474,369)</u>	<u>(153,716)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	62,868	67,809
Cash and Cash Equivalents at Beginning of Year	<u>212,378</u>	<u>144,569</u>
Cash and Cash Equivalents at End of Year	<u>\$ 275,246</u>	<u>\$ 212,378</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, 2021

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.

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, 2020, 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 uncollectible 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, 2021

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 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, 2021, included in income without donor-restrictions in the Statements of Activities and Changes in Net Assets. A donor-restricted increase in the fair value of beneficial interest of \$381,991 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, 2021

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, 2021

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.

The Association has implemented Accounting Standards Update (ASU) No. 2014-09- Revenue from Contracts with Customers (Topic 606) as management believes the standard improve the usefulness and understandability of the Association's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Association reported contributions; therefore, no changes to the previously issued audited financial statements were required on a retroactive basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard. The Association's financial statements reflect the application of this guidance for the year ended June 30, 2021.

New Accounting Pronouncement: ASU No. 2018-13 (Topic 820), Fair Value Measurement: The new guidance is intended to improve the effectiveness of disclosures in the notes to the financial statements. The objective of these disclosure requirements is to provide financial statement users with information about assets and liabilities measured at fair value in the statement of financial position or disclosed in the notes to the financial statements regarding (1) the valuation techniques and inputs used to develop fair value measurements, including related judgments and assumptions made, (2) the uncertainty in the fair value measurements as of the reporting date, and (3) how changes in the measurements impact the performance and cash flows of the entity. The Association's financial statements reflect the application of this guidance for the year ending June 30, 2021. The implementation had no effect on net assets and the adoption did not impact previously issued financial statements.

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements
June 30, 2021

NOTE 1. Summary of Significant Accounting Policies (Continued)

Future 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 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.

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.

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, 2021, \$2,850 of in-kind donations were recorded. The fair value of donated rental space for the Telford Clinic was \$300 and the fair value of informational services was \$2,550.

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.

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2021

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.

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.

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, 2021 the unpaid vacation days and related costs of \$25,327 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. As of June 30, 2021 no items other than those discussed in Note 6, Refundable Advance Liability-Paycheck Protection Program, were noted which required adjustment to or disclosure in the financial statements.

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, 2021:	
Cash and Cash Equivalents	\$ 275,246
Accounts Receivable	10,722
Contributions Receivable	1,510
Investments	5,561,056
Beneficial Interest In Trust	<u>2,080,804</u>
	7,929,338
Less Amounts Not Available to be used within one year:	
Net Assets with Donor Restrictions	(2,149,664)
Board Designated Net Assets and Other Appropriations	<u>(5,396,810)</u>
Total Assets available to meet general expenditures within one year:	<u>\$ 382,864</u>

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements
June 30, 2021

NOTE 2. Liquidity and Availability (Continued)

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 \$5,278,470 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, 2021 consist of the following:

	<u>Cost</u> <u>Basis</u>	<u>Fair</u> <u>Value</u>
Cash and Cash Equivalents	\$ 182,339	\$ 182,339
Fixed Income Securities	2,087,245	2,146,521
Mutual Funds	337,583	435,350
Common Stock Equities	<u>1,081,457</u>	<u>2,796,846</u>
Total	<u>\$ 3,688,624</u>	<u>\$ 5,561,056</u>

For the year ended June 30, 2021, the net realized gains are \$131,528 and the unrealized gains are \$783,280 for a total net realized and unrealized gains of \$914,808. Investment income (interest, dividends, and capital gain distributions less management fees) of \$88,855 was earned on cash equivalents and investments during the year ended June 30, 2021. Investment management fees in the amount of \$21,457 have been incurred as of June 30, 2021.

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.

BUCKS COUNTY ASSOCIATION FOR THE
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Notes to Financial Statements
June 30, 2021

NOTE 4. Fair Value Measurements (Continued)

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.

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, 2021.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Cash and Cash Equivalents	\$ 182,339	\$ -	\$ -	\$ 182,339
Fixed Income	2,146,521	-	-	2,146,521
Mutual Funds	435,350	-	-	435,350
Common Stock Equities	2,796,846	-	-	2,796,846
Total Investments	<u>\$ 5,561,056</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,561,056</u>
Beneficial Interest in Perpetual Trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,080,804</u>	<u>\$ 2,080,804</u>

BUCKS COUNTY ASSOCIATION FOR THE
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Notes to Financial Statements
June 30, 2021

NOTE 4. Fair Value Measurements (Continued)

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, 2021:

Balance, beginning of the year	\$ 1,698,813
Net unrealized gain	<u>381,991</u>
Balance end of year	<u>\$ 2,080,804</u>

The underlying assets of the Association's beneficial interest in the Louis Spring Trust, as reported by the trustee, as of June 30, 2021 are summarized below:

	<u>Fair Value</u>
Cash and Equivalents	\$ 29,542
Fixed Income	521,056
Equities	1,441,097
Real Assets	<u>89,109</u>
Total	<u>\$ 2,080,804</u>

NOTE 5. Property and Equipment

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

Land	\$ 23,300
Buildings and Improvements	1,626,876
Equipment and Fixtures	33,193
Vehicles	<u>139,713</u>
	1,823,082
Less: Accumulated Depreciation	<u>(792,545)</u>
	<u>\$ 1,030,537</u>

For the year ended June 30, 2021 depreciation expense totaled \$63,634.

BUCKS COUNTY ASSOCIATION FOR THE
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Notes to Financial Statements
June 30, 2021

NOTE 6. Refundable Advance Liability-Paycheck Protection Program

On May 5, 2020 BCABVI received proceeds of \$115,700 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). These proceeds were forgiven in March of 2021, and as such have been recorded as Grant Income on the Statements of Activities and Changes in Net Assets. On February 11, 2021 the Association received a second PPP advance of \$118,340. Because these proceeds have not been forgiven as of June 30, 2021, the Association has chosen to report the monies awarded as a liability on the statement of financial position until they receive written approval of the forgiveness application from the SBA. The Association fully expects to receive this forgiveness in the coming fiscal year since it has complied with all of the program expenditure requirements in order to meet loan forgiveness.

NOTE 7. Endowments

The Association's Board of Directors has designated \$5,278,470 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, 2021 the Association had the following net asset composition by type of fund:

	<u>Without Donor Restrictions</u>
Board-Designated Endowment Funds	<u>\$ 5,278,470</u>
	<u>\$ 5,278,470</u>

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements
June 30, 2021

NOTE 7. Endowments (Continued)

Changes in endowment net assets for the fiscal year ended June 30, 2021 were as follows:

	<u>Without Donor Restrictions</u>
Endowment Net Assets, Beginning of Year	\$ 3,906,165
Contributions	
Board-Designated Transfers, Net	542,299
Investment Return	
Investment Income	109,254
Net Appreciation (Realized and Unrealized)	<u>909,728</u>
Total Investment Return	<u>1,018,982</u>
Amounts Appropriated for Expenditures	<u>(188,976)</u>
 Endowment Net Assets, End of Year	 <u><u>\$ 5,278,470</u></u>

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, 2021:

Perpetual in Nature:	
Rose Feinstone	\$ 50,000
Estate of Grace Boone	8,000
Robert Sands Memorial Fund	5,180
Louis C. Spring Trust	<u>2,080,804</u>
Total	<u><u>\$ 2,143,984</u></u>
Purpose Restrictions:	
Low Vision Grants	<u><u>\$ 15,700</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, 2021:

Satisfaction of Purpose Restrictions:	
Low Vision Clinic Services	<u><u>\$ 13,770</u></u>

BUCKS COUNTY ASSOCIATION FOR THE
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Notes to Financial Statements
June 30, 2021

NOTE 9. Special Events

There was no special event income for the year ended June 30, 2021.

NOTE 10. Low Vision Sales

For the year ended June 30, 2021, the Low Vision clinics generated \$40,909 in total income. Gross product sales of Low Vision equipment were \$33,832; direct expenses related to these sales were \$23,826.

NOTE 11. 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, 2021, the percentage was 5% of eligible employee pay, which amounted to \$17,652.

NOTE 12. 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.

Financial instruments that potentially expose the Bucks County Association for the Blind and Visually Impaired 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).

BUCKS COUNTY ASSOCIATION FOR THE
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Notes to Financial Statements
June 30, 2021

NOTE 12. Concentrations of Credit Risks and Uncertainties (Continued)

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, 2021 the amount in excess of FDIC insurance limits totaled \$31,316.

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, 2021 totals \$182,339 and is not covered by collateral held at the respected institutions nor insured.

NOTE 13. 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 14. 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.

The Association paid a separate board member \$900 to instruct mindfulness classes during the fiscal year. She was hired for her expertise in the field.

SUPPLEMENTAL INFORMATION

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Schedules of Contracts
TSS & PSE Activities Schedule
June 30, 2021

**THE TSS & PSE GRANT
ACTIVITIES SCHEDULE
YEAR ENDED JUNE 30, 2021**

	Contract #4100084587			
	Approved Budget	Total Program Cost	Actual DHS Funding	BCABVI Association's Subsidy
Revenue				
Department of Health Services	\$ 84,236	\$ -	\$ -	\$ -
Expenses				
Salaries	\$ 38,000	\$ 38,802	\$ 38,000	\$ 802
Benefits	8,500	9,063	8,500	563
Building Repair & Maintenance	9,000	9,678	9,000	678
Utilities and Telephone Landline	4,400	4,967	4,400	567
Leased Equipment	800	824	800	24
Liability & Vehicle Insurance	7,000	7,452	7,000	452
Vehicle Repair	1,000	1,035	1,000	35
Payroll & Professional Fees	1,500	1,580	1,500	80
IT Services	2,500	2,550	2,500	50
Dues and Subscriptions	1,500	1,537	1,500	37
Database Maintenance	1,000	1,211	1,000	211
Postage	400	405	400	5
Audit	1,500	1,981	1,500	481
Printing and Reproduction	30	35	30	5
Program Supplies	3,500	3,749	3,500	249
Office Supplies	1,000	1,343	1,000	343
PAB Conference	100	150	100	50
Administrative Overhead	2,000	2,340	2,000	340
Staff Travel	506	668	506	162
PAB Professional Fees	-	10,530	-	10,530
Total	\$ 84,236	\$ 99,900	\$ 84,236	\$ 15,664