

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

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

YEAR ENDED JUNE 30, 2018

(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, 2018, 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, 2018 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 2017 financial statements, and in our report dated September 21, 2017, 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, 2017, 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 #4100079465, on page 20 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 & Co.

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

Warrington, PA
September 18, 2018

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Statements of Financial Position

For the Years Ended June 30, 2018 and 2017

	<u>ASSETS</u>	
	<u>2018</u>	<u>2017</u>
Current Assets		
Cash and Cash Equivalents	\$ 213,687	\$ 145,139
Accounts Receivable	10,660	14,540
Grants Receivable	5,000	-
Thrift Shop Inventory	128,782	123,904
Prepaid Expenses	4,822	5,575
Investments	3,824,514	3,798,726
Total Current Assets	<u>4,187,465</u>	<u>4,087,884</u>
Property and Equipment, Net	<u>1,123,873</u>	<u>1,120,896</u>
Other Assets		
Beneficial Interest in Perpetual Trust	1,342,870	1,345,512
Total Other Assets	<u>1,342,870</u>	<u>1,345,512</u>
 TOTAL ASSETS	 <u>\$ 6,654,208</u>	 <u>\$ 6,554,292</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable	\$ 1,899	\$ 14,035
Accrued Salaries	16,926	10,205
Accrued Vacation	22,487	24,128
Total Current Liabilities	<u>41,312</u>	<u>48,368</u>
Net Assets		
Unrestricted	5,182,286	5,097,232
Temporarily Restricted	24,560	-
Permanently Restricted	1,406,050	1,408,692
Total Net Assets	<u>6,612,896</u>	<u>6,505,924</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 6,654,208</u>	 <u>\$ 6,554,292</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, 2018

With Summarized Comparative Totals for the Year Ended June 30, 2017

	2018			2017	
	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>	<u>Total</u>
Public Support and Revenue					
Contributions	\$ 84,360	\$ -	\$ -	\$ 84,360	\$ 91,161
Thrift Shop Gross Sales	343,282	-	-	343,282	334,761
Transportation Fees	46,776	-	-	46,776	59,506
Contract Fees	74,732	-	-	74,732	73,391
Grants	998	24,560	-	25,558	5,343
Vision and Hearing Screening Fees	8,492	-	-	8,492	9,841
Low Vision Center Income	44,845	-	-	44,845	61,209
Investment Income	99,901	-	-	99,901	90,642
Trust Investment Income	78,617	-	-	78,617	90,000
Bequests from Estates	40,785	-	-	40,785	-
Program Income	1,894	-	-	1,894	2,106
Miscellaneous Income	2,640	-	-	2,640	2,506
Realized and Unrealized Gains on Investments	173,017	-	-	173,017	282,617
Change in Fair Value of Perpetual Trust	-	-	(2,642)	(2,642)	51,973
Total Public Support and Revenue	<u>1,000,339</u>	<u>24,560</u>	<u>(2,642)</u>	<u>1,022,257</u>	<u>1,155,056</u>
Functional Expenses					
Program Services					
Client Services	445,096	-	-	445,096	480,900
Transportation	135,516	-	-	135,516	150,079
Thrift Shop	180,762	-	-	180,762	172,568
Total Program Services	<u>761,374</u>	<u>-</u>	<u>-</u>	<u>761,374</u>	<u>803,547</u>
Support Services					
General and Administrative	133,825	-	-	133,825	134,613
Fundraising	20,086	-	-	20,086	21,836
Total Supporting Services	<u>153,911</u>	<u>-</u>	<u>-</u>	<u>153,911</u>	<u>156,449</u>
Total Expenses	<u>915,285</u>	<u>-</u>	<u>-</u>	<u>915,285</u>	<u>959,996</u>
Change in Net Assets	85,054	24,560	(2,642)	106,972	195,060
Net Assets at Beginning of Year	<u>5,097,232</u>	<u>-</u>	<u>1,408,692</u>	<u>6,505,924</u>	<u>6,310,864</u>
Net Assets at End of Year	<u>\$ 5,182,286</u>	<u>\$ 24,560</u>	<u>\$ 1,406,050</u>	<u>\$ 6,612,896</u>	<u>\$ 6,505,924</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, 2018

With Summarized Comparative Totals for the Year Ended June 30, 2017

	2018				2018			2017
	Program Services			Total Program Services	Support Services		Total Expenses	Total
	Client Services	Transportation Services	Thrift Shop		General & Admin	Fund Raising		
Payroll and Related Expenses								
Salaries	\$ 196,199	\$ 79,665	\$ 120,072	\$ 395,936	\$ 83,728	\$ 10,167	\$ 489,831	\$ 518,449
Payroll Taxes	17,268	6,650	10,076	33,994	7,156	819	41,969	46,991
Employee Benefits	18,848	4,677	4,148	27,673	11,968	1,579	41,220	54,033
Pension Expense	5,041	827	5,901	11,769	4,384	424	16,577	10,416
Total Payroll and Related Expenses	<u>237,356</u>	<u>91,819</u>	<u>140,197</u>	<u>469,372</u>	<u>107,236</u>	<u>12,989</u>	<u>589,597</u>	<u>629,889</u>
Other Expenses								
Vehicle Fuel	-	11,239	-	11,239	-	-	11,239	10,442
Vehicle Maintenance	-	9,194	-	9,194	-	-	9,194	11,076
Contracted Services	3,480	-	-	3,480	-	-	3,480	2,580
Liability Insurance	17,741	2,890	5,780	26,411	2,890	-	29,301	32,213
Postage	2,518	-	-	2,518	-	241	2,759	3,506
Thrift Shop Credit Card Fees	-	-	4,449	4,449	-	-	4,449	4,641
Printing and Supplies	19,522	71	1,555	21,148	178	6,110	27,436	23,970
Travel	8,171	-	-	8,171	270	-	8,441	9,572
Utilities	18,233	3,039	6,078	27,350	3,039	-	30,389	29,390
Depreciation	36,568	7,293	9,151	53,012	4,105	-	57,117	56,011
Building Maintenance	25,204	4,043	8,043	37,290	4,043	-	41,333	25,309
Equipment Maintenance	9,396	1,371	2,828	13,595	1,271	-	14,866	17,875
Investment Management Fees	14,539	1,817	909	17,265	909	-	18,174	17,340
Professional and Consulting Fees	6,560	767	463	7,790	8,045	-	15,835	21,737
Dues and Subscriptions	13,752	20	-	13,772	485	653	14,910	16,267
Advertising	1,093	-	-	1,093	-	-	1,093	4,199
Low Vision	24,266	-	-	24,266	-	-	24,266	33,481
Staff and Client Expense	4,983	1,028	359	6,370	649	-	7,019	5,385
Miscellaneous	1,714	925	950	3,589	705	93	4,387	5,113
Total Other Expenses	<u>207,740</u>	<u>43,697</u>	<u>40,565</u>	<u>292,002</u>	<u>26,589</u>	<u>7,097</u>	<u>325,688</u>	<u>330,107</u>
Total Functional Expenses	<u>\$ 445,096</u>	<u>\$ 135,516</u>	<u>\$ 180,762</u>	<u>\$ 761,374</u>	<u>\$ 133,825</u>	<u>\$ 20,086</u>	<u>\$ 915,285</u>	<u>\$ 959,996</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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Change in Net Assets	\$ 106,972	\$ 195,060
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	57,117	56,011
Realized and Unrealized (Gains) Loss in Investments	(173,017)	(282,617)
Change in Fair Value of Perpetual Trust	2,642	(51,973)
(Increase) Decrease in Operating Assets		
Accounts Receivable	3,879	(3,542)
Bequests Receivable	-	17,281
Grants Receivable	(5,000)	-
Thrift Shop Inventory	(4,878)	524
Prepaid Expenses	753	7,621
Increase (Decrease) in Operating Liabilities		
Accounts Payable	(12,136)	12,171
Accrued Payroll	6,719	2,111
Accrued Vacation	(1,641)	3,626
Net Cash Provided by (Used in) Operating Activities	<u>(18,590)</u>	<u>(43,727)</u>
Cash Flows From Investing Activities		
Purchase of Property and Equipment	(60,094)	(4,970)
Purchase of Investments	(118,140)	(83,211)
Proceeds from Sale of Investments	265,372	112,999
Net Cash Provided by (Used in) Investing Activities	<u>87,138</u>	<u>24,818</u>
Net (Decrease) Increase in Cash and Cash Equivalents	68,548	(18,909)
Cash and Cash Equivalents at Beginning of Year	<u>145,139</u>	<u>164,048</u>
Cash and Cash Equivalents at End of Year	<u>\$ 213,687</u>	<u>\$ 145,139</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, 2018

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 is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Association and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. Generally, the donors of these assets permit the Association to use all or part of the income earned on any related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless the related assets are limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

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 Organization's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2018

NOTE 1. Summary of Significant Accounting Policies (Continued)

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. Investments income and gains restricted by a donor are reported as increases in unrestricted net assets 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, 2018, 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.

Thrift Shop Inventory: Thrift shop revenue and inventory is recorded at the date of the contribution based on estimated net realizable value. Thrift shop 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. The depreciation expense is \$57,117 for the year ending June 30, 2018. 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, 2018

NOTE 1. Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment (continued)

Property, plant and equipment consisted of the following at June 30, 2018:

Land	\$ 23,300
Buildings and Improvements	1,605,133
Equipment and Fixtures	45,321
Vehicles	<u>208,196</u>
	1,881,950
Less: Accumulated Depreciation	<u>(758,077)</u>
	<u>\$ 1,123,873</u>

Contributions: Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor restriction. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or when the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets 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 unrestricted contributions 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 costs of providing the Association's various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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, 2018

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.

Contributed 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, 2018, \$3,525 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 \$2,325.

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, 2018 the unpaid vacation days and related costs of \$22,487 have been accrued.

Advertising: All advertising costs are expensed when incurred.

Reclassifications: Certain reclassifications have been made to the 2017 financial statements to conform to the 2018 presentation. These reclassifications had no income effect.

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, 2018

NOTE 2. Investments

As discussed in Note 1, investments are carried at fair value. Investments at June 30, 2018 consist of the following:

	<u>2018</u>	
	<u>Cost</u> <u>Basis</u>	<u>Fair</u> <u>Value</u>
Fixed Income Securities	\$ 1,459,810	\$ 1,441,827
Mutual Funds	93,035	109,272
Common Stock Equities	<u>1,165,276</u>	<u>2,273,415</u>
Total	<u>\$ 2,718,121</u>	<u>\$ 3,824,514</u>

For the year ended June 30, 2018, the net realized gains are \$121,882 and the unrealized gains are \$51,135 for net realized and unrealized gains of \$173,017. Investment income (interest and dividends/capital gain distributions) of \$99,901 was earned on cash equivalents and investments during the year ended June 30, 2018. Investment management fees in the amount of \$18,174 have been incurred as of June 30, 2018.

NOTE 3. 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*.

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2018

NOTE 3. Beneficial Interest in Perpetual Trust (Continued)

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 \$1,342,870 as a beneficial interest, which is the total fair market value of the principal upon which its income distributions are based as permanently restricted net assets. For the year ended June 30, 2018, the Association received income from the irrevocable trust of \$78,617 which has been included in unrestricted income in accordance with the specifics of the trust in the statement of activities and changes in net assets. Also, a decrease in the fair value of the beneficial interest of \$2,642 has been recorded as permanently restricted activity for the year ended June 30, 2018 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, 2018 is summarized below:

	<u>Fair Value</u>
Cash and Equivalents	\$ 56,621
Fixed Income	378,116
Equities	785,243
Real Assets	<u>122,890</u>
Total	<u>\$ 1,342,870</u>

NOTE 4. Permanently Restricted Net Assets

Permanently restricted net assets have donor-imposed stipulations that they be maintained by the Association. As of June 30, 2018, the donors of these assets permit the Association to use all of the income on related investments for general purposes. The permanently restricted net assets consist of the following:

<u>Principal restricted by</u>	<u>2018</u>
Rose Feinstone	\$ 50,000
Estate of Grace Boone	8,000
Robert Sands Memorial Fund	5,180
Louis C. Spring Trust	<u>1,342,870</u>
Total	<u>\$ 1,406,050</u>

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2018

NOTE 4. Permanently Restricted Net Assets (Continued)

Changes in Permanently Restricted Assets for the year ended June 30, 2018:

Permanently restricted net assets, Beginning of the Year	\$ 1,408,692
Net appreciation (Realized and Unrealized)	<u>(2,642)</u>
Permanently restricted net assets, End of the Year	<u>\$ 1,406,050</u>

NOTE 5. 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, 2018.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Fixed Income	\$ 1,441,827	\$ -	\$ -	\$ 1,441,827
Mutual Funds	109,272	-	-	109,272
Common Stock Equities	<u>2,273,415</u>	<u>-</u>	<u>-</u>	<u>2,273,415</u>
Total Investments	<u>\$ 3,824,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,824,514</u>
Beneficial Interest in Perpetual Trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,342,870</u>	<u>\$ 1,342,870</u>

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, 2018.

Balance, beginning of the year	\$ 1,345,512
Net unrealized gain	<u>(2,642)</u>
Balance end of year	<u>\$ 1,342,870</u>

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2018

NOTE 5. Fair Value Measurements (Continued)

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.

NOTE 6. Special Events

For the year ended June 30, 2018, special event income of \$4,311 is included with contribution income in the Statement of Activities and Changes in Net Assets. In addition, \$2,143 of special event expense is included in Fundraising Expenses in the Statement of Functional Expenses.

NOTE 7. Low Vision Sales

For the year ended June 30, 2018, gross sales of Low Vision equipment were \$44,845. Direct expenses related to these sales were \$24,266.

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2018

NOTE 8. 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, 2018, the percentage was 5% of eligible employee pay, which amounted to \$16,577.

NOTE 9. 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, the Bryn Mawr Trust Company and Vanguard Group, 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 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, 2018 the operating, payroll and savings account balances were covered by FDIC insurance.

The Custodial Accounts with various financial institutions at June 30, 2018 totals \$109,751 and is not covered by collateral held at the respected institutions nor insured.

BUCKS COUNTY ASSOCIATION FOR THE
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Notes to Financial Statements

NOTE 10. 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 11. New Accounting Pronouncements

ASU No. 2016-14 (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities: This Statement is effective for fiscal years beginning after December 15, 2017. The objective of this Statement is to improve the information presented in the financial statements and notes about a not-for-profit entity's net asset classifications, liquidity, financial performance, and cash flows. The provision of the pronouncement reduces the three classes of net assets on the statement of financial position and the statement of activities down to two classes of net assets. It also enhances footnote disclosure for any governing board designations, restrictions on net assets, and qualitative and quantitative disclosures on liquidity. This Statement will be implemented in the fiscal year ended June 30, 2019.

SUPPLEMENTAL INFORMATION

BUCKS COUNTY ASSOCIATION FOR THE
BLIND AND VISUALLY IMPAIRED

Schedules of Contracts
TSS & PSE Statement of Activities
June 30, 2018

	2018			
	Approved Budget	Total Program Cost	Actual DHS Funding	BCABVI Association's Subsidy
Revenue				
Department of Health Services	\$ 74,732	\$ -	\$ -	\$ -
Expenses				
Salaries	42,974	47,375	42,974	4,401
Benefits	3,470	3,806	3,470	336
Building Repair & Maintenance	7,919	10,627	7,919	2,708
Utilities	4,594	4,896	4,594	302
Landline	1,829	1,802	1,829	(27)
Vehicle Repair & Insurance	4,680	5,338	4,680	658
Staff Travel	3,950	4,481	3,950	531
Administrative Overhead	2,322	2,488	2,322	166
Liability Insurance	2,994	3,324	2,994	330
PAB Professional Fees	-	9,342	-	9,342
	<u>\$ 74,732</u>	<u>\$ 93,479</u>	<u>\$ 74,732</u>	<u>\$ 18,747</u>