

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

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**YEAR ENDED JUNE 30, 2017**

(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, 2017, 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, 2017 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 2016 financial statements, and in our report dated September 28, 2016, 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, 2016, 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 Prevention of Blindness Contract #4000016895-5, and Specialized Services, Contract #4000016894-5 on page 19 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 21, 2017

BUCKS COUNTY ASSOCIATION FOR THE  
BLIND AND VISUALLY IMPAIRED

Statements of Financial Position

For the Years Ended June 30, 2017 and 2016

	<u>ASSETS</u>	
	<u>2017</u>	<u>2016</u>
Current Assets		
Cash and Cash Equivalents	\$ 145,139	\$ 164,048
Accounts Receivable	14,540	10,999
Bequests Receivable	-	17,281
Thrift Shop Inventory	123,904	124,428
Prepaid Expenses	5,575	13,196
Investments	<u>3,798,726</u>	<u>3,540,480</u>
Total Current Assets	<u>4,087,884</u>	<u>3,870,432</u>
Property and Equipment, Net	<u>1,120,896</u>	<u>1,177,353</u>
Other Assets		
Beneficial Interest in Perpetual Trust	<u>1,345,512</u>	<u>1,293,539</u>
Total Other Assets	<u>1,345,512</u>	<u>1,293,539</u>
 TOTAL ASSETS	 <u>\$ 6,554,292</u>	 <u>\$ 6,341,324</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts Payable	\$ 14,035	\$ 1,864
Accrued Salaries	10,205	8,096
Accrued Vacation	<u>24,128</u>	<u>20,500</u>
Total Current Liabilities	<u>48,368</u>	<u>30,460</u>
Net Assets		
Unrestricted	5,097,232	4,954,145
Permanently Restricted	<u>1,408,692</u>	<u>1,356,719</u>
Total Net Assets	<u>6,505,924</u>	<u>6,310,864</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 6,554,292</u>	 <u>\$ 6,341,324</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, 2017

With Summarized Comparative Totals for the Year Ended June 30, 2016

	2017			2016
	Unrestricted	Permanently Restricted	Total	Total
Public Support and Revenue				
Contributions	\$ 91,161	\$ -	\$ 91,161	\$ 131,601
Thrift Shop Gross Sales	334,761	-	334,761	336,018
Transportation Fees	59,506	-	59,506	57,697
Contract Fees	73,391	-	73,391	75,722
Grants	5,343	-	5,343	15,503
Vision and Hearing Screening Fees	9,841	-	9,841	9,028
Low Vision Center Income	61,209	-	61,209	52,615
Investment Income	90,642	-	90,642	94,255
Trust Investment Income	90,000	-	90,000	62,117
Bequests from Estates	-	-	-	17,531
Program Income	2,106	-	2,106	5,005
Miscellaneous Income	2,506	-	2,506	2,061
Realized and Unrealized Gains on Investments	282,617	-	282,617	19,796
Change in Fair Value of Perpetual Trust	-	51,973	51,973	(50,777)
Total Public Support and Revenue	1,103,083	51,973	1,155,056	828,172
Functional Expenses				
Program Services				
Client Services	480,900	-	480,900	493,618
Transportation	150,079	-	150,079	144,948
Thrift Shop	172,568	-	172,568	163,241
Total Program Services	803,547	-	803,547	801,807
Support Services				
General and Administrative	134,613	-	134,613	125,241
Fundraising	21,836	-	21,836	30,021
Total Supporting Services	156,449	-	156,449	155,262
Total Expenses	959,996	-	959,996	957,069
Change in Net Assets	143,087	51,973	195,060	(128,897)
Net Assets at Beginning of Year	4,954,145	1,356,719	6,310,864	6,439,761
Net Assets at End of Year	\$ 5,097,232	\$ 1,408,692	\$ 6,505,924	\$ 6,310,864

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, 2017

With Summarized Comparative Totals for the Year Ended June 30, 2016

	2017				2017			2016
	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	\$ 222,720	\$ 87,548	\$ 114,910	\$ 425,178	\$ 81,507	\$ 11,764	\$ 518,449	\$ 502,713
Payroll Taxes	20,030	7,969	10,487	38,486	7,432	1,073	46,991	48,698
Employee Benefits	19,949	12,791	6,186	38,926	12,710	2,397	54,033	57,175
Pension Expense	3,222	2,443	2,277	7,942	2,062	412	10,416	11,240
Total Payroll and Related Expenses	<u>265,921</u>	<u>110,751</u>	<u>133,860</u>	<u>510,532</u>	<u>103,711</u>	<u>15,646</u>	<u>629,889</u>	<u>619,826</u>
Other Expenses								
Vehicle Fuel	-	10,442	-	10,442	-	-	10,442	10,307
Vehicle Maintenance	-	11,076	-	11,076	-	-	11,076	8,456
Contracted Services	2,580	-	-	2,580	-	-	2,580	475
Liability Insurance	19,328	3,221	6,443	28,992	3,221	-	32,213	29,108
Postage	3,209	-	-	3,209	-	297	3,506	3,645
Thrift Shop Credit Card Fees	-	-	4,641	4,641	-	-	4,641	4,285
Printing and Supplies	15,718	482	1,840	18,040	110	5,820	23,970	37,647
Travel	7,602	31	-	7,633	1,939	-	9,572	9,366
Utilities	17,871	2,880	5,759	26,510	2,880	-	29,390	30,569
Depreciation	37,287	3,662	9,573	50,522	5,489	-	56,011	49,699
Building Maintenance	15,648	2,582	4,722	22,952	2,357	-	25,309	32,941
Equipment Maintenance	13,084	1,138	2,275	16,497	1,378	-	17,875	15,216
Investment Management Fees	13,870	1,735	867	16,472	868	-	17,340	17,388
Professional and Consulting Fees	10,303	457	305	11,065	10,672	-	21,737	19,169
Dues and Subscriptions	15,123	173	-	15,296	971	-	16,267	12,942
Advertising	3,149	-	1,050	4,199	-	-	4,199	2,018
Low Vision	33,481	-	-	33,481	-	-	33,481	43,393
Staff and Client Expense	4,720	95	173	4,988	397	-	5,385	5,948
Miscellaneous	2,006	1,354	1,060	4,420	620	73	5,113	4,671
Total Other Expenses	<u>214,979</u>	<u>39,328</u>	<u>38,708</u>	<u>293,015</u>	<u>30,902</u>	<u>6,190</u>	<u>330,107</u>	<u>337,243</u>
Total Functional Expenses	<u>\$ 480,900</u>	<u>\$ 150,079</u>	<u>\$ 172,568</u>	<u>\$ 803,547</u>	<u>\$ 134,613</u>	<u>\$ 21,836</u>	<u>\$ 959,996</u>	<u>\$ 957,069</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities		
Change in Net Assets	\$ 195,060	\$ (128,897)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	56,011	49,699
Realized and Unrealized (Gains) Loss in Investments	(282,617)	(19,796)
Change in Fair Value of Perpetual Trust	(51,973)	50,777
(Increase) Decrease in Operating Assets		
Accounts Receivable	(3,542)	5,744
Bequests Receivable	17,281	(17,281)
Thrift Shop Inventory	524	(12,186)
Prepaid Expenses	7,621	(759)
Increase (Decrease) in Operating Liabilities		
Accounts Payable	12,171	(3)
Accrued Payroll	2,111	8,096
Accrued Vacation	3,626	(890)
Net Cash Provided by (Used in) Operating Activities	<u>(43,727)</u>	<u>(65,496)</u>
Cash Flows From Investing Activities		
Purchase of Property and Equipment	447	(444,276)
Purchase of Investments	(88,628)	(242,384)
Proceeds from Sale of Investments	<u>112,999</u>	<u>509,327</u>
Net Cash Provided by (Used in) Investing Activities	<u>24,818</u>	<u>(177,333)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(18,909)	(242,829)
Cash and Cash Equivalents at Beginning of Year	<u>164,048</u>	<u>406,877</u>
Cash and Cash Equivalents at End of Year	<u>\$ 145,139</u>	<u>\$ 164,048</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, 2017

**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. There were no temporarily restricted net assets at June 30, 2017.

*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, 2016, from which the summarized information was derived.

BUCKS COUNTY ASSOCIATION FOR THE  
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2017

**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, 2017, 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 \$56,011 for the year ending June 30, 2017. 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, 2017

**NOTE 1. Summary of Significant Accounting Policies (Continued)**

*Property, Plant and Equipment (continued)*

Property, plant and equipment consisted of the following at June 30, 2017:

Property and Equipment, Net	
Land	\$ 23,300
Buildings and Improvements	1,590,112
Equipment and Fixtures	92,265
Vehicles	<u>221,384</u>
	1,927,061
Less: Accumulated Depreciation	<u>(806,165)</u>
	<u>\$ 1,120,896</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, 2017

**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, 2017, \$3,300 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 \$2,100.

*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, 2017 the unpaid vacation days and related costs of \$24,128 have been accrued.

*Advertising:* All advertising costs are expensed when incurred.

*Reclassifications:* Certain reclassifications have been made to the 2016 financial statements to conform to the 2017 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, 2017

**NOTE 2. Investments**

As discussed in Note 1, investments are carried at fair value. Investments at June 30, 2017 consist of the following:

	<u>2017</u>	
	<u>Cost Basis</u>	<u>Fair Value</u>
Fixed Income Securities	\$ 1,394,455	\$ 1,407,853
Mutual Funds	118,799	128,605
Common Stock Equities	<u>1,230,214</u>	<u>2,262,268</u>
Total	<u>\$ 2,743,468</u>	<u>\$ 3,798,726</u>

For the year ended June 30, 2017, the net realized gains are \$1,407 and the unrealized gains are \$281,210 for net realized and unrealized gains of \$282,617. Investment income (interest and dividends/capital gain distributions) of \$90,642 was earned on cash equivalents and investments during the year ended June 30, 2017. Investment management fees in the amount of \$17,340 have been incurred as of June 30, 2017.

**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, 2017

**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 \$1,345,512 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, 2017, the Association received income from the irrevocable trust of \$90,000 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, an increase in the fair value of the beneficial interest of \$51,973 has been recorded as permanently restricted activity for the year ended June 30, 2017 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, 2017 is summarized below:

	<u>Fair Value</u>
Cash and Equivalents	\$ 48,430
Fixed Income	381,172
Equities	783,632
Real Assets	<u>132,278</u>
Total	<u>\$ 1,345,512</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, 2017, 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>2017</u>
Rose Feinstone	\$ 50,000
Estate of Grace Boone	8,000
Robert Sands Memorial Fund	5,180
Louis C. Spring Trust	<u>1,345,512</u>
Total	<u>\$ 1,408,692</u>

BUCKS COUNTY ASSOCIATION FOR THE  
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2017

**NOTE 4. Permanently Restricted Net Assets (Continued)**

Changes in Permanently Restricted Assets for the year ended June 30, 2017:

Permanently restricted net assets, Beginning of the Year	\$ 1,356,719
Net appreciation (Realized and Unrealized)	<u>51,973</u>
Permanently restricted net assets, End of the Year	<u>\$ 1,408,692</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, 2017.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Fixed Income	\$ 1,407,853	\$ -	\$ -	\$ 1,407,853
Mutual Funds	128,605	-	-	128,605
Common Stock Equities	<u>2,262,268</u>	<u>-</u>	<u>-</u>	<u>2,262,268</u>
Total Investments	<u>\$ 3,798,726</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,798,726</u>
Beneficial Interest in Perpetual Trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,345,512</u>	<u>\$ 1,345,512</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, 2017.

Balance, beginning of the year	\$ 1,293,539
Net unrealized gain	<u>51,973</u>
Balance end of year	<u>\$ 1,345,512</u>

BUCKS COUNTY ASSOCIATION FOR THE  
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2017

**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, 2017, special event income of \$65,052 is included with contribution income in the Statement of Activities and Changes in Net Assets. In addition, \$5,954 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, 2017, gross sales of Low Vision equipment were \$61,209. Direct expenses related to these sales were \$33,481.



BUCKS COUNTY ASSOCIATION FOR THE  
BLIND AND VISUALLY IMPAIRED

Notes to Financial Statements

June 30, 2017

**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 full time employees with no age requirement and the participating employees become fully vested after three months of service. Participation is voluntary, and the employee may contribute up to a certain percentage of their pay that is allowed under IRS 403(b). The Association may make discretionary contributions in accordance with a percentage of salary determined each year. For June 30, 2017, the percentage was 5% of full time employees pay, which amounted to \$10,416.

**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, 2017 the operating, payroll and savings account balances were covered by FDIC insurance.

The Custodial Accounts with various financial institutions at June 30, 2017 totals \$47,495 and is not covered by collateral held at the respected institutions nor insured.

**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.

## **SUPPLEMENTAL INFORMATION**

BUCKS COUNTY ASSOCIATION FOR THE  
BLIND AND VISUALLY IMPAIRED

Schedules of Contracts

June 30, 2017

**SPECIALIZED SERVICES CONTRACT # 4000016894-5  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2017**

	<b>2017</b>			
	Approved Budget	Total Program Cost	Actual OVR Funding	BCABVI Association's Subsidy
Revenue				
Department of Labor and Industry				
Office of Vocational Rehabilitation	<b><u>\$ 57,154</u></b>			
Expenses				
Salaries	\$ 29,833	\$ 41,702	\$ 30,545	\$ 11,157
Benefits	2,282	3,190	2,282	908
Building Repair & Maintenance	4,470	6,615	4,470	2,145
Utilities	4,543	4,363	4,543	(180)
Landline	2,250	1,849	2,250	(401)
Vehicle Insurance	3,429	3,429	3,429	-
Vehicle Maintenance	2,125	2,942	2,125	817
Staff Travel	2,000	2,235	2,000	235
Administrative Overhead	1,606	1,609	1,606	3
Liability Insurance	4,616	4,616	4,616	-
PAB Professional Fees	-	7,151	-	7,151
	<b><u>\$ 57,154</u></b>	<b><u>\$ 79,701</u></b>	<b><u>\$ 57,866</u></b>	<b><u>\$ 21,835</u></b>

**PREVENTION OF BLINDNESS CONTRACT # 4000016895-5  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2017**

	<b>2017</b>			
	Approved Budget	Total Program Cost	Actual OVR Funding	BCABVI Association's Subsidy
Revenue				
Department of Labor and Industry				
Office of Vocational Rehabilitation	<b><u>\$ 15,525</u></b>			
Expenses				
Salaries	\$ 11,820	\$ 14,530	\$ 11,820	\$ 2,710
Benefits	1,334	1,640	1,334	306
Staff Travel	1,713	1,898	1,713	185
Administrative	658	690	658	32
PAB Professional Fees	-	2,025	-	2,025
	<b><u>\$ 15,525</u></b>	<b><u>\$ 20,783</u></b>	<b><u>\$ 15,525</u></b>	<b><u>\$ 5,258</u></b>