

CHAUTAUQUA BLIND ASSOCIATION, INC.
d/b/a CBA Vision Rehabilitation Services

Financial Statements

December 31, 2019 and 2018

(With Independent Auditors' Report Thereon)

CHAUTAUQUA BLIND ASSOCIATION, INC.
d/b/a CBA Vision Rehabilitation Services

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 14
Schedule of Revenue and Expenses - Actual Compared to Budget	15

* * * * *

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Chautauqua Blind Association, Inc.
d/b/a CBA Vision Rehabilitation Services:

Report on the Financial Statements

We have audited the accompanying financial statements of Chautauqua Blind Association, Inc. d/b/a CBA Vision Rehabilitation Services (the Association) which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditor's 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 Association'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 Association'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 Chautauqua Blind Association, Inc. d/b/a CBA Vision Rehabilitation Services as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information in the schedule of revenue and expenses - actual compared to budget is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 17, 2020

CHAUTAUQUA BLIND ASSOCIATION, INC.
d/b/a CBA Vision Rehabilitation Services
Statements of Financial Position
December 31, 2019 and 2018

	<u>Assets</u>	<u>2019</u>	<u>2018</u>
Current assets:			
Cash		\$ 228,587	237,830
Prepaid insurance		2,984	1,641
Inventory		7,859	5,319
Total current assets		239,430	244,790
Investments, at fair value		440,557	369,419
Property and equipment, at cost		437,259	430,239
Less accumulated depreciation		(298,351)	(281,529)
Net property and equipment		138,908	148,710
Other asset - beneficial interest in assets held by others		64,889	36,023
Total assets		\$ 883,784	798,942
<u>Liabilities and Net Assets</u>			
Current liabilities:			
Accounts payable		5,731	1,472
Accrued expenses		29,418	27,550
Total current liabilities		35,149	29,022
Net assets without donor restrictions		848,635	769,920
Total liabilities and net assets		\$ 883,784	798,942

See accompanying notes to financial statements.

CHAUTAUQUA BLIND ASSOCIATION, INC.
d/b/a CBA Vision Rehabilitation Services
Statements of Activities
Years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenue:		
New York State Office of Children and Family Services	\$ 219,625	252,310
Program income	7,224	2,831
United Way	24,390	22,400
Other awards	32,168	36,412
Contributions and bequests	7,664	8,684
Fundraising, net of expenses of \$5,122 in 2019 and \$4,695 in 2018	13,643	17,426
Sales of adaptive aids	3,186	2,716
Membership dues	-	320
Community Foundation fund distributions	9,456	9,076
Investment income (loss)	72,737	(14,460)
Change in beneficial interest in assets held by others	8,866	(4,527)
Miscellaneous	68	474
Total revenue	<u>399,027</u>	<u>333,662</u>
Expenses:		
Program services	265,433	260,729
Management and general	54,879	52,668
Total expenses	<u>320,312</u>	<u>313,397</u>
Change in net assets without donor restrictions	78,715	20,265
Net assets without donor restrictions at beginning of year	<u>769,920</u>	<u>749,655</u>
Net assets without donor restrictions at end of year	<u>\$ 848,635</u>	<u>769,920</u>

See accompanying notes to financial statements.

CHAUTAUQUA BLIND ASSOCIATION, INC.
d/b/a CBA Vision Rehabilitation Services
Statement of Functional Expenses
Year ended December 31, 2019
with comparative totals for 2018

	Program services	Management and general	<u>Total</u>	
			<u>2019</u>	<u>2018</u>
Salaries	\$ 189,541	33,448	222,989	219,971
Payroll taxes	15,469	2,730	18,199	17,739
Employee benefits	7,112	1,255	8,367	4,543
Conferences and meetings	289	51	340	233
Contractual fees	1,530	-	1,530	5,779
Insurance	7,961	2,654	10,615	9,917
Occupancy	3,781	1,260	5,041	4,244
Adaptive aids	9,273	-	9,273	11,211
Professional fees	-	8,195	8,195	8,168
Printing and publications	1,244	-	1,244	507
Repairs and maintenance	3,710	1,236	4,946	2,253
Supplies	3,123	1,039	4,162	3,465
Telephone	3,995	255	4,250	4,068
Travel	2,085	232	2,317	2,160
Depreciation	14,298	2,524	16,822	17,997
Miscellaneous	2,022	-	2,022	1,142
	<u>\$ 265,433</u>	<u>54,879</u>	<u>320,312</u>	<u>313,397</u>
Total expenses				

See accompanying notes to financial statements.

CHAUTAUQUA BLIND ASSOCIATION, INC.
d/b/a CBA Vision Rehabilitation Services
Statement of Functional Expenses
Year ended December 31, 2018

	<u>Program services</u>	Management and <u>general</u>	<u>Total</u>
Salaries	\$ 186,976	32,995	219,971
Payroll taxes	15,078	2,661	17,739
Employee benefits	3,862	681	4,543
Conferences and meetings	198	35	233
Contractual fees	5,779	-	5,779
Insurance	7,438	2,479	9,917
Occupancy	3,183	1,061	4,244
Adaptive aids	11,211	-	11,211
Professional fees	-	8,168	8,168
Printing and publications	507	-	507
Repairs and maintenance	1,690	563	2,253
Supplies	2,600	865	3,465
Telephone	3,824	244	4,068
Travel	1,944	216	2,160
Depreciation	15,297	2,700	17,997
Miscellaneous	1,142	-	1,142
	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 260,729</u>	<u>52,668</u>	<u>313,397</u>

See accompanying notes to financial statements.

CHAUTAUQUA BLIND ASSOCIATION, INC.
d/b/a CBA Vision Rehabilitation Services
Statements of Cash Flows
Years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets without donor restrictions	\$ 78,715	20,265
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:		
Depreciation	16,822	17,997
Realized and unrealized (gain) loss on investments	(59,681)	14,649
Changes in:		
Prepaid insurance	(1,343)	-
Inventory	(2,540)	-
Accounts payable	4,259	779
Accrued expenses	<u>1,868</u>	<u>3,663</u>
Net cash provided by operating activities	<u>38,100</u>	<u>57,353</u>
Cash flows from investing activities:		
Change in investments	(11,457)	-
Additions to property and equipment	(7,020)	175
Changes in beneficial interest in assets held by others	<u>(28,866)</u>	<u>4,527</u>
Net cash provided by (used in) investing activities	<u>(47,343)</u>	<u>4,702</u>
Net change in cash	(9,243)	62,055
Cash at beginning of year	<u>237,830</u>	<u>175,775</u>
Cash at end of year	<u>\$ 228,587</u>	<u>237,830</u>

See accompanying notes to financial statements.

CHAUTAUQUA BLIND ASSOCIATION, INC.
d/b/a CBA Vision Rehabilitation Services
Notes to Financial Statements
December 31, 2019 and 2018

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

Chautauqua Blind Association, Inc. d/b/a CBA Vision Rehabilitation Services (the Association) is a non-profit organization serving the visually impaired in Chautauqua and Cattaraugus counties of New York State.

(b) Basis of Accounting

The financial statements of the Association have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(c) Basis of Presentation

In accordance with accounting principles generally accepted in the United States of America, the Association reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions are net assets that are not subject to donor-imposed stipulations and may be used for any purpose designated by the Board of Directors. The Association did not have any net assets with donor restrictions.

(d) Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(e) Cash

For purposes of the statements of cash flows, the Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

(f) Inventory

Inventory consists of adaptive aids for the visually impaired and is valued at cost on the first-in, first-out method.

CHAUTAUQUA BLIND ASSOCIATION, INC.
d/b/a CBA Vision Rehabilitation Services
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Capitalization and Depreciation

Property and equipment are recorded at cost or fair market value at the date of the gift in the case of donated property and equipment. If donors stipulate how long the assets must be used, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions are recorded as support without donor restrictions. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property and equipment, the appropriate property and equipment accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of activities.

(h) Long-Lived Assets

The Association reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. In determining whether there is an impairment of long-lived assets, the Association compares the sum of the expected future net cash flows (undiscounted and without interest charges) to the carrying amount of the assets. At December 31, 2019, no impairment in value has been recognized.

(i) Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the program services and management and general activities based on time and effort.

(j) Income Taxes

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), therefore, no provision for income taxes is reflected in the financial statements. The Association has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Association presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Association has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Association are subject to examination by taxing authorities.

CHAUTAUQUA BLIND ASSOCIATION, INC.
d/b/a CBA Vision Rehabilitation Services
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(k) Subsequent Events

The Association has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the Association and its future results and financial position is not presently determinable.

(l) Recent Accounting Standards Issued

In November 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-18, "Statement of Cash Flows - Restricted Cash." The amendments in this update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. This guidance is effective for fiscal years beginning after December 15, 2018. These financial statements and notes reflect adoption of this new standard.

In June 2018, the FASB issued ASU 2018-08, "Clarifying the Scope of Accounting Guidance for Contributions Received and Contributions Made." ASU 2018-08 provides clarification for determining if grants and contracts should be considered contributions or exchange transactions, as well as guidance for determining if a contribution is conditional. This guidance is effective for fiscal years beginning after December 15, 2018. These financial statements and notes reflect adoption of this new standard.

(m) Reclassifications

Reclassifications have been made to certain 2018 balances in order to conform them to the 2019 presentation.

(2) Liquidity

The Association has \$228,587 of financial assets available within one year of the statement of financial position date consisting solely of cash. None of these financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. Additionally, the Association has available, a line of credit (note 6) which could be drawn upon for operating purposes.

CHAUTAUQUA BLIND ASSOCIATION, INC.
d/b/a CBA Vision Rehabilitation Services
Notes to Financial Statements, Continued

(3) Investments

The cost and fair value of investments at December 31, 2019 and 2018 is summarized as follows:

Investments are stated at fair value. The fair value of investments is based on quotations obtained from national securities exchanges. In accordance with the policy of carrying investments at fair value, the change in net unrealized appreciation or depreciation is included in investment income (loss) in the statements of activities.

	2019		2018	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Fair value:				
Certificates of deposit	\$ 22,753	22,753	22,652	22,652
Mutual funds	362,472	414,953	347,484	343,040
Marketable equity securities - large cap	<u>5,953</u>	<u>2,851</u>	<u>9,585</u>	<u>3,727</u>
Total investments	<u>\$ 391,178</u>	<u>440,557</u>	<u>379,721</u>	<u>369,419</u>

Fair Value Measurements

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.
- Level 2 - Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability; and
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

CHAUTAUQUA BLIND ASSOCIATION, INC.
d/b/a CBA Vision Rehabilitation Services
Notes to Financial Statements, Continued

(3) Investments, Continued

Fair Value Measurements, Continued

The asset's 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. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019.

- Certificate of deposit - valued at their amortized cost, which approximates fair value.
- Marketable 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 (NAV) of shares held by the Association at year end. The mutual funds are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds are deemed to be actively traded.

The following tables set forth by level, within the fair value hierarchy, the Association's assets at fair value as of December 31, 2019 and 2018:

	Assets at Fair Value as of December 31, 2019			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ -	22,753	-	22,753
Mutual funds	414,953	-	-	414,953
Marketable equity securities - large cap	<u>2,851</u>	<u>-</u>	<u>-</u>	<u>2,851</u>
Total	<u>\$ 417,804</u>	<u>22,753</u>	<u>-</u>	<u>440,557</u>

	Assets at Fair Value as of December 31, 2018			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ -	22,652	-	22,652
Mutual funds	343,040	-	-	343,040
Marketable equity securities - large cap	<u>3,727</u>	<u>-</u>	<u>-</u>	<u>3,727</u>
Total	<u>\$ 346,767</u>	<u>22,652</u>	<u>-</u>	<u>369,419</u>

CHAUTAUQUA BLIND ASSOCIATION, INC.
d/b/a CBA Vision Rehabilitation Services
Notes to Financial Statements, Continued

(4) Property and Equipment

Property and equipment at December 31, 2019 and 2018 is summarized as follows:

	<u>2019</u>	<u>2018</u>
Land and buildings	\$ 188,831	188,831
Building improvements	90,753	90,753
Equipment	98,362	91,342
Vehicle	<u>59,313</u>	<u>59,313</u>
	437,259	430,239
Less accumulated depreciation	<u>(298,351)</u>	<u>(281,529)</u>
Net property and equipment	\$ <u>138,908</u>	<u>148,710</u>

(5) Beneficial Interest in Assets Held by Others

An agreement between the Association and the Chautauqua Region Community Foundation, Inc. (CRCF) was executed in 2000 and established an endowment fund held by CRCF with an initial contribution by the Association of \$7,331. This amount, and other contributions made by the Association since the inception of the fund, are reflected in the statements of financial position as beneficial interest in assets held by others. The agreement states that the transfer of assets to CRCF is irrevocable. However, CRCF will make annual distributions of income earned on the endowment fund, subject to CRCF's spending policy. The agreement grants CRCF variance power. Distributions received from the fund amounted to \$1,547 and \$1,485 during the years ended December 31, 2019 and 2018, respectively. The fair value of these assets amounted to \$64,889 and \$36,023 at December 31, 2019 and 2018, respectively. The recorded fair values of the interests are remeasured annually and adjusted by the Association. The value of the beneficial interest in assets held by others is based on the Association's share of fair value of funds held by CRCF, which are valued on the fair value of the underlying investments held by CRCF as of December 31, 2019 and 2018 and are considered level 3 investments.

A summary of the changes in beneficial assets held by others during the years ended December 31, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Balance at beginning of year	\$ 36,023	40,550
Contributions to fund	20,000	-
Income distribution received	(1,547)	(1,485)
Net other changes in fair value of interest	<u>10,413</u>	<u>(3,042)</u>
Balance at end of year	\$ <u>64,889</u>	<u>36,023</u>

CHAUTAUQUA BLIND ASSOCIATION, INC.
d/b/a CBA Vision Rehabilitation Services
Notes to Financial Statements, Continued

(6) Line of Credit

The Association has available a \$50,000 line of credit with Northwest Savings Bank at the prime rate (4.75% at December 31, 2019). There was no outstanding balance on this line of credit at December 31, 2019 and 2018.

(7) Awards

A summary of awards for the years ended December 31, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
New York State Office of Children and Family Services	\$ <u>219,625</u>	<u>252,310</u>
<u>Other awards</u>		
William B. Anderson & Juliet J. Anderson Rosch Foundation	\$ 21,168	18,833
Cummins Business Services	5,000	-
North Chautauqua Community Foundation	2,000	-
Tim Grace - Sight for Success	4,000	-
Chautauqua Region Community Foundation	-	8,000
Monbrook	-	5,000
Aaron Putnam Fund	-	3,139
Ralph C. Sheldon Foundation	-	400
Miscellaneous Grants	<u>-</u>	<u>1,040</u>
Total other awards	\$ <u>32,168</u>	<u>36,412</u>

Under the terms of various awards, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the awards. Such questioned costs could lead to reimbursement to the awarding agencies. Management believes that it would be able to provide support acceptable to the awarding agency and that any disallowances would not be material.

(8) Economic Dependency

A material part of the Association's funding is dependent upon one grant, the loss of which would have a material adverse effect on the Association. In 2019 and 2018, the New York State Office of Children and Family Services accounted for 55% and 76%, respectively, of the Association's total revenue.

CHAUTAUQUA BLIND ASSOCIATION, INC.
d/b/a CBA Vision Rehabilitation Services
Schedule of Revenue and Expenses -
Actual Compared to Budget
Year ended December 31, 2019

<u>Revenue</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (under) budget</u>
United Way - SCC	\$ 20,850	20,550	300
United Way - NCC	3,540	3,540	-
Awards	32,168	30,000	2,168
Contributions/Bequests	7,664	6,000	1,664
State of New York	226,849	224,000	2,849
Fundraising	18,765	22,500	(3,735)
Sale of adaptive aids	3,186	2,500	686
Community Foundation fund distributions	9,456	9,000	456
Investment income	631	300	331
Unrealized appreciation	72,106	-	72,106
Miscellaneous	8,934	-	8,934
Total revenue	<u>\$ 404,149</u>	<u>318,390</u>	<u>85,759</u>

<u>Expenses</u>			
Salaries	222,989	226,250	(3,261)
Payroll taxes	18,199	18,700	(501)
Employee benefits	8,367	5,000	3,367
Conferences and meetings	340	300	40
Program fees	10,803	20,000	(9,197)
Insurance	10,615	13,000	(2,385)
Occupancy	5,041	4,500	541
Postage and shipping	-	525	(525)
Professional fees	8,195	8,290	(95)
Printing and publications	1,244	1,300	(56)
Repairs and maintenance	4,946	3,000	1,946
Supplies	4,162	4,400	(238)
Telephone	4,250	4,200	50
Travel	2,317	3,000	(683)
Fundraising	5,122	5,000	122
Depreciation	16,822	-	16,822
Miscellaneous	2,022	925	1,097
	<u>\$ 325,434</u>	<u>318,390</u>	<u>7,044</u>