

**CENTRAL SUSQUEHANNA  
SIGHT SERVICES**

**FINANCIAL STATEMENTS**

**December 31, 2019**

CENTRAL SUSQUEHANNA SIGHT SERVICES

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Independent Auditor's Report

To the Board of Directors  
Central Susquehanna Sight Services  
Sunbury, PA 17801

We have audited the accompanying financial statements of Central Susquehanna Sight Services (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2019, and the related statements of support, revenue, expenses and changes in net assets – modified cash basis, functional expenses – modified cash basis, and cash flows – modified cash basis 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 the modified cash basis of accounting as described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 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 of 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 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 assets, liabilities, and net assets of Central Susquehanna Sight Services as of December 31, 2019, and its support, revenue, and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note 2.

**Basis of Accounting**

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

February 15, 2020

*Herring, Roll + Solomon*

CENTRAL SUSQUEHANNA SIGHT SERVICES  
 STATEMENT of ASSETS, LIABILITIES and NET ASSETS - MODIFIED CASH BASIS  
 December 31, 2019

## ASSETS

## Current Assets:

Cash and cash equivalents (Note 3)	\$ 91,398
Investments for current use (Note 4)	453,897
Inventory	<u>2,355</u>
Total Current Assets	<u>547,650</u>

## Fixed Assets:

Land	5,000
Buildings	247,639
Automobile	97,921
Equipment	<u>60,364</u>
Total Fixed Assets	410,924
Less Accumulated Depreciation	<u>(243,691)</u>
Net Fixed Assets	<u>167,233</u>

Total Assets	<u><u>\$ 714,883</u></u>
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## LIABILITIES AND NET ASSETS

## Current Liabilities:

Credit Card Liability	\$ 118
Payroll Taxes Payable	3,374
Sales Tax Payable	8
Customer Deposits	<u>48</u>
Total Current Liabilities	<u>3,548</u>

Total Liabilities	<u>3,548</u>
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Net Assets without donor restrictions	<u>711,335</u>
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Total Net Assets	<u>711,335</u>
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Total Liabilities and Net Assets	<u><u>\$ 714,883</u></u>
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The accompanying notes are an integral part of these financial statements.

CENTRAL SUSQUEHANNA SIGHT SERVICES  
STATEMENT of SUPPORT, REVENUE, EXPENSES and  
CHANGES in NET ASSETS - MODIFIED CASH BASIS  
For the Year Ending December 31, 2019

	Net Assets without Donor Restrictions
<b>PUBLIC SUPPORT:</b>	
Foundations/special gifts	\$ 69,546
Bequests	1,000
Solicited contributions	6,280
United Way allocation	11,285
Unsolicited contributions	11,335
Total Public Support	99,446
<b>GOVERNMENT GRANTS:</b>	
Social Services	65,527
Prevention	18,639
Total Government Grants	84,166
<b>OTHER RECEIPTS:</b>	
Investment income	16,223
Rugs, caning and broom sales	816
Visual aid sales	830
Eye exam program	20
Event income	19,648
Other income	2,929
Total Other Receipts	40,466
<b>TOTAL PUBLIC SUPPORT, GOVERNMENT GRANTS AND CASH RECEIPTS</b>	<b>\$ 224,078</b>
<b>Expenses</b>	
<b>PROGRAM SERVICES:</b>	
Blind workshop	\$ 3,696
Social Services	134,277
Prevention of blindness	77,745
Blind aids and grants	575
Total Program Services	216,293
<b>SUPPORTING SERVICES:</b>	
Management and General	8,378
Fundraising	16,754
Total Supporting Services	25,133
Total Program and Supporting Services	241,426
<b>Other Increases/(Decreases) in Net Assets:</b>	
Realized gain from sale of investments	10,592
Unrealized gain on investments	54,938
Total Other Increases/(Decreases) in Net Assets	65,530
<b>TOTAL EXPENSES AND OTHER INCREASES/(DECREASES) IN NET ASSETS</b>	<b>\$ 175,896</b>
Net Increase in Net Assets	48,182
Net Assets: January 1, 2019	654,774
Net Assets: December 31, 2019	\$ 702,956

The accompanying notes are an integral part of these financial statements.

CENTRAL SUSQUEHANNA SIGHT SERVICES  
STATEMENT of FUNCTIONAL EXPENSES - MODIFIED CASH BASIS  
For the Year Ended December 31, 2019

	Program Services				Total Program Services	Supporting Services		
	Blind Workshop	Social Services	Prevention of Blindness	Blind Aids & Grants		Management and General	Fundraising	Total Supporting Services
Salaries	\$ 348	\$ 71,640	\$ 42,750	\$ -	\$ 114,738	\$ 4,407	\$ 714	\$ 5,121
Picnics/dinner	-	303	303	-	606	-	-	-
Payroll taxes	91	5,912	2,737	-	8,740	314	64	378
Insurance	370	4,372	3,360	-	8,102	313	71	384
Water and sewer	28	330	253	-	611	24	5	29
Lights	82	966	741	-	1,789	69	16	85
Fuel	32	368	283	-	683	81	6	87
Repairs and maintenance	87	1,028	789	-	1,904	73	17	90
Postage/Freight	19	532	1,079	-	1,630	123	156	279
Telephone/Internet	-	836	565	-	1,401	118	-	118
Conference and travel	203	6,905	1,895	-	9,003	85	19	104
Legal and accounting	902	10,653	8,183	-	19,738	759	176	935
Dues and subscriptions	113	10,953	2,760	-	13,826	146	22	168
Car and maintenance	-	3,574	784	-	4,358	427	-	427
Health insurance/Life Insurance	417	4,929	3,784	-	9,130	352	82	434
Stationery and supplies	124	811	637	-	1,572	170	13	183
Visual aids	-	140	-	-	140	-	-	-
Adult Screenings	-	-	367	-	367	-	-	-
Eye exam program	-	-	120	-	120	-	-	-
Literature	-	-	748	-	748	-	-	-
Glasses	-	-	593	-	593	-	-	-
Gifts and grants	-	-	-	575	575	-	-	-
Depreciation	656	7,599	3,798	-	12,053	786	262	1,048
Retirement	-	2,260	1,216	-	3,476	131	31	162
Event expense	-	-	-	-	-	-	6,722	6,722
Cost of goods sold	224	166	-	-	390	-	-	-
	<u>\$ 3,696</u>	<u>\$ 134,277</u>	<u>\$ 77,745</u>	<u>\$ 575</u>	<u>\$ 216,293</u>	<u>\$ 8,378</u>	<u>\$ 8,376</u>	<u>\$ 16,754</u>

The accompanying notes are an integral part of these financial statements.

CENTRAL SUSQUEHANNA SIGHT SERVICES  
STATEMENT of CASH FLOWS - MODIFIED CASH BASIS  
Year Ended December 31, 2019

## Cash flows from operating activities:

Change in net assets	\$ 56,561
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	13,101
Decrease in Inventory	404
Increase in Payroll Taxes Payable	240
Decrease in Credit Card Liability	(72)
Unrealized loss on investment	(54,938)
Realized loss on investment	(10,592)
Increase in Other Payables	5
Net cash provided by operating activities	<u>4,709</u>
Cash Flows from Investing Activities	
Sale of investments	127,711
Purchase of investments	<u>(124,115)</u>
Net cash provided by investing activities	<u>3,596</u>
Net Increase in Cash and Cash Equivalents	8,305
Cash and cash equivalents at beginning of year	<u>83,093</u>
Cash and cash equivalents at end of year	<u><u>\$ 91,398</u></u>

The accompanying notes are an integral part of these financial statements.

CENTRAL SUSQUEHANNA SIGHT SERVICES  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**NOTE 1 - ORGANIZATION**

The organization was incorporated in December 13, 1948. The purpose of the organization is to act as a bureau of information, provide training to visually handicapped, to provide industrial instruction for blind persons in the home, to aid the needy, aged, and inform blind, and to solicit funds to aid the blind.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

**Basis of Accounting**

The financial statements of the organization have been prepared on the modified cash basis of accounting. Under such method, revenues are recognized when received and expenses are recognized when disbursed. The organization recognizes fixed assets, investments, inventory and notes payable, which is a deviation from the cash basis of accounting.

**Fixed Assets and Depreciation**

Fixed asset purchases are recorded at cost. Depreciation of fixed assets is provided using the straight-line method over the estimated useful lives of assets.

**Income Taxes**

The organization is a qualified non-profit corporation under Section 501(c) (3) of the Internal Revenue Code. As such, the corporation is not required to pay income taxes, and therefore, no corporate tax provision is presented in the financial statements.

The organization is subject to routine examination by taxing jurisdictions. However, currently no examinations of any tax periods are in process. Management believes the organization is no longer subject to income tax examinations for years prior to December 31, 2016.

**Investments**

In accordance with the accounting standards codification, investments are recorded at market value. Realized and unrealized gains and losses are recorded in the Statement of Support, Revenue, Expenses and Changes in Net Assets.

**Use of Estimates**

The preparation of financial statements in conformity with the organization's special purpose framework requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Financial Statement Presentation**

The financial statements of the Organization have been prepared on the modified cash basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.



CENTRAL SUSQUEHANNA SIGHT SERVICES  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019  
(Continued)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)**

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

**Contributions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

Amounts received that are restricted by the donor for specific purposes are considered temporarily restricted support. This support is classified as unrestricted support as the funds are expended for their purpose within the year.

All contributions have been determined to be unrestricted.

**Functional Expenses**

Expenses are charged to each program based on direct expenditures incurred. Any program expenditures not directly chargeable are allocated based on a prescribed percentage formula.

**Liquidity Management**

Central Susquehanna Sight Services' financial assets available within one year of the balance sheet date for general expenditures are as follows:

Cash and cash Equivalents	\$91,398
Investments for current use	<u>453,897</u>
Total	<u>\$545,295</u>

**Subsequent Events**

Management has evaluated subsequent events through February 15, 2020, the date on which the statements were available to be issued.

CENTRAL SUSQUEHANNA SIGHT SERVICES  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019  
(Continued)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)**

**New Accounting Pronouncement**

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Central Susquehanna Sight Services has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

**NOTE 3 - CASH ACCOUNTS**

A detail listing of cash accounts as of December 31, 2019 is as follows:

Petty cash	\$ 71
NOW account	3,447
Emergency checking	17,062
Raffle checking	13,435
Cash – Money Market	100
Cash – Susq Trust MM	<u>57,283</u>
	<u>\$ 91,398</u>

Excess cash deposits in the revocable trust are secured by a pool of pledged assets at BB&T.

**NOTE 4 - INVESTMENTS**

The organization follows the Codification's guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Fair Value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. U.S. generally accepted accounting principles (US GAAP) establish the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs have the highest reliability and are related to quoted prices (unadjusted) in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date.
- Level 2 inputs relate to assets or liabilities with other than quote prices included within Level 1 that are observable for the asset or liability; either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

CENTRAL SUSQUEHANNA SIGHT SERVICE  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019  
(Continued)

**NOTE 4 - INVESTMENTS (Continued)**

Investments at December 31, 2019 consist of bonds and equity securities which are classified as Level 1 under the Fair Value Hierarchy (Level 1 inputs are quoted prices for identical assets in active markets) and are summarized as follows:

Assets at Fair Value as of December 31, 2019

	Level 1	Level 2	Level 3
Equity Investments	\$ 210,005	\$ -0-	\$ -0-
Mutual Fund - Prudential	47,094	-0-	-0-
Mutual Fund – BB&T	<u>196,798</u>	<u>-0-</u>	<u>-0-</u>
Total assets at fair value	<u>\$ 453,897</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

	<u>Cost</u>	<u>Market</u>
8,439.869 shares Prudential High Yield Fund: Class A	\$ 62,515	\$ 47,094
3,669.173 shares Doubleline T/R Bond Fund	38,886	39,003
1,628.349 shares Neuberger Berman Strategic Income Fund	18,046	18,058
2,481.178 shares Prudential T/R Bond	35,685	35,779
4,781.311 shares Sterling Capital T/R Bond	50,232	51,734
1,223.611 Fidelity L/T Treasury Bond	12,725	12,885
3,144.306 shares Metropolitan West T/R Bond	31,320	32,355
621.398 shares Pimco Real Return Fund	6,927	6,984
64 shares AT&T Inc.	2,087	2,501
3 shares Alphabet Inc.	2,795	4,018
29 shares American Express Co.	2,858	3,610
9 shares American Tower Corp	955	2,068
17 shares Amgen Inc.	2,805	4,098
19 shares Apple Inc.	2,208	5,579
3 shares Autozone Incorporated	3,365	3,574
21 shares Avery Dennison Corp	2,664	2,747
127 shares Bank of America Corp	3,161	4,473

CENTRAL SUSQUEHANNA SIGHT SERVICES  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019  
(Continued)

<b>NOTE 4 -</b>	<b><u>INVESTMENTS</u></b> (Continued)	<b><u>Cost</u></b>	<b><u>Market</u></b>
	54 shares Best Buy Co. Inc.	3,507	4,741
	79 shares Bristol-Myers Squibb Co.	4,082	5,071
	34 shares CDW Corp of Delaware	1,553	4,857
	120 shares Centerpoint Energy Inc.	3,491	3,272
	22 shares Chevron Corp	2,493	2,651
	73 shares CISCO Systems Inc.	3,075	3,501
	102 Citizens Financial Group	3,607	4,142
	90 shares Comcast Corp	2,843	4,047
	84 shares D.R. Horton Inc.	2,826	4,431
	62 shares Delta Air Lines Inc.	3,346	3,626
	14 shares The Walt Disney Company	1,913	2,025
	33 shares Exxon Mobil Corp	2,488	2,303
	22 shares Facebook Inc.	2,954	4,516
	27 shares Fidelity Natl Info Services	3,481	3,755
	35 shares Hill-Rom Holdings Inc	3,700	3,974
	17 shares Home Depot Inc.	3,358	3,712
	80 shares Intel Corp	3,200	4,788
	30 shares JP Morgan Chase & Co.	2,337	4,182
	27 shares Kimberly-Clark Corp	2,930	3,714
	17 shares Lam Research Corp	4,400	4,971
	28 shares Marathon Petroleum Corp	1,829	1,687
	13 shares Mastercard Inc.	1,937	3,882
	44 shares Merck & Co Inc.	3,363	4,002
	74 shares Metlife Inc.	3,328	3,772
	31 shares Microsoft Corp	1,025	4,889
	62 shares Mondelez International Inc.	3,270	3,415
	84 shares Morgan Stanley	3,744	4,294

CENTRAL SUSQUEHANNA SIGHT SERVICES  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019  
(Continued)

<b>NOTE 4 -</b>	<b><u>INVESTMENTS</u></b> (Continued)	<b><u>Cost</u></b>	<b><u>Market</u></b>
	15 shares Nextera Energy Inc.	3,547	3,632
	20 shares Norfolk Southern Corp	3,123	3,883
	30 shares Oneok Inc.	2,107	2,270
	25 shares Packaging Corp Of America	2,214	2,800
	33 shares Prologis Inc.	1,623	2,942
	18 shares Raytheon Company	3,288	3,955
	157 shares Starwood Property Trust Inc.	3,430	3,903
	29 shares Store Capital Corp	1,128	1,080
	17 shares Stryker Corp	2,019	3,569
	48 shares Sysco Corporation	2,806	4,106
	49 shares T-Mobile US Inc.	3,217	3,843
	13 shares Thermo Fisher Scientific	3,819	4,223
	16 shares United Health Group Inc.	2,683	4,704
	21 shares Visa Inc.	2,950	3,946
	32 shares Walmart	3,102	3,803
	30 shares Waste Management Inc.	2,501	3,419
	18 shares Zebra Technologies Corp	3,159	4,598
	18 shares Accenture PLC Ireland PLC	3,228	3,790
	42 shares Eaton Corp PLC	3,501	3,978
	35 shares Royal Caribbean Cruises	<u>3,316</u>	<u>4,673</u>
		<u>\$416,075</u>	<u>\$453,897</u>

**NOTE 5 - LINE OF CREDIT**

The Line of Credit as of December 31, 2019 is as follows:

BB&T, secured by Trust Account held by corporation.  
Line of Credit, interest rate is 4.75%, limit of \$25,000.

\$ 0

CENTRAL SUSQUEHANNA SIGHT SERVICES  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019  
(Continued)

**NOTE 6 - GRANT CONTRACT**

The Specialized Services and Prevention of Blindness grants were replaced with a Training and Supportive Services (TSS) and Preschool Vision Screenings and Eye Safety Education (PSE) Contract. The contract is dated 7/1/19 to 6/30/20. The total allowable grant for TSS for the contract period is \$82,243.90. The total allowable grant for PSE for the contract period is \$21,919.16. The contract is with the PA Association for the Blind. The total funds received for the grant from 7/1/19 to 12/31/20 were \$65,032 and the total program expenses for that time period were \$90,285.