

**CENTRAL SUSQUEHANNA
SIGHT SERVICES**

FINANCIAL STATEMENTS

December 31, 2020

CENTRAL SUSQUEHANNA SIGHT SERVICES

Index

	<u>Page</u>
Independent Auditor's Report	1
Statement of Assets, Liabilities and Net Assets - Modified Cash Basis - Exhibit A	2
Statement of Support, Revenue, Expenses and Changes in Net Assets - Modified Cash Basis - Exhibit B	3
Statement of Functional Expenses - Modified Cash Basis - Exhibit C	4
Statement of Cash Flows - Modified Cash Basis - Exhibit D	5
Notes to Financial Statements	6-12



Randall G. Herring, CPA (1980-2015)
William J. Roll, CPA
Courtney M. Solomon, CPA
Seth M. Heintzelman, CPA

Members of American and Pennsylvania Institute of Certified Public Accountants

• • •
41 South Fifth Street, Sunbury, Pennsylvania 17801
700 Bloom Road, Suite 101, Danville, Pennsylvania 17821
Phone: 570.286.5895 • Fax: 570.286.5976

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, 2020, 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, 2020, 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, 2021

A handwritten signature in black ink that reads 'Herring, Roll & Solomon'.

CENTRAL SUSQUEHANNA SIGHT SERVICES
STATEMENT of ASSETS, LIABILITIES and NET ASSETS - MODIFIED CASH BASIS
December 31, 2020

ASSETS

Current Assets:

Cash and cash equivalents (Note 3)	\$ 125,842
Investments for current use (Note 4)	482,321
Inventory	<u>2,307</u>
Total Current Assets	<u>610,470</u>

Fixed Assets:

Land	5,000
Buildings	247,639
Automobile	97,921
Equipment	<u>61,279</u>
Total Fixed Assets	411,839
Less Accumulated Depreciation	<u>(257,707)</u>
Net Fixed Assets	<u>154,132</u>
Total Assets	<u>\$ 764,602</u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Credit Card Liability	\$ 115
Payroll Taxes Payable	6,034
Customer Deposits	<u>48</u>
Total Current Liabilities	<u>6,197</u>

Total Liabilities

6,197

Net Assets without donor restrictions

758,405

Total Net Assets

758,405

Total Liabilities and Net Assets

\$ 764,602

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, 2020

	Net Assets without Donor Restrictions
PUBLIC SUPPORT:	
Foundations/special gifts	\$ 74,750
Bequests	2,384
Solicited contributions	6,375
United Way allocation	9,039
Unsolicited contributions	7,073
Total Public Support	<u>99,621</u>
GOVERNMENT GRANTS:	
Social Services	89,761
Prevention	11,942
Total Government Grants	<u>101,703</u>
OTHER RECEIPTS:	
Investment income	15,490
Rugs, caning and broom sales	287
Visual aid sales	886
Eye exam program	10
Event income	18,996
Payroll protection program loan	24,175
Total Other Receipts	<u>59,844</u>
 TOTAL PUBLIC SUPPORT, GOVERNMENT GRANTS AND CASH RECEIPTS	 <u>\$ 261,168</u>
Expenses	
PROGRAM SERVICES:	
Blind workshop	\$ 3,207
Social Services	143,365
Prevention of blindness	76,993
Blind aids and grants	1,110
Total Program Services	<u>224,675</u>
SUPPORTING SERVICES:	
Management and General	14,487
Fundraising	3,267
Total Supporting Services	<u>17,754</u>
 Total Program and Supporting Services	 <u>242,429</u>
Other Increases/(Decreases) in Net Assets:	
Realized gain from sale of investments	11,241
Unrealized gain on investments	17,090
 Total Other Increases/(Decreases) in Net Assets	 <u>28,331</u>
 TOTAL EXPENSES AND OTHER INCREASES/(DECREASES) IN NET ASSETS	 <u>\$ 214,098</u>
 Net Increase in Net Assets	 47,070
Net Assets: January 1, 2020	711,335
Net Assets: December 31, 2020	<u>\$ 758,405</u>

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, 2020

	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	\$ 359	\$ 73,019	\$ 47,519	\$ -	\$ 120,897	\$ 4,421	\$ 2,201	\$ 6,622
Advertising/publicity	-	-	257	-	257	-	-	-
Picnics/dinner	3	112	46	-	161	3	-	3
Payroll taxes	27	9,530	4,588	-	14,145	369	367	736
Insurance	404	6,470	3,267	-	10,141	436	8	444
Water and sewer	25	393	199	-	617	26	-	26
Lights	63	1,010	510	-	1,583	68	2	70
Fuel	26	410	206	-	642	27	1	28
Repairs and maintenance	109	1,749	885	-	2,743	118	2	120
Postage/Freight	2	227	341	-	570	44	374	418
Telephone/Internet	-	804	643	-	1,447	80	-	80
Conference and travel	99	3,990	825	-	4,914	74	2	76
Legal and accounting	779	12,476	6,303	-	19,558	1,231	16	1,247
Dues and subscriptions	71	11,791	1,638	-	13,500	127	2	129
Car and maintenance	-	3,265	451	-	3,716	-	-	-
Miscellaneous	-	5	-	-	5	28	-	28
Health insurance/Life Insurance	364	5,822	2,940	-	9,126	392	8	400
Stationery and supplies	69	1,170	619	-	1,858	74	1	75
Employee Retirement	1	2,357	1,277	-	3,635	141	3	144
Visual aids	-	120	-	-	120	-	-	-
Adult Screenings	-	-	-	-	-	-	-	-
Eye exam program	-	-	80	-	80	-	-	-
Literature	-	-	-	-	-	-	-	-
Glasses	-	-	334	-	334	-	-	-
Gifts and grants	-	512	-	1,110	1,622	-	-	-
Depreciation	701	8,129	4,065	-	12,895	841	280	1,121
Retirement	-	-	-	-	-	-	-	-
Event expense	-	-	-	-	-	5,987	-	5,987
Cost of goods sold	105	4	-	-	109	-	-	-
	<u>\$ 3,207</u>	<u>\$ 143,365</u>	<u>\$ 76,993</u>	<u>\$ 1,110</u>	<u>\$ 224,675</u>	<u>\$ 14,487</u>	<u>\$ 3,267</u>	<u>\$ 17,754</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, 2020

Cash flows from operating activities:

Change in net assets	\$ 47,070
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	14,016
Decrease in Inventory	48
Increase in Payroll Taxes Payable	2,660
Decrease in Credit Card Liability	(3)
Unrealized gain on investment	(17,090)
Realized gain on investment	(11,241)
Decrease in Other Payables	(8)
Net cash provided by operating activities	35,452
Cash Flows from Investing Activities	
Purchase of equipment	(915)
Sale of investments	601,393
Purchase of investments	(601,486)
Net cash used by investing activities	(1,008)
Net Increase in Cash and Cash Equivalents	34,444
Cash and cash equivalents at beginning of year	91,398
Cash and cash equivalents at end of year	\$ 125,842

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

CENTRAL SUSQUEHANNA SIGHT SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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, 2017.

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 of accounting. 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, 2020
(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, whereby 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 restricted by the donor for specific purposes are reported as net asset with donor restrictions. This support is transferred from net assets with donor restrictions to net assets without donor restrictions as the funds are expended for their purpose within the year.

All contributions have been determined to have been received without donor restrictions.

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 Equivalentents	\$125,842
Investments for current use	<u>482,321</u>
Total	<u>\$608,163</u>

Subsequent Events

Management has evaluated subsequent events through February 15, 2021, the date on which the statements were available to be issued.

CENTRAL SUSQUEHANNA SIGHT SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2020
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

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, 2020 is as follows:

Petty cash	\$ 99
NOW account	2,488
Emergency checking	35,316
Raffle checking	26,580
Cash – Money Market	100
Cash – Susq Trust MM	<u>61,259</u>
	<u>\$ 125,842</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, 2020
(Continued)

NOTE 4 - INVESTMENTS (Continued)

Investments at December 31, 2020 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, 2020

	Level 1	Level 2	Level 3
Equity Investments	\$ 226,928	\$ -0-	\$ -0-
Mutual Fund – BB&T	<u>255,393</u>	<u>-0-</u>	<u>-0-</u>
Total assets at fair value	<u>\$ 482,321</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

	<u>Cost</u>	<u>Market</u>
3,669.173 shares Doubleline T/R Bond Fund	\$35,742	\$36,015
413.587 shares Eaton Vance -Atlanta SMID	15,400	15,658
4,050.279 shares Dodge & Cox Income Fund	60,264	59,336
5,383.37 shares Pimco Investment Grade Fund	60,447	60,778
6,115.896 shares Western Asset Core Bond Fund	84,752	83,604
23 shares Abbott Laboratories	2,317	2,518
27 shares Abbvie Inc.	2,519	2,893
27 shares Air Products and Chemicals Inc.	8,214	7,377
3 shares Alphabet Inc.	5,047	5,256
93 shares Altria Group Inc.	3,970	3,813
5 shares Amgen Inc.	1,015	1,150
66 shares Apple Inc.	3,447	8,757
16 shares Automatic Data Processing	2,260	2,819
34 shares Berkshire Hathaway Inc.	7,511	7,884
11 shares Blackrock Inc.	6,586	7,937
32 shares Bristol-Myers Squibb Co.	1,819	1,985
8 shares Broadcom Inc.	2,975	3,503
41 shares Carmax Inc.	4,447	3,873

CENTRAL SUSQUEHANNA SIGHT SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2020
(Continued)

NOTE 4 -	<u>INVESTMENTS</u> (Continued)	<u>Cost</u>	<u>Market</u>
	24 shares Chevron Corp.	2,004	2,027
	124 shares CISCO Systems Inc.	5,256	5,549
	25 shares Citrix Systems Inc.	3,647	3,252
	20 shares The Coca-Cola Co.	1,024	1,097
	34 shares Comcast Corp.	1,226	1,782
	21 shares Crown Castle Intl Corp.	3,439	3,343
	25 shares Dollar Tree Inc.	2,369	2,701
	5 shares Eversource Energy	457	433
	19 shares Fedex Corp.	4,295	4,933
	79 shares Fox Corp.	2,210	2,300
	32 shares Home Depot Inc.	7,796	8,500
	17 shares Honeywell International Inc.	2,886	3,616
	9 shares Illinois Tool Works Inc.	1,807	1,835
	35 shares JP Morgan Chase & Co.	2,864	4,447
	32 shares Johnson & Johnson	4,837	5,036
	13 shares Eli Lilly & Co.	1,940	2,195
	9 shares Lockheed Martin Corp.	3,536	3,195
	13 shares Lowe's Cos. Inc.	2,206	2,087
	21 shares Marsh & McLennan Cos. Inc.	2,469	2,457
	13 shares Martin Marietta Materials	2,728	3,692
	12 shares McDonalds Corp.	2,588	2,575
	44 shares Merck & Co Inc.	3,383	3,599
	19 shares Microsoft Corp.	1,251	4,226
	55 shares Mondelez International Inc.	2,900	3,216
	6 shares Newmarket Corp.	2,250	2,390
	79 shares Nextera Energy Inc.	5,052	6,095
	18 shares Norfolk Southern Corp.	3,123	4,277

CENTRAL SUSQUEHANNA SIGHT SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2020
(Continued)

NOTE 4 -	<u>INVESTMENTS</u> (Continued)	<u>Cost</u>	<u>Market</u>
	8 shares O'Reilly Automotive Inc.	3,864	3,621
	15 shares PNC Financial Services Group Inc.	1,677	2,235
	31 shares Paychex Inc.	2,400	2,889
	26 shares Pepsico Inc.	3,579	3,856
	68 shares Pfizer Inc.	2,391	2,503
	11 shares Phillips 66	659	769
	9 shares Procter & Gamble Co.	1,261	1,252
	37 shares Progressive Corp.	3,513	3,659
	20 shares Prologis Inc.	1,201	1,993
	21 shares Qualcomm Inc.	2,878	3,199
	16 shares Realty Income Corp.	1,006	995
	95 shares Charles Schwab Corp.	3,756	5,039
	17 shares Sempra Energy	2,117	2,166
	32 shares Starbucks Corp.	2,792	3,423
	147 shares Store Capital Corp.	4,129	4,995
	59 shares Texas Instruments Inc.	8,636	9,684
	35 shares US Bancorp	1,304	1,631
	5 shares Valero Energy Corp.	264	283
	99 shares Verizon Communications Inc.	6,007	5,816
	8 shares Viatris Inc.	130	150
	24 shares Visa Inc.	3,610	5,249
	25 shares WEC Energy Group Inc.	2,422	2,301
	36 shares Nestle SA ADR	4,354	4,246
	11 shares Eaton Corp PLC.	1,001	1,321
	22 shares Medtronic PLC.	2,383	2,577
	5 shares Lyondellbasell Industries	<u>350</u>	<u>458</u>
		<u>\$455,959</u>	<u>\$482,321</u>

CENTRAL SUSQUEHANNA SIGHT SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2020
(Continued)

NOTE 5 - LINE OF CREDIT

The Line of Credit as of December 31, 2020 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

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 7/1/20 to 6/30/21. The total allowable grant for TSS for the contract period is \$45,570. The total allowable grant for PSE for the contract period is \$6,511. The contract is with the PA Association for the Blind. The total funds received for the grant from 7/1/20 to 12/31/20 were \$47,339 and the total program expenses for that time period were \$102,446.

NOTE 7 - PAYROLL PROTECTION PROGRAM LOAN

On May 11, 2020, the Organization was granted a loan from BB&T Bank in the amount of \$24,175.37 pursuant to the Payroll Protection Program under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The Loan, which was in the form of a Note dated May 11, 2020 issued by the Organization, matures on May 11 2022 and bears interest at a rate of 1.0% payable monthly commencing December 11, 2020. The Note may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on debt obligations incurred before February 15, 2020. The Organization intends to use the entire Loan amount for qualifying expenses. Under the terms of the Payroll Protection Program, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.