CENTER FOR VISION LOSS, INC.
and
CENTER FOR VISION LOSS ENDOWMENT FOUNDATION
(Not-for-Profit Corporations)

Combined Financial Statements
and
Independent Auditor's Report

June 30, 2019

CAMPBELL, RAPPOLD & YURASITS LLP
Certified Public Accountants
1033 South Cedar Crest Boulevard Allentown, PA 18103

CENTER FOR VISION LOSS, INC. and
CENTER FOR VISION LOSS ENDOWMENT FOUNDATION
(Not-for-Profit Corporations)
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C·R&Y CERTIFIED PUBLIC ACCOUNTANTS
CAMPBELL, RAPPOLD & YURASITS LLP

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Center for Vision Loss, Inc. and
Center for Vision Loss Endowment Foundation
Allentown, PA 18102

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Center for Vision Loss, Inc. and Center for Vision Loss Endowment Foundation (not-for-profit corporations), which comprise the combined statement of financial position as of June 30, 2019, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

610-435-7489 • www.crycpas.com • 1033 South Cedar Crest Boulevard, Allentown, PA 18103-5443
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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 combined financial statements referred to above present fairly, in all material respects, the financial position of Center for Vision Loss, Inc. and Center for Vision Loss Endowment Foundation as of June 30, 2019, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Center for Vision Loss, Inc. and Center for Vision Loss Endowment Foundation's 2018 combined financial statements, and our report dated November 20, 2018, expressed an unmodified opinion on those audited combined financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Campbell, Rappold & Yurasits LLP

January 22, 2020

CENTER FOR VISION LOSS, INC. AND
CENTER FOR VISION LOSS ENDOWMENT FOUNDATION
(Not-for-Profit Corporations)
COMBINED STATEMENT OF FINANCIAL POSITION
June 30, 2019
With Comparative Totals as of June 30, 2018

	Center for Vision Loss	Endowment Foundation	Total 2019	Total 2018
ASSETS:				
Cash and Cash Equivalents	$ 184,227	$ -	$ 184,227	$ 317,046
Grants and Accounts Receivable (Note 3)	21,225	-	21,225	11,883
Inventory	18,788	-	18,788	17,611
Prepaid Expense	15,121	879	16,000	10,818
Land, Building and Equipment (Note 4)	977,454	-	977,454	963,992
Beneficial Interest in Perpetual Trusts (Note 8)	618,988	-	618,988	169,780
Long-Term Investments (Note 5)	-	2,882,906	2,882,906	3,044,287
TOTAL ASSETS	$ 1,835,803	$ 2,883,785	$ 4,719,588	$ 4,535,417
LIABILITIES AND NET ASSETS:				
Accounts Payable	$ 26,716	$ -	$ 26,716	$ 21,693
Accrued Wages	26,090	-	26,090	23,637
Custodial Account	748	-	748	1,107
Deferred Revenue	11,414	-	11,414	10,027
TOTAL LIABILITIES	64,968	-	64,968	56,464
NET ASSETS:				
Without Donor Restrictions	1,125,558	2,695,322	3,820,880	4,041,694
With Donor Restrictions (Note 6)	645,277	188,463	833,740	437,259
TOTAL NET ASSETS	1,770,835	2,883,785	4,654,620	4,478,953
TOTAL LIABILITIES AND NET ASSETS	$ 1,835,803	$ 2,883,785	$ 4,719,588	$ 4,535,417

See notes to financial statements.

CENTER FOR VISION LOSS, INC. AND
CENTER FOR VISION LOSS ENDOWMENT FOUNDATION
(Not-for-Profit Corporations)
COMBINED STATEMENT OF ACTIVITIES
Year Ended June 30, 2019
With Comparative Totals for the Year Ended June 30, 2018

	Without Donor Restrictions		With Donor Restrictions		2019	2018
	Center for Vision Loss	Endowment Foundation	Center for Vision Loss	Endowment Foundation	Total	Total
Revenues, Gains and Other Support						
Special Fund Raising Events	$ 78,252	$ -	$ -	$ -	$ 78,252	$ 80,362
Direct Cost of Events	17,202	-	-	-	17,202	12,038
Net Special Events Support	61,050	-	-	-	61,050	68,324
Governmental Support	188,077	-	-	-	188,077	188,592
Contributions	292,607	19,415	435,999	2,000	750,021	603,301
Program Fees	44,365	-	-	-	44,365	59,633
Resale - Merchandise and Aids	76,339	-	-	-	76,339	75,598
Interest and Dividends	147	61,578	-	-	61,725	71,110
Rental Income	21,329	-	-	-	21,329	20,563
Loss on Sale of Van	-	-	-	-	-	(1,355)
Realized Gain on Sale of Investments	-	134,218	-	-	134,218	499,382
Unrealized Gain (Loss) on Investments	-	(90,605)	39,999	-	(50,606)	(421,543)
Total Revenues	683,914	124,606	475,998	2,000	1,286,518	1,163,605
Net Assets Released from Restrictions:						
Satisfaction of Program Restrictions	60,991	20,526	(60,991)	(20,526)	-	-
Total Revenues, Gains and Other Support	744,905	145,132	415,007	(18,526)	1,286,518	1,163,605
Expenses:						
Program Services:						
Rehabilitation and Social Services	671,013	-	-	-	671,013	593,572
Prevention and Education	113,727	-	-	-	113,727	99,630
Total Program Services	784,740	-	-	-	784,740	693,202
Supporting Services:						
Management and General	184,643	2,108	-	-	186,751	161,976
Fund Raising	139,360	-	-	-	139,360	125,370
Total Supporting Services	324,003	2,108	-	-	326,111	287,346
Total Expenses	1,108,743	2,108	-	-	1,110,851	980,548
Transfer to/from Foundation	285,000	(285,000)	-	-	-	-
Change in Net Assets	(78,838)	(141,976)	415,007	(18,526)	175,667	183,057
NET ASSETS AT BEGINNING OF YEAR	1,204,396	2,837,298	230,270	206,989	4,478,953	4,295,896
NET ASSETS AT END OF YEAR	$ 1,125,558	$ 2,695,322	$ 645,277	$ 188,463	$ 4,654,620	$ 4,478,953

See notes to financial statements.

CENTER FOR VISION LOSS, INC. AND
CENTER FOR VISION LOSS ENDOWMENT FOUNDATION
(Not-for-Profit Corporations)
COMBINED STATEMENTS OF CASH FLOWS
Years Ended June 30, 2019 and 2018

Cash Flows from Operating Activities:	2019	2018
Change in Net Assets	$ 175,667	$ 183,057
Adjustments to Reconcile Change in Net Assets		
to Net Cash Provided by Operating Activities:		
Depreciation	59,225	66,512
Change in Value of Split Interest Agreement	(39,999)	(3,219)
Unrealized (Gain) Loss on Investments	90,605	424,762
Realized Gain on Sale of Investments	(134,218)	(499,382)
Loss on Sale of Vehicle	-	1,355
Changes in Assets and Liabilities:		
Increase in Grants and Accounts Receivable	(9,342)	(4,006)
Increase in Inventory	(1,177)	(4,078)
Increase in Prepaid Expense	(5,182)	(4,197)
Increase in Accounts Payable	5,023	10,380
Increase in Accrued Wages	2,453	1,488
Increase (Decrease) in Custodial Account	(359)	1,107
Increase (Decrease) in Deferred Revenue	1,387	(14,368)
Net Cash Provided by Operating Activities	144,083	159,411
Cash Flows from Investing Activities:		
Purchases of Equipment	(72,687)	(17,282)
Proceeds from Sale of Vehicle	-	352
Proceeds from Sales of Investments	1,884,542	2,122,384
Purchases of Investments	(2,088,757)	(2,048,134)
Net Cash (Used) Provided by Investing Activities	(276,902)	57,320
Net Increase (Decrease) in Cash and Cash Equivalents	(132,819)	216,731
Cash and Cash Equivalents at the Beginning of Year	317,046	100,315
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 184,227	$ 317,046

See notes to financial statements.

CENTER FOR VISION LOSS, INC. AND
CENTER FOR VISION LOSS ENDOWMENT FOUNDATION
(Not-for-Profit Corporations)
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2019
With Comparative Totals for the Year Ended June 30, 2018

	Program Services		
	Rehabilitation and Social Services	Prevention and Education	Total
Salaries	$ 336,618	$ 64,124	$ 400,742
Payroll Taxes	31,507	6,002	37,509
Employee Benefits	29,691	5,656	35,347
Total Salaries and Related Expenses	397,816	75,782	473,598
Professional Fees	8,783	1,673	10,456
Supplies	27,008	5,145	32,153
Supplies-Store Sales	62,896	-	62,896
Telephone/Internet/Website	33,941	6,466	40,407
Postage	1,186	226	1,412
Occupancy	45,064	5,199	50,263
Local Transportation	17,047	4,702	21,749
Dues, Conferences and Meetings	4,719	-	4,719
PAB Administrative Fee	14,739	3,521	18,260
Miscellaneous	-	-	-
Advertising/Marketing	-	-	-
Equipment Rental and Maintenance	22,858	4,354	27,212
Rental Unit Expense	-	-	-
Total Expenses Before Depreciation	636,057	107,068	743,125
Depreciation	34,956	6,659	41,615
TOTAL EXPENSES	$ 671,013	$ 113,727	$ 784,740

See notes to financial statements.

Supporting Services				
Management and General	Fund Raising	Total	2019 Totals	2018 Totals
$ 93,063	$ 76,514	$ 169,577	$ 570,319	$ 502,056
8,710	7,162	15,872	53,381	47,479
8,208	6,749	14,957	50,304	51,310
109,981	90,425	200,406	674,004	600,845
21,536	1,996	23,532	33,988	28,816
7,467	6,139	13,606	45,759	36,360
-	-	-	62,896	57,619
9,383	7,715	17,098	57,505	22,801
328	270	598	2,010	2,604
7,546	6,204	13,750	64,013	60,569
3,936	434	4,370	26,119	20,947
4,501	-	4,501	9,220	9,893
-	-	-	18,260	18,260
4,495	-	4,495	4,495	4,223
-	13,035	13,035	13,035	18,056
6,319	5,196	11,515	38,727	32,970
1,595	-	1,595	1,595	73
177,087	131,414	308,501	1,051,626	914,036
9,664	7,946	17,610	59,225	66,512
$ 186,751	$ 139,360	$ 326,111	$ 1,110,851	$ 980,548

1. Nature of Activities

The Center for Vision Loss, Inc. ("CVL") is a nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania. The Center for Vision Loss, Inc. provides a comprehensive set of preventative, rehabilitative, support and social services enabling blind and visually impaired clients to achieve their personal goals and restore quality of life consistent with these goals. The Center for Vision Loss, Inc. believes that individuals challenged by severe vision loss should not have to choose between curtailing activities they once enjoyed and retaining their independence. This non-profit agency is a member of the Pennsylvania Association for the Blind and serves the residents of Lehigh, Northampton and Monroe Counties in eastern Pennsylvania, who are blind or visually impaired to lead well-adjusted, rewarding and productive lives. The programs and services available include Client Services, Low Vision Services and Community Outreach Programs.

The Center for Vision Loss Endowment Foundation (the "Foundation") is a nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania and was created for the benefit of the Center for Vision Loss, Inc.

Principles of Combination

The combined financial statements include the accounts of the Center for Vision Loss, Inc. and Center for Vision Loss Endowment Foundation (the "Organizations"). The Foundation supports the operations and activities of CVL.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Organizations' combined financial statements are presented in accordance with accounting principles generally accepted in the United States of America on an accrual basis.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restriction—Net assets that are not subject to, or are no longer subject to, donor-imposed stipulations.

Net Assets With Donor Restriction—Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Revenue is recorded when earned, revenue received in advance and not yet earned is recorded as deferred revenue. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

Use of Estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Donor Restrictions

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without restrictions and reported in the combined statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying combined financial statements.

Gifts of property and equipment (or other long-lived assets) are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

2. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For the purposes of the combined statement of cash flows, the Organizations consider all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents exclude cash invested for long term purposes.

Prior Year Information

The combined financial statements include certain prior-year summarized comparative information in total but not by function or net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organizations' combined financial statements for the year ended June 30, 2018 from which the summarized information was derived.

Income Taxes

The Organizations are exempt from federal income tax under Internal Revenue Code 501(c)(3).

The accounting standard for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organizations may recognize the tax benefits from an uncertain tax position only if it is more likely-than-not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organizations and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or liabilities recorded for fiscal year 2019.

The Organizations file their 990 with the United States Internal Revenue Service. The Organizations are generally no longer subject to examination by the Internal Revenue Service for years before 2015.

Inventory

Inventory is stated at the lower of cost or market, determined by the first-in, first-out method.

Deferred Revenue

Income from fundraising events is deferred and recognized in the period when the event is held.

2. Summary of Significant Accounting Policies (Continued)

Land, Building and Equipment

Land, building and equipment is stated at cost. Depreciation is computed by use of the straight-line method based on estimated useful lives. CVL typically capitalizes items costing or valued at $500 or more.

	Years
Buildings and Improvements	10 - 50
Equipment	5
Vehicles	5

Long-term Investments

Long-term investments are stated at fair market value.

Investment Income and Gains

Investment income and gains restricted by donors are reported as increases in net assets without restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Grants and Accounts Receivable

Grants and accounts receivable are presented at face value, net of the allowance for doubtful accounts. Management considers all accounts to be essentially collectible and, therefore, has not established a provision for uncollectible accounts. The Organizations' review the collection history of its customers and, generally, requires no collateral from its customers. The Organizations' policy is generally to write-off accounts receivable when they are deemed uncollectible.

Contributions

All contributions, legacies and bequests are considered to be available for unrestricted use unless specifically restricted by the donor.

Donated Materials and Services

Donated materials and equipment are reflected as contributions in the accompanying combined statements at their estimated values at date of receipt. No amounts have been reflected in the statements for donated services inasmuch as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the Organizations' program services and in their fund-raising campaigns.

2. Summary of Significant Accounting Policies (Continued)

Allocation of Expenses by Function

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Salaries, related benefits and taxes are allocated based on the percentage of time in which the employee worked in a particular department or supporting services. All other expenses are allocated directly to the program or supporting services or by an estimated percentage determined by management.

New Accounting Pronouncement

During the year ended June 30, 2019, the Organization implemented the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). This 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 between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 13).

3. Grants and Accounts Receivable

Grants and accounts receivable consist of the following:

	2019	2018
Bureau of Blindness and Visual Services	$ 5,473	$ 8,449
Miscellaneous Grants	13,895	1,500
Other	1,857	1,934
	$ 21,225	$ 11,883

4. Land, Building and Equipment

Land, building and equipment consist of the following:

	2019	2018
Land	$ 82,500	$ 82,500
Buildings and Improvements	1,314,015	1,314,015
Vehicles	175,602	166,460
Equipment	150,207	126,520
	1,722,324	1,689,495
Accumulated Depreciation	(744,870)	(725,503)
	$ 977,454	$ 963,992

Depreciation charged to expense was $59,225 for the year ended June 30, 2019 and $66,512 for the year ended June 30, 2018.

5. Long-Term Investments

Cost and market values of the investments are as follows:

	2019		2018	
	Cost	Market	Cost	Market
Foundation Endowment Funds				
Cash Held for Investment	$ 323,874	$ 323,874	$ 358,016	$ 358,016
Certificates of Deposit	206,100	209,385	452,293	459,058
Mutual Funds	2,070,132	2,138,749	1,346,667	1,317,861
Exchange Traded and Closed End Funds	-	-	74,034	92,683
Equity Securities	201,840	199,386	522,996	688,542
Fixed Income Securities	11,094	11,512	107,690	104,629
Government Securities	-	-	22,777	23,498
	$ 2,813,040	$ 2,882,906	$ 2,884,473	$ 3,044,287

Investment fees have been netted against interest income and amounted to $15,251 for the year ended June 30, 2019 and $6,725 for the year ended June 30, 2018.

	Endowment Foundation June 30, 2019	Endowment Foundation June 30, 2018
Income	$ 61,578	$ 71,043
Realized Gain	134,218	499,382
Unrealized Gain/ (Loss)	(90,605)	(424,762)
	$ 105,191	$ 145,663

6. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at June 30:

	2019	2018
Kaleidoscope Program	$ 9,543	$ 8,701
Camp I Can	3,150	2,362
Grant Restricted for Next Year	-	20,000
Transportation	-	2,950
New Van	-	13,966
Heat Pump	5,000	5,000
Miscellanous	3,596	7,511
Assisted Devices Monroe	5,000	-
Perpetual Trusts	618,988	169,780
	645,277	230,270
Endowment Foundation- Investments Held in Perpetuity	188,463	206,989
	$ 833,740	$ 437,259

7. Net Assets Released from Restrictions

Net assets were released from restrictions during the year by incurring expenses satisfying the restricted purpose or by the expiration of time as follows:

	2019	2018
New Van	$ 13,966	$ -
Camp I Can	3,412	11,430
Kaleidoscope Program	14,159	3,799
Grant Restricted for Next Fiscal Year	20,000	15,000
Miscellaneous	9,454	415
Technology Grant	-	1,872
	60,991	32,516
Endowment Foundation- Market Value Adjustment/Restricted Income	20,526	-
	$ 81,517	$ 32,516

8. Beneficial Interest in Perpetual Trusts

CVL is the beneficiary of certain perpetual trusts held and administered by a third party. The present value of the estimated future cash flows (as measured by the fair value of the underlying investments) is recognized as assets and contribution revenues at the dates the trusts are established. Distributions from the trust are recorded as unrestricted investment income.

The increase or decrease in the asset measured by the fair value of the asset is recorded as a permanently restricted unrealized gain or loss in the Combined Statement of Activities and Change in Net Assets.

The Organization recorded its interest in a new perpetual trust. The value recorded in the financial statements during the fiscal year ending June 30, 2019 was $409,209.

For the years end June 30, 2019 and 2018 CVL recorded a gain in perpetual trust of $39,999 and $3,219, respectively due to the increase in fair value.

CVL also received distributions from the beneficial interest in perpetual trusts in the amount of $11,484 and $6,430 for the years ending June 30, 2019 and 2018, respectively, which is included in unrestricted contributions in the Combined Statement of Activities and Change in Net Assets.

The value of CVL's interest in the perpetual trusts at June 30, 2019 and 2018 was $618,988 and $169,780, respectively.

9. Leases

The Organization leases office space under a month to month lease and equipment under long-term lease agreements. The equipment leases are operating leases which expire in various years through 2024. Rental expense was $24,678 and $21,516 for the year ended June 30, 2019 and 2018, respectively.

Minimum lease payments under the operating leases are as follows:

June 30,		
2020	$	5,742
2021		5,742
2022		5,378
2023		3,729
2024 and Thereafter		1,869
	$	22,460

10. Advertising Expense

Advertising costs are expensed as incurred and were $13,035 and $18,056 for the year ended June 30, 2019 and 2018, respectively.

11. Endowment Funds

The Commonwealth of Pennsylvania has not adopted the Uniform Management of Institutional Funds Act (UMIFA) or the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Rather, the Pennsylvania uniform Principal and Income Act (Pennsylvania Act) governs the investment, use and management of the foundation's endowment funds.

The Pennsylvania Act does not require the preservation of the fair value of a donor's original gift as of the gift date of a donor-restricted endowment fund, absent explicit donor stipulations to the contrary. However, based on its interpretation of the Pennsylvania Act and relevant accounting literature, the foundation classifies as permanently restricted net assets for reporting purposes: (i) the original value of gifts donated to the permanent endowment; (ii) the original value of subsequent gifts to the permanent endowment; and (iii) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the foundation. The Pennsylvania Act allows a nonprofit to elect to appropriate for expenditure between 2% and 7% of the endowment fair value, determined at least annually and averaged over a period of three or more preceding years.

In accordance with the Pennsylvania Act, the foundation has adopted endowment investment and spending policies which have been approved by the Board of Trustees. The goal of the endowment investment policy is to provide a total return that preserves the long-term purchasing power of the endowment's assets, while providing an income stream to support the activities and mission of the foundation through sufficient spending. To satisfy the total return objectives, the foundation relies on a strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The foundation targets a diversified asset allocation that places emphasis on equities-based securities and fixed income investments within prudent risk parameters. The Board adopted endowment spending policy releases endowment funds for operating use based on any donor-restricted purpose. The endowment funds are co-mingled with unrestricted long-term investments. The Board has adopted a spending policy based on the operating budget, and is taken from the unrestricted investments. The endowment income is to be used for purposes within the City of Bethlehem and general purposes. All investment income is withdrawn and used for these purposes.

As of June 30, 2019, the Board of Trustees had board designated endowment funds of $2,695,322 that are classified and reported as net assets without restrictions.

11. Endowment Funds (Continued)

As of June 30, 2019, total endowment composition by net asset fund is:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor Restricted Endowment	$ -	$ 188,463	$ 188,463
Board Designated Endowment	2,695,322	-	2,695,322
	$ 2,695,322	$ 188,463	$ 2,883,785

Changes in endowment net assets for the year ended June 30, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance at June 30, 2018	$ 2,837,298	$ 206,989	$ 3,044,287
Gifts and Contributions	19,415	2,000	21,415
Investment Income	61,578	-	61,578
Net Appreciation (Depreciation)	64,139	(20,526)	43,613
Amounts Released for Operations	(287,108)		(287,108)
Balance at June 30, 2019	$ 2,695,322	$ 188,463	$ 2,883,785

As of June 30, 2018, total endowment composition by net asset fund is:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor Restricted Endowment	$ -	$ 206,989	$ 206,989
Board Designated Endowment	2,837,298	-	2,837,298
	$ 2,837,298	$ 206,989	$ 3,044,287

Changes in endowment net assets for the year ended June 30, 2018 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance at June 30, 2017	$ 2,842,036	$ 201,882	$ 3,043,918
Gifts and Contributions	123,296	3,100	126,396
Investment Income	69,036	2,007	71,043
Net Appreciation (Depreciation)	74,620	-	74,620
Amounts Released for Operations	(271,690)	-	(271,690)
Balance at June 30, 2018	$ 2,837,298	$ 206,989	$ 3,044,287

12. Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, establishes a 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 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 under FASB ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organizations have 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;
- 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.

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. Investments classified within Level 3 whose fair value measurements consider several inputs may include Level 1 and/or Level 2 inputs as components of the overall fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Money market instruments, fixed income securities, government securities, exchange traded and closed end funds, stocks, and mutual funds: Valued at the net asset value ("NAV") of shares held by the Organization at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organizations believes their 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.

12. Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organizations' assets at fair value as of June 30, 2019 and 2018:

	Assets at Fair Value as of June 30, 2019			
	Level 1	Level 2	Level 3	Total
Money Market Funds	$ 323,874	$ -	$ -	$ 323,874
Certificates of Deposit	209,385	-	-	209,385
Mutual Funds	2,138,749	-	-	2,138,749
Fixed Income Securities	11,512	-	-	11,512
Equities	199,386	-	-	199,386
Beneficial Interest in Perpetual Trusts	-	-	618,988	618,988
	$ 2,882,906	$ -	$ 618,988	$ 3,501,894

	Assets at Fair Value as of June 30, 2018			
	Level 1	Level 2	Level 3	Total
Money Market Funds	$ 358,016	$ -	$ -	$ 358,016
Certificates of Deposit	459,058	-	-	459,058
Mutual Funds	1,317,861	-	-	1,317,861
Exchange Traded and Closed End Funds	92,683	-	-	92,683
Fixed Income Securities	104,629	-	-	104,629
Equities	688,542	-	-	688,542
Government Securities	23,498	-	-	23,498
Beneficial Interest in Perpetual Trusts	-	-	169,780	169,780
	$ 3,044,287	$ -	$ 169,780	$ 3,214,067

12. Fair Value Measurements (Continued)

There were no significant transfers between Level 1, 2 and 3 investments during the years ended June 30, 2019 and 2018. Transfers are recognized at the end of the reporting period.

The table below presents information about the changes in the beneficial interest in perpetual trusts, which are measured at fair value on a recurring basis.

Beneficial Interest in Perpetual Trusts (Level III):	
Balance at July 1, 2018	$ 169,780
Contribution	409,209
Change in Fair Value	39,999
Balance at June 30, 2019	$ 618,988

Beneficial Interest in Perpetual Trusts (Level III):	
Balance at July 1, 2017	$ 166,561
Distribution	-
Change in Fair Value	3,219
Balance at June 30, 2018	$ 169,780

13. Liquidity and Availability

The following table reflects the Organizations' financial assets as of June 30, 2019, reduced by amounts not available for general expenditure within one year.

Financial assets are considered unavailable when not convertible to cash within one year or due to donors' restrictions.

	Center for Vision Loss	Endowment	Total
Cash	$ 184,227	$ 323,873	$ 508,100
Investments	-	2,349,649	2,349,649
Accounts Receivable	21,225	-	21,225
Less: Amounts with Donor Restrictions	(26,289)	(188,463)	(214,752)
	$ 179,163	$ 2,485,059	$ 2,664,222

14. Department of Human Services Subcontract

	Year Ended June 30, 2019			
	Approved Budget	Total Program Costs	Actual DHS Funding	Center For Vision Loss Subsidy
Income:	$ 146,077	$ 500,865	$146,077	$ 354,788
Expenditures:				
TSS Salaries and Benefits	77,200	185,357	77,200	$ 108,157
PSE Salaries and Benefits	39,012	60,760	39,012	21,748
Staff Total	116,212	246,117	116,212	129,905
Occupancy	9,500	115,998	9,500	106,498
Agency Vehicle	4,000	54,509	4,000	50,509
Staff Travel	4,000	22,521	4,000	18,521
PAB Conference /Training Registration Fees	1,900	2,789	1,900	889
Staff Recruitment	-	292	-	292
Certifications/Clearances	65	329	65	264
Dues/Memberships/Subscriptions	200	4,582	200	4,382
Bookkeeping/Accounting	300	2,023	300	1,723
Payroll Service	400	1,883	400	1,483
Printing/Reproduction	500	3,435	500	2,935
Audit	6,000	17,000	6,000	11,000
Advertising	500	6,862	500	6,362
Administrative Overhead	1,300	6,502	1,300	5,202
Office Supplies	500	8,226	500	7,726
Program Supplies	500	5,786	500	5,286
Postage	200	2,011	200	1,811
	146,077	500,865	146,077	354,788
Excess revenue over expenses	$ -	$ -	$ -	$ -

15. Subsequent Events

Management has evaluated subsequent events through January 22, 2020 the date on which the financial statements were available to be issued.