

KEYSTONE BLIND ASSOCIATION

FINANCIAL STATEMENTS AND  
ACCOMPANYING SUPPLEMENTARY INFORMATION

DECEMBER 31, 2021 AND 2020

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

KEYSTONE BLIND ASSOCIATION

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Keystone Blind Association  
Hermitage, Pennsylvania

**REPORT OF THE AUDIT OF THE FINANCIAL STATEMENTS**

**OPINION**

We have audited the financial statements of Keystone Blind Association(a non-profit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Keystone Blind Association as of December 31, 2021 and 2020, 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 (U.S. GAAP).

**BASIS FOR OPINION**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Keystone Blind Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**RESPONSIBILITY OF MANAGEMENT FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Keystone Blind Association's ability to continue as a going concern for one year after the date that the financial statements are issued.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Keystone Blind Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Keystone Blind Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

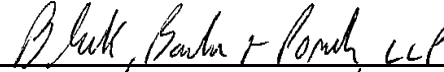
SUPPLEMENTARY INFORMATION

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The budgetary information in Exhibit "C" is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

The accompanying supplementary information identified as Exhibits "A" through "E" are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information (except for the budgetary

Keystone Blind Association

information in Exhibit "C" discussed above on which we express no opinion or any assurance) 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 U.S. GAAS. In our opinion (except for the budgetary information in Exhibit "C" discussed above on which we express no opinion or any assurance), the information is fairly stated in all material respects in relation to the financial statements as a whole.



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Sharon, Pennsylvania  
July 18, 2022

KEYSTONE BLIND ASSOCIATION  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>
<u>A S S E T S</u>			<u>L I A B I L I T I E S</u>		
<u>CURRENT ASSETS:-</u>			<u>CURRENT LIABILITIES:-</u>		
Cash and Cash Equivalents	\$ 910,296	\$ 897,145	Notes Payable	\$ 113,766	\$ 100,360
<u>Receivables -</u>			Paycheck Protection Program Loan	-	1,257,426
Trade	1,066,733	880,801	Accounts Payable	139,667	141,651
Grants	-	14,351	Accrued Payroll and Payroll Taxes	312,485	272,229
Promises to Give - United Way	-	5,000	Accrued Vacation	178,539	94,174
Other	16,060	17,060	Accrued Sales Tax	85	120
Inventory, Net of Reserve	185,154	261,288	Due to Affiliates	95,365	43,593
Prepaid Expenses	1,546	916			
Due from Affiliates	832	3,533			
	<u>\$ 2,180,621</u>	<u>\$ 2,080,094</u>	<u>TOTAL CURRENT LIABILITIES:-</u>	<u>\$ 839,907</u>	<u>\$ 1,909,553</u>
<u>TOTAL CURRENT ASSETS:-</u>					
<u>PROPERTY, BUILDINGS, AND EQUIPMENT:-</u>			<u>NON-CURRENT LIABILITIES:-</u>		
Buildings	\$ 4,072,891	\$ 4,040,204	Notes Payable	\$ 1,420,266	\$ 1,498,448
Equipment	2,234,401	2,350,423			
Vehicles	1,049,232	980,324	<u>TOTAL LIABILITIES:-</u>	<u>\$ 2,260,173</u>	<u>\$ 3,408,001</u>
	<u>\$ 7,356,524</u>	<u>\$ 7,370,951</u>			
<u>LESS: Accumulated Depreciation</u>	<u>(3,389,029)</u>	<u>(3,308,832)</u>	<u>N E T A S S E T S</u>		
<u>NET PROPERTY, BUILDINGS, AND EQUIPMENT:-</u>	<u>\$ 3,967,495</u>	<u>\$ 4,062,119</u>	Without Donor Restrictions	\$ 5,068,627	\$ 3,804,004
<u>OTHER ASSETS:-</u>			With Donor Restrictions	40,000	19,351
Investments at Fair Value	\$ 1,220,684	\$ 1,089,143	<u>TOTAL NET ASSETS:-</u>	<u>\$ 5,108,627</u>	<u>\$ 3,823,355</u>
<u>TOTAL ASSETS:-</u>	<u>\$ 7,368,800</u>	<u>\$ 7,231,356</u>	<u>TOTAL LIABILITIES AND NET ASSETS:-</u>	<u>\$ 7,368,800</u>	<u>\$ 7,231,356</u>

The Accompanying Notes are an Integral Part of These Statements

KEYSTONE BLIND ASSOCIATION

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020		
	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
<u>SUPPORT AND REVENUES:-</u>						
<u>PUBLIC SUPPORT:-</u>						
Contributions	\$ 125,014	\$ -	\$ 125,014	\$ 186,964	\$ -	\$ 186,964
Fundraising Events	71,518	-	71,518	21,175	-	21,175
United Way Allocations	-	3,023	3,023	-	15,440	15,440
<u>TOTAL PUBLIC SUPPORT:-</u>	<u>\$ 196,532</u>	<u>\$ 3,023</u>	<u>\$ 199,555</u>	<u>\$ 208,139</u>	<u>\$ 15,440</u>	<u>\$ 223,579</u>
<u>OTHER REVENUES:-</u>						
Sales/Services, Net	\$ 13,659,399	\$ -	\$ 13,659,399	\$ 12,940,795	\$ -	\$ 12,940,795
Program Service Fees	24,080	-	24,080	23,109	-	23,109
Grants	15,140	138,344	153,484	25,350	117,872	143,222
Investment Income, Net	134,381	-	134,381	109,553	-	109,553
Other Income	1,288,681	-	1,288,681	33,999	-	33,999
Rental Income	82,800	-	82,800	90,300	-	90,300
Gain on Sale of Fixed Assets	11,459	-	11,459	-	-	-
<u>TOTAL OTHER REVENUES:-</u>	<u>\$ 15,215,940</u>	<u>\$ 138,344</u>	<u>\$ 15,354,284</u>	<u>\$ 13,223,106</u>	<u>\$ 117,872</u>	<u>\$ 13,340,978</u>
<u>NET ASSETS RELEASED FROM RESTRICTIONS:-</u>						
Restrictions Satisfied by Time and Payments	\$ 120,718	\$ (120,718)	\$ -	\$ 172,497	\$ (172,497)	\$ -
<u>TOTAL SUPPORT AND REVENUES:-</u>	<u>\$ 15,533,190</u>	<u>\$ 20,649</u>	<u>\$ 15,553,839</u>	<u>\$ 13,603,742</u>	<u>\$ (39,185)</u>	<u>\$ 13,564,557</u>
<u>EXPENSES:-</u>						
Program Services	\$ 12,545,608	\$ -	\$ 12,545,608	\$ 11,900,887	\$ -	\$ 11,900,887
Management and General	1,946,884	-	1,946,884	1,889,335	-	1,889,335
Fundraising	115,575	-	115,575	76,357	-	76,357
<u>TOTAL EXPENSES:-</u>	<u>\$ 14,608,067</u>	<u>\$ -</u>	<u>\$ 14,608,067</u>	<u>\$ 13,866,579</u>	<u>\$ -</u>	<u>\$ 13,866,579</u>
<u>EQUITY TRANSFER:-</u>						
Transfer from Keystone Independence Management	\$ 339,500	\$ -	\$ 339,500	\$ 400,000	\$ -	\$ 400,000
<u>NET INCREASE (DECREASE) IN NET ASSETS:-</u>	<u>\$ 1,264,623</u>	<u>\$ 20,649</u>	<u>\$ 1,285,272</u>	<u>\$ 137,163</u>	<u>\$ (39,185)</u>	<u>\$ 97,978</u>
<u>NET ASSETS - BEGINNING OF YEAR:-</u>	<u>3,804,004</u>	<u>19,351</u>	<u>3,823,355</u>	<u>3,666,841</u>	<u>58,536</u>	<u>3,725,377</u>
<u>NET ASSETS - END OF YEAR:-</u>	<u>\$ 5,068,627</u>	<u>\$ 40,000</u>	<u>\$ 5,108,627</u>	<u>\$ 3,804,004</u>	<u>\$ 19,351</u>	<u>\$ 3,823,355</u>

The Accompanying Notes are an Integral Part of These Statements

KEYSTONE BLIND ASSOCIATION

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021				2020			
	<u>SUPPORTING SERVICES</u>			<u>TOTAL</u>	<u>SUPPORTING SERVICES</u>			<u>TOTAL</u>
	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>		<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	
<u>EXPENSES:-</u>								
Salaries and Wages	\$ 6,007,113	\$ 125,097	\$ -	\$ 6,132,210	\$ 5,543,623	\$ 128,994	\$ -	\$ 5,672,617
Employee Benefits	704,480	21,254	-	725,734	612,479	40,338	-	652,817
Payroll Taxes	492,381	10,254	-	502,635	474,785	11,127	-	485,912
<u>TOTAL SALARIES AND RELATED EXPENSES:-</u>	\$ 7,203,974	\$ 156,605	\$ -	\$ 7,360,579	\$ 6,630,887	\$ 180,459	\$ -	\$ 6,811,346
Management Fees	977,798	1,278,852	68,889	2,325,539	991,017	1,169,820	71,706	2,232,543
Professional Fees	-	30,725	-	30,725	-	53,067	-	53,067
Office Expense	28,284	30,027	42	58,353	22,562	35,527	-	58,089
Cost of Goods Sold	1,584,689	77	-	1,584,766	1,882,910	280	-	1,883,190
Other Production Costs	26,967	(1,343)	-	25,624	74,556	-	-	74,556
Maintenance Supplies	709,667	4,829	-	714,496	518,246	-	-	518,246
Subcontractors	1,031,604	16,318	-	1,047,922	958,682	3,052	-	961,734
Communication	90,068	39,202	-	129,270	81,247	26,273	-	107,520
Postage and Shipping	13,992	5,073	-	19,065	16,710	13,501	-	30,211
Occupancy	119,326	42,437	-	161,763	131,624	39,542	-	171,166
Insurance	44,309	33,208	-	77,517	45,501	33,366	-	78,867
Transportation	189,054	31,234	-	220,288	161,899	24,917	-	186,816
Education and Conferences	735	413	-	1,148	318	1,430	-	1,748
Program Supplies	4,311	-	-	4,311	3,307	-	-	3,307
Organization Dues	1,580	5,328	-	6,908	2,151	3,685	-	5,836
Awards	-	19,280	-	19,280	182	4,917	-	5,099
Other	27,278	30,926	-	58,204	5,638	41,871	25	47,534
Interest	48,638	33,643	-	82,281	56,117	51,458	-	107,575
Fundraising	-	-	37,280	37,280	-	-	2,006	2,006
Printing	802	10,343	553	11,698	-	13,407	256	13,663
Bank Charges and Fees	-	3,054	-	3,054	-	9,429	-	9,429
Maintenance Agreements	4,516	13,759	-	18,275	3,600	14,887	-	18,487
Meals and Entertainment	12,099	5,458	4,203	21,760	4,475	3,121	-	7,596
Advertising	227,945	9,047	4,608	241,600	118,391	17,427	1,992	137,810
<u>TOTAL EXPENSES BEFORE DEPRECIATION:-</u>	\$ 12,347,636	\$ 1,798,495	\$ 115,575	\$ 14,261,706	\$ 11,710,020	\$ 1,741,436	\$ 75,985	\$ 13,527,441
<u>DEPRECIATION OF BUILDINGS AND EQUIPMENT:-</u>	197,972	148,389	-	346,361	190,867	147,899	372	339,138
<u>TOTAL EXPENSES:-</u>	\$ 12,545,608	\$ 1,946,884	\$ 115,575	\$ 14,608,067	\$ 11,900,887	\$ 1,889,335	\$ 76,357	\$ 13,866,579

The Accompanying Notes are an Integral Part of These Statements





KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

1. NATURE OF ORGANIZATION AND OPERATIONS

Keystone Blind Association (Association) is a Pennsylvania private, non-profit corporation whose purpose is to empower, educate, and employ individuals with vision loss or other disabilities; to promote independence for children and adults who are blind and visually impaired; to promote eye health and eye safety; and to promote employment for all persons with disabilities. The Association provides a variety of services and employment opportunities to the blind and handicapped. Additionally, the Association is a member agency of the Pennsylvania Association for the Blind and a United Way agency.

The Association has contracted with Keystone Independence Management (KIM), a non-profit corporation originally created by the Association, to provide personnel services to the Association. KIM has hired all the professional staff for the Association and processes the related payroll and benefits. In turn, the Association pays KIM a management fee approximating the cost of such payroll and benefits.

The Association is affiliated through services provided by a common management company and board members with Beaver County Association for the Blind (BCAB), Center for the Blind and Visually Impaired in Philadelphia (CBVI), Center for the Blind and Disabled in Philadelphia (CBD), and Montgomery County Association for the Blind (MCAB) all of which are reported separately and are not combined in this report. Keystone Vocational Services (KVS) is only affiliated through management by the common company.

Accounts have been established to reflect any receivables or payables that exist between the Association, KIM, KVS, BCAB, CBVI, CBD, and MCAB.

INCOME TAXES

The Association, a non-profit organization operating under Section 501(c)(3) of the Internal Revenue Code, is generally exempt from federal, state, and local income taxes and, accordingly, no provision for income taxes is included in the financial statements. An informational return, Form 990, is filed annually.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL STATEMENT PRESENTATION

The Association has adopted FASB Accounting Standards Codification ASC 958-205 Financial Statements of Not-for-Profit Organizations. Under ASC 958-205, the Association is required to report information regarding its financial position and activities according to two (2) classes of net assets: with donor restrictions and without donor restrictions.

RESTRICTED AND UNRESTRICTED REVENUE AND SUPPORT

Support is recorded as with or without donor restrictions, depending on the existence and/or nature of any donor or grantor restrictions.

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

Donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), donor restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Donor restricted net assets consist of grant monies restricted to provide specialized services, as well as prevention of blindness services to eligible individuals, and building campaign pledges.

BASIS OF ACCOUNTING

The accrual basis of accounting is used by the Association. Revenues are recognized in the accounting period in which they are earned. Expenses are recorded in the accounting period in which they are incurred.

REVENUE RECOGNITION IN ACCORDANCE WITH FASB ASC-606

REVENUE RECOGNITION

Grants and contributions are recognized in the period awarded, product sales are recognized when shipped, and service revenue is recognized when the services are performed.

TRANSACTION PRICE

The amount and timing of revenue recognition varies based on the nature of the services provided/product sold, and the terms and conditions of the agreement with the individual customer. There are no finance components with these services/products, and consideration received is fixed (i.e., there is no variable consideration).

CONTRACT BALANCES

Contract assets or receivables will be recognized if the services/products have been performed/sold, but the customer has not yet paid. The Association had contract assets of \$ 1,066,733 and \$ 880,801 recorded as of December 31, 2021 and 2020, respectively.

PERFORMANCE OBLIGATIONS

The Association's performance obligation under various service contracts is to provide janitorial, mowing, snow removal, and photo license services to various facilities operated by the State of Pennsylvania. The fees for these services are charged monthly, and revenue is recognized as the services are provided over time.

The Association also produces and sells toilet paper to various facilities operated by the State of Pennsylvania. Sales are recorded at a fixed price, and revenue is recognized when shipped.

DISAGGREGATION OR REVENUE

The following table disaggregates sales/service revenue by type:

	<u>2021</u>	<u>2020</u>
Janitorial, Snow Removal, Lawn Services	\$ 11,205,005	\$ 10,268,398
Photo License Services	242,189	199,427
Shredding, Miscellaneous	66,752	56,838
Toilet Paper Sales	<u>2,145,453</u>	<u>2,416,132</u>
<u>TOTAL:-</u>	<u>\$ 13,659,399</u>	<u>\$ 12,940,795</u>

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

CASH AND CASH EQUIVALENTS

For purposes of the cash flows statement, the Association considers all highly liquid investments purchased with a maturity of three (3) months or less, to be cash equivalents. Money market funds, held as a portion of the Association's endowment portfolio, are classified as short-term investments and are not considered to be cash equivalents for purposes of the statements of cash flows.

PROMISES TO GIVE

Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities or expense, depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

RECEIVABLES

Receivables include charges for goods and services provided to customers not collected as of the end of the year. These amounts are due from various businesses and organizations primarily within Mercer County, and Unique Source (See Note "7"). Receivables also include various grants, promises to give, and other miscellaneous receivables. The balance due from one (1) customer approximates 98 percent and 97 percent of total trade receivables as of December 31, 2021 and 2020, respectively. The Association considers all receivables to be fully collectable and, thus, no allowance for doubtful accounts is recorded.

For both years ended December 31, 2021 and 2020, no bad debt expense has been recorded.

INVENTORY

Inventories are stated at the lower of cost (first-in first-out) or market, net of a \$ 4,000 valuation reserve for slow moving inventory as of both December 31, 2021 and 2020. Inventory consists of items purchased and produced for resale; mainly supplies, chemicals, and toilet paper.

INVESTMENTS

Investments in marketable equity securities with readily determinable fair values are stated at fair value in the accompanying statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Beneficial interest in the Community Foundation of Western Pennsylvania and Eastern Ohio (Foundation) consists of unrestricted assets transferred by the Association to the Foundation for the creation of a memorial fund which benefits the Association but is managed by the Foundation. The Association is to be the sole beneficiary of any distributions from this fund. Funds held by the Foundation are pooled with other organizations' funds and invested in a diversified portfolio of marketable equity and fixed income securities. This beneficial interest is reported at fair value as determined by the Foundation.

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

Gains and losses on funds held by others, including the unrealized gains and losses, are reported as increases or decreases in net assets without donor restriction investment income unless the investment is limited by donor-imposed restrictions or law.

PROPERTY, BUILDINGS, AND EQUIPMENT

Acquisitions costing greater than \$ 500, with a useful life greater than one (1) year are capitalized, as well as any donated items which are valued at fair market value at the time of donation. Expenditures for maintenance and repair are expensed whereas, additions, major improvements, and renewals are capitalized and depreciated. Depreciation expense amounted to \$ 346,361 and \$ 339,138 for the years ended December 31, 2021 and 2020, respectively.

Building depreciation is computed on the straight-line method using an estimated life of 40 years.

Equipment depreciation is computed on the straight-line method using an estimated life of five (5) to ten (10) years for all equipment.

Vehicle depreciation is computed on the straight-line method using estimated lives of three (3) to five (5) years.

Fixed assets have been acquired through restricted grant funding and unrestricted funding.

COMPENSATED ABSENCES

Accounting principles generally accepted in the United States of America (U.S. GAAP) require the accrual of compensated absences if the obligation is attributable to employees' services already rendered, the rights vest or accumulate, payment is probable, and the amount can be determined. The vacation pay of the Association's employees meets these criteria and, as of December 31, 2021 and 2020, a liability of \$ 178,539 and \$ 94,174, respectively, has been recorded in the financial statements. There are no other significant compensated absences, and the policy of the Association is to recognize their costs when actually paid to employees.

ADVERTISING COSTS

Advertising costs are expensed as incurred. Total advertising costs expensed were \$ 241,600 and \$ 137,810 in 2021 and 2020, respectively.

FUNCTIONAL EXPENSE ALLOCATION

Expenses have been allocated among program services, management and general, and fundraising on the basis of actual charges, time records, and estimates made by management.

SHIPPING AND HANDLING

Shipping and handling fees billed to customers are classified on the statements of activities as sales/services, net. The associated shipping and handling costs are classified in program services on the statements of activities.

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Association to concentration of credit risk consist principally of cash and investments. Concentrations of credit risk with respect to trade receivables are due to the nature of business, geographic region, and financial status of the customers.

The Federal Deposit Insurance Corporation (FDIC) insures all deposit accounts, including checking and savings accounts, money market deposit accounts, and certificates of deposit. The standard insurance amount is \$ 250,000 per depositor, per insured bank, per ownership category. As of December 31, 2021, the Association had approximately \$ 759,000 in excess of FDIC insured limits.

Accounts at brokerage firms contain cash and securities balances and are insured up to \$ 500,000, with a limit of \$ 250,000 for cash, by the Securities Investor Protection Corporation (SIPC). As of December 31, 2021, the Association had approximately \$ 720,000 in excess of SIPC limits.

RECLASSIFICATIONS

Certain amounts from 2020 have been reclassified to conform to the 2021 financial statement presentation.

3. AVAILABLE RESOURCES AND LIQUIDITY

The Association regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Financial assets in excess of daily cash requirements are invested in money market funds. The Association has various sources of liquidity at its disposal, including cash and cash equivalents, accounts receivable, investments, and unconditional promises to give.

For purposes of analyzing resources available to meet general expenses over a 12-month period, the Association considers all expenses related to its ongoing activities, as well as the conduct of services undertaken to support this activity to be general expenses.

In addition to financial assets available to meet general expenditures over the next 12 months, the Association anticipates collecting sufficient revenue to cover general expenses.

The following table reflects the Association's financial assets as of December 31, 2021 and 2020, reduced by amounts that are not available to meet general expenses within one (1) year of the statements of financial position date:

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 910,296	\$ 897,145
Receivables	1,066,733	900,152
Investments, Fair Value	<u>1,220,684</u>	<u>1,089,143</u>
<u>TOTAL FINANCIAL ASSETS:-</u>	\$ 3,197,713	\$ 2,886,440
Amount With Donor Restrictions	( <u>40,000</u> )	( <u>19,351</u> )
Financial Assets Available to Meet Cash Needs for General Expenses Within the Next Year	<u>\$ 3,157,713</u>	<u>\$ 2,867,089</u>

4. INVESTMENTS

The investments of the Association as of December 31, 2021 and 2020, at fair value consisted of the following:

	<u>2021</u>	<u>2020</u>
<u>INVESTMENTS:-</u>		
T.D. Ameritrade - Endowment Fund (See Note "6")	\$ 62,523	\$ 55,613
T.D. Ameritrade - Reserve Account (See Below)	1,029,218	917,111
Edward Jones - (See Below)	11,053	9,206
Beneficial Interest in Community Foundation - Perry Templeton Memorial Fund (See Note "5")	<u>117,890</u>	<u>107,213</u>
<u>TOTAL INVESTMENTS:-</u>	<u>\$ 1,220,684</u>	<u>\$ 1,089,143</u>
	<u>2021</u>	<u>2020</u>
<u>T.D. AMERITRADE - RESERVE ACCOUNT:-</u>		
Cash and Money Market	\$ 7,538	\$ 4,143
U.S. Equity Mutual Funds	373,162	373,456
International Equity Mutual Funds	241,881	193,720
Fixed Income Mutual Funds	<u>406,637</u>	<u>345,792</u>
<u>TOTAL T.D. AMERITRADE - RESERVE ACCOUNT:-</u>	<u>\$ 1,029,218</u>	<u>\$ 917,111</u>
<u>EDWARD JONES ACCOUNT:-</u>		
Cash and Money Market	\$ 610	\$ 289
U.S. Equity Mutual Funds	6,141	5,140
International Equity Mutual Funds	<u>4,302</u>	<u>3,777</u>
<u>TOTAL EDWARD JONES ACCOUNT:-</u>	<u>\$ 11,053</u>	<u>\$ 9,206</u>

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

Components of net investment income (loss) for all investments consisted of the following for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Interest and Dividend Income	\$ 25,217	\$ 20,136
Capital Gain Distributions	14,443	10,671
Unrealized Gains	102,609	85,180
Investment Expenses	( 7,888)	( 6,434)
<u>TOTAL:-</u>	<u>\$ 134,381</u>	<u>\$ 109,553</u>

5. FAIR VALUE MEASUREMENTS

The Association adopted the provisions of FASB ASC 820-10 Fair Value Measurements. Under FASB ASC 820-10, the Association is required to disclose the basis for valuing its assets and liabilities measured at fair value level. Level 1 uses quoted prices in active markets for identical assets; Level 2 uses significant other observable inputs; and Level 3 uses significant unobservable inputs. Unobservable inputs reflect the Association's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The Association's investments discussed above are subject to the provisions of FASB ASC 820-10. The investments are Level 1 and Level 3 and are measured at fair value on a recurring basis for the years ending December 31, 2021 and 2020.

The following table presents the fair value measurement of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the FASB ASC 820-10 fair value hierarchy in which the fair value measurements fall at December 31, 2021 and 2020:

	<u>DECEMBER 31, 2021 AND 2020</u>		
	<u>(LEVEL 1)</u>	<u>(LEVEL 2)</u>	<u>(LEVEL 3)</u>
<u>ASSETS:-</u>			
<u>Long-Term Investments -</u>			
Mutual Funds 2021	\$ 1,102,794	\$ -	\$ -
Mutual Funds 2020	\$ 981,930	\$ -	\$ -
Beneficial Interest - Community Foundation 2021	\$ -	\$ -	\$ 117,890
Beneficial Interest - Community Foundation 2020	\$ -	\$ -	\$ 107,213

Methods and assumptions used by the Association in estimating fair values are as follows:

Mutual Funds - The fair values of these financial instruments are based on quoted market prices.



KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

Beneficial Interest in the Foundation - Investments held at the Foundation, as noted in the summary of significant accounting policies (See Note "2"), are pooled with other organizations' funds and invested in a diversified portfolio of marketable securities and fixed income securities. A substantial portion of the underlying assets at the Foundation is measured at fair value using Level 1 and Level 2 inputs. The Association's ownership in such investments is represented by an undivided interest in investment portfolios managed by the Foundation, not in the underlying assets themselves. The Association has a unitized ownership interest in these pools and does not have direct ownership of the underlying investments. The fair value of the pooled investments held by the Foundation is based on the number of units held at year end. The undivided interest in these portfolios are not themselves publicly traded.

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a difference of fair value measurement at the reporting date.

There were no transfers into Level 3 assets in 2021 or 2020. There were transfers out of Level 3 assets of \$ 2,800 and \$ - 0 - in 2021 and 2020, respectively, for program support.

6. ENDOWMENT FUND

The Association has created an endowment fund by originally approving transfers of \$ 10,000 to establish the fund. Funds placed in endowment are the property of the Association and have been reflected in the financial statements.

As required by accounting standards, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on existence or absence of donor imposed restrictions. The Association's endowment fund consists entirely of funds designated by the Board of Directors and is considered without donor restrictions.

Changes in endowment net assets for the years ending December 31, 2021 and 2020, are as follows:

	<u>2021</u>	<u>2020</u>
<u>Without Donor Restrictions (Board Designated) -</u>		
Endowment Net Assets - January 1	\$ 55,613	\$ 50,107
Investment Income	1,860	951
Net Realized and Unrealized Gains	5,401	4,841
Expenses	( 351)	( 286)
<u>ENDOWMENT NET ASSETS - DECEMBER 31:-</u>	<u>\$ 62,523</u>	<u>\$ 55,613</u>

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

7. MAJOR CUSTOMER

The Association sells a substantial portion of its goods and services through contracts with the Commonwealth of Pennsylvania held by UniqueSource (approximately \$ 13,546,000 in 2021 and \$ 12,880,000 in 2020). At December 31, 2021 and 2020, amounts due from Unique Source and included in trade receivables, totalled \$ 1,047,715 and \$ 869,053, respectively.

8. NOTES PAYABLE

Notes payable of the Association at December 31, 2021 and 2020, consisted of the following:

	<u>2021</u>	<u>2020</u>
\$ 1,775,000 line-of-credit demand note payable for working capital, at a variable rate (currently 3.25 percent), interest only, due monthly. Secured by equipment, inventory, accounts receivable, and certain investments. \$	-	-
Note payable to a bank for purchase of a building. The loan is for ten (10) years at a variable interest rate (currently 4.69 percent) and calls for monthly payments of \$ 7,248. The loan matures in September 2025, with an approximate balance of \$ 725,000 to be paid or refinanced.	875,832	917,104
Loan payable to a bank for improvements to a building. The loan is for 20 years at a variable interest rate (currently 5.638 percent) and calls for monthly payments of \$ 5,676 after initial interest only payments through August 31, 2019. The loan matures in May 2038.	555,739	594,375
Loan payable to a finance company for a vehicle. The loan is for six (6) years at 3.58 percent interest, and calls for monthly principal and interest payments of \$ 699. The loan matures in August 2027.	32,977	-
Loan payable to a finance company for a vehicle. The loan is for six (6) years at 5.49 percent interest and calls for monthly payments of \$ 567. The loan matures in August 2027.	27,488	32,619

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Loan payable to a finance company for a vehicle. The loan is for six (6) years at 6.79 percent interest and calls for monthly principal and interest payments of \$ 612. The loan matures January 2025.	19,817	25,598
Note payable to a bank for purchase of equipment. The loan is for five (5) years at 4.55 percent interest and calls for monthly principal and interest payments of \$ 677. The loan matures November 2024.	<u>22,179</u>	<u>29,112</u>
<u>TOTAL DEBT:-</u>	<u>\$ 1,534,032</u>	<u>\$ 1,598,808</u>

At December 31, 2021, the expected maturities of long-term debt are as follows:

	<u>PRINCIPAL</u>
2022	\$ 113,766
2023	120,002
2024	125,968
2025	117,393
2026	114,429
2027 and Forward	<u>942,474</u>
<u>TOTAL DEBT:-</u>	<u>\$ 1,534,032</u>

Interest expense for 2021 and 2020 was \$ 82,281 and \$ 107,575, respectively.

PAYCHECK PROTECTION PROGRAM LOAN

On April 17, 2020, the Association received a loan in the amount of \$ 1,248,600 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES), provides for loans to qualifying businesses up to 2.5 times of their average monthly payroll. The loan and accrued interest are forgivable after the 24-week covered period in which loan proceeds are used for eligible purposes (payroll, benefits, rent, and utilities). The amount of potential loan forgiveness will be reduced if the Association terminates employees or reduces salaries during the covered period.

The unforgiven portion of the loan is payable over two (2) years at an interest rate of 1 percent, with a deferral of payments for the first ten (10) months after the end of the covered period. The Association used the proceeds consistent with the PPP, and met the conditions for forgiveness of the entire loan plus accrued interest of \$ 14,185 per bank notification received in June 2021. A total of \$ 1,262,785 is included in "other income" in the accompanying statement of activities for 2021.

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

9. COMMITMENTS AND CONTINGENT LIABILITIES

GRANT PROGRAMS

The Association participates in both state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Association is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

LEASE COMMITMENTS

The Association leases minor equipment and space under various month-to-month arrangements. These lease agreements have been accounted for as operating leases.

The Association leases space from CBVI under a five (5) year lease agreement, which has a termination clause allowing the Association to terminate with 180 days' notice. The lease commenced on September 1, 2021 and expires August 31, 2026, at \$ 4,450 per month. The Association is responsible for all utilities, insurance, and its proportionate share of common area maintenance charges. The Association also rents additional office space from an unrelated party under a three (3) year lease expiring in December 2021 which calls for monthly rents ranging from \$ 1,000 to \$ 1,100. Total rent and related expenses for the years ended December 31, 2021 and 2020, amounted to \$ 69,627 and \$ 68,180, respectively.

The following is a schedule of future minimum lease payments required under long-term leases as of December 31, 2021:

YEAR ENDING DECEMBER 31:-

2022	\$ 53,400
2023	53,400
2024	53,400
2025	53,400
2026	<u>35,600</u>
<u>TOTAL:-</u>	<u>\$ 249,200</u>

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2021 consist of a \$ 40,000 technology assistance grant from the Pennsylvania Association for the Blind. Net assets with donor restrictions at December 31, 2020 consist of \$ 19,351 for Covid/transportation expenses from various sources.

11. RELATED PARTY TRANSACTIONS/MANAGEMENT CONTRACTS

The Association paid KIM management fees of \$ 2,325,539 and \$ 2,232,544 for the years ended December 31, 2021 and 2020, respectively.

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

For the years ended December 31, 2021 and 2020, the Association was billed \$ 604,875 and \$ 581,165, respectively, by CBD for lawn/snow maintenance services. The Association also rents space to KVS and CBD, rent revenue totalled \$ 82,800 and \$ 90,300 for 2021 and 2020, respectively. The Association also leases space from CBVI (See Note "9").

During 2021 and 2020, the Association made purchases totalling \$ 10,301 and \$ 12,051, respectively from a business managed by a Board Member. During 2021 and 2020, respectively, the Association purchased vehicles for \$ 31,263 and \$ 49,707 from a dealership owned by another Board Member.

12. SUBSEQUENT EVENTS

In accordance with FASB ASC 855-10 Subsequent Events, the Association has evaluated subsequent events through July 18, 2022, the date which the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements or notes.

KEYSTONE BLIND ASSOCIATION  
STATEMENTS OF FINANCIAL POSITION

ALL FUNDS  
DECEMBER 31, 2021 AND 2020

	<u>OPERATING</u>	<u>RESERVE</u>	<u>DEPARTMENT OF</u>	<u>TOTALS</u>	
	<u>FUND</u>	<u>FUND</u>	<u>HEALTH AND HUMAN</u>	<u>2021</u>	<u>2020</u>
			<u>SERVICES</u>		
<u>A S S E T S</u>					
<u>CURRENT ASSETS:-</u>					
Cash and Cash Equivalents	\$ 910,296	\$ -	\$ -	\$ 910,296	\$ 897,145
<u>Receivables -</u>					
Trade	1,066,733	-	-	1,066,733	880,801
Grants	-	-	-	-	14,351
Promises to Give - United Way	-	-	-	-	5,000
Other	16,060	-	-	16,060	17,060
Prepaid Expenses	1,546	-	-	1,546	916
Inventory, Net of Reserve	185,154	-	-	185,154	261,288
Due from Affiliates	832	-	-	832	3,533
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>TOTAL CURRENT ASSETS:-</u>	\$ 2,180,621	\$ -	\$ -	\$ 2,180,621	\$ 2,080,094
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>NON-CURRENT ASSETS:-</u>					
Investments, at Fair Value	\$ 191,466	\$ 1,029,218	\$ -	\$ 1,220,684	\$ 1,089,143
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>PROPERTY, BUILDINGS, AND EQUIPMENT:-</u>					
Buildings	\$ 4,072,891	\$ -	\$ -	\$ 4,072,891	\$ 4,040,204
Equipment	2,234,401	-	-	2,234,401	2,350,423
Vehicles	1,049,232	-	-	1,049,232	980,324
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 7,356,524	\$ -	\$ -	\$ 7,356,524	\$ 7,370,951
<u>LESS: Accumulated Depreciation</u>	<u>(3,389,029)</u>	<u>-</u>	<u>-</u>	<u>(3,389,029)</u>	<u>(3,308,832)</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>NET PROPERTY, BUILDINGS, AND EQUIPMENT:-</u>	\$ 3,967,495	\$ -	\$ -	\$ 3,967,495	\$ 4,062,119
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>TOTAL NON-CURRENT ASSETS:-</u>	\$ 4,158,961	\$ 1,029,218	\$ -	\$ 5,188,179	\$ 5,151,262
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>TOTAL ASSETS:-</u>	<u>\$ 6,339,582</u>	<u>\$ 1,029,218</u>	<u>\$ -</u>	<u>\$ 7,368,800</u>	<u>\$ 7,231,356</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

KEYSTONE BLIND ASSOCIATION  
STATEMENTS OF FINANCIAL POSITION

ALL FUNDS  
DECEMBER 31, 2021 AND 2020

	<u>OPERATING</u>	<u>RESERVE</u>	<u>DEPARTMENT OF</u> <u>HEALTH AND HUMAN</u>	<u>TOTALS</u>	
	<u>FUND</u>	<u>FUND</u>	<u>SERVICES</u>	<u>2021</u>	<u>2020</u>
<u>L I A B I L I T I E S</u>					
<u>CURRENT LIABILITIES:-</u>					
Notes Payable	\$ 113,766	\$ -	\$ -	\$ 113,766	\$ 100,360
Paycheck Protection Program Loan	-	-	-	-	1,257,426
Accounts Payable	139,667	-	-	139,667	141,651
Accrued Payroll and Payroll Taxes	312,485	-	-	312,485	272,229
Accrued Vacation	178,539	-	-	178,539	94,174
Accrued Sales Tax	85	-	-	85	120
Due to Affiliates	95,365	-	-	95,365	43,593
	<u>\$ 839,907</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 839,907</u>	<u>\$ 1,909,553</u>
<u>NON-CURRENT LIABILITIES:-</u>					
Notes Payable	\$ 1,420,266	\$ -	\$ -	\$ 1,420,266	\$ 1,498,448
	<u>\$ 2,260,173</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,260,173</u>	<u>\$ 3,408,001</u>
<u>N E T A S S E T S</u>					
Without Donor Restrictions	\$ 4,039,409	\$ 1,029,218	\$ -	\$ 5,068,627	\$ 3,804,004
With Donor Restrictions	40,000	-	-	40,000	19,351
	<u>\$ 4,079,409</u>	<u>\$ 1,029,218</u>	<u>\$ -</u>	<u>\$ 5,108,627</u>	<u>\$ 3,823,355</u>
<u>TOTAL NET ASSETS:-</u>	<u>\$ 4,079,409</u>	<u>\$ 1,029,218</u>	<u>\$ -</u>	<u>\$ 5,108,627</u>	<u>\$ 3,823,355</u>
<u>TOTAL LIABILITIES AND NET ASSETS:-</u>	<u>\$ 6,339,582</u>	<u>\$ 1,029,218</u>	<u>\$ -</u>	<u>\$ 7,368,800</u>	<u>\$ 7,231,356</u>

KEYSTONE BLIND ASSOCIATION

STATEMENT OF ACTIVITIES

ALL FUNDS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>OPERATING</u>	<u>RESERVE</u>	<u>SUBTOTAL</u>	<u>DEPARTMENT OF</u>	<u>TOTAL - ALL FUNDS</u>	
	<u>FUND</u>	<u>FUND</u>	<u>FUND</u>	<u>HEALTH AND</u>	<u>2021</u>	<u>2020</u>
				<u>HUMAN SERVICES</u>		
<u>REVENUES:-</u>						
<u>Public Support -</u>						
Contributions	\$ 125,014	\$ -	\$ 125,014	\$ -	\$ 125,014	\$ 186,964
Fundraising Events	71,518	-	71,518	-	71,518	21,175
United Way Allocations	3,023	-	3,023	-	3,023	15,440
<u>TOTAL PUBLIC SUPPORT:-</u>	<u>\$ 199,555</u>	<u>\$ -</u>	<u>\$ 199,555</u>	<u>\$ -</u>	<u>\$ 199,555</u>	<u>\$ 223,579</u>
<u>Other Revenues -</u>						
Sales/Services, Net	\$ 13,659,399	\$ -	\$ 13,659,399	\$ -	\$ 13,659,399	\$ 12,940,795
Program Service Fees	24,080	-	24,080	-	24,080	23,109
Grants	55,140	-	55,140	98,344	153,484	143,222
Investment Income, Net (Includes Interfund)	22,274	112,107	134,381	-	134,381	109,553
Other Income	1,288,681	-	1,288,681	-	1,288,681	33,999
Gain on Sale of Fixed Assets	11,459	-	11,459	-	11,459	-
Rental Income	82,800	-	82,800	-	82,800	90,300
<u>TOTAL OTHER REVENUES:-</u>	<u>\$ 15,143,833</u>	<u>\$ 112,107</u>	<u>\$ 15,255,940</u>	<u>\$ 98,344</u>	<u>\$ 15,354,284</u>	<u>\$ 13,340,978</u>
<u>TOTAL PUBLIC SUPPORT AND OTHER REVENUES:-</u>	<u>\$ 15,343,388</u>	<u>\$ 112,107</u>	<u>\$ 15,455,495</u>	<u>\$ 98,344</u>	<u>\$ 15,553,839</u>	<u>\$ 13,564,557</u>
<u>EXPENSES:-</u>						
Salaries and Wages	\$ 6,019,515	\$ -	\$ 6,019,515	\$ 112,695	\$ 6,132,210	\$ 5,672,617
Employee Benefits	725,734	-	725,734	-	725,734	652,817
Payroll Taxes	502,635	-	502,635	-	502,635	485,912
<u>TOTAL SALARIES AND RELATED EXPENSES:-</u>	<u>\$ 7,247,884</u>	<u>\$ -</u>	<u>\$ 7,247,884</u>	<u>\$ 112,695</u>	<u>\$ 7,360,579</u>	<u>\$ 6,811,346</u>
Management Fees	2,325,539	-	2,325,539	-	2,325,539	2,232,543
Professional Fees	30,725	-	30,725	-	30,725	53,067
Office Supplies	58,353	-	58,353	-	58,353	58,089
Cost of Goods Sold	1,584,766	-	1,584,766	-	1,584,766	1,883,190
Other Production Costs	25,624	-	25,624	-	25,624	74,556
Maintenance Supplies	714,496	-	714,496	-	714,496	518,246
Communications	129,270	-	129,270	-	129,270	107,520
Postage and Shipping	19,065	-	19,065	-	19,065	30,211
Occupancy	161,763	-	161,763	-	161,763	171,166
Insurance	77,517	-	77,517	-	77,517	78,867



KEYSTONE BLIND ASSOCIATION

STATEMENT OF ACTIVITIES

ALL FUNDS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>OPERATING</u>	<u>RESERVE</u>	<u>SUBTOTAL</u>	<u>DEPARTMENT OF</u>	<u>TOTAL - ALL FUNDS</u>	
	<u>FUND</u>	<u>FUND</u>	<u>FUND</u>	<u>HEALTH AND</u>	<u>2021</u>	<u>2020</u>
				<u>HUMAN SERVICES</u>		
Subcontractors	1,047,922	-	1,047,922	-	1,047,922	961,734
Transportation	220,288	-	220,288	-	220,288	186,816
Education and Conferences	1,148	-	1,148	-	1,148	1,748
Program Supplies	4,311	-	4,311	-	4,311	3,307
Organization Dues	6,908	-	6,908	-	6,908	5,836
Awards	19,280	-	19,280	-	19,280	5,099
Fundraising	37,280	-	37,280	-	37,280	2,006
Printing	11,698	-	11,698	-	11,698	13,663
Other	58,204	-	58,204	-	58,204	47,534
Interest	82,281	-	82,281	-	82,281	107,575
Depreciation	346,361	-	346,361	-	346,361	339,138
Fees and Penalties	3,054	-	3,054	-	3,054	9,429
Maintenance Agreements	18,275	-	18,275	-	18,275	18,487
Meals and Entertainment	21,760	-	21,760	-	21,760	7,596
Advertising	241,600	-	241,600	-	241,600	137,810
<u>TOTAL EXPENSES:-</u>	<u>\$ 14,495,372</u>	<u>\$ -</u>	<u>\$ 14,495,372</u>	<u>\$ 112,695</u>	<u>\$ 14,608,067</u>	<u>\$ 13,866,579</u>
<u>PUBLIC SUPPORT AND OTHER REVENUES OVER (UNDER) EXPENSES:-</u>	<u>\$ 848,016</u>	<u>\$ 112,107</u>	<u>\$ 960,123</u>	<u>\$ (14,351)</u>	<u>\$ 945,772</u>	<u>\$ (302,022)</u>
<u>OTHER FINANCING SOURCES (USES):-</u>						
Transfer from Subsidiary	\$ 339,500	\$ -	\$ 339,500	\$ -	\$ 339,500	\$ 400,000
<u>TOTAL OTHER FINANCING SOURCES:-</u>	<u>\$ 339,500</u>	<u>\$ -</u>	<u>\$ 339,500</u>	<u>\$ -</u>	<u>\$ 339,500</u>	<u>\$ 400,000</u>
<u>NET INCREASE (DECREASE) IN NET ASSETS:-</u>	<u>\$ 1,187,516</u>	<u>\$ 112,107</u>	<u>\$ 1,299,623</u>	<u>\$ (14,351)</u>	<u>\$ 1,285,272</u>	<u>\$ 97,978</u>
<u>NET ASSETS - BEGINNING OF YEAR:-</u>	<u>2,891,893</u>	<u>917,111</u>	<u>3,809,004</u>	<u>14,351</u>	<u>3,823,355</u>	<u>3,725,377</u>
<u>NET ASSETS - END OF YEAR:-</u>	<u>\$ 4,079,409</u>	<u>\$ 1,029,218</u>	<u>\$ 5,108,627</u>	<u>\$ -</u>	<u>\$ 5,108,627</u>	<u>\$ 3,823,355</u>

## STATEMENTS OF ACTIVITIES

## OPERATING FUND - BUDGET AND ACTUAL

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021		2020	
	BUDGET (UNAUDITED)	ACTUAL	BUDGET (UNAUDITED)	ACTUAL
<u>OPERATING FUND</u>				
<u>REVENUES:-</u>				
<u>Public Support -</u>				
Contributions	\$ 128,500	\$ 125,014	\$ 190,861	\$ 186,964
Fundraising Events	-	71,518	-	21,175
United Way Allocations	16,250	3,023	25,200	15,440
<u>TOTAL PUBLIC SUPPORT:-</u>	<u>\$ 144,750</u>	<u>\$ 199,555</u>	<u>\$ 216,061</u>	<u>\$ 223,579</u>
<u>Other Revenues -</u>				
Program Service Fees	\$ 18,050	\$ 24,080	\$ 45,653	\$ 23,109
Grants	7,450	55,140	13,140	44,350
Sales/Services, Net	17,758,876	13,659,399	13,020,694	12,940,795
Investment Income, Net	2,600	22,274	2,225	17,080
Other Income	1,251,000	1,288,681	35,980	33,999
Rental Income	82,800	82,800	97,800	90,300
Gain on Sale of Fixed Assets	-	11,459	-	-
<u>TOTAL OTHER REVENUES:-</u>	<u>\$ 19,120,776</u>	<u>\$ 15,143,833</u>	<u>\$ 13,215,492</u>	<u>\$ 13,149,633</u>
<u>TOTAL PUBLIC SUPPORT AND OTHER REVENUES:-</u>	<u>\$ 19,265,526</u>	<u>\$ 15,343,388</u>	<u>\$ 13,431,553</u>	<u>\$ 13,373,212</u>
<u>EXPENSES:-</u>				
Salaries and Wages	\$ 7,766,952	\$ 6,019,515	\$ 5,632,963	\$ 5,541,310
Employee Benefits	1,406,000	725,734	581,561	652,817
Payroll Taxes	683,815	502,635	530,249	485,912
<u>TOTAL SALARIES AND RELATED EXPENSES:-</u>	<u>\$ 9,856,767</u>	<u>\$ 7,247,884</u>	<u>\$ 6,744,773</u>	<u>\$ 6,680,039</u>
Management Fees	2,638,547	2,325,539	2,102,965	2,232,543
Professional Fees	87,404	30,725	50,674	53,067
Office Expense	70,000	58,353	70,000	58,089
Cost of Goods Sold, Other				
Production Costs	1,960,185	1,610,390	1,946,779	1,957,746
Maintenance Supplies	683,670	714,496	586,505	518,246
Subcontractors	1,250,781	1,047,922	927,042	961,734
Communications	111,961	129,270	114,010	107,520
Postage and Shipping	36,100	19,065	19,360	30,211
Occupancy	159,226	161,763	156,200	171,166
Insurance	123,803	77,517	101,125	78,867

## STATEMENTS OF ACTIVITIES

## OPERATING FUND - BUDGET AND ACTUAL

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021		2020	
	<u>BUDGET</u> <u>(UNAUDITED)</u>	<u>ACTUAL</u>	<u>BUDGET</u> <u>(UNAUDITED)</u>	<u>ACTUAL</u>
Printing	24,000	11,698	32,394	13,663
Transportation	197,945	220,288	177,891	186,816
Education and Conferences	3,000	1,148	6,300	1,748
Program Supplies	3,600	4,311	12,750	3,307
Organization Dues	6,200	6,908	6,500	5,836
Awards	3,500	19,280	2,300	5,099
Fundraising	33,022	37,280	33,000	2,006
Other	115,028	58,204	49,310	47,534
Interest	96,588	82,281	117,641	107,575
Depreciation	420,335	346,361	323,357	339,138
Fees	4,500	3,054	4,700	9,429
Maintenance and Lease				
Agreements	22,732	18,275	16,625	18,487
Meals and Entertainment	12,000	21,760	18,500	7,596
Building and Equipment	250,000	-	47,234	-
Advertising	165,000	241,600	120,128	137,810
<u>TOTAL EXPENSES:-</u>	<u>\$ 18,335,894</u>	<u>\$ 14,495,372</u>	<u>\$ 13,788,063</u>	<u>\$ 13,735,272</u>
<u>PUBLIC SUPPORT AND OTHER</u>				
<u>REVENUES OVER (UNDER)</u>				
<u>EXPENSES:-</u>	<u>\$ 929,632</u>	<u>\$ 848,016</u>	<u>\$ (356,510)</u>	<u>\$ (362,060)</u>
<u>OTHER FINANCING SOURCES:-</u>				
Transfer from Subsidiary	<u>\$ 310,000</u>	<u>\$ 339,500</u>	<u>\$ 342,000</u>	<u>\$ 400,000</u>
<u>NET INCREASE (DECREASE)</u>				
<u>IN NET ASSETS:-</u>	<u>\$ 1,239,632</u>	<u>\$ 1,187,516</u>	<u>\$ (14,510)</u>	<u>\$ 37,940</u>
<u>NET ASSETS - BEGINNING OF YEAR:-</u>	<u>-</u>	<u>2,891,893</u>	<u>-</u>	<u>2,853,953</u>
<u>NET ASSETS - END OF YEAR:-</u>	<u>\$ 1,239,632</u>	<u>\$ 4,079,409</u>	<u>\$ (14,510)</u>	<u>\$ 2,891,893</u>

KEYSTONE BLIND ASSOCIATION

EXHIBIT "D"

STATEMENTS OF ACTIVITIES

RESERVE FUND

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>OTHER REVENUES AND (EXPENSES):-</u>		
Unrealized Gain on Investments	\$ 86,094	\$ 75,606
Capital Gain Distributions	12,866	4,721
Fees	(5,777)	(4,719)
Interest and Dividend Income	<u>18,924</u>	<u>16,865</u>
<u>TOTAL OTHER REVENUES AND (EXPENSES):-</u>	\$ 112,107	\$ 92,473
<u>NET ASSETS - BEGINNING OF YEAR:-</u>	<u>917,111</u>	<u>824,638</u>
<u>NET ASSETS - END OF YEAR:-</u>	<u>\$ 1,029,218</u>	<u>\$ 917,111</u>

STATEMENT OF EXPENSES

DONOR RESTRICTED FUND

DEPARTMENT OF HEALTH AND HUMAN SERVICES

GRANT FOR: TRAINING AND SUPPORTIVE SERVICES FOR PERSONS WITH  
BLINDNESS/VISION IMPAIRMENT (TSS) AND PROVISION OF PRESCHOOL  
VISION SCREENINGS AND EYE SAFETY EDUCATION (PSE)

PERIOD JULY 1, 2020 TO JUNE 30, 2021

	<u>PAB</u> <u>APPROVED</u> <u>BUDGET</u>	<u>AGENCY</u> <u>FUNDING</u>	<u>PAB</u> <u>FUNDING</u>	<u>TOTAL</u> <u>FUNDING</u>
Personnel Payroll and Benefits	\$ 144,055	\$ 141,811	\$ 144,055	\$ 285,866
Travel and Transportation	-	20,660	-	20,660
Operating Expenses	-	50,551	-	50,551
Depreciation Expenses	-	82,752	-	82,752
Administrative Overhead	-	13,784	-	13,784
	<hr/>	<hr/>	<hr/>	<hr/>
<u>TOTAL EXPENSES:-</u>	<u>\$ 144,055</u>	<u>\$ 309,558</u>	<u>\$ 144,055</u>	<u>\$ 453,613</u>

NOTE: Expenses are reported here on a fiscal year basis, not the Association's calendar year basis. This schedule is prepared in this format to meet the request of the Pennsylvania Association for the Blind.