

KEYSTONE BLIND ASSOCIATION

FINANCIAL STATEMENTS AND
ACCOMPANYING SUPPLEMENTARY INFORMATION

DECEMBER 31, 2023 AND 2022

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 ON 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, 2023 and 2022, 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 Keystone Blind Association as of December 31, 2023 and 2022, and the results of its operations 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 audits 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.

Responsibilities 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 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 Responsibilities 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 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 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

Board of Directors
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.

Black Bashor & Porsch, LLP

Sharon, Pennsylvania
June 19, 2024

KEYSTONE BLIND ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>
<u>A S S E T S</u>			<u>L I A B I L I T I E S A N D N E T A S S E T S</u>		
<u>CURRENT ASSETS:-</u>			<u>CURRENT LIABILITIES:-</u>		
Cash and Cash Equivalents	\$ 596,423	\$ 769,593	Notes Payable and Finance Lease Liability	\$ 97,998	\$ 102,257
<u>Receivables -</u>			Accounts Payable	145,724	110,263
Trade	1,854,980	1,185,220	Accrued Payroll and Payroll Taxes	400,739	359,748
Other	16,841	11,362	Accrued Vacation	212,850	195,595
Inventory, Net of Reserve	238,255	236,080	Other Accrued Liabilities	41,946	74,557
Prepaid Expenses	208,166	70,629	Accrued Sales Tax	31	79
Due from Affiliates, Employees	10,126	4,370	Due to Affiliates	47,022	54,612
	<u>\$ 2,924,791</u>	<u>\$ 2,277,254</u>			
<u>TOTAL CURRENT ASSETS:-</u>			<u>TOTAL CURRENT LIABILITIES:-</u>	<u>\$ 946,310</u>	<u>\$ 897,111</u>
<u>PROPERTY, BUILDINGS, AND EQUIPMENT:-</u>					
Buildings	\$ 4,092,899	\$ 4,089,541	<u>NON-CURRENT LIABILITIES:-</u>		
Equipment	2,473,893	2,301,762	Notes Payable and Finance Lease Liability	\$ 1,339,532	\$ 1,329,295
Vehicles	889,375	873,669			
Finance Lease Right of Use Asset	36,789	-			
	<u>\$ 7,492,956</u>	<u>\$ 7,264,972</u>	<u>TOTAL LIABILITIES:-</u>	<u>\$ 2,285,842</u>	<u>\$ 2,226,406</u>
<u>LESS: Accumulated Depreciation</u>	<u>(3,715,365)</u>	<u>(3,413,625)</u>			
<u>NET PROPERTY, BUILDINGS, AND EQUIPMENT:-</u>	<u>\$ 3,777,591</u>	<u>\$ 3,851,347</u>	Without Donor Restrictions	<u>\$ 5,605,283</u>	<u>\$ 4,945,189</u>
<u>OTHER ASSETS:-</u>					
Investments at Fair Value	\$ 1,076,036	\$ 942,852	<u>TOTAL LIABILITIES AND NET ASSETS:-</u>	<u>\$ 7,891,125</u>	<u>\$ 7,171,595</u>
Beneficial Interest in Community Foundation	112,707	100,142			
	<u>\$ 1,188,743</u>	<u>\$ 1,042,994</u>			
<u>TOTAL OTHER ASSETS:-</u>					
<u>TOTAL ASSETS:-</u>	<u>\$ 7,891,125</u>	<u>\$ 7,171,595</u>			

The Accompanying Notes are an Integral Part of These Statements

KEYSTONE BLIND ASSOCIATION

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	<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>PUBLIC SUPPORT AND REVENUES:-</u>						
Sales/Services, Net	\$ 16,308,158	\$ -	\$ 16,308,158	\$ 14,663,062	\$ -	\$ 14,663,062
Program Service Fees	61,691	-	61,691	47,824	-	47,824
Contributions	183,822	-	183,822	79,695	-	79,695
Grants	4,635	151,076	155,711	29,182	142,716	171,898
Fundraising Events	83,068	-	83,068	76,631	-	76,631
United Way Allocations	-	4,383	4,383	-	5,090	5,090
<u>TOTAL PUBLIC SUPPORT AND REVENUES:-</u>	<u>\$ 16,641,374</u>	<u>\$ 155,459</u>	<u>\$ 16,796,833</u>	<u>\$ 14,896,394</u>	<u>\$ 147,806</u>	<u>\$ 15,044,200</u>
<u>OTHER REVENUES:-</u>						
Investment Income (Loss), Net	\$ 147,076	\$ -	\$ 147,076	\$ (177,654)	\$ -	\$ (177,654)
Other Income	26,526	-	26,526	56,920	-	56,920
Rental Income	110,067	-	110,067	91,550	-	91,550
Gain on Sale of Equipment	1,579	-	1,579	9,000	-	9,000
<u>TOTAL OTHER REVENUES:-</u>	<u>\$ 285,248</u>	<u>\$ -</u>	<u>\$ 285,248</u>	<u>\$ (20,184)</u>	<u>\$ -</u>	<u>\$ (20,184)</u>
<u>NET ASSETS RELEASED FROM RESTRICTIONS:-</u>						
Restrictions Satisfied by Time and Payments	\$ 155,459	\$ (155,459)	\$ -	\$ 187,806	\$ (187,806)	\$ -
<u>TOTAL SUPPORT AND REVENUES:-</u>	<u>\$ 17,082,081</u>	<u>\$ -</u>	<u>\$ 17,082,081</u>	<u>\$ 15,064,016</u>	<u>\$ (40,000)</u>	<u>\$ 15,024,016</u>
<u>EXPENSES:-</u>						
Program Services	\$ 14,238,505	\$ -	\$ 14,238,505	\$ 13,336,962	\$ -	\$ 13,336,962
Management and General	2,391,304	-	2,391,304	2,072,578	-	2,072,578
Fundraising	133,178	-	133,178	119,914	-	119,914
<u>TOTAL EXPENSES:-</u>	<u>\$ 16,762,987</u>	<u>\$ -</u>	<u>\$ 16,762,987</u>	<u>\$ 15,529,454</u>	<u>\$ -</u>	<u>\$ 15,529,454</u>
<u>EQUITY TRANSFER:-</u>						
Transfer from Keystone Independence Management	\$ 341,000	\$ -	\$ 341,000	\$ 342,000	\$ -	\$ 342,000
<u>NET INCREASE (DECREASE) IN NET ASSETS:-</u>	<u>\$ 660,094</u>	<u>\$ -</u>	<u>\$ 660,094</u>	<u>\$ (123,438)</u>	<u>\$ (40,000)</u>	<u>\$ (163,438)</u>
<u>NET ASSETS - BEGINNING OF YEAR:-</u>	<u>4,945,189</u>	<u>-</u>	<u>4,945,189</u>	<u>5,068,627</u>	<u>40,000</u>	<u>5,108,627</u>
<u>NET ASSETS - END OF YEAR:-</u>	<u>\$ 5,605,283</u>	<u>\$ -</u>	<u>\$ 5,605,283</u>	<u>\$ 4,945,189</u>	<u>\$ -</u>	<u>\$ 4,945,189</u>

The Accompanying Notes are an Integral Part of These Statements

KEYSTONE BLIND ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023				2022			
	<u>SUPPORTING SERVICES</u>				<u>SUPPORTING SERVICES</u>			
	<u>PROGRAM SERVICES FOR VISUALLY IMPAIRED</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>	<u>PROGRAM SERVICES FOR VISUALLY IMPAIRED</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
<u>EXPENSES:-</u>								
Salaries and Wages	\$ 7,129,539	\$ 139,567	\$ -	\$ 7,269,106	\$ 6,548,942	\$ 118,005	\$ -	\$ 6,666,947
Employee Benefits	575,967	44,874	-	620,841	632,492	29,417	-	661,909
Payroll Taxes	637,607	12,482	-	650,089	558,883	10,071	-	568,954
<u>TOTAL SALARIES AND RELATED EXPENSES:-</u>	\$ 8,343,113	\$ 196,923	\$ -	\$ 8,540,036	\$ 7,740,317	\$ 157,493	\$ -	\$ 7,897,810
Management Fees	1,003,865	1,670,104	89,670	2,763,639	1,067,325	1,415,372	78,914	2,561,611
Professional Fees	-	27,922	-	27,922	-	28,878	-	28,878
Office Expense	24,091	31,553	34	55,678	16,775	28,788	-	45,563
Cost of Goods Sold	1,939,123	-	-	1,939,123	1,688,360	5,300	-	1,693,660
Other Production Costs	41,539	-	-	41,539	57,489	48	-	57,537
Maintenance Supplies	676,317	2,082	-	678,399	692,794	4,466	-	697,260
Subcontractors	1,143,646	3,900	-	1,147,546	1,079,018	17,379	-	1,096,397
Communication	83,973	48,659	-	132,632	77,488	53,683	-	131,171
Postage and Shipping	173,604	4,537	-	178,141	153,446	7,940	-	161,386
Occupancy	141,042	33,863	-	174,905	114,710	27,838	-	142,548
Insurance	79,066	53,674	-	132,740	45,228	34,546	-	79,774
Transportation	195,239	29,392	-	224,631	209,622	34,808	-	244,430
Education and Conferences	1,735	444	-	2,179	2,377	717	-	3,094
Program Supplies	12,157	-	-	12,157	7,714	-	-	7,714
Organization Dues	1,160	4,294	-	5,454	325	3,812	-	4,137
Awards	490	8,857	-	9,347	492	10,977	-	11,469
Other	27,987	52,147	-	80,134	26,693	36,819	-	63,512
Interest	37,663	28,800	-	66,463	38,225	22,044	-	60,269
Fundraising	-	-	37,110	37,110	-	-	39,569	39,569
Printing	2,197	3,022	1,011	6,230	2,124	283	1,269	3,676
Bank Charges and Penalties	-	7,487	-	7,487	-	8,671	-	8,671
Maintenance Agreements	4,941	13,744	-	18,685	4,816	15,513	-	20,329
Meals and Entertainment	11,115	11,837	2,179	25,131	11,346	11,185	162	22,693
Advertising	61,300	20,378	3,174	84,852	92,714	16,827	-	109,541
<u>TOTAL EXPENSES BEFORE DEPRECIATION:-</u>	\$ 14,005,363	\$ 2,253,619	\$ 133,178	\$ 16,392,160	\$ 13,129,398	\$ 1,943,387	\$ 119,914	\$ 15,192,699
<u>DEPRECIATION AND AMORTIZATION OF RIGHT OF USE ASSET:-</u>	233,142	137,685	-	370,827	207,564	129,191	-	336,755
<u>TOTAL EXPENSES:-</u>	\$ 14,238,505	\$ 2,391,304	\$ 133,178	\$ 16,762,987	\$ 13,336,962	\$ 2,072,578	\$ 119,914	\$ 15,529,454

The Accompanying Notes are an Integral Part of These Statements

KEYSTONE BLIND ASSOCIATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:-</u>		
Cash Received from Sales and Services	\$ 15,638,398	\$ 14,544,575
Cash Received from Public Support	426,984	328,224
Other Income Received	561,879	576,452
	<hr/>	<hr/>
<u>CASH PROVIDED BY OPERATING ACTIVITIES:-</u>	\$ 16,627,261	\$ 15,449,251
Cash Paid for Operating Activities	(7,886,960)	(7,384,039)
Cash Paid for Payroll and Related Costs	(8,514,401)	(7,758,934)
Cash Paid for Interest Expense	(66,463)	(60,269)
	<hr/>	<hr/>
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES:-</u>	\$ 159,437	\$ 246,009
<u>CASH FLOWS FROM INVESTING ACTIVITIES:-</u>		
Acquisition of Property, Building, and Equipment	\$ (168,953)	\$ (220,853)
Net Payments From/To Affiliates	(13,346)	(44,291)
Proceeds From Sale of Investments	6,153	-
Purchase of Investments	(32,900)	(28,335)
Proceeds From Sale of Fixed Assets	1,579	9,247
	<hr/>	<hr/>
<u>NET CASH USED BY INVESTING ACTIVITIES:-</u>	\$ (207,467)	\$ (284,232)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:-</u>		
Repayments on Notes Payable	\$ (125,140)	\$ (102,480)
	<hr/>	<hr/>
<u>NET (DECREASE) IN CASH AND CASH EQUIVALENTS:-</u>	\$ (173,170)	\$ (140,703)
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR:-</u>	769,593	910,296
	<hr/>	<hr/>
<u>CASH AND CASH EQUIVALENTS - END OF YEAR:-</u>	\$ 596,423	\$ 769,593
	<hr/> <hr/>	<hr/> <hr/>
<u>SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:-</u>		
Cost of Disposed Fixed Assets	\$ 72,087	\$ 312,406
Vehicle and Equipment Acquired with Direct Financing	\$ 94,329	\$ -
Lease Liability Arising From Obtaining Right of Use Asset	\$ 36,789	\$ -
Unrealized Gain (Loss) on Investments	\$ 119,002	\$ (206,024)
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The Accompanying Notes are an Integral Part of These Statements

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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 and state 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

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United State of America (U.S. GAAP). Accordingly, revenues are recognized in the accounting period in which they are earned, and expenses are recorded in the accounting period in which they are incurred.

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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.

USE OF 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.

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.

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. The Association did not have any restricted net assets as of December 31, 2023 and 2022.

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.

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, 2023, the Association had approximately \$ 449,000 in excess of FDIC insured limits.

ACCOUNTS RECEIVABLE

Trade 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 UniqueSource (See Note "7"). Receivables also include various grants, and other miscellaneous receivables. The balance due from one (1) customer approximates 99 percent and 98 percent of total trade receivables as of December 31, 2023 and 2022, respectively.

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

ALLOWANCE FOR CREDIT LOSSES

The Association considers accounts receivable to be fully collectable and, accordingly, the allowance for credit losses was \$ - 0 - at both December 31, 2023 and 2022. Amounts are charged to operations at the time management determines the receivables are uncollectable. There were no credit losses charged to operations for the years ended December 31, 2023 and 2022. The allowance is based upon a variety of factors including, but not limited to, an assessment of customer credit worthiness, historical payment experience, the age of outstanding receivables, and current economic conditions.

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, 2023 and 2022. 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.

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.

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, 2023, the Association had approximately \$ 688,000 in excess of SIPC limits.

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, and major improvements are capitalized and depreciated. Depreciation expense amounted to \$ 370,827 and \$ 336,755 for the years ended December 31, 2023 and 2022, respectively.

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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 ranging from five (5) to ten (10) years for all equipment.

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

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, 2023 and 2022, a liability of \$ 212,850 and \$ 195,595, respectively, has been recorded in the financial statements. There are no other significant compensated absences.

REVENUE RECOGNITION IN ACCORDANCE WITH FASB ASC-606

REVENUE RECOGNITION

Grants and contributions are recognized in the period awarded and when grant requirements are satisfied, 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 \$ 1,854,980 and \$ 1,185,220 recorded as of December 31, 2023 and 2022, 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.

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

DISAGGREGATION OR REVENUE

The following table disaggregates sales/service revenue by type:

	<u>2023</u>	<u>2022</u>
Janitorial, Snow Removal, Lawn Services	\$ 13,140,173	\$ 12,022,084
Toilet Paper Sales	2,763,480	2,270,940
Photo License Services	341,509	305,827
Shredding, Miscellaneous	<u>62,996</u>	<u>64,211</u>
TOTAL:-	<u>\$ 16,308,158</u>	<u>\$ 14,663,062</u>

ADVERTISING COSTS

Advertising costs are expensed as incurred. Total advertising costs expensed were \$ 84,852 and \$ 109,541 in 2023 and 2022, respectively.

FUNCTIONAL EXPENSE ALLOCATION

Directly identifiable expenses are charged to program and supporting services. Management and general expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the Association. Expenses related to more than one (1) function 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.

LEASES

Financial Accounting Standard Board's Accounting Standards Update (ASU) No. 2016-02, Lease (Topic 842) became effective January 1, 2022. The ASU requires that lessee's classify leases as financing or operating, and recognize a right-of-use asset and a lease liability as of the lease commencement date. Management has elected the practical expedient to not apply this new lease standard to all short-term leases (12 months or less), and has not recorded an asset or liability for its short-term leases. In addition, management has elected not to apply this lease standard for low value operating leases. Both of these lease types are accounted for under standards in place prior to ASU 2016-02, whereby lease payments are expensed on a straight line basis over the lease term. A right-of-use asset and related liability has been recorded for computer equipment acquired under a finance lease (see Note "9") and is being amortized over its lease term.

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform with current year presentation. The reclassifications had no impact on previously reported net assets or changes in net assets.

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, and investments.

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, 2023 and 2022, reduced by amounts that are not available to meet general expenses within one (1) year of the statements of financial position date:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 596,423	\$ 769,593
Receivables	1,871,821	1,196,582
Investments, Fair Value	<u>1,188,743</u>	<u>1,042,994</u>
<u>TOTAL FINANCIAL ASSETS:-</u>	<u>\$ 3,656,987</u>	<u>\$ 3,009,169</u>
Financial Assets Available to Meet Cash Needs for General Expenses Within the Next Year	<u>\$ 3,656,987</u>	<u>\$ 3,009,169</u>

4. INVESTMENTS

The investments of the Association as of December 31, 2023 and 2022, at fair value consisted of the following:

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>INVESTMENTS:-</u>		
Fidelity - Endowment Fund (See Note "6")	\$ 60,996	\$ 53,472
Fidelity - Reserve Fund (See Below)	1,003,607	879,611
Edward Jones - (See Below)	11,433	9,769
Beneficial Interest in Community Foundation - Perry Templeton Memorial Fund (See Note "5")	112,707	100,142
<u>TOTAL INVESTMENTS:-</u>	<u>\$ 1,188,743</u>	<u>\$ 1,042,994</u>
<u>FIDELITY - RESERVE FUND:-</u>		
Cash and Money Market	\$ 1,786	\$ 2,020
U.S. Equity Mutual Funds	384,270	317,140
International Equity Mutual Funds	241,483	206,773
Fixed Income Mutual Funds	376,068	353,678
<u>TOTAL FIDELITY - RESERVE ACCOUNT:-</u>	<u>\$ 1,003,607</u>	<u>\$ 879,611</u>
<u>EDWARD JONES:-</u>		
Cash and Money Market	\$ 1,242	\$ 911
U.S. Equity Mutual Funds	5,982	5,111
Blended Equity Mutual Funds	4,209	3,747
<u>TOTAL EDWARD JONES ACCOUNT:-</u>	<u>\$ 11,433</u>	<u>\$ 9,769</u>

The following is a summary of the unrealized gains and losses recognized during the years ended December 31, 2023 and 2022 that relate to investments held at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Net Gains and (Losses) Recognized on Investments During the Year Ended December 31,	\$ 124,528	(\$ 206,024)
Less: Net Gain and (Losses) Recognized During the Year on Investments Sold During the Year	5,526	-
Unrealized Gains and (Losses) Recognized in the Year ended December 31 on Investments Held at Year End	<u>\$ 119,002</u>	<u>(\$ 206,024)</u>

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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 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, 2023 and 2022:

	<u>DECEMBER 31, 2023 AND 2022</u>		
	<u>(LEVEL 1)</u>	<u>(LEVEL 2)</u>	<u>(LEVEL 3)</u>
<u>ASSETS:-</u>			
<u>Long-Term Investments -</u>			
Mutual Funds 2023	\$ 1,076,036	\$ -	\$ -
Mutual Funds 2022	\$ 942,852	\$ -	\$ -
Beneficial Interest - Community Foundation 2023	\$ -	\$ -	\$ 112,707
Beneficial Interest - Community Foundation 2022	\$ -	\$ -	\$ 100,142

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.

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.

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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 2022 or 2021. There were transfers out of Level 3 assets of \$ 1,262 and \$ - 0 - in 2023 and 2022, 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, 2023 and 2022, are as follows:

	<u>2023</u>	<u>2022</u>
<u>Without Donor Restrictions (Board Designated) -</u>		
Endowment Net Assets - January 1	\$ 53,472	\$ 62,523
Investment Income	1,624	1,633
Net Unrealized Gains (Losses)	6,234	(10,347)
Expenses	(334)	(337)
<u>ENDOWMENT NET ASSETS - DECEMBER 31:-</u>	<u>\$ 60,996</u>	<u>\$ 53,472</u>

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 \$ 16,146,000 in 2023 and \$ 14,534,000 in 2022). At December 31, 2023 and 2022, amounts due from Unique Source and included in trade receivables, totaled \$ 1,840,123 and \$ 1,163,447, respectively.

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

8. NOTES PAYABLE

Notes payable of the Association at December 31, 2023 and 2022, consisted of the following:

	<u>2023</u>	<u>2022</u>
\$ 1,775,000 line-of-credit demand note payable for working capital, at a variable rate (currently 8.00 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 2.89 percent) and calls for monthly payments of \$ 4,872. The loan matures in September 2025, with an approximate balance of \$ 750,000 to be paid or refinanced.	796,043	842,570
Note payable to a bank for improvements to a building. The loan is for 20 years at a variable interest rate (currently 6.58 percent) and calls for monthly payments of \$ 4,293 after initial interest only payments through August 31, 2019. The loan matures in May 2038.	474,733	512,743
Note 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.	18,072	25,660
Note 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.	16,301	22,037
Note 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.	7,002	13,623
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.	7,317	14,919

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Note payable to a finance company for a vehicle. The loan is for 75 months at 5.49 percent interest and calls for monthly payments of \$ 841. The loan matures in April 2029.	42,114	-
Note payable to a finance company for tractors. The loan is for five (5) years at 0 percent interest and calls for monthly payments of \$ 768. The loan matures in April 2028.	<u>39,158</u>	<u>-</u>
<u>TOTAL NOTES PAYABLE:-</u>	<u>\$ 1,400,740</u>	<u>\$ 1,431,552</u>

At December 31, 2023, the expected future maturities of notes payable are as follows:

	<u>PRINCIPAL</u>
2024	\$ 86,579
2025	825,620
2026	47,366
2027	43,210
2028	39,587
2029 and Forward	<u>358,378</u>
<u>TOTAL NOTES PAYABLE:-</u>	<u>\$ 1,400,740</u>

Interest expense for 2023 and 2022 was \$ 66,463 and \$ 60,269, respectively.

9. LEASES

FINANCE LEASE

The Association entered into a finance lease during 2023 for computer equipment. The lease allows for a \$ 1 purchase option at the end of the lease term and calls for 36 monthly payments of \$ 1,136, including interest at 6.99 percent. As of December 31, 2023 a Finance Right of Use Asset of \$ 36,175 and a Finance Lease Liability of \$ 36,789 are recorded in the statement of financial position. Total amortization expense amounted to \$ 614 for the year ended December 31, 2023.

The following is a schedule of future minimum lease payments required under the non-cancellable finance lease as of December 31, 2023:

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

YEAR ENDING DECEMBER 31:-

2024	\$ 13,629
2025	13,629
2026	<u>13,630</u>

TOTAL FINANCE LEASE PAYMENTS:- \$ 40,888

LESS: Interest (4,099)

PRESENT VALUE OF LEASE LIABILITY:- \$ 36,789

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 office space in New Castle, Pennsylvania from an unrelated party under a three (3) year lease which commenced on September 1, 2023 and expires August 31, 2026. Lease terms call for monthly rent of \$ 1,100 for the first year, with incremental annual increases in subsequent years. The Association also rents office space in Meadville, Pennsylvania from an unrelated party under a five (5) year lease which commenced on November 1, 2023 and expires October 31, 2028. Lease terms call for monthly rent of \$ 955 for the first two (2) years, with incremental annual increases in subsequent years. Total rent and related expenses for the years ended December 31, 2023 and 2022, amounted to \$ 73,790 and \$ 71,160, respectively.

The following is a schedule of future minimum lease payments required under long-term operating leases as of December 31, 2023:

YEAR ENDING DECEMBER 31:-

2024	\$ 78,172
2025	78,546
2026	56,576
2027	11,966
2028	<u>10,130</u>

TOTAL:- \$ 235,390

10. CONCENTRATIONS

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.

KEYSTONE BLIND ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

11. SELF FUNDED HEALTH INSURANCE

During the year ended December 31, 2022, the Association implemented a self funded health benefits plan which provides medical and drug benefits to employees electing coverage under the plan. The Association maintains a reserve for incurred but not reported claims, reported but unprocessed claims and processed but unpaid claims. The reserve is an estimate based on historical experience and other assumptions, some of which are subjective. The Association adjusts its self funded medical benefits reserve as the Association's loss experience changes due to medical inflation, changes in the number of plan participants, and an aging employee base. The Association's self funded medical benefits reserve was \$ 41,946 and \$ 48,726 at December 31, 2023 and 2022, respectively and is included in the statements of financial position as "other accrued liabilities".

12. RELATED PARTY TRANSACTIONS/MANAGEMENT CONTRACTS

The Association paid KIM management fees of \$ 2,763,639 and \$ 2,561,611 for the years ended December 31, 2023 and 2022, respectively.

For the years ended December 31, 2023 and 2022, the Association was billed \$ 629,911 and \$ 688,657, respectively, by CBD for lawn/snow maintenance services. The Association also rents space to KVS and CBD under annual or month-to-month agreements. Rent revenue totaled \$ 110,064 and \$ 100,217 for 2023 and 2022, respectively. The Association also leases space from CBVI (See Note "9").

During 2023, the Association purchased a vehicle for \$ 56,260 from a dealership owned by a Board Member. During 2022, the Association made purchases totaling \$ 3,815 from a business managed by a Board Member.

13. SUBSEQUENT EVENTS

In accordance with FASB ASC 855-10 Subsequent Events, the Association has evaluated subsequent events through June 19, 2024, 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

EXHIBIT "A"
PAGE 1 OF 2

ALL FUNDS

DECEMBER 31, 2023 AND 2022

	<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>2023</u>	<u>2022</u>
			<u>SERVICES</u>		
<u>A S S E T S</u>					
<u>CURRENT ASSETS:-</u>					
Cash and Cash Equivalents	\$ 596,423	\$ -	\$ -	\$ 596,423	\$ 769,593
<u>Receivables -</u>					
Trade	1,854,980	-	-	1,854,980	1,185,220
Other	16,841	-	-	16,841	11,362
Prepaid Expenses	208,166	-	-	208,166	70,629
Inventory, Net of Reserve	238,255	-	-	238,255	236,080
Due from Affiliates	10,126	-	-	10,126	4,370
	<u>\$ 2,924,791</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,924,791</u>	<u>\$ 2,277,254</u>
<u>OTHER ASSETS:-</u>					
Investments, at Fair Value	\$ 72,429	\$ 1,003,607	\$ -	\$ 1,076,036	\$ 942,852
Beneficial Interest in Community Foundation	112,707	-	-	112,707	100,142
	<u>\$ 185,136</u>	<u>\$ 1,003,607</u>	<u>\$ -</u>	<u>\$ 1,188,743</u>	<u>\$ 1,042,994</u>
<u>PROPERTY, BUILDINGS, AND EQUIPMENT:-</u>					
Buildings	\$ 4,092,899	\$ -	\$ -	\$ 4,092,899	\$ 4,089,541
Equipment	2,473,893	-	-	2,473,893	2,301,762
Vehicles	889,375	-	-	889,375	873,669
Finance Lease Right of Use Asset	36,789	-	-	36,789	-
	<u>\$ 7,492,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,492,956</u>	<u>\$ 7,264,972</u>
<u>LESS: Accumulated Depreciation</u>	<u>(3,715,365)</u>	<u>-</u>	<u>-</u>	<u>(3,715,365)</u>	<u>(3,413,625)</u>
	<u>\$ 3,777,591</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,777,591</u>	<u>\$ 3,851,347</u>
<u>TOTAL ASSETS:-</u>	<u>\$ 6,887,518</u>	<u>\$ 1,003,607</u>	<u>\$ -</u>	<u>\$ 7,891,125</u>	<u>\$ 7,171,595</u>

KEYSTONE BLIND ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

ALL FUNDS

DECEMBER 31, 2023 AND 2022

	OPERATING FUND	RESERVE FUND	DEPARTMENT OF HEALTH AND HUMAN SERVICES	TOTALS	
				2023	2022
<u>L I A B I L I T I E S A N D N E T A S S E T S</u>					
<u>CURRENT LIABILITIES:-</u>					
Notes Payable and Finance Lease Liability	\$ 97,998	\$ -	\$ -	\$ 97,998	\$ 102,257
Accounts Payable	145,724	-	-	145,724	110,263
Accrued Payroll and Payroll Taxes	400,739	-	-	400,739	359,748
Accrued Vacation	212,850	-	-	212,850	195,595
Other Accrued Liabilities	41,946	-	-	41,946	74,557
Accrued Sales Tax	31	-	-	31	79
Due to Affiliates	47,022	-	-	47,022	54,612
	<u>\$ 946,310</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 946,310</u>	<u>\$ 897,111</u>
<u>TOTAL CURRENT LIABILITIES:-</u>					
<u>NON-CURRENT LIABILITIES:-</u>					
Notes Payable and Finance Lease Liability	\$ 1,339,532	\$ -	\$ -	\$ 1,339,532	\$ 1,329,295
	<u>\$ 2,285,842</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,285,842</u>	<u>\$ 2,226,406</u>
<u>TOTAL LIABILITIES:-</u>					
Without Donor Restrictions	\$ 4,601,676	\$ 1,003,607	\$ -	\$ 5,605,283	\$ 4,945,189
	<u>\$ 6,887,518</u>	<u>\$ 1,003,607</u>	<u>\$ -</u>	<u>\$ 7,891,125</u>	<u>\$ 7,171,595</u>
<u>TOTAL LIABILITIES AND NET ASSETS:-</u>					

KEYSTONE BLIND ASSOCIATION

STATEMENTS OF ACTIVITIES

ALL FUNDS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<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>2023</u>	<u>2022</u>
				<u>HUMAN SERVICES</u>		
<u>PUBLIC SUPPORT AND REVENUES:-</u>						
Sales/Services, Net	\$ 16,308,158	\$ -	\$ 16,308,158	\$ -	\$ 16,308,158	\$ 14,663,062
Program Service Fees	61,691	-	61,691	-	61,691	47,824
Contributions	183,822	-	183,822	-	183,822	79,695
Grants	4,635	-	4,635	151,076	155,711	171,898
Fundraising Events	83,068	-	83,068	-	83,068	76,631
United Way Allocations	4,383	-	4,383	-	4,383	5,090
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>TOTAL PUBLIC SUPPORT AND REVENUES:-</u>	<u>\$ 16,645,757</u>	<u>\$ -</u>	<u>\$ 16,645,757</u>	<u>\$ 151,076</u>	<u>\$ 16,796,833</u>	<u>\$ 15,044,200</u>
<u>OTHER REVENUES -</u>						
Investment Income (Loss), Net	\$ 23,080	\$ 123,996	\$ 147,076	\$ -	\$ 147,076	\$ (177,654)
Other Income	26,526	-	26,526	-	26,526	56,920
Gain on Sale of Equipment	1,579	-	1,579	-	1,579	9,000
Rental Income	110,067	-	110,067	-	110,067	91,550
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>TOTAL OTHER REVENUES:-</u>	<u>\$ 161,252</u>	<u>\$ 123,996</u>	<u>\$ 285,248</u>	<u>\$ -</u>	<u>\$ 285,248</u>	<u>\$ (20,184)</u>
<u>TOTAL SUPPORT AND REVENUES:-</u>	<u>\$ 16,807,009</u>	<u>\$ 123,996</u>	<u>\$ 16,931,005</u>	<u>\$ 151,076</u>	<u>\$ 17,082,081</u>	<u>\$ 15,024,016</u>
<u>EXPENSES:-</u>						
Salaries and Wages	\$ 7,118,030	\$ -	\$ 7,118,030	\$ 151,076	\$ 7,269,106	\$ 6,666,947
Employee Benefits	620,841	-	620,841	-	620,841	661,909
Payroll Taxes	650,089	-	650,089	-	650,089	568,954
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>TOTAL SALARIES AND RELATED EXPENSES:-</u>	<u>\$ 8,388,960</u>	<u>\$ -</u>	<u>\$ 8,388,960</u>	<u>\$ 151,076</u>	<u>\$ 8,540,036</u>	<u>\$ 7,897,810</u>
Management Fees	2,763,639	-	2,763,639	-	2,763,639	2,561,611
Professional Fees	27,922	-	27,922	-	27,922	28,878
Office Supplies	55,678	-	55,678	-	55,678	45,563
Cost of Goods Sold	1,939,123	-	1,939,123	-	1,939,123	1,693,660
Other Production Costs	41,539	-	41,539	-	41,539	57,537
Maintenance Supplies	678,399	-	678,399	-	678,399	697,260
Subcontractors	1,147,546	-	1,147,546	-	1,147,546	1,096,397
Communications	132,632	-	132,632	-	132,632	131,171
Postage and Shipping	178,141	-	178,141	-	178,141	161,386
Occupancy	174,905	-	174,905	-	174,905	142,548
Insurance	132,740	-	132,740	-	132,740	79,774

KEYSTONE BLIND ASSOCIATION

STATEMENTS OF ACTIVITIES

ALL FUNDS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<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>2023</u>	<u>2022</u>
				<u>HUMAN SERVICES</u>		
Transportation	224,631	-	224,631	-	224,631	244,430
Education and Conferences	2,179	-	2,179	-	2,179	3,094
Program Supplies	12,157	-	12,157	-	12,157	7,714
Organization Dues	5,454	-	5,454	-	5,454	4,137
Awards	9,347	-	9,347	-	9,347	11,469
Other	80,134	-	80,134	-	80,134	63,512
Interest	66,463	-	66,463	-	66,463	60,269
Fundraising	37,110	-	37,110	-	37,110	39,569
Printing	6,230	-	6,230	-	6,230	3,676
Bank Charges and Penalties	7,487	-	7,487	-	7,487	8,671
Maintenance Agreements	18,685	-	18,685	-	18,685	20,329
Depreciation and Amortization of Right of Use Asset	370,827	-	370,827	-	370,827	336,755
Meals and Entertainment	25,131	-	25,131	-	25,131	22,693
Advertising	84,852	-	84,852	-	84,852	109,541
<u>TOTAL EXPENSES:-</u>	<u>\$ 16,611,911</u>	<u>\$ -</u>	<u>\$ 16,611,911</u>	<u>\$ 151,076</u>	<u>\$ 16,762,987</u>	<u>\$ 15,529,454</u>
<u>PUBLIC SUPPORT AND OTHER REVENUES OVER (UNDER) EXPENSES:-</u>	<u>\$ 195,098</u>	<u>\$ 123,996</u>	<u>\$ 319,094</u>	<u>\$ -</u>	<u>\$ 319,094</u>	<u>\$ (505,438)</u>
<u>OTHER FINANCING SOURCES (USES):-</u>						
Transfer from Affiliate	\$ 341,000	\$ -	\$ 341,000	\$ -	\$ 341,000	\$ 342,000
<u>TOTAL OTHER FINANCING SOURCES:-</u>	<u>\$ 341,000</u>	<u>\$ -</u>	<u>\$ 341,000</u>	<u>\$ -</u>	<u>\$ 341,000</u>	<u>\$ 342,000</u>
<u>NET INCREASE (DECREASE) IN NET ASSETS:-</u>	<u>\$ 536,098</u>	<u>\$ 123,996</u>	<u>\$ 660,094</u>	<u>\$ -</u>	<u>\$ 660,094</u>	<u>\$ (163,438)</u>
<u>NET ASSETS - BEGINNING OF YEAR:-</u>	<u>4,065,578</u>	<u>879,611</u>	<u>4,945,189</u>	<u>-</u>	<u>4,945,189</u>	<u>5,108,627</u>
<u>NET ASSETS - END OF YEAR:-</u>	<u>\$ 4,601,676</u>	<u>\$ 1,003,607</u>	<u>\$ 5,605,283</u>	<u>\$ -</u>	<u>\$ 5,605,283</u>	<u>\$ 4,945,189</u>

STATEMENTS OF ACTIVITIES

OPERATING FUND - BUDGET AND ACTUAL

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023		2022	
	<u>BUDGET</u> <u>(UNAUDITED)</u>	<u>ACTUAL</u>	<u>BUDGET</u> <u>(UNAUDITED)</u>	<u>ACTUAL</u>
<u>OPERATING FUND</u>				
<u>PUBLIC SUPPORT AND REVENUES:-</u>				
Sales/Services, Net	\$ 15,776,116	\$ 16,308,158	\$ 14,923,515	\$ 14,663,062
Program Service Fees	47,793	61,691	23,750	47,824
Contributions	143,007	183,822	183,000	79,695
Grants	40,000	4,635	7,690	29,182
Fundraising Events	84,298	83,068	-	76,631
United Way Allocations	4,000	4,383	4,050	5,090
<u>TOTAL PUBLIC SUPPORT AND REVENUES:-</u>	<u>\$ 16,095,214</u>	<u>\$ 16,645,757</u>	<u>\$ 15,142,005</u>	<u>\$ 14,901,484</u>
<u>OTHER REVENUES -</u>				
Investment Income, Net	\$ 18,383	\$ 23,080	\$ 7,846	\$ (28,047)
Other Income	1,785	26,526	2,080	56,920
Rental Income	110,064	110,067	82,800	91,550
Gain on Sale of Equipment	-	1,579	-	9,000
<u>TOTAL OTHER REVENUES:-</u>	<u>\$ 130,232</u>	<u>\$ 161,252</u>	<u>\$ 92,726</u>	<u>\$ 129,423</u>
<u>TOTAL SUPPORT AND REVENUES:-</u>	<u>\$ 16,225,446</u>	<u>\$ 16,807,009</u>	<u>\$ 15,234,731</u>	<u>\$ 15,030,907</u>
<u>EXPENSES:-</u>				
Salaries and Wages	\$ 6,869,481	\$ 7,118,030	\$ 6,196,996	\$ 6,524,231
Employee Benefits	838,942	620,841	730,199	661,909
Payroll Taxes	628,975	650,089	551,338	568,954
<u>TOTAL SALARIES AND RELATED EXPENSES:-</u>	<u>\$ 8,337,398</u>	<u>\$ 8,388,960</u>	<u>\$ 7,478,533</u>	<u>\$ 7,755,094</u>
Management Fees	2,686,526	2,763,639	2,522,437	2,561,611
Professional Fees	29,788	27,922	51,965	28,878
Office Expense	46,929	55,678	59,940	45,563
Cost of Goods Sold, Other				
Production Costs	1,939,050	1,980,662	1,932,879	1,751,197
Maintenance Supplies	717,872	678,399	742,560	697,260
Subcontractors	1,020,507	1,147,546	979,014	1,096,397
Communications	135,107	132,632	133,148	131,171
Postage and Shipping	170,086	178,141	20,365	161,386
Occupancy	228,585	174,905	487,287	142,548
Insurance	174,234	132,740	124,732	79,774
Transportation	198,922	224,631	184,336	244,430

STATEMENTS OF ACTIVITIES

OPERATING FUND - BUDGET AND ACTUAL

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023		2022	
	<u>BUDGET</u> <u>(UNAUDITED)</u>	<u>ACTUAL</u>	<u>BUDGET</u> <u>(UNAUDITED)</u>	<u>ACTUAL</u>
Education and Conferences	3,094	2,179	2,000	3,094
Program Supplies	7,599	12,157	4,140	7,714
Organization Dues	4,137	5,454	7,000	4,137
Awards	11,469	9,347	21,000	11,469
Other	98,654	80,134	106,215	63,512
Interest	79,843	66,463	62,598	60,269
Fundraising	39,569	37,110	38,000	39,569
Printing	2,500	6,230	8,000	3,676
Bank Charges and Penalties	3,035	7,487	3,400	8,671
Maintenance and Lease Agreements	20,939	18,685	18,823	20,329
Depreciation and Amortization of Right of Use Asset	329,902	370,827	318,359	336,755
Meals and Entertainment	22,694	25,131	20,000	22,693
Building and Equipment	20,000	-	-	-
Advertising	109,542	84,852	250,000	109,541
<u>TOTAL EXPENSES:-</u>	<u>\$ 16,437,981</u>	<u>\$ 16,611,911</u>	<u>\$ 15,576,731</u>	<u>\$ 15,386,738</u>
<u>PUBLIC SUPPORT AND OTHER</u> <u>REVENUES OVER (UNDER)</u> <u>EXPENSES:-</u>	<u>\$ (212,535)</u>	<u>\$ 195,098</u>	<u>\$ (342,000)</u>	<u>\$ (355,831)</u>
<u>OTHER FINANCING SOURCES:-</u> Transfer from Subsidiary	<u>\$ 342,000</u>	<u>\$ 341,000</u>	<u>\$ 342,000</u>	<u>\$ 342,000</u>
<u>NET INCREASE (DECREASE)</u> <u>IN NET ASSETS:-</u>	<u>\$ 129,465</u>	<u>\$ 536,098</u>	<u>\$ -</u>	<u>\$ (13,831)</u>
<u>NET ASSETS - BEGINNING OF YEAR:-</u>	<u>4,065,578</u>	<u>4,065,578</u>	<u>4,079,409</u>	<u>4,079,409</u>
<u>NET ASSETS - END OF YEAR:-</u>	<u>\$ 4,195,043</u>	<u>\$ 4,601,676</u>	<u>\$ 4,079,409</u>	<u>\$ 4,065,578</u>

KEYSTONE BLIND ASSOCIATION

EXHIBIT "D"

STATEMENTS OF ACTIVITIES

RESERVE FUND

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>OTHER REVENUES AND (EXPENSES):-</u>		
Unrealized Gain on Investments	\$ 102,041	\$ (173,628)
Capital Gain Distributions	9	7,725
Fees	(5,503)	(5,548)
Interest and Dividend Income	<u>27,449</u>	<u>21,844</u>
<u>TOTAL OTHER REVENUES AND (EXPENSES):-</u>	<u>\$ 123,996</u>	<u>\$ (149,607)</u>
<u>NET ASSETS - BEGINNING OF YEAR:-</u>	<u>879,611</u>	<u>1,029,218</u>
<u>NET ASSETS - END OF YEAR:-</u>	<u>\$ 1,003,607</u>	<u>\$ 879,611</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, 2022 TO JUNE 30, 2023

	<u>AGENCY</u> <u>FUNDING</u>	<u>PAB</u> <u>FUNDING</u>	<u>TOTAL</u> <u>FUNDING</u>
Personnel Payroll and Benefits	\$ 228,721	\$ 173,391	\$ 402,112
Travel and Transportation	43,342	-	43,342
Operating Expenses	67,978	-	67,978
Depreciation Expenses	118,807	-	118,807
Administrative Overhead	19,391	-	19,391
	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL EXPENSES:-</u>	<u>\$ 478,239</u>	<u>\$ 173,391</u>	<u>\$ 651,630</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.