Blind and Vision Rehabilitation Services of Pittsburgh

Consolidated Financial Statements
and Supplementary Information

Years Ended June 30, 2017 and 2016
with Independent Auditor's Report

MaherDuessel

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BLIND AND VISION REHABILITATION SERVICES OF PITTSBURGH

YEARS ENDED JUNE 30, 2017 AND 2016

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Independent Auditor's Report

Board of Directors
Blind and Vision Rehabilitation Services of Pittsburgh

We have audited the accompanying consolidated financial statements of Blind and Vision Rehabilitation Services of Pittsburgh (Corporation), which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of June 30, 2017 and 2016, 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.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Maher Duessel

Pittsburgh, Pennsylvania
January 8, 2018

BLIND AND VISION REHABILITATION SERVICES OF PITTSBURGH

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2017 AND 2016

	2017	2016
Assets		
Cash and cash equivalents	$ 174,002	$ 190,674
Cash restricted for capital campaign	425,664	668,353
Cash restricted for construction	4	639,609
Investments, at fair value	11,898,061	11,547,477
Grants receivable	270,132	-
Third-party tuition, fees, and other receivables	433,927	1,023,683
Promises to give	144,831	274,593
Inventories	551,600	476,431
Other assets	85,031	50,386
Note receivable	7,835,300	7,835,300
Plant and equipment, net of accumulated depreciation	17,037,789	16,530,642
Total Assets	$ 38,856,341	$ 39,237,148
Liabilities and Net Assets		
Liabilities:		
Accounts payable	$ 439,275	$ 293,145
Accrued liabilities	178,633	181,000
Deferred revenue	178,733	79,350
Line of credit	1,738,410	998,420
Loans payable	17,183,889	17,400,556
Total Liabilities	19,718,940	18,952,471
Net Assets:		
Unrestricted:		
Undesignated	7,075,689	8,110,981
Invested in plant and equipment, net of related debt	5,953,068	6,042,411
Board-designated	1,764,393	1,735,211
Total unrestricted	14,793,150	15,888,603
Temporarily restricted	86,226	459,343
Permanently restricted	4,258,025	3,936,731
Total Net Assets	19,137,401	20,284,677
Total Liabilities and Net Assets	$ 38,856,341	$ 39,237,148

See accompanying notes to consolidated financial statements.

BLIND AND VISION REHABILITATION SERVICES OF PITTSBURGH

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Unrestricted Net Assets:		
Support and revenues:		
Service income	$ 1,606,924	$ 1,932,966
Sales	2,137,284	1,932,594
Donations and grants	1,537,501	1,917,815
Investment income	199,465	282,257
Income from trusts	218,727	225,189
Realized/unrealized gains (losses)	624,090	(289,072)
Other revenues	117,741	92,232
Net assets released from restrictions	598,555	814,782
Total support and revenues	7,040,287	6,908,763
Expenses:		
Program services:		
Industries	1,881,518	1,662,219
Rehabilitation	1,136,456	1,270,489
Vocational services	1,192,843	1,065,472
Community and support	311,600	351,072
PBA Products and Services	391,958	385,991
Total program services	4,914,375	4,735,243
Management and general	1,729,600	1,166,305
Development	404,215	505,563
Total expenses	7,048,190	6,407,111
Loss on impairment of building	1,087,550	-
Total expenses and losses	8,135,740	6,407,111
Change in Unrestricted Net Assets	(1,095,453)	501,652
Temporarily Restricted Net Assets:		
Donations and grants	82,982	250,090
Net assets released from restriction	(456,099)	(707,696)
Change in Temporarily Restricted Net Assets	(373,117)	(457,606)
Permanently Restricted Net Assets:		
Investment income	109,920	149,219
Realized/unrealized gains (losses)	353,830	(151,449)
Net assets released from restriction	(142,456)	(107,086)
Change in Permanently Restricted Net Assets	321,294	(109,316)
Change in Net Assets	(1,147,276)	(65,270)
Net Assets:		
Beginning of year	20,284,677	20,349,947
End of year	$ 19,137,401	$ 20,284,677

See accompanying notes to consolidated financial statements.

BLIND AND VISION REHABILITATION SERVICES OF PITTSBURGH

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2017

		Program Services						
	Total	Industries	Rehabilitation	Vocational Services	Community and Support	PBA Products and Services	Management and General	Development
Salaries and benefits	$ 3,775,728	$ 496,370	$ 798,145	$ 934,322	$ 224,431	$ 275,331	$ 865,173	$ 181,956
Materials and supplies	1,438,063	1,150,025	97,104	13,008	5,132	48,081	111,835	12,878
Special event costs	163,713	-	-	-	5,040	-	-	158,673
Service fees	294,378	47,053	25,614	19,127	23,372	33,180	138,349	7,683
Occupancy	332,647	67,723	74,148	73,373	13,916	4,753	93,981	4,753
Meeting and travel	149,876	12,751	8,839	32,973	34,034	9,321	40,995	10,963
Depreciation	249,232	13,862	48,645	48,068	1,425	14,578	120,874	1,780
Postage and shipping	68,464	61,964	384	358	972	-	4,128	658
Equipment rental	93,672	8,012	20,422	15,782	1,153	737	33,089	14,477
Insurance	56,338	13,280	15,394	9,562	2,125	2,697	7,968	5,312
Moving costs	95,816	9,566	20,009	22,339	-	-	43,902	-
Interest expense	224,403	-	-	-	-	-	224,403	-
Bad debt expense	67,529	-	27,662	23,917	-	-	15,950	-
Miscellaneous	38,331	912	90	14	-	3,280	28,953	5,082
Total	$ 7,048,190	$ 1,881,518	$ 1,136,456	$ 1,192,843	$ 311,600	$ 391,958	$ 1,729,600	$ 404,215

See accompanying notes to consolidated financial statements.

BLIND AND VISION REHABILITATION SERVICES OF PITTSBURGH

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016

		Program Services						
	Total	Industries	Rehabilitation	Vocational Services	Community and Support	PBA Products and Services	Management and General	Development
Salaries and benefits	$ 3,696,853	$ 464,319	$ 867,938	$ 891,805	$ 219,552	$ 267,901	$ 789,314	$ 196,024
Materials and supplies	1,222,027	931,887	142,714	13,048	8,895	47,113	72,997	5,373
Special event costs	188,237	-	-	-	7,169	-	-	181,068
Service fees	351,644	25,811	42,696	7,215	33,548	38,754	129,369	74,251
Occupancy	354,846	92,325	116,840	69,415	23,635	3,860	39,703	9,068
Meeting and travel	172,486	13,111	12,029	34,553	38,119	14,944	51,713	8,017
Depreciation	153,425	13,582	55,632	25,449	14,424	9,819	27,839	6,680
Postage and shipping	61,966	52,747	339	251	1,179	-	5,647	1,803
Equipment rental	83,228	7,841	18,723	14,134	1,245	860	26,016	14,409
Insurance	47,046	9,283	11,400	9,602	3,306	2,697	6,479	4,279
Moving costs	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-	-	-
Miscellaneous	75,353	51,313	2,178	-	-	43	17,228	4,591
Total	$ 6,407,111	$ 1,662,219	$ 1,270,489	$ 1,065,472	$ 351,072	$ 385,991	$ 1,166,305	$ 505,563

See accompanying notes to consolidated financial statements.

BLIND AND VISION REHABILITATION SERVICES OF PITTSBURGH

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Cash Flows From Operating Activities:		
Cash received from:		
Services to trainees	$ 1,818,819	$ 1,904,303
Sales	2,511,791	1,557,429
Donations and grants	1,629,870	1,900,065
Investment income	528,112	664,188
Other receipts	121,095	92,955
Cash paid to employees	(3,778,095)	(3,687,631)
Cash paid to suppliers	(2,762,511)	(2,369,453)
Interest paid	(224,403)	-
Net cash provided by (used in) operating activities	(155,322)	61,856
Cash Flows From Investing Activities:		
Purchase of plant and equipment	(1,843,929)	(5,109,909)
Investment sales	3,756,358	2,744,830
Investment purchases	(3,129,022)	(2,773,113)
Net cash provided by (used in) investing activities	(1,216,593)	(5,138,192)
Cash Flows From Financing Activities:		
Repayments on loans payable	(216,667)	(144,444)
Borrowings on line of credit	2,751,319	1,913,420
Repayments on line of credit	(2,011,329)	(915,000)
Collections of contributions for long-term purposes	(50,374)	457,569
Net cash provided by (used in) financing activities	472,949	1,311,545
Net Increase (Decrease) in Cash and Cash Equivalents	(898,966)	(3,764,791)
Cash and Cash Equivalents:		
Beginning of year	1,498,636	5,263,427
End of year	$ 599,670	$ 1,498,636

(Continued)

See accompanying notes to consolidated financial statements.

BLIND AND VISION REHABILITATION SERVICES OF PITTSBURGH

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2017 AND 2016
(Continued)

	2017	2016
Reconciliation of Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Change in net assets	$ (1,147,276)	$ (65,270)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	249,232	153,425
Realized/unrealized (gains) losses	(977,920)	440,521
Loss on building impairment	1,087,550	-
Donations restricted to building renovation	5,374	(538,569)
Change in:		
Accounts receivable	589,756	(403,110)
Grants receivable	(270,132)	-
Promises to give	174,762	278,504
Inventory	(75,169)	(35,185)
Other assets	(34,645)	23,425
Accounts payable and accrued liabilities	143,763	215,885
Deferred revenue	99,383	(7,770)
Total adjustments	991,954	127,126
Net cash provided by (used in) operating activities	$ (155,322)	$ 61,856

(Concluded)

See accompanying notes to consolidated financial statements.

1. Organization

Blind and Vision Rehabilitation Services of Pittsburgh (Corporation), formerly known as Pittsburgh Vision Services, was incorporated on July 1, 1997 as a result of the consolidation of the Greater Pittsburgh Guild for the Blind (Guild) and Pittsburgh Blind Association (PBA). The Corporation changes the lives of persons with vision loss and other disabilities by fostering independence and individual choice.

The mission of the Corporation is accomplished through a variety of programs:

Rehabilitation Program

- Residential and community-based personal adjustment services that enable people to learn how to use their other senses along with specialized equipment and procedures to perform the usual activities of daily living.

- Comprehensive, interdisciplinary low vision services that enable people with vision impairments to learn how to effectively use their vision in their daily activities.

- Providing access to technology services.

Vocational Services/Industries Programs

- Vocational assessment, training, placement, and employment support, which permit people with vision impairments to work successfully in the community or in specialized work programs within the facility.

Community and Support Program

- Coordinated and comprehensive information and referral and case management services which enable people to identify, consider, and select services which they feel will be of greatest assistance to them.

- Information and screening services designed to prevent loss of vision.

PBA Industries/PBA Products and Services

- Provide employment opportunities to those with a broad spectrum of disabilities.

Management and General

- Administrative support to all programmatic services as well as a vehicle for community education activities designed to improve the attitudes toward and expectations for people with visual impairments.

Development

- Fundraising and other activities designed to provide additional support for all the Corporation's programs.

The Corporation is a private, not-for-profit organization, governed by an elected and self-sustaining Board of Directors (Board) who volunteer their efforts. The Corporation has been determined to be a charitable organization exempt from federal taxes in accordance with Internal Revenue Code Section 501(c)(3).

During fiscal year 2009, the Board of the Corporation formed PBA Products and Services, Inc. (PBA), a non-profit entity, and Med-Tec Textiles, Inc. (Med-Tec), a for-profit entity. In August of 2014, the Corporation formed 1816 Locust, LLC (Locust), a not-for-profit entity which is treated as a disregarded entity for federal tax purposes. The financial activity for PBA and Locust is reported as part of these consolidated financial statements. As of June 30, 2017 and 2016, there was no financial activity for Med-Tec. See Note 19 for further discussion of PBA, Med-Tec, and Locust.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Corporation's consolidated financial statements are prepared using the accrual basis of accounting. Expenses are recognized in the period incurred. Revenues are recognized in the period in which they are earned.

The Corporation recognizes promises to give in the year that the promise is received.

The Corporation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same fiscal year are reported as unrestricted support.

Basis of Presentation

The Corporation's net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Corporation and changes therein are reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets whose use is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the Corporation pursuant to those stipulations.

Permanently Restricted Net Assets - Net assets whose use is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by the actions of the Corporation.

Auxiliary

The activity of the Auxiliary has been reflected in the consolidated financial statements of the Corporation, as it has been determined that the Auxiliary is legally a part of the Corporation. The majority of the activity relates to unrestricted bequests and contributions received by the Auxiliary on behalf of the Corporation. Such amounts were $20,102 in fiscal year 2016/2017 and $23,082 in fiscal year 2015/2016. As of June 30, 2017 and 2016, respectively, cash and investment balances of the Auxiliary were $1,764,393 and $1,735,211.

Inventories

Inventories are stated at average cost that includes material and labor.

Long-Lived Asset Impairment

The Corporation evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value, and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds it fair value.

See further impairment discussion in Footnote 10 below.

Use of Estimates in the Preparation of Financial Statements

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

Plant and Equipment

Plant and equipment purchases are recorded at cost for assets greater than $1,000. Donations of plant and equipment are capitalized at fair value. Depreciation is provided on the straight-line method over each asset's estimated useful life, which ranges from three to forty years.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, cash and cash equivalents include all highly liquid instruments with maturities of three months or less when purchased. All amounts included in the consolidated statements of financial position captions of cash and cash equivalents meet these criteria.

Uninsured Cash Balances

Cash and cash equivalents are deposited at local banks. At June 30, 2017 and 2016, the carrying amounts of the Corporation's deposits were $599,670 and $1,498,636, respectively, and the bank balances were $626,188 and $1,526,429, respectively. Of the bank balances for June 30, 2017 and 2016, $336,827 and $598,466, respectively, was insured by federal depository insurance, and $289,361 and $927,963, respectively, were uninsured and uncollateralized. The solvency of the financial institutions is not a concern of management at this time.

Investments

Investments are recorded at fair value. Interest and dividends are reflected as investment income on the statements of activities.

Accounts Receivable

Trade receivables are shown net of uncollectible accounts. Management determines the allowance for doubtful accounts based on specific identification of accounts. When it has been determined that amounts are not collectible, they are charged off. At June 30, 2017 and 2016, management has determined that an allowance for uncollectible accounts is not necessary.

Note Receivable

The note receivable represents a leverage loan that was made as part of the New Markets Tax Credit (NMTC) transaction discussed in Note 11. The note matures on September 30, 2043 and has a fixed interest rate of 1.00%. Quarterly interest-only payments are due until March 20, 2022, at which time quarterly principal and interest payments begin. The note is secured by a security interest in the membership interests of the Qualified Community Development Entities (CDEs) discussed in Note 11. The note is stated at the amount of unpaid principal. Management has determined that no allowance is considered necessary.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and in the consolidated statements of functional expenses. Salaries and benefits are charged based on time spent on programs. Other costs are allocated based on square footage and utilization of telephone and network equipment.

Income Taxes

As mentioned in Note 1, the Corporation is a tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code. In addition, the Corporation qualifies for the charitable contribution deduction under section 170(b)(1)(A) and has been classified as an organization other than a private foundation. Further, the Corporation annually files a Form 990.

Pending Accounting Standards Updates

The Financial Accounting Standards Board (FASB) has issued amendments to the FASB Accounting Standards Codification that will become effective in future years as shown below. Management has not yet determined the impact of these amendments on the Corporation's financial statements:

ASU No. 2014-09, *"Revenue from Contracts with Customers (Topic 606),"* effective for the Corporation's financial statements for the year ending June 30, 2020. This amendment provides a single, comprehensive revenue recognition model for all contracts with customers, and contains principles to determine the measurement of revenue and timing of when it is recognized.

ASU No. 2015-07, *"Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent),"* effective for the Corporation's financial statements for the year ending June 30, 2018. This amendment removes the requirement to categorize investments within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The amendment also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient.

ASU No. 2016-02, *"Leases (Topic 842),"* effective for the Corporation's financial statements for the year ending June 30, 2021. This amendment will require lessees to recognize assets and liabilities on the statement of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

ASU No. 2016-14, *"Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities,"* effective for the Corporation's financial statements for the year ending June 30, 2019. This amendment aims to improve how a nonprofit organization classifies its net assets and provides information in its financial statements and notes about its financial performance, cash flow, and liquidity. The amendment changes the net asset classification, requires presentation of expenses both by nature and function, requires investment return reported net of investment expenses, requires placed-in-service approach for gifts of/for long-lived assets and provides enhanced disclosures for: governing body restrictions, composition of net assets with donor restrictions, qualitative and quantitative information on liquidity, methods to allocate costs among program and support functions, and underwater donor-restricted endowment.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the consolidated financial statements were available to be issued.

3. Inventories

A summary of inventories is as follows:

	2017	2016
Workshop:		
Raw materials	$ 366,209	$ 374,235
Finished goods	185,391	102,196
	$ 551,600	$ 476,431

4. Net Assets

Unrestricted board-designated net assets at June 30, 2017 and 2016 are comprised of the following:

	2017	2016
Corporation Auxiliary	$ 1,764,393	$ 1,735,211

The Auxiliary amounts noted above and discussed in Note 2 will be disbursed from the Auxiliary to the Corporation at such time and for such purposes as determined by the Auxiliary with approval from the Board. The Auxiliary functions as a board-designated endowment, with the dividends and interest accruing thereon to be expended at the Corporation's discretion. Capital gains and losses are designated by the Board for future use. Please refer to Note 6.

Temporarily restricted net assets are available for the following purposes:

	2017	2016
Low vision	$ 13,906	$ 7,590
Program expansion	3,016	2,458
New building/capital campaign	59,516	439,507
Education	8,890	8,890
Other	898	898
Total temporarily restricted net assets	$ 86,226	$ 459,343

Permanently restricted net assets totaling $4,258,025 and $3,936,731 as of June 30, 2017 and 2016, respectively, contain charitable support, which bears a donor restriction that the donated amount is non-expendable in perpetuity, while interest and dividends thereon can be expended at the Corporation's discretion. Realized and unrealized gains have remained with the principal as permanently restricted assets.

5. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows:

	2017	2016
General support - time restriction met	$ -	$ 5,090
Program expansion	1,480	101,593
New building/capital campaign	454,619	601,013
Total restrictions released	$ 456,099	$ 707,696

6. Endowment

The Corporation's endowments were established for a variety of purposes including support for programs and for unrestricted operating purposes. Its endowments include both donor restricted funds and unrestricted funds designated by the Board to function as endowments. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Corporation has interpreted Pennsylvania State Act 141 of 1998 (Act) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) net investment return including realized and unrealized appreciation and depreciation of investments and investment income, less withdrawals.

Endowment net asset composition by type of fund as June 30, 2017 and 2016 are as follows:

	2017	2016
Board-designated	$ 1,764,393	$ 1,735,211
Permanently restricted	4,258,025	3,936,731
Total	$ 6,022,418	$ 5,671,942

Changes in endowment net assets for the fiscal year ended June 30, 2017:

	Board-Designated	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year	$ 1,735,211	$ 3,936,731	$ 5,671,942
Investment return:			
Investment income	47,105	109,920	157,025
Net depreciation (realized and unrealized)	139,700	353,830	493,530
Total investment return	186,805	463,750	650,555
Deductions:			
Withdrawals	(143,898)	(122,791)	(266,689)
Miscellaneous income (expense)	(13,725)	(19,665)	(33,390)
Total deductions	(157,623)	(142,456)	(300,079)
Endowment Net Assets, End of Year	$ 1,764,393	$ 4,258,025	$ 6,022,418

Changes in endowment net assets for the fiscal year ended June 30, 2016:

	Board-Designated	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year	$ 1,861,445	$ 4,046,047	$ 5,907,492
Investment return:			
Investment income	64,932	149,219	214,151
Net depreciation (realized and unrealized)	(63,870)	(151,449)	(215,319)
Total investment return	1,062	(2,230)	(1,168)
Deductions:			
Withdrawals	(123,257)	(85,606)	(208,863)
Miscellaneous income (expense)	(4,039)	(21,480)	(25,519)
Total deductions	(127,296)	(107,086)	(234,382)
Endowment Net Assets, End of Year	$ 1,735,211	$ 3,936,731	$ 5,671,942

Return Objectives and Risk Parameters

Endowment assets include those assets of donor-restricted funds that the Corporation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. The Corporation has adopted policies and guidelines for endowment and restricted funds.

To satisfy its long-term rate-of-return objectives, the Corporation relies on returns in excess of the rate of inflation. For the majority of the endowment funds, the Corporation targets a diversified asset allocation that places a great emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Corporation has a policy of appropriating for distribution each year, up to 5% of the average market value of the endowment fund balance at the end of the 12 calendar quarters that proceed the budget year. The presumption is that over the course of multiple years, the average investment returns will equal or exceed 5% per annum and that the endowment will meet the objective of providing ongoing financial support to the Corporation.

7. Support and Revenues

Service Income

To the extent that the Corporation charges for services, third-party payors are typically responsible rather than the personal resources of trainees. The Commonwealth of Pennsylvania's Bureau of Blindness and Visual Services (Bureau) is the most significant third-party payor for the Corporation’s services. The Bureau reimburses based on a rate negotiated between the Commonwealth of Pennsylvania and the Corporation. Trainees are also sponsored by other states or have charges covered by private insurance. Trainees without state support or insurance coverage are supported by donations, income from endowments, or are self-pay.

The Corporation also receives funding for several of their programs from the Allegheny County MH/IDD Program (County), Commonwealth of Pennsylvania's Department of Human Services (DHS), and other various government agencies on a contractual basis. The County revenues are primarily earned on a cost reimbursement basis as the result of the Corporation billing the applicable agency on a periodic basis.

The DHS revenues are primarily earned on a fee-for-service basis as the result of the Corporation billing the authorized units at DHS-approved rates.

Sales

The Industries Division of the Corporation provides employment opportunities for people with visual impairments by producing a variety of products that are sold externally. These sales are recorded as such on the consolidated statements of activities. The largest customer of the Corporation’s Industries Division includes Unique Source Products, formerly Pennsylvania Industries for the Blind and Handicapped, which represented approximately $1,555,317 and $1,467,889 of the annual sales for the years ended June 30, 2017 and 2016, respectively.

8. Investments

Investments are carried at fair value. The fair values are based on price quotations or published mutual fund fair values per unit as reported on related trust statements.

Fair values of assets measured on a recurring basis at June 30, 2017 and 2016 are as follows:

Description	June 30, 2017	June 30, 2016
Mutual funds:		
Equity	$ 5,095,604	$ 4,611,501
Fixed income	3,679,938	3,695,512
Total mutual funds	8,775,542	8,307,013
Exchange traded funds:		
Equity	601,160	299,514
Total exchange traded funds	601,160	299,514
Common stock:		
Industrial	264,524	335,089
Consumer discretionary	300,709	388,432
Consumer staples	200,170	274,376
Energy	113,950	146,703
Financial	373,200	344,633
Materials	88,119	95,906
Information technology	448,649	396,349
Real estate	38,702	-
Utilities	59,525	113,600
Health care	264,464	353,031
Telecommunication services	24,612	52,378
Total common stock	2,176,624	2,500,497
Corporate bonds	101,431	134,357
U.S. treasuries and agencies	-	100,000
Money market funds	243,304	206,096
Totals	$ 11,898,061	$ 11,547,477

Fair values for Level 1 financial instruments are determined by quoted prices in the active market for identical financial instruments. Fair values for Level 2 financial instruments are determined by other significant observable inputs (quoted prices for similar financial instruments, interest rates, prepayment speeds, credit risk, etc.). Fair values for Level 3 financial instruments are determined by significant unobservable inputs, including the Corporation's own assumptions in determining the fair value of financial instruments. All of the Corporation's investments have been classified as Level 1.

Financial instruments, which potentially expose the Corporation to concentrations of credit risk, include investments in marketable securities. Concentration of credit risk for investments in marketable securities is mitigated by the overall diversification of managed investment portfolios. Investment securities are also exposed to various other risks such as interest rate and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near-term and that such changes could materially affect the amount reported on the consolidated statements of financial position.

9. Promises to Give

Unconditional promises to give at June 30, 2017 and 2016 are summarized as follows:

	2017	2016
Receivable in less than one year	$ 83,569	$ 152,395
Receivable in one to five years	58,605	117,796
Receivable after five years	2,657	4,402
	$ 144,831	$ 274,593

As of June 30, 2017 and 2016, management has determined that no allowance is necessary and that any discount of expected future cash flows from promises that are due in more than one year is immaterial. As such, no additional fair value disclosure regarding these promises has been made.

10. Plant and Equipment

Plant and equipment balances at June 30, 2017 and 2016 are as follows:

	2017	2016
Buildings and improvements	$ 3,466,646	$ 4,904,006
Equipment and furniture	1,262,100	1,447,117
Construction in progress	13,817,883	12,167,081
Total fixed assets	18,546,629	18,518,204
Less accumulated depreciation	1,508,840	1,987,562
Net Fixed Assets	$ 17,037,789	$ 16,530,642

In March 2014, the Corporation purchased a building with the intention to renovate the building and move operations once the necessary renovations had been made. The cost of the building, along with architectural fees, interest costs, and other costs related to the renovation have been classified as construction in progress. The cost of the building, including renovations, is expected to total approximately $15.0 million and is being financed through a combination of New Market Tax Credits (further discussed in Note 11), new borrowings, a capital campaign, and current operating funds. As of June 30, 2017, approximately $177,000 remains committed under contracts related to these activities. The Corporation relocated to its new headquarters location during August of 2016.

During fiscal year 2017, the Corporation entered into a contract for renovations and construction of a roof-top garden at the Corporation’s new facility. Total costs of this project are anticipated to amount to approximately $1.1 million and be financed through a combination of grants and capital pledges. As of June 30, 2017, approximately $830,000 remains committed under the contract related to these activities.

The Corporation’s former operating facility is on the market to be sold. During the year ended June 30, 2017, the Corporation made the determination that the undiscounted expected future cash flows were less than the carrying value of the building. As a result, the Corporation has recorded an estimated impairment loss of approximately $1 million for the year ended June 30, 2017 to adjust the carrying value of the building. No impairment loss was recognized during the year ended June 30, 2016.

11. New Markets Tax Credit

In October 2014, PNC New Markets Investment Partners, LLC (PNC), a subsidiary of The PNC Financial Services Group, made a New Markets Tax Credit (NMTC) investment to facilitate the financing of renovation costs for the Corporation's new headquarters facility. The NMTC program provides tax incentives for lending institutions with federal tax liabilities by investing in a qualified Community Development Entity (CDE). The funds invested in the CDE are then lent to qualified businesses.

In order to meet the leveraged structure for purposes of generating the NMTCs, the Corporation borrowed $6,500,000 from PNC Commercial Lending and provided $1,335,300 from investment funds to meet the $7,835,300 leverage loan requirements of the project. These funds were loaned to the BVRS Investment Fund, LLC (Fund), which is wholly owned by PNC.

The Corporation created Locust to be the qualified active low-income community business (QALICB) for this project and sold the new headquarters facility to Locust for $1, which is leasing the property back to the Corporation.

The NMTC requires a seven-year compliance period, at the end of which PNC will have the right for six months to put its interest in the Fund to the Corporation, or its assignee, ("Put Option Purchaser") for a payment equal to $1,000 plus costs (if any). The Corporation (or its assignee) shall have a call option at fair market value for six months in the event that the put option is not exercised.

12. Loans Payable

In connection with the New Markets Tax Credit, the Corporation entered into a loan with PNC Bank for the amount of $6,500,000 to finance the required leverage loan. This loan matures on October 15, 2030. The loan has a variable interest rate of 30 day LIBOR plus 1.00%. Monthly interest only payments were due until November 15, 2015, at which time principal payments began. The loan is secured by the Corporation's investments and other business assets. The loan requires the Corporation to maintain a debt service coverage ratio of not less than 1.00 to 1.00 and a ratio of expendable resources to direct debt of not less than 0.85 to 1.00. The Corporation was not in compliance with these covenants as of

June 30, 2017, but was granted a waiver of the covenant requirements by the lender. The Corporation met these covenants as of June 30, 2016.

Also, in connection with the New Markets Tax Credit, Locust received four loans from Qualified Community Development Entities (CDEs) totaling $11,045,000 for the construction and development of the Corporation's new operating headquarters. The loans mature on September 30, 2043 and have a fixed interest rate of 1.24818%. Quarterly interest-only payments are due until December 10, 2021, at which time quarterly principal payments begin. The loan is secured by an open-ended mortgage and other loan documents.

Beginning on March 20, 2022, future debt principal payments will be offset by principal payments received from the note receivable discussed in Note 2. Future debt and note receivable principal payments are as follows:

	Debt Principal	Note Receivable	Net
2018	$ 383,333	$ -	$ 383,333
2019	466,667	-	466,667
2020	466,667	-	466,667
2021	466,667	-	466,667
2022	466,667	162,074	304,593
2023-2027	4,614,146	1,661,902	2,952,244
2028-2032	3,983,013	1,747,001	2,236,012
Thereafter	6,336,729	4,264,323	2,072,406
Total	$ 17,183,889	$ 7,835,300	$ 9,348,589

Interest Rate Swap

During 2014, the Corporation entered into a pay fixed receive variable interest rate swap agreement to mitigate the risk of changes in interest rates associated with the variable interest rate on the note issued in relation to the leverage loan. Under the arrangement, the Corporation would make interest payments at a fixed rate of 3.69% and receive the variable rate payments based on US LIBOR plus 1.00%. The intention of the interest rate swap is to effectively change the Corporation's variable interest rate on the note to a synthetic fixed rate of 3.69%.

The interest payments on the interest rate swap are calculated based on the notional amount, which reduces monthly by $18,056 beginning November 15, 2015, so that the notional amount on the interest rate swap approximates the principal outstanding on the note. The interest rate swap expires October 15, 2030. The notional amount under the interest rate swap agreement totaled $6,138,889 and $6,355,556 at June 30, 2017 and 2016, respectively. At the transaction's effective date, October 15, 2014, interest payments will be exchanged monthly and continue through the transaction's termination date, October 15, 2030. The fair value of the interest rate swap agreement resulted in a liability of $57,882 and $375,207 as of June 30, 2017 and 2016, respectively. The fair value is an estimation of the expected net cash flows calculated based on the assumption of no unusual market conditions or forced liquidation. The fair value of the swap is not significant and has not been recorded on the financial statements.

The Corporation and the local financial institution are parties to an International Swap Dealers Association, Inc. (ISDA) master agreement that sets forth the general terms and conditions applicable to the loan and interest rate swap. Through the use of derivative instruments such as this interest rate swap, the Corporation is exposed to a variety of risks, including credit risk, interest rate risk, termination risk, basis risk, and rollover risk.

13. Line of Credit

The Corporation maintains a $2,000,000 revolving line of credit with a local financial institution. At June 30, 2017 and 2016, the outstanding balances were $500,000 and $750,000, respectively. The line is secured by the Corporation's investments at that financial institution. The line bears interest at the daily LIBOR rate plus 1.25%, resulting in an interest rate of 2.47% and 1.4% as of June 30, 2017 and 2016, respectively. Interest expense was $10,009 and $7,300 for the years ended June 30, 2017 and 2016, respectively. The Corporation made draws of $1,761,329 and $1,665,000 against the line of credit to cover working capital needs during the years ended June 30, 2017 and 2016, respectively. The Corporation also made repayments on the line of $2,011,329 and $915,000 during the years ended June 30, 2017 and 2016, respectively.

In conjunction with the $6,500,000 loan discussed in Note 12, the Corporation entered into a non-revolving $4,000,000 construction line of credit agreement for the purpose of renovating the new headquarters facility. At June 30, 2017 and 2016, the outstanding balance on the line was $1,238,410 and $248,420, respectively. The line is secured by the

Corporation's investment accounts, other business assets, and an open-ended mortgage agreement. The line bears interest at the 30-day LIBOR rate plus 1.00%, resulting in an interest rate of 2.04% and 1.18% as of June 30, 2017 and 2016, respectively. The Corporation made draws against the line of $989,990 and $248,420 during fiscal years 2017 and 2016, respectively, and made no repayments on the line. Subsequent to June 30, 2017, the maximum borrowings available on the line of credit were reduced to $3,000,000.

14. Retirement Plans

The Corporation offers to all qualified employees a defined contribution retirement plan (plan) under the applicable provisions of the Internal Revenue Code. Eligible employees are permitted to make salary deferrals to the plan upon hire and those who have completed 1,000 hours of service within one calendar year at the Corporation are eligible to receive a profit-sharing contribution. Effective January 1, 2014, the Plan was amended to include all employees of the Company except for those who are Highly Compensated Employees. Employees of PBA Products & Services, Inc. and vocational rehabilitation department client participants of the Company are excluded from receiving employer contributions under the new amendment. The plan was further amended, effective July 1, 2015, to include all employees of Somerset County Blind Association. The Corporation's contribution percentage was 4% for the years ended June 30, 2017 and 2016. Total contributions by the Corporation into the plan for the years ended June 30, 2017 and 2016 amounted to approximately $88,000 and $67,000, respectively.

On January 1, 2014, the Corporation established a 403(b) tax-deferred annuity plan for employees who are not eligible to participate in the defined contribution retirement plan. This plan does not provide for employer contributions.

15. Specialized Services Grant Fund

The Specialized Services Grant Fund, which is operated by the Corporation under a contract with the Pennsylvania Association for the Blind (PAB), maintains a separate cost center in the Corporation's accounting records. Contract funds are passed through PAB to the Corporation, from the Commonwealth of Pennsylvania, Department of Labor and Industry, Office of Vocational Rehabilitation, Bureau of Blindness and Visual Services. The contract with PAB was for reimbursement of eligible program services costs up to a maximum of

$164,095 and $157,240, respectively, for the fiscal years ended June 30, 2017 and 2016. Following is a schedule of the activity under this grant for the year ended June 30, 2017:

Specialized Services	Approved Budget	Total Program Costs	OVR Funding	Corporation's Subsidy
Personnel	$ 63,113	$ 131,902	$ 63,113	$ 68,789
Benefits	12,604	36,525	12,604	23,921
Other expenses:				
Program supplies	-	579	-	579
Professional services	-	1,798	-	1,798
Occupancy	7,250	7,250	7,175	75
Communications	600	4,191	550	3,641
Postage/printing	-	1,585	-	1,585
Conference	350	845	350	495
Travel	737	1,584	713	871
Administrative	13,628	98,401	13,777	84,624
Total	$ 98,282	$ 284,660	$ 98,282	$ 186,378

Prevention of Blindness	Approved Budget	Total Program Costs	OVR Funding	Corporation's Subsidy
Personnel	$ 46,046	$ 49,637	$ 43,536	$ 6,101
Benefits	5,970	6,367	5,583	784
Other expenses:				
Program supplies	440	848	45	803
Professional services	-	1,298	-	1,298
Occupancy	1,050	1,050	1,050	-
Communications	-	1,318	-	1,318
Postage/printing	460	2,379	333	2,046
Professional services	-		-	-
Travel	8,796	9,837	9,486	351
Administrative	2,601	38,150	2,433	35,717
Conferences and training	450	450	450	-
Total	$ 65,813	$ 111,334	$ 62,916	$ 48,418

At June 30, 2017, the Corporation has a receivable from PAB for the Specialized Services Grant in the amount of $10,861.

Following is a schedule of the activity under this grant for the year ended June 30, 2016:

Specialized Services	Approved Budget	Total Program Costs	OVR Funding	Corporation's Subsidy
Personnel	$ 65,947	$ 127,866	$ 69,448	$ 58,418
Benefits	12,788	22,855	12,788	10,067
Other expenses:				
Program supplies	-	1,099	-	1,099
Professional Services	-	12,431	-	12,431
Occupancy	7,250	12,899	6,775	6,124
Communications	600	5,651	600	5,051
Postage/printing	-	3,922	-	3,922
Conference	400	580	400	180
Travel	750	3,664	750	2,914
Administrative	13,396	66,694	13,871	52,823
Total	$ 101,131	$ 257,661	$ 104,632	$ 153,029

Prevention of Blindness	Approved Budget	Total Program Costs	OVR Funding	Corporation's Subsidy
Personnel	$ 40,576	$ 61,039	$ 40,576	$ 20,463
Benefits	4,281	7,790	4,281	3,509
Other expenses:				
Program supplies	-	387	-	387
Professional services	-	899	-	899
Occupancy	1,050	5,408	1,050	4,358
Communications	-	1,463	-	1,463
Postage/printing	-	637	-	637
Professional services	-	738	-	738
Travel	8,050	8,811	7,959	852
Administrative	2,152	24,220	2,243	21,977
Conferences and training	-	1,407	-	1,407
Total	$ 56,109	$ 112,799	$ 56,109	$ 56,690

At June 30, 2016, the Corporation has a receivable from PAB for the Specialized Services Grant in the amount of $13,834.

16. Capital Campaign

In May 2014, the Corporation launched a seventeen-month capital campaign. Of the $2,700,000 to be raised, $2,500,000 is to be used for renovation of the new operations building and the remaining $200,000 is to be used for transitional operating support. During fiscal year 2016, the Corporation made the decision to extend the campaign to raise additional funds of $1,100,000 for the purpose of constructing a roof-top garden and other capital related costs. As of June 30, 2017, $3,960,395 of funds have been pledged and $2,701,090 has been collected.

17. Risk Management

The Corporation is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

The Corporation does not carry unemployment compensation insurance. At June 30, 2017 and 2016, there were no liabilities or current claims outstanding. Liabilities or current claims outstanding were not material to the financial statements at June 30, 2017 or 2016.

18. Economic Dependency

A significant portion of the Corporation's grants and contributions are from organizations and individuals within the Allegheny County area. In addition, its employees, volunteers, clients, and vendors primarily reside in the Allegheny County area and, therefore, economic and demographic influences on this area impact the Corporation's operations.

19. Subsidiaries

Med-Tec was formed as a corporation on September 19, 2008 and is a separate legal entity from the Corporation. The Corporation is the sole shareholder of Med-Tec. The formation of Med-Tec was established to allow the Corporation to expand its preparation of textiles and related activities. Med-Tec is on the accrual method of accounting with a June 30 fiscal year. As of June 30, 2017 and 2016, there was no financial activity for Med-Tec. Financial transactions for Med-Tec are not expected for fiscal year 2018.

PBA Products and Services, Inc. was formed as a nonprofit corporation on December 1, 2008 and is a separate legal entity from the Corporation. The formation of PBA Products and Services, Inc. was established to provide employment opportunities to those with a broad spectrum of disabilities. PBA Products and Services, Inc. is on the accrual method of accounting with a June 30 fiscal year. PBA Products and Services, Inc. files a separate Form 990 for federal income tax purposes.

In August of 2014, 1816 Locust, LLC (Locust) was formed as a limited liability company. The Corporation is the sole member of Locust, which is treated as a disregarded entity for federal tax purposes. Locust was established to serve as a real estate qualified active low-income community business (QALICB) under the NMTC investment discussed in Note 11. Locust is on the accrual method of accounting with a June 30 fiscal year.

SUPPLEMENTARY INFORMATION

BLIND AND VISION REHABILITATION SERVICES OF PITTSBURGH

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

JUNE 30, 2017

	Blind and Vision Rehabilitation Services	PBA Products and Services	1816 Locust, LLC	Subtotal	Eliminations	Total
Assets						
Cash and cash equivalents	$ 88,028	$ 85,974	$ -	$ 174,002	$ -	$ 174,002
Cash restricted for capital campaign	425,664	-	-	425,664	-	425,664
Cash restricted for construction	-	-	4	4	-	4
Investments, at fair value	17,179,906	-	-	17,179,906	(5,281,845)	11,898,061
Grants receivable	270,132	-	-	270,132	-	270,132
Third-party tuition, fees, and other receivables	391,627	42,300	-	433,927	-	433,927
Intercompany receivable	7,875,021	-	-	7,875,021	(7,875,021)	-
Promises to give	144,831	-	-	144,831	-	144,831
Inventories	551,600	-	-	551,600	-	551,600
Other assets	84,310	721	-	85,031	-	85,031
Note receivable	-	7,835,300	-	7,835,300	-	7,835,300
Plant and equipment, net of accumulated depreciation	639,733	20,772	16,377,284	17,037,789	-	17,037,789
Total Assets	$ 27,650,852	$ 7,985,067	$ 16,377,288	$ 52,013,207	$ (13,156,866)	$ 38,856,341
Liabilities and Net Assets						
Liabilities:						
Accounts payable	$ 428,880	$ 10,395	$ -	$ 439,275	$ -	$ 439,275
Accrued liabilities	166,981	11,652	-	178,633	-	178,633
Intercompany payable	-	7,835,300	39,721	7,875,021	(7,875,021)	-
Deferred revenue	178,733	-	-	178,733	-	178,733
Line of credit	1,738,410	-	-	1,738,410	-	1,738,410
Loans payable	6,138,889	-	11,045,000	17,183,889	-	17,183,889
Total Liabilities	8,651,893	7,857,347	11,084,721	27,593,961	(7,875,021)	19,718,940
Net Assets:						
Unrestricted:						
Undesignated	12,250,582	106,948	4	12,357,534	(5,281,845)	7,075,689
Invested in plant and equipment, net of related debt	639,733	20,772	5,292,563	5,953,068	-	5,953,068
Board-designated	1,764,393	-	-	1,764,393	-	1,764,393
Total unrestricted	14,654,708	127,720	5,292,567	20,074,995	(5,281,845)	14,793,150
Temporarily restricted	86,226	-	-	86,226	-	86,226
Permanently restricted	4,258,025	-	-	4,258,025	-	4,258,025
Total Net Assets	18,998,959	127,720	5,292,567	24,419,246	(5,281,845)	19,137,401
Total Liabilities and Net Assets	$ 27,650,852	$ 7,985,067	$ 16,377,288	$ 52,013,207	$ (13,156,866)	$ 38,856,341

BLIND AND VISION REHABILITATION SERVICES OF PITTSBURGH

CONSOLIDATING SCHEDULE OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

	Blind and Vision Rehabilitation Services	PBA Products and Services	1816 Locust, LLC	Subtotal	Eliminations	Total
Unrestricted Net Assets:						
Support and revenues:						
Service income	$ 1,167,991	$ 438,933	$ -	$ 1,606,924	$ -	$ 1,606,924
Sales	2,137,284	-	-	2,137,284	-	2,137,284
Donations and grants	1,567,501	-	-	1,567,501	(30,000)	1,537,501
Investment income	199,465	78,353	-	277,818	(78,353)	199,465
Income from trusts	218,727	-	-	218,727	-	218,727
Realized/unrealized gains (losses)	624,090	-	-	624,090	-	624,090
Rental income	-	-	200,000	200,000	(200,000)	-
Other revenues	140,961	14	766	141,741	(24,000)	117,741
Net assets released from restrictions	598,555	-	-	598,555	-	598,555
Total support and revenues	6,654,574	517,300	200,766	7,372,640	(332,353)	7,040,287
Expenses:						
Program services:						
Industries	1,940,940	-	-	1,940,940	(59,422)	1,881,518
Rehabilitation	1,196,289	-	-	1,196,289	(59,833)	1,136,456
Vocational services	1,221,543	-	-	1,221,543	(28,700)	1,192,843
Community and support	312,600	-	-	312,600	(1,000)	311,600
PBA Products and Services	-	524,311	-	524,311	(132,353)	391,958
Total program services	4,671,372	524,311	-	5,195,683	(281,308)	4,914,375
Management and general	1,568,063	-	208,454	1,776,517	(46,917)	1,729,600
Development and capital campaign	408,343	-	-	408,343	(4,128)	404,215
Total expenses	6,647,778	524,311	208,454	7,380,543	(332,353)	7,048,190
Loss on impairment of building	1,087,550	-	-	1,087,550	-	1,087,550
Total expenses and losses	7,735,328	524,311	208,454	8,468,093	(332,353)	8,135,740
Change in Unrestricted Net Assets	(1,080,754)	(7,011)	(7,688)	(1,095,453)	-	(1,095,453)
Temporarily Restricted Net Assets:						
Donations and grants	82,982	-	-	82,982	-	82,982
Net assets released from restriction	(456,099)	-	-	(456,099)	-	(456,099)
Change in Temporarily Restricted Net Assets	(373,117)	-	-	(373,117)	-	(373,117)
Permanently Restricted Net Assets:						
Investment income	109,920	-	-	109,920	-	109,920
Realized/unrealized gains (losses)	353,830	-	-	353,830	-	353,830
Net assets released from restriction	(142,456)	-	-	(142,456)	-	(142,456)
Change in Permanently Restricted Net Assets	321,294	-	-	321,294	-	321,294
Change in Net Assets	(1,132,577)	(7,011)	(7,688)	(1,147,276)	-	(1,147,276)
Net Assets:						
Beginning of year	20,131,536	134,731	4,298,842	24,565,109	(4,280,432)	20,284,677
1816 Locust LLC - additional capital	-	-	1,001,413	1,001,413	(1,001,413)	-
End of year	$ 18,998,959	$ 127,720	$ 5,292,567	$ 24,419,246	$ (5,281,845)	$ 19,137,401