

XAVIER SOCIETY FOR THE BLIND

**Financial Statements
for the years ended
December 31, 2019
and
December 31, 2018**

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**CONDON
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Independent Auditor's Report

To the Board of Directors
Xavier Society for the Blind

We have audited the accompanying financial statements of Xavier Society for the Blind (the "Society") which comprise the statement of financial position as of December 31, 2019 and December 31, 2018 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Xavier Society for the Blind as of December 31, 2019 and December 31, 2018, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Condon O'Meara McGinty & Donnelly LLP
March 19, 2020 **Taxpayer Copy**

XAVIER SOCIETY FOR THE BLIND

Statement of Financial Position

Assets

	December 31	
	2019	2018
Cash and cash equivalents	\$ 249,368	\$ 194,556
Investments in marketable securities	14,693,308	12,845,983
Investment in annuity funds	80,968	78,164
Prepaid expenses	24,047	25,830
Security deposits	8,325	8,325
Leasehold improvements and equipment, net	10,854	21,520
Total assets	\$ 15,066,870	\$ 13,174,378

Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	\$ 55,134	\$ 32,052
Annuity payable	35,071	37,496
Total liabilities	90,205	69,548

Net assets

Without donor restrictions		
Undesignated	5,667,589	4,887,343
Board designated endowment	9,121,361	8,035,001
Total net assets without donor restrictions	14,788,950	12,922,344
With donor restrictions	187,715	182,486
Total net assets	14,976,665	13,104,830
Total liabilities and net assets	\$ 15,066,870	\$ 13,174,378

XAVIER SOCIETY FOR THE BLIND

Statement of Activities

	December 31					
	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue						
Contributions	\$ 393,280	\$ -	\$ 393,280	\$ 292,298	\$ -	\$ 292,298
Legacy donation	193,690	-	193,690	196,634	-	196,634
Special events net of expenses of \$-0- in 2019 and \$3,068 in 2018	15,962	-	15,962	12,951	-	12,951
Other revenue	5,784	-	5,784	27,936	-	27,936
Total public support and revenue	<u>608,716</u>	<u>-</u>	<u>608,716</u>	<u>529,819</u>	<u>-</u>	<u>529,819</u>
Expenses						
Program services	731,319	-	731,319	672,489	-	672,489
Fundraising	221,758	-	221,758	189,332	-	189,332
Management and general	150,784	-	150,784	179,656	-	179,656
Total expenses	<u>1,103,861</u>	<u>-</u>	<u>1,103,861</u>	<u>1,041,477</u>	<u>-</u>	<u>1,041,477</u>
(Deficiency) of public support and revenue to cover expenses before investment return	<u>(495,145)</u>	<u>-</u>	<u>(495,145)</u>	<u>(511,658)</u>	<u>-</u>	<u>(511,658)</u>
Investment return						
Designated for operations	517,442	-	517,442	510,595	-	510,595
Investment return, net	<u>1,844,309</u>	<u>5,229</u>	<u>1,849,538</u>	<u>(879,505)</u>	<u>(822)</u>	<u>(880,327)</u>
Total investment return	<u>2,361,751</u>	<u>5,229</u>	<u>2,366,980</u>	<u>(368,910)</u>	<u>(822)</u>	<u>(369,732)</u>
Change in net assets	1,866,606	5,229	1,871,835	(880,568)	(822)	(881,390)
Net assets, beginning of year	<u>12,922,344</u>	<u>182,486</u>	<u>13,104,830</u>	<u>13,802,912*</u>	<u>183,308*</u>	<u>13,986,220</u>
Net assets, end of year	<u>\$ 14,788,959</u>	<u>\$ 187,715</u>	<u>\$ 14,976,665</u>	<u>\$ 12,922,344</u>	<u>\$ 182,486</u>	<u>\$ 13,104,830</u>

See notes to financial statements.

* Reclassified (see note 1)

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XAVIER SOCIETY FOR THE BLIND

Statement of Functional Expenses

December 31

	2019				2018			
	Program Services	Supporting Activities			Program Services	Supporting Activities		
		Fundraising	Management and General	Total		Fundraising	Management and General	Total
Salaries and wages	\$ 348,071	\$ 70,957	\$ 81,793	\$ 500,821	\$ 315,819	\$ 72,782	\$ 97,274	\$ 485,875
Employee benefits and payroll taxes	94,302	17,287	18,602	130,191	84,607	19,525	26,033	130,165
Subcontracted publication services	63,365	34,823	-	98,188	79,139	-	-	79,139
Supplies	13,856	1,262	1,262	16,380	12,898	-	-	12,898
Postage and shipping	5,497	916	916	7,329	4,858	27,420	-	32,278
Telephone and internet	17,303	2,884	2,884	23,071	8,416	-	-	8,416
Rent	107,511	-	-	107,511	102,167	-	-	102,167
Insurance	8,514	1,419	1,419	11,352	-	-	14,408	14,408
Board recognition	-	-	-	-	-	-	1,916	1,916
Professional fees	2,873	2,873	35,302	41,048	-	-	23,210	23,210
Service contracts	26,973	12,693	-	39,666	35,961	-	-	35,961
Subcontracted transcription services	1,361	-	-	1,361	-	-	-	-
Office equipment maintenance	-	-	-	-	-	1,253	-	1,253
Conferences	-	-	-	-	-	-	7,226	7,226
Donor acquisition	-	70,962	-	70,962	-	55,900	-	55,900
Other	31,027	5,682	8,606	45,315	13,713	12,452	9,589	35,754
Depreciation	10,666	-	-	10,666	14,911	-	-	14,911
Total	\$ 731,319	\$ 221,758	\$ 150,784	\$1,103,861	\$ 672,489	\$ 189,332	\$ 179,656	\$ 1,041,477

See notes to financial statements.

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XAVIER SOCIETY FOR THE BLIND

Statement of Cash Flows

	Year Ended	
	December 31	
	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Changes in net assets	\$1,871,835	\$ (881,390)
Adjustments to reconcile change in net assets to net cash (used in) operating activities		
Depreciation	10,666	14,911
Realized (gain) on sale of investments	(126,562)	(719,689)
Unrealized (gain) loss on investments	(1,962,266)	1,401,088
Increase in cash resulting from changes in operating assets and liabilities		
Contribution receivable	-	9,671
Security deposit	-	11,193
Prepaid expenses	1,783	2,820
Accounts payable and accrued expenses	<u>23,082</u>	<u>4,241</u>
Net cash (used in) operating activities	<u>(181,462)</u>	<u>(157,155)</u>
Cash flows from investing activities		
Purchase of investments	(2,190,840)	(7,095,860)
Proceeds from sale of investments	2,429,539	7,303,861
Purchase of leasehold improvements and equipment	<u>-</u>	<u>(2,659)</u>
Net cash provided by investing activities	<u>238,699</u>	<u>205,342</u>
Cash flows (used in) financing activities		
Payment of annuity obligations	<u>(2,425)</u>	<u>(7,504)</u>
Net increase in cash and cash equivalents	54,812	40,683
Cash and cash equivalents, beginning of year	<u>194,556</u>	<u>153,873</u>
Cash and cash equivalents, end of year	<u>\$ 249,368</u>	<u>\$ 194,556</u>

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See notes to financial statements.

XAVIER SOCIETY FOR THE BLIND

Notes to Financial Statements December 31, 2019

Note 1 – Nature of operations and summary of significant accounting policies

Organization

Xavier Society for the Blind (the “Society”) provides free reading material to clients who are sight impaired, without any charges for use or shipping. The reading materials, which are of a religious nature, are distributed mainly through the United States and Canada. In addition to sacred scripture, manuals of prayer, and religious textbooks, etc., the Society’s principal ongoing services are to maintain a lending library and provide books and periodicals to the sight impaired.

A. Libraries

At December 31, 2019, the Society maintained an extensive Braille library from which publications are provided to clients on demand. In addition, the Society maintained a lending library of 3,444 books in digital media format, with at least three copies of every title for daily circulation. The libraries have not been capitalized because most of the items comprising the collection are of low individual value and are subject to more than usual deterioration from use. From time to time, donations of library material have been made to other libraries. Master copies are reserved for copy making, the costs for material and binding are expensed. The libraries are covered by the Society’s regular insurance.

B. Periodicals

The Society provides for its clients, on request, the *Xavier Review*, *Mass Propers* and the *Catholic review* in audio and in Braille. The Society also provides access to several periodicals through downloads from its website. The costs of this service are expensed under subcontracted publication services in the statement of functional expenses.

Basis of accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Use of estimates

The preparation of 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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XAVIER SOCIETY FOR THE BLIND

Notes to Financial Statements (continued) December 31, 2019

Note 1 – Nature of operations and summary of significant accounting policies (continued)

Financial statement presentation

Under accounting principles generally accepted in the United States of America, the Society is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions as follows:

- Net assets without donor restrictions
Net assets without donor restrictions undesignated and available for general purposes and are used for the general activity of the Society. Assets restricted by Board designation are classified and reported as net assets without donor restrictions.
- Net assets with donor restrictions
Net assets with temporary donor restrictions consist of resources, the use of which have been restricted by donors. The release of net assets from restrictions results from either the satisfaction of the restricted purposes specified by the donors or from the passage of time.

Net assets with net assets with perpetual restrictions consist of resources, the use of which have been permanently restricted by donors and the income of which is directed for specific programs by the donor.

Reclassification

During 2018, the Society researched the net assets with perpetual restrictions and determined that \$142,945 should have been recorded as net assets without donor restrictions. In order to give retroactive effect to this change, the Society reclassified the opening balance to the earliest year reported.

Contributions

Unconditional promises to give are recognized as contribution revenue and receivables in the period in which the promise is received. An asset other than cash, received as a gift, is recorded at fair value at the date of the gift or when proceeds from the sale of the asset are received. The Society records contributions received as net assets without donor restrictions and net assets with donor restrictions depending on the existence of any donor restrictions. Restricted contributions are reported as net assets without restrictions in the period in which they are received if the restrictions are met in the same reporting period.

Legacies and bequest are recognized when the gift is received, except that, if the Society has been notified by an administrator or attorney of an estate or trust that a specified amount has been determined and will be sent within a reasonable time, the legacy gift is recognized as an unconditional promise to give and is recorded as contribution revenue and a contribution receivable in the period that the notification is received.

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XAVIER SOCIETY FOR THE BLIND**Notes to Financial Statements (continued)
December 31, 2019****Note 1 – Nature of operations and summary of significant accounting policies (continued)**Donated services

Donated services consist of time spent by volunteers and are recorded at their estimated fair values when they meet certain conditions. Donated services are reported as contribution revenue and expenses only if the services create or enhance a nonmonetary asset, or would typically need to be purchased by the Society if they had not been provided by contribution, require specialized skills, and are provided by individuals with such specialized skills.

Individuals volunteer (non specialized) their time and perform a variety of tasks that assists the Society's mission. These services do not meet the criteria to be recorded and have not been included in the financial statements.

Cash and cash equivalents

Investments with original maturities of three months or less when purchased are considered to be cash equivalents. Funds on deposit at brokers and invested in money market accounts or liquid asset funds are considered to be marketable securities.

Investments

Investments are reported at fair value. Realized gain or loss on the sale of marketable securities is based on average cost; unrealized gain or loss on investments held at the statement of financial position date reflect the difference between fair value compared to the previously adjusted historical cost.

Fair measurements

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value and require disclosures about fair value measurements, including a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels explained below:

Level 1 – Fair value is based on quoted prices available in active markets for identical investments as of the reporting date. Investments included in this category include listed equities.

Level 2 – Fair value is based on inputs, other than Level 1, that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability through corroboration with observable market data.

Level 3 – Fair value is based on significant unobservable inputs for the asset and liability. These inputs require significant management judgment or estimation. Certain investments valued using the asset value, or its equivalent, subject to current redemption restrictions that will not be lifted in the near term are including in this category.

XAVIER SOCIETY FOR THE BLIND**Notes to Financial Statements (continued)
December 31, 2019****Note 1 – Nature of operations and summary of significant accounting policies (continued)**Leasehold improvements and equipment

Expenditures for leasehold improvements and equipment are capitalized at cost. The Society capitalizes expenditures for property and equipment above a nominal amount with a useful life of greater than one year. Furniture, fixtures and equipment are depreciated on the straight-line method over their estimated useful lives, and leasehold improvements are amortized over the expected life of the lease.

Retirement benefits

The Society participates in a noncontributory retirement plan of the Archdiocese of New York for all employees. Annual funding requirements of the Society are based on charges submitted by the Archdiocese. The provision for retirement benefits was \$24,807 in 2019 and \$25,530 in 2018.

Concentrations of credit risk

The Society's financial instruments that are potentially exposed to concentrations of credit risk consist of cash, cash equivalents and investments. The Society places its cash and cash equivalents with what it believes to be quality financial institutions. Cash balances are in excess of the FDIC insurance limit. The Society has not experienced any losses in such accounts to date. Investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to changes in interest rates, market volatility, liquidity and credit risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position at December 31, 2019 (see subsequent event disclosure). As a result, the Society believes no significant concentrations of credit risk exist with respect to its cash, cash equivalents and investments.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent events

The Society has evaluated events and transactions for potential recognition or disclosure through March 19, 2020, which is the date the financial statements were available to be issued.

On March 13, 2020, President Trump declared a national emergency under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, due to extraordinary circumstances resulting from coronavirus. The Society to date has not experienced any significant operational economic impact related to the crisis, other than the extreme market conditions relating to the investment portfolio which has resulted in a 21% decline compared to the value as of December 31, 2019.

XAVIER SOCIETY FOR THE BLIND

Notes to Financial Statements (continued)
December 31, 2019

Note 2 – Marketable securities

Investment in marketable securities is comprised of the following at December 31:

	2019			2018		
	Cost	Fair Value	Fair Value Level	Cost	Fair Value	Fair Value Level
Cash and cash equivalents	\$ 301,895	\$ 301,895	(1)	\$ 281,270	\$ 281,270	(1)
Equity – mutual fund	7,542,504	8,669,326	(1)	4,570,907	4,727,924	(1)
Common stock/ETF	1,935,516	2,495,510	(1)	5,135,648	4,828,211	(1)
Fixed income – mutual funds/						
corporate bonds	2,605,920	2,665,421	(2)	2,489,255	2,428,948	(2)
Other investments	403,895	416,215	(1)	702,413	657,704	(1)
Hedge fund	277,716	225,909	(2)	-	-	
Total	<u>\$ 13,067,446</u>	<u>\$14,774,276</u>		<u>\$ 13,179,493</u>	<u>\$12,924,057</u>	

Investment performance

Investment return for the years ended December 31, 2019 and December 31, 2018 has been reported on the statements of activities as follows:

	2019	2018
Interest and dividends	\$ 358,200	\$ 384,711
Realized gains on sale of investments	126,562	719,689
Unrealized gain (loss)	1,962,266	(1,401,088)
Less: Investment management fees	(80,048)	(73,044)
Total investment return, net	<u>\$ 2,366,980</u>	<u>\$ (369,732)</u>

Note 3 – Liquidity and availability of financial assets

The following is a summary of the Society's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of internal and external restrictions.

	2019	2018
Cash and cash equivalents	\$ 249,368	\$ 194,556
Add: appropriation of investment return designated for operations*	<u>532,913</u>	<u>495,276</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 782,281</u>	<u>\$ 689,832</u>

* Annually, the Society designates an amount of its investments which is governed by its investment spending policy for operations which is approved by the Board.

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XAVIER SOCIETY FOR THE BLIND

**Notes to Financial Statements (continued)
December 31, 2019**

Note 4 – Property and equipment

Property and equipment, at cost, consists of the following at December 31:

	2019	2018
Furniture, fixtures and equipment	\$ 98,670	\$ 98,670
Less: accumulated depreciation	(87,816)	(77,150)
Total	\$ 10,854	\$ 21,520

Note 5 – Net assets with donor restrictions

With Temporary Donor Restrictions

The Society maintains a segregated gift annuity fund in which identifiable separate donor restricted investment are held as net assets with temporary donor restrictions. A lifetime annuity is paid to the donor or other named beneficiary from this fund. As of December 31, 2019 and 2018, the Society's net assets with temporary donor restrictions totaled \$45,897 and \$40,668, respectively.

In accordance with a policy adopted by the Board of Directors, the gift portion is withdrawn from the annuity fund only at termination of each agreement, i.e., upon the demise of the annuitant(s) when the principal becomes available for the Society's use.

With Perpetual Donor Restrictions

The Society has received contributions with perpetual restrictions as to their use. These contributions comprise an endowment fund in which the principal of the fund, including net realized and unrealized capital gains and losses, is not available for the Society's general use, but is intended to generate investment income, which is available for the Society's general purposes and is reported as net assets with donor restrictions.

Endowment fund

Donor-designated Endowment

Under the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), the Society may appropriate so much of an endowment fund as it deems prudent, considering the specific factors set forth in NYPMIFA and subject to the intent of the donor. Unless stated otherwise, the earnings in an endowment fund are donor-restricted until appropriated.

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XAVIER SOCIETY FOR THE BLIND**Notes to Financial Statements (continued)
December 31, 2019****Note 5 – Net assets with donor restrictions (continued)**Endowment fund (continued)Donor-designated Endowment (continued)

The Society classifies as assets with perpetual donor restrictions the original value of the gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. In accordance with NYPMIFA, the Society is required to act prudently when making decisions to spend or accumulate donor restrictions endowment assets and in doing so the Society considers the following: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Society, and (7) the Society's investment policies.

The Society has adopted an investment policy with the stated primary objective to preserve capital of the above Endowment. The secondary objective is to maintain purchasing power by growing the investments at an annual rate that equals or exceeds the rate of inflation. The tertiary objective is growth and income. Over a five-year rolling period, the investment should closely track the return of the balanced market indices. The Endowment fund is managed with the same objective and is comprised of an allocation of marketable securities disclosed in Note 1.

Return Objectives and Risk Parameters

The Society has adopted investment and spending policies that attempt to provide a predictable stream of funding to programs while seeking to maintain the purchasing power of the assets. Assets include those assets with permanent donor restrictions that the Society must hold in perpetuity, as well as funds designated by the Board. Under this policy, as approved by the Board, the assets are invested in a combination of equity and fixed income investments so as to provide sufficient liquidity while assuming an acceptable level of risk.

Strategies Employed for Achieving Objectives

The Society assets are managed to preserve the value of the fund adjusted for inflation through long-term appreciation of principal (equal to or greater than the rate of inflation).

Board-designated Endowment

As of December 31, 2014, the Board of Directors had designated the marketable investments held by the Wilmington Trust as a restricted endowment fund to support the mission of the Society. Since this amount resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets.

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XAVIER SOCIETY FOR THE BLIND

Notes to Financial Statements (continued)
December 31, 2019

Note 5 – Net assets with donor restrictions (continued)

Spending Policy and how the Investment Objectives Relate to Spending Policy

Expenditures of the board-designated funds are limited to such purposes as approved from time to time by the Board. During 2019 and 2018, the Board approved a transfer of \$517,442 and \$510,595 from the board-designated endowment funds to the operating fund.

These transfers represent allocations of investment earnings based on a 4% assumed return on the fair value of the portfolio as of December 31, 2018 and 2017.

Changes in net assets with internal and external restrictions as of December 31, 2019, is as follows:

	<u>2019</u>		
	Without Donor Restrictions (Board Designated)	With Donor Restrictions	<u>Total</u>
Endowment net assets, beginning of year	\$ 8,035,001	\$ 182,486	\$ 8,217,487
Investment income	218,605	-	218,605
Net income on investments	1,345,989	5,229	1,351,218
Investment fees	(52,543)	-	(52,543)
Appropriation of endowment assets to expenditure	<u>(425,691)</u>	<u>-</u>	<u>(425,691)</u>
Endowment net assets, end of year	<u>\$ 9,121,361</u>	<u>\$ 187,715</u>	<u>\$ 9,309,076</u>

Changes in net assets with internal and external restrictions as of December 31, 2018, is as follows:

	<u>2018</u>		
	Without Donor Restrictions (Board Designated)	With Donor Restrictions	<u>Total</u>
Endowment net assets, beginning of year	\$ 8,862,632	\$ 183,308	\$ 9,045,940
Investment income	184,880	-	184,880
Net (loss) on investments	(518,818)	(822)	(519,640)
Investment fees	(56,093)	-	(56,093)
Appropriation of endowment assets to expenditure	<u>(437,600)</u>	<u>-</u>	<u>(437,600)</u>
Endowment net assets, end of year	<u>\$ 8,035,001</u>	<u>\$ 182,486</u>	<u>\$ 8,217,487</u>

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XAVIER SOCIETY FOR THE BLIND

**Notes to Financial Statements (continued)
December 31, 2019**

Note 6 – Commitments

During November 2017, the Society entered into an agreement to lease office space in New York City. The lease is for a five year term ending February 2023, with an option to renew for five additional annual periods.

In connection with the lease, the Society paid an \$8,325 security deposit. Total rent expense for the years ended December 31, 2019 and 2018, was \$107,510 and \$85,750, respectively. The total future minimum lease commitments are as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 105,469
2021	108,364
2022	111,839
2023	<u>18,740</u>
Total	<u>\$ 344,412</u>

Note 7 – Free mailings (unaudited)

The United States Postal Service Regulation 135, “Free Matter for the Blind and Other Handicapped Persons,” states that certain acceptable material may be mailed to the blind at no charge. As part of its program services, the Society mailed approximately 17,196 and 23,890 pieces of mail during 2019 and 2018, respectively, that qualified as acceptable matter under the U.S. Postal Service Regulation 135. In effect, these pieces of mail were sent free of charge and, because the value of the postage is not readily determinable, no postage expense is reflected in the financial statements for these mailings.

Note 8 – Tax status

The Society is a not-for-profit organization, as defined in Section 501(c)(3), and is exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code. The Society has been classified as an organization that is not a private foundation under Section 509(a). The Society qualifies for the maximum charitable contribution deduction available to donors.

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