

**NATIONAL CUED SPEECH ASSOCIATION**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**AUGUST 31, 2020**

SEYMOUR J. WEINBERG  
CERTIFIED PUBLIC ACCOUNTANT

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
National Cued Speech Association

I have audited the accompanying financial statements of National Cued Speech Association (a nonprofit organization), which comprise the statements of financial position as of August 31, 2020, and the related statements of activities and changes in net assets, 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**

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit 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 their circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. Accordingly, I 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 financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

SEYMOUR J. WEINBERG  
CERTIFIED PUBLIC ACCOUNTANT

## **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Cued Speech Association as of August 31, 2020 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

  
January 4, 2021

SEYMOUR J. WEINBERG  
CERTIFIED PUBLIC ACCOUNTANT

**NATIONAL CUED SPEECH ASSOCIATION  
STATEMENT OF FINANCIAL POSITION  
AS OF AUGUST 31, 2020**

|                                   |                   |
|-----------------------------------|-------------------|
| <b>Assets</b>                     |                   |
| Cash                              | \$ 86,986         |
| Investment                        | 19,165            |
| Other current Assets              | 57,000            |
| Total Current Assets              | <u>163,151</u>    |
| <br>                              |                   |
| Total Assets                      | <u>\$ 163,151</u> |
| <br>                              |                   |
| <b>Liabilities and Net Assets</b> |                   |
| <b>Current Liabilities</b>        |                   |
| Deferred Income-PPP Loan          | 5,000             |
| Payroll Tax Liabilities           | 609               |
| Total Current Liabilities         | <u>5,609</u>      |
| <br>                              |                   |
| <b>Long Term Liabilities</b>      |                   |
| Advance SBA                       | 1,000             |
| Note Payable - SBA                | 43,500            |
|                                   | <u>43,500</u>     |
| Total Liabilities                 | <u>\$ 50,109</u>  |
| <br>                              |                   |
| <b>Net Assets</b>                 |                   |
| Without Donor Restrictions        | \$ 93,877         |
| With Donor Restrictions           | 19,165            |
|                                   | <u>19,165</u>     |
| Total Liabilities and Net Assets  | <u>\$ 163,151</u> |

The accompanying disclosures are an integral part of the financial statements.

**NATIONAL CUED SPEECH ASSOCIATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2020**

|                             | <b>Net Assets<br/>Without Donor<br/>Restrictions</b> | <b>Net Assets<br/>With Donor<br/>Restrictions</b> | <b>Total</b>     |
|-----------------------------|--|---|------------------|
| <b>Revenues</b>             |  |   |                  |
| Donation Income             | \$ 81,177  | -   | \$ 81,177        |
| Membership dues Income      | 5,635  |   | 5,635            |
| Assessment Income           | 1,461  |   | 1,461            |
| Investment Income           | 1,959  | -   | 1,959            |
| <b>Total Revenue</b>        | <b>\$ 90,232</b>                                     |   | <b>\$ 90,232</b> |
| <b>Expenses</b>             |  |   |                  |
| Program expenses            | 65,182   | -   | 65,182           |
| Supporting services         |  |   |                  |
| Management and general      | 16,607   | -   | 16,607           |
| Fundraising                 | -  | -   | -                |
| <b>Total expenses</b>       | <b>\$ 81,789</b>                                     | <b>-</b>  | <b>\$ 81,789</b> |
| <br>                        |  |   |                  |
| Change in Net assets        | 8,443  | -   | 8,443            |
| Net Assets: August 31, 2020 | \$ 8,443   | -   | \$ 8,443         |

The accompanying disclosures are an integral part of the financial statements.

**NATIONAL CUED SPEECH ASSOCIATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED AUGUST 31, 2020**

**Expense Disclosures**

Fiscal year 2019 expenses by both function and nature

|                            | <u>Program Services</u> | <u>Supporting Service</u>     |           | <u>Total</u>  |
|----------------------------|-------------------------|-------------------------------|-----------|---------------|
|                            |                         | <u>Management and General</u> |           |               |
| Accounting                 | 3,400                   |                               |           | 3,400         |
| Assessment                 | 364                     | -                             |           | 364           |
| Bank Charges               | 826                     |                               |           | 826           |
| Board Support - Travel     | 2,578                   | -                             |           | 2,578         |
| Bookkeeping                | 2,500                   | -                             |           | 2,500         |
| Campaign Fees              | 2,315                   | -                             |           | 2,315         |
| CLEAR - Leadership Program | 756                     | -                             |           | 756           |
| Clerical help              | 1,000                   | -                             |           | 1,000         |
| Computer Expense           | 1,058                   | -                             |           | 1,058         |
| Copying and Printing       | 3,146                   |                               |           | 3,146         |
| Early Intervention Program | 2,071                   | -                             |           | 2,071         |
| Exhibit Expense            | 668                     | -                             |           | 668           |
| Liability Insurance        | 38                      | -                             |           | 38            |
| Management                 | 15,000                  |                               |           | 15,000        |
| Membership Services        | 485                     | -                             |           | 485           |
| Newsletter Expense         | 400                     | -                             |           | 400           |
| Office Expense             | -                       | 1,607                         |           | 1,607         |
| Other Salaries and Wages   | 6,870                   | -                             |           | 6,870         |
| Payroll Expenses           | 526                     | -                             |           | 526           |
| Scholarship                | 1,000                   | -                             |           | 1,000         |
| Sponsorship                | 6,500                   | -                             |           | 6,500         |
| State Registration         | 2,782                   | -                             |           | 2,782         |
| Telephone                  | 425                     | -                             |           | 425           |
| Transliterator             | 23,126                  | -                             |           | 23,126        |
| Travel                     | 2,348                   | -                             |           | 2,348         |
| <b>Total</b>               | <b>\$ 80,182</b>        | <b>\$ 1,607</b>               | <b>\$</b> | <b>81,789</b> |

The accompanying disclosures are an integral part of the financial statements.

**NATIONAL CUED SPEECH ASSOCIATION  
STATEMENT OF CASH FLOWS - INDIRECT METHOD  
FOR THE YEAR ENDED AUGUST 31, 2020**

|  | <b>2019</b>       |
|--|-------------------|
| <b>Cash Flows From Operating Expenses</b>        |                   |
| Change in net assets                             | \$ 8,443          |
| <b>Adjustments to reconcile Net assets</b>       |                   |
| Deferred Income- PPP Loan                        | 5,000             |
| Deferred Income- SBA Advance                     | 1,000             |
| Payroll Taxes                                    | 609               |
| <b>Net cash Provided by Operation Activities</b> | <b>15,052</b>     |
| <b>Investment Activities</b>                     |                   |
| Fidelity investment: Wells Fargo 2.800%          | 4,000             |
| Fidelity investment: Wells Fargo 2.55%           | 4,000             |
| Fidelity investment: Compass BK Birmingham       | 4,000             |
| <b>Net Cash provided by Investing activities</b> | <b>12,000</b>     |
| <b>Financing Activities</b>                      |                   |
| Note Payable - SBA                               | 43,500            |
| <b>Net Cash provided by Financing activities</b> | <b>43,500</b>     |
| <b>Net increase in cash</b>                      | <b>70,552</b>     |
| <b>Cash, beginning of year</b>                   | <b>35,599</b>     |
| <b>Cash, end of year</b>                         | <b>\$ 106,151</b> |

The accompanying disclosures are an integral part of the financial statements.



**NATIONAL CUED SPEECH ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2020**

**Note 1 – Organization and Summary of Significant Accounting Policies**

National Cued Speech Association (“the Organization”) was formed in Rockville, Maryland in 1982, as a not-for-profit organization, to serve the needs of parents and special educators working with children who are deaf and hearing impaired. The NCSA is primarily an advocacy organization and focuses on outreach, family and educator support, as well as community-based education in the form of cue camps and sponsored workshops. The NCSA also provides instructor certification for teaching cued speech classes.

***Basis of Accounting***

The accompanying financial statements have been prepared in accordance with standards for not-for-profit organizations adopted by the Financial Accounting Standards Board. They are stated on the accrual basis of accounting whereby expenses are recorded when incurred and donations are recorded when notice is received.

The Organization is governed by a volunteer Board of Directors who oversee the Organization’s operations. All directors are independent. Revenues to support the Organization are primarily received from donations of cash.

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

***Cash Equivalents***

NCSA considers temporary cash investments with a maturity date of three months or less when purchased to be cash equivalents. The carrying amount reported in the statements of financial position for cash and cash equivalents approximate their fair value.

***Contributions***

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

***Income Taxes***

The Internal Revenue Service has determined that NCSA is a tax-exempt organization under Internal Revenue Code section 501(c)(3); accordingly, no provision for income taxes has been reflected in the accompanying financial statements.

***Concentrations of Credit Risk***

The Organization has three bank accounts at a local bank. The accounts are insured, up to \$250,000 by the Federal Deposit Insurance Corporation. In addition, the Organization has a cash account in the amount of \$19,165 at Fidelity Investments. The Organization has not experienced any losses and believes it is not exposed to any significant credit risk on cash.

SEYMOUR J. WEINBERG  
CERTIFIED PUBLIC ACCOUNTANT

## Note 2 – Liquidity Management

NCSA’s financial assets available within one year of the balance sheet date for general expenditures are as follows:

|            |                   |
|------------|-------------------|
| Cash       | \$ 86,986         |
| Investment | <u>\$ 57,000</u>  |
| Total      | <u>\$ 143,986</u> |

The Organization has as goal to maintain cash on hand to meet sixty days of ordinary business expenses. The Organizations has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The cash at August 31, 2020 (\$86,986) is sufficient to cover all expenses for the year ended August 31, 2021. It is anticipated that there will be additional funding for the year ending August 31, 2021. The investment of \$57,000, which is liquid, can also be utilized as needed.

## Note 3 – Note Payable – Small Business Administration (SBA)

On July 23, 2020, the Organization borrowed \$43,000 from the SBA. The Note carries an interest rate of 2.75%. The Organization may prepay the note in full or in part at any time without notice or penalty. The Organization must pay interest and principal payments of \$186 per month beginning 12 months from the date of the note. The note is due and payable thirty (30) years from the date of the Note.

## Note 4 – Loan Payable – Payroll Protection Program (PPP)

The Organization has received a loan of \$5,000 from the PPP. Up to 100% of the loan can be forgiven as long as the loan provided is used to cover payroll and other specific costs. Employees and compensation records must be maintained.

## Note 5 – Investments

|                          |                  |       |             |
|--------------------------|------------------|-------|-------------|
| Goldman Sachs            | \$ 30,000        | 3.35% | Due 8/15/23 |
| Fidelity Total Bond Fund | 3,000            | 2.07% |             |
| Wells Fargo              | 4,000            | 2.45% | Due 5/3/21  |
| Wells Fargo              | <u>20,000</u>    | 3.00% | Due 8/16/21 |
|                          | <u>\$ 57,000</u> |       |             |

## Note 6 - Management Services

The fee for management services paid to Sarina Roffe Management Group was \$15,000 for the year ended August 31, 2020. The Management fee includes client services, arranging member accessibility, event planning, website updates, newsletter, marketing, exhibit, shipping, logistics, etc.

## Note 7 - Subsequent Events

NCSA has evaluated all subsequent events through January 4, 2021, which is the date the financial statements were available to be issued, and concluded no events or transactions occurred during the period requiring recognition or disclosure.