

FLORIDA CENTER FOR THE BLIND, INC.

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2010

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Florida Center for the Blind, Inc.

We have audited the accompanying statement of financial position of Florida Center for the Blind, Inc. (a nonprofit organization) as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Florida Center for the Blind, Inc. as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



March 1, 2011
Ocala, Florida

FLORIDA CENTER FOR THE BLIND, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2010

Assets

Current Assets

Cash and cash equivalents	\$	39,103
Grants receivable		38,146
Prepaid expenses		<u>6,915</u>

TOTAL CURRENT ASSETS 84,164

**Property and Equipment, at cost, net
of accumulated depreciation**

262,445

Other Assets

Investments		21,724
Deposits		<u>10,809</u>

TOTAL OTHER ASSETS 32,533

TOTAL ASSETS \$ 379,142

Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued expenses	\$	27,937
Loan payable - current portion		8,145
Credit line payable		<u>37,887</u>

TOTAL CURRENT LIABILITIES 73,969

Long-term Liabilities

Loan Payable		<u>143,952</u>
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TOTAL LIABILITIES 217,921

Net Assets

Unrestricted		139,497
Temporarily restricted		-
Permanently restricted		<u>21,724</u>

161,221

TOTAL LIABILITIES AND NET ASSETS \$ 379,142

Read accompanying notes

FLORIDA CENTER FOR THE BLIND, INC.
STATEMENT OF ACTIVITIES
For the year ended December 31, 2010

SUPPORT AND REVENUES	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
State contracts	\$ 488,359	\$ -	\$ 488,359
Contributions	23,981	-	23,981
Program fees	672	-	672
In-kind donations	78,960	-	78,960
Investment earnings	41	-	41
Net assets released from restriction	-	-	-
	<hr/>	<hr/>	<hr/>
Total Support and Revenues	592,013	-	592,013
	<hr/>	<hr/>	<hr/>
EXPENSES			
Program services	415,103	-	415,103
Fund raising	5,350	-	5,350
Management & general	143,763	-	143,763
	<hr/>	<hr/>	<hr/>
Total Expenses	564,216	-	564,216
	<hr/>	<hr/>	<hr/>
Change in Net Assets	27,797	-	27,797
Net Assets, Beginning of Year	111,700	21,724	133,424
	<hr/>	<hr/>	<hr/>
Net Assets, End of Year	\$ 139,497	\$ 21,724	\$ 161,221
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Read accompanying notes

FLORIDA CENTER FOR THE BLIND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2010

	PROGRAM SERVICES	SUPPORTING SERVICES FUND RAISING	MANAGEMENT & GENERAL	TOTAL
FUNCTIONAL EXPENSES				
Salaries and wages	\$ 140,540	\$ 1,262	\$ 96,332	\$ 238,134
Professional fees	-	-	6,218	6,218
Payroll taxes	10,546	179	7,150	17,875
Insurance	20,274	166	7,469	27,909
Interest expense	12,238	-	1,360	13,598
In-kind expenses	78,960	-	-	78,960
Fundraising expenses	-	3,743	-	3,743
Rent	61,213	-	6,801	68,014
Supplies	14,887	-	435	15,322
Maintenance	12,359	-	1,373	13,732
Utilities	7,944	-	883	8,827
Travel	23,533	-	717	24,250
Telephone	8,144	-	905	9,049
Miscellaneous expenses	4,351	-	11,885	16,236
Postage and printing	9,080	-	1,009	10,089
TOTAL FUNCTIONAL EXPENSES BEFORE DEPRECIATION	404,069	5,350	142,537	551,956
Depreciation	11,034	-	1,226	12,260
TOTAL FUNCTIONAL EXPENSES	\$ 415,103	\$ 5,350	\$ 143,763	\$ 564,216

Read accompanying notes

FLORIDA CENTER FOR THE BLIND, INC.
STATEMENT OF CASH FLOWS
For the year ended December 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 27,797
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Depreciation	12,260
(Increase) decrease in operating assets	
Grants receivable	(21,289)
Prepaid expenses	1,056
Increase (decrease) in operating liabilities	
Accounts payable and accrued expenses	<u>18,988</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	38,812
CASH FLOWS FROM INVESTING ACTIVITIES	
Equipment purchases	<u>(20,500)</u>
NET CASH USED BY INVESTING ACTIVITIES	(20,500)
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on loan	<u>(11,082)</u>
NET CASH USED BY FINANCING ACTIVITIES	(11,082)
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,230
BEGINNING CASH AND CASH EQUIVALENTS	<u>31,873</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ <u>39,103</u></u>

Read accompanying notes

FLORIDA CENTER FOR THE BLIND, INC.
Notes to Financial Statements
For the Year Ended December 31, 2010

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Florida Center for the Blind, Inc. (the Organization) is a not-for-profit organization, incorporated in the State of Florida on April 11, 1989. Its mission is to develop and administer programs for persons who are blind or suffering from severe visual impairments. The programs provide training, educational instruction, and social interaction activities. Funding for the Organization is derived from state grant contracts, contributions and program service fees.

Financial Statement Presentation

The financial statements of the organization have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles. In accordance with relevant standards, the net assets of the organization and changes therein are classified and reported as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may be fulfilled either by actions of the organization and/or the passage of time.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by the organization.

Recognition of Donor Restricted Contributions

In accordance with relevant standards, all contributions received or contributions pledged under an unconditional promise to give are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and/or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents consist of funds in four accounts. The organization considers cash in banks, cash on hand, and other highly liquid investments with an original maturity of three months or less to be cash and cash equivalents. All accounts are unprotected beyond the FDIC and SIPC limitations.

Investments

In conformity with relevant standards, investments in marketable securities with readily determinable fair value and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change of net assets.

FLORIDA CENTER FOR THE BLIND, INC.
Notes to Financial Statements
For the Year Ended December 31, 2010

Property and Equipment

Property and equipment are depreciated over the estimated useful lives of the respective assets on a straight-line basis. The useful lives for equipment approximate 5 to 10 years, and for buildings it is 40 years. Depreciation expense for the year ended December 31, 2010 was \$12,260.

Expense Allocation

Expenses are reported as direct program services and support services. Support services include fund raising and management and general. Each group is reported by functional expense category for their incurred or allocated expenses.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida laws. The Organization has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code and donors may deduct contributions as provided in Section 170 of the Code.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Donated Services and Materials

Donated items are reflected in the accompanying financial statements at estimated value at the date of receipt. Donated services are recorded when there is an objective basis available to measure the value of such services. A number of volunteers have donated significant amounts of their time to the Organization's programs.

Subsequent Events

The Organization has evaluated subsequent events and transaction for potential recognition or disclosure in the financial statements through March 1, 2011, the date the financial statements were available to be issued.

Note 2 – Grants Receivable

Receivables from the State of Florida Department of Education as of December 31, 2010 are summarized as follows:

Florida Division of Blind Services - Independent Living	\$ 12,279
Florida Division of Blind Services - Transition	13,600
Florida Division of Blind Services - Vocational Rehabilitation	8,077
Florida Division of Blind Services - Stimulus Funding	4,190
	<u>\$ 38,146</u>

FLORIDA CENTER FOR THE BLIND, INC.
Notes to Financial Statements
For the Year Ended December 31, 2010

Note 3 – Property and Equipment

Property and equipment consists of the following as of December 31, 2010:

Buildings	\$ 237,975
Equipment	122,639
Furniture and fixtures	52,214
Vehicles	48,004
Amortizable loan costs	1,169
	462,001
Less: Accumulated depreciation and amortization	(234,556)
Land	35,000
	\$ 262,445

Note 4 – Mortgage Payable

The Organization's debt as of December 31, 2010 is summarized as follows:

Mortgage payable to bank collateralized by real property, due in monthly payments of \$1,527 including interest at 6.9% fixed rate with a balloon payment due on March 6, 2013.	\$ 152,097
Less current portion	(8,145)
	\$ 143,952

Future maturities of mortgage debt are as follows:

Year ending December 31,	
2011	\$ 8,145
2012	8,725
2013	135,227
Total	\$ 152,097

Note 5 – Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following as of December 31, 2010:

Accounts payable	\$ 7,099
Accrued payroll	8,583
Accrued sick leave	4,923
Loan payable	7,332
	\$ 27,937

FLORIDA CENTER FOR THE BLIND, INC.
Notes to Financial Statements
For the Year Ended December 31, 2010

Note 6 – Concentration of Credit Risk

The Organization maintains its cash in commercial banks, which are insured by the Federal Deposit Insurance Company (FDIC) up to statutory limits. It also maintains a money market account with an investment company that is insured by the SIPC. As of December 31, 2010 all cash balances were fully insured.

Note 7 – Economic Dependency and Loss of Funding

Eighty-three percent (83%) of the Organization's revenue (excluding amounts recognized as in-kind donations) come from grant contracts with the State of Florida. The grants made to the Organization are at the discretion of the funding source.

The Organization conducts its operations in North Central Florida and is dependent on the region's economy for its other revenue.

Note 8 – Permanently Restricted Net Assets

In 1998, Florida Center for the Blind, Inc. received an initial deposit of \$10,000 to establish an endowment fund. Subsequent to that date, the Organization has received additional contributions to this fund. The principal balance and gains and losses related the purchase of investments in the fund are permanently restricted. Dividends and interest earnings derived from the fund are available for current operations. These contributions are invested in a money market account with a national investment company. As of December 31, 2010, that balance in the endowment fund is \$21,724.

Note 9 – Lease Commitments

On February 20, 2009, the Organization entered into a five year lease agreement for office space. The original base monthly rent is \$4,990 and will increase three percent (3%) each year for the lease term. Rent expense for the year ended December 31, 2010 was \$68,014.

Note 10 – Donated Services

The Organization received donated services that required specialized skills and would have had to be purchased if not donated. These donations were primarily for classroom instruction for independent living and adaptive skills activities. The fair value of these donations recognized in the accompanying statement of activities is \$78,960.

Note 11 - Supplemental Cash Flow Information

The Organization paid the following amounts for interest and income taxes for the year ended December 31, 2010:

Interest	<u>\$ 13,598</u>
Income Taxes	<u>\$ -</u>