

FLORIDA CENTER FOR THE BLIND, INC.

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2009

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# DAY & DAY, P.A.

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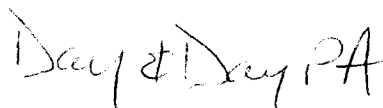
## INDEPENDENT AUDITORS' REPORT

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, 2009, 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, 2009, 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.



August 5, 2010  
Ocala, Florida

**FLORIDA CENTER FOR THE BLIND, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2009**

**Assets**

**Current Assets**

Cash and cash equivalents	\$	31,873
Grants receivable		16,857
Prepaid expenses		<u>7,971</u>

**TOTAL CURRENT ASSETS** 56,701

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

254,205

**Other Assets**

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

**TOTAL OTHER ASSETS** 32,533

**TOTAL ASSETS** \$ 343,439

**Liabilities and Net Assets**

**Current Liabilities**

Accounts payable and accrued expenses	\$	8,949
Loan payable - current portion		7,603
Credit line payable		<u>41,837</u>

**TOTAL CURRENT LIABILITIES** 58,389

**Long-term Liabilities**

Loan Payable		<u>151,626</u>
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**TOTAL LIABILITIES** 210,015

**Net Assets**

Unrestricted		111,700
Temporarily restricted		-
Permanently restricted		<u>21,724</u>
		<u>133,424</u>

**TOTAL LIABILITIES AND NET ASSETS** \$ 343,439

Read accompanying notes

**FLORIDA CENTER FOR THE BLIND, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the year ended December 31, 2009**

<b>SUPPORT AND REVENUES</b>	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
State contracts	\$ 256,105	\$ -	\$ 256,105
Contributions	35,264	-	35,264
Program fees	1,026	-	1,026
In-kind donations	103,088	-	103,088
Fundraising	2,184	-	2,184
Net profit from resale items	350	-	350
Investment earnings	109	-	109
United Way	5,624	-	5,624
Net assets released from restriction	-	-	-
	<hr/>	<hr/>	<hr/>
Total Support and Revenues	403,750	-	403,750
	<hr/>	<hr/>	<hr/>
<b>EXPENSES</b>			
Program services	350,081	-	350,081
Fund raising	21,841	-	21,841
Management & general	141,725	-	141,725
	<hr/>	<hr/>	<hr/>
Total Expenses	513,647	-	513,647
	<hr/>	<hr/>	<hr/>
Change in Net Assets	(109,897)	-	(109,897)
Net Assets, Beginning of Year	221,597	21,724	243,321
	<hr/>	<hr/>	<hr/>
Net Assets, End of Year	\$ 111,700	\$ 21,724	\$ 133,424
	<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, 2009

	<u>PROGRAM</u>		<u>SUPPORTING SERVICES</u>		<u>TOTAL</u>
	<u>SERVICES</u>	<u>RAISING</u>	<u>FUND</u>	<u>MANAGEMENT &amp; GENERAL</u>	
<b>FUNCTIONAL EXPENSES</b>					
Salaries and wages	\$ 92,940	\$ 3,302	\$	82,402	\$ 178,644
Professional fees	-	-	-	14,585	14,585
Employee benefits	4,066	157	-	3,597	7,820
Payroll taxes	9,188	354	-	8,128	17,670
Insurance	25,178	-	-	-	25,178
Interest expense	10,815	457	-	11,717	22,989
In-kind expenses	103,088	-	-	1,202	104,290
Fundraising expenses	-	17,571	-	-	17,571
Rent	26,115	-	-	2,902	29,017
Supplies	11,115	-	-	2,812	13,927
Maintenance	13,583	-	-	1,509	15,092
Utilities	11,581	-	-	1,287	12,868
Travel	4,936	-	-	3,681	8,617
Telephone	8,141	-	-	905	9,046
Miscellaneous expenses	7,528	-	-	4,576	12,104
Licenses and fees	1,109	-	-	123	1,232
Postage and printing	6,745	-	-	749	7,494
<b>TOTAL FUNCTIONAL EXPENSES BEFORE DEPRECIATION</b>	<u>336,128</u>	<u>21,841</u>	<u>140,175</u>	<u>15,503</u>	<u>498,144</u>
Depreciation	13,953	-	-	1,550	15,503
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>\$ 350,081</u>	<u>\$ 21,841</u>	<u>\$ 141,725</u>	<u>\$ 513,647</u>	<u>\$ 513,647</u>

Read accompanying notes

**FLORIDA CENTER FOR THE BLIND, INC.**  
**STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2009

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Decrease in net assets	\$ (109,897)
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Depreciation	15,503
(Increase) decrease in operating assets	
Grants receivable	(10,855)
Prepaid expenses	(3,971)
Deposits	(9,769)
Increase (decrease) in operating liabilities	
Accounts payable and accrued expenses	<u>(12,754)</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>(131,743)</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Equipment purchases	<u>(1,410)</u>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(1,410)</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Credit line borrowings	41,837
Payments on loan	<u>(6,925)</u>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>34,912</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(98,241)</b>
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<u>130,114</u>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u><u>\$ 31,873</u></u>

Read accompanying notes

**FLORIDA CENTER FOR THE BLIND, INC.**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2009**

**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, 2009**

**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, 2009 was \$15,503.

**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 August 5, 2010, 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, 2009 are summarized as follows:

Florida Division of Blind Services - Independent Living	\$ 12,667
Florida Division of Blind Services - Stimulus Funding	4,190
	<u>\$ 16,857</u>

**FLORIDA CENTER FOR THE BLIND, INC.**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2009**

**Note 3 – Property and Equipment**

Property and equipment consists of the following as of December 31, 2009:

Buildings	\$	237,975
Equipment		122,639
Furniture and fixtures		52,214
Vehicles		27,504
Amortizable loan costs		1,169
		441,501
Less: Accumulated depreciation and amortization		(222,296)
Land		35,000
		254,205
Net property and equipment	\$	254,205

**Note 4 – Mortgage Payable**

The Organization's debt as of December 31, 2009 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.	\$	159,229
Less current portion		(7,603)
		\$ 151,626

Future maturities of mortgage debt are as follows:

Year ending December 31,		
2010	\$	7,603
2011		8,145
2012		8,725
2013		134,756
Total		\$ 159,229

**Note 5 – Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses consist of the following as of December 31, 2009:

Accounts payable	\$	2,521
Accrued payroll		5,688
Payroll taxes payable		740
		\$ 8,949

**FLORIDA CENTER FOR THE BLIND, INC.**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2009**

**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, 2009 all cash balances were fully insured.

**Note 7 – Economic Dependency and Loss of Funding**

Eighty-five percent (85%) 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, 2009, 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, 2009 was \$26,017.

**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 \$103,088.

**Note 11 - Supplemental Cash Flow Information**

The Organization paid the following amounts for interest and income taxes for the year ended December 31, 2009:

Interest	<u>\$ 12,017</u>
Income Taxes	<u>\$ -</u>