

FLORIDA OUTREACH CENTER FOR THE BLIND, INC.
(a Non-Profit Corporation)

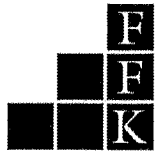
FINANCIAL STATEMENTS

DECEMBER 31, 2019

FRIEDMAN, FELDMESSER & KARPELES, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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FRIEDMAN, FELDMESSER & KARPELES, CPA, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Florida Outreach Center for the Blind, Inc.
Palm Springs, FL

We have audited the accompanying statement of financial position of Florida Outreach Center for the Blind, Inc. (A Not-for-Profit Corporation) as of December 31, 2019, and the related statements of activities and cash flows for the year then ended, and the 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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 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 Florida Outreach Center for the Blind, Inc. as of December 31, 2019, 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.

Friedman, Feldmesser & Karpeles, CPA, LLC
Jupiter, FL
July 2, 2020

FLORIDA OUTREACH CENTER FOR THE BLIND, INC.
(a Non-Profit Corporation)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS

Current Assets:	
Cash in Bank	\$ 300,461
Accounts Receivable	21,337
DBS Reimbursement Accrual	1,392
Prepaid Insurance	5,278
Total Current Assets	<u>328,468</u>
Property and Equipment, net of accumulated depreciation of \$37,281	<u>470,975</u>
TOTAL ASSETS	<u><u>\$ 799,443</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts Payable and Accrued Expenses	\$ 15,907
Total Current Liabilities	<u>15,907</u>
Net Assets:	
Without Donor Restrictions	730,094
With Donor Restrictions	<u>53,442</u>
TOTAL NET ASSETS	<u>783,536</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 799,443</u></u>

See accountants' audit report and accompanying footnotes.

FLORIDA OUTREACH CENTER FOR THE BLIND, INC.
(a Non-Profit Corporation)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>TOTAL</u>
Operating Activities:			
Grants	\$ 133,300	\$ 106,142	\$ 239,442
Contributions	17,348	-	17,348
Special Events:			
Dining in the Dark (net of expenses of \$8,550)	16,267	-	16,267
Other Revenues:			
Reimbursable Expense Revenue	9,192	-	9,192
Other Income	59	-	59
	<u>176,165</u>	<u>106,142</u>	<u>282,308</u>
Total Revenue and Support Before Releases			
Net Assets Released from Restrictions	<u>81,392</u>	<u>(81,392)</u>	<u>-</u>
EXPENSES			
Program Services	219,630	-	219,630
General and Administrative	21,258	-	21,258
	<u>240,888</u>	<u>-</u>	<u>240,888</u>
Total Expenses			
Change in Net Assets from Operating Activities	16,671	24,750	41,421
Net Assets - January 1, 2019	<u>713,423</u>	<u>28,692</u>	<u>742,115</u>
Net Assets - December 31, 2019	<u>\$ 730,094</u>	<u>\$ 53,442</u>	<u>\$ 783,536</u>

See accountants' audit report and accompanying footnotes.

FLORIDA OUTREACH CENTER FOR THE BLIND, INC.
(a Non-Profit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Activities	Supporting Activities	Total expenses
Salaries	\$ 96,128	\$ 7,161	\$ 103,289
Payroll Taxes	7,370	550	7,920
Total Salaries, Benefits and Taxes	103,497	7,711	111,208
Independent Contractor	22,669	-	22,669
Insurance	6,454	717	7,171
Fees	1,247	139	1,385
Legal and Professional fees	-	4,950	4,950
Dues and subscriptions	1,460	-	1,460
Office Expense	4,849	-	4,849
Payroll Processing fees	2,534	282	2,815
Payroll Exp. - Workers Comp	635	71	705
Program Supplies & Expenses	6,780	-	6,780
Promotion	1,112	124	1,236
Property Tax Expenses	531	59	590
Repairs and Maintenance	50,063	5,563	55,626
Taxes and Licenses	60	1	61
Telephone	1,260	140	1,400
Transportation Tickets	2,520	-	2,520
Travel	5,236	582	5,818
Utilities	3,564	347	3,911
Total Expenses Before Depreciation	214,470	20,684	235,154
Depreciation	5,160	573	5,734
Total Expenses	<u>\$ 219,630</u>	<u>\$ 21,258</u>	<u>\$ 240,888</u>

See accountants' audit report and accompanying footnotes.

FLORIDA OUTREACH CENTER FOR THE BLIND, INC.
(a Non-Profit Corporation)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

Cash Flows from Operating Activities	
Change in Net Assets	\$ 41,421
Adjustments to reconcile change in net assets to Net Cash from Operating Activities:	
Depreciation	5,734
Changes in:	
Accounts Receivable	(592)
DBS Reimbursement Accrual	(1,392)
Prepaid Insurance	(501)
Accounts Payable and Accrued Expenses	<u>10,707</u>
Net Cash Provided by Operating Activities	<u>55,377</u>
Cash Flows From Investing Activities	
Purchase of Property and Equipment	<u>(11,345)</u>
Net Cash (Used in) Investing Activities	<u>(11,345)</u>
Net Increase in Cash and Cash Equivalents	44,032
Cash and Cash Equivalents - January 1, 2019	<u>256,429</u>
Cash and Cash Equivalents - December 31, 2019	<u>\$ 300,461</u>

See accountants' audit report and accompanying footnotes.

FLORIDA OUTREACH CENTER FOR THE BLIND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – ORGANIZATION

Nature of the Organization

Florida Outreach Center for the Blind, Inc. (the "Organization") is a not-for-profit organization principally engaged as a resource center for visually impaired persons and is the only full-service training facility of its kind in Palm Beach County. The Center offers programs which teach blind individuals the skills necessary for daily living. The Organization is qualified as an exempt organization under Section 501 (c) (3) of the Internal Revenue Service and is not subject to federal income taxes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was January 1, 2019.

Financial Statement Presentation

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purpose from time to time.

Net Assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Contributions

Unconditional contributions and grants are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

FLORIDA OUTREACH CENTER FOR THE BLIND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions (cont'd)

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions and grants whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions and grants restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

Functional Allocation of Expenses

The costs of providing the various programs and services have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

Property and Equipment

Property and equipment purchased by the Organization are stated at cost. Donated property and equipment are stated at fair market value at the date of the donation. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent of donor stipulations regarding how long those donated or acquired assets are placed in service as instructed by the donor reclassifying temporarily restricted net assets to unrestricted net assets at that time. Those assets donated with donor stipulations regarding permanent restrictions for a certain use are included as permanently restricted.

Major additions which materially increase the value of the property are capitalized and depreciated over the life of the asset. Maintenance and repairs are charged to expense as incurred. Depreciation expense has been computed using the straight-line method over useful lives ranging from 3 to 5 years. The Organization follows the practice of capitalizing all expenditures for land, buildings, furniture and equipment in excess of \$500.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to Florida Outreach Center for the Blind, Inc's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be more of a unusual or nonrecurring nature.

FLORIDA OUTREACH CENTER FOR THE BLIND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and lack of consistency in the type of information provided about expenses and investment return. Florida Outreach Center for the Blind, Inc. has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Subsequent Events

The subsequent events have been evaluated through July 2, 2020, the date the financial statements were available to be issued.

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 and evaluate 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 revenues, support and expenses during the period. Actual results could differ from those estimates.

Income Taxes

The Organization is incorporated in the State of Florida as a nonprofit organization and has elected federal tax-exempt status under I.R.C. Section 501(c)(3). Therefore, no provision for income taxes has been made in the accompanying financial statements. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2017, 2018, and 2019 are subject to examination by the IRS, generally for three years after they are filed. As of December 31, 2019, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements

Grants and Deferred Support and Revenue

The Organization records the entire grant (if non-reimbursable) as accounts receivable when the grants are issued. Income from non-reimbursable grants is recorded when appropriate funds are spent. Income is recorded on the books as earned according to the terms specified in the grant. Grant funds with donor restrictions represent the amount of grants that have been received or committed but not yet earned (spent) in the current year. Reimbursable grants are recorded as the reimbursable expenses have been spent and submitted. Accounts Receivable represents amounts eligible for reimbursement not billed or collected yet.

**FLORIDA OUTREACH CENTER FOR THE BLIND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment are summarized by major classification as follows:

Buildings & Land	\$ 474,996
Furniture and fixtures	5,968
Office equipment	27,293
	<u>508,257</u>
Less accumulated depreciation	(37,281)
	<u><u>\$ 470,975</u></u>

NOTE 4 - GRANT REVENUE

Grants are subject to annual approval and periodic amendment and may require the fulfillment of certain conditions as set forth in the grant. Failure to fulfill the grant conditions could result in the return of the funds to grantors.

The following is a summary of grant revenues earned by grantor agency for the year ended December 31, 2019:

Florida Department of Education/Division of Blind Services	\$ 53,550
Walter and Adi Blum Foundation	25,000
Handicap Accessibility and Awareness	7,883
Quantum Foundation	36,840
William and Helen Thomas Charitable Trust	25,000
J. Milton and Nellie Hoffa Foundation	5,000
The Jorgensen Foundation	2,250
DBS Innovative Grant	8,039
Lost Tree Chapel	10,000
Lost Tree Foundation	29,880
The Ingersoll Family Charitable Gift Fund	5,000
The Batchelor Foundation, Inc.	10,000
TD Charitable Foundation	7,500
IBIS Charities Foundation	10,000
The Honda Classic Cares	3,500
	<u>239,442</u>
Total Grant Revenues	<u><u>\$ 239,442</u></u>

NOTE 5 – REAL ESTATE PURCHASE

During the year ended December 31, 2018, a grant was awarded in the amount of \$500,000 to be used for the purchase of the property and for additional renovations, reconfiguration, and/or operating costs at 2315 S. Congress Avenue in Palm Springs, Florida that the organization was leasing. \$465,000 of this grant was to be used for the property purchase and the remaining \$35,000 was to be used for renovations, reconfiguration and/or operating costs. During 2019, the Organization spent all remaining \$35,000 designated for additional renovations, reconfiguration, and/or operating costs. A total of \$500,000 of grant monies for the property purchase and for renovations, reconfiguration and/or operating costs have been utilized and released from restrictions at December 31, 2019.