

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

FINANCIAL STATEMENTS

DECEMBER 31, 2021

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, 2021, 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, 2021, 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
June 3, 2022

FLORIDA OUTREACH CENTER FOR THE BLIND, INC.
(a Non-Profit Corporation)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

Current Assets:	
Cash in Bank	\$ 430,052
Deposits on equipment	10,125
ERTC Receivable	18,454
Grants Receivable	21,125
Prepaid Insurance	<u>6,511</u>
Total Current Assets	486,267
Property and Equipment, net of Accumulated Depreciation of \$54,519	<u>462,421</u>
TOTAL ASSETS	<u>\$ 948,688</u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts Payable and Accrued Expenses	\$ <u>4,200</u>
Total Current Liabilities	<u>4,200</u>
Net Assets:	
Without Donor Restrictions	878,330
With Donor Restrictions	<u>66,158</u>
TOTAL NET ASSETS	<u>944,488</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 948,688</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, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>TOTAL</u>
Operating Activities:			
Grants	\$ 144,530	\$ 126,050	\$ 270,580
Contributions	19,665	-	19,665
Other Revenues:			
Reimbursable Expense Revenue	8,355	-	8,355
ERTC Tax Credit	18,454	-	18,454
PPP Loan Forgiveness	48,350	-	48,350
Total Revenue and Support Before Releases	<u>239,355</u>	<u>126,050</u>	<u>365,405</u>
Net Assets Released from Restrictions	<u>89,293</u>	<u>(89,293)</u>	<u>-</u>
EXPENSES			
Program Services	225,087	-	225,087
General and Administrative	13,050	-	13,050
Total Expenses	<u>238,137</u>	<u>-</u>	<u>238,137</u>
Change in Net Assets from Operating Activities	90,512	36,757	127,268
Net Assets - January 1, 2021	<u>787,819</u>	<u>29,401</u>	<u>817,220</u>
Net Assets - December 31, 2021	<u>\$ 878,330</u>	<u>\$ 66,158</u>	<u>\$ 944,488</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, 2021

	Program Activities	Supporting Activities	Total expenses
Salaries	\$ 134,706	\$ 7,161	\$ 141,867
Payroll Taxes	10,922	-	10,922
Total Salaries, Benefits and Taxes	145,628	7,161	152,789
Independent Contractor	27,347	-	27,347
Insurance	7,372	819	8,192
Fees	1,080	120	1,200
Legal and Professional fees	4,455	495	4,950
Miscellaneous Expenses	1,109	123	1,232
Dues and subscriptions	1,000	111	1,111
Meals and Entertainment	22	2	25
Office Expense	3,935	437	4,372
Payroll Processing fees	3,599	400	3,999
Payroll Exp. - Workers Comp	737	82	819
Program Supplies & Expenses	6,479	720	7,199
Promotion	880	98	978
Property Tax Expenses	527	59	585
Repairs and Maintenance	2,909	323	3,232
Supplies	15	2	16
Telephone	1,602	178	1,780
Transportation Tickets	5,765	641	6,405
Utilities	2,242	347	2,589
Total Expenses Before Depreciation	216,702	12,118	228,819
Depreciation	8,385	932	9,317
Total Expenses	\$ 225,087	\$ 13,050	\$ 238,137

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, 2021

Cash Flows from Operating Activities	
Change in Net Assets	\$ 127,268
Adjustments to reconcile change in net assets to Net Cash from Operating Activities:	
Depreciation	9,317
Forgiveness of SBA Payroll Protection Loan	(48,350)
Changes in:	
Grants Receivable	(8,949)
Deposits	(10,125)
ERTC Credit Receivable	(18,454)
Prepaid Insurance	(1,096)
Net Cash Provided by Operating Activities	<u>49,613</u>
Cash Flows From Financing Activities	
SBA Payroll Protection Loan	<u>26,350</u>
Net Cash Provided by Financing Activities	<u>26,350</u>
Cash Flows From Investing Activities	
Purchase of Property and Equipment	<u>(2,246)</u>
Net Cash (Used in) Investing Activities	<u>(2,246)</u>
Net Increase in Cash and Cash Equivalents	73,717
Cash and Cash Equivalents - January 1, 2021	<u>356,336</u>
Cash and Cash Equivalents - December 31, 2021	<u>\$ 430,052</u>

See accountants' audit report and accompanying footnotes.

FLORIDA OUTREACH CENTER FOR THE BLIND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021

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 an unusual or nonrecurring nature.

FLORIDA OUTREACH CENTER FOR THE BLIND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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 June 3, 2022, 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 2019, 2020, and 2021 are subject to examination by the IRS, generally for three years after they are filed. As of December 31, 2021, 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, 2021

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment are summarized by major classification as follows:

Buildings & Land	\$ 474,996
Furniture and Fixtures	14,652
Office Equipment	<u>27,293</u>
	516,940
Less: Accumulated Depreciation	<u>(54,519)</u>
	<u>\$ 462,421</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, 2021:

Boca Rio Golf Club	\$ 3,000
Community Foundation of Palm Beach and Martin County	5,000
Florida Department of Education/Division of Blind Services	72,030
Handicap Awareness	5,000
J. Milton and Nellie Hoffa Foundation	5,000
Lost Tree Village Charitable Foundation	13,550
Palm Beach County CARES Partnership for Aging	1,000
PBSO State LETF	5,000
Quantum Foundation	30,000
TD Charitable Foundation	5,000
The Batchelor Foundation, Inc.	15,000
The Honda Classic	3,500
The Ingersoll Family Charitable Fund	2,500
The Jim Moran Foundation	50,000
The Jorgensen Foundation	4,000
The MGM Family Foundation	1,500
The Walter and Barbara Bauke Foundation	2,000
The Wawa Foundation	2,500
The Weyenburg Charitable Trust	5,000
Walter and Adi Blum Foundation	15,000
William and Helen Thomas Charitable Trust	25,000
Total Grant Revenues	<u>\$ 270,580</u>

FLORIDA OUTREACH CENTER FOR THE BLIND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 – UNINSURED CASH BALANCES

The Organization maintains cash balances held in several accounts at one financial institution located in Palm Beach County, Florida. The accounts are insured at each institution by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2021, the Association had \$185,005 in excess of the insured limit. The Organization is currently in the process of taking measures to eliminate such excess and has not experienced any losses related to these uninsured balances.

NOTE 6 – COVID-19 PANDEMIC

The COVID-19 pandemic, whose effects first became known in January 2020, had a broad and negative impact on organizations and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The extent of the impact of COVID-19 on Florida Outreach Center for the Blind Inc.'s operational and financial performance was significant as the Organization was forced to shut down and have limited operations due to the pandemic.

Due to the adverse financial effects of COVID-19 on Florida Outreach Center for the Blind Inc.'s day-to-day operations, on April 20, 2020, the Organization received loan proceeds in the amount of \$22,000 under the Paycheck Protection Program ("PPP") administered by the Small Business Administration (SBA). The PPP was established as part of the Coronavirus Aid Relief and Economic Security Act ("CARES Act"). It provided loans to qualifying businesses up to 2.5 times of the average monthly payroll expense. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. In January 2021, the Organization received notice from the bank that their SBA PPP loan forgiveness request was approved for their first PPP loan taken out in April 2020. The bank received payment from the SBA inclusive of all accrued interest in the amount of \$22,167 and amounts remitted by the SBA to the bank paid the Organization's PPP loan in full.

Due to the continued adverse financial effects of COVID-19 on their day-to-day operations, in January 2021, the Organization took out a second draw PPP loan under CARES Act in the amount of \$26,350. Terms and conditions of the second draw PPP loan were the same as the Organization's first PPP loan taken out in April 2020. In September 2021, the Organization received notice from the bank that their SBA PPP loan forgiveness request was approved for their second PPP loan taken out in January 2021. The bank received payment from the SBA inclusive of all accrued interest in the amount of \$26,515 and amounts remitted by the SBA to the bank paid the Organization's PPP loan in full.

After receipt of both payments, the Organization's remaining SBA PPP loan balance is \$0. The Organization in anticipation that the loans would be forgiven, carried them on the books at principal (the net present value of the debt), until forgiven, with no accruals for interest. For the year-ended December 31, 2021, the Organization recognized \$48,350 of forgiven SBA PPP Loans as income, which represents all principal draws that the Organization made under the Paycheck Protection Program administered by the SBA.