

**Missouri Council of the Blind**

**Auditor's Report and Combined Financial Statements**

**For the year ended August 31, 2015**



**Missouri Council of the Blind**  
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**For the year ended August 31, 2015**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Missouri Council of the Blind, Inc.

We have audited the accompanying financial statements of Missouri Council of the Blind, Inc. (a nonprofit organization) which comprise the statement of financial position as of August 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year 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**

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

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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 Missouri Council of the Blind, Inc. as of August 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining statement of financial position and combining statement of activities on page 17 and 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves,

and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Nichols, Stopp, & VanHoy, LHC*

Creve Coeur, Missouri  
March 14, 2016

**Missouri Council of the Blind**  
**Combined Statement of Financial Position**  
**August 31, 2015**

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**Assets**

	<b>Total</b>
<b>Current Assets</b>	
Cash and cash equivalents	\$ 38,600
Accounts receivable	-
Inventory	523,514
Prepays and miscellaneous	23,975
<b>Total Current Assets</b>	<b>586,089</b>
<b>Noncurrent Assets</b>	
Property and equipment, net	315,851
Investments	3,346,940
Assets held in charitable lead trust	240,101
Beneficial interest in perpetual trust	1,465,748
<b>Total Noncurrent Assets</b>	<b>5,368,640</b>
<b>Total Assets</b>	<b>\$ 5,954,729</b>

**Liabilities and Net Assets**

<b>Current Liabilities</b>	
Accounts payable	\$ 12,596
Capital lease payable	907
Notes payable	17,765
Accrued liabilities	30,135
<b>Total Current Liabilities</b>	<b>61,403</b>
<b>Noncurrent Liabilities</b>	
Liability for funds held for others	166,333
Notes payable	12,074
<b>Total Noncurrent Liabilities</b>	<b>178,407</b>
<b>Total Liabilities</b>	<b>239,810</b>
<b>Net Assets</b>	
Unrestricted	4,249,171
Temporarily restricted	-
Permanently restricted	1,465,748
<b>Total Net Assets</b>	<b>5,714,919</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 5,954,729</b>

See Notes to the Combined Financial Statements

**Missouri Council of the Blind  
Combined Statement of Activities  
For the year ended August 31, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Revenues</b>				
Sales	\$ 754,463	\$ -	\$ -	\$ 754,463
Less: Cost of goods sold	(899,801)	-	-	(899,801)
	(145,338)	-	-	(145,338)
Contributions and memorials	752,580	-	-	752,580
Convention income	6,079	-	-	6,079
Summer camp	34,393	-	-	34,393
Member dues	9,190	-	-	9,190
Fundraising	3,258	-	-	3,258
Miscellaneous income	301	-	-	301
Investment income	108,487	-	-	108,487
Gain (loss) on investments, net	(189,767)	-	(100,593)	(290,360)
Net assets released from restriction	-	-	-	-
<b>Total Operating Revenues</b>	<u>\$ 579,183</u>	<u>\$ -</u>	<u>\$ (100,593)</u>	<u>\$ 478,590</u>
<b>Expenses</b>				
Program services	\$ 1,160,779	\$ -	\$ -	\$ 1,160,779
Management and general	83,233	-	-	83,233
Fundraising	16,775	-	-	16,775
<b>Total Expenses</b>	<u>\$ 1,260,787</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,260,787</u>
<b>Change in Net Assets</b>	<u>\$ (681,604)</u>	<u>\$ -</u>	<u>\$ (100,593)</u>	<u>\$ (782,197)</u>
<b>Net Assets - Beginning of Year</b>	<u>4,930,775</u>	<u>-</u>	<u>1,566,341</u>	<u>6,497,116</u>
<b>Net Assets - End of Year</b>	<u>\$ 4,249,171</u>	<u>\$ -</u>	<u>\$ 1,465,748</u>	<u>\$ 5,714,919</u>

See Notes to the Combined Financial Statements

**Missouri Council of the Blind  
Combined Statement of Functional Expenses  
For the year ended August 31, 2015**

	Program Services					Total
	Programs	Thrift Store	Program Services	Management and General	Fundraising	
Salaries and employee benefits	\$ 65,359	\$ 439,147	\$ 504,506	\$ 42,595	\$ 7,853	\$ 554,954
Donations and grants	16,005	-	16,005	-	-	16,005
Occupancy expense	10,234	202,795	213,029	6,670	1,230	220,929
Professional fees	15,245	15,285	30,530	9,936	1,832	42,298
Boards, committees, and dues	18,407	18,379	36,786	11,982	1,277	50,045
Program expense	120,038	-	120,038	-	1,973	122,011
Convention expenses	64,680	-	64,680	-	-	64,680
Summer camp	68,980	-	68,980	-	-	68,980
Insurance	1,829	12,618	14,447	1,192	220	15,859
Advertising	-	1,313	1,313	-	-	1,313
Store supplies and delivery	-	25,179	25,179	-	-	25,179
Depreciation and amortization	8,405	23,329	31,734	5,478	1,010	38,222
Other expense	8,252	25,300	33,552	5,380	1,380	40,312
<b>Total Expenses</b>	<b>\$ 397,434</b>	<b>\$ 763,345</b>	<b>\$ 1,160,779</b>	<b>\$ 83,233</b>	<b>\$ 16,775</b>	<b>\$ 1,260,787</b>

See Notes to the Combined Financial Statements



**Missouri Council of the Blind  
Combined Statement of Cash Flows  
For the year ended August 31, 2015**

	2015
<b>Cash Flows from Operating Activities:</b>	
Change in net assets	\$ (782,197)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	38,222
Net unrealized (gain) loss on investments	189,767
Changes in value of beneficial interest in perpetual trust	100,593
Changes in value of assets held in charitable lead trust	(1,792)
Changes in liability for funds held for others	3,291
(Increase) Decrease in operating assets:	
Accounts receivable	4,751
Prepaid expenses	(7,818)
Inventory	157,786
Increase (Decrease) in operating liabilities:	
Accounts payable	7,335
Accrued liabilities	(3,904)
<b>Net cash provided (used) by operating activities</b>	<b>(293,966)</b>
 <b>Cash Flows from Investing Activities</b>	
Purchase of property and equipment	(7,200)
Proceeds (purchases) of investments, net	339,457
<b>Net cash provided (used) by investing activities:</b>	<b>332,257</b>
 <b>Cash Flows from Financing Activities</b>	
Proceeds from note payable	-
Payments on note payable	(20,054)
<b>Net cash provided (used) by financing activities</b>	<b>(20,054)</b>
 <b>Net increase (decrease) in cash</b>	<b>\$ 18,237</b>
 <b>Cash and cash equivalents - Beginning of Year</b>	<b>20,363</b>
 <b>Cash and cash equivalents - End of Year</b>	<b>\$ 38,600</b>
 <b>Noncash Investing and Financing Activities:</b>	
None	
 <b>Supplemental Disclosure of Cash Flow Information:</b>	
Cash paid for interest	<b>\$ 1,088</b>

See Notes to the Combined Financial Statements

**Missouri Council of the Blind**  
**Notes to the Financial Statements**  
**For the year ended August 31, 2015**

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**Note 1 - Summary of Significant Accounting Policies**

This summary of significant accounting policies is presented to assist in understanding the Organization's financial statements. These accounting policies conform to U.S. generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Nature of Business

The purpose of the Missouri Council of the Blind ("the Council") is to promote the general well being of the legally blind people of Missouri, and to support or participate in other programs promoting the best interest of legally blind people everywhere. Various means by which these goals are accomplished include technology grants to qualifying individuals for specialized equipment, health benefits in the form of payments or reimbursements for qualifying expenses, special service programs to render help in emergency circumstances, summer camps, education of legislative bodies and mini-grants to teachers of visually-impaired children.

Financial Statement Presentation

The financial statements have been prepared using the accrual basis of accounting. Additionally, financial statement presentation follows the recommendation of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205, *Not for Profit Entities, Presentation of Financial Statements*. Under FASB ASC 958-205, the Missouri Council of the Blind is required to report information regarding its financial position and activities according to three classes of net assets - unrestricted, temporarily restricted and permanently restricted as follows:

*Unrestricted Net Assets* - Unrestricted net assets are not subject to donor imposed stipulations.

*Temporarily Restricted Net Assets* - Temporarily restricted net assets are those which are subject to donor-imposed stipulations that may or will be met by the actions of the Council and/or the passage of time.

*Permanently Restricted Net Assets* - Permanently restricted net assets are subject to donor-imposed stipulations that they be permanently retained by the Council. Generally, the donors of these assets permit the Council to use all or part of the income earned on related investments for general or specific purposes.

Revenue Recognition

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets are reported as increases or decreases in unrestricted net assets unless their use is restricted explicitly by donor stipulation or by law. Satisfaction of temporary restrictions on net assets, i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed, are reported as reclassifications to unrestricted net assets. Contributions received with donor-imposed or time restrictions that are met in the same year as received are reported as revenues of unrestricted net assets.

**Missouri Council of the Blind**  
**Notes to the Financial Statements**  
**For the year ended August 31, 2015**

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**Note 1 - Summary of Significant Accounting Policies (continued)**

Cash and Cash Equivalents

The Council considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Property and Equipment

Property and equipment are recorded at cost. Donated property and equipment are recorded as support at the estimated fair value on the date of donation, and reported as unrestricted support unless the donor has restricted the donated asset. 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 contributions. Absent donor stipulations regarding how long those assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Depreciation is computed on the straight-line method over the estimated useful lives of the assets, which range from 5-7 years for furniture, equipment and vehicles and 10-30 years for leasehold improvements and buildings. Major additions and betterments of \$1,000 or more that extend the useful lives of property and equipment are capitalized. General maintenance and repairs are charged to expense as incurred.

Investments

Investments, consisting primarily of cash and cash equivalents, mutual funds, bonds and certificates of deposit, with readily determinable market values, are measured at fair value as of year-end in the statement of financial position. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is recognized in the statement of activities and changes in net assets.

Compensated Absences

The Council has a formal paid time off and sick leave policy for employee benefits. Eligible employees are paid for time earned but not taken for vacation and sick leave at termination of employment. The accrued unpaid time off and sick leave as of August 31, 2015 is \$18,373.

Tax Status

The Council is a not-for-profit charitable organization which qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision for federal or state corporate income taxes has been made in the accompanying financial statements. The federal information tax returns of the Council, for the years 2015, 2014, 2013, and 2012, are subject to examination by the Internal Revenue Service for the statutory period, generally 3 years after they were filed.

**Missouri Council of the Blind**  
**Notes to the Financial Statements**  
**For the year ended August 31, 2015**

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**Note 1 - Summary of Significant Accounting Policies (continued)**

Inventories

Inventories consist of \$510,313 in donated retail products and \$13,201 in purchased retail products. Donated retail products are stated at their estimated fair value at the time of donation. Purchased retail products are stated at the lower of cost or market.

Management considers the estimate of donated inventories to be a critical accounting policy requiring extensive subjective judgment. Management based this estimate on historical experience and other assumptions believed to be reasonable under the circumstances. Actual results could differ from this estimate under different assumptions or conditions.

Functional Expenses

The cost of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited, and are subject to a certain degree of estimation by management. The method used by management to allocate functional expenses for the year ended August 31, 2015 differs from the prior year.

The Council, in fulfilling its mission, performs several programs and two supporting service functions.

Program Services:

*Retail Operations:* In December 2011, the Council started a thrift store in Southern Missouri in which used clothing, furniture, and household goods are sold at bargain prices. Activities of the related warehouse processing center include collecting, cleaning, and sorting donated merchandise. Activities of the warehouse also include the sale of donated items that are not suitable for sale in the retail stores.

*Summer Camp:* The purpose of the Summer Camp Program is to offer a rich experience of fun, recreation, relaxation and socialization to Missouri Council of the Blind (MCB) legally blind and sighted members as well as other legally blind citizens of Missouri who are not members of MCB.

*Convention:* The annual MCB Convention brings together our membership for seminars, workshops and presentations designed to improve the lives of the blind and visually impaired. Vendors and exhibitors display the latest technological aids for the blind, members display and sell arts and crafts, along with several social gatherings, awards banquet and youth banquet.

*Other Programs:* The Council provides a host of other programs to help improve the lives of visually-impaired and legally blind Missourians. These programs include the adaptive technology grant program, educational scholarships program, health benefits program, special services program, and youth services program.

**Missouri Council of the Blind**  
**Notes to the Financial Statements**  
**For the year ended August 31, 2015**

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**Note 1 - Summary of Significant Accounting Policies (continued)**

Functional Expenses (continued)

Supporting Services:

*Management and General:* Includes all costs not identifiable with a single program or fundraising activity, but are an integral part of such programs and activities and the Council's existence.

*Fundraising:* Activities performed for the generation of funds to support programs and management operations.

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 a number of estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note 2 - Investments**

Investments are stated at fair value and at August 31, 2015 consist of the following:

	<u>Fair Value</u>
Cash and cash equivalents	\$ 129,844
Fixed income	343,137
Equity securities	929,071
Alternative investments	200,989
Mutual funds/ETF'S	<u>1,743,899</u>
Total	<u>\$ 3,346,940</u>

Investment income for the year ended August 31, 2015 consists of the following:

Interest and dividends	\$ 68,652
Perpetual trust income	72,500
Investment fees	<u>(32,665)</u>
Total	<u>\$ 108,487</u>

**Note 3 - Fair Value of Financial Instruments**

In determining fair value, the Council uses various approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

**Missouri Council of the Blind**  
**Notes to the Financial Statements**  
**For the year ended August 31, 2015**

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**Note 3 - Fair Value of Financial Instruments (continued)**

The fair value measurement framework establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The framework defines levels within the hierarchy based on the reliability of inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets

Level 2 - Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets

Level 3 - Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions

A description of valuation methodologies used for instruments measured at fair value and their classification in the valuation framework follows:

Investments

The Council's investments are held in accounts with Raymond James and U.S Bank. The fair value of these investments is readily available and is based upon market value. Equity securities and government issued securities listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year-end. Such securities are classified within Level 1 of the valuation hierarchy.

Beneficial Interest in Trust and Assets Held in Trust

The value of the beneficial interest agreement is recorded at the fair value of the investments which are held by third-party trustees and then adjusted for the Council's interest in the assets. The value of the assets held in charitable lead trust are recorded at the fair value of the investments which are held by the Council at Wells Fargo. These trusts are classified within Level 2 of the valuation hierarchy, within the fair value measurement framework.

Inventories

Inventories, consisting of donated retail products, are stated at their estimated fair value at the time of donation, which is Level 3 within the fair value measurement framework.

**Missouri Council of the Blind**  
**Notes to the Financial Statements**  
**For the year ended August 31, 2015**

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**Note 3 - Fair Value of Financial Instruments (continued)**

The following table presents assets measured at fair value by classification within the fair value hierarchy as of August 31, 2015:

	Fair Value Measurements			Total
	Level 1	Level 2	Level 3	
Cash and cash equivalents	\$ 129,844	\$ -	\$ -	\$ 129,844
Fixed income	343,137	-	-	343,137
Equity securities	929,071	-	-	929,071
Alternative investments	200,989	-	-	200,989
Mutual funds	1,743,899	-	-	1,743,899
Assets held in charitable lead trust	-	240,101	-	240,101
Beneficial interest in perpetual trust	-	1,465,748	-	1,465,748
Inventories	-	-	523,514	523,514
Total	<u>\$ 3,346,940</u>	<u>\$ 1,705,849</u>	<u>\$ 523,514</u>	<u>\$ 5,576,303</u>

The following table provides further details of the Level III fair value measurements:

<u>Inventories</u>	<u>Balance</u>
Balance at August 31, 2014	\$ 681,300
Donated and purchased items	742,015
Cost of goods sold	(899,801)
Balance at August 31, 2015	<u>\$ 523,514</u>

**Note 4 - Beneficial Interest in Assets Held in Trust**

The Council has a 5% interest in an irrevocable perpetual trust administered by a third party which was established by a donor and became effective after death. The Council has the irrevocable right to receive 5% of the income from the trust's assets in perpetuity. However, the Council will never receive its interest in the principal of the trust's assets.

An asset for the trust has been recognized at the lesser of the present value of the expected future cash flow payments discounted at a rate of 2.2% or 5% of the underlying assets of the trust. At August 31, 2015, 5% of the underlying assets represents the Council's share of the fair market value of the trust principal. The decrease of \$100,593 in the value of the trust has been reported in the statement of activities as an decrease in permanently restricted net assets. Unrestricted income produced by the trust for the year ended August 31, 2015 was \$72,500, and is reported in the Statement of Activities.

**Missouri Council of the Blind**  
**Notes to the Financial Statements**  
**For the year ended August 31, 2015**

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**Note 5 - Interest in Charitable Lead Trust**

During 2013, a donor established a trust naming the Council as the lead beneficiary and trustee of a charitable lead trust. Under terms of the split-interest agreement, the Organization is to receive all the income of the trust annually for the care of blind Missourians, for a period of 20 years. After the 20 year period, the trust is to terminate, and remaining trust assets are to be distributed to others. The amount due to others in 20 years, has been estimated based on the present value of the amount due in 20 years, using a 2% discount rate. Based on the present value of its expected future cash inflows using a 2% discount rate, the contribution to the Council was estimated to be \$78,522, which was recorded in 2013 as a temporarily restricted contribution. On an annual basis, the Organization will revalue the contribution based on current market conditions.

**Note 6 - Property and Equipment**

The property and equipment at August 31, 2015 is comprised of the following:

	Amount
Building	\$ 262,651
Automobiles	69,799
Furniture and fixtures	50,372
Leasehold improvements	118,408
Equipment	39,378
Land	27,060
Software	7,995
	\$ 575,663
Accumulated depreciation	(259,812)
	\$ 315,851

Depreciation and amortization expense was \$38,222 for the year ended August 31, 2015.

**Note 7 - Lease Commitments**

Operating Lease

The Council entered into a three year lease agreement for the thrift store that commenced December 1, 2011 and expired November 30, 2014 with a monthly rent payment of \$8,500 and estimated monthly common area expenses of \$3,683. This lease was amended in March of 2014 to extend the expiration date until November 30, 2019. Rent expense for the year ending August 31, 2015 was \$167,981, which included allocation of taxes, insurance, and common area expenses.



**Missouri Council of the Blind**  
**Notes to the Financial Statements**  
**For the year ended August 31, 2015**

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**Note 7 - Lease Commitments (continued)**

Future minimum payments under this operating lease consist of the following:

Year ending August 31,	Amount
2016	148,356
2017	148,356
2018	148,356
2019	148,356
2020	36,549
	\$ 629,973

Capital Lease

The Council leases a phone system from the Lease Corporation of America under a capital lease. The economic substance of the lease is that the Council is financing the acquisition of the assets through the lease, and, accordingly, it is recorded in the Council's assets and liabilities.

The following is an analysis of the leased assets included in property and equipment:

Phone equipment	\$ 7,021
Less: Accumulated depreciation	(1,755)
Phone equipment, net	\$ 5,266

The lease agreement contains a bargain purchase option at the end of the lease term.

The following is a schedule by years of future minimum payments required under the lease together with their present value as of August 31, 2015:

Year ending August 31,	Amount
2016	929
Less: Amount representing interest	(22)
Present value of minimum lease payments	\$ 907

Amortization of assets held under capital leases is included with depreciation expense.

**Missouri Council of the Blind**  
**Notes to the Financial Statements**  
**For the year ended August 31, 2015**

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**Note 8 - Notes Payable**

The Council's obligation under notes payable consists of the following:

The Council has a vehicle note payable in monthly installments of \$1,529 including interest at a rate of 2.70% per annum. The note will mature in April 2017 and is collateralized by the title of the vehicle.

\$ 29,839

The future schedule maturities of long-term debt are as follows:

Year ending August 31,	Principal	Interest	Total
2016	17,765	589	18,354
2017	12,074	130	12,204
	<u>\$ 29,839</u>	<u>\$ 719</u>	<u>\$ 30,558</u>

**Note 9 - Restricted Net Assets**

Permanently restricted net assets, which are restricted for investment in perpetuity by the donor, as of August 31, 2015 are as follows:

Beneficial interest in assets held in trust:

Council operations

\$ 1,465,748

**Note 10 - Subsequent Events**

The Council has evaluated events subsequent to August 31, 2015 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through March 14, 2016, the date the financial statements were available to be issued.

As of November 1, 2015, the MCB Thrift Store is no longer part of the operations of the Missouri Council of the Blind. The Thrift Store is a separate legal entity tax exempt under Section 501(c)(3) of the Internal Revenue Code. We are unable to estimate what effect the separation will have on the financial statements of Missouri Council of the Blind.

## **Supplemental Information**

**Missouri Council of the Blind**  
**Combining Statement of Financial Position**  
**August 31, 2015**

	<b>Assets</b>			
	St. Louis	Thrift Store	Eliminations	Total
<b>Current Assets</b>				
Cash and cash equivalents	\$ 22,514	\$ 16,086	\$ -	\$ 38,600
Accounts receivable	-	-	-	-
Inventory	-	523,514	-	523,514
Prepays and miscellaneous	312	23,663	-	23,975
<b>Total Current Assets</b>	<u>22,826</u>	<u>563,263</u>	-	<u>586,089</u>
<b>Noncurrent Assets</b>				
Property and equipment, net	197,261	118,590	-	315,851
Investments	3,346,940	-	-	3,346,940
Assets held in charitable lead trust	240,101	-	-	240,101
Beneficial interest in perpetual trust	1,465,748	-	-	1,465,748
<b>Total Noncurrent Assets</b>	<u>5,250,050</u>	<u>118,590</u>	-	<u>5,368,640</u>
<b>Total Assets</b>	<u>\$ 5,272,876</u>	<u>\$ 681,853</u>	<u>\$ -</u>	<u>\$ 5,954,729</u>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 3,392	\$ 9,204	\$ -	\$ 12,596
Capital lease payable	907	-	-	907
Notes payable	-	17,765	-	17,765
Accrued liabilities	13,875	16,260	-	30,135
<b>Total Current Liabilities</b>	<u>18,174</u>	<u>43,229</u>	-	<u>61,403</u>
<b>Noncurrent Liabilities</b>				
Liability for funds held for others	166,333	-	-	166,333
Notes payable	-	12,074	-	12,074
<b>Total Noncurrent Liabilities</b>	<u>166,333</u>	<u>12,074</u>	-	<u>178,407</u>
<b>Total Liabilities</b>	184,507	55,303	-	239,810
<b>Net Assets</b>				
Unrestricted	3,622,621	626,550	-	4,249,171
Temporarily restricted	-	-	-	-
Permanently restricted	1,465,748	-	-	1,465,748
<b>Total Net Assets</b>	<u>5,088,369</u>	<u>626,550</u>	-	<u>5,714,919</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 5,272,876</u>	<u>\$ 681,853</u>	<u>\$ -</u>	<u>\$ 5,954,729</u>

See Notes to the Combined Financial Statements

**Missouri Council of the Blind  
Combining Statement of Activities  
For the year ended August 31, 2015**

	St. Louis			Thrift Store			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Eliminations	Total
<b>Operating Revenues</b>							
Sales	\$ -	\$ -	\$ -	\$ -	\$ 754,463	\$ -	\$ 754,463
Less: Cost of goods sold	-	-	-	-	(899,801)	-	(899,801)
	-	-	-	-	(145,338)	-	(145,338)
Contributions and memorials	10,545	-	-	10,545	874,142	(132,107)	752,580
Convention income	6,079	-	-	6,079	-	-	6,079
Summer camp	34,393	-	-	34,393	-	-	34,393
Member dues	9,190	-	-	9,190	-	-	9,190
Fundraising	3,258	-	-	3,258	-	-	3,258
Miscellaneous income	301	-	-	301	-	-	301
Investment income	108,487	-	-	108,487	-	-	108,487
Gain (loss) on investments, net	(189,767)	-	(100,593)	(290,360)	-	-	(290,360)
Net assets released from restriction	-	-	-	-	-	-	-
<b>Total Operating Revenues</b>	(17,514)	-	(100,593)	(118,107)	728,804	(132,107)	478,590
<b>Operating Expenses</b>							
Salaries and employee benefits	115,807	-	-	115,807	439,147	-	554,954
Donations and grants	148,112	-	-	148,112	-	(132,107)	16,005
Occupancy expense	18,134	-	-	18,134	202,795	-	220,929
Professional fees	27,013	-	-	27,013	15,285	-	42,298
Boards, committees, and dues	31,666	-	-	31,666	18,379	-	50,045
Program expense	122,011	-	-	122,011	-	-	122,011
Convention expenses	64,680	-	-	64,680	-	-	64,680
Summer camp	68,980	-	-	68,980	-	-	68,980
Insurance	3,241	-	-	3,241	12,618	-	15,859
Advertising	-	-	-	-	1,313	-	1,313
Store supplies and delivery	-	-	-	-	25,179	-	25,179
Depreciation and amortization	14,893	-	-	14,893	23,329	-	38,222
Other expense	15,012	-	-	15,012	25,300	-	40,312
<b>Total Operating Expenses</b>	629,549	-	-	629,549	763,345	(132,107)	1,260,787
<b>Change in Net Assets</b>	\$ (647,063)	\$ -	\$ (100,593)	\$ (747,656)	\$ (34,541)	\$ -	\$ (782,197)
<b>Net Assets - Beginning of Year</b>	4,269,684	-	1,566,341	5,836,025	661,091	-	6,497,116
<b>Net Assets - End of Year</b>	<u>\$ 3,622,621</u>	<u>\$ -</u>	<u>\$ 1,465,748</u>	<u>\$ 5,088,369</u>	<u>\$ 626,550</u>	<u>\$ -</u>	<u>\$ 5,714,919</u>

See Notes to the Combined Financial Statements