

OSCEOLA COUNTY HISTORICAL SOCIETY, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

WITH AUDITOR'S REPORT HEREIN

TABLE OF CONTENTS

	Page
Statement of Financial Position	4
Statement of Activities	5
Statement of Cash Flows	6
Statement of Functional Expenses	7
Notes to Financial Statements	8

**Christian Business Services PA
Certified Public Accountants
801 International Parkway, Suite 5064
Lake Mary, FL 34741
407-562-1155**

Independent Auditor's Report

Board of Directors
Osceola County Historical Society, Inc.
750 N Bass Road
Kissimmee, FL 34746

I have audited the accompanying Statement of Financial Position of Osceola County Historical Society, Inc. as of September 30, 2009 and 2010 and the Statement of Functional Expenses, Statement of Cash Flows, and the related Statement of Activities for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Osceola County Historical Society, Inc. as of September 30, 2009 and 2010 and the results of its operations for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

December 21, 2010

Christian Business Services PA

Osceola County Historical Society, Inc.
Statement of Financial Position
Years Ended September 30, 2009 and 2010

ASSETS	2009	2010
Current Assets		
Cash	\$ 181,795	\$ 172,988
Petty Cash	141	180
Accounts Receivable	550	0
Prepaid Expenses	<u>0</u>	<u>1,430</u>
Total current assets	<u>182,486</u>	<u>174,598</u>
Property and Equipment		
Land	81,897	81,897
Building	293,110	293,110
Furniture and Fixtures	105,750	121,527
Accumulated Depreciation	<u>(295,412)</u>	<u>(310,358)</u>
Total Property and Equipment	<u>185,345</u>	<u>186,176</u>
Total Assets	<u>\$ 367,831</u>	<u>\$ 360,774</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Unearned Revenue	<u>\$ 120</u>	<u>\$ 690</u>
Total Liabilities	<u>120</u>	<u>690</u>
Net Assets		
Unrestricted	367,711	360,084
Temporarily Restricted	0	0
Restricted	<u>0</u>	<u>0</u>
Total Net Assets	<u>367,711</u>	360,084
Total Liabilities and Net Assets	<u>\$ 367,831</u>	<u>\$ 360,774</u>

Osceola County Historical Society, Inc.
Statement of Activities
Years Ended September 30, 2009 and 2010

Changes in Unrestricted Net Assets	2009	2010
Revenues, Grants and Other Support		
Contributions & Fundraising	\$ 57,417	\$ 43,990
Interest Income	2,022	1,361
Grant Income	<u>184,325</u>	<u>111,836</u>
Total Revenue, Grants and Other Support	<u>243,764</u>	<u>157,187</u>
Expenses		
Programs	72,672	71,982
General and Administrative	<u>113,148</u>	<u>92,832</u>
Total Expenses	<u>185,821</u>	<u>164,814</u>
Total Change in Unrestricted Net Assets	<u>\$ 57,943</u>	<u>(\$ 7,627)</u>
Changes in Temporarily Restricted Assets	0	0
Changes in Restricted Assets	0	0
Net Assets Beginning of Year	<u>\$ 309,768</u>	<u>\$ 367,711</u>
Prior Period Adjustments		
Net Assets End of Year	<u>\$ 367,711</u>	<u>\$ 360,084</u>

Osceola County Historical Society, Inc.
Statement of Cash Flows
Years Ended September 30, 2009 and 2010

Cash Flows from Operating Activities	2009	2010
Changes in Net Assets	\$ 57,943	(\$ 7,627)
Adjustments to Reconcile Changes in Net Assets to Net Cash Used by Operating Activities		
Depreciation	12,984	14,946
(Increase) Decrease in Assets		
Accounts Receivable	4,795	550
Prepaid Expenses	0	(1,430)
Increase (Decrease) in Liabilities		
Unearned Revenue	120	570
Payroll Tax Payable	<u>(2,190)</u>	<u>0</u>
Net Cash Provided by Operating Activities	73,652	7,009
 Cash Flows from Investing Activities		
Purchase of Equipment and Building Improvements	<u>(51,995)</u>	<u>(15,777)</u>
Net Cash Used by Investing Activities	<u>(51,995)</u>	<u>(15,777)</u>
 Cash Flows from Financing Activities		
	0	0
Net Increase (Decrease) in Cash	21,657	(8,768)
Cash at Beginning of Year	<u>160,279</u>	<u>181,936</u>
Cash at End of Year	<u>\$ 181,936</u>	<u>\$ 173,168</u>

Osceola County Historical Society, Inc.
Statement of Functional Expenses
Years Ended September 30, 2009 and 2010

	Programs	General and Administrative	Total Expenses
Payroll and Related Expenses	\$ 24,671	\$ 58,960	\$ 83,631
Accounting & Audit Services	0	1,500	1,500
Advertising Expense	17,401	0	17,401
Pioneer Center Supplies	627	1,498	2,125
Depreciation and Amortization	4,409	10,537	14,946
Fund Raising Expense	2,268	5,420	7,688
Insurance	1,131	2,702	3,833
Direct Program Expenses	16,364	0	16,364
Dues and Subscriptions	293	702	995
Meetings and Retreats	299	714	1,013
Postage & Printing	268	640	908
Professional Services	190	454	644
Travel	483	1,155	1,638
Equipment Maintenance	858	2,050	2,908
Telephone	970	2,319	3,289
Utilities	<u>1,750</u>	<u>4,181</u>	<u>5,931</u>
 Total Functional Expenses	 <u>\$ 71,982</u>	 <u>\$ 92,832</u>	 <u>\$ 164,814</u>

Notes to Financial Statements Osceola County Historical Society, Inc.

Summary of Significant Accounting Policies

Organization and Purpose

Osceola County Historical Society, Inc. was incorporated in the State of Florida on April 23, 1984, with a mission to preserve Osceola County's rich past while sharing it with residents and visitors. It is a not-for-profit corporation for the purpose of collecting, arranging, restoring and preserving historical artifacts of Osceola County.

Basis of Accounting

Osceola County Historical Society, Inc. follows standards of accounting and financial reporting prescribed for voluntary health and welfare agencies. It uses the accrual basis of accounting, which recognizes revenue when earned and expenses as incurred. Local grants are recorded as support when performance occurs under the terms of the grant agreement.

The costs of providing the various programs and other activities have been detailed in the Statement of Functional Expenses and summarized on a functional basis in the Statement of Activities. Expenses that are associated with a specific program are charged directly to that program. Expenses that benefit more than one program are allocated to the various programs based on a relative benefit provided.

Promises to Give

Contributions are recognized when the donor makes a promise to give the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based in prior years' experience and management's analysis of specific promises made. No allowance has been provided for in 2010.

Property and Depreciation

Osceola County Historical Society, Inc. follows the practice of capitalizing all expenditures for equipment in excess of \$500, or if donated, at fair market value at the date of acquisition. Uses of operating funds for acquisitions and principal debt service payments are accounted for as transfers to the equipment fund.

Proceeds from the sale of fixed assets, if unrestricted, are transferred to operating fund balances, or if restricted, to defer amounts restricted for plant acquisitions. Depreciation expense for assets is calculated on an accelerated cost recovery system over the assets' estimated useful lives.

Property and Equipment

Property and Equipment as of September 30, 2010 is as follows:

Buildings and Improvements	\$293,110
Land	81,897
Equipment	121,527
	<hr/>
	496,534
	<hr/>
Less: Accumulated	(310,358)
	<hr/>
Property and Equipment, Net	\$186,176
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Depreciation expense for the year ended September 30, 2010 was \$14,946.

Exhibits and Artifacts

A substantial portion of the Society's exhibits and artifacts are items which have been donated, but for which no value has been assigned. The society has elected to exercise the option to not capitalize the items that meet the definition on "collections" as prescribed by accounting principles generally accepted in the United States of America. Therefore, the fair value of donated exhibits and artifacts is not reflected in the accompanying financial statements.

Income Taxes

The Organization has been granted an exemption from income taxes under Internal Revenue Code, Section 501(C) (3) as a non-profit corporation.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Estimates

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

Certificates of Deposits

Osceola County Historical Society, Inc. had no active Certificate of Deposit at September 30, 2010.