

**RECAPTURING THE VISION INTERNATIONAL, INC.**

**MIAMI, FLORIDA**

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**INDEPENDENT AUDITORS'**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE**

**REPORTS ON COMPLIANCE**

**REPORT ON INTERNAL CONTROLS STRUCTURE**

**Year Ended March 31, 2006 and 2005**

2006 OCT 11 11 100 2007  
W.B. KOON & CO.  
CERTIFIED PUBLIC ACCOUNTANTS

**W. B. Koon & Co.**  
**Certified Public Accountants**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Recapturing The Vision International, Inc.  
Miami, Florida

We have audited the accompanying statement of financial position of Recapturing The Vision International, Inc., (a nonprofit organization) as of March 31, 2006 and 2005, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of Recapturing The Vision International, Inc.'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, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those 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 the overall financial statement presentation. We believe that 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 Recapturing The Vision International, Inc., at March 31, 2006 and 2005, and the changes in net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 9, 2006, on our consideration of Recapturing The Vision International, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.



North Miami Beach, Florida  
August 9, 2006

**RECAPTURING THE VISION INTERNATIONAL, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**March 31.**

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**ASSETS**

	<u>2006</u>	<u>2005</u>
Cash	\$387,244	\$491,322
Grants receivable	210,506	169,164
Other receivable	-	9,649
Prepaid expenses	8,404	10,373
Furniture and equipment	147,782	143,057
Accumulated depreciation	(97,342)	(77,111)
<b>TOTAL ASSETS</b>	<u>\$656,594</u>	<u>\$746,454</u>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	\$ <u>21,405</u>	\$ <u>11,158</u>
<b>TOTAL LIABILITIES</b>	21,405	11,158
<b>Unrestricted net assets</b>	<u>635,189</u>	<u>735,296</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$656,594</u>	<u>\$746,454</u>

**READ ACCOMPANYING NOTES**

**STATEMENT OF ACTIVITIES**  
**For The Year Ended March 31.**

**CHANGES IN UNRESTRICTED NET ASSETS**

**SUPPORT AND REVENUE:**

	<u>2006</u>	<u>2005</u>
<b>Support and Revenue</b>		
<b>State of Florida</b>		
Department of Health	\$768,709	\$768,709
<b>Miscellaneous grants and revenue</b>	241,420	241,420
<b>Contributions</b>	6,071	6,071
<b>In-kind services</b>	<u>317,747</u>	<u>185,251</u>
<b>Total Support and Revenue</b>	<u>1,283,286</u>	<u>1,201,451</u>
<b>EXPENSES:</b>		
<b>Program service</b>		
Prevention	975,140	1,039,802
Case Management	10,985	-
Vision Academy	<u>327,727</u>	<u>222,611</u>
<b>Total program services</b>	<u>1,313,852</u>	<u>1,262,413</u>
<b>Supporting services</b>		
General Administrative	<u>69,541</u>	<u>113,992</u>
<b>TOTAL EXPENSES</b>	<u>1,383,393</u>	<u>1,376,405</u>
Change in net assets	(100,107)	(174,954)
<b>NET ASSETS</b>		
<b>BEGINNING OF YEAR</b>	<u>735,296</u>	<u>910,250</u>
<b>END OF YEAR</b>	<u>\$635,189</u>	<u>\$735,296</u>

**READ ACCOMPANYING NOTES**

**STATEMENT OF REVENUE AND FUNCTIONAL EXPENSES**  
**For The Year Ended March 31, 2006**

	<u>Program Services</u>				<u>Total</u>	
	<u>Prevention</u>	<u>Case Management</u>	<u>Vision Academy</u>	<u>Management &amp; General</u>	<u>2006</u>	<u>2005</u>
	<b>REVENUE</b>					
State of Florida	\$403,256	\$ 16,859	\$ 48,522	\$ -	\$ 468,637	\$855,818
Miami-Dade County	80,591	-	-	-	-	64,690
Children's Trust	167,993	-	-	-	161,081	-
Dade County School Board	-	-	157,634	-	157,634	89,621
Florida Pregnancy	9,765	-	-	-	9,765	-
Community Health of South Dade	-	58,163	-	-	58,163	-
In Kind	317,747	-	-	-	317,747	185,251
Contributions and other revenue	-	-	1,106	21,651	22,757	6,071
<b>Total revenue</b>	<b>979,352</b>	<b>75,022</b>	<b>207,262</b>	<b>21,651</b>	<b>1,283,287</b>	<b>1,201,451</b>
Payroll and benefits	220,386	871	239,979	8,822	470,058	461,426
Professional fees	14,840	-	10,773	10,158	35,771	40,544
Contract services	1,220	100	3,035	-	4,355	834
Advertising and Public Relations	3,706	180	871	2,036	6,793	21,907
Lunch	-	-	16,364	-	16,364	16,364
Office expenses	6,077	183	1,448	-	7,708	13,822
Office supplies	5,287	-	2,421	1,207	8,915	17,160
Rent	73,183	-	35,323	-	108,506	119,888
Telephone	10,733	276	48	126	11,183	16,963
Maintenance	595	-	1,009	465	2,069	4,124
Travel/Transportation	8,055	169	2,123	13,000	23,347	36,348
Printing and postage	4,497	-	309	373	5,180	15,126
Insurance	11,420	-	2,389	2,231	16,040	17,839
In-kind services	317,747	-	-	-	317,747	185,252
Interest	143	573	-	501	1,217	-
Equipment rental	3,402	-	336	-	3,738	10,002
Utilities	5,836	-	3,579	-	9,415	10,021
Program materials	197,082	-	895	4,563	202,540	203,210
Training	1,650	7,518	117	-	9,286	-
Program supplies	8,184	-	127	1,218	9,529	17,612
Program activities	79,900	696	739	1,523	82,858	116,753
Miscellaneous	1,198	418	1,078	7,851	10,545	17,118
Depreciation	-	-	4,764	15,467	20,231	23,579
<b>Total expenses</b>	<b>975,141</b>	<b>10,985</b>	<b>327,727</b>	<b>69,541</b>	<b>1,383,393</b>	<b>1,376,405</b>
<b>Net Income (loss)</b>	<b>\$4,211</b>	<b>\$64,037</b>	<b>\$(120,465)</b>	<b>\$(47,890)</b>	<b>\$(100,107)</b>	<b>\$(174,954)</b>

**READ ACCOMPANYING NOTES**

**STATEMENT OF CASH FLOWS**  
**Year Ended March 31.**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

	<u>2006</u>	<u>2005</u>
Changes in net assets	\$(100,107)	\$(174,954)
<b>Adjustment to reconcile change in net assets to net cash used by operating activities:</b>		
Depreciation	20,231	23,580
(Increase) decrease in grants receivable	( 41,342)	(18,321)
Decrease (Increase) in other receivable	9,649	(9,649)
(Increase) Decrease in prepaid expenses	1,969	2,784
(Decrease) increase in accounts payable and accrued expenses	<u>10,247</u>	<u>( 2,086)</u>
<b>Total adjustments</b>	<u>754</u>	<u>( 3,140)</u>
<b>Net cash used by operating activities</b>	<u>(99,353)</u>	<u>(178,094)</u>
<b>Cash flows used in investing activities:</b>		
Purchase of equipment	<u>( 4,725)</u>	<u>-</u>
<b>Cash flows used in financing activity:</b>	<u>-</u>	<u>-</u>
<b>Net (decrease) increase in Cash</b>	(104,078)	(178,094)
<b>Cash Beginning of Year</b>	<u>491,322</u>	<u>669,416</u>
<b>Cash End of Year</b>	<u>\$387,244</u>	<u>\$491,322</u>

**READ ACCOMPANYING NOTES**

## NOTES TO FINANCIAL STATEMENTS

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### 1. OPERATIONS

Empowering The Vision, Inc., a Florida not-for-profit corporation, changed its name to Recapturing The Vision International, Inc. on June 26, 2003. Recapturing The Vision International, Inc. is committed to the growth and development of youth through the presentation of an innovative curriculum structure that provides students with interpersonal and life skills training that distinguishes appropriate behaviors and promotes positive self image, this commitment is made through the program **Recapturing the Vision**, and **Vision Academy of Excellence**. Recapturing the Vision and Vision Academy of Excellence focuses on multi-cultural enrichment and activities that serve to enlarge the scope of the students' experience, while working toward building self-esteem improving behavior and providing guidance and counseling.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Financial Accounting Standards (SFAS) No 117, **Financial Statements of Not-For-Profit Organizations** requires the information regarding financial position and activities be reported by the three classes of net assets.

**Unrestricted Net Assets** are those currently available for use by Recapturing The Vision International, Inc.'s board, and the resources invested in fixed assets. These assets are accounted for internally in the general operating fund.

**Temporarily Restricted Net Assets** are those received with donor stipulations that limit the use of the donated assets. When stipulated time restrictions expire or purpose restrictions are accomplished, these net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Permanently Restricted Net Assets** are those contributed with donor stipulations that they be held in perpetuity with use of income for unrestricted or temporarily restricted purposes.

#### Support and Expenses

Under SFAS No.116, **Accounting for Contribution Received and Contributions Made**, Recapturing The Vision International, Inc.'s grants and donor restricted contribution are reported as unrestricted support if the grant objectives or donor restrictions are met in the same reporting period.

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Recapturing The Vision International, Inc. reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future period. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

Expense are recorded when incurred in accordance with accrued basis of accounting



2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with maturities of less than 90 days. At year-end and throughout the year, the organization's cash balances were deposited in two banks.

Furniture and Equipment

Represents Recapturing The Vision International, Inc.'s net equity in fixed assets. Assets are stated at cost at date of purchase. Depreciation is provided on a straight-line basis over the estimated useful life of the assets, which is five (5) years.

Accrual Basis

The financial statements of Recapturing The Vision International, Inc. have been prepared on the accrual basis of accounting.

Income Taxes

Recapturing The Vision International, Inc., is exempt from Federal Income taxes under Section 501(c)(3) of the Internal Revenue Code.

3. **Grant Revenue**

Grant revenues relate to grants received that are specifically for program service costs and are reported as unrestricted support because the grant objectives have been met.

Recapturing The Vision International, Inc. programs and their funding sources are as follows:

**PREVENTION PROGRAMS**

Recapturing The Vision International, Inc. is a teen empowerment prevention program that averts school drop out, violence, teen pregnancy, alcohol and substance abuse prevention and the transmission of Hiv Aids.

RTV, also provide Abstinence Education for 9-18 year old. Twenty-five schools in Dade, Orange and Broward Counties participate in the program.

Funded through Florida Department of Health - Title V and TANF; The Children's Trust; Florida Pregnancy Care Network and Alliance for Human Services.

**CASE MANAGEMENT**

RTV provides wrap around services to comprehensively address children and families. These services include home visits, counseling and referral services, case management, treatment and alcohol and substance abuse prevention.

Funded by State of Florida Department of Children and Families and Community Health of South Dade.

3. **Grant Revenue** (continued)

Recapturing The Vision International, Inc. programs and their funding sources (continued)

**VISION ACADEMY OF EXCELLENCE**

An all-female, Alternative Education School of the Miami-Dade County Public Schools system, that serves students in 6<sup>th</sup> - 12<sup>th</sup> grades, through their facilities located in Perrine, Florida.

Vision Academy is funded by Miami-Dade County Public Schools, McKay Scholarships, Florida Child, private grants and tuition.

4. **Lease Commitments**

Recapturing The Vision International, Inc. entered into an eighteen (18) month lease, for office and classroom at a base rent of \$8,600 per month. The lease expires February 2008.

5. **MATCHING REQUIREMENT**

Recapturing The Vision International, Inc., grants require, \$.25 to \$.75 per \$1.00 of the contract funds received, as match. The match requirements were exceeded with cash and in-kind matches.

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# W.B. Koon & Co.

Certified Public Accountants

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## INDEPENDENT AUDITORS' REPORT REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Recapturing The Vision International, Inc.  
Miami, Florida

We have audited the financial statements of Recapturing The Vision International, Inc. as of and for the year ended March 31, 2006, and have issued our report thereon dated August 9, 2006. We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Recapturing The Vision International, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Recapturing The Vision International, Inc.'s, internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not provide assurance on the internal control over financial reporting. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable conditions in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control structure and its operation that we consider to be material weaknesses.

This report is intended for the information of Recapturing The Vision International, Inc., the State of Florida, and other Funding Agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public records.

In accordance with Government Auditing Standards, we have also issued our report dated August 9, 2006, on our consideration of Recapturing The Vision International, Inc.'s internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts, and grants.

*W.B. Kover & Co.*

North Miami Beach, Florida  
August 9, 2006