

FRIENDS OF CARROLLWOOD CULTURAL CENTER, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2012

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Robert DiMarco, CPA, PA

August 13, 2013

The Board of Directors
Friends of Carrollwood Cultural Center, Inc.
Tampa, FL

Independent Auditor's Report

We have audited the accompanying balance sheet of Friends of Carrollwood Cultural Center, Inc., a Florida non-profit corporation, as of December 31, 2012 and December 31, 2011 and the related statements of revenues, expenses and changes in fund balances, and cash flows for the years then ended.

These financial statements are the responsibility of management. 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.

Our responsibility is to express an opinion on the 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of Carrollwood Cultural Center, Inc. as of December 31, 2012 and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

FRIENDS OF CARROLLWOOD CULTURAL CENTER, INC.
(A FLORIDA NON-PROFIT CORPORATION)
BALANCE SHEET
AS OF DECEMBER 31, 2012 & DEC 31, 2011

ASSETS

CURRENT ASSETS	<u>12/31/12</u>	<u>12/31/11</u>
CASH - BAY CITIES BANK	\$ (4,105)	\$ 15,864
CASH - FIRST CITRUS BANK	\$ 446	\$ 849
PETTY CASH	\$ 725	\$ 725
ACCOUNTS RECEIVABLE - VENDINI	\$ -	\$ 239
PREPAID EXPENSES	\$ 861	\$ -
RESTRICTED FUNDS	\$ 3,200	\$ -
TOTAL CURRENT ASSETS	<u>\$ 1,127</u>	<u>\$ 17,677</u>
 FIXED ASSETS		
PIANO	\$ 80,349	\$ 80,349
SOUND & LIGHT SYSTEM	\$ 52,597	\$ 52,597
COMPUTER EQUIPMENT	\$ 6,175	\$ 6,175
MACH & EQUIPMENT	\$ 3,677	\$ 3,677
SIGNS	\$ 1,557	\$ 1,557
LEASEHOLD IMPROVEMENTS	\$ 25,926	\$ 24,368
LESS: ACCUMULATED DEPRECIATION	\$ (96,645)	\$ (71,327)
TOTAL FIXED ASSETS	<u>\$ 73,636</u>	<u>\$ 97,396</u>
TOTAL ASSETS	<u>\$ 74,763</u>	<u>\$ 115,073</u>

LIABILITIES & EQUITY

CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 25,645	\$ 6,362
ACCRUED PAYROLL	\$ 14,225	\$ -
LINE OF CREDIT	\$ 10,000	\$ -
TOTAL CURRENT LIABILITIES	<u>\$ 49,870</u>	<u>\$ 6,362</u>
 LONG TERM LIABILITIES		
LOAN PAYABLE	\$ 4,908	\$ 21,343
TOTAL LONG TERM LIABILITIES	<u>\$ 4,908</u>	<u>\$ 21,343</u>
 TOTAL LIABILITIES	<u>\$ 54,778</u>	<u>\$ 27,705</u>
 EQUITY		
BEGINNING SURPLUS	\$ 87,368	\$ 101,900
TEMPORARILY RESTRICTED NET ASSETS	\$ 3,200	\$ -
CURRENT SURPLUS/(DEFICIT)	\$ (70,583)	\$ (14,532)
TOTAL SURPLUS	<u>\$ 19,985</u>	<u>\$ 87,368</u>
 TOTAL LIABILITIES & EQUITY	<u>\$ 74,763</u>	<u>\$ 115,073</u>

See Notes to Financial Statements

FRIENDS OF CARROLLWOOD CULTURAL CENTER, INC.
(A FLORIDA NON-PROFIT CORPORATION)
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DEC 31, 2012 & DEC 31, 2011

REVENUES	OPERATING FUND	
	<u>12/31/12</u>	<u>12/31/11</u>
RESTRICTED CONTRIBUTIONS	\$ 15,175	\$ 10,663
UNRESTRICTED CONTRIBUTIONS	\$ 424,381	\$ 451,027
PROGRAM SERVICE REVENUE	\$ 294,650	\$ 272,805
INTEREST INCOME	\$ 25	\$ 309
MISC REVENUE	<u>\$ 15,517</u>	<u>\$ 685</u>
TOTAL REVENUES	\$ 749,748	\$ 735,489
EXPENSES		
EMPLOYEE EXPENSE	\$ 422,174	\$ 387,680
BANK FEES & DISCOUNTS	\$ 9,679	\$ 5,337
COMPUTER AND RELATED	\$ 4,620	\$ 3,837
CUSTODIAL SERVICES	\$ 38,002	\$ 28,546
DEPRECIATION EXPENSE	\$ 25,318	\$ 23,457
INSURANCE	\$ 14,674	\$ 12,615
INTEREST	\$ 1,166	\$ 2,218
LICENSES, PERMITS & DUES	\$ 883	\$ 887
MARKETING AND ADVERTISING	\$ 51,830	\$ 46,465
MISCELLANEOUS & OTHER EXPENSES	\$ 5,055	\$ 2,026
PROFESSIONAL FEES	\$ 21,591	\$ 28,072
PROGRAM SERVICE EXPENSE	\$ 179,332	\$ 151,274
RENTS & RENTAL EQUIPMENT	\$ 30,224	\$ 31,870
REPAIR & MAINT	\$ 6,862	\$ 6,526
MEETINGS & BOARD MANAGEMENT	\$ 1,779	\$ 3,657
SPECIAL EVENTS/CONTRIBUTION EXPENSE	\$ 3,678	\$ 10,672
SUPPLIES	\$ 3,464	\$ 3,788
TRAVEL/MEALS	<u>\$ -</u>	<u>\$ 1,094</u>
TOTAL EXPENSES	\$ 820,331	\$ 750,021
EXCESS REVENUES OVER EXPENSES	\$ (70,583)	\$ (14,532)
BEGINNING FUND BALANCES	<u>\$ 87,368</u>	<u>\$ 101,900</u>
ENDING FUND BALANCES	<u>\$ 16,785</u>	<u>\$ 87,368</u>

See Notes to Financial Statements

FRIENDS OF CARROLLWOOD CULTURAL CENTER, INC.
(A FLORIDA NON-PROFIT CORPORATION)
STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED DEC 31, 2012 & DEC 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES	OPERATING FUND	
	<u>12/31/12</u>	<u>12/31/11</u>
CASH RECEIVED FROM UNRESTRICTED	\$ 424,381	\$ 451,027
CASH RECEIVED FROM RESTRICTED	\$ 15,175	\$ 10,663
REVENUES RECEIVED	\$ 310,167	\$ 273,490
INTEREST RECEIVED	\$ 25	\$ 309
DEPRECIATION EXPENSE	\$ 25,318	\$ 23,457
DE(IN)CREASE IN ACCOUNTS RECEIVABLE	\$ 239	\$ 12,685
DE(IN)CREASE IN PREPAID EXPENSES	\$ (861)	\$ -
IN(DE)CREASE IN ACCOUNTS PAYABLE	\$ 33,508	\$ (1,501)
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	\$ 3,200	\$ -
CASH PAYMENTS FOR GOODS AND SERVICES	<u>\$ (820,331)</u>	<u>\$ (750,021)</u>
NET CASH PROVIDED (USED) BY OPERATIONS	\$ (9,179)	\$ 20,109
CASH FLOWS FROM INVESTING ACTIVITIES		
FIXED ASSET PURCHASES	<u>\$ (1,558)</u>	<u>\$ (17,610)</u>
NET CASH USED BY INVESTING ACTIVITIES	\$ (1,558)	\$ (17,610)
CASH FLOWS FROM FINANCING ACTIVITIES		
IN(DE)CREASE IN DEBT PAYABLE	<u>\$ (6,435)</u>	<u>\$ (16,835)</u>
NET CASH USED BY INVESTING ACTIVITIES	\$ (6,435)	\$ (16,835)
NET IN(DE)CREASE IN CASH	\$ (17,172)	\$ (14,336)
CASH - BEGINNING	\$ 17,438	\$ 31,774
CASH - ENDING	<u>\$ 266</u>	<u>\$ 17,438</u>

See Notes to Financial Statements

FRIENDS OF CARROLLWOOD CULTURAL CENTER, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2012

Summary of Significant Accounting Policies

a. Company's Organization and Activities

Friends of Carrollwood Cultural Center, Inc. (FCCC) is a company organized as a Florida non-profit corporation. The company, located in Tampa, FL, began its operations in November 2002 and has been approved as a tax exempt 501c(3) entity with the Internal Revenue Service.

The company's mission is to offer cultural programs, services, and events that encourage individual exploration and promote a sense of community. The FCCC has formed a special partnership with Hillsborough County dedicated to enhancing the quality of life for residents through arts and culture. Together, the county and the FCCC worked to renovate St. Mark's Episcopal Church into the creative center it is today.

b. Fund Accounting

The Company uses fund accounting, a method of accounting whereby assets and liabilities are grouped according to the purpose for which they are to be used. This method of accounting reports how money is spent, rather than how much profit is earned. Any excess or shortage of revenues and cash inflows over expenses and cash outflows is reported as a surplus or deficiency.

The Company uses the cash method of accounting which recognizes contributions, both restricted and unrestricted, program service revenues, and interest income when received. Expenses for operations are recorded using the cash method of accounting as expenses are recognized when payment is made, usually within the same or following monthly accounting period.

c. Contributions, Revenues and Interest Earned

FCCC receives contributions and donations from individuals, companies and government entities. Additional funds are received for annual memberships, the naming rights program, and sponsorships. Revenues are also generated from room rentals and instruction classes. Interest is earned on investments.

d. Cash Equivalents

All checking, money market savings, and certificates of deposit are considered cash equivalents by the Company for the purposes of the balance sheet and statement of cash flows.

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Summary of Significant Accounting Policies (cont'd)

e. Income Taxes

The Company has elected to be a tax exempt entity as provided for by IRS section 501c(3). The IRS has reviewed and approved this election. Accordingly, the company files a Form 990, Return for Organization Exempt from Income Tax on an annual basis.

f. Restricted Funds

FCCC receives both restricted and unrestricted funds. Funds that are received from a third party which are designated for a specific purpose are classified as restricted funds. Restricted fund accounts are maintained for naming rights, piano, and sound and light funds.

g. Long Term Debt

On February 7, 2008, FCCC entered into a long term debt with First Citrus Bank to finance the acquisition of a piano. The original balance was \$80,000 payable over 60 months at an interest rate of 7%. The monthly payments are \$ 1,587.70 and the outstanding balance as of December 31, 2012 was \$4,908. Payoff will occur in 2013.

h. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

i. Concentration of credit risk

Statements of Financial Accounting Standards require management to disclose concentration of credit risk regardless of the degree of risk. The company's operations are providing cultural programs, services, and events that encourage individual exploration and promote a sense of community. The company operations are subject to changes in laws, rules and regulations by local, state or federal government regulatory agencies. The company maintains compliance with all regulations and historically has not incurred any significant credit losses. The company maintains cash balances in two financial institutions. The balances, up to \$250,000 are insured by the FDIC. As of December 31, 2012, the company did not have any uninsured cash.