Central Florida Community Arts, Inc.

Financial Statements

As of December 31, 2016

CENTRAL FLORIDA COMMUNITY ARTS, INC.

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YEAR ENDED DECEMBER 31, 2016

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Independent Auditors' Report

To the Board of Directors
Central Florida Community Arts, Inc.
Orlando, Florida

We have audited the accompanying financial statements of Central Florida Community Arts, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016 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 of 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 Central Florida Community Arts, Inc. as of December 31, 2016 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.

Schafer, Tschopp, Whitcomb, Mitchell & Sheridan, LLP

SCHAFER, TSCHOPP, WHITCOMB, MITCHELL & SHERIDAN, LLP
April 28, 2017

CENTRAL FLORIDA COMMUNITY ARTS, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2016

ASSETS

Cash and cash equivalents	$ 490,792
Accounts receivable	1,050
Prepaid expenses	736
Property and equipment - net	45,702
TOTAL ASSETS	$ 538,280

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable and accrued expenses	$ 86,993
Unearned revenue	13,433
Total Liabilities	100,426
Net Assets	
Unrestricted	437,854
Temporarily restricted	-
Permanently restricted	-
Total Net Assets	437,854
TOTAL LIABILITIES AND NET ASSETS	$ 538,280

See accompanying notes to the financial statements

CENTRAL FLORIDA COMMUNITY ARTS, INC.
STATEMENT OF ACTIVITIES
For the year ended December 31, 2016

Unrestricted Net Assets	
Revenues	
Contributions	$ 488,891
Membership and participation fees	535,473
Investment income	202
Other revenue	12,127
Net assets released from restrictions	-
Total Unrestricted Revenues	1,036,693
Expenses	
Program Services	
Performing Arts	705,538
Support Services	
Management and general	208,494
Fundraising	31,920
Total Expenses	945,952
Increase (Decrease) in Unrestricted Net Assets	90,741
Restricted Net Assets	
Restricted donations	-
Net assets released from restrictions	-
Increase in Restricted Net Assets	-
Total Increase (decrease) in Net Assets	90,741
Net Assets at Beginning of Year	347,113
Net Assets at End of Year	$ 437,854

See accompanying notes to the financial statements

CENTRAL FLORIDA COMMUNITY ARTS, INC.
STATEMENT OF CASH FLOWS
For the year ended December 31, 2016

Increase (decrease) in net assets	$ 90,741
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	17,201
Change in assets and liabilities:	
(Increase) decrease in Accounts receivable	420
(Increase) decrease in prepaid expenses	(58)
Increase (decrease) in accounts payable and accrued expenses	2,481
Increase (decrease) in unearned revenue	6,375
Net Cash Provided by (Used by) Operating Activities	117,160
Cash Flows from Investing Activities	
Purchase of property and equipment	(17,390)
Net Cash Used in Investing Activities	(17,390)
Cash Flows from Financing Activities	-
Net Cash Used in Financing Activities	-
Net Increase (decrease) in Cash	99,770
Cash at Beginning of Year	391,022
Cash at End of Year	$ 490,792

Cash paid during the year for:	
Interest	$ -
Income taxes	$ -

See accompanying notes to the financial statements

CENTRAL FLORIDA COMMUNITY ARTS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2016

	Program Services	Support Services		
	Performing Arts	Management and General	Fund Raising	Total
Salaries and wages	$ 439,262	$ 92,337	$ -	$ 531,599
Employee benefits and payroll taxes	13,633	15,514	-	29,147
Music and program expenses	159,262	-	-	159,262
Advertising	4,228	10,679	-	14,907
Bank and credit card charges	38,896	5,129	-	44,025
Depreciation	17,201	-	-	17,201
Insurance	-	4,122	-	4,122
Office expenses	19,873	19,755	-	39,628
Occupancy	9,740	36,090	-	45,830
Professional fees	-	15,560	-	15,560
Travel and meetings	2,673	4,575	-	7,248
Other expenses	770	4,733	31,920	37,423
Total	$ 705,538	$ 208,494	$ 31,920	$ 945,952

See accompanying notes to the financial statements

NOTE 1 – Summary of Significant Accounting Policies

The summary of significant accounting policies is presented to assist in the understanding of the financial statements of Central Florida Community Arts, Inc. (the Organization). The financial statements and notes are representation of management who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization – Central Florida Community Arts, Inc., a not-for-profit corporation, was incorporated in 2011 under the laws of the State of Florida. The Organization's purpose is to create a cultural platform in Central Florida where every person can join an artistic family to connect, serve and perform.

Basis of Accounting – The financial statements of Central Florida Community Arts, Inc. have been prepared on the accrual basis of accounting. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) Topic 958. The Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Revenue recognition – Contributions are recorded when received as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. Non-cash contributions received by the Organization are recorded at management's estimate of the fair market value at the date received.

Cash and cash equivalents – Cash and cash equivalents include cash invested in liquid instruments with an original maturity of three months or less.

NOTE 1 – Summary of Significant Accounting Policies (continued)

Property and equipment - Fixed assets are recorded at cost or, if donated, at the fair market value on the date of receipt. Depreciation of fixed assets is calculated using the straight line method over the estimated useful lives of the respective assets. Depreciation expense for the year ended December 31, 2016 was $17,201.

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

NOTE 2 – Contributed Services

A number of unpaid volunteers have made contributions of their time in the management, administration and productions of the organization. The value of this contributed time is not reflected in these financial statements because they did not meet the criteria for recognition as contributed services.

NOTE 3 – Property and Equipment:

Furniture and equipment	$ 93,293
	93,293
Less accumulated depreciation	(47,591)
	$ 45,702

NOTE 4 – RESTRICTIONS ON NET ASSETS

The Organization does not currently have any restrictions placed on its net assets by donors.

NOTE 5 – Income Taxes

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code on income related to its tax-exempt purpose. The Organization had no unrelated business income during the year ended December 31, 2016, accordingly, no tax liability or provision has been provided for in the accompanying financial statements.

The Organization has adopted the provisions of the Income Tax Topic of the ASC. These provisions clarify the accounting for uncertainty in tax positions and prescribe guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statement of activities. As of December 31, 2016, the Association had no uncertain tax positions that quality for recognition or disclosure in the financial statements.

The Organization's income tax returns are subject to review and examination by federal authorities. The Organization is not aware of any activities that would jeopardize its tax exempt status. The tax returns for the fiscal years ended from 2013 to 2016 are open to examination by federal authorities.

NOTE 6 – Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization places its cash with financial institutions, and occasionally balances exceed the amount covered by FDIC insurance.

NOTE 7 – Subsequent Events

The Organization has evaluated subsequent events through April 28, 2017, which is the date the financial statements were issued. All subsequent events requiring recognition as of April 28, 2017 have been incorporated into these financial statements.