

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors of
Shakoh Hills Community Arts Center, Inc.

We have compiled the accompanying statements of assets and net assets—modified cash basis of Shakoh Hills Community Arts Center, Inc. (a non-profit corporation) as of December 31, 2013 and 2012 and the related statements of revenues, expenses, and other changes in net assets—modified cash basis, functional expenses—modified cash basis, and cash flows—modified cash basis for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements. Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all the disclosures ordinarily included in the financial statements presented in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

C.W. Dunn & Associates, CPAs, PLLC

Pittsboro, NC
August 31, 2014

SHAKORI HILLS COMMUNITY ARTS CENTER, INC.
 STATEMENT OF ASSETS AND NET ASSETS - MODIFIED CASH BASIS
 DECEMBER 31, 2013 AND 2012

ASSETS			
2013	2012		
\$ 9,094	\$ 56,103		
8	1,508		
9,102	82,733		
Current Assets			
Cash and cash equivalents			
Temporary investments			
Prepaid Expenses			
Total Current Assets			
Fixed Assets			
Buildings			
Leasehold improvements			
Furniture, fixtures and equipment			
Vehicles			
Land			
1,437	-		
27,221	25,632		
422	422		
38,000	-		
383,700	-		
450,780	26,054		
(6,913)	(539)		
443,867	25,515		
Total Fixed Assets			
Other Assets			
Organization costs			
Less accumulated amortization			
Total Other Assets			
100	100		
(100)	(100)		
-	-		
\$ 452,969	\$ 108,248		
TOTAL ASSETS			
LIABILITIES AND NET ASSETS			
LIABILITIES:			
Current Liabilities			
Current portion of long-term debt			
Payroll liabilities			
Total Current Liabilities			
21,410	909		
-	909		
21,410	-		
Long-Term Liabilities			
Loan payable			
Mortgage payable			
Total Long-Term Liabilities			
287,290	15,893		
287,290	-		
287,290	-		
TOTAL LIABILITIES			
NET ASSETS			
Unrestricted			
Temporarily restricted			
Total Net Assets			
144,264	42,833		
5	48,613		
144,269	91,446		
\$ 452,969	\$ 92,355		
TOTAL LIABILITIES AND NET ASSETS			

SEE ACCOUNTANTS' COMPILATION REPORT

SHAKORI HILLS COMMUNITY ARTS CENTER, INC.
 STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET ASSETS - MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	2013		
	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	\$ 28,077	\$ 1,303	\$ 29,380
Noncash donations	36,500	-	36,500
Program service revenue	716,433	-	716,433
Fundraising events	3,466	-	3,466
Rent income	1,135	-	1,135
In-kind donations	5,400	-	5,400
Interest income	69	-	69
Total revenues, gains, and other support	791,100	1,303	792,403
EXPENSES			
Program services	716,495	-	716,495
General and administrative	22,471	-	22,471
Fundraising	614	-	614
Total expenses	739,580	-	739,580
CHANGE IN NET ASSETS	51,520	1,303	52,823
NET ASSETS - BEGINNING OF YEAR	42,833	48,613	91,446
NET ASSETS - RELEASED FROM RESTRICTIONS	49,911	(49,911)	-
NET ASSETS - END OF YEAR	\$ 144,264	\$ 5	\$ 144,269

SHAKORI HILLS COMMUNITY ARTS CENTER, INC.
 STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET ASSETS - MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2012

	2012	
	Temporarily Restricted	Unrestricted
	Total	
REVENUES, GAINS, AND OTHER SUPPORT		
Contributions	5,951	\$ -
Program service revenue	273,890	273,890
Fundraising events	29,776	29,776
Rent income	-	8,684
Other income	-	301
Interest income	-	344
Total revenues, gains, and other support	5,951	312,995
EXPENSES		
Program services	-	275,382
General and administrative	-	8,375
Fundraising	-	14,631
Total expenses	-	298,388
CHANGE IN NET ASSETS	5,951	14,607
NET ASSETS - BEGINNING OF YEAR	42,662	28,226
NET ASSETS - END OF YEAR	\$ 48,613	\$ 42,833

\$ 91,446

70,888

20,558

298,388

14,631

275,382

318,946

344

301

8,684

29,776

273,890

5,951

\$ -

\$ 48,613

\$ 42,833

SHAKORI HILLS COMMUNITY ARTS CENTER, INC.
 STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2013

2013			
	General and Administrative	Fundraising	Total
Advertising & promotion	61,934	-	61,934
Awards	3,910	-	3,910
Bank charges and adjustments	-	453	453
Bookkeeping	-	4,800	4,800
Charitable contributions	1,344	-	1,344
Concessions & merchandise	81,453	-	81,453
Conferences & meetings	2,465	-	2,465
Contract labor	32,466	4,414	36,880
Depreciation	6,374	-	6,374
Equipment rental	3,100	-	3,100
Fuel	2,015	-	2,015
Fundraising	-	614	614
Garden expenses	156	-	156
Insurance	5,319	280	5,599
Interest	906	222	1,128
Land leases	12,101	-	12,101
Licenses & permits	830	-	830
Merchant Fees	-	4,667	4,667
Miscellaneous	2,146	-	2,146
Musician expenses	1,600	-	1,600
Office supplies	28	570	598
Production fees	136,591	-	136,591
Professional fees	231,569	2,430	233,999
Rent	19,500	-	19,500
Repairs & maintenance	1,071	-	1,071
Security	40,710	-	40,710
Showcases	1,300	-	1,300
Sponsorships	450	-	450
Supplies	24,689	1,408	26,097
Telephone	50	2,996	3,046
Utilities	7,241	-	7,241
Vehicle expense	2,736	-	2,736
Waste disposal	31,328	-	31,328
Website	913	231	1,144
Workshops	200	-	200
TOTALS	\$ 716,495	\$ 22,471	\$ 739,580

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SHAKORI HILLS COMMUNITY ARTS CENTER, INC.
 STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2012

	2012		
	Program	General and Administrative	Fundraising
Advertising & promotion	5,554	-	-
Awards	1,670	-	-
Bank charges and adjustments	-	245	-
Contract labor	2,560	-	-
Depreciation	455	-	-
Dues & subscriptions	-	85	-
Food and beverages	7,780	-	-
Fundraising	-	-	14,631
Garden expenses	1,219	-	-
Insurance	675	898	-
Interest	-	721	-
Licenses & permits	883	-	-
Merchant fees	1,632	-	-
Miscellaneous	1,010	-	-
Musician expenses	907	-	-
Office supplies	39	2,017	-
Payroll taxes	914	-	-
Production fees	205,165	-	-
Professional fees	700	3,000	-
Rent	18,600	-	-
Showcases	550	-	-
Staging	2,000	-	-
Supplies	2,795	-	-
Taxes	10	-	-
Telephone	150	1,409	-
Utilities	3,379	-	-
Vehicle expense	486	-	-
Wages and pensions	11,950	-	-
Waste management	1,646	-	-
Website	1,365	-	-
Workshops	1,288	-	-
TOTALS	\$ 275,362	\$ 8,375	\$ 14,631
			\$ 298,368

SEE ACCOUNTANTS' COMPILATION REPORT

SHAKORI HILLS COMMUNITY ARTS CENTER, INC.
 STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
 FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 52,823	\$ 20,558
Adjustments to reconcile change in net assets provided by operating activities:		
Depreciation	6,374	455
Effects of changes in operating assets and liabilities:		
Prepaid expenses	1,500	(8)
Payroll taxes payable	(909)	909
Net cash provided by operating activities	59,788	21,914
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(424,726)	(25,632)
Investment in CD	25,122	(25,122)
Net cash used for investing activities	(399,604)	(50,754)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan payable	(15,893)	15,893
Mortgage payable	308,700	-
Net cash provided by financing activities	292,807	15,893
(DECREASE) IN CASH	(47,009)	(12,947)
CASH, BEGINNING OF YEAR	56,103	69,050
CASH, END OF YEAR	\$ 9,094	\$ 56,103
COMPOSITION OF CASH BALANCE		
Unrestricted	\$ 9,089	\$ 7,490
Restricted	5	48,613
Total	\$ 9,094	\$ 56,103

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