

**Shakori Hills Community Arts Center,  
Inc.**

**Financial Statements**

**December 31, 2015 and 2014**

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**Mary E Tanner, CPA**

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# Chapel Hill, North Carolina

**Mary E Tanner, CPA**

**Chapel Hill, NC**

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## ACCOUNTANT'S COMPILATION REPORT

Board of Directors  
Shakori Hills Community Arts Center, Inc.

I have compiled the accompanying statement of financial position – modified cash basis of Shakori Hills Community Arts Center, Inc. as of December 31, 2015 and the related statements of financial activities – modified cash basis, functional expenses – modified cash basis, and cash flows – modified cash basis for the year then ended. I 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 U.S. generally accepted accounting principles.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My 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 U.S. generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the organization's financial position, financial activities, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Chapel Hill, North Carolina

August 9, 2016

1438 Old Lystra Road | Chapel Hill, North Carolina 27517  
Member of AICPA and NCACPA

**Shakori Hills Community Arts Center, Inc.**  
**Statement of Financial Position - Modified Cash Basis**  
**December 31, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
<b>ASSETS:</b>		
Current Assets		
Cash and cash equivalents	\$ 5,482	\$ 17,946
Prepaid expenses	7,008	8
Total Current Assets	12,490	17,954
Fixed Assets		
Buildings	1,437	1,437
Leasehold improvements	27,221	27,221
Furniture, fixtures and equipment	422	422
Vehicles	17,000	38,000
Land	383,700	383,700
	429,780	450,780
Less accumulated depreciation	(15,438)	(16,448)
Total Fixed Assets	414,342	434,332
Other Assets		
Organization costs	100	100
Less accumulated amortization	(100)	(100)
Total Other Assets	-	-
<b>TOTALASSETS</b>	<b>\$ 426,832</b>	<b>\$ 452,286</b>
<b>LIABILITIESANDNETASSETS</b>		
<b>LIABILITIES:</b>		
Current Liabilities		
Loan Payable	900	\$ 8,617
Current portion of long-term debt	\$ 26,655	25,363
Total Current Liabilities	27,555	33,980
Long-Term Liabilities		
Long-term loans	36,654	-
Mortgage payable	238,470	265,126
Total Long-Term Liabilities	275,124	265,126
<b>TOTALLIABILITIES</b>	302,679	299,106
<b>NETASSETS</b>		
Unrestricted	123,521	151,775
Temporarily restricted	632	1,405
Total Net Assets	124,153	153,180
<b>TOTALLIABILITIESANDNETASSETS</b>	<b>\$ 426,832</b>	<b>\$ 452,286</b>

SEEACCOUNTANT'SCOMPILATIONREPORT

**Shakori Hills Community Arts Center, Inc.**  
**Statement of Financial Activities - Modified Cash Basis**  
**For the Year Ended December 31, 2015**

	<b>2015</b>		<b>Total</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	
<b>REVENUES,GAINS,ANDOTHERSUPPORT</b>			
Contributions	\$ 7,235	\$ (773)	\$ 6,462
Program service revenue	681,046		681,046
Fundraising events	10,418		10,418
Rent income	4,440		4,440
In-kinds donations	4,201		4,201
	<u>707,339</u>	<u>(773)</u>	<u>706,566</u>
<b>EXPENSES</b>			
Program services	704,150		704,150
General and administrative	23,899		23,899
Fundraising	7,545		7,545
	<u>735,594</u>	<u>-</u>	<u>735,594</u>
<b>CHANGEINNETASSETS</b>	(28,255)	(773)	(29,028)
<b>NETASSETS-BEGINNINGOFYEAR</b>	151,775	1,405	153,180
<b>NETASSETS-ENDOFYEAR</b>	<u>\$123,521</u>	<u>\$ 632</u>	<u>\$124,153</u>

SEEACCOUNTANT'SCOMPILATIONREPORT

**Shakori Hills Community Arts Center, Inc.**  
**Statement of Financial Activities - Modified Cash Basis**  
**For the Year Ended December 31, 2014**

	<b>2014</b>		<b>Total</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Contributions	\$ 4,810	\$ 1,400	\$ 6,210
Program service revenue	767,470		767,470
Fundraising events	7,047		7,047
Rent income	7,020		7,020
In-kinds donations	4,800		4,800
	<u>791,147</u>	<u>1,400</u>	<u>792,547</u>
<b>EXPENSES</b>			
Program services	761,318		761,318
General and administrative	15,710		15,710
Fundraising	6,608		6,608
	<u>783,636</u>	<u>-</u>	<u>783,636</u>
<b>CHANGE IN NET ASSETS</b>	7,511	1,400	8,911
<b>NET ASSETS - BEGINNING OF YEAR</b>	144,264	5	144,269
<b>NET ASSETS - END OF YEAR</b>	<u>\$151,775</u>	<u>\$ 1,405</u>	<u>\$153,180</u>

SEE ACCOUNTANT'S COMPILATION REPORT

**Shakori Hills Community Arts Center, Inc.**  
**Statement of Functional Expenses - Modified Cash Basis**  
**For the Year Ended December 31, 2015**

	2015			
	Program	General and Administrative	Fundraising	Total
Advertising & Promotion	61,560	-	-	\$ 61,560
Awards	3,370	-	-	\$ 3,370
Bank charges	54	239	-	\$ 292
Bookkeeping	-	1,639	-	\$ 1,639
Charitable contributions	310	-	-	\$ 310
Concessions & merchandise	79,520	-	-	\$ 79,520
Conferences & meetings	1,159	-	-	\$ 1,159
Contract labor	73,319	935	-	\$ 74,254
Depreciation	6,489	-	-	\$ 6,489
Equipment rental	2,726	-	-	\$ 2,726
Fuel	109	1,195	-	\$ 1,304
Fundraising	-	-	7,545	\$ 7,545
Gain/loss on disposal	-	(1,600)	-	\$ (1,600)
Garden expenses	334	-	-	\$ 334
Insurance	4,867	4,708	-	\$ 9,575
Interest	16,908	-	-	\$ 16,908
Land leases	13,823	-	-	\$ 13,823
Licenses & permits	4,995	-	-	\$ 4,995
Merchant Fees	9,436	-	-	\$ 9,436
Miscellaneous	1,817	145	-	\$ 1,962
Musician expenses	18,284	-	-	\$ 18,284
Office supplies & postage	1,048	266	-	\$ 1,314
Production fees	132,159	-	-	\$ 132,159
Professional (Inc Musicians') fees	190,855	3,495	-	\$ 194,350
Repairs & maintenance	-	3,579	-	\$ 3,579
Security	30,940	-	-	\$ 30,940
Supplies	9,770	651	-	\$ 10,421
Telephone	-	4,782	-	\$ 4,782
Utilities	1,765	5,323	-	\$ 7,087
Vehicle expense	-	181	-	\$ 181
Waste disposal	34,642	-	-	\$ 34,642
Website	782	-	-	\$ 782
Workshops	1,472	-	-	\$ 1,472
<b>TOTALS</b>	<b>\$ 702,511</b>	<b>\$ 25,538</b>	<b>\$ 7,545</b>	<b>\$ 735,594</b>

**SEE ACCOUNTANT'S COMPILATION REPORT**

**Shakori Hills Community Arts Center, Inc.**  
**Statement of Functional Expenses - Modified Cash Basis**  
**For the Year Ended December 31, 2014**

	2014			
	Program	General and Administrative	Fundraising	Total
Advertising & Promotion	58,970	-	-	\$ 58,970
Awards	3,500	-	-	\$ 3,500
Bank charges	707	438	-	\$ 1,145
Bookkeeping	-	4,800	-	\$ 4,800
Charitable contributions	943	-	-	\$ 943
Concessions & merchandise	93,283	-	-	\$ 93,283
Conferences & meetings	1,415	-	-	\$ 1,415
Contract labor	35,135	2,350	-	\$ 37,485
Depreciation	9,536	-	-	\$ 9,536
Equipment rental	2,560	-	-	\$ 2,560
Fuel	-	2,094	-	\$ 2,094
Fundraising	-	-	6,608	\$ 6,608
Garden expenses	494	-	-	\$ 494
Insurance	5,979	3,173	-	\$ 9,152
Interest	11,350	-	-	\$ 11,350
Land leases	10,496	-	-	\$ 10,496
Licenses & permits	1,341	-	-	\$ 1,341
Merchant Fees	4,308	-	-	\$ 4,308
Miscellaneous	859	177	-	\$ 1,036
Musician expenses	32,900	-	-	\$ 32,900
Office supplies	620	267	-	\$ 887
Production fees	180,083	-	-	\$ 180,083
Professional (Inc Musicians') fees	204,822	2,600	-	\$ 207,422
Repairs & maintenance	349	3,624	-	\$ 3,973
Security	40,651	-	-	\$ 40,651
Supplies	11,572	200	-	\$ 11,772
Telephone	-	3,555	-	\$ 3,555
Utilities	1,360	4,771	-	\$ 6,131
Vehicle expense	-	738	-	\$ 738
Waste disposal	34,525	-	-	\$ 34,525
Website	280	-	-	\$ 280
Workshops	200	-	-	\$ 200
<b>TOTALS</b>	<b>\$ 748,240</b>	<b>\$ 28,787</b>	<b>\$ 6,608</b>	<b>\$ 783,636</b>

SEE ACCOUNTANT'S COMPILATION REPORT

Note that certain expenses have been reclassified so as to be consistent with the 2015 presentation



**Shakori Hills Community Arts Center, Inc.**  
**Statement of Cash Flows - Modified Cash Basis**  
**For the Years Ended December 31, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (29,028)	\$ 8,911
Adjustments to reconcile change in net assets provided by operating activities:		
Depreciation	6,489	9,536
Effects of changes in operating assets and liabilities:		
Prepaid expenses	(7,000)	-
	(29,539)	18,447
Net cash provided by operating activities		
	(29,539)	18,447
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of fixed assets, net of accumulated depreciation	13,500	-
	13,500	-
Net cash used for investing activities		
	13,500	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short-term loan payable	(7,717)	8,617
Long-term loan payable	36,654	-
Mortgage payable	(25,363)	(18,212)
	3,574	(9,595)
Net cash provided by financing activities		
	3,574	(9,595)
<b>INCREASE (DECREASE) IN CASH</b>	(12,465)	8,852
<b>CASH, BEGINNING OF YEAR</b>	17,946	9,094
<b>CASH, END OF YEAR</b>	\$ 5,482	\$ 17,946
 <b>COMPOSITION OF CASH BALANCE</b>		
Unrestricted	\$ 4,850	\$ 17,941
Restricted	632	5
	5,482	17,946
Total	\$ 5,482	\$ 17,946

**SEE ACCOUNTANT'S COMPILATION REPORT**