

LAUREL CIVIC ASSOCIATION, INC.
Laurel, Florida

**Independent Auditor's Report
and Financial Statements**

For the year ended June 30, 2019

TABLE OF CONTENTS

| | |
|---|-----|
| Independent Auditor's Report | 1 |
| Financial Statements: | |
| Statement of Financial Position | 2 |
| Statement of Activities | 3 |
| Statement of Functional Expenses | 4 |
| Statement of Cash Flows | 5 |
| Notes to the Financial Statements | 6-8 |

Peacock & French, CPAs, P.A.

Certified Public Accountants

Frank Ray Peacock, CPA
Jeff R. French, CPA

Members
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Laurel Civic Association, Inc.
Venice, FL

We have audited the accompanying financial statements of Laurel Civic Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, 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

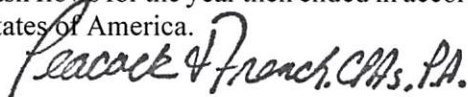
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Laurel Civic Association, Inc., as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Peacock & French, CPAs, P.A.
Venice, FL
October 1, 2019

LAUREL CIVIC ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS

CURRENT ASSETS

| | |
|----------------------------|----------------|
| Cash | \$ 59,331 |
| Cash - restricted (Note C) | 79,249 |
| Grants receivable | 33,782 |
| Prepaid expenses | 4,756 |
| TOTAL CURRENT ASSETS | <u>177,118</u> |

FIXED ASSETS

| | |
|--------------------------|--------------|
| Vehicles | 19,000 |
| Furniture and equipment | 26,721 |
| Accumulated depreciation | (40,941) |
| TOTAL FIXED ASSETS | <u>4,780</u> |

TOTAL ASSETS

\$ 181,898

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|---------------------------------------|-----------|
| Accounts payable and accrued expenses | \$ 18,206 |
|---------------------------------------|-----------|

NET ASSETS

| | |
|----------------------------------|----------------|
| Without Restrictions | 84,443 |
| With Donor Restrictions (Note C) | 79,249 |
| Total Net Assets | <u>163,692</u> |

TOTAL LIABILITIES AND NET ASSETS

\$ 181,898

The accompanying notes are an integral part of this financial statement.

LAUREL CIVIC ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

| | <u>Without Restriction</u> | <u>With Donor Restriction</u> | <u>Total</u> |
|---|--------------------------------|-----------------------------------|-------------------|
| NET ASSETS: | | | |
| Revenues and support | | | |
| Contributions and foundation grants | \$ 121,109 | \$ 7,000 | \$ 128,109 |
| Sarasota county HHS grant | 81,505 | - | 81,505 |
| Sarasota county CDBG grant | 48,812 | - | 48,812 |
| Fundraising | 45,855 | - | 45,855 |
| Donated facility use | 36,888 | - | 36,888 |
| Program service revenue | 890 | - | 890 |
| Released from restriction | 37,014 | (37,014) | - |
| TOTAL REVENUES AND OTHER SUPPORT | 372,073 | (30,014) | 342,059 |
| Expenses | | | |
| Program services - Adult | 157,313 | - | 157,313 |
| Program services - Child | 190,842 | - | 190,842 |
| Supporting services | 70,613 | - | 70,613 |
| Fundraising | 36,460 | - | 36,460 |
| TOTAL EXPENSES | 455,228 | - | 455,228 |
| INCREASE IN NET ASSETS | (83,155) | (30,014) | (113,169) |
| NET ASSETS AT BEGINNING OF YEAR | 160,027 | 116,834 | 276,861 |
| Prior period adjustment (Note E) | 7,571 | (7,571) | - |
| NET ASSETS AT END OF YEAR | \$ 84,443 | \$ 79,249 | \$ 163,692 |

The accompanying notes are an integral part of this financial statement.

LAUREL CIVIC ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

| | Adult Program Services | Child Program Services | Supporting Services | Fundraising | Totals |
|------------------------------|------------------------------|------------------------------|------------------------|------------------|-------------------|
| Salaries & wages | \$ 116,808 | \$ 137,815 | \$ 35,011 | \$ 28,645 | \$ 318,279 |
| Direct program expenses | 7,961 | 18,752 | - | - | 26,713 |
| Donated facility use | 16,599 | 16,601 | 3,688 | - | 36,888 |
| Supplies | 792 | 4,485 | - | - | 5,277 |
| Transportation | 319 | 3,221 | - | - | 3,540 |
| Other services | 1,486 | 540 | 11,480 | - | 13,506 |
| Telephone | 1,633 | 1,633 | 2,177 | - | 5,443 |
| Insurance | - | - | 3,808 | - | 3,808 |
| Professional fees | 11,715 | 7,795 | 6,504 | - | 26,014 |
| Fundraising | - | - | - | 7,815 | 7,815 |
| Refunded grant | - | - | 5,000 | - | 5,000 |
| Uncollected promises to give | - | - | 2,750 | - | 2,750 |
| Depreciation | - | - | 195 | - | 195 |
| | <u>\$ 157,313</u> | <u>\$ 190,842</u> | <u>\$ 70,613</u> | <u>\$ 36,460</u> | <u>\$ 455,228</u> |

The accompanying notes are an integral part of this financial statement.

LAUREL CIVIC ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019

| | |
|--|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Increase in net assets | \$ (113,169) |
| Adjustments to reconcile increase in net assets to cash provided by operating activities: | |
| Depreciation | 195 |
| Increase in grant receivable | (26,477) |
| Decrease in promise to give | 41,764 |
| Increase in prepaid insurance | (1,936) |
| Increase in accounts payable | <u>6,275</u> |
| NET CASH USED IN OPERATING ACTIVITIES | (93,348) |
| | |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Purchase of fixed assets | <u>(2,441)</u> |
| NET CASH USED IN INVESTING ACTIVITIES | (2,441) |
| | |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | <u>(95,789)</u> |
| | |
| BEGINNING CASH | <u>234,369</u> |
| | |
| ENDING CASH | <u><u>\$ 138,580</u></u> |

The accompanying notes are an integral part of this financial statement.

LAUREL CIVIC ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(See Independent Auditor's Report)

NOTE A – NATURE OF ACTIVITIES

Laurel Civic Association, Inc. (the "Organization") is a not-for-profit corporation formed under Internal Revenue Code Section 501(c)(3), located in Laurel, Florida. Our mission is "Shaping Foundations for Successful Lives" through education, social activities, providing needed support for the elderly and families, and acting as a catalyst for bringing in services that have an overall positive and permanent effect on the community and the residents. The Organization is supported primarily through public contributions, foundation grants, and grants through the Sarasota County Board of Commissioners.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Contributions Receivable

Unconditional promises to give are recorded at their fair market value in the period in which the Organization was notified of the promise. Conditional promises to give are not included in support until such time as the conditions are substantially met. Allowances are provided for uncollectible pledges based upon prior experience, current economic factors and knowledge of donors and their characteristics. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period the determination is made. All pledges receivable are due within one fiscal year. Management considered all contributions receivable to be collectible; therefore, no allowance for doubtful accounts has been recorded as of June 30, 2019.

Contributions

Contributions received are recorded as net assets with donor restriction or net assets without donor restriction depending on the existence or nature of any donor restrictions.

Contributed Services

No amounts have been reflected in the financial statement for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization at the host congregations and day center facility, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 5,000 volunteer hours per year.

LAUREL CIVIC ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(See Independent Auditor's Report)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Facilities Use

Laurel Civic Association is provided space in the Sandra Sims Terry Community Center by agreement with Sarasota County Parks and Recreation Department. The agreement may be terminated by either party upon six months written notice. The value of this donated space is estimated to be 2,878 square feet at \$12.80 per square foot or \$36,838. This amount is reflected in the financial statements as contribution revenue and rent expense.

Estimates

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

Property and Equipment

The Organization capitalizes all property and equipment with a purchase cost or fair value at date of donation of \$1,000 and a useful life of more than one year. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulation regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. During the fiscal year ended June 30, 2019, the Organization did not receive any donated property or equipment that met the capitalization policy. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets.

Income Taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Income, if any, from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. For the year ended June 30, 2019, the Organization did not have any unrelated business income.

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among its program and support services. Expenses that can be specifically identified with a program or support services are coded directly according to their natural classifications. Other expenses that are common to several functions are allocated based upon estimates made by management.

LAUREL CIVIC ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(See Independent Auditor's Report)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to credit risk include cash, accounts receivable and investments. The Organization's management attempts to prudently manage cash and cash equivalents and monitor outstanding receivables. Deposit accounts at each commercial banking institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. No amounts were uninsured at June 30, 2019.

NOTE C – DONOR RESTRICTED NET ASSETS

The Organization had the following donor restricted net assets as of June 30, 2019:

| | |
|--|------------------|
| Director of Development position | \$ 71,300 |
| Hurricane Relief and Preparation Funds | <u>7,949</u> |
| | <u>\$ 79,249</u> |

NOTE D – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$177,118 of financial assets available within one year of the balance sheet date to meet cash needs in the coming year; \$97,869 of that is available for general expenditures. The financial assets available for general expenditures consist of; unrestricted cash of \$59,331, grants receivable of \$33,782, and prepaid expenses of \$4,756. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable within one year of the balance sheet date. The contributions receivable are subject to implied time restrictions but are expected to be collected within one year.

NOTE E – PRIOR PERIOD ADJUSTMENT

The beginning fund balances; without restriction and with donor restriction, have been restated to properly reflect items that had been released from restriction during the prior year.

NOTE F – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events after June 30, 2019 through October 1, 2019 (the date the financial statements were available for issuance) for potential recognition and disclosure. No items requiring disclosure were noted.