



**United Arts of  
Central Florida, Inc.**

---

**Financial Statements**  
Years Ended June 30, 2006 and 2005

# United Arts of Central Florida, Inc.

## Contents

---

<b>Independent Auditors' Report</b>	3
<b>Financial Statements</b>	
Statements of Financial Position	4
Statements of Activities	5
Statements of Cash Flows	6
Statements of Functional Expenses	7
Notes to Financial Statements	8 – 12



## Independent Auditors' Report

Board of Directors  
United Arts of Central Florida, Inc.

We have audited the accompanying statements of financial position of United Arts of Central Florida, Inc. as of June 30, 2006 and 2005, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Arts of Central Florida, Inc. at June 30, 2006 and 2005, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Cross, Fernandez & Riley, LLP*

Certified Public Accountants

October 12, 2006

# United Arts of Central Florida, Inc.

## Statements of Financial Position

<i>June 30,</i>	<b>2006</b>	<b>2005</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,926,749	\$ 1,842,222
Restricted cash (Note 2)	1,239,083	235,874
Pledges and grants receivable, net (Note 3)	1,523,304	1,866,764
Property and equipment, net of accumulated depreciation of \$66,581 and \$46,400	81,063	27,575
Other assets	14,167	14,093
	<b>\$ 4,784,366</b>	<b>\$ 3,986,528</b>
 <b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 128,294	\$ 133,205
Amount held for others (Note 2)	1,239,083	235,874
Designations payable, less allowance for uncollectible pledges of \$24,233 and \$26,884	1,588,960	1,439,230
<b>Total liabilities</b>	<b>2,956,337</b>	<b>1,808,309</b>
 <b>Commitments (Note 5)</b>		
<b>Net assets:</b>		
Unrestricted	355,471	378,986
Temporarily restricted (Note 4)	1,472,558	1,799,233
<b>Total net assets</b>	<b>1,828,029</b>	<b>2,178,219</b>
	<b>\$ 4,784,366</b>	<b>\$ 3,986,528</b>

*See accompanying notes to financial statements.*

# United Arts of Central Florida, Inc.

## Statements of Activities

Year Ended June 30,	2006			2005		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Support and other revenue</b>						
<b>Support revenue:</b>						
Corporations	\$ 228,240	\$ 636,269	\$ 864,509	\$ 261,419	\$ 867,802	\$1,129,221
Government	2,065,153	-	2,065,153	2,029,549	-	2,029,549
Foundations	121,121	487,050	608,171	344,282	509,670	853,952
Individuals	93,064	1,237,626	1,330,690	31,211	1,058,859	1,090,070
Workplace giving	50,592	241,465	292,057	21,594	238,915	260,509
<b>Total support revenue</b>	<b>2,558,170</b>	<b>2,602,410</b>	<b>5,160,580</b>	<b>2,688,055</b>	<b>2,675,246</b>	<b>5,363,301</b>
<b>Less:</b>						
Donor designations, net of provision for losses	(465,925)	(1,476,251)	(1,942,176)	(444,951)	(1,364,469)	(1,809,420)
<b>Net support revenue</b>	<b>2,092,245</b>	<b>1,126,159</b>	<b>3,218,404</b>	<b>2,243,104</b>	<b>1,310,777</b>	<b>3,553,881</b>
<b>Other revenue:</b>						
Contract and services revenue	527,332	-	527,332	492,416	-	492,416
Sponsorships and events	142,975	25,000	167,975	350,151	-	350,151
Grants and other gifts	111,481	-	111,481	187,265	12,500	199,765
Gifts-in-kind	209,881	-	209,881	61,993	-	61,993
Other income	34,237	-	34,237	66,858	-	66,858
Net assets released from restriction (Note 4)	1,477,834	(1,477,834)	-	1,026,743	(1,026,743)	-
<b>Total support and other revenue</b>	<b>4,595,985</b>	<b>(326,675)</b>	<b>4,269,310</b>	<b>4,428,530</b>	<b>296,534</b>	<b>4,725,064</b>
<b>Support grants and functional expenses:</b>						
Support grants to arts organizations	3,106,101	-	3,106,101	2,863,702	-	2,863,702
<b>Functional expenses:</b>						
Program	842,460	-	842,460	634,230	-	634,230
Fund raising	391,347	-	391,347	323,645	-	323,645
Management and general	279,592	-	279,592	298,571	-	298,571
<b>Total functional expenses</b>	<b>1,513,399</b>	<b>-</b>	<b>1,513,399</b>	<b>1,256,446</b>	<b>-</b>	<b>1,256,446</b>
<b>Total support grants and functional expenses</b>	<b>4,619,500</b>	<b>-</b>	<b>4,619,500</b>	<b>4,120,148</b>	<b>-</b>	<b>4,120,148</b>
<b>Change in net assets</b>	<b>(23,515)</b>	<b>(326,675)</b>	<b>(350,190)</b>	<b>308,382</b>	<b>296,534</b>	<b>604,916</b>
<b>Net assets, beginning of year</b>	<b>378,986</b>	<b>1,799,233</b>	<b>2,178,219</b>	<b>70,604</b>	<b>1,502,699</b>	<b>1,573,303</b>
<b>Net assets, end of year</b>	<b>\$ 355,471</b>	<b>\$1,472,558</b>	<b>\$1,828,029</b>	<b>\$ 378,986</b>	<b>\$1,799,233</b>	<b>\$2,178,219</b>

*See accompanying notes to financial statements.*

# United Arts of Central Florida, Inc.

## Statements of Cash Flows

<i>Year Ended June 30,</i>	2006	2005
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (350,190)	\$ 604,916
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	20,180	14,916
Cash provided by (used for):		
Restricted cash	(1,003,209)	(91,057)
Pledges and grants receivable, net	343,460	(1,650)
Other assets	(74)	(1,091)
Accounts payable and accrued expenses	(4,911)	42,574
Amount held for others	1,003,209	91,057
Designations payable, net	149,730	(223,256)
<b>Net cash provided by operating activities</b>	<b>158,195</b>	<b>436,409</b>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(73,668)	(4,402)
<b>Net increase in cash and cash equivalents</b>	<b>84,527</b>	<b>432,007</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,842,222</b>	<b>1,410,215</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,926,749</b>	<b>\$ 1,842,222</b>

*See accompanying notes to financial statements.*

# United Arts of Central Florida, Inc.

## Statements of Functional Expenses

<i>Year Ended June 30,</i>	2006			<i>Total</i>
	<i>Program</i>	<i>Fund Raising</i>	<i>Management and General</i>	
Salaries, taxes and benefits	\$ 299,972	\$ 233,312	\$ 133,320	\$ 666,604
Promotional expenses	273,521	57,164	-	330,685
Consulting and contracted services	107,310	3,750	66,442	177,502
Rents and utilities	21,347	14,735	9,257	45,339
Office supplies and expenses	4,741	3,272	2,056	10,069
Printing and publication	62,772	28,864	9,646	101,282
Miscellaneous	22,079	15,241	36,878	74,198
Transportation, meals and awards	19,616	13,540	8,506	41,662
Depreciation	9,501	6,559	4,120	20,180
Dues and subscriptions	6,050	4,176	2,623	12,849
Postage	4,480	3,092	1,943	9,515
Corporate insurance	3,044	2,101	1,320	6,465
Telecommunication	5,347	3,691	2,319	11,357
Training and education	2,680	1,850	1,162	5,692
<b>Total functional expenses</b>	<b>\$ 842,460</b>	<b>\$ 391,347</b>	<b>\$ 279,592</b>	<b>\$ 1,513,399</b>

<i>Year Ended June 30,</i>	2005			<i>Total</i>
	<i>Program</i>	<i>Fund Raising</i>	<i>Management and General</i>	
Salaries, taxes and benefits	\$249,857	\$195,393	\$195,409	\$ 640,659
Promotional expenses	126,007	50,928	1,199	178,134
Consulting and contracted services	108,893	2,956	4,994	116,843
Rents and utilities	27,628	21,521	32,356	81,505
Office supplies and expenses	4,835	3,766	2,595	11,196
Printing and publication	67,008	10,132	6,983	84,123
Miscellaneous	4,007	3,121	30,343	37,471
Transportation, meals and awards	18,505	14,415	9,935	42,855
Depreciation	6,441	5,017	3,458	14,916
Dues and subscriptions	5,076	3,954	2,725	11,755
Postage	3,728	2,904	2,001	8,633
Corporate insurance	2,469	1,923	1,325	5,717
Telecommunication	5,237	4,079	2,811	12,127
Training and education	4,539	3,536	2,437	10,512
<b>Total functional expenses</b>	<b>\$634,230</b>	<b>\$323,645</b>	<b>\$298,571</b>	<b>\$ 1,256,446</b>

*See accompanying notes to financial statements.*

# United Arts of Central Florida, Inc.

## Notes to Financial Statements

### 1. Summary of Accounting Policies

#### Nature of Operations

United Arts of Central Florida, Inc. ("United Arts" or the "Organization") is a not-for-profit corporation organized and operated exclusively for cultural and educational purposes in order to further programs in the arts and sciences. Monies raised by United Arts are distributed to various cultural and educational organizations.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

#### Property and Equipment

Property and equipment consists of furniture, office equipment and software and are recorded at cost, if purchased, and at fair market value on the date received, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets of three to seven years.

#### Contributions and Designations

Unconditional promises to give, including pledges and grants receivable, are recognized in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions received which are designated to a specified organization by the donor are not recorded as revenue. These designations are recorded as a liability when the related promise to give is received, net of an allowance for uncollectible pledges.