

SIMSBURY PERFORMING ARTS CENTER, INC.

Financial Statements
Independent Auditors' Report

December 31, 2015 and 2014

SIMSBURY PERFORMING ARTS CENTER, INC.

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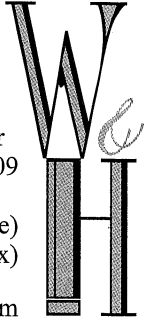
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Simsbury Performing Arts Center, Inc.

We have audited the accompanying financial statements of Simsbury Performing Arts Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years 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.

Auditors' 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 auditors' 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 Simsbury Performing Arts Center, Inc. as of December 31, 2015 and 2014, 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.

Whittlesey & Hadley

Hartford, Connecticut
March 31, 2016

SIMSBURY PERFORMING ARTS CENTER, INC.

Statements of Financial Position

December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash	\$ 70,697	\$ 61,210
Inventory	<u>2,331</u>	<u>2,210</u>
Total assets	<u>\$ 73,028</u>	<u>\$ 63,420</u>
 <u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable and accrued expenses	<u>\$ 1,479</u>	<u>\$ 4,675</u>
Total liabilities	1,479	4,675
Net assets:		
Unrestricted	<u>71,549</u>	<u>58,745</u>
Total liabilities and net assets	<u>\$ 73,028</u>	<u>\$ 63,420</u>

SIMSBURY PERFORMING ARTS CENTER, INC.

Statements of Activities

For the year ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Changes in Unrestricted Net Assets:		
Operating revenues and support:		
Event revenue	\$ 216,731	\$ 199,272
Concession sales	175,830	141,355
Contributions and sponsorships	<u>85,081</u>	<u>105,357</u>
Total operating revenues and support	<u>477,642</u>	<u>445,984</u>
Operating expenses:		
Event expenses	313,067	266,106
Facility management	71,666	71,781
Costs of concessions	26,017	24,285
Management and general	43,861	16,612
Development	<u>10,227</u>	<u>20,385</u>
Total operating expenses	<u>464,838</u>	<u>399,169</u>
Change in net assets	12,804	46,815
Net assets, beginning of year	<u>58,745</u>	<u>11,930</u>
Net assets, end of year	<u><u>\$ 71,549</u></u>	<u><u>\$ 58,745</u></u>

SIMSBURY PERFORMING ARTS CENTER, INC.

Statements of Cash Flows

For the year ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ 12,804	\$ 46,815
(Increase)/decrease in assets:		
Accounts receivable	-	15,342
Inventory	(121)	(1,399)
(Decrease) in liabilities:		
Accounts payable	<u>(3,196)</u>	<u>(183)</u>
Net change in cash from operating activities	<u>9,487</u>	<u>60,575</u>
Change in cash	9,487	60,575
Cash at beginning of year	<u>61,210</u>	<u>635</u>
Cash at end of year	<u><u>\$ 70,697</u></u>	<u><u>\$ 61,210</u></u>

SIMSBURY PERFORMING ARTS CENTER, INC.

Notes to the Financial Statements

December 31, 2015 and 2014

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

Simsbury Performing Arts Center, Inc. (the “Simsbury PAC”) is a non-profit organization located in Simsbury, Connecticut whose mission is to manage, and enhance, the Performing Arts Center at Simsbury Meadows to provide the residents of Simsbury and the surrounding communities with entertainment, educational and charitable events. The Performing Arts Center at Simsbury Meadows is owned by the Town of Simsbury. Simsbury PAC has a facility operation agreement with the Town of Simsbury to manage and conduct the operations of the Performing Arts Center.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Basis of Presentation

The presentation follows the recommendations of the Financial Accounting Standard Board (FASB) Accounting Standard Codification (ASC) Topic 958 *Not-for-Profit Entities Presentation of Financial Statements*, in which Simsbury PAC reports 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.

Unrestricted – Unrestricted net assets are contributions that are not restricted by the contributor that are used for general activity of Simsbury PAC and its programs.

Temporarily Restricted – Temporarily restricted net assets represent contributions that are restricted by the contributor either as to purpose or as to time of expenditure.

Permanently Restricted – Permanently restricted net assets are subject to explicit donor-imposed or other restrictions requiring that the principal be maintained permanently by the organization.

Currently, the Organization does not have temporarily or permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Credit Risk

Simsbury PAC maintains its cash in bank accounts which, at times may exceed federally insured limits. Simsbury PAC has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Inventory

Inventory of concession beverages and supplies is stated at cost using the first-in, first-out method.

Revenue Recognition Policy

Event revenues consist primarily of licensing and facility fees from third parties for the right of use of the Performing Arts Center at Simsbury Meadows. Revenues are recognized at the time of the event.

Concessions sales are recorded as revenue at point of sale.

All contributions, including unconditional promises to give, are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions and sponsorships received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as unrestricted.

Subsequent Events Measurement Date

Simsbury PAC has monitored and evaluated any subsequent events for footnote disclosures or adjustments required in its financial statements for fiscal year ended December 31, 2015 through March 31, 2016, the date on which financial statements were available to be issued.

Advertising

Simsbury PAC follows the policy of charging the costs of advertising to expense during the fiscal year that the related performance occurs. Advertising consists primarily of print, internet, radio, and brochures. Advertising expense for the year ended December 31, 2015 and 2014 was \$5,041 and \$9,646.

Donated Services

A substantial number of volunteers have donated significant amounts of time to Simsbury PAC's activities. Simsbury PAC recognizes contributed services when the service requires specialized skills that would typically need to be purchased if not provided by the contribution. There are no donated services that meet revenue recognition criteria and as such they have not been reflected in the accompanying financial statements.

NOTE 2 – INCOME TAXES:

Simsbury PAC is a non-profit corporation that has been determined to be exempt from Federal income taxes, under Section 501(c)(3) of the Internal Revenue Code.

NOTE 3 – COMMITMENT:

Simsbury PAC has entered into a facility operation agreement with the Town of Simsbury for the purpose of managing and conducting operations of the Performing Arts Center at Simsbury Meadows for the period beginning January 1, 2014 and expiring December 31, 2016. Under this agreement, Simsbury PAC will reimburse administrative costs incurred in connection with preparation of the facility for each concert season. This fee shall be paid at the conclusion of each season on November 1 and will be the greater of \$2,500 or 5% of net revenues for the season up to \$10,000. Simsbury PAC paid \$10,000 to the Town of Simsbury for the years ended December 31, 2015 and 2014, respectively.