

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

FRAMEWORKS OF TAMPA BAY, INC.

June 30, 2016

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**RIVERO, GORDIMER & COMPANY, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

Member  
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INDEPENDENT AUDITORS' REPORT

Board of Directors  
Frameworks of Tampa Bay, Inc.

We have audited the accompanying financial statements of Frameworks of Tampa Bay, Inc. (the "Organization") (a Florida corporation, not-for-profit) which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and changes in net assets, cash flows, and functional expenses 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.

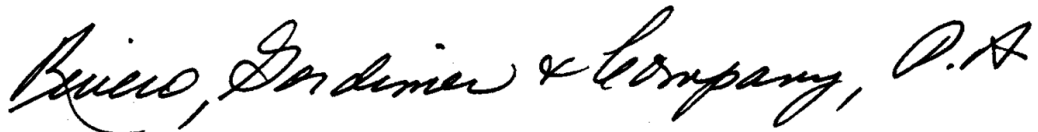
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Frameworks of Tampa Bay, Inc. as of June 30, 2016, 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.

## Report on Summarized Comparative Information

We have previously audited the Organization's 2015 financial statements, and our report dated October 20, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Bruce, Gardner & Company, P.A." The signature is written in black ink and is positioned above the typed text of the firm's name and location.

Tampa, Florida  
October 19, 2016

Frameworks of Tampa Bay, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2016  
(With comparative total for 2015)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2016	2015
ASSETS					
Cash	\$ 571,378	\$ -	\$ -	\$ 571,378	\$ 451,520
Accounts receivable	13,684	-	-	13,684	4,665
Prepaid expenses	12,024	-	-	12,024	12,309
Beneficial interest in assets held by others (notes A5)	(282)	-	10,000	9,718	10,003
Equipment and leasehold improvements, net of accumulated depreciation (notes A6 and D)	23,476	-	-	23,476	15,419
Other	6,293	-	-	6,293	6,046
<b>Total assets</b>	<b>\$ 626,573</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ 636,573</b>	<b>\$ 499,962</b>
LIABILITIES AND NET ASSETS					
Accounts payable	\$ 5,285	\$ -	\$ -	\$ 5,285	\$ 8,892
Accrued expenses	55,833	-	-	55,833	43,680
Deferred revenue	35,851	-	-	35,851	11,510
Commitments (note E)	-	-	-	-	-
<b>Total liabilities</b>	<b>96,969</b>	<b>-</b>	<b>-</b>	<b>96,969</b>	<b>64,082</b>
<b>Net assets</b>	<b>529,604</b>	<b>-</b>	<b>10,000</b>	<b>539,604</b>	<b>435,880</b>
<b>Total liabilities and net assets</b>	<b>\$ 626,573</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ 636,573</b>	<b>\$ 499,962</b>

The accompanying notes are an integral part of this statement.

Frameworks of Tampa Bay, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2016  
(With comparative total for 2015)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2016	2015
<b>Revenues</b>					
Public support and revenue					
Public support					
Contributions (note A3)	\$ 682,414	\$ -	\$ -	\$ 682,414	\$ 657,470
Special events, net of expenses of \$46,623 (note F)	21,531	-	-	21,531	17,545
Total public support	703,945	-	-	703,945	675,015
Other revenue					
Program service revenue (note A9)	278,645	-	-	278,645	142,487
(Loss) gain on beneficial interest in assets held by others	(285)	-	-	(285)	3
Interest and other revenue	125	-	-	125	1,009
Net assets released from restrictions	40,003	(40,003)	-	-	-
Total revenues	1,022,433	(40,003)	-	982,430	818,514
<b>Expenses</b>					
Program services	667,545	-	-	667,545	601,874
Supporting services					
Management and general	96,511	-	-	96,511	76,870
Fundraising	114,650	-	-	114,650	101,146
Total supporting services	211,161	-	-	211,161	178,016
Total expenses	878,706	-	-	878,706	779,890
Change in net assets	143,727	(40,003)	-	103,724	38,624
Net assets at beginning of year	385,877	40,003	10,000	435,880	397,256
Net assets at end of year	\$ 529,604	\$ -	\$ 10,000	\$ 539,604	\$ 435,880

The accompanying notes are an integral part of this statement.

Frameworks of Tampa Bay, Inc.

STATEMENT OF CASH FLOWS

For the year ended June 30, 2016

Cash flows from operating activities	
Change in net assets	<u>\$ 103,724</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	5,306
Increase in receivables	(9,019)
Decrease in prepaid expenses	285
Increase in other assets	(247)
Decrease in accounts payable	(3,607)
Increase in accrued expenses	12,153
Increase in deferred revenue	24,341
Net realized and unrealized loss on investments	285
Total adjustments	<u>29,497</u>
Net cash provided by operations	<u>133,221</u>
Cash flows from investing activities	
Fixed asset purchases	<u>(13,362)</u>
Net cash used by investing activities	<u>(13,362)</u>
Net increase in cash and cash equivalents	119,859
Cash and cash equivalents at beginning of year	<u>451,520</u>
Cash and cash equivalents at end of year	<u><u>\$ 571,379</u></u>
Supplemental disclosures of cash flow information	
Cash paid during the year	
Interest	<u>\$ -</u>
Income taxes	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

Frameworks of Tampa Bay, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2016  
(With comparative total for 2015)

	Program Services	Supporting Services			Total	
		Management and General	Fund Raising	Total Support	2016	2015
Salaries	\$ 440,170	\$ 35,341	\$ 67,964	\$ 103,305	\$ 543,475	\$ 459,809
Employee benefits	21,756	1,746	3,357	5,103	26,859	14,284
Payroll taxes	43,534	3,493	6,718	10,211	53,745	45,681
Total salaries and related expenses	505,460	40,580	78,039	118,619	624,079	519,774
Contract services	32,498	2,608	5,015	7,623	40,121	51,535
Supplies and food	-	2,402	426	2,828	2,828	2,634
Program supplies	44,843	-	749	749	45,592	55,166
Training supplies	-	-	-	-	-	484
Telephones	2,500	6,902	950	7,852	10,352	8,343
Postage and shipping	40	306	1,849	2,155	2,195	2,181
Occupancy	41,843	3,358	6,457	9,815	51,658	50,476
Insurance	1,676	10,253	288	10,541	12,217	10,017
Equipment costs	-	10,942	-	10,942	10,942	9,066
Printing, publicity, and promotion	978	-	15,349	15,349	16,327	15,243
Travel	3,019	922	456	1,378	4,397	5,511
Bad debt	-	-	-	-	-	250
Conferences, conventions and meetings	30,279	1,343	2,976	4,319	34,598	27,028
Merchant fees	-	3,863	59	3,922	3,922	3,653
Membership, dues and licenses	114	687	1,371	2,058	2,172	2,450
Legal and professional fees	-	12,000	-	12,000	12,000	11,750
Subtotal	663,250	96,166	113,984	210,150	873,400	775,561
Depreciation	4,295	345	666	1,011	5,306	4,329
Total expenses	\$ 667,545	\$ 96,511	\$ 114,650	\$ 211,161	\$ 878,706	\$ 779,890

The accompanying notes are an integral part of this statement.



Frameworks of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A brief description of the organization and a summary of its significant accounting policies consistently applied in the preparation of the accompanying financial statements follow:

1. Organization

Frameworks of Tampa Bay, Inc. (the "Organization"), is a not-for-profit corporation located in Tampa, Florida. The Organization was established in 2007 and connects girls and boys with other organizations, schools, and individuals to create lasting positive change in the community, and provide them with the critical skills needed to make important connections in their lives.

2. Basis of Accounting

These financial statements, presented on the accrual basis of accounting, have been prepared to focus on the Organization as a whole and to present net assets, revenues, and expenses based on the existence or absence of donor-impaired restrictions.

The Organization follows the provisions of the Financial Accounting Standards Boards *Accounting Standards Codification* ("FASB ASC").

FASB ASC 956-605 requires the Organization to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributed services meeting certain criteria at fair values.

FASB ASC 958-205 establishes standards for general purpose external financial statements of not-for-profit organizations that require a statement of financial position, a statement of activities and changes in net assets, and a statement of cash flows.

These three classifications are defined as follows:

- Unrestricted net assets - not subject to donor-imposed restrictions or the donor-imposed restrictions have expired.
- Temporarily restricted net assets - subject to donor-imposed stipulations that may be fulfilled by actions of the Organization to meet the stipulations or become unrestricted by the passage of time.
- Permanently restricted net assets - subject to donor-imposed stipulations that they be retained and invested permanently by the Organization.

Frameworks of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Contributions

Contributions, including unconditional promises to give, are recorded as received. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give, due in the current year, are recorded at their net realizable value. Unconditional promises to give, due in subsequent years, are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

4. Accounts Receivable

The Organization provides for accounts receivable at estimated net realizable value. Accordingly, no allowances for doubtful accounts are deemed necessary as of June 30, 2016 and 2015.

5. Beneficial Interest in Assets Held by Others

The Organization has transferred assets to a community foundation which holds assets for its benefit. When a nonprofit transfers assets to a charitable trust or community foundation in which the resource provider names itself as beneficiary, the economic benefit of the transferred asset remains with the resource provider. The asset received in exchange is a beneficial interest in assets held by others, measured at fair value of the asset contributed. Changes in the value are recognized in the Statement of Activities and Changes in Net Assets as "change in beneficial interest in assets held by others."

6. Equipment and Leasehold Improvements

Equipment and leasehold improvements are recorded at cost. The Organization capitalizes all expenditures for equipment and leasehold improvements in excess of \$500.

7. Depreciation

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives by the straight-line method. Estimated service lives for the Organization's equipment and leasehold improvements is five years.

8. Deferred Revenue

Program fees received are recorded as revenue in the applicable program period.

Frameworks of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

9. Functional Allocation of Expenses

The costs of providing the Organization's various programs and other activities have been summarized on a functional basis in the accompanying Statement of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited as shown in the Statement of Functional Expenses for the year ended June 30, 2016.

10. 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

11. Presentation

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

NOTE B - INCOME TAX STATUS

The Organization has been granted an exemption from federal income tax under Section 501 (c)(3) of the Internal Revenue Code and from Florida income tax under Chapter 220 of the Florida Statutes. Accordingly, no provision for income taxes has been included in the accompanying financial statements. The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances.

Management is not aware of any activities that would jeopardize the Organization's tax exempt status. The Organization is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax years after June 30, 2012 remain subject to examination by taxing authorities.

Frameworks of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE C - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board *Accounting Standards Codification* 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement), a middle priority to quoted prices for similar assets or liabilities (level 2 measurements), and the lowest priority to unobservable inputs (level 3 measurements).

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for significant assets measured at fair value at June 30, 2016:

*Beneficial interest in assets held by others:* Consists of funds held by a community foundation. The beneficial interest is not actively traded and significant other observable inputs are not available. Thus, the fair value is equal to the value reported by the trustee.

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents financial assets measured at fair value on a recurring basis as of June 30, 2016:

	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Beneficial interest in assets held by others	<u>\$ 9,718</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,718</u>

Frameworks of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE C - FAIR VALUE MEASUREMENTS - Continued

The following illustrates a rollforward for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the year ended June 30, 2016:

<u>Assets</u>	
Beneficial interest in assets held by others at June 30, 2015	\$ 10,003
Additions	506
Investment income (loss)	(791)
Distributions	<u>-</u>
Beneficial interest in assets held by others at June 30, 2016	<u>\$ 9,718</u>

NOTE D - EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Equipment and leasehold improvements and related accumulated depreciation consisted of the following at June 30, 2016:

Office and computer equipment	\$ 94,353
Leasehold improvements	<u>10,335</u>
	104,688
Less accumulated depreciation	<u>81,213</u>
	<u>\$ 23,475</u>

NOTE E - COMMITMENTS AND CONTINGENCIES

1. Operating Leases

The Organization conducts its operations in a leased facility. The lease is classified as an operating lease. Approximate future minimum payments under the operating lease agreement are as follows:

<u>Year ending June 30,</u>	
2017	\$ 45,000
2018	<u>21,300</u>
	<u>\$ 66,300</u>

Rent expense for the year ended June 30, 2016 was approximately \$43,300.

Frameworks of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE E - COMMITMENTS AND CONTINGENCIES - Continued

2. Line of Credit

The Organization has a \$90,000 line of credit with a financial institution with an interest rate at 4.5%. There was no amount outstanding at June 30, 2016. The line of credit is secured by all of the Organization's deposit accounts and investments and is renewed annually.

3. 401(k) Plan

The Organization established a 401(k) Retirement Plan (the "Plan") effective January 1, 2015. The Plan covers substantially all employees over the age of 21 and with a minimum service of three months. During the current year, the Organization adopted a matching policy. The Organization will make non-discretionary matching contributions of 50% of the first 4% of the employee's contributions, not to exceed 2% of the employee's eligible compensation. The annual expense incurred was approximately \$1,250 for the year ended June 30, 2016.

NOTE F - SPECIAL EVENTS

The Organization holds one primary special event each year in order to raise funds for its mission, which consists of the following at June 30,:

	<u>2016</u>	<u>2015</u>
Gross receipts	\$ 184,878	\$ 160,804
Less contributions	(116,724)	(107,367)
Less direct expenses	<u>(46,623)</u>	<u>(35,892)</u>
	<u>\$ 21,531</u>	<u>\$ 17,545</u>

NOTE G - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets contain donor-imposed restrictions that expire upon the passage of time or once specific actions are undertaken by the Organization. The net assets are then released and reclassified to unrestricted support when these restrictions are satisfied.

NOTE H - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are restricted to investment in perpetuity, any gain or loss from which is expendable to support unrestricted net assets. Permanently restricted net assets consist of an Endowment Fund with a balance of \$10,000 at June 30, 2016.

Frameworks of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE I - ENDOWMENT NET ASSETS

Interpretation of Relevant Law

In accordance with FASB ASC 958-205-50 "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures of All Endowment Funds," the Organization has established a permanently restricted endowment fund. This fund is invested in accordance with the investment policy of the Organization.

In July 2011, the State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The Organization has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulation to the contrary. As a result of this interpretation, Frameworks of Tampa Bay, Inc. classifies assets transferred to the permanent endowment as permanently restricted net assets. The temporarily restricted balance at June 30, 2016 represents investment gains related to permanently restricted endowments.

Changes in the endowment's net assets are as follows for the year ended June 30, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets at June 30, 2015	\$ -	\$ 3	\$ 10,000	\$ 10,003
Additions	-	-	-	-
Investment income	-	506	-	506
Unrealized loss on investments	-	(791)	-	(791)
Reclassification of net assets	(282)	282	-	-
Endowment net assets at June 30, 2016	<u>\$ (282)</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 9,718</u>

NOTE J - ECONOMIC DEPENDENCY

The Organization receives a substantial amount of its funding (approximately 32% during the year ended June 30, 2016) from one local private foundation.

NOTE K - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to June 30, 2016 as of October 19, 2016 which is the date the financial statements were available to be issued.