FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

FRAMEWORKS OF TAMPA BAY, INC.

June 30, 2015

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RG&Co.

RIVERO, GORDIMER & COMPANY, P.A.
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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, 2015, 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.

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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, 2015, 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 2014 financial statements, and our report dated October 15, 2014, 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, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Rivero, Gordimer & Company, P.A.

Tampa, Florida
October 20, 2015

Frameworks of Tampa Bay, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2015
(With comparative total for 2014)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2015	Total 2014
ASSETS					
Cash	$ 411,520	$ 40,000	$ -	$ 451,520	$ 375,485
Accounts receivable	4,665	-	-	4,665	38,572
Prepaid expenses	12,309	-	-	12,309	10,760
Beneficial interest in assets held by others (notes A5)	-	3	10,000	10,003	-
Equipment and leasehold improvements, net of accumulated depreciation (notes A6 and D)	15,419	-	-	15,419	16,913
Other	6,046	-	-	6,046	5,509
Total assets	$ 449,959	$ 40,003	$ 10,000	$ 499,962	$ 447,239
LIABILITIES AND NET ASSETS					
Accounts payable	$ 8,892	$ -	$ -	$ 8,892	$ 644
Accrued expenses	43,680	-	-	43,680	34,914
Deferred revenue	11,510	-	-	11,510	14,425
Commitments (note E)	-	-	-	-	-
Total liabilities	64,082	-	-	64,082	49,983
Net assets	385,877	40,003	10,000	435,880	397,256
Total liabilities and net assets	$ 449,959	$ 40,003	$ 10,000	$ 499,962	$ 447,239

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, 2015
(With comparative total for 2014)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2015	Total 2014
Revenues					
Public support and revenue					
Public support					
Contributions (note A3)	$ 607,470	$ 40,000	$ 10,000	$ 657,470	$ 620,803
Special events, net of expenses of $35,892 (note F)	17,545	-	-	17,545	17,544
Total public support	625,015	40,000	10,000	675,015	638,347
Other revenue					
Program service revenue (note A9)	142,487	-	-	142,487	78,932
Gain (loss) on beneficial interest in assets held by others	-	3	-	3	-
Interest and other revenue	1,009	-	-	1,009	9,732
Net assets released from restrictions	1,500	(1,500)	-	-	-
Total revenues	770,011	38,503	10,000	818,514	727,011
Expenses					
Program services	601,874	-	-	601,874	578,899
Supporting services					
Management and general	76,870	-	-	76,870	75,964
Fundraising	101,146	-	-	101,146	91,107
Total supporting services	178,016	-	-	178,016	167,071
Total expenses	779,890	-	-	779,890	745,970
Change in net assets	(9,879)	38,503	10,000	38,624	(18,959)
Net assets at beginning of year	395,756	1,500	-	397,256	416,215
Net assets at end of year	$ 385,877	$ 40,003	$ 10,000	$ 435,880	$ 397,256

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, 2015

Cash flows from operating activities	
Change in net assets	$ 38,624
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	4,329
Decrease in receivables	33,907
Increase in prepaid expenses	(1,549)
Increase in other assets	(537)
Increase in accounts payable	8,248
Increase in accrued expenses	8,766
Decrease in deferred revenue	(2,915)
Net realized and unrealized gain on investments	(3)
Total adjustments	50,246
Net cash provided by operations	88,870
Cash flows from investing activities	
Investment in a beneficial interest in assets held by others	(10,000)
Fixed asset purchases	(2,835)
Net cash used by investing activities	(12,835)
Net increase in cash and cash equivalents	76,035
Cash and cash equivalents at beginning of year	375,485
Cash and cash equivalents at end of year	$ 451,520
Supplemental disclosures of cash flow information	
Cash paid during the year	
Interest	$ -
Income taxes	$ -

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, 2015
(With comparative total for 2014)

		Supporting Services			Total	
	Program Services	Management and General	Fund Raising	Total Support	2015	2014
Salaries	$ 369,494	$ 31,304	$ 59,011	$ 90,315	$ 459,809	$ 479,242
Employee benefits	11,594	974	1,716	2,690	14,284	17,892
Payroll taxes	37,208	2,913	5,560	8,473	45,681	48,182
Total salaries and related expenses	418,296	35,191	66,287	101,478	519,774	545,316
Contract services	45,868	1,545	4,122	5,667	51,535	32,316
Supplies and food	-	2,567	67	2,634	2,634	2,385
Program supplies	53,663	-	1,503	1,503	55,166	38,596
Training supplies	484	-	-	-	484	-
Telephones	5,507	667	2,169	2,836	8,343	12,054
Postage and shipping	523	1,025	633	1,658	2,181	1,688
Occupancy	36,429	9,042	5,005	14,047	50,476	48,952
Insurance	1,207	8,556	254	8,810	10,017	10,510
Equipment costs	6,346	1,361	1,359	2,720	9,066	14,358
Printing, publicity, and promotion	217	-	15,026	15,026	15,243	4,877
Travel	4,252	833	426	1,259	5,511	6,441
Bad debt	-	250	-	250	250	-
Conferences, conventions and meetings	21,164	3,169	2,695	5,864	27,028	7,875
Merchant fees	3,617	36	-	36	3,653	4,419
Membership, dues and licenses	361	878	1,211	2,089	2,450	2,492
Legal and professional fees	-	11,750	-	11,750	11,750	11,500
Subtotal	597,934	76,870	100,757	177,627	775,561	743,779
Depreciation	3,940	-	389	389	4,329	2,191
Total expenses	$ 601,874	$ 76,870	$ 101,146	$ 178,016	$ 779,890	$ 745,970

The accompanying notes are an integral part of this statement.

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. <u>Organization</u>

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. <u>Basis of Accounting</u>

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:

- <u>Unrestricted net assets</u> - not subject to donor-imposed restrictions or the donor-imposed restrictions have expired.
- <u>Temporarily restricted net assets</u> - 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.
- <u>Permanently restricted net assets</u> - subject to donor-imposed stipulations that they be retained and invested permanently by the Organization.

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, 2015 and 2014.

5. Beneficial Interest held by Others

The Organization has transferred assets to a community foundation which holds funds 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 value beneficial interest in funds 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.

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, 2015.

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, 2014, 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, 2011 remain subject to examination by taxing authorities.

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, 2015:

> *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, 2015:

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Beneficial interest in assets held by others	$ 10,003	$ -	$ -	$ 10,003

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, 2015:

Assets	
Beneficial interest in assets held by others at June 30, 2014	$ -
Additions	10,000
Investment income	297
Distributions	(294)
	-
Beneficial interest in assets held by others at June 30, 2015	$ 10,003

NOTE D - EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Equipment and leasehold improvements and related accumulated depreciation consisted of the following at June 30, 2015:

Office and computer equipment	$ 28,131
Leasehold improvements	10,335
	38,466
Less accumulated depreciation	23,047
	$ 15,419

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:

Year ending June 30,	
2016	$ 43,300
2017	45,000
2018	21,300
	$ 109,600

Rent expense for the year ended June 30, 2015 was approximately $41,700.

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, 2015. The line of credit is secured by all of the Organization's deposit accounts and investments and is renewed annually.

3. 401(k) Plan

During the current year, 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. The Organization did not adopt a matching policy at the inception of the Plan.

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,:

	2015	2014
Gross receipts	$ 160,804	$ 173,873
Less contributions	(107,367)	(99,198)
Less direct expenses	(35,892)	(57,131)
	$ 17,545	$ 17,544

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.

Temporarily restricted net assets totaled approximately $40,000 at June 30, 2015 and are available for youth and teen programs.

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, 2015.

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, 2015 represents investment gains related to permanently restricted endowments.

Changes in the endowment's net assets are as follows for the year ended June 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at June 30, 2014	$ -	$ -	$ -	$ -
Additions	-	-	10,000	10,000
Investment income	-	297	-	297
Unrealized loss on investments	-	(294)	-	(294)
Endowment net assets at June 30, 2015	$ -	$ 3	$ 10,000	$ 10,003

NOTE J - ECONOMIC DEPENDENCY

The Organization receives a substantial amount of its funding (approximately 38% during the year ended June 30, 2015) from one local private foundation.

NOTE K - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to June 30, 2015 as of October 20, 2015 which is the date the financial statements were available to be issued.