

ABC NO RIO, INC.

REPORT ON AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2013

WITH SUMMARIZED COMPARATIVE INFORMATION

FOR THE YEAR ENDED JUNE 30, 2012

ABC NO RIO, INC.
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RICH AND BANDER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

PETER R. RICH, CPA

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
ABC No Rio, Inc.
New York, NY

Report on the Financial Statements

We have audited the accompanying financial statements of ABC No Rio, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, 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.

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 of 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 ABC No Rio, Inc. as of June 30, 2013, 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 ABC No Rio, Inc.'s 2012 financial statements, and our report dated February 6, 2013 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, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on pages 17 and 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Rich and Bander, LLP

New York, NY
February 10, 2014

ABC NO RIO, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2013
WITH COMPARATIVE TOTALS FOR JUNE 30, 2012

ASSETS	2013	2012
Current assets		
Cash and cash equivalents	\$ 60,865	\$ 60,313
Promises to give	3,150,000	3,150,000
Grants receivable	968	1,062
User fees receivable	210	230
Due from Paypal	541	-
Prepaid expenses	3,759	3,565
Total current assets	3,216,343	3,215,170
Property and equipment		
Property and equipment, net of accumulated depreciation	1	1
Construction in progress	1,174,341	1,131,349
Collections	-	-
	1,174,342	1,131,350
Other assets		
Cash restricted to construction of new facility	1,082,231	1,121,035
TOTAL ASSETS	\$ 5,472,916	\$ 5,467,555
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 9,635	\$ 10,337
Due to fiscally sponsored projects	2,100	2,045
Accrued director compensation	-	450
Total current liabilities	11,735	12,832
Contingencies	-	-
Net assets		
Unrestricted	1,230,222	1,184,960
Temporarily restricted	4,230,959	4,269,763
Total net assets	5,461,181	5,454,723
TOTAL LIABILITIES AND NET ASSETS	\$ 5,472,916	\$ 5,467,555

The accompanying notes are an integral part of these financial statements.

ABC NO RIO, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE TOTALS FOR JUNE 30, 2012

	Unrestricted	Temporarily Restricted	2013 Total	2012 Total
Revenue and support				
Grants and contributions				
Individuals	\$ 25,203	\$ 8,055	\$ 33,258	\$ 31,181
Government	10,662	-	10,662	10,822
Special fundraising events	920	592	1,512	1,976
Promises to give	-	-	-	700,000
Total grants and contributions	36,785	8,647	45,432	743,979
Program service revenue				
Public events programming:				
Admission fees	12,505	-	12,505	16,655
User fees	8,520	-	8,520	9,643
Total program service revenue	21,025	-	21,025	26,298
Other income				
Interest income	2,872	-	2,872	3,496
Miscellaneous income	1,100	20	1,120	986
Total other income	3,972	20	3,992	4,482
Net assets released from restrictions	47,471	(47,471)	-	-
	109,253	(38,804)	70,449	774,759
Expenses				
Program services	47,969	-	47,969	47,437
Supporting services				
Management and general	14,378	-	14,378	13,749
Fundraising	1,644	-	1,644	1,401
	63,991	-	63,991	62,587
Increase (decrease) in net assets	45,262	(38,804)	6,458	712,172
Net assets - beginning of year	1,184,960	4,269,763	5,454,723	4,742,551
Net assets - end of year	\$ 1,230,222	\$ 4,230,959	\$ 5,461,181	\$ 5,454,723

ABC NO RIO, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE TOTALS FOR JUNE 30, 2012

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>2013 Total</u>	<u>2012 Total</u>
Administrative salary	\$ 16,725	\$ 5,575	\$ -	\$ 22,300	\$ 19,850
Artist and performance fees	10,079	-	-	10,079	12,408
Professional fees	-	6,019	-	6,019	5,819
Utilities	4,464	496	-	4,960	4,620
Insurance	4,274	347	-	4,621	4,579
Printing (capital project)	3,751	-	-	3,751	1,998
Supplies	1,880	-	-	1,880	2,284
Payroll taxes	1,378	460	-	1,838	1,911
Fundraising expenses	-	-	1,644	1,644	1,401
Telephone	883	378	-	1,261	1,299
Water and sewer	1,192	63	-	1,255	1,015
Publicity and advertising	982	-	-	982	1,292
Internet	777	-	-	777	1,236
Repairs and maintenance	325	325	-	650	1,038
Small equipment	441	-	-	441	275
Travel and entertainment	430	-	-	430	239
Postage	388	-	-	388	131
Bank charges	-	99	-	99	58
Interest expense	-	3	-	3	-
Miscellaneous	-	613	-	613	455
Depreciation	-	-	-	-	467
Licenses and permits (capital project)	-	-	-	-	212
	<u>\$ 47,969</u>	<u>\$ 14,378</u>	<u>\$ 1,644</u>	<u>\$ 63,991</u>	<u>\$ 62,587</u>

ABC NO RIO, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE TOTALS FOR JUNE 30, 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Increase in net assets	\$ 6,458	\$ 712,172
<i>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:</i>		
Cash restricted to construction of new facility	38,804	10,490
Depreciation	-	467
(Increase) decrease in operating assets:		
Promises to give	-	(700,000)
Grants receivable	94	(1,062)
User fees receivable	20	(150)
Due from Paypal	(541)	(336)
Prepaid expenses	(194)	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(702)	(53,797)
Due to fiscally sponsored projects	55	2,045
Accrued director compensation	(450)	(2,950)
Total adjustments	<u>37,086</u>	<u>(745,293)</u>
Net cash provided by (used in) operating activities	<u>43,544</u>	<u>(33,121)</u>
Cash flows from investing activities:		
Increase in construction in progress	(42,992)	(11,419)
Proceeds from certificate of deposit	-	85,533
Net cash provided by (used in) investing activities	<u>(42,992)</u>	<u>74,114</u>
Net increase in cash and cash equivalents	552	40,993
Cash and cash equivalents, beginning of year	60,313	19,320
Cash and cash equivalents, end of year	<u>\$ 60,865</u>	<u>\$ 60,313</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	\$ 3	\$ -
Income taxes	<u>\$ -</u>	<u>\$ -</u>

ABC NO RIO, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

ABC No Rio, Inc. (the “Organization”) was founded in 1980 and later organized as a not-for-profit corporation on July 31, 1990 under the laws of the State of New York. The Organization is an arts center on Manhattan’s Lower East Side. It is a place where people share resources and ideas in an atmosphere of camaraderie and mutual support. Since the Organization’s founding, they have been a welcoming and supportive venue for many thousands of emerging artists, performers, poets and musicians. The Organization’s programs are as follows:

Public Events Programming – includes exhibitions of visual art; a weekly hardcore/punk matinee; a concert series of experimental and improvisational music; readings and other literary events; performance; and film and video screenings. The Organization also provides space to other cultural and community organizations for meetings, workshops, benefits and forums.

Facilities and Resources – includes the ABC No Rio PrintShop, a skills-sharing resource and workshop for silk-screen printing; the ABC No Rio Darkroom, an affordable resource for both beginning photographers and the more experienced to meet, work and share ideas; the ABC No Rio Computer Center, technology resources available to artists, writers, small press publishers, activists, and the community at large; and the ABC No Rio Zine Library, one of the largest libraries of its type on the east coast, holding over 12,000 independent and alternative publications. Through these facilities and resources, the Organization has also provided arts education classes in photography, drawing and printmaking to neighborhood youth and others. These classes have traditionally been free, and use of the facilities by the general public are either free, by donation, or for very modest fees.

The Organization’s programs are supported primarily by individuals, and government contributions.

Basis of Accounting

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, “Financial Statements of Not-for-Profit Organizations.” Under SFAS No. 117, the Organization is required to report 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. In addition, the Organization is required to present a statement of cash flows.

The Organization maintains the following unrestricted funds:

Operating Fund – To account for general-purpose contributions, grants and other revenues, and to account for revenues and expenses associated with the operations of the Organization.

ABC NO RIO, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2013

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of Accounting (Cont'd)

Operating Reserve Fund – To set aside general-purpose funds to meet any unexpected costs that may arise in the future.

The Organization maintains the following temporarily restricted funds:

Building Fund - To account for capital-restricted contributions, grants and other revenues, and to account for the Redevelopment of the Organization's property.

Cash and Cash Equivalents

The Organization considers all highly liquid investments, except those held for long-term investment, with maturities of three months or less when purchased to be cash equivalents. Restricted cash and cash equivalents are restricted by the Board of Directors for specific use of constructing a new facility.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded as promises to give at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. If amounts become uncollectible, they will be charged to operations when that determination is made.

Grants Receivable

Unconditional grants receivable that are expected to be collected within one year are recorded as grants receivable at net realizable value. Unconditional grants receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. If amounts become uncollectible, they will be charged to operations when that determination is made.

User Fees Receivable

User fees earned but not yet received that are expected to be collected within one year and are recorded as user fees receivable at net realizable value. If amounts become uncollectible, they will be charged to operations when that determination is made.

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the fair value at date of receipt. Depreciation for property and equipment is provided using the straight-line method for financial reporting purposes at rates based on the following estimated useful lives:

	<u>Years</u>
Building	40
Equipment	5
Construction in progress	-

Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss is reported. Expenditures for major renewals and improvements that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Collections

The Organization does not capitalize its donated collections. The collections are made up of artifacts of historical significance and art objects that are held for educational and research purposes. Each of the items is in storage, and activities verifying their existence and assessing their condition are performed continuously.

Agency Transactions

As a fiscal agent, the Organization agrees to pass assets (cash) received from donors to an entity or individual specified by those donors. The Organization has little or no discretion in determining the use of assets transferred to them. The Organization's policy is to recognize the cash received and an offsetting liability, "Due to Fiscally Sponsored Projects", until the funds are distributed to the ultimate beneficiary, at which time the liability is removed from the Organization's books.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (this 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. Restricted contributions whose restrictions are met in the reporting period are recorded as unrestricted contributions.

ABC NO RIO, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2013

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition (Cont'd)

Government, foundation and other grant awards received for specific purposes are recognized as support to the extent of the related expenses incurred in compliance with the specific restrictions, if any. The unexpended funds are reported as temporarily restricted net assets.

Contributed Services

Many volunteers have donated significant amounts of their time to the Organization and both of its programs. Directors and officers have also made a significant contribution of their time to develop the Organization and its programs. These donated services are not reflected in the financial statements since they do not meet the criteria for recognition as contributed services.

Advertising Costs

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. For the year ended June 30, 2013, advertising expense amounted to \$982.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis on the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from state income taxes. However, any unrelated business income may be subject to taxation. Currently, the Organization has no obligation for any unrelated business income tax.

The Organization has evaluated its current tax positions and has concluded that as of June 30, 2013, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

Use of Estimates

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

ABC NO RIO, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2013

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Comparative Data

The amounts shown for the year ended June 30, 2012 in the accompanying financial statements are included to provide a basis for comparison with 2013 and present summarized totals only. Accordingly, the 2012 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2012, from which the summarized information was derived.

Date of Management's Review

Management has evaluated subsequent events through February 10, 2014, which is the date the financial statements were available to be issued.

2) FAIR VALUE MEASUREMENTS

The Organization has a number of financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at June 30, 2013, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined by the Organization using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

3) PROMISES TO GIVE

Promises to give represents funding commitments awarded at June 30, 2013, but not expended as of the financial statement date, and consist of \$3,150,000 of capital funding awarded from the New York City Department of Cultural Affairs for the construction of a new facility.

The total funding is expected to be available prior to the year ended June 30, 2014. It is impracticable to estimate the timing of the payments, and accordingly, the promises to give have not been discounted to reflect the present value of the estimated future cash flows in the accompanying financial statements. The Organization believes its promises to give to be fully awarded; accordingly, no allowance for doubtful accounts was recorded for the year then ended.

Subsequent to the year ended June 30, 2013, the Organization received an additional promise to give in the amount of \$300,000 from the New York City Department of Cultural Affairs for the construction of a new facility.

ABC NO RIO, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2013

4) GRANTS RECEIVABLE

Grants receivable represent primarily grant commitments received at June 30, 2013, but not collected as of the financial statement date and consists of the following:

New York City Department of Cultural Affairs \$ 968

These amounts are generally collected within one year. The Organization believes its receivables to be fully collectible; accordingly, no allowance for doubtful accounts was recorded for the year then ended.

5) USER FEES RECEIVABLE

User fees receivable represents amounts due for use of the facilities by the general public at June 30, 2013, but not collected as of the financial statement date. These amounts are generally collected within one year. The Organization believes its receivables to be fully collectible; accordingly, no allowance for doubtful accounts was recorded for the year then ended.

6) COLLECTIONS

The Organization has a collection of artifacts of historical significance and art objects that were donated to the Organization in 1988, and is held for educational and research purposes. The collection is held in storage under the joint safekeeping of the Organization and Allied Productions, Inc. (Directors of whom were former Directors of the Organization). The value of the collection is not reflected in the accompanying financial statements since the Organization does not capitalize collections and it is impracticable to estimate their fair value.

7) PROPERTY AND EQUIPMENT

The following is a summary of property and equipment less accumulated depreciation as of June 30, 2013:

Building	\$	1
Equipment		<u>21,651</u>
		21,652
Less: accumulated depreciation		<u>21,651</u>
		<u><u>\$ 1</u></u>

There was no depreciation expense for the year ended June 30, 2013.

The Organization has undertaken a substantial development project on its property at 156 Rivington Street and the development project is ongoing as of June 30, 2013. The new space at 156 Rivington Street will be used by the Organization for cultural, community and educational activities in furtherance of its mission.

ABC NO RIO, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2013

7) PROPERTY AND EQUIPMENT (CONT'D)

The building was valued at \$800,000 which is included within construction in progress on the statement of financial position. The Organization has incurred \$374,341, of direct costs of the project as of June 30, 2013. The building is further described in Note 8.

8) COMMITMENTS AND CONTINGENCIES

On June 29, 2006, the Organization purchased, for the nominal amount of \$1, a building from New York City's Department of Housing Preservation and Development. Previously, the Organization had its operations in the building. The building, located at 156 Rivington Street, was valued at a fair market value of \$800,000 as of the date of purchase. The sale was made to encourage the redevelopment of deteriorated City-owned properties. The building has an enforcement mortgage and note to ensure that it will remain a cultural building for at least 40 years from the date of the acquisition.

The Organization's property will be developed to provide a dramatically improved facility for cultural, community and educational activities. The total estimated costs of this project are \$5 million which will be paid partially by New York City's Department of Cultural Affairs, Lower Manhattan Development Corporation and private funding. The project is expected to be put out for re-bidding in the spring of 2014.

9) CONSTRUCTION IN PROGRESS

Total construction in progress at June 30, 2013 consists of the following:

Building at fair market value	\$ 800,000
Architecture	285,790
Engineering	55,650
Site preparation and supplies	21,505
Landscape and zoning consulting fees	11,396
	<u>\$ 1,174,341</u>

10) AGENCY TRANSACTIONS

During the year ended June 30, 2013, the Organization transferred \$12,171 to a representative of the New York City Chapter of Books Through Bars and has recognized \$2,100 as a liability in the accompanying statement of financial position related to the fiscally sponsored projects.

11) COMPENSATED ABSENCES

Employees of the Organization are entitled to paid vacation days off, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

ABC NO RIO, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2013

12) STORAGE RENT

The collection is held in storage under the joint safekeeping of the Organization and Allied Productions, Inc. (Allied). The nature of the collection is described in Note 6. Allied is the lessee of the storage space, so the Organization reimburses Allied for their equal share of the monthly lease. Since the Organization is not included in the lease agreement, they are not committed to future minimum lease payments. There was no storage rent expense for the year ended June 30, 2013.

13) CONCENTRATION OF RISKS

The Organization maintains its cash balances at a single financial institution. The balances are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000. As of June 30, 2013, the total uninsured balance was \$895,156.

Credit risk for promises to give is concentrated because 100% of the full balance was awarded from the NYC Department of Cultural Affairs, to be expended on behalf of the Organization toward the redevelopment of the Organization's property. These amounts were promised in prior years and are expected to be fully expended in fiscal year 2014.

14) CONSTRUCTION COST ESTIMATES

The Organization is required by The New York City Department of Design and Construction to prepare a construction cost estimate for re-bidding the project. The total estimated costs from an independent consultant for this project are \$5 million.

The following summarizes the estimated additional funds needed to complete the construction.

Promises to give at June 30, 2013	\$ 3,150,000
Restricted cash at June 30, 2013	1,082,231
Construction in progress (direct costs)	374,341
Promise to give received subsequent to year-end	<u>300,000</u>
	4,906,572
Less: total estimated costs	<u>5,000,000</u>
Estimated additional funds needed	<u>\$ 93,428</u>

15) SUBSEQUENT EVENT

The Organization is a defendant in a civil action which was filed on December 2, 2013. The plaintiff claims an injury on the Organization's premises during the course of a performance and alleges negligence. The Organization's insurance carrier has been notified of the litigation and is in the process of evaluating the claim in order to pursue a resolution of this matter. Management is unable to predict the outcome of the proceedings but believes the insurance carrier will be liable for the coverage. No provision has been made in the accompanying financial statements to reflect the final outcome. However, it is at least reasonably possible that the Organization's estimate of its liability may change in the near term.

SUPPLEMENTARY INFORMATION

ABC NO RIO, INC.
STATEMENT OF FINANCIAL POSITION BY FUND
JUNE 30, 2013
WITH COMPARATIVE TOTALS FOR JUNE 30, 2012

	Operating Fund	Operating Reserve Fund	Building Fund	2013 Total	2012 Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 36,798	\$ 24,067	\$ -	\$ 60,865	\$ 60,313
Promises to give	-	-	3,150,000	3,150,000	3,150,000
Grants receivable	968	-	-	968	1,062
User fees receivable	210	-	-	210	230
Due from Paypal	541	-	-	541	-
Prepaid expenses	3,759	-	-	3,759	3,565
Total current assets	42,276	24,067	3,150,000	3,216,343	3,215,170
Property and equipment					
Property and equipment, net of accumulated depreciation	-	-	1	1	1
Construction in progress	-	-	1,174,341	1,174,341	1,131,349
Collections	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,174,342</u>	<u>1,174,342</u>	<u>1,131,350</u>
Other assets					
Cash restricted to construction of new facility	-	-	1,082,231	1,082,231	1,121,035
Interfund receivable (payable)	1,192,688	-	(1,192,688)	-	-
	<u>1,192,688</u>	<u>-</u>	<u>(110,457)</u>	<u>1,082,231</u>	<u>1,121,035</u>
TOTAL ASSETS	\$ 1,234,964	\$ 24,067	\$ 4,213,885	\$ 5,472,916	\$ 5,467,555
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable and accrued expenses	\$ 9,635	\$ -	\$ -	9,635	\$ 10,337
Due to fiscally sponsored projects	2,100	-	-	2,100	2,045
Accrued director compensation	-	-	-	-	450
Total current liabilities	11,735	-	-	11,735	12,832
Contingencies	-	-	-	-	-
Net assets					
Unrestricted	1,223,229	24,067	-	1,247,296	1,197,387
Temporarily restricted	-	-	4,213,885	4,213,885	4,257,336
Total net assets	1,223,229	24,067	4,213,885	5,461,181	5,454,723
TOTAL LIABILITIES AND NET ASSETS	\$ 1,234,964	\$ 24,067	\$ 4,213,885	\$ 5,472,916	\$ 5,467,555

ABC NO RIO, INC.
STATEMENT OF ACTIVITIES BY FUND
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE TOTALS FOR JUNE 30, 2012

	Operating Fund	Operating Reserve Fund	Building Fund	2013 Total	2012 Total
Revenue and support					
Grants and contributions					
Individuals	\$ 25,203	\$ -	\$ 8,055	\$ 33,258	\$ 31,181
Government	10,662	-	-	10,662	10,822
Special fundraising events	920	-	592	1,512	1,976
Promises to give	-	-	-	-	700,000
Total grants and contributions	36,785	-	8,647	45,432	743,979
Program service revenue					
Public events programming:					
Admission fees	12,505	-	-	12,505	16,655
User fees	8,520	-	-	8,520	9,643
Total program service revenue	21,025	-	-	21,025	26,298
Other income					
Interest income	-	2,872	-	2,872	3,496
Miscellaneous income	1,100	-	20	1,120	986
Total other income	1,100	2,872	20	3,992	4,482
Net assets released from restrictions	47,471	-	(47,471)	-	-
	106,381	2,872	(38,804)	70,449	774,759
Expenses					
Program services	44,218	-	3,751	47,969	47,437
Supporting services					
Management and general	14,378	-	-	14,378	13,749
Fundraising	748	-	896	1,644	1,401
	59,344	-	4,647	63,991	62,587
Increase (decrease) in net assets	47,037	2,872	(43,451)	6,458	712,172
Net assets - beginning of year	1,176,192	21,195	4,257,336	5,454,723	4,742,551
Net assets - end of year	\$ 1,223,229	\$ 24,067	\$ 4,213,885	\$ 5,461,181	\$ 5,454,723