

**CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
(A NOT-FOR-PROFIT CORPORATION)**

**FINANCIAL STATEMENTS**

**September 30, 2019 and 2018**

**with**

**INDEPENDENT AUDITORS' REPORT**

**with**

**SUPPLEMENTAL SCHEDULES**

CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
September 30, 2019 and 2018  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Cultural Council of Greater Jacksonville, Inc.

We have audited the accompanying financial statements of Cultural Council of Greater Jacksonville, Inc., a not-for-profit organization, (the "Council"), which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities, changes in net assets, cash flows and functional expenses 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 and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 the Council as of September 30, 2019 and 2018, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2019, on our consideration of the Council’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council’s internal control over financial reporting and compliance.

*Newsom & Associates, P.A.*

November 8, 2019

CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 September 30, 2019 and 2018

	<u>ASSETS</u>	
	<u>2019</u>	<u>2018</u>
Current assets:		
Cash	\$ 246,780	\$ 308,854
Cash designated for DIA projects	368,991	453,308
Grant receivables and promises to give	66,726	9,157
Prepaid expenses	<u>17,469</u>	<u>16,804</u>
Total current assets	699,966	788,123
Property and equipment, net	<u>1,034</u>	<u>677</u>
	<u>\$ 701,000</u>	<u>\$ 788,800</u>

LIABILITIES AND NET ASSETS

Current liabilities -		
Accounts payable and accrued expenses	\$ <u>5,199</u>	\$ <u>2,414</u>
Total current liabilities	5,199	2,414
Net assets:		
Without donor restrictions	259,794	308,362
With donor restrictions	<u>436,007</u>	<u>478,024</u>
Total net assets	<u>695,801</u>	<u>786,386</u>
	<u>\$ 701,000</u>	<u>\$ 788,800</u>

See accompanying notes.

CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
 STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
 For the years ended September 30, 2019 and 2018

WITHOUT DONOR RESTRICTIONS

	<u>2019</u>	<u>2018</u>
Support and revenue:		
City of Jacksonville	\$ 2,787,656	\$ 2,793,580
Other grants and contributions	2,634	79,550
Special events and special project revenue	113,144	117,951
Memberships	11,283	10,542
Interest income	5,715	3,658
Released from restrictions	<u>276,494</u>	<u>171,446</u>
Total support and revenue	3,196,926	3,176,727
Program services:		
Arts in Public Places	140,094	122,922
Community Service Grant	2,788,960	2,771,513
State of the Arts and Other Programs	63,385	105,926
CCGJ Other Programs	<u>105,756</u>	<u>192,515</u>
Total program services	3,098,195	3,192,876
Support services -		
Administration	<u>147,299</u>	<u>104,340</u>
Total support services	<u>147,299</u>	<u>104,340</u>
Total expenses	<u>3,245,494</u>	<u>3,297,216</u>
Increase (decrease) in unrestricted net assets	\$ <u><u>(48,568)</u></u>	\$ <u><u>(120,489)</u></u>

See accompanying notes.

CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
 STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
 For the years ended September 30, 2019 and 2018  
 (Continued)

WITH DONOR RESTRICTIONS

	<u>2019</u>	<u>2018</u>
Support and revenue:		
Department of Cultural Affairs	\$ 43,253	\$ 37,585
City of Jacksonville - Arts in Public Places	53,000	53,000
City of Jacksonville - Summer Internships	11,631	-
Private funds for Summer Internships	52,086	-
Private funds for DIA project	25,000	-
Other grants and contributions	49,507	43,476
Released from restrictions	<u>(276,494)</u>	<u>(171,446)</u>
Increase (decrease) in restricted net assets	<u>(42,017)</u>	<u>(37,385)</u>
Increase (decrease) in net assets	(90,585)	(157,874)
Net assets at beginning of year	<u>786,386</u>	<u>944,260</u>
Net assets at end of year	<u>\$ 695,801</u>	<u>\$ 786,386</u>

See accompanying notes.

CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
STATEMENTS OF CASH FLOWS  
For the years ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash provided by (used in) operating activities:		
Public support	\$ 2,907,445	\$ 3,057,935
Special events	184,065	117,951
Interest income	5,715	3,658
Vendors, employees and suppliers	<u>(3,242,491)</u>	<u>(3,311,204)</u>
Net cash provided by (used in) operating activities	(145,266)	(131,660)
Cash provided by (used in) investment activities -		
Computer purchases	(1,125)	-
Cash provided by (used in) financial activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	(146,391)	(131,660)
Beginning cash and cash equivalents	<u>762,162</u>	<u>893,822</u>
Ending cash and cash equivalents	\$ <u><u>615,771</u></u>	\$ <u><u>762,162</u></u>

See accompanying notes.



CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
 STATEMENTS OF CASH FLOWS  
 For the years ended September 30, 2019 and 2018  
 (Continued)

RECONCILIATION OF CHANGES IN NET ASSETS  
 TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

	<u>2019</u>	<u>2018</u>
Changes in net assets	\$ (90,585)	\$ (157,874)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities -		
Depreciation	768	1,793
(Increase) decrease in assets:		
Promises to give	(57,569)	40,602
Prepaid expenses	<u>(665)</u>	<u>3,418</u>
(Increase) decrease in assets	(58,234)	44,020
Increase (decrease) in liabilities -		
Accounts payable and accrued expenses	<u>2,785</u>	<u>(19,599)</u>
Increase (decrease) in liabilities	<u>2,785</u>	<u>(19,599)</u>
Net cash provided by (used in) operating activities	\$ <u><u>(145,266)</u></u>	\$ <u><u>(131,660)</u></u>

See accompanying notes.

CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended September 30, 2019

<u>Description</u>	<u>Art in Public Places</u>	<u>Community Service Grant</u>	<u>State of the Arts and Other Programs</u>	<u>CCGJ Other Programs</u>	<u>Administration</u>
CSG regrant	\$ -	\$ 2,410,523	\$ -	\$ -	\$ -
Depreciation expense	-	-	-	-	768
Professional and contracted fees	85,434	180	300	14,354	500
Salaries and benefits	54,034	325,129	-	65,781	81,262
Rent	-	23,803	-	-	3,654
Telephone	-	-	-	-	5,574
Professional fees	-	-	-	-	8,590
Insurance	-	5,229	-	344	7,926
Technology	-	14,458	-	-	13,294
Repairs and maintenance	-	-	-	-	2,430
Bank and credit card fees	-	-	1,721	24	1,807
Office expenses	518	4,876	357	783	12,406
Professional development and travel	-	2,000	541	2,407	6,645
Grants, sponsorship, marketing	108	2,092	118	22,063	1,600
Art Award expenses	-	-	58,566	-	-
Grant administration	-	670	-	-	441
Other	-	-	1,782	-	402
	<u>\$ 140,094</u>	<u>\$ 2,788,960</u>	<u>\$ 63,385</u>	<u>\$ 105,756</u>	<u>\$ 147,299</u>

See accompanying notes.

CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended September 30, 2018

<u>Description</u>	<u>Art in Public Places</u>	<u>Community Service Grant</u>	<u>State of the Arts and Other Programs</u>	<u>CCGJ Other Programs</u>	<u>Administration</u>
CSG regrant	\$ -	\$ 2,416,447	\$ -	\$ -	\$ -
Depreciation expense	-	-	-	-	1,792
Professional and contracted fees	15,790	-	5,275	40,250	-
Salaries and benefits	87,407	339,042	-	61,899	28,363
Rent	6,664	-	-	-	19,991
Telephone	-	-	-	-	5,426
Professional fees	-	-	-	-	5,490
Insurance	-	8,182	-	-	2,773
Technology	3,451	4,676	-	-	22,858
Repairs and maintenance	-	-	-	-	-
Bank and credit card fees	-	-	2,055	-	1,408
Office expense	4,103	382	7,741	4,549	9,670
Professional development and travel	652	-	262	7,066	4,731
Grants, sponsorship, marketing	4,855	2,105	6,168	76,709	1,838
Art Award expenses	-	-	84,425	2,042	-
Grant administration	-	679	-	-	-
Other	-	-	-	-	-
	<u>\$ 122,922</u>	<u>\$ 2,771,513</u>	<u>\$ 105,926</u>	<u>\$ 192,515</u>	<u>\$ 104,340</u>

See accompanying notes.

CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
(A NOT-FOR-PROFIT CORPORATION)  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2019 and 2018

1. Summary of Significant Accounting Policies

Organization and Purpose - The Cultural Council of Greater Jacksonville, Inc. (the "Council") was established in 1973 to promote awareness and interest in the arts through programs such as arts education, advocacy and outreach, grants and funding, and other special projects. The Council is supported through city and state grants, memberships, and other grants and contributions.

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and the changes therein are classified and reported as follows:

Without donor restrictions - Net assets that are not subject to donor-imposed restrictions.

With donor restrictions - Net assets and contributions subject to donor-imposed restrictions that may or will be met by actions of the Council and/or the passage of time. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions and reported within the statement of activities as net assets released from restrictions.

Contributions - All contributions are considered available for unrestricted use unless specifically restricted by the donors. Contributions are recognized when the donor makes a promise to give to the Council that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as restricted support that increases restricted net assets.

Contributions In-Kind - Donated materials and services are reflected as contributions in the accompanying statements at their estimated fair values at date of receipt.

CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
(A NOT-FOR-PROFIT CORPORATION)  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2019 and 2018

1. Summary of Significant Accounting Policies – (Continued)

Property and Equipment - Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Council reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Council reclassifies restricted net assets to unrestricted net assets at that time. Purchases of fixed assets are recorded at cost.

The Council has adopted a capitalization policy of \$1,000.

Functional classifications of expenses – The Council has recategorized the descriptions of functional expenses to better portray mission expenditures of the Council. Accordingly, the prior year's expenses were recategorized for comparative purposes. These recategorized expenses did not affect reported financial position, results of operations, or cash flows.

Depreciation - Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 7 years.

Donated Services by Volunteers - A substantial number of volunteers have donated significant amounts of their time to the Council. Amounts for these donated services are not reflected in the accompanying financial statements, as no objective basis is available to measure the value of such services.

Income Taxes - The Cultural Council of Greater Jacksonville, Inc. is a tax-exempt organization under Section 501(c) (3) of the Internal Revenue code. Accordingly, no provision for income tax is required. Management has evaluated the Council's tax positions and concluded that the Council had no uncertain tax positions that require adjustments to the financial statements. The Council is no longer subject to federal income tax examinations for the years before 2015.

CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
(A NOT-FOR-PROFIT CORPORATION)  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2019 and 2018

1. Summary of Significant Accounting Policies – (Continued)

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash on hand, deposits with banks, and other highly liquid investments with maturities at the time of purchase of 90 days or less.

2. Promises to Give

Promises to give consist of grants promised but not yet received. All amounts are expected to be collected within one year, as such, no allowance for doubtful accounts are recorded on these financial statements.

3. Property and Equipment

At September 30, 2019 and 2018, property and equipment consisted of the following:

	<u>2019</u>	<u>2018</u>
Office furniture	\$22,170	\$22,170
Computers and equipment	<u>25,403</u>	<u>24,277</u>
	47,573	46,447
Accumulated depreciation	<u>(46,539)</u>	<u>(45,770)</u>
Property and equipment – net	<u>\$ 1,034</u>	<u>\$ 677</u>

Depreciation expense for the years ended September 30, 2019 and 2018 were \$768 and \$1,793, respectively.

CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
 (A NOT-FOR-PROFIT CORPORATION)  
 NOTES TO FINANCIAL STATEMENTS  
 September 30, 2019 and 2018

4. Defined Contribution Pension Plan

The Council established a defined contribution pension plan (the “Plan”). The Plan is a “tax deferred annuity” or 403(b) plan, as defined by the Internal Revenue Code. The Plan covers full time employees who agree to make contributions to the Plan. The Council is obligated to match 100% of employee contributions up to 2% of their annual compensation. The Council contributed \$4,299 and \$7,339 to the Plan during the years ended September 30, 2019 and 2018, respectively.

5. Net assets with donor restrictions

Net assets with donor restrictions as of September 30, 2019 and 2018, are available for specific program services not yet provided at that date.

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

	<u>2019</u>	<u>2018</u>
Arts in Public Places	\$ 66,267	\$ 53,000
DCA Grant	20,626	68,154
DIA Projects	101,265	13,321
Summer Internships	57,193	-
Other CCGJ Projects	<u>31,143</u>	<u>36,971</u>
	<u>\$276,494</u>	<u>\$171,446</u>

Net assets with donor restrictions as of September 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
DIA Grant/Water Street Grant	\$368,991	\$453,308
Florida DCA Grants	32,440	9,814
Other	<u>34,576</u>	<u>14,902</u>
	<u>\$436,007</u>	<u>\$478,024</u>

CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
(A NOT-FOR-PROFIT CORPORATION)  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2019 and 2018

6. Cultural Services Grant Program

The Council was designated as the regrant organization for cultural arts by the City of Jacksonville in 1989. During the years ended September 30, 2019 and 2018, the Council entered into a Miscellaneous Appropriations Agreement with the City of Jacksonville related to the Cultural Services Grant Program. Under the terms of this agreement, the City of Jacksonville appropriated \$2,793,580 for the benefit of qualified cultural organizations.

7. Leases

The Council leases office space from the City of Jacksonville. Rental expense under long-term obligations totaled \$27,457 and \$26,655 during the years ended September 30, 2019 and 2018, respectively.

The Council extended its lease with the City of Jacksonville effective November 6, 2012, commencing on October 1, 2012 through September 30, 2022. The Council has an option to extend the terms to September 30, 2027.

Long-term commitments under this lease for the next five years are as follows:

September 30, 2020	\$28,273
September 30, 2021	\$29,134
September 30, 2022	\$30,010
September 30, 2023	-
September 30, 2024	-
Thereafter	-

The Financial Accounting Standards Board (FASB) issued a new lease accounting standard (ASC 842). The effective date of this new standard for private companies is for fiscal years beginning after December 15, 2019. Though the new lease standard is not effective for these financial statements, management of the Council is evaluating the new standard and its related effect on the Council's financial statements.



CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
(A NOT-FOR-PROFIT CORPORATION)  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2019 and 2018

8. Investment in Jacksonville Community Foundation

Several years ago, the Council transferred funds to the Jacksonville Community Foundation (the "Foundation"). This investment is not considered an asset of the Council because the Foundation has retained control, although the Council can receive net income on these funds under very limited circumstances. The estimated value of these funds is approximately \$40,000 at September 30, 2019. These investments are not reflecting on the Council's statement of financial position. Only the income received is reported as an increase in net assets.

9. Concentrations of Risk

The Council maintains a cash balance at two financial institution located in Jacksonville, Florida. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. There were no uninsured balances of cash as September 30, 2019.

The Council received approximately 89% of its revenue during the year ended September 30, 2019 from the City of Jacksonville, Florida. Funding from the City of Jacksonville is determined by the funding source and renewed annually and could be subject to budgetary constraints.

10. Subsequent events

In preparing these financial statements, the Council's management has evaluated events and transactions for potential recognition or disclosure through November 18, 2019, the date the financial statements were available to be used. Management did not find a material event or transaction that warranted recognition or disclosure in these statements.

11. Management Evaluation of Going Concern

In preparing these financial statements, there is an underlying assumption that the Council will continue long enough to carry out its objectives and commitments (defined as the going concern assumption).

The Council's management has evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern entity with one year after the issued date of these reports.

CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
 (A NOT-FOR-PROFIT CORPORATION)  
 NOTES TO FINANCIAL STATEMENTS  
 September 30, 2019 and 2018

11. Management Evaluation of Going Concern (Continued)

As of November 8, 2019, this issued date of these reports, management has not identified any conditions or events that raise substantial doubt about the Council's to continue as a going concern entity.

12. Liquidity of assets

The Financial Accounting Standards Board (FASB) augmented liquidity disclosures for not-for-profit entities (ASC 958). This new standard requires all not-for-profit entities to disclose in the footnotes relevant information about the liquidity of assets.

The Council's working capital and cash flows have variations during the year attributable to a concentration of contributions received during their fiscal year end. To manage liquidity, the Council maintains unrestricted reserve cash levels with a bank that is drawn upon as needed during the year to manage cash flow with the hope that current operating surplus will be sufficient to replace these draws.

As of September 30, 2019 and 2018, the Council has the following assets to manage cash flow needs:

	<u>2019</u>	<u>2018</u>
Cash	\$615,771	\$762,162
Receivables	66,726	9,157
Less restricted assets:		
DIA grant	(60,893)	(126,467)
Water Street	(308,098)	(326,841)
Other restricted assets	<u>(67,016)</u>	<u>(24,717)</u>
	<u>\$246,490</u>	<u>\$293,294</u>

13. New financial statement presentation

Per ASC Topic 958, the accounting standard and report presentation has changed effective for fiscal years beginning after December 15, 2017. As such, the Council has reformatted these financial statements for the years ending September 30, 2019 and 2018 to comply with this new accounting standard.



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REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Cultural Council of Greater Jacksonville, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Cultural Council of Greater Jacksonville, Inc., which comprise the statement of financial position as of September 30, 2019 and 2018, and the related statements of activities, changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 8, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Cultural Council of Greater Jacksonville, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cultural Council of Greater Jacksonville, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Cultural Council of Greater Jacksonville, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material to the misstatement of the entity's financial statements will not be prevented, or deleted and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cultural Council of Greater Jacksonville, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Newsom & Associates, P.A.*

November 8, 2019

SUPPLEMENTAL SCHEDULES



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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL SCHEDULES

Board of Directors  
Cultural Council of Greater Jacksonville, Inc.

We have audited the financial statements of Cultural Council of Greater Jacksonville, Inc. as of and for the years ended September 30, 2019 and 2018, and have issued our report thereon dated November 8, 2019, which contained an unmodified opinion on those financial statements. That audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of Governmental Agency Contracts and Grants, City of Jacksonville Grants and Expenses, the Source and Expenditures of City Grant Funds, and Source and Expenditures of Downtown Investment Authority, are presented for purposes of additional analysis and are 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.

*Newsom & Associates, P.A.*

November 8, 2019

CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
 Schedule of Governmental Agency Contracts and Grants  
 For the year ended September 30, 2019

City of Jacksonville

<u>Program Title</u>	<u>Grant Period</u>	<u>Grant Number</u>	<u>Contract</u>
Cultural Service Grant	09/30/19	7731-41	\$2,793,580
Cultural Service Grant	09/30/19	7731-42	\$53,000
Internships	09/30/19	7731-45	\$65,000*

Florida Department of State Division of Cultural Affairs

<u>Program Title</u>	<u>Grant Period</u>	<u>Grant Number</u>	<u>Contract</u>
Local Arts Agency	06/30/19	19.C.PS.500.453	\$9,814
Local Arts Agency	06/30/20	20.C.PS.500.573	\$43,253

Downtown Investment Authority (DIA)

<u>Program Title</u>	<u>Grant Period</u>	<u>Grant Number</u>	<u>Contract</u>
Phase One	Various	7731-37	\$180,750
Phase Two	Various	7731-37	\$139,625
Phase Three	Various	7731-37	\$85,625
Water Street Public Garage	Various	N/A	\$355,288

\* Only \$11,631 was drawn on this contract.

CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
 Schedule of City of Jacksonville Grants and Expenses  
 For the year ended September 30, 2019

Cultural Services Grant Program Awarded	\$2,793,580
Refund of current year's re-grants	<u>(5,924)</u>
Available funds for grants	2,787,656
Regrants:	
Atlantic Beach Experience Theatre	15,050
Art Center Cooperative	2,583
Beaches Area Historical Society	46,196
Beaches Fine Arts Series	31,006
Cathedral Arts Project	210,488
Civic Orchestra of Jacksonville	2,583
Cummer Museum	261,580
Don't Miss a Beat	18,927
Florida Theatre	261,580
Florida Ballet of Jacksonville	46,053
Friday Musicale	33,619
Hope at Hand	14,132
Jacksonville Children's Chorus	128,041
Jacksonville Dance Theatre	3,040
Jacksonville Historical Society	34,965
Jacksonville Symphony	261,580
Mandarin Museum	6,182
Museum of Contemporary Arts	261,580
Museum of Science and History	261,580
Players by the Sea	61,675
Performer's Academy	7,100
Ritz Chambers Players	20,206
Riverside Fine Arts Series	21,711
Springfield Preservation and Revitalization	22,385
Theatre Jacksonville	80,158
Theatreworks	34,943
WJCT	<u>261,580</u>
Total re-grants	2,410,523
Grant administration and community programs	<u>377,133</u>
Total expenses	<u>2,787,656</u>
Excess revenue over expenses	\$ <u>          </u> -



CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
 Schedule of Source and Expenditures of City Grant Funds  
 Per Ordinance Code Chapter 118.205(e)  
 For the year ended September 30, 2019

Cultural Service Grant  
 Contract Period: 10/01/2018 - 09/30/2019

Receipt of city funds

Amount of award	\$2,793,580
Received in current year	<u>(5,924)</u>
Remaining to be distributed	<u>\$2,787,656</u>

Expenditures of city funds

	<u>Budgeted</u>	<u>Actual</u>	<u>Remaining</u>
Full-time salaries	\$ 285,292	\$ 285,292	\$ -
Employee benefits	41,357	41,357	-
Rent	23,803	23,803	-
Printing	2,865	2,865	-
General liability insurance	1,222	1,222	-
Director and officers' insurance	2,470	2,470	-
Office supplies	1,686	1,686	-
Equipment under \$1,000	1,000	1,000	-
Other website/IT support	13,438	13,438	-
Cultural Service Grants	2,410,523	2,410,523	-
Software	2,000	2,000	-
Staff training	<u>2,000</u>	<u>2,000</u>	<u>-</u>
	<u>\$2,787,656</u>	<u>\$2,787,656</u>	<u>\$ -</u>

CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
 Schedule of Source and Expenditures of City Grant Funds  
 Per Ordinance Code Chapter 118.205(e)  
 For the year ended September 30, 2019

Arts in Public Places  
 Contract period: 10/01/2018 - 09/30/2019

Receipt of city funds

Amount of award	\$53,000
Received in current year	<u>(53,000)</u>
Remaining to be distributed	<u>\$_____</u>

Expenditures of city funds

	<u>Budgeted</u>	<u>Actual</u>	<u>Remaining</u>
Full-time salaries	\$53,000	\$53,000	\$ -

CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
Schedule of Source and Expenditures of  
Downtown Investment Authority  
Urban Art Façade and Streetscape Program Grant  
Since inception to September 30, 2019

Receipt of city funds

	<u>Budget</u>	<u>Received</u>	<u>Remaining</u>
Phase One	\$180,750	\$180,750	\$ -
Phase Two	139,625	139,625	-
Phase Three	<u>85,625</u>	<u>-</u>	<u>85,625</u>
	<u>\$406,000</u>	<u>\$320,375</u>	<u>\$85,625</u>

Expenditures of city funds

	<u>Budgeted</u>	<u>Actual</u>	<u>Remaining</u>
Phase One			
Skyway columns	\$ 48,000	\$ 48,000	\$ -
Traffic cabinets	8,437	8,437	-
Bike racks	20,156	20,156	-
Street furnishings	7,031	7,031	-
Outdoor sculpture	51,938	51,938	-
Administration	36,150	36,150	-
Maintenance*	<u>9,038</u>	<u>9,038</u>	<u>-</u>
	<u>\$180,750</u>	<u>\$180,750</u>	<u>\$ -</u>
Phase Two			
Traffic cabinets	\$ 2,250	\$ 4,000	\$ (1,750)
Bike racks	5,719	8,050	(2,331)
Street furnishings	7,500	8,500	(1,000)
Duval Walls	39,375	-	39,375
Outdoor sculpture	49,875	40,000	9,875
Administration	27,925	15,382	12,543
Maintenance*	<u>6,981</u>	<u>2,800</u>	<u>4,181</u>
	<u>\$139,625</u>	<u>\$78,732</u>	<u>\$60,893</u>
Phase Three			
Traffic cabinets	\$ 2,250	\$ -	\$ 2,250
Bike racks	3,094	-	3,094
Street furnishings	4,500	-	4,500
Duval Walls	39,375	-	39,375
Outdoor sculpture	15,000	-	15,000
Administration	17,125	-	17,125
Maintenance*	<u>4,281</u>	<u>-</u>	<u>4,281</u>
	<u>\$85,625</u>	<u>\$ -</u>	<u>\$85,625</u>

CULTURAL COUNCIL OF GREATER JACKSONVILLE, INC.  
 Schedule of Source and Expenditures of  
 Downtown Investment Authority  
 Water Street Garage Public Art Project  
 Since inception to September 30, 2019

Receipt of city funds

<u>Budget</u>	<u>Received</u>	<u>Remaining</u>
<u>\$355,288</u>	<u>\$355,288</u>	<u>\$ _____</u>

Expenditures of city funds

<u>Expenditures of city funds</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Remaining</u>
Contract Budget			
Public art	\$301,995	\$21,269	\$280,726
Administration	<u>35,529</u>	<u>8,157</u>	<u>27,372</u>
	<u>337,524</u>	<u>29,426</u>	<u>308,098</u>
Art Trust Fund			
Maintenance*	<u>17,764</u>	<u>17,764</u>	<u>_____</u>
	<u>17,764</u>	<u>17,764</u>	<u>_____</u>
Total contract	<u>\$355,288</u>	<u>\$47,190</u>	<u>\$308,098</u>

\* Notes on DIA Grant Schedules

The Council's DIA contracts on pages 25 and 26 include a maintenance component (5% of the contract) for future repairs. Concerning the Urban Art Façade and Streetscape Program Grant (see page 25), the Council receives the maintenance component directly from the DIA and disburses it to the City of Jacksonville. Concerning the Water Street Garage Public Art Project (see page 26), the DIA sends the maintenance component directly to the City of Jacksonville.

The maintenance funds for both grants are not part of the Council's assets. The maintenance funds are reserved, retained, and controlled by the City of Jacksonville.