

LEAVING A POSITIVE LEGACY, INC.

**FINANCIAL STATEMENTS**

Year ended December 31, 2016  
and

INDEPENDENT AUDITORS' REPORT

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# Kantor, Palmetto, Zeigler, Chamberlain & Perrella, PL

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a division of  
Palmetto, Mollo, Molinaro & Passarello, LLP  
Certified Public Accountants  
1000 NW 65 Street, Suite 201  
Fort Lauderdale, FL 33309  
(954) 432-3100 (954) 436-6898 Fax

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Leaving a Positive Legacy, Inc.  
Boca Raton, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of Leaving a Positive Legacy, Inc. (a non-profit organization) which comprise the statement of financial position – modified cash basis as of December 31, 2016, and the related statements of activities and cash flows – modified cash basis 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 the modified cash basis of accounting as described in Note B; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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. 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.

**Board of Directors**  
Leaving a Positive Legacy, Inc.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Leaving a Positive Legacy, Inc. as of December 31, 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.

**Basis of Accounting**

We draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

**Supplementary Information**

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses – Modified Cash Basis on page 11 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.

*Kantor, Palemetto, Zeigler, Chamberlain & Perrella, P.L.L.C.*

Fort Lauderdale, Florida  
December 19, 2017

Leaving a Positive Legacy, Inc.

**STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS -  
MODIFIED CASH BASIS**

December 31, 2016

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 82,685
Prepaid expense	35,104
Inventory	<u>7,020</u>

<b>TOTAL ASSETS</b>	<b>\$ <u>124,809</u></b>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 1,170
American Express payable	2,856
Deferred income	<u>16,625</u>

<b>TOTAL CURRENT LIABILITIES</b>	<b>20,651</b>
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**NET ASSETS**

Unrestricted net assets:	<u>104,158</u>
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<b>TOTAL NET ASSETS</b>	<b><u>104,158</u></b>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>124,809</u></b>
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See accompanying notes to the financial statements.

Leaving a Positive Legacy, Inc.  
**STATEMENT OF REVENUES, EXPENSES AND OTHER CHANGES  
 IN NET ASSETS - MODIFIED CASH BASIS**

For the year ended December 31, 2016

**REVENUES, DONATIONS, AND OTHER SUPPORT**

Donations	\$ 27,975
Auction proceeds	179,272
Bingo	5,953
Days of service	6,943
Event surcharge	85,938
Other	17,081
	<hr/> 323,162

**EXPENSES**

Accounting	9,085
Advertising and marketing	520
Auction expenses	16,730
Auto expenses	653
Bank and credit card fees	5,290
Business expenses	7,112
Donations and grants	80,999
Event expenses	14,462
General event expenses	13,557
Operations	1,006
Personnel	81,325
Special events	11,136
Strategic planning meeting	3,550
Travel and lodging	14,139
Insurance	9,485
	<hr/> 269,049 <hr/>

**CHANGE IN NET ASSETS**

54,113

**NET ASSETS, beginning of year**

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50,045

**NET ASSETS, end of year**

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**\$ 104,158**

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See accompanying notes to the financial statements.

Leaving a Positive Legacy, Inc.

**STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS**

For the year ended December 31, 2016

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$	54,113
Adjustments to reconcile change in net assets to net cash used by operating activities:		
(Increase) decrease in:		
Prepaid expense		(8,292)
Inventory		(7,020)
Increase (decrease) in:		
Other liability		(18,489)
Deferred income		(3,820)
<b>Net cash provided by operating activities</b>		<u>16,492</u>

<b>NET INCREASE IN CASH</b>		16,492
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<b>CASH,</b> beginning of year	<u>66,193</u>
<b>CASH,</b> end of year	<u><u>\$ 82,685</u></u>

There was no interest or income taxes paid for the year ended December 31, 2016

See accompanying notes to the financial statements.

Leaving a Positive Legacy, Inc.

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2016

**NOTE A - GENERAL**

Leaving a Positive Legacy, Inc. is a nonprofit organization whose mission is to integrate music and service to benefit people and the environment. Leaving a Positive Legacy, Inc. coordinates environmental and humanitarian service projects for destination live music events.

Leaving a Positive Legacy, Inc. is a nonprofit organization as described in Section 501(c) (3) of the Internal Revenue Code, incorporated in January, 2010.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The financial statements were prepared on the modified cash basis which is a comprehensive basis of accounting other than generally accepted accounting principles. Modified cash basis of accounting recognizes revenues collected and expenses when incurred. The deferred revenue and accounts receivable for the Leaving a Positive Legacy, Inc. events were unable to be determined which could have a possible material effect on the financial statements.

Net assets are classified by the following categories:

Unrestricted: net assets that are neither permanently nor temporarily restricted by donor-imposed stipulations. The Organization has chosen to show restricted contributions whose restrictions are met in the same reporting period as unrestricted.

Temporarily restricted: net assets with a donor-imposed restriction that is satisfied either by the passage of time, by actions of Leaving a Positive Legacy, Inc. or by receipt of payments on unconditional promises to give which are due in future periods. There were no temporarily restricted assets for the year.

Cash

Cash includes deposits with banks and cash on hand.

Income Taxes

Leaving a Positive Legacy, Inc. is a not-for-profit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Leaving a Positive Legacy, Inc.'s Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2014, thru 2016 are subject to examination from the IRS, generally for three years after they are filed.

Financial statements include inventory of \$7,020 as of December 31, 2016, which was not available when the 2016 income tax return was completed.



Leaving a Positive Legacy, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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. Accordingly, actual results could differ from those estimates.

Contributed Services

Leaving a Positive Legacy, Inc. receives contributed services from a variety of unpaid volunteers assisting in carrying out its projects, however, an amount has not been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under FASB ASC 958-605 has not been satisfied.

Fair Value Measurement

The Organization has determined that there were no material differences between the cost and carrying values of its financial assets and liabilities, which are considered financial instruments, excluding prepaid expenses at December 31, 2016, because of the short maturity of the instruments.

Date of Management's Review

Subsequent events have been evaluated through December 19, 2017 which is the date the financial statements were available to be issued.

NOTE C – DONATIONS AND GRANTS

For the year ended December 31, 2016, the organization issued grants from funds collected from service projects and resort events to the following:

<b>Inside the United States:</b>	
Camp Southern Ground	\$ 11,360
American Children's Orchestra	4,324
Kerrville Folk Festival	4,000
The Payback, Inc.	800
Trees, Water, People	21,990
Hands Up For Haiti	10,874
<b>Total Inside the United States</b>	<b>53,348</b>
<b>Outside the United States</b>	
Bahamas Children's Hospital	6,835
Deer Dance	1,125
Dreams for Mayan Children	7,400
Drums not Guns	1,000
Orcabessa Foundation	6,29
El Colegio De La Frontera Sur	5,000
<b>Total Outside the United States</b>	<b>27,651</b>
<b>Total Grants Issued</b>	<b>\$ 80,999</b>

Leaving a Positive Legacy, Inc.

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2016

**NOTE D – RELATED PARTY TRANSACTIONS**

The Board Treasurer is a full time employee of Cloud 9 Adventures, LLC and all of the financial activity for Leaving a Positive Legacy, Inc. takes place in Cloud 9 Adventure's office. Leaving a Positive Legacy, Inc. coordinates their service projects for cruise and resort events through Cloud 9 Adventures, LLC and their several wholly owned companies.

**NOTE E – FUNCTIONAL ALLOCATION OF EXPENSES**

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