

Independent Auditor's Report

To the Board Members of Key West Cultural Preservation Society, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Key West Cultural Preservation Society, Inc, Not-for-Profit Organization, which comprise the statement of financial position as of September 30, 2023, the related statements of activities, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Key West Cultural Preservation Society, Inc. as of September 30, 2023, 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 for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that were communicated with those charged with governance and, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The accounting needed updating, but the updates were made in a timely manner.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Robert E. Clark, CPA
1111 12th Street
Ste 310F
Key West, FL 33040
08/12/2024

Footnotes to the audit of Key West Cultural Preservation Society, Inc.

1. The accounting had errors in it. However, management corrected all material inaccuracies that we found. We recommend that oversight of the accounting be conducted on a regular basis.
2. A large grant of \$10,000 was received on 01/17/24 from the Community Foundation of the Florida Keys. The grant is largely unrestricted but does have reporting requirements.
3. The organization has been unprofitable since Hurricane Irma in 2017. Since the end of this audit period (09/30/23) the organization has been profitable and has wisely set aside monies. This is largely due to the afore-mentioned grant. Due to the uncertain nature of hurricanes, it is advisable to set aside enough funds to pay all operating costs for at least 90 days. One large storm could hurt the organization's ability to earn sufficient income to pay its bills if enough monies are not set aside.
4. In our opinion, an audit for an organization of this size is an unreasonable requirement. We recommend you request that a Review or Compilation be performed instead.

Key West Cultural Preservation Society, Inc.
Statement of Financial Position
As of September 30, 2023

08/12/24

Accrual Basis

	<u>Sep 30, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
Capitol One - Checking	7,558.42
Capitol One MM	12,611.64
Total Checking/Savings	<u>20,170.06</u>
Total Current Assets	<u>20,170.06</u>
TOTAL ASSETS	<u>20,170.06</u>
LIABILITIES & EQUITY	
Equity	
Unrestricted Funds	31,579.77
Net Income	-11,409.71
Total Equity	<u>20,170.06</u>
TOTAL LIABILITIES & EQUITY	<u>20,170.06</u>

Key West Cultural Preservation Society, Inc.
Statement of Activities

08/12/24

Accrual Basis

10/01/2022 - 09/30/2023

	Oct '22 - Sep 23
Ordinary Income/Expense	
Income	
ATM Revenue	940.96
Bank Interest	65.62
Banner Income	12,618.28
Bumper Sticker Sales	350.00
Conch Republic 2023	4,336.06
Contributions	
Private Donations	80.00
Stickers	520.00
	600.00
Total Contributions	600.00
CRD 2022	0.00
Jury Fees	720.00
Memberships	1,561.26
Participant Insurance	1,445.00
Refund	-282.82
Reimbursement Legal Fees	970.00
Reimbursements	-456.75
Set Up Fees	
Artist and Food Set Up Fees	100.00
Artists	68,198.66
Bank Adjustments	-307.21
Food	30,250.00
Guest Artists	440.00
Performers Large Acts	21,119.15
Performers Small Acts	5,812.00
Refund	-114.00
Square	0.00
Taxes & Licenses	0.00
Set Up Fees - Other	60.00
	125,558.60
Total Set Up Fees	125,558.60
Water Saies	374.00
	148,800.21
Total Income	148,800.21
Gross Profit	148,800.21
Expense	
Advertising	794.86
Bank and Merchant Fees	1,086.22
Banner	480.00
Conch Republic 2023 City Fees	295.57
Conch Republic 2023 F Marshal	480.00
Contract Labor	22,690.00
CRD 2023	50.00
CRD 2023 Security	2,310.00
Donations	500.00
Excess Currency Deposited Fee	0.00
Holidays	138.84
Insurance	
Insurance- D&O	594.09
Liability	13,465.54
	14,059.63
Total Insurance	14,059.63
Internet	1,309.43
Kiosk Equipment	
Office Supplies	259.66
Kiosk Equipment - Other	858.93
	1,118.59
Total Kiosk Equipment	1,118.59

Key West Cultural Preservation Society, Inc.

Profit & Loss

08/12/24

Accrual Basis

October 2022 through September 2023

	<u>Oct '22 - Sep 23</u>
Licenses and Permits	123.01
Membership Fees	100.00
Miscellaneous Expense	100.00
Office Services	11,760.00
Office Supplies	1,343.46
Overdraft Charge	0.00
Participant Insurance reimburse	680.00
Payroll Expense	
Pier Manager- Contract	0.00
Pier Manager - Board Meeting	0.00
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Total Payroll Expense	0.00
Postage and Delivery	443.99
Professional Fees	
Accounting	3,000.00
Legal fees	2,450.00
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Total Professional Fees	5,450.00
Rent	
Mallory Square Lease	82,583.77
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Total Rent	82,583.77
Security	10,925.00
Stickers	517.00
Supplies	262.56
Thanksgiving Dinner	200.00
Thanksgiving Supplies	300.00
Web Expense	107.99
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Total Expense	160,209.92
Net Ordinary Income	-11,409.71
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Net Income	-11,409.71
