

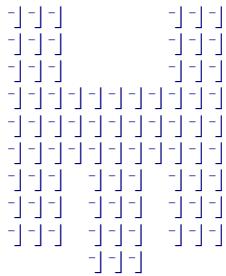
SOUTH FLORIDA SCIENCE MUSEUM, INC.

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

**For the Year Ended
September 30, 2012
(with comparable totals for 2011)**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
South Florida Science Museum, Inc.
West Palm Beach, Florida

We have audited the accompanying statement of financial position of South Florida Science Museum, Inc. as of September 30, 2012, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the South Florida Science Museum, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the South Florida Science Museum, Inc.'s 2011 financial statements and, in our report dated January 20, 2012, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the South Florida Science Museum, Inc.'s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Florida Science Museum, Inc. as of September 30, 2012, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of South Florida Science Museum, Inc. as a whole. The accompanying schedule of revenues and expenses – operations and capital campaign, and graphs of current year revenues and current year expenses by department, are presented for purposes of additional analysis, and are not a required part of the basic financial statements. The schedule and graphs are the responsibility of management and were derived from and relate 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.

Holyfield & Thomas, LLC

West Palm Beach, Florida
March 8, 2013

SOUTH FLORIDA SCIENCE MUSEUM, INC.

STATEMENT OF FINANCIAL POSITION

*As of September 30, 2012**(with comparable totals for 2011)*

	Unrestricted	Temporarily Restricted	Permanently Restricted	2012 Totals	2011 Totals
ASSETS					
Cash and cash equivalents	\$ 42,846	\$ 309,119	\$ -	\$ 351,965	\$ 276,019
Accounts receivable	219,211	55,000	-	274,211	37,667
Due (to)/from other fund	(49,500)	49,500	-	-	-
Contributions receivable	-	125,500	-	125,500	220,000
Inventory	7,807	-	-	7,807	8,050
Other assets	59,129	-	-	59,129	74,932
Loan costs	17,632	-	-	17,632	-
Property, plant and equipment, net	1,706,777	-	-	1,706,777	540,177
Exhibits and collections	564,050	-	-	564,050	517,221
Total assets	<u>\$ 2,567,952</u>	<u>\$ 539,119</u>	<u>\$ -</u>	<u>\$ 3,107,071</u>	<u>\$ 1,674,066</u>
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable	\$ 14,893	\$ -	\$ -	\$ 14,893	\$ 39,271
Construction payable	284,846	-	-	284,846	-
Accrued expenses	61,055	-	-	61,055	29,927
Deferred revenue	196,321	-	-	196,321	26,250
Notes payable	768,301	-	-	768,301	241,529
Total liabilities	1,325,416	-	-	1,325,416	336,977
Net assets	<u>1,242,536</u>	<u>539,119</u>	<u>-</u>	<u>1,781,655</u>	<u>1,337,089</u>
Total liabilities and net assets	<u>\$ 2,567,952</u>	<u>\$ 539,119</u>	<u>\$ -</u>	<u>\$ 3,107,071</u>	<u>\$ 1,674,066</u>

See accompanying notes to financial statements.

SOUTH FLORIDA SCIENCE MUSEUM, INC.

STATEMENT OF ACTIVITIES

*For the Year Ended September 30, 2012**(with comparable totals for 2011)*

	Unrestricted	Temporarily Restricted	Permanently Restricted	2012 Totals	2011 Totals
Support and revenues:					
Governmental support	\$ 282,361	\$ -	\$ -	\$ 282,361	\$ 70,021
Private gifts and grants	204,010	407,759	-	611,769	537,237
Capital campaign	-	207,810	-	207,810	341,220
Educational programs	312,612	-	-	312,612	257,063
Admissions	477,091	-	-	477,091	445,888
Special events	348,298	-	-	348,298	316,461
Museum store	81,882	-	-	81,882	90,908
Membership dues	81,888	-	-	81,888	89,642
In-kind contributions	71,568	-	-	71,568	71,524
Other income	34,643	-	-	34,643	24,647
Total support and revenues	1,894,353	615,569	-	2,509,922	2,244,611
Net assets released from restrictions	688,036	(660,036)	(28,000)	-	-
	<u>2,582,389</u>	<u>(44,467)</u>	<u>(28,000)</u>	<u>2,509,922</u>	<u>2,244,611</u>
Expenses:					
Program services:					
Aquarium	137,162	-	-	137,162	133,659
Education	417,442	-	-	417,442	370,437
Exhibits	465,152	-	-	465,152	504,942
Membership	183,970	-	-	183,970	177,031
Museum store	79,726	-	-	79,726	65,863
Planetarium	85,855	-	-	85,855	77,168
	<u>1,369,307</u>	<u>-</u>	<u>-</u>	<u>1,369,307</u>	<u>1,329,100</u>
Supporting activities:					
Management and general:					
Administration	256,332	-	-	256,332	269,750
Maintenance	36,976	-	-	36,976	38,983
Marketing	40,549	-	-	40,549	28,899
	<u>333,857</u>	<u>-</u>	<u>-</u>	<u>333,857</u>	<u>337,632</u>
Development/fundraising:					
Development	159,217	-	-	159,217	69,479
Special events	202,975	-	-	202,975	198,879
	<u>362,192</u>	<u>-</u>	<u>-</u>	<u>362,192</u>	<u>268,358</u>
Total expenses	<u>2,065,356</u>	<u>-</u>	<u>-</u>	<u>2,065,356</u>	<u>1,935,090</u>
Change in net assets	517,033	(44,467)	(28,000)	444,566	309,521
Net assets, beginning	725,503	583,586	28,000	1,337,089	1,027,568
Net assets, ending	<u>\$ 1,242,536</u>	<u>\$ 539,119</u>	<u>\$ -</u>	<u>\$ 1,781,655</u>	<u>\$ 1,337,089</u>

See accompanying notes to financial statements.

SOUTH FLORIDA SCIENCE MUSEUM, INC.

STATEMENT OF CASH FLOWS

*For the Year Ended September 30, 2012**(with comparable totals for 2011)*

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Cash received from:		
Governmental support	\$ 107,026	\$ 70,021
Private gifts and grants	852,870	620,790
Program services	871,585	775,666
Membership and special events	600,257	432,353
Cash paid to vendors and employees	(1,642,164)	(1,845,769)
Other income	<u>34,643</u>	<u>42,840</u>
Net cash provided by operating activities	<u>824,217</u>	<u>95,901</u>
Cash flows from investing activities:		
Purchase of property and equipment	(1,210,582)	(12,097)
Payments for loan costs	(17,632)	-
Payments for collection items	<u>(46,829)</u>	<u>(11,757)</u>
Net cash used in investing activities	<u>(1,275,043)</u>	<u>(23,854)</u>
Cash flows from financing activities:		
Advances from notes payable	768,301	-
Repayments of notes payable	<u>(241,529)</u>	<u>(8,471)</u>
Net cash provided by (used in) financing activities	<u>526,772</u>	<u>(8,471)</u>
Net change in cash	75,946	63,576
Cash and cash equivalents, beginning	<u>276,019</u>	<u>212,443</u>
Cash and cash equivalents, ending	<u>\$ 351,965</u>	<u>\$ 276,019</u>

See accompanying notes to financial statements.

SOUTH FLORIDA SCIENCE MUSEUM, INC.

STATEMENT OF CASH FLOWS

*For the Year Ended September 30, 2012**(with comparable totals for 2011)*

	<u>2012</u>	<u>2011</u>
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ 444,566	\$ 309,521
Adjustments to reconcile change in net cash to net cash provided by operating activities:		
Depreciation	52,882	64,964
Donated assets	(8,900)	(34,131)
(Increase) decrease in certain assets:		
Accounts receivable	(236,544)	(37,667)
Contributions receivable	94,500	(220,000)
Inventory	243	956
Other assets	15,803	(4,983)
Increase (decrease) in certain liabilities:		
Accounts payable	(24,378)	(13,072)
Construction payable	284,846	-
Accrued expenses	31,128	4,063
Deferred revenue	170,071	26,250
Net cash provided by operating activities	<u>\$ 824,217</u>	<u>\$ 95,901</u>

See accompanying notes to financial statements.

SOUTH FLORIDA SCIENCE MUSEUM, INC.

STATEMENT OF FUNCTIONAL EXPENSES

*For the Year Ended September 30, 2012**(with comparable totals for 2011)*

	Program Services	Supporting Activities		2012 Totals	2011 Totals
		Management and General	Development / Fundraising		
Salaries	\$ 542,358	\$ 140,921	\$ 141,847	\$ 825,126	\$ 771,498
Employee benefits	97,015	30,520	7,775	135,310	126,023
Total salaries and related benefits	639,373	171,441	149,622	960,436	897,521
Advertising and marketing	67,919	5,517	21,459	94,895	45,017
Contract services	62,181	21,578	22,569	106,328	90,079
Cost of sales	31,697	-	-	31,697	27,295
Dues and subscriptions	1,675	4,115	1,745	7,535	7,433
Exhibit fees and rentals	107,752	-	-	107,752	139,521
Facility rentals and costs	969	596	153,731	155,296	122,322
Insurance	66,466	8,213	-	74,679	77,208
Interest	-	7,988	968	8,956	8,593
Maintenance and repairs	38,588	4,497	-	43,085	61,493
Materials and supplies	147,989	9,975	1,018	158,982	118,150
Other costs	11,325	40,970	1,495	53,790	50,500
Other fees and rentals	3,429	424	-	3,853	3,990
Postage and shipping	458	8,732	1,685	10,875	12,823
Printing	1,020	3,681	1,745	6,446	26,410
Professional fees	64,551	27,005	6,100	97,656	91,363
Telephone	20,133	2,488	-	22,621	22,388
Travel	2,975	4,177	55	7,207	5,600
Utilities	53,742	6,643	-	60,385	62,420
Total expenses before depreciation	1,322,242	328,040	362,192	2,012,474	1,870,126
Depreciation expense	47,065	5,817	-	52,882	64,964
Total functional expenses	\$ 1,369,307	\$ 333,857	\$ 362,192	\$ 2,065,356	\$ 1,935,090

See accompanying notes to financial statements.

For the Year Ended September 30, 2012

1. Summary of Significant Accounting Policies*Nature of Organization*

The South Florida Science Museum, Inc. (Museum) was founded in 1959 in order to meet a growing need for science and technology education in Palm Beach County. The Museum's mission statement is "To excite curiosity and further the understanding and appreciation of science and technology." To that end, the Museum provides many hands-on type exhibits from its permanent collection, hosts many temporary and traveling exhibits, and houses a planetarium and a gallery of aquariums.

The Museum's programs also include many outreach activities, as well as summer camp and home school classes.

In April 2012, the Museum held a groundbreaking reception to launch its "good to great" expansion plan for the 50 year old facility. Earlier in the year, the Palm Beach County Board of Commissioners approved a \$2,400,000 grant to help fund the expansion plan (see Note 6).

Basis of Accounting

The financial statements of the Museum have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Support is recognized when they are received, revenues are recognized when they are earned, and expenses are recognized when they are incurred. The significant accounting policies followed by the Museum are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation

In accordance with FASB Accounting Standards Codification (FASB ASC) 958-605, *Not-for-Profit Entities, Revenue Recognition*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

The following paragraphs describe the three classes of net assets:

Unrestricted Net Assets: this classification includes those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net assets arising from exchange transaction (except income and gains on assets that are restricted by donors or by law) are included in the unrestricted by class.

Temporarily Restricted Net Assets: this classification includes those net assets whose use by the Museum has been limited by donors to either later periods of time, or after specified dates, or for a specified purpose.

Permanently Restricted Net Assets: this classification includes those net assets that must be maintained by the Museum in perpetuity. Permanently restricted net assets increase when the Museum receives contributions for which donor-imposed restrictions limiting the Museum's use of an asset or its economic benefits neither expire with the passage of time nor can be removed by the Museum meeting certain requirements. During the year ended September 30, 2012, the Museum received permission to release contributions previously recognized as permanently restricted net assets to temporarily restricted net assets. The Museum had no permanently restricted net assets as of September 30, 2012.

For the Year Ended September 30, 2012

1. **Summary of Significant Accounting Policies, continued**

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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The Museum follows FASB ASC 820-10, *Fair Value Measurement and Disclosures*, which provides a common definition of fair value, establish a framework to measure fair value within accounting principles generally accepted in the United States of America, and expand the disclosures about fair value measurements. The standard does not create any new fair value measurements. Instead, it applies under existing accounting pronouncements that require or permit fair value measurements.

For assets and liabilities measured at fair value on a recurring basis, entities should disclose information that allows financial statement users to assess (1) the inputs used to develop such measurements, such as Level 1 (i.e., quoted price in an active market for an identical asset or liability), Level 2 (i.e., quoted price for similar assets or liabilities in active markets), or Level 3 (i.e., unobservable inputs); and (2) the effect on changes in net assets of recurring measurements that use significant unobservable (Level 3) inputs. As of September 30, 2012, the Museum does not have financial instruments measured at fair value in the accompanying financial statements.

Comparative Financial Information

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 Museum's financial statements for the year ended September 30, 2011, from which the summarized information was derived. Certain 2011 amounts have been reclassified to conform to 2012 classifications. Such reclassifications had no effect on the change in net assets as previously reported.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Museum considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

Accounts receivable consist of amounts due to the Museum under a local government grant and promises to give from other agencies. Provisions for doubtful accounts as of September 30, 2012 was deemed unnecessary because the amounts are considered to be fully collectible.

For the Year Ended September 30, 2012

1. **Summary of Significant Accounting Policies, continued**

Contributions Receivable

Contributions receivable are recognized as support and as assets in the period received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Contributions receivable arise from various donors and are deemed fully collectible.

Inventory

Inventories consist of items held for resale in the Museum's store, and are stated at the lower of cost (first-in, first-out method) or market.

Other Assets

Other assets consist of prepaid expenses and deposits made for future exhibits.

Property, Plant, and Equipment

The Museum capitalizes property, plant and equipment that costs in excess of \$1,000 and that has a useful life of one year or more. Donated property, plant and equipment is recorded at the fair market value at date of donation. All other assets are recorded at cost. Depreciation is computed on the straight-line method over the estimated useful lives of assets, ranging from 5 - 40 years. The value assigned to buildings and land improvements is based on an allocation of accumulated costs from a 1973 appraisal of the Museum's property.

Exhibits and Collections

The Museum capitalizes its exhibits and collections that are held for public exhibition and educational purposes. The items in the collection are recorded at cost if purchased, or at fair value if donated.

Accrued Expenses

Accrued expenses consist of accrued payroll.

Support and Revenues

In accordance with FASB ASC 958-605, contributions received, including unconditional promises, are recognized as revenues when the donor's commitment is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increase those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Governmental support for the year ended September 30, 2012, consisted of funds received from the Tourist Development Council of Palm Beach County and reimbursements from Palm Beach County for the expansion of the Museum facility (see Note 6).

For the Year Ended September 30, 2012

1. Summary of Significant Accounting Policies, continued*Support and Revenues, continued*

Program service fees are recognized as revenue in the period in which the related services commence. Fees collected prior to the commencement of the program are recorded as deferred revenue.

Membership dues are recognized when received.

Admission revenue is recognized when tickets are sold. Special events revenue is recognized as revenue at the time of the event. Tickets sold prior to the event are recorded as deferred revenue.

The Museum receives various grants from federal, state, local and private agencies for program and supporting service expenses. These grants are generally on a cost reimbursement basis, including recoverable overhead. Revenues from grants are deemed earned and recognized in the statement of activities when expenditures are made for the purposes specified.

In-kind Contributions

In accordance with FASB ASC 958-605, the Museum records the value of those donated services that require specialized skills and that would typically need to be purchased if not provided by donation. These services support the major activities of the Museum including education, planetarium and aquarium programs. During the year ended September 30, 2012, the Museum received donated assets, such as materials and supplies and other non-cash donations, which are recorded as contributions at their estimated fair value at the date of donation. The total amount of donated assets during the year ended September 30, 2012, amounted to \$71,568. This amount is recognized as both revenue, under the caption of in-kind contributions, and as property, plant and equipment (\$8,900) in the Statement of Financial Position; and as various expenses (\$62,668) in the Statement of Activities and Statement of Functional Expenses.

Expenses

Expenses are summarized according to program services and supporting services in the statement of activities, and according to functional classification in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising

The Museum's advertising is primarily non-direct, and such costs are expensed as incurred. During the year ended September 30, 2012, the Museum incurred \$94,895 in advertising costs, which are reported as advertising in the statement of functional expenses.

Income Taxes

The Museum is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986 and has been classified as publically supported organizations that are not private foundations under Section 509(a) of the Code. Income determined to be unrelated business taxable income (UBTI) would be taxable. In connection with rent received from an independent vendor at the expanding facility, there was approximately \$1,000 of unrelated business income for the year ended September 30, 2012.

For the Year Ended September 30, 2012

1. Summary of Significant Accounting Policies, continued*Income Taxes, continued*

The Museum follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. This pronouncement seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. It prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. An entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold. The Museum assesses its income tax positions based on management's evaluation of the facts, circumstances and information available at the reporting date. The Museum uses the prescribed more likely than not threshold when making its assessment. For the year ended June 30, 2012, the Museum did not accrue any interest expense or penalties related to tax positions, and there are no open Federal or State tax years currently under audit.

2. Contributions Receivable

Contributions receivable are recorded for unconditional promises to fund programs for subsequent years. Contributions receivable as of September 30, 2012, relate to the Museum's capital campaign and are collectible within one year. All of the contributions receivable are recorded as temporarily restricted assets in the statement of financial position.

3. Property, Plant and Equipment

As of September 30, 2012, the Museum's property, plant and equipment consisted of the following:

Building and land improvements	\$ 878,679
Equipment and machinery	548,555
Furniture and fixtures	200,363
Planetarium	416,609
Aquarium	16,354
Construction in progress	<u>1,377,759</u>
Total property, plant and equipment	3,438,319
Less accumulated depreciation	<u>1,731,542</u>
Property, plant and equipment, net	<u>\$ 1,706,777</u>

As of September 30, 2012, the Museum's construction in progress consisted of the accumulated costs associated with the expansion of its current facility.

4. Exhibits and Collections

Exhibits and collections consists of various displays and holdings of shells, gems and minerals, art works, and other miscellaneous items that have been either purchased, constructed, or received as donations. When these items are accessioned into the collection they are capitalized at cost or fair market value at date of donation and are nondepreciable in nature.

For the Year Ended September 30, 2012

5. Notes Payable

The Museum has a \$250,000 unsecured line of credit extended by a local bank, of which \$250,000 was outstanding as of September 30, 2012. The line of credit carries an interest rate equal to the adjusted LIBOR rate plus 425 basis points (4.48% as of September 30, 2012). The loan is secured by all the Museum's personal and real property, and is payable on demand. The line of credit will be converted to a term loan once construction of the facility is completed. At that time, the Museum is required to make equal monthly principal and interest payments fully amortized based on a sixty (60) month amortization schedule. The loan agreement is scheduled to expire on July 23, 2017, at which time all unpaid principal and interest shall be due and payable in full. As of September 30, 2012, the available balance on the line of credit was \$0.

In order to finance the expansion of its current facility (see note 3), the Museum has a \$3,000,000 non-revolving construction line of credit (construction loan) extended by a local bank, of which \$518,301 was outstanding as of September 30, 2012. The construction loan carries an interest rate equal to the adjusted LIBOR rate plus 275 basis points (2.98% as of September 30, 2012). The construction loan is secured by all the Museum's personal and real property, and matures on July 23, 2014. At that time, lender may agree to convert the construction loan to a term loan to be repaid in equal monthly principal and interest payments fully amortized based on a sixty (60) month amortization schedule to mature on July 23, 2017.

The Museum also had a \$250,000 unsecured line of credit extended by a local bank. The line of credit carried interest rate of .25% below the lender's prime rate. The line of credit was paid off during 2012.

6. Project Financing with Palm Beach County

The Museum entered into an agreement with Palm Beach County ("County") where the County will reimburse the Museum up to \$2,400,000 for the expansion of Museum facility. Total amount funded by the County under this agreement during the year ended September 30, 2012 amounted to \$186,648.

7. Donor Restricted Net Assets

As of September 30, 2012, the Museum held the donor restricted net assets for the specified purposes identified below. These programs and purposes are to be completed in future periods through use of segregated funds, other resources and normal Museum operations.

Education outreach programs:	
Science Passport	\$ 61,064
Everglades exhibit	49,500
Science on a Sphere	187,381
Health Science in Motion	23,600
Other	<u>31,970</u>
	353,515
Capital fund for the facility expansion	<u>185,604</u>
	<u>\$ 539,119</u>

For the Year Ended September 30, 2012

8. Leases

In June 2010, the Museum entered into a lease agreement with the City of West Palm Beach for the land on which the Museum operates. The term of the lease is for fifty (50) years, expiring in May 2060, and requires a lease payment of ten dollars per year.

No in-kind contributions were recorded in the statement of activities to reflect the fair market value of the land rental because no objective basis is available for measurement.

9. Pension Plan

During 1997 the Museum adopted a tax sheltered annuity plan that complies with the provisions of Section 403(b) of the Internal Revenue Code. Substantially all employees are eligible to participate in this employee contributory plan. The Museum did not make a contribution to this plan during the year ended September 30, 2012.

10. Concentration of Credit Risk

The Museum maintains its cash and cash equivalents in several accounts at select financial institution, which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. There were no amounts of cash and cash equivalents that either exceeded the federal insurance limit or that were uninsured as of September 30, 2012. The Museum has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash and equivalents.

11. Subsequent Events

Management has evaluated subsequent events through March 8, 2013, the date on which the financial statements were available to be issued, and determined there were no further disclosures required to be presented in these financial statements.

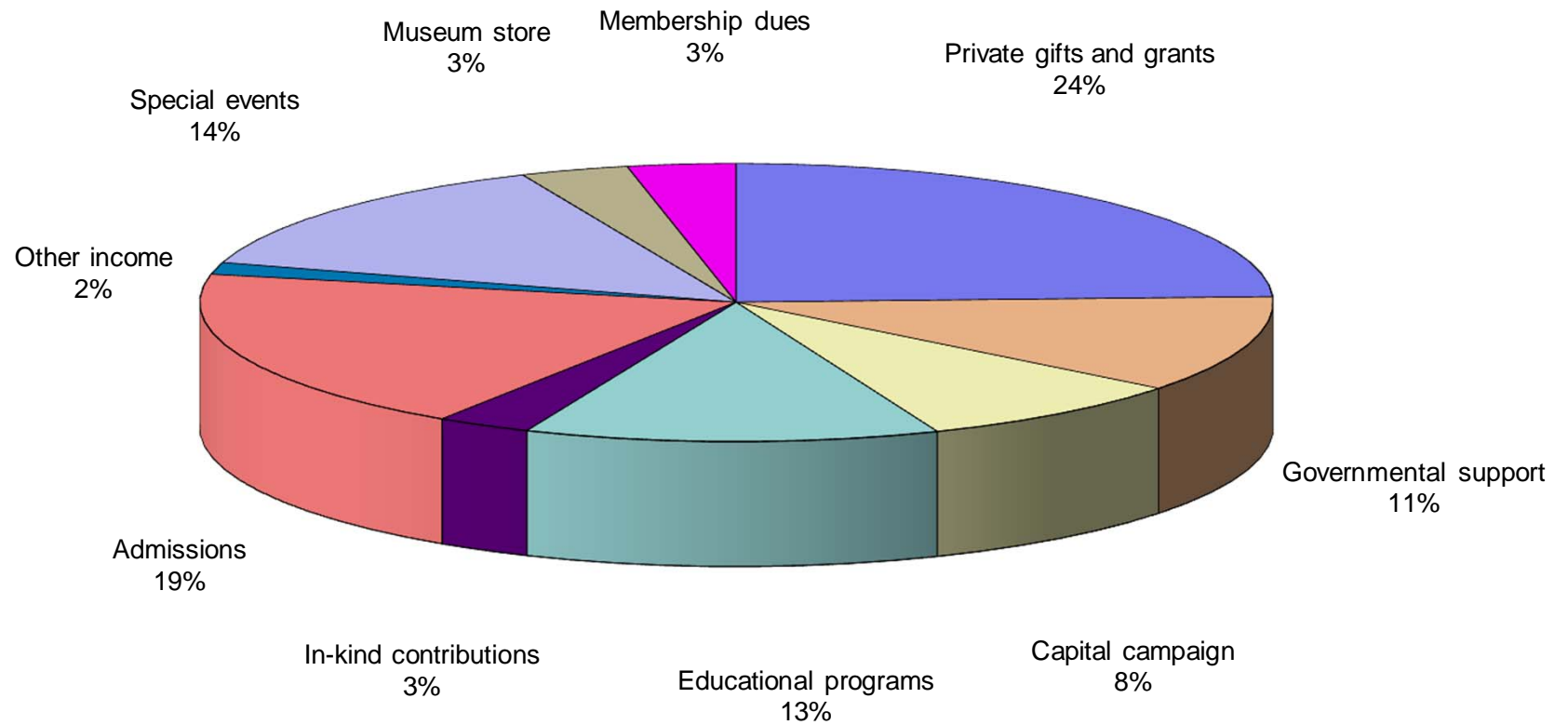
SUPPLEMENTARY INFORMATION

SOUTH FLORIDA SCIENCE MUSEUM, INC.

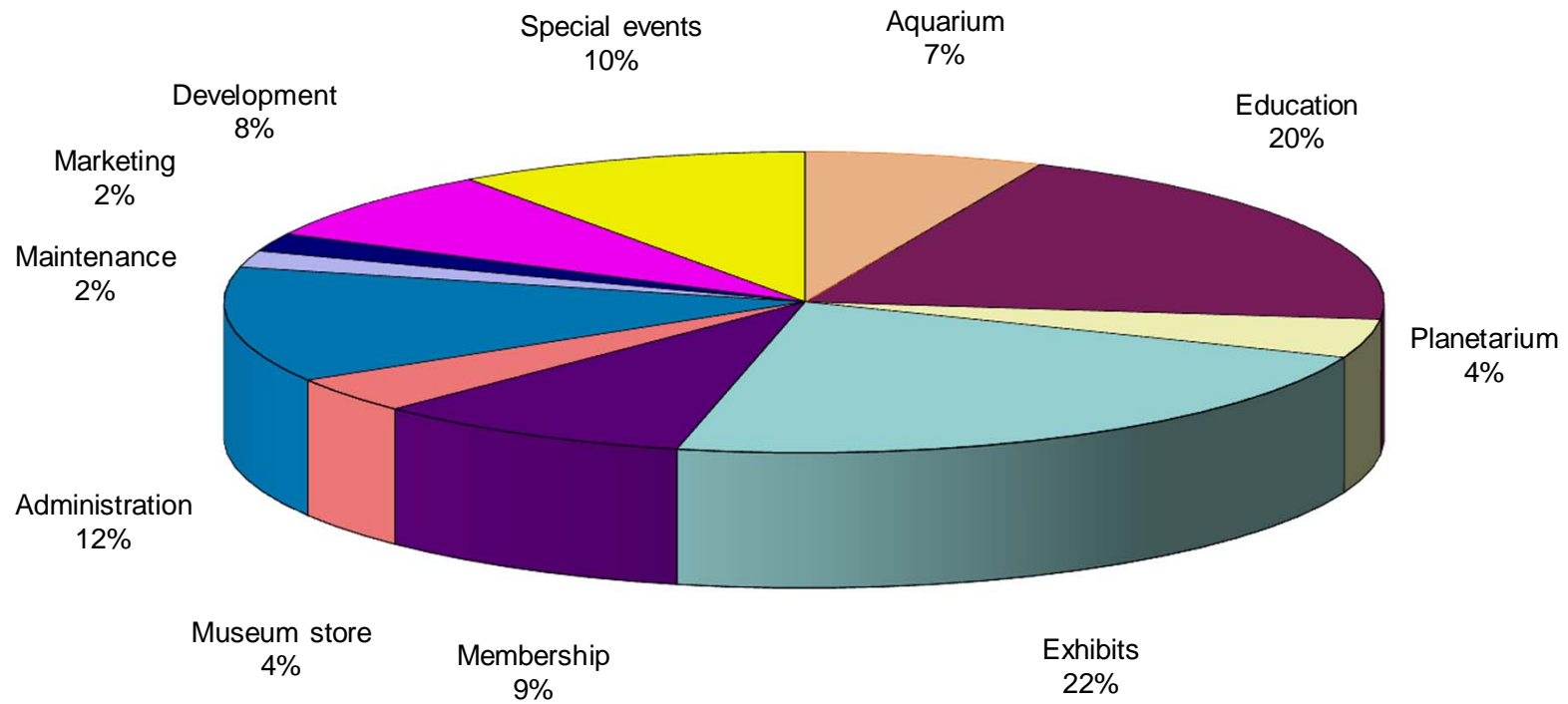
SCHEDULE OF REVENUES AND EXPENSES
- OPERATIONS AND CAPITAL CAMPAIGN*For the Year Ended September 30, 2012*

	<u>Operations</u>	<u>Capital Campaign</u>	<u>Totals</u>
Revenues:			
Governmental support	\$ 95,713	\$ 186,648	\$ 282,361
Private gifts and grants	611,769	-	611,769
Capital campaign	-	207,810	207,810
Educational programs	312,612	-	312,612
Admissions	477,091	-	477,091
Special events	348,298	-	348,298
Museum store	81,882	-	81,882
Membership dues	81,888	-	81,888
In-kind contributions	71,568	-	71,568
Other income	34,643	-	34,643
Total revenues	<u>2,115,464</u>	<u>394,458</u>	<u>2,509,922</u>
Expenses:			
Salaries	713,202	111,924	825,126
Employee benefits	<u>135,310</u>	<u>-</u>	<u>135,310</u>
Total salaries and related benefits	848,512	111,924	960,436
Advertising and marketing	78,818	16,077	94,895
Contract services	83,759	22,569	106,328
Cost of sales	31,697	-	31,697
Dues and subscriptions	7,535	-	7,535
Exhibit fees and rentals	107,752	-	107,752
Facility rentals and costs	155,296	-	155,296
Insurance	74,679	-	74,679
Interest	7,988	968	8,956
Maintenance and repairs	43,085	-	43,085
Materials and supplies	158,982	-	158,982
Other costs	53,254	536	53,790
Other fees and rentals	3,853	-	3,853
Postage and shipping	10,290	585	10,875
Printing	6,446	-	6,446
Professional fees	91,656	6,000	97,656
Telephone	22,621	-	22,621
Travel	7,207	-	7,207
Utilities	60,385	-	60,385
Depreciation expense	<u>52,882</u>	<u>-</u>	<u>52,882</u>
Total expenses	<u>1,906,697</u>	<u>158,659</u>	<u>2,065,356</u>
Excess of expenses over revenues	<u>\$ 208,767</u>	<u>\$ 235,799</u>	<u>\$ 444,566</u>

See auditor's report.



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