

**THE PRIDE CENTER AT EQUALITY PARK, GAY & LESBIAN COMMUNITY CENTER
OF GREATER FORT LAUDERDALE, INC.**

(Non-Profit Organization)

**FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
YEARS ENDED JUNE 30, 2019 AND JUNE 30, 2018**

LIGGETT & WEBB, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

**THE PRIDE CENTER AT EQUALITY PARK, GAY & LESBIAN COMMUNITY CENTER
OF GREATER FORT LAUDERDALE, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors of the Pride Center at Equality Park
Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc.
Wilton Manors, Florida

Report on Financial Statements

We have audited the accompanying financial statements of The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc., which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, and cash flows for the years ended June 30, 2019 and June 30, 2018 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 the 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 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. 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc., as of June 30, 2019 and 2018 and the changes in the net assets and its cash flows for the years ended June 30, 2019 and June 30, 2018 in accordance with accounting principles generally accepted in the United States of America.

Liggett & Webb, P.A.

LIGGETT & WEBB, P.A.
Certified Public Accountants
March 3, 2020

**THE PRIDE CENTER AT EQUALITY PARK
GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.**

Statement of Financial Position

	<u>As of June 30, 2019</u>	<u>As of June 30, 2018</u>
ASSETS		
Cash and cash equivalents	\$ 1,229,015	\$ 820,137
Unconditional promises and accounts receivable, less allowance for doubtful accounts	480,659	223,115
Grants receivable	29,167	82,593
Prepaid expenses	20,357	20,258
Utility and other deposits	4,673	4,673
Deferred loan costs, net	3,659	4,574
Deferred lease costs	12,200	-
Property and equipment, net	5,125,440	5,218,713
TOTAL ASSETS	<u>\$ 6,905,170</u>	<u>\$ 6,374,063</u>
 LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 76,935	\$ 57,434
Deferred lease revenues	500,000	-
Notes payable, member	25,000	25,000
Mortgage payable	2,601,006	2,660,953
TOTAL LIABILITIES	<u>3,202,941</u>	<u>2,743,387</u>
 COMMITMENTS AND CONTINGENCIES		
Without Donor Restrictions	3,564,273	3,467,037
With Donor Restrictions	137,956	163,639
TOTAL NET ASSETS	<u>3,702,229</u>	<u>3,630,676</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 6,905,170</u>	 <u>\$ 6,374,063</u>

The accompanying notes are an integral part of these financial statements

**THE PRIDE CENTER AT EQUALITY PARK
GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.**

Statement of Activities

	For the year ended June 30, 2019	For the year ended June 30, 2018
WITHOUT DONOR RESTRICTIONS REVENUES AND OTHER SUPPORT		
Founders and members' dues and contributions	\$ 722,725	\$ 691,048
Facility usage fees and rental income	221,373	175,911
Grant contracts	151,544	235,136
Government grant contracts	585,871	891,951
Special events, net	445,948	362,778
Other income	24,540	25,298
Investment income	28,901	25,936
Total without donor restrictions revenues and support	2,180,902	2,408,058
Net assets released from restriction	25,683	23,728
Total Revenues	2,206,585	2,431,786
EXPENSES		
Program Services	1,582,836	1,619,358
Management and general	266,945	215,723
Fundraising	259,568	239,701
Total Expenses	2,109,349	2,074,782
Increase (Decrease) in without donor restrictions net assets	97,236	357,004
WITH DONOR RESTRICTIONS NET ASSETS		
Net assets increased (released) from restrictions	(25,683)	(23,728)
Increase (Decrease) in with donor restrictions net assets	(25,683)	(23,728)
Increase (Decrease) in net assets	71,553	333,276
NET ASSETS		
Beginning of period	3,630,676	3,297,400
End of period	\$ 3,702,229	\$ 3,630,676

The accompanying notes are an integral part of these financial statements

**THE PRIDE CENTER AT EQUALITY PARK
GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.**

Statement of Cash Flows

	For the year ended June 30, 2019	For the year ended June 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 71,553	\$ 333,276
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	115,808	118,492
Loss on disposal of assets	21,795	-
Provision for doubtful accounts	6,868	20,343
(Increase) decrease in operating assets and liabilities:		
Unconditional promises to give and accounts receivable	(264,412)	(141,194)
Grants receivable	53,426	(9,401)
Prepaid expenses and deferred costs	(11,384)	19,498
Utility and other deposits	-	(160)
Accounts payable and accrued expenses	19,501	(17,105)
Deferred Revenue	500,000	(5,679)
Net cash provided by operating activities	513,155	318,070
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(44,330)	(98,962)
Net cash used in investing activities	(44,330)	(98,962)
CASH FLOW FROM FINANCING ACTIVITIES		
Payments on mortgage	(59,947)	(141,070)
Net cash used in financing activities	(59,947)	(141,070)
Net increase in cash and cash equivalents	408,878	78,038
Cash and cash equivalents at the beginning of year	820,137	742,099
Cash and cash equivalents at the end of year	\$ 1,229,015	\$ 820,137
 Supplemental Information:		
Cash paid for interest expense:	\$ 146,024	\$ 94,901
Cash paid for income taxes:	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

**THE PRIDE CENTER AT EQUALITY PARK
GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.**

*Statement of Functional Expenses
For the Year ended June 30, 2019*

	DOH Testing	PALS	Artas	MSM	KiKi	CODPJ	Other Programs	Community Center Activity	Senior Affordable Housing Project	Total Program Expense	Management	Fundraising	TOTAL
Salaries	\$ 50,142	\$ 103,266	\$ 50,165	\$ 32,699	\$ 77,580	\$ 68,432	\$217,888	\$ 136,016	\$ 41,870	\$ 778,058	\$ 67,723	\$ 132,319	\$ 978,100
Payroll taxes	3,730	7,312	3,729	2,268	5,976	5,970	17,811	11,925	3,593	62,314	6,411	11,535	80,260
Employee Benefits	8,640	20,501	5,371	4,185	9,220	13,201	26,833	17,419	3,054	108,424	5,574	13,456	127,454
Advertising and Community Relations	2,933	133	272	2,798	5,252	572	4,332	8,066	409	24,767	1,853	24,256	50,876
Bank and Credit Card Charges	-	-	-	-	-	-	338	390	15	743	-	272	1,015
Program Supplies and Expenses	148	20,209	1,596	2,722	10,838	7,158	18,859	3,180	2,873	67,583	7,137	3,559	78,279
Postage	105	25	39	40	36	47	10	716	-	1,018	-	717	1,735
Newsletter Printing and Production	-	-	-	-	-	-	168	868	-	1,036	130	520	1,686
Telephone	392	740	392	262	435	506	3,378	1,207	195	7,507	389	934	8,830
Utilities	1,952	3,687	1,952	1,301	2,169	2,832	9,235	32,480	-	55,608	11,019	11,019	77,646
Building Repairs and Maintenance	3,937	7,409	4,416	395	7,522	5,728	1,361	91,539	-	122,307	72,400	-	194,707
Security	2,208	4,170	2,208	1,426	2,377	3,082	9,970	7,378	-	32,819	7,378	7,378	47,575
Taxes Licenses and Fees	100	-	-	-	-	-	-	1,799	6,107	8,006	260	-	8,266
Insurance	2,974	1,725	1,725	1,903	1,725	12,491	9,517	7,197	-	39,257	13,681	6,543	59,481
Interest	7,301	4,235	4,235	4,673	4,235	30,665	23,364	17,669	-	96,377	33,585	16,063	146,025
Professional Fees	1,770	3,009	1,593	1,062	1,770	-	-	6,148	62,740	78,092	4,498	1,675	84,265
Depreciation	5,790	3,358	3,358	3,706	3,358	24,320	18,529	14,013	-	76,432	26,636	12,739	115,807
Bad Debt	-	-	-	-	-	-	-	-	-	-	-	6,868	6,868
Office	1,350	481	-	-	-	1,140	674	4,458	-	8,103	3,258	7,318	18,679
Loss on Disposal of Fixed Assets	1,090	632	632	697	632	4,577	3,487	2,638	-	14,385	5,013	2,397	21,795
	\$ 94,562	\$ 180,892	\$ 81,683	\$ 60,137	\$ 133,125	\$ 180,721	\$365,754	\$ 365,106	\$ 120,856	\$1,582,836	\$ 266,945	\$ 259,568	\$2,109,349

The accompanying notes are an integral part of these financial statements

**THE PRIDE CENTER AT EQUALITY PARK
GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.**

*Statement of Functional Expenses
For the Year ended June 30, 2018*

	DOH Testing	PALS	Artas	MSM	KiKi	Other Programs	Community Center Activity	Total Program Expense	Management	Fundraising	TOTAL
Salaries	\$109,959	\$199,378	\$ 98,762	\$ 72,494	\$ 76,874	\$148,945	\$ 173,243	\$ 879,655	\$ 79,779	\$ 136,404	\$1,095,838
Payroll taxes	9,412	15,813	8,375	5,779	4,897	10,596	19,868	74,740	8,535	10,974	94,249
Employee Benefits	14,953	31,036	9,872	7,448	8,760	18,002	15,131	105,202	4,774	9,607	119,583
Advertising and Community Relations	1,431	923	2,477	1,587	25	1,240	7,468	15,151	8,307	18,294	41,752
Bank and Credit Card Charges	-	-	-	-	-	392	-	392	-	-	392
Program Supplies and Expenses	4,690	29,437	3,537	4,569	4,068	26,547	-	72,848	5,741	3,591	82,180
Postage	176	60	65	68	60	25	247	701	907	854	2,462
Newsletter Printing and Production	-	-	-	-	-	-	2,427	2,427	-	-	2,427
Telephone	1,597	1,531	810	587	689	2,632	1,255	9,101	1,255	1,255	11,611
Utilities	3,465	6,134	3,578	2,383	3,193	10,684	23,229	52,666	11,615	11,615	75,896
Building Repairs and Maintenance	5,666	9,100	5,394	654	4,154	999	92,105	118,072	17,700	-	135,772
Security	1,712	3,007	1,601	1,179	1,086	5,234	2,605	16,424	1,403	1,301	19,128
Taxes Licenses and Fees	100	-	100	-	-	-	2,563	2,763	95	350	3,208
Insurance	9,667	5,217	5,218	5,629	5,053	15,159	10,661	56,604	22,712	9,903	89,219
Interest	8,541	16,133	8,541	5,694	9,490	28,470	4,016	80,885	10,000	4,016	94,901
Professional Fees	1,593	3,009	1,593	531	443	-	18,971	26,140	18,971	2,787	47,898
Depreciation	10,642	20,101	10,642	7,095	11,824	35,720	5,000	101,024	15,000	2,468	118,492
Bad Debt	-	-	-	-	-	-	-	-	-	20,343	20,343
Office	530	566	-	-	48	65	3,354	4,563	8,929	5,939	19,431
	\$184,134	\$341,445	\$160,565	\$115,697	\$130,664	\$304,710	\$ 382,143	\$1,619,358	\$ 215,723	\$ 239,701	\$2,074,782

The accompanying notes are an integral part of these financial statements

**THE PRIDE CENTER AT EQUALITY PARK, GAY & LESBIAN COMMUNITY CENTER
OF GREATER FORT LAUDERDALE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND JUNE 30, 2018**

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc. ("The Pride Center") is a Florida nonprofit public charity incorporated on June 25, 1993. In 2008, The Pride Center purchased property in and relocated to Wilton Manors, Florida. The property includes approximately 38,000 square feet of office and warehouse space located on six acres of land housing its corporate offices and program services. The Pride Center rents office and warehouse space to other non-profit and for-profit organizations on a short-term and long-term basis.

The Pride Center provides meeting space and other facilities for groups and organizations that fulfill educational, therapeutic, cultural, social, recreational and other needs of the LGBT community of Broward County. The Pride Center strives to foster, create or sponsor programs to fulfill the purposes, as needed specifically by youth, elderly, and minority groups within the LGBT community. The Pride Center's purpose includes improving the quality of life for and enhancing a sense of unity and communication within the LGBT community of Broward County.

The Pride Center's source of funds is primarily from contributions, Federal and State of Florida grant contracts, fundraising events, membership dues, facility usage fees and rent.

Basis of Accounting and Presentation

The Pride Center prepares its financial statements in accordance with generally accepted accounting principles and on the accrual basis of accounting. Accordingly, revenues and gains are recognized when earned and expenses, losses and liabilities are recognized when incurred.

Financial statement presentation follows the Financial Accounting Standards Board Accounting Standards Codification (ASC) No. 958, *Not-for-Profit Entities*. Under FASB ASC No. 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions, and with donor restrictions.

With Donor Restrictions and Without Restrictions Revenue and Support

Contributions received are recorded as without donor restrictions, or with donor restrictions support depending on the existence and/or nature of any donor restrictions. Contributed goods and services are recorded as contributions at their estimated fair value at date of receipt.

Support that is restricted by the donor is reported as an increase in without donor restrictions net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in with donor restrictions net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the statement of activities as net assets released from restrictions.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND JUNE 30, 2018**

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, The Pride Center considers certificates of deposit and all unrestricted highly, liquid investments with an initial maturity of three months or less to be cash equivalents.

Advertising

The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc. ("The Pride Center") uses advertising to promote its programs to the community it serves. The production costs of advertising are expensed as incurred. Advertising costs totaled \$50,876 and \$41,752 for the years ended June 30, 2019 and 2018, respectively.

Grant and Contract Revenue

Grant and contract revenue is recognized when the allowable costs as defined by the individual grant or contract are incurred and/or the unit of service has been provided. Grants receivable at year-end represent allowable expenditures and/or units of service provided which have not yet been reimbursed by the granting agency.

Deferred Revenue

Income received in advance from grants and fundraising events are deferred and recognized over the periods to which the income relates.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles include the use of estimates that affect the financial statements. Accordingly, actual results could vary from the estimates that management uses. Significant estimates include allowance for uncollectible promises to give and useful lives of depreciable assets.

Property, Equipment, and Depreciation

Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Acquisitions of property and equipment in excess of \$500 are capitalized. Depreciation is being calculated by use of the straight-line method over the estimated useful lives of the related assets, which vary from 3- 39 years.

Maintenance and repairs to property and equipment are charged to expense when incurred. Additions and major renewals are capitalized. When assets are retired or otherwise disposed of, the cost or donated value and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period.

Functional Allocation of Expenses

The costs of providing the various programs and 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 benefited.

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Donated Services

The Organization recognized contribution revenue and expense for the year ended June 30, 2019 for donated legal services related to senior housing project valued at \$60,740. The revenue from donated services was measured based on the fair value of these services.

Additionally, many individuals volunteer their time and perform a variety of tasks that assist The Pride Center with specific assistance programs, campaign solicitations, and various committee assignments. The values of the volunteer services have not been reflected in the financial statements for donated services. The Pride Center receives more than 21,000 volunteer hours per year.

Accounting for Long-Lived Assets

The Pride Center records losses on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets carrying amount.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions.

When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets. The Organization uses the allowance method to determine the estimated unconditional promises receivable that are doubtful of collection. The allowance is based on prior years' experience and management's analysis of specific promises made. Promises to give, less an allowance for uncollectible amounts, are discounted to reflect the time value of money.

Income Taxes

The Pride Center is a nonprofit organization exempt from federal income taxes under Internal Revenue Code Section 501(c) (3). However, if income from certain activities not directly related to the Organization's tax-exempt purpose were received, it would be subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organizations' tax returns for the years 2016-2019 remain open to Internal Revenue Service's Audit. Accordingly, no provision for federal income taxes has been made.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 2018, the FASB issued ASU 2018-08, "*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.*" This ASU will assist entities in (1) evaluating whether a transaction should be accounted for as a contribution or as an exchange transactions and (2) determining whether the contribution is conditional. If the transaction is considered a contribution, the Organization should follow the guidance in Subtopic 958-605, Not-for-Profit Entities – Revenue Recognition. If the transaction is considered an exchange transaction, the Organization should follow other guidance, namely

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Topic 606, Revenue from Contracts with Customers.

This ASU calls for a prospective modification basis in which on the first set of financial statements to be issued after the effective date of the amendment, all agreements should be modified that are either not completed as of the effective date or entered into after the effective date. The Organization may also adopt the ASU on a retrospective modification basis. This standard will be effective for fiscal years beginning after December 15, 2019 and early adoption is permitted. We are currently reviewing the provisions of this ASU to determine if there will be any significant impact on our statement of activities, cash flows or financial position.

In February 2018, the FASB issued ASU 2018-02, “*Leases*”, which will amend current lease accounting to require lessees to recognize (i) a lease liability, which is a lessee’s obligation to make lease payments arising from a lease, measured on a discounted basis, and (ii) a right-of-use asset, which is an asset that represents the lessee’s right to use, or control the use of, a specified asset for the lease term. ASU 2017-02 does not significantly change lease accounting requirements applicable to lessors; however, certain changes were made to align, where necessary, lessor accounting with the lessee accounting model. This standard will be effective for fiscal years beginning after December 15, 2020. The Organization is currently reviewing the provisions of this ASU to determine if there will be any material impact on the statement of activities, cash flows or financial position.

In August 2016, the FASB issued ASU 2016-14, “*Presentation of Financial Statements of Not-for-Profit Entities*” (Topic 958). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information, regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. This ASU calls for a retrospective modification basis in the year the Update is first applied. This ASU is effective for annual financial statements issued for fiscal years beginning after December 15, 2018, and for interim periods within fiscal years beginning after December 15, 2018. The ASU has been applied retrospectively to all periods presented.

In August 2016, the FASB issued ASU 2016-15, “*Statement of Cash Flows (Topic 230) – Classification of Certain Cash Receipts and Cash Payments*” which addresses eight specific cash flow issues with the objective of reducing the diversity in practice. In November 2016, the FASB issued ASU 2016-18, “*Statement of Cash Flows (Topic 230) – Restricted Cash*” which requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amount generally described as restricted cash or restricted cash equivalents. Both of these ASUs are effective for the Organization for the year ending December 31, 2019, with early adoption permitted. The Organization is currently reviewing the provisions of this ASU to determine if there will be any material impact on the statement of activities, cash flows or financial position.

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In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers," which establishes a comprehensive revenue recognition standard for virtually all industries in U.S. GAAP, including those that previously followed industry specific guidance. For non-public entities, the new standard was originally effective for annual periods beginning after December 15, 2017. In August 2015, the FASB issued ASU 2015-4, "Revenue from Contracts with Customers (Topic 606) – Deferral of Effective Date," which deferred the effective date for one year. Accordingly, this ASU will be effective for the Organization for the year ending December 31, 2019. The Organization is currently reviewing the provisions of this ASU to determine if there will be any material impact on the statement of activities, cash flows or financial position.

RECLASSIFICATIONS

Certain amounts in the prior periods presented have been reclassified to conform to the current period financial statement presentation. What was previously known as unrestricted net assets is now called net assets without donor restrictions. Permanently restricted and temporarily restricted net assets are combined into net assets with donor restrictions. These reclassifications have no effect on previously reported change in net assets.

NOTE 2 - FACILITY RENTAL INCOME

The Pride Center offers office and operating space to unrelated non-profit and for-profit entities in its 2040 Dixie Highway buildings located in Wilton Manors, Florida.

Nine lease agreements have been entered into expiring at various dates, the longest of which extends through December 2022. All leases provide cost of living or annual percentage rental increases.

In 2015, the Organization entered into a land lease agreement with a not-for-profit for the lease of land to construct affordable housing. The lease has gone through various amendments and calls for a lease term of 65 years beginning June 20, 2019. The agreement calls for payments of \$500,000 over the lease term and a contingent lease payment of up to \$693,280 based on any changes in the deferred development fee and any distributions of net cash flow as defined in the lease agreement. The Organization will recognize the guarantee revenue and the ground lease over the lease period. The Organization will recognize additional revenues over the remaining term of the lease.

Future minimum payments to be received under these non-cancelable lease agreements for the next five years are as follows:

	FY Years Ended June 30th:
	Lease Obligation
2020	\$ 151,514
2021	46,692
2022	46,692
2023	27,192
2024 and thereafter	469,232
Total minimum lease payments	\$ 741,322

**THE PRIDE CENTER AT EQUALITY PARK, GAY & LESBIAN COMMUNITY CENTER
OF GREATER FORT LAUDERDALE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND JUNE 30, 2018**

NOTE 3 – LIQUIDITY AND AVAILABILITY

The Organization’s financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash	\$1,229,015
Unconditional promises and accounts receivable	480,659
Grants receivable	29,167
Prepaid expenses	20,357
Financial assets at year end	<u>\$ 1,759,198</u>
Less those unavailable for general expenditure within one year due to:	
Restricted by donor with time or purpose restrictions	<u>(137,956)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,621,242</u>

The Organization’s financial assets have been reduced by amounts not available for general use because of donor imposed restrictions within one year of the balance sheet date.

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: *Level 1* inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; *Level 2* inputs consist of other than quoted prices included within Level 1 that are observable for the investments, either directly or indirectly; and *Level 3* inputs that are unobservable inputs for the investments and have the lowest priority. The Pride Center uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

Unrestricted investment income at June 30th consists of:

	Year ended 2019	Year ended 2018
Interest	\$ 3,556	\$ 518

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NOTE 5 - COMMUNITY FOUNDATION, GRANT AND DESIGNATED FUNDS

The Pride Center has entered into two grant and agency endowment agreements with the Community Foundation of Broward, Inc. ("Foundation"). The agreement entered into on December 1, 2000 between the Foundation and Gilbert Corwin ("Donor") created the fund "*Gay and Lesbian Community Center of South Florida Fund*". The second agreement, entered into on February 25, 2002 created the fund "*GLCC Unrestricted Endowment Fund*" and is referred to by the Foundation as the Kresge Challenge.

Additional contributions may be made to these two Funds at any time. Contributions are considered permanent and are held and administered solely by the Foundation and therefore are classified as a Permanently Restricted Fund of the Foundation. All contributions come from third parties and the Foundation recognizes the value of gifts received as assets and contribution revenue. It is the general policy of the Foundation to make distributions of investment income from these funds at least annually to the Pride Center. These distributions are unrestricted as to their use. During the years ended June 30th 2019 and 2018, The Pride Center received \$25,345 and \$25,418, respectively from the Funds and the fund balance (in both Funds as recorded by the Foundation) at June 30, 2019 and 2018 was \$514,511 and \$528,028, respectively.

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment, net, consists of the following at June 30th:

	2019	2018
Equipment and telephone system	\$ 55,623	\$ 92,770
Furniture and Fixtures	32,584	86,013
Computer equipment	3,043	35,881
Building	2,517,500	2,517,500
Building improvements	1,332,877	1,303,038
Land	2,232,500	2,232,500
	<u>6,174,127</u>	<u>6,267,702</u>
Less accumulated depreciation	(1,048,687)	(1,048,989)
	<u>\$ 5,125,440</u>	<u>\$ 5,218,713</u>

The Pride Center opened their Equality Park location during February 2010, at which time all costs of Construction in Progress were classified as Building and Building Improvements and became depreciable at that time. Depreciation expense for the years ended June 30, 2019 and June 30, 2018 was \$115,808 and \$118,492, respectively. The Organization disposed of fixed assets with a book value of \$136,705 and recognized a \$21,795 loss from the disposal.

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NOTE 7 -SPECIAL EVENTS

Special events contribute to the fund-raising efforts of The Pride Center.

The following is a summary of the receipts and expenses associated with Special events for the year ended June 30, 2019:

Event	Receipts	Direct Expenses	Net Revenue
Wicked Manors	\$ 129,789	\$ 87,087	\$ 42,702
Flea Market	28,712	5,970	22,742
AIDS Walk	664,703	301,416	363,287
5K Rainbow Run	12,848	15,892	(3,044)
Diversity Honors Gala	49,047	8,680	40,367
Bingo	10,209	2,734	7,475
Other	8,606	36,187	(27,581)
Total	<u>\$ 903,914</u>	<u>\$ 457,966</u>	<u>\$ 445,948</u>

Special events for the year ended June 30, 2018 were as follows:

Event	Receipts	Direct Expenses	Net Revenue
Wicked Manors	\$ 108,404	\$ 60,488	\$ 47,916
Flea Market	29,319	6,904	22,415
AIDS Walk	380,001	152,306	227,695
5K Rainbow Run	23,150	14,081	9,069
Diversity Honors Gala	68,693	20,910	47,783
Bingo	16,980	3,110	13,870
Other	28,157	34,127	(5,970)
Total	<u>\$ 654,704</u>	<u>\$ 291,926</u>	<u>\$ 362,778</u>

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NOTE 8 – ASSISTANCE FROM GOVERNMENTAL AGENCIES

The following details the reimbursements and receipts from governmental agencies for the years ended June 30, 2019 and June 30, 2018, respectively:

Federal Financial Assistance	<u>2019</u>	<u>2018</u>
Pass-through State programs from:		
Florida Department of Health		
BW603	\$ 50,000	\$ 100,000
CODMT	148,885	341,250
BW373/BW717	77,725	153,957
BW381/BW720	75,000	150,000
BW459/BW722	115,556	134,444
BW613/BW703	-	12,300
CODPJ	<u>118,705</u>	<u>-</u>
Grand Total	\$ <u>585,871</u>	\$ <u>864,377</u>

State of Florida

The Pride Center provides HIV Prevention Services for individuals who may be at high risk of acquiring or transmitting HIV infection regardless of race or ethnicity. The objectives are to decrease risk behavior and to reduce transmission of HIV/STD through individual risk-reduction planning and reducing barriers to successful behavioral change.

The Pride Center has entered into seven (7) contracts with the State of Florida, Department of Health: BW603, BW373/BW717, COMDT, BW381/BW720, BW613/BW703, BW459/BW722 and CODPJ. The major program goals are to prevent spread of HIV infection, enhance HIV/AIDS awareness, HIV minority testing and teach risk-reduction methods as defined in the contracts.

On January 1, 2019, The State of Florida implemented new restrictions on grant awards which restricts entities to only one grant with a maximum amount of \$400,000. During 2018, the organization had five contracts with a combined total of \$950,000. Under the new State of Florida contract, the organization signed a new three year grant of \$350,000 per year totaling \$1,050,000. Due to the decrease in funding, the organization has had to eliminate certain programs not covered under the new grant and reduce its staffing. The organization continues to look for new funding opportunities to replace the lost funding.

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NOTE 9 – RESTRICTIONS ON NET ASSETS

With donor restrictions net assets are available for the following purposes as of June 30th:

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Usage</u>	<u>Balance June 30, 2019</u>
Mortgage Payments	\$ 163,639	\$ -	\$ 25,683	\$ 137,956

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Usage</u>	<u>Balance June 30, 2018</u>
Mortgage Payments	\$ 187,367	\$ -	\$ 23,728	\$ 187,367

NOTE 10 – MORTGAGE PAYABLE

In 2008, The Pride Center purchased property located in Wilton Manors, Florida of approximately 38,000 square feet of office/warehouse space located on approximately 6 acres of land for \$4,750,000. In connection with the purchase of the property, The Pride Center entered into a secured mortgage promissory note with a financial institution in the amount of \$3,325,000.

Effective May 22, 2013, the Center refinanced the mortgage note payable monthly at \$17,088 with a principal balance of \$3,220,946 at an initial rate of 3.2% through May 22, 2018 and at the lenders cost of funds for a 5 years adjustable rate plus 200 basis points through the maturity date of May 22, 2023. The new effective rate on the mortgage as of June 30, 2019 is 5.39%. The mortgage is guaranteed by all the real property at the Organization.

Maturities of the mortgage note for fiscal years after 2019 are as follows:

FY 2020	\$ 66,682
FY 2021	70,366
FY 2022	74,254
FY 2023	2,389,704
	<u>\$ 2,601,006</u>

NOTE 11 – NOTES PAYABLE

Members

The Pride Center entered into a one-year note payable agreement with an individual member dated September 25, 2009 for \$25,000, with interest at 5%. The note was uncollateralized and funds were used for working capital. As of June 30, 2019, \$25,000 of principal remains outstanding. (See note 14).

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NOTE 12 - CONCENTRATIONS

The Organization receives 37% of its support from founders and members' dues and contributions. Changes in dues and contributions could have a material adverse effect on the Organization's ability to continue to provide its services at the same level.

As of June 30, 2019 the Organization has a cash concentration of \$955,415 in excess of the FDIC limit.

As of June 30, 2019, the Organization has a concentration in the Unrecorded Promises to Give and Accounts Receivable of 84% related to AIDS Walk event.

NOTE 13 - PROMISES TO GIVE AND TEMPORARILY RESTRICTED NET ASSETS

The balances of unconditional promises to give are as follows as of June 30, 2019 and 2018, respectively:

	<u>FY 2019</u>	<u>FY 2018</u>
Less than one year	490,379	237,015
One to five years	832	11,100
Less: Allowance for doubtful accounts	<u>(10,552)</u>	<u>(25,000)</u>
Net Promises to Give	<u>480,659</u>	<u>223,115</u>

At June 30, 2019 and 2018, promises to give includes \$480,659 and \$223,115, respectively, primarily from the AIDS Walk fundraising event and pledges from Pride Center's founders. These promises to give are collected through monthly payments throughout the year.

NOTE 14 - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, The Pride Center has evaluated events and transactions for potential recognition or disclosure through March 3, 2020, the date the financial statements were available to be issued.

On December 19, 2019, the \$25,000 note payable with an individual member (from Note 11) was forgiven by the member. At the date of the release the payoff amount of the note was \$40,722, inclusive of principal and interest. The Organization was released from the debts and obligations of the note.