

**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, 2021 AND JUNE 30, 2020

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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YEARS ENDED JUNE 30, 2021 AND JUNE 30, 2020**

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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, 2021 and 2020, and the related statements of activities, and cash flows for the years ended June 30, 2021 and June 30, 2020 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. 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, 2021 and 2020 and the changes in the net assets and its cash flows for the years ended June 30, 2021 and June 30, 2020 in accordance with accounting principles generally accepted in the United States of America.

*Liggett & Webb, P.A.*

LIGGETT & WEBB, P.A.  
Certified Public Accountants  
February 28, 2022

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

*Statement of Financial Position*

	<b>As of June 30, 2021</b>	<b>As of June 30, 2020</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,851,594	\$ 1,428,090
Investments	572,111	508,388
Unconditional promises and accounts receivable, less allowance for doubtful accounts	12,763	83,914
Grants receivable	28,707	29,167
Prepaid expenses	22,878	21,568
Utility and other deposits	10,034	9,874
Deferred loan costs, net	1,831	2,745
Deferred lease costs	11,824	12,013
Property and equipment, net	5,000,353	5,099,586
	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<b>\$ 7,512,095</b>	<b>\$ 7,195,345</b>
	<u>                    </u>	<u>                    </u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued expenses	\$ 91,652	75,121
Deferred lease revenues	484,616	492,308
PPP Loan Payable	11,073	67,594
Mortgage payable	2,468,649	2,536,820
	<u>                    </u>	<u>                    </u>
<b>TOTAL LIABILITIES</b>	<b>3,055,990</b>	<b>3,171,843</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
	-	-
Without Donor Restrictions	4,161,265	3,800,406
With Donor Restrictions	294,840	223,096
	<u>                    </u>	<u>                    </u>
<b>TOTAL NET ASSETS</b>	<b>4,456,105</b>	<b>4,023,502</b>
	<u>                    </u>	<u>                    </u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 7,512,095</b>	<b>\$ 7,195,345</b>
	<u>                    </u>	<u>                    </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*

	<b>For the year ended June 30, 2021</b>	<b>For the year ended June 30, 2020</b>
<b>WITHOUT DONOR RESTRICTIONS REVENUES AND OTHER SUPPORT</b>		
Founders and members' dues and contributions	\$ 873,018	\$ 845,630
Facility usage fees and rental income	253,288	235,611
Grant contracts	154,340	333,958
Government grant contracts	341,330	350,000
Special events, net	267,976	220,847
Other income	38,348	29,242
Investment income	97,106	42,605
	<b>2,025,406</b>	<b>2,057,893</b>
Total without donor restrictions revenues and support		
Net assets released from restriction	189,489	27,887
	<b>2,214,895</b>	<b>2,085,780</b>
<b>Total Revenues</b>		
<b>EXPENSES</b>		
Program Services	1,300,535	1,306,357
Management and general	178,759	181,158
Fundraising	374,742	362,132
	<b>1,854,036</b>	<b>1,849,647</b>
Total Expenses		
Increase in without donor restrictions net assets	360,859	236,133
<b>WITH DONOR RESTRICTIONS NET ASSETS</b>		
Founders and members' dues and contributions	261,233	38,027
Grant contracts	-	75,000
Net assets released from restrictions	(189,489)	(27,887)
	<b>71,744</b>	<b>85,140</b>
Increase (Decrease) in with donor restrictions net assets		
Increase in net assets	432,603	321,273
<b>NET ASSETS</b>		
Beginning of period	4,023,502	3,702,229
End of period	<b>\$ 4,456,105</b>	<b>\$ 4,023,502</b>

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

*Statement of Cash Flows*

	<b>For the year ended June 30, 2021</b>	<b>For the year ended June 30, 2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 432,603	\$ 321,273
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	117,055	116,205
Provision for doubtful accounts	38,886	23,625
PPP loan forgiveness	(233,696)	(109,606)
Member loan forgiveness	-	(25,000)
Unrealized (gain) loss	(30,982)	9,438
Realized gain	(31,968)	(13,690)
Dividend income		
Investment expense		
(Increase) decrease in operating assets and liabilities:		
Unconditional promises to give and accounts receivable	32,265	373,120
Grants receivable	460	-
Prepaid expenses and deferred costs	(207)	(110)
Utility and other deposits	(160)	(5,201)
Accounts payable and accrued expenses	16,531	(1,814)
Deferred Revenue	(7,692)	(7,692)
Net cash provided by operating activities	333,095	680,548
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	-	(500,000)
Reinvested Dividend	(773)	(4,136)
Purchase of property and equipment	(17,822)	(90,351)
Net cash used in investing activities	(18,595)	(594,487)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from PPP loan	177,175	177,200
Payments on mortgage	(68,171)	(64,186)
Net cash provided by financing activities	109,004	113,014
Net increase in cash and cash equivalents	423,504	199,075
Cash and cash equivalents at the beginning of year	1,428,090	1,229,015
Cash and cash equivalents at the end of year	\$ 1,851,594	\$ 1,428,090
 Supplemental Information:		
Cash paid for interest expense:	\$ 135,393	\$ 140,447
Cash paid for income taxes:	\$ -	\$ -

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**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, 2021*

	Murals at Equality Park	Compass Emory	DOH - HIV Program	Other Programs	Community Center Activity	Senior Affordable Housing Project	Total Program Expense	Management	Fundraising	TOTAL
Salaries	\$ 6,781	\$ 12,262	\$ 233,702	\$199,781	\$ 56,737	\$ 17,586	\$ 526,849	\$ 93,770	\$ 200,233	\$ 820,852
Payroll taxes	7,986	4,900	24,539	13,976	3,705	-	55,106	7,334	15,457	77,897
Employee Benefits	3,170	-	35,169	11,109	4,353	-	53,801	6,885	6,557	67,243
Advertising and Community Relations	-	-	100	2,119	1,126	-	3,345	180	21,334	24,859
Bank and Credit Card Charges	-	-	-	649	-	-	649	-	-	649
Program Supplies and Expenses	50,597	15,627	48,260	9,696	589	27,033	151,802	13,122	1,535	166,459
Postage	-	-	59	251	-	-	310	251	715	1,276
Newsletter Printing and Production	-	-	-	887	117	-	1,004	189	-	1,193
Telephone	-	-	1,270	2,784	-	-	4,054	942	1,413	6,409
Utilities	-	-	5,375	9,593	15,988	-	30,956	-	6,395	37,351
Building Repairs and Maintenance	3,327	11,211	30,207	44,358	71,306	-	160,409	16,193	14,786	191,388
Security	-	-	2,839	2,426	3,202	-	8,467	-	1,281	9,748
Taxes Licenses and Fees	-	-	142	2,045	3,409	-	5,596	-	1,640	7,236
Insurance	-	-	14,178	30,149	27,891	-	72,218	12,190	14,818	99,226
Interest	-	-	27,079	40,618	54,157	-	121,854	-	13,539	135,393
Professional Fees	-	-	3,437	3,934	3,934	7,340	18,645	2,547	2,547	23,739
Depreciation	-	-	-	35,117	35,117	-	70,234	23,410	23,411	117,055
Bad Debt	-	-	-	-	-	-	-	-	38,886	38,886
Office	1,494	4,831	2,514	4,481	1,916	-	15,236	1,746	10,195	27,177
	<b>\$ 73,355</b>	<b>\$ 48,831</b>	<b>\$ 428,870</b>	<b>\$413,973</b>	<b>\$ 283,547</b>	<b>\$ 51,959</b>	<b>\$1,300,535</b>	<b>\$ 178,759</b>	<b>\$ 374,742</b>	<b>\$1,854,036</b>

*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, 2020*

	Murals at Equality Park	Compass Emory	DOH - HIV Program	Other Programs	Community Center Activity	Senior Affordable Housing Project	Total Program Expense	Management	Fundraising	TOTAL
Salaries	\$ 8,800	\$ 6,131	\$ 215,355	\$201,347	\$ 53,559	\$ 54,074	\$ 539,266	\$ 99,670	\$ 175,700	\$ 814,636
Payroll taxes	-	-	18,891	18,672	156	-	37,719	10,394	18,152	66,265
Employee Benefits	-	-	33,022	23,673	3,710	-	60,405	13,588	14,430	88,423
Advertising and Community Relations	432	-	935	845	3,129	-	5,341	-	12,260	17,601
Bank and Credit Card Charges	-	-	-	18	12	-	30	-	93	123
Program Supplies and Expenses	3,000	15,194	71,722	18,391	2,348	19,294	129,949	6,733	7,846	144,528
Postage	-	4,218	62	112	890	99	5,381	-	1,243	6,624
Newsletter Printing and Production	-	-	-	-	370	-	370	-	-	370
Telephone	-	-	1,407	2,100	2,214	588	6,309	140	2,353	8,802
Utilities	-	-	6,937	17,438	20,825	1,509	46,709	6,037	11,498	64,244
Building Repairs and Maintenance	-	-	29,584	46,809	50,971	678	128,042	-	28,214	156,256
Security	-	-	6,903	8,220	12,930	2,155	30,208	-	4,310	34,518
Taxes Licenses and Fees	-	-	2,067	3,753	4,188	-	10,008	-	2,502	12,510
Insurance	-	-	12,285	15,906	20,056	-	48,247	3,595	10,604	62,446
Interest	-	-	11,793	38,596	64,327	-	114,716	-	25,731	140,447
Professional Fees	29,589	-	3,382	3,294	21,992	7,000	65,257	3,938	3,877	73,072
Depreciation	-	-	23,241	34,861	11,621	-	69,723	23,241	23,241	116,205
Bad Debt	-	-	-	-	-	-	-	11,875	11,750	23,625
Office	-	-	1,037	3,647	3,158	835	8,677	1,947	8,328	18,952
	<b>\$ 41,821</b>	<b>\$ 25,543</b>	<b>\$ 438,623</b>	<b>\$437,682</b>	<b>\$ 276,456</b>	<b>\$ 86,232</b>	<b>\$1,306,357</b>	<b>\$ 181,158</b>	<b>\$ 362,132</b>	<b>\$1,849,647</b>

*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, 2021 AND JUNE 30, 2020**

**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 LGBTQ+ 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.

The Residences at Equality Park: the new 48-unit development on the campus represents Florida's first affordable housing community with customized supportive services for the LGBTQ+ active aging community. This means that South Florida is witnessing the incredible realization of a multi-year process of community assessment and strategic planning coming to fruition. This residential community is managed by Carrfour Supportive Housing, Florida's largest nonprofit affordable housing developer. The Residences will provide permanent affordable housing and supportive services for senior adults living with disabling conditions—such as physical illnesses or disabilities due to complications from diseases including HIV/AIDS – with a special focus on members of the LGBTQ+ community.

During this fiscal year the Equality Park Campus remained closed to the public until June 21, 2021. All programs and services remained in place virtually all fiscal year only with HIV testing opening back up by appointment in August, 2020. During this time we collaborated with Executive Service Corp South Florida to create a comprehensive 65 page COVID-19 Operational and Reopening Plan. This Reopening Plan was guided by CDC, Florida State and Broward County guidelines as we responsibly increased our in-person services to the community based on science and best-practices. This was done with a balance of precaution and protection, combined with ongoing analyses of the needs of clients, staff, volunteers, tenants and visitors to access the campus.

This phased-in approach established protocols for staff cleaning, building access, cleaning and sanitation protocols and public spaces guidelines. We created protocols for the David Bohnett

**THE PRIDE CENTER AT EQUALITY PARK, GAY & LESBIAN COMMUNITY CENTER  
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Cyber Center, HIV Testing by Appointment, Outdoor and Indoor group meetings, Staff Workstation Sanitation Procedures, Public Space cleaning and sanitation, cash and credit card handling, events, etc. We invested heavily in our infrastructure such as air handling systems (Needlepoint Bi Polar Ionization systems), contactless entry points, contactless bathroom sinks, towel and soap dispensers in all 32 of our restrooms. Additionally we purchased a chlorine dioxide-based disinfectant that is approved by federal and aviation industries to sanitize all meeting rooms, offices and common public areas. We invested in all of this to ensure we could provide the safest possible space for our staff, volunteers, clients and the community.

While the Center remained closed to the public we did serve as a pop up COVID vaccination site five times as we wanted to help be a solution to the problem of the community COVID positivity rate. The Pride Center evolved to meet the great needs of our community during the pandemic. We continued to use technology and social media platforms in creative ways to provide Active Aging Programming: Weekly Coffee & Conversation program and the 12<sup>th</sup> Annual Active Aging Health Expo; HIV Prevention Services: L.I.F.E. Program, Personalized Cognitive Counseling (PCC), Linkage of Services, HIV Testing; Transgender Services: Transgender Day of Remembrance, Equality Awards, Linkage of Services; Women with Pride Programming: Women's History Month, Back to School Supply Drive, Making Strides Against Breast Cancer Walk, LBT Health Directory, Linkage of Services; linking people to timely resources on COVID testing, Get Out The Vote, Racial Justice, open enrollment for healthcare, housing assistance, financial help, legal support and more. Our staff received over 100 calls a day from community members in need.

**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

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to without donor restrictions net assets and reported in the statement of activities as net assets released from restrictions.

**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 \$24,859 and \$17,601 for the years ended June 30, 2021 and 2020, 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 \$2,500 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, 2021 for donated legal services valued at \$7,340. 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 7,850 and 15,750 volunteer hours for the year ended June 30, 2021 and June 30, 2020 respectively.

**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 2018-2021 remain open to Internal Revenue Service's Audit. Accordingly, no provision for federal income taxes has been made.

**RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

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

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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, 2021. 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.

All other recent accounting pronouncements issued by FASB (including the Emerging Issues Task Force) and the AICPA did not, or are not, believed by the Organization’s management, to have a material impact on the Organization’s present or future financial statements.

**RECLASSIFICATIONS**

Certain amounts in the prior period presented have been reclassified to conform to the current period financial statement presentation. 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.

Seven lease agreements have been entered into expiring at various dates, the longest of which extends through January 2024. 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 when the contingency is realized.

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

	<b>FY Years Ended June 30<sup>th</sup>:</b>	<b>Lease Obligation</b>
2022	\$	178,792
2023		124,082
2024		36,532
2025		7,692
2026 and thereafter		453,846
Total minimum lease payments	\$	800,944

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**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		\$	\$	1,851,594
Investments				572,111
Unconditional promises and accounts receivable				12,763
Grants receivable				28,707
Prepaid expenses				22,878
				2,488,053
Financial assets at year end		\$		2,488,053
Less those unavailable for general expenditure within one year due to:				
Restricted by donor with time or purpose restrictions				(294,840)
Financial assets available to meet cash needs for general expenditures within one year		\$		2,193,213

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.

The Organization’s investments are in the custody of and managed by Our Fund Foundation. Our Fund Foundation has several investment pools and invests the funds according to the directions of the Organization. At June 30, 2021 the investments are in three investment pools: diversified pool, balanced pool, and money market pool. The diversified pool invests in publicly traded stocks, bonds, mutual funds, money market funds, and cash; the balanced pool invests in publicly traded stocks and equity funds, fixed income mutual funds, and government-backed bond funds; and the money market pool invests in money market funds. Under FASB ASC 958-320 Investments – Debt and Equity Securities, investments in marketable securities with readily determinable fair values are reported at fair value in the Statement of Financial Position with the amount of unrealized gains or losses on investments not previously recognized are reported in the Statement of Activities.

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The Following represents the investments carried at fair value as of June 30, 2021 within the fair value hierarchy:

<u>Investments</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash and cash equivalents	\$ 76,578	\$ -	\$ 76,578
Equities and equity funds	229,826	-	229,826
Fixed income funds	-	249,916	249,916
Asset backed funds	-	15,791	15,791
<b>Total</b>	<u>\$ 306,404</u>	<u>\$ 265,707</u>	<u>\$ 572,111</u>

Unrestricted investment income at June 30<sup>th</sup> consists of:

	<u>Year ended 2021</u>	<u>Year ended 2020</u>
Interest	\$ 729	\$ 2,067

**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 With Donor Restriction 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 30<sup>th</sup> 2021 and 2020, The Pride Center received \$25,320 and \$25,654, respectively from the Funds and the fund balance (in both Funds as recorded by the Foundation) at June 30, 2021 and 2020 was \$616,430 and \$484,705, respectively.

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**NOTE 6 – PROPERTY AND EQUIPMENT**

Property and equipment, net, consists of the following at June 30<sup>th</sup>:

	<u>2021</u>	<u>2020</u>
Equipment and telephone system	\$ 55,623	\$ 55,623
Furniture and Fixtures	77,436	59,614
Computer equipment	3,043	3,043
Building	2,517,500	2,517,500
Building improvements	1,396,198	1,396,198
Land	2,232,500	2,232,500
	<u>6,282,300</u>	<u>6,264,478</u>
Less accumulated depreciation	<u>(1,281,947)</u>	<u>(1,164,892)</u>
	<u>\$ 5,000,353</u>	<u>\$ 5,099,586</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, 2021 and June 30, 2020 was \$117,055 and \$116,205, respectively.

**NOTE 7 – SPECIAL EVENTS**

Special events contribute to the fund-raising efforts of The Pride Center. Due to the COVID 19 pandemic Wicked Manors 2020 was cancelled. The Center was provided a generous offer of a \$10,000 matching fund by an anonymous donor to help offset the loss of revenue due to the cancellation

The following is a summary of the receipts and expenses associated with Special events for the year ended June 30, 2021:

<u>Event</u>	<u>Receipts</u>	<u>Direct Expenses</u>	<u>Net Revenue</u>
Wicked Manors	\$ 33,584	\$ 2,353	\$ 31,231
AIDS Walk	243,443	15,868	227,575
5K Rainbow Run	85	200	(115)
Diversity Honors	10,000	900	9,100
Other	12,131	11,946	185
Total	<u>\$ 299,243</u>	<u>\$ 31,267</u>	<u>\$ 267,976</u>

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Special events for the year ended June 30, 2020 were as follows:

Event	Receipts	Direct Expenses	Net Revenue
Wicked Manors	\$ 229,560	\$ 89,452	\$ 140,108
AIDS Walk	583,638	486,129	97,509
5K Rainbow Run	2,117	1,040	1,077
Other	587	18,434	(17,847)
Total	<u>\$ 815,902</u>	<u>\$ 595,055</u>	<u>\$ 223,847</u>

**NOTE 8 – ASSISTANCE FROM GOVERNMENTAL AGENCIES**

The following details the reimbursements and receipts from governmental agencies for the years ended June 30, 2021 and June 30, 2020, respectively:

Federal Financial Assistance	2021	2020
<b>Pass-through State programs from:</b>		
Florida Department of Health		
CODPJ	\$ 341,330	\$ 350,000
<b>Grand Total</b>	<u>\$ 341,330</u>	<u>\$ 350,000</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.

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. 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 30, 2021:

	<b>Balance July 1, 2020</b>	<b>Additions</b>	<b>Usage</b>	<b>Balance June 30, 2021</b>
Senior programs	\$ 94,585	\$ 142,300	\$ 95,397	\$ 141,488
SageWorks	2,135	-	-	2,135
Women’s program	1,869	30,100	12,981	18,988
Prep funding	4,479	-	-	4,479
Transgender	2,631	11,000	11,656	1,975
PALS	458	-	-	458
Youth	15,259	-	-	15,259
Kiki Culture	11,951	-	-	11,951
Aids Walk	3,740	-	-	3,740
Community Cares Prevention	1,828 100	2,915 -	260 -	4,483 100
Murals at Equality Park	75,000	-	69,195	5,805
Diversity Honors	9,061	-	-	9,061
Courtyard Renovations	-	61,318	-	61,318
Diversity Training	-	3,600	-	3,600
HIV Testers	-	10,000	-	10,000
	<u>\$ 223,096</u>	<u>\$ 261,233</u>	<u>\$ 189,489</u>	<u>\$ 294,840</u>

**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, 2021 is 5.39%. The mortgage is guaranteed by all the real property at the Organization.

Maturities of the mortgage note for fiscal years after 2021 are as follows:

FY 2022	\$ 74,254
FY 2023	2,394,215
	<u>\$ 2,468,469</u>

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**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. On December 19, 2019, the \$25,000 note payable with an individual member was forgiven by the member. The Organization was released from the debts and obligations of the note.

**PPP Loan**

On May 5, 2020, the Organization entered into a term note (the “first draw PPP Loan”) evidencing an unsecured loan in the amount of \$177,200 made to the Company under the Payroll Protection Plan (“PPP”). The PPP is a liquidity facility program established by the U.S. government as part of the CARES Act in response to the negative economic impact of the COVID-19 outbreak. The PPP Loan to the Organization is being administered by Truist Bank. The PPP Loan has a two-year term and bears interest at a rate of 1.0% per annum. Monthly principal and interest payments are deferred for six months. Beginning December 5, 2020, seven months from the date of the PPP Note, the Organization is required to make monthly payments of principal and interest in the amount of \$9,844. Under the terms of the CARES Act, PPP Loan recipients can apply for, and be granted forgiveness for, all or a portion of loans granted under the Paycheck Protection Program. The expenses eligible for forgiveness are payroll costs, rent, utilities, and interest on mortgage obligations incurred during the covered period. The Organization intends to use the entire loan amount for qualifying expenses. The outstanding balance on the PPP Note was \$177,200 and \$177,200 as of June 30, 2021 and 2020, respectively.

The Organization has chosen to account for the PPP loan as a conditional contribution in accordance with FASB ASC 958-605, Not-for-Profit Entities: Revenue Recognition. The Organization has adopted the approach to recognize contribution income as the qualifying expense are incurred. As of June 30, 2021, the Organization has recognized \$177,200 in contribution income and the remaining PPP loan balance was \$0.

On July 26, 2021, the Organization received notification from the bank that the Small Business Administration (SBA) had forgiven principal of \$177,200 under the first draw PPP loan, (see Note 14).

On March 1, 2021, the Organization entered into a term note (the “second draw PPP Loan”) evidencing an unsecured loan in the amount of \$177,175 made to the Company under the Payroll Protection Plan (“PPP”). The PPP is a liquidity facility program established by the U.S. government as part of the CARES Act and the Paycheck Protection Program Rules in response to the negative economic impact of the COVID-19 outbreak. The PPP Loan to the Organization is being administered by Truist Bank. The PPP Loan has a five-year term and bears interest at a rate of 1.0% per annum. Monthly principal and interest payments are deferred until one month after the earlier of (i) the date (A) Bank receives the applicable forgiveness amount from the SBA related to this Loan (as defined herein) or (B) Bank receives notice or confirmation that SBA has determined that Borrower is ineligible for forgiveness of the Loan or (ii) the date that

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is ten (10) months after the end of the Forgiveness Covered Period. After which, the Organization is required to make monthly payments of principal and interest, with the principal component of each such payment based upon the level amortization of principal over a five year period. Under the terms of the CARES Act and the Paycheck Protection Program Rules, PPP Loan recipients can apply for, and be granted forgiveness for, all or a portion of loans granted under the Paycheck Protection Program. The expenses eligible for forgiveness are payroll costs, rent, utilities, and interest on mortgage obligations incurred during the covered period. The Organization intends to use the entire loan amount for qualifying expenses. The outstanding balance on the PPP Note was \$177,175 and \$0 as of June 30, 2021 and 2020, respectively.

The Organization has chosen to account for the PPP loan as a conditional contribution in accordance with FASB ASC 958-605, Not-for-Profit Entities: Revenue Recognition. The Organization has adopted the approach to recognize contribution income as the qualifying expense are incurred. As of June 30, 2021, the Organization has recognized \$166,102 in contribution income and the remaining PPP loan balance was \$11,073.

**NOTE 12 – CONCENTRATIONS**

The Organization receives 43% 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, 2021, the Organization has a cash concentration of \$1,636,440 in excess of the FDIC limit.

As of June 30, 2021, the Organization has a concentration in the Unrecorded Promises to Give and Accounts Receivable of 77% related to founders’ pledge receivable.

**NOTE 13 – PROMISES TO GIVE**

The balances of unconditional promises to give are as follows as of June 30, 2021 and 2020, respectively:

	<u>FY 2021</u>	<u>FY 2020</u>
Less than one year	\$ 38,814	\$ 91,966
One to five years	2,000	5,000
Less: Allowance for doubtful accounts	<u>(28,051)</u>	<u>(13,052)</u>
Net Promises to Give	\$ <u>12,763</u>	\$ <u>83,914</u>

At June 30, 2021 and 2020, promises to give includes \$12,763 and \$83,914, respectively, primarily from pledges from Pride Center’s founders. These promises to give are collected through monthly payments throughout the year.

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**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 February 28, 2022, the date the financial statements were available to be issued.

On July 26, 2021, the Organization received notification from the bank that the Small Business Administration (SBA) had forgiven principal of \$177,200 under the first draw PPP loan.