

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

Financial Statements

June 30, 2024 and 2023

Robbins and Moroney, P.A.
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors

The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc.

Opinion

We have audited the accompanying financial statements of The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc. ("The Pride Center"), a non-profit Pride Center, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of The Pride Center as of June 30, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Prior Period Financial Statements

The financial statements of The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc. for the year ended June 30, 2023, were audited by another auditor, who expressed an unmodified opinion on those statements on April 26, 2024.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Pride Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Pride Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Pride Center's ability to continue as a going concern for a reasonable period of time.

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

ROBBINS and MORONEY, P.A.
Certified Public Accountants

Robbins and Moroney, P.A.

Fort Lauderdale, Florida
February 19, 2025

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

Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,348,995	\$ 1,634,765
Investments	544,130	500,288
Pledges Receivable	154,967	22,843
Prepaid Expenses	147,168	116,343
Total Current Assets	2,195,260	2,274,239
Non-Current Assets		
Utility and Other Deposits	10,034	10,034
Property and Equipment	4,842,962	4,834,594
Total Non-Current Assets	4,852,996	4,844,628
Total Assets	\$ 7,048,256	\$ 7,118,867
 Liabilities and Net Assets		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 47,373	\$ 66,502
Deferred Lease Revenues	7,692	7,692
Note Payable - Insurance	106,662	-
Mortgage Payable	142,426	101,227
Total Current Liabilities	304,153	175,421
Non-Current Liabilities		
Security Deposit - Tenants	12,500	14,950
Deferred Lease Revenues	457,846	468,539
Mortgage Payable	2,095,528	2,208,560
Total Non-Current Liabilities	2,565,874	2,692,049
Total Liabilities	2,870,027	2,867,470
Net Assets		
Without Donor Restrictions - Designated	544,130	500,288
Without Donor Restrictions - Other	3,536,635	3,598,735
Total Net Assets Without Donor Restrictions	4,080,765	4,099,023
With Donor Restrictions	97,464	152,374
Total Net Assets	4,178,229	4,251,397
Total Liabilities and Net Assets	\$ 7,048,256	\$ 7,118,867

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.**

Statements of Activities
For the Years Ended June 30, 2024 and 2023

	2024	2023
Net Assets Without Donor Restrictions		
Public Support and Revenues		
Contributions	\$ 696,469	\$ 676,059
Facility Usage Fees and Rental Income	341,352	289,086
Grants - Private and Other	603,429	316,990
Grants - Government	320,833	350,007
Fundraising Events	952,372	594,515
Less: Costs of Direct Benefits to Donors	(382,177)	(307,502)
Other Income	7,388	19,599
Investment Income	111,926	60,310
Net Assets Released from Restrictions	146,575	508,715
Total Public Support and Revenues	2,798,167	2,507,779
Expenses		
Program Services	1,872,602	1,868,800
Management	253,107	242,977
Fundraising	690,716	360,783
Total Expenses	2,816,425	2,472,560
Change in Net Assets Without Donor Restrictions	(18,258)	35,219
Net Assets With Donor Restrictions		
Contributions	91,665	132,377
Net Assets Released from Restrictions	(146,575)	(508,715)
Change in Net Assets With Donor Restrictions	(54,910)	(376,338)
Change in Net Assets	(73,168)	(341,119)
Net Assets, Beginning of Year	4,251,397	4,592,516
Net Assets, End of Year	\$ 4,178,229	\$ 4,251,397

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.**

Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in Net Assets	\$ (73,168)	\$ (341,119)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	126,273	120,952
Contributed Fixed Assets	-	(33,265)
Provision for Doubtful Accounts	-	10,979
Unrealized (Gain) Loss	(42,471)	(76,133)
Realized (Gain) Loss	-	72,976
Changes in Assets and Liabilities:		
(Increase) Decrease in Pledges and Other Receivables	(132,124)	72,955
(Increase) Decrease in Prepaid Expenses	(30,829)	(92,363)
Increase (Decrease) in Accounts Payable and Accrued Expenses	(19,127)	(6,775)
Increase (Decrease) in Security Deposits - Tenants	(2,452)	-
Increase (Decrease) in Deferred Lease Revenue	(10,693)	(30,813)
Net Cash Flows from Operating Activities	(184,591)	(302,606)
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(134,641)	(29,647)
Proceeds From Reinvested Dividends	(1,370)	(9,381)
Net Cash Flows from Investing Activities	(136,011)	(39,028)
Cash Flows from Financing Activities		
Payment on Mortgage Payable	(71,833)	(74,850)
Increase (Decrease) in Note Payable - Insurance	106,665	-
Net Cash Flows from Financing Activities	34,832	(74,850)
Net Change in Cash and Cash Equivalents	(285,770)	(416,484)
Cash, and Cash Equivalents, Beginning of Year	1,634,765	2,051,249
Cash, and Cash Equivalents, End of Year	\$ 1,348,995	\$ 1,634,765
Supplementary Disclosure of Cash Flow Information:		
Cash Paid during the Year for Interest	\$ 118,130	\$ 128,136
Cash Paid during the Year for Income Tax	\$ -	\$ 4,504

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, 2024

2024	CDC Foundation	DOH - HIV	Compass - Sac	Jammin' at the Center	Active Aging Seniors	Transgender	Tuesday's Angels	Women With Pride	Community Center	Total Program Services	Management	Fundraising	TOTAL
Salaries and Benefits	\$ 51,270	\$ 335,072	\$ 6,134	\$ 13,882	\$ 242,961	\$ 26,946	\$ 27,747	\$ 30,333	\$ 387,956	\$ 1,122,301	\$ 136,809	\$ 267,792	\$ 1,526,902
Advertising and Public Relations	4,297	4,305	29,002	8,380	2,823		405	1,865	12,491	63,568	7,600	43,327	114,495
Bank and Credit Card Fees		1,255		7	1,267	628		628	2,218	6,003	628	5,639	12,270
Supplies and Expenses	21,749	1,851	11,762	16,718	12,423		171	938	1,729	67,341	613	187,695	255,649
Office and Facilities	3,781	2,379	10	2,075		225	7	225	19	8,721	450	4,501	13,672
Telephone and Utilities	7,487	7,971		4,362	9,157	3,743		3,744	37,215	73,679	4,579	5,421	83,679
Building Repairs and Maintenance	10,263	19,310		3,195	19,047	2,815		2,817	36,981	94,428	14,402	15,759	124,589
Security Services	8,888	13,409		2,140	8,858	1,397	1,397	11	17,764	53,864	5,842	70,212	129,918
Taxes, Licenses and Fees		4,095			2,997	1,998		1,998	6,206	17,294	1,998	2,763	22,055
Insurance	14,310	14,310			21,463	3,578		3,578	57,790	115,029	17,132	14,310	146,471
Interest Expenses		23,626			17,720	11,813		11,813	29,533	94,505	11,813	11,813	118,131
Professional Fees	4,546	6,058			2,223			120	120	12,947	5,558	6,288	24,793
Office Supplies and Expenses	8,400	16,250	2,473		5,678	3,322	415	5,554	22,142	64,234	10,477	28,117	102,828
Travel and Training	6,057	972			321				1,888	9,238	3,638	1,824	14,700
Total Expenses before Depreciation	141,048	450,863	49,381	50,759	346,938	56,465	30,142	63,504	614,052	1,803,152	221,539	665,461	2,690,152
Depreciation Expense	-	-	-	-	25,255	9,470	-	9,470	25,255	69,450	31,588	25,255	126,273
Total	\$ 141,048	\$ 450,863	\$ 49,381	\$ 50,759	\$ 372,193	\$ 65,935	\$ 30,142	\$ 72,974	\$ 639,307	\$ 1,872,602	\$ 253,107	\$ 690,716	\$ 2,816,425

Robbins and Moroney, P.A.
Certified Public Accountants

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, 2023

2023	CDC Foundation	Compass Emory	Compass - Sac	Jammin' at the Center	Gilead - Getting to Zero w/Pride	DOH - HIV	Active Aging Seniors	Other	Community Center	Total Program Services	Management	Fundraising	TOTAL
Salaries	\$ 100,048	\$ 10,185	\$ 7,792	\$ 1,440	\$ 89,578	\$ 279,922	\$ 150,415	\$ 50,219	\$ 332,103	\$ 1,021,702	\$ 94,314	\$ 214,077	\$ 1,330,093
Advertising and Public Relations	55,025	5,445		6,446	3,665		3,782		1,668	76,031	9,094	9,094	94,219
Bank and Credit Card Fees									208	208			208
Supplies and Expenses	52,965	1,407	2,356	28,882	84,134	42,018	21,747	8,259	4,500	246,268	18,187	29,846	294,301
Postage	1,659			548					1,071	2,730		1,601	4,331
News Letter, Printing and Production									722	1,270			1,270
Telephone						444			1,488	1,932	733	1,821	4,486
Utilities	1,668	834	166	1,668	5,472	12,215	3,335	1,667	16,677	43,702	3,335	3,335	50,372
Building Repairs and Maintenance	7,274				7,274	30,184	21,820	7,273	43,642	117,467	29,094	21,821	168,382
Security Services	9,029			1,800	12,747	6,479	8,630	4,315	17,260	60,260	4,315	4,315	68,890
Taxes, Licenses and Fees									6,087	6,087			6,087
Insurance	3,001				3,001	8,485	9,002	6,001	18,003	47,493	14,951	9,002	71,446
Interest Expenses						25,627	19,221	25,627	31,952	102,427	12,814	12,895	128,136
Professional fees		4,118					1,637	2,473	3,726	11,954	6,204	5,354	23,512
Bad Debt												10,979	10,979
Office Supplies and Expenses	20,652	2,514		941	728	4,727	8,282	3,337	21,564	62,745	19,698	12,453	94,896
Total Expenses before Depreciation	251,321	24,503	10,314	41,725	206,599	410,101	247,871	109,171	500,671	1,802,276	212,739	336,593	2,351,608
Depreciation Expense							24,191	18,143	24,190	66,524	30,238	24,190	120,952
Total	\$ 251,321	\$ 24,503	\$ 10,314	\$ 41,725	\$ 206,599	\$ 410,101	\$ 272,062	\$ 127,314	\$ 524,861	\$ 1,868,800	\$ 242,977	\$ 360,783	\$ 2,472,560

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The accompanying notes are an integral part of these financial statements.

1. NATURE OF PRIDE CENTER AND SIGNIFICANT ACCOUNTING POLICIES

Pride Center: The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc. (the "Pride Center") is a non-profit entity established on June 25, 1993. In 2008, The Pride Center acquired property and moved to Wilton Manors, Florida. The property spans six acres and features approximately 38,000 square feet of office and warehouse space, which houses The Pride Center's corporate offices and program services. Additionally, The Pride Center leases office and warehouse space to other non-profit organizations for both short-term and long-term arrangements.

The Pride Center provides meeting space and other facilities for groups and organizations that fulfill educational, therapeutic, social, cultural, recreational and other need the LGBTQ+ community of Broward County. The purpose of The Pride Center is to foster, create and sponsor programs, as needed specifically by youth, elderly and minority groups within the LGBTQ+ communities of Broward County.

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

The Residences at Equality Park is a 48-unit development on the campus, making it Florida's first affordable housing community offering tailored supportive services for the LGBTQ+ active aging population. This represents the successful culmination of a multi-year process of community assessment and strategic planning in south Florida. This residential community is managed by Carrfour Supportive Housing, the largest non-profit affordable housing developer in Florida. The Residence offers permanent affordable housing and supportive services for senior adults with disabling conditions, such as physical illnesses or disabilities resulting from diseases like HIV/AIDS, with a particular emphasis on serving members of the LGBTQ+ community.

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

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 19, 2025, the date that the financial statements were issued.

Cash: Cash and cash equivalents include cash in banks and highly liquid investments with original maturity dates of less than three months.

Property and Equipment: Property and equipment are stated at cost, or if donated, at the estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the expected useful lives of the assets, which varies from three to thirty-nine years. Maintenance expenses are charged to expense as incurred. When equipment is retired or otherwise disposed of, the cost less related accumulated depreciation is removed from the accounts and resulting gains or losses are included in the statement of activities.

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.

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

Notes to Financial Statements

June 30, 2024 and 2023

1. NATURE OF PRIDE CENTER AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Revenue: Income received in advance from rent income and fundraising events are deferred and recognized over the periods to which the income relates.

Income Taxes: As a non-profit corporation, qualified under Section 501(c)(3) of the Internal Revenue Code, The Pride Center is exempt from corporate income taxation on income related to its exempt function. Therefore, no provision for income taxes has been made in the accompanying financial statements. The Pride Center has not incurred any interest or penalties on its income tax returns.

The Pride Center's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

Grants and Contract Revenue: Grant and contract revenue is recognized when allowable costs, as defined by the specific grant or contract, are incurred and/or when the service unit has been provided. Grants receivable at the end of the year represent allowable expenditures and/or units of service delivered that have not yet been reimbursed by the granting agency.

Advertising: The Pride Center follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was \$114,495 and \$94,219 for the years ended June 30, 2024 and 2023, respectively.

Functional Allocation of Expenses: The cost of providing the various programs and activities has been summarized on a functional basis in the statement of activities. Certain costs have been allocated among the program and supporting services benefited.

Contributed Facilities, Services and Materials: Contributed facilities and materials are recorded at their fair values in the period they are received. Additionally, many individuals volunteer their time to perform various tasks that support The Pride Center's specific assistance programs, campaign solicitations, and committee assignments. The value of these volunteer services is not included in the financial statements for donated services. For the years ended June 30, 2024, and June 30, 2023, The Pride Center received approximately 24,500 and 22,500 volunteer hours, respectively.

Fair Value of Financial Instruments: Cash equivalents, prepaid expenses, accounts payable and accrued expenses are reflected in the financial statements at cost, which approximate fair value because of their short-term nature.

Net Assets: Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

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

Notes to Financial Statements

June 30, 2024 and 2023

1. NATURE OF PRIDE CENTER AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Reclassification: Certain amounts in the 2023 financial statements have been reclassified for comparative purposes to conform with presentation in the 2024 financial statements.

2. LIQUIDITY AND RESERVES

The Pride Center has a policy to manage its liquidity and reserves following three guiding principles: operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The following table reflects Pride Center's financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general expenditures within one year.

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 1,348,995	\$ 1,634,765
Investments	544,130	500,288
Pledges Receivable	154,967	22,843
Total Financial Assets	<u>2,048,092</u>	<u>2,157,896</u>
Less Amounts Not Available to be Used Within One Year:		
Net Assets With Donor Restrictions	97,464	152,374
Less Net Assets With Purpose Restrictions to be Met in Less Than One Year	<u>(97,464)</u>	<u>-</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 2,048,092</u>	<u>\$ 2,005,522</u>

3. PLEDGES RECEIVABLE

The balance of the pledges receivable are as follows for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Pledges Receivable	\$ 183,019	\$ 50,895
Less: Allowance for Doubtful Accounts	<u>(28,052)</u>	<u>(28,052)</u>
Net Pledges Receivable	<u>\$ 154,967</u>	<u>\$ 22,843</u>

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

Notes to Financial Statements

June 30, 2024 and 2023

4. PROPERTY AND EQUIPMENT

At June 30, 2024 and 2023, Property and Equipment consisted of:

	<u>2024</u>	<u>2023</u>
Equipment and Telephone System	\$ 136,032	\$ 87,865
Furniture and Fixtures	149,922	83,551
Computer Equipment	5,639	5,639
Building	2,517,500	2,517,500
Building Improvements	1,449,566	1,429,463
Land	<u>2,232,500</u>	<u>2,232,500</u>
	6,491,159	6,356,518
Less: Accumulated Depreciation	<u>(1,648,197)</u>	<u>(1,521,924)</u>
Net Book Value	<u>\$ 4,842,962</u>	<u>\$ 4,834,594</u>

5. ENDOWMENTS

Accounting Standards Codification 958 ("ASC 958"), "Endowments of Not-for-Profit Pride Centers: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds" provides guidance on the net asset classification of donor-restricted endowment funds for a non-profit Pride Center that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). ASC 958 also required additional disclosures about an Pride Center's endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not The Pride Center is subject to UPMIFA.

The State of Florida enacted the "Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA") effective July 1, 2012, the provisions of which apply to endowment funds existing on or established after that date. The Board of Directors has determined that the majority of The Pride Center's net assets meet the definition of endowment funds under FUPMIFA.

The Board of Directors of The Pride Center has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, The Pride Center classifies as net assets with restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by The Pride Center in a manner consistent with the standard of prudence prescribed by FUPMIFA.

In accordance with FUPMIFA, The Pride Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of The Pride Center, and (7) The Pride Center's investment policies.

5. **ENDOWMENTS (continued)**

Endowment Investment and Spending Policies: The Pride Center has adopted investment and spending policies, approved by the Board of Directors, for endowment assets. In order to meet its needs, the investment strategy for The Pride Center's endowment assets is to emphasize a balanced investment strategy, incorporating annual capital appreciation, as well as dividend and interest income.

The primary objectives in the investment management of The Pride Center's endowment assets shall be:

1. Preservation of Principal: to preserve the principal of The Pride Center's endowment assets against loss.
2. Preservation of Principal Purchasing Power: to achieve endowment investment returns equal to or greater than the rate of inflation.
3. Risk control is to be considered a critical element in the investment of The Pride Center's endowment assets.
4. Long Term Growth of Principal: to encourage the long-term growth of endowment principal within prudent risk parameters.

The Pride Center will attempt to balance its shorter-term budget process with its goal to preserve principal and its purchasing power in perpetuity by designing a spending policy which is flexible and is based on investment results.

On December 1, 2000, The Pride Center became the beneficiary of a grant and agency endowment fund held with the Community Foundation of Broward, Inc. ("Broward Foundation"). This fund, named the "Gay and Lesbian Community Center of South Florida Fund," was established through an agreement between the Foundation and Gilbert Corwin ("Donor"). Additional contributions to the Broward Fund may be made at any time. These contributions are permanent and are managed solely by the Broward Foundation, classified as a Donor-Restricted Fund. All contributions are made by third parties, and the Broward Foundation recognizes the value of gifts received as both assets and contribution revenue. It is the Foundation's general policy to distribute investment income from these funds at least annually to The Pride Center.

For the years ended June 30, 2024 and June 30, 2023, The Pride Center received from Broward Foundation, \$26,871 and \$26,816, respectively, which were recognized as investment income in the accompanying Statement of Activities.

On February 25, 2002, the fund, "GLCC Unrestricted Endowment Fund," was created on and is known as the Kresge Challenge by the Foundation.

In June 2017, The Pride Center became the beneficiary of an agency endowment fund with Our Foundation, Inc. ("Our Foundation"). The endowment agreement, established between Our Foundation and Richard Schwarz ("Donor"), created the fund "The Pride Center at Equality Park Endowment Fund." Additional contributions to the fund may be made at any time. These contributions are managed exclusively by The Our Fund Foundation, classified as a Donor-Designated Fund. All contributions are made by third parties, and The Our Fund Foundation recognizes the value of gifts received as both assets and contribution revenue.

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5. ENDOWMENTS (continued)

The Our Fund Foundation generally distributes investment income from these funds at least annually to The Pride Center. For the years ended June 30, 2024, and June 30, 2023, The Pride Center recognized \$5,845 and \$15,398 respectively under investment income, and the fund balances were \$544,130 and \$500,288, respectively.

Endowment net asset at June 30, 2024 and June 30, 2023 are as follows:

	<u>Without Restrictions - Designated</u>
Endowment Net Asset June 30, 2022	\$ 487,750
Investment Income	<u>12,538</u>
Endowment Net Asset June 30, 2023	500,288
Investment Income	<u>43,842</u>
Endowment Net Asset June 30, 2024	<u>\$ 544,130</u>

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2024</u>	<u>2023</u>
Future Periods	<u>\$ 97,464</u>	<u>\$ 152,374</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by the donor as follows:

	<u>2024</u>	<u>2023</u>
Passage of Specified Time	<u>\$ 146,575</u>	<u>\$ 508,715</u>

7. FACILITY RENTAL INCOME

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

In 2015, The Pride Center entered into a land lease agreement with a not-for-profit organization 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 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 Pride Center received \$500,000 and is recognizing the guarantee revenue and the ground lease over the lease period. The Organization will recognize additional revenues over the remaining term of the lease as it is earned and collectable.

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7. FACILITY RENTAL INCOME (continued)

Future minimum payments under the lease as of June 30, 2024 are as follows:

Year Ended June 30,	2025	\$	7,692
	2026		7,692
	2027		7,692
	2028		7,692
	2029		7,692
	Thereafter		<u>427,078</u>
		\$	<u>465,538</u>

8. INVESTMENTS

For the years ended June 30, 2024 and June 2023, investments were comprised of the following:

	<u>2024</u>	<u>2023</u>
Cash	\$ 296,206	\$ 272,340
Equities and Funds Equity	58,396	53,691
Fixed Income Fund	<u>189,528</u>	<u>174,257</u>
	<u>\$ 544,130</u>	<u>\$ 500,288</u>

Investment return is summarized as follows:

Interests and Dividends	\$ 69,455	\$ 57,153
Net Unrealized and Realized Gains	<u>42,471</u>	<u>3,157</u>
Total Investment Income	<u>\$ 111,926</u>	<u>\$ 60,310</u>

9. FAIR VALUE MEASUREMENTS

Accounting Standards Codification 820 ("ASC 820"), Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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9. FAIR VALUE MEASUREMENTS (continued)

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

Equities and Funds: Value at closing price reported on the active market on which the individual securities are traded.

Fixed Income Funds: Value determined based on quoted market process when available.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2024:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and Cash Equivalents	\$ 296,206	\$ 296,206	\$	\$
Equities and Equity Funds	58,396	58,396		
Fixed Income Funds	<u>189,528</u>		<u>189,528</u>	
Total Assets at Fair Value	<u>\$ 544,130</u>	<u>\$ 354,602</u>	<u>\$ 189,528</u>	<u>\$</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2023:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and Cash Equivalents	\$ 272,340	\$ 272,340	\$	\$
Equities and Equity Funds	53,691	53,691		
Fixed Income Funds	<u>174,257</u>		<u>174,257</u>	
Total Assets at Fair Value	<u>\$ 500,288</u>	<u>\$ 326,031</u>	<u>\$ 174,257</u>	<u>\$</u>

10. MORTGAGE LOAN

In 2008, The Pride Center acquired a property in Wilton Manors, Florida, consisting of approximately 38,000 square feet of office and warehouse space on about 6 acres of land, for a total of \$4,750,000. In conjunction with this purchase, The Pride Center entered into a secured mortgage promissory note with a financial institution for \$3,325,000.

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10. MORTGAGE LOAN (continued)

Effective May 22, 2013, The Pride Center refinanced its mortgage loan with a remaining principal balance of \$3,220,946 under the following terms: monthly installments of \$17,088 at an initial interest rate of 3.20% per annum through May 22, 2018, followed by an adjustable rate based on the lender's cost of funds for the next five years with an effective interest rate on the mortgage loan at 5.39% per annum.

Effective March 22, 2024, The Pride Center refinanced its mortgage loan with a remaining principal balance of \$2,278,613 under the following terms: monthly installments of \$24,267 at fixed rate of 6.86% per annum through June 22, 2035. The mortgage loan is guaranteed by all real property of The Pride Center.

For the year ended June 30, 2024 and June 30, 2023, the mortgage loan was as follows:

	<u>2024</u>	<u>2023</u>
Mortgage Loan	\$ 2,261,904	\$ 2,321,238
Less: Unamortized Loan Issuance costs	<u>(23,950)</u>	<u>(11,451)</u>
Notes Payable Less Unamortized Loan Issuance Cost	2,237,954	2,309,787
Less: Current Portion	<u>(142,426)</u>	<u>(101,227)</u>
Non-Current Portion	<u>\$ 2,095,528</u>	<u>\$ 2,208,560</u>

As of June 30, 2024, the aggregate principal payment requirements on long term debt for the next five years and thereafter are as follows:

For year ended June 30, 2025	\$ 142,426
2026	152,509
2027	163,307
2028	174,869
2029	187,249
Thereafter	<u>1,441,544</u>
	<u>\$ 2,261,904</u>

11. ASSISTANCE FROM GOVERNMENTAL AGENCIES

The Pride Center provides HIV Prevention Services for individuals who may be at 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 behavior change.

National Foundation for Centers for Disease Control and Prevention, Inc. ("CDC Foundation")

On August 15, 2022, The Pride Center entered into an agreement with the CDC Foundation for \$250,000 to enhance its capacity to support HIV self-testing. On April 10, 2024, The Pride Center signed a third amendment to the agreement, increasing the allocated amount from \$250,000 to \$306,273, with a maturity date of June 30, 2024.

11. ASSISTANCE FROM GOVERNMENTAL AGENCIES (continued)

Florida Department of Health – HIV Grant

On January 1, 2019, The Pride Center entered into a three-year agreement with Florida Department of Health in a total amount of \$1,050,000, payable annually to The Pride Center. The grant contract has been renewed for \$350,000 for the period from January 1, 2024 through December 31, 2024, and \$175,000 for the period January 1, 2025 through June 30, 2025.

12. CONCENTRATIONS

Financial instruments which potentially subject The Pride Center to concentrations of credit risk consist principally of cash equivalents, investments and unsecured receivables.

For the year ended June 30, 2024 and June 30, 2023, The Pride Center had cash of \$1,348,995 and \$1,634,765 respectively, of which \$1,164,627 and \$1,374,364 was in excess of federally insured limits.

In the normal course of activities, the Organization receives grants and contracts from various government agencies. These activities are subject to audit by agents of the funding authority, the purpose of which is to ensure compliance with conditions precedent to providing such funds. Management of the Organization believes that the liability, if any, for any reimbursement which may arise as a result of audits would not be material.

The Pride Center's investments are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with certain investments, it is probable that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

For the year ended June 30, 2024 and June 30, 2023, The Pride Center had pledges and other receivables of \$82,415 and \$22,843 respectively. The Pride Center's ability to collect its receivables is dependent upon economic conditions and the financial condition of its donors and customers, consisting of foundations, governmental agencies and corporations. The Pride Center has not experienced significant losses related to receivables from donors and customers. Management believes no additional credit risk beyond amounts provided for collection losses is inherent in The Pride Center's pledges and other receivables.