

**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, 2016 AND JUNE 30, 2015**

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, 2016 and 2015, and the related statements of activities, and cash flows for the years ended June 30, 2016 and June 30, 2015 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 errors. In making those risk assessments, the audit 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. 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, 2016 and 2015 and the changes in the net assets and its cash flows for the years ended June 30, 2016 and June 30, 2015 in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations and Chapter 10.650, rules of the Auditor General and are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.*

Other Reporting Required by Government Auditing Standards

In accordance with the Government Auditing Standards, we have also issued our report dated January 20, 2017 on our consideration of The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc., internal control over financial reporting, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on internal control over financial reporting or on Government Auditing Standards in considering The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc., internal control over financial reporting and compliance.

Liggett + Webb, P.A.

LIGGETT & WEBB, P.A.
Certified Public Accountants
January 20, 2017

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

Statements of Financial Position

	As of June 30, 2016	As of June 30, 2015
ASSETS		
Cash and cash equivalents	\$ 765,911	\$ 686,899
Unconditional promises and accounts receivable, less allowance for doubtful accounts	92,002	80,703
Grants receivable	108,667	71,667
Property and equipment, net	5,315,673	5,318,694
Prepaid expenses	45,444	38,457
Deferred loan costs, net	6,401	7,315
Utility and other deposits	4,613	4,613
TOTAL ASSETS	\$ 6,338,711	\$ 6,208,348
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 54,842	\$ 66,119
Notes payable, member	25,000	25,000
Mortgage payable	2,914,184	3,022,511
TOTAL LIABILITIES	2,994,026	3,113,630
COMMITMENTS AND CONTINGENCIES		
Unrestricted	3,229,383	2,822,835
Temporarily restricted	115,302	271,883
Permanently restricted	-	-
TOTAL NET ASSETS	3,344,685	3,094,718
TOTAL LIABILITIES AND NET ASSETS	\$ 6,338,711	\$ 6,208,348

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 year ended June 30, 2016	For the year ended June 30, 2015
UNRESTRICTED REVENUES AND OTHER SUPPORT		
Founders and members' dues and contributions	\$ 774,267	\$ 527,095
Facility usage fees and rental income	151,537	180,176
Grant contracts	372,071	37,229
Government grant contracts	860,000	1,142,072
Special events	176,664	219,258
Other Income	17,834	24,183
Investment income	27,563	26,750
	2,379,936	2,156,763
Net assets released from restriction	156,581	237,018
	2,536,517	2,393,781
EXPENSES		
Program Services	1,590,658	1,886,090
Management and general	233,035	207,529
Fundraising	306,276	244,446
Total Expenses	2,129,969	2,338,065
Increase in unrestricted net assets	406,548	55,716
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	-	339,577
Net assets released from restrictions	(156,581)	(237,018)
Increase (decrease) in temporarily restricted net assets	(156,581)	102,559
Increase in net assets	249,967	158,274
NET ASSETS		
Beginning of period	3,094,718	2,936,444
End of period	\$ 3,344,685	\$ 3,094,718

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 Cashflows

	For the year ended June 30, 2016	For the year ended June 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 249,967	\$ 158,274
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	106,840	103,442
Provision for doubtful accounts	30,704	9,800
(Increase) decrease in operating assets and liabilities		
Unconditional promises to give and accounts receivable	(42,003)	(5,977)
Grants receivable	(37,000)	(6,250)
Prepaid expenses and deferred costs	(6,073)	28,655
Utility and other deposits	-	(247)
Accounts payable and accrued expenses	(11,277)	8,256
Net cash provided by operating activities	291,158	295,953
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(103,819)	(10,677)
Net cash used in investing activities	(103,819)	(10,677)
CASH FLOW FROM FINANCING ACTIVITIES		
Payments on mortgage	(108,327)	(105,132)
Net cash used in financing activities	(108,327)	(105,132)
Net increase in cash and cash equivalents	79,012	180,144
Cash and cash equivalents at the beginning of year	686,899	506,755
Cash and cash equivalents at the end of year	\$ 765,911	\$ 686,899
Supplemental Information:		
Cash paid for interest		
Interest paid	\$ 95,816	\$ 100,840
Income taxes paid	\$ -	\$ -

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, 2016*

	DOH Testing	PALS	Artas	MSM	KiKi	Seniors, PrEP, Womens	Couples Speak, Navigator	Community Center Acitivity	Total Program Expense	Management	Fundraising	TOTAL
Salaries	\$ 104,108	\$ 209,642	\$ 102,199	\$ 72,361	\$ 64,191	\$ 117,619	\$ 62,783	\$ 130,151	\$ 863,054	\$ 110,391	\$ 143,730	\$ 1,117,175
Payroll taxes	8,352	16,349	8,122	5,633	5,431	9,626	4,471	16,138	74,122	11,060	11,275	96,457
Employee Benefits	8,640	36,828	11,098	6,078	3,440	10,549	11,099	6,485	94,217	3,408	6,836	104,461
Advertising and Community Relations	1,800	2,300	900	1,500	3,275	14,243	-	11,242	35,260	8,081	4,251	47,592
Bank and Credit Card Charges	-	-	-	-	-	-	-	-	-	1,137	2,487	3,624
Program Supplies and Expenses	25,563	52,670	11,490	6,542	16,556	24,296	5,627	3,996	146,740	3,554	16,650	166,944
Postage	-	-	-	-	-	-	-	-	-	1,996	2,150	4,146
News Letter Print and Production	-	-	-	-	-	-	-	808	808	3,236	3,544	7,588
Telephone	2,088	716	819	278	329	1,017	795	872	6,914	1,743	2,072	10,729
Utilities	3,426	6,165	3,083	2,401	2,058	10,194	6,859	24,079	58,265	8,783	8,784	75,832
Building Repiars and Maintainace	-	-	-	-	-	5,474	-	46,365	51,839	23,819	22,932	98,590
Secuirty	1,670	3,106	1,503	1,169	1,002	4,599	3,210	1,067	17,326	1,067	600	18,993
Taxes Licenses and Ffees	325	325	-	-	-	-	-	-	650	7,287	350	8,287
Insurance	11,260	14,420	7,767	7,107	4,285	8,011	8,011	8,908	69,769	13,206	7,599	90,574
Interest	9,582	17,247	8,623	6,707	4,791	11,497	9,582	6,707	74,736	9,582	11,498	95,816
Professional Fees	1,650	1,650	1,650	1,155	825	2,693	4,000	-	13,623	14,001	17,993	45,617
Depreciation	10,684	19,231	9,616	7,479	5,342	12,820	10,684	7,479	83,335	10,684	12,821	106,840
Bad Debt	-	-	-	-	-	-	-	-	-	-	30,704	30,704
	\$ 189,148	\$ 380,649	\$ 166,870	\$ 118,410	\$ 111,525	\$ 232,638	\$ 127,121	\$ 264,297	\$ 1,590,658	\$ 233,035	\$ 306,276	\$ 2,129,969

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, 2015*

	DOH	PALS	CDC	Artas	MSM	KiKi	Other Programs	Smart Ride	PRIDE	Total Program Expense	Management	Fundraising	TOTAL
Salaries	\$ 117,481	\$ 199,809	\$ 196,248	\$ 109,514	\$ 73,724	\$ 57,492	\$ 72,644	\$ 76,806	\$ 102,203	\$ 1,005,921	\$ 108,608	\$ 131,041	\$ 1,245,570
Payroll taxes	21,746	60,472	45,208	17,389	12,301	6,523	10,125	22,727	16,005	212,496	10,130	11,759	234,385
Employee Benefits	-	-	-	-	-	-	5,318	-	5,009	10,327	15,774	4,727	30,828
Advertising and Community Relations	-	-	-	-	-	-	-	8,822	2,186	11,008	3,519	1,578	16,105
Bank and Credit Card Charges	-	-	-	-	-	-	-	-	165	165	240	1,389	1,794
Program Supplies and Expenses	21,384	37,943	34,266	13,681	8,826	21,507	41,666	54,216	20,871	254,360	12,657	31,799	298,816
Postage	-	-	-	-	-	-	-	-	396	396	642	2,815	3,853
News Letter Print and Production	-	-	-	-	-	-	-	-	1,181	1,181	1,757	1,911	4,849
Telephone	1,739	981	3,481	1,622	380	971	-	-	1,978	11,152	1,978	1,189	14,319
Utilities	3,570	6,578	3,570	3,213	2,499	2,143	-	-	58,500	80,073	5,370	7,820	93,263
Building Repiars and Maintaince	-	-	-	-	-	-	2,500	-	33,614	36,114	9,823	7,000	52,937
Secuirty	-	-	-	-	-	-	-	-	527	527	-	-	527
Taxes Licenses and Ffees	-	-	-	-	-	-	573	-	11,449	12,022	4,897	2,733	19,652
Insurance	8,091	12,946	8,091	7,283	5,664	2,427	8,091	8,091	7,524	68,208	10,052	7,125	85,385
Interest	10,084	16,134	10,084	7,058	7,059	6,050	5,042	10,084	8,070	79,665	7,058	14,117	100,840
Professional Fees	137	137	4,221	137	137	137	2,763	137	6,022	13,828	8,689	1,313	23,830
Depreciation	10,131	16,209	10,131	9,118	7,091	3,039	10,131	10,131	12,666	88,647	6,335	6,330	101,312
Bad Debt	-	-	-	-	-	-	-	-	-	-	-	9,800	9,800
	<u>\$ 194,363</u>	<u>\$ 351,209</u>	<u>\$ 315,300</u>	<u>\$ 169,015</u>	<u>\$ 117,681</u>	<u>\$ 100,289</u>	<u>\$ 158,853</u>	<u>\$ 191,014</u>	<u>\$ 288,366</u>	<u>\$ 1,886,090</u>	<u>\$ 207,529</u>	<u>\$ 244,446</u>	<u>\$ 2,338,065</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.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015**

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 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 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 three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted 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 unrestricted 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 temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are

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OF GREATER FORT LAUDERDALE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015**

reclassified to unrestricted 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.

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.

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.

Donated Services

No amounts have been reflected in the financial statements for donated services. The Pride Center pays for services requiring specific expertise. However, 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 Pride Center receives more than 21,000 volunteer hours per year.

**THE PRIDE CENTER AT EQUALITY PARK, GAY & LESBIAN COMMUNITY CENTER
OF GREATER FORT LAUDERDALE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015**

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 2011-2015 remain open to Internal Revenue Service's Audit. Accordingly, no provision for federal income taxes has been made.

NOTE 2 - FACILITY RENTAL INCOME

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

Eight lease agreements have been entered into expiring at various dates through September 2018. All leases provide cost of living or annual percentage rental increases.

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:	
2017	\$ 87,700
2018	52,250
2019	9,825
2020	0
2021 and thereafter	0
Total	<u>\$ 149,775</u>

**THE PRIDE CENTER AT EQUALITY PARK, GAY & LESBIAN COMMUNITY CENTER
OF GREATER FORT LAUDERDALE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015**

NOTE 3 - 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:

		<u>Year ended 2016</u>		<u>Year ended 2015</u>
Interest	\$	1,012	\$	938

NOTE 4 - 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. In 2016 and 2015, The Pride Center received \$26,556 and \$25,812, respectively from the Funds and the fund balance (in both Funds as recorded by the Foundation) at June 30, 2016 and 2015 was \$485,777 and \$534,562, respectively.

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OF GREATER FORT LAUDERDALE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015**

NOTE 5 - PROPERTY AND EQUIPMENT

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

	<u>2016</u>	<u>2015</u>
Equipment and telephone system	\$ 43,805	\$ 54,327
Furniture and Fixtures	307,859	301,677
Computer equipment	32,255	29,538
Building	2,517,500	2,517,500
Building improvements	1,000,016	894,670
Land	<u>2,232,500</u>	<u>2,232,500</u>
	6,133,935	6,030,212
Less accumulated depreciation	<u>(818,262)</u>	<u>(711,518)</u>
	<u>\$ 5,315,673</u>	<u>\$ 5,318,694</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, 2016 and June 30, 2015 was \$106,744 and \$103,442, respectively.

NOTE 6 - 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, 2016:

<u>Event</u>	<u>Receipts</u>	<u>Direct Expenses</u>	<u>Net Revenue</u>
Wicked Manors	\$ 121,465	83,246	38,219
Flea Market	43,962	8,587	35,375
AIDs Walk	48,338	1,609	46,729
Bingo	16,616	3,784	12,832
Other	48,519	5,010	43,509
Total	<u>\$ 278,900</u>	<u>\$ 102,236</u>	<u>\$ 176,664</u>

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015**

Special events for year ended June 30, 2015 were as follows:

Event	Receipts	Direct Expenses	Net Revenue
Flea Market	\$ 39,080	\$ 8,021	\$ 31,059
Evening in Paradise	57,063	24,164	32,899
Wicked Manors	100,038	69,030	31,008
Concessions	8,437	4,850	3,587
AIDs Walk	30,428	-	30,428
Bingo	15,749	4,558	11,191
Other	108,654	29,568	79,086
	<u>\$ 359,449</u>	<u>\$ 140,191</u>	<u>\$ 219,258</u>

NOTE 7 – ASSISTANCE FROM GOVERNMENTAL AGENCIES

The following details the reimbursements and receipts from governmental agencies for the years ended June 30, 2016 and June 30, 2015, respectively:

Federal Financial Assistance	2016	2015
Department of Health Services Center for Disease Control Grant No. 5U65PS002691-03	\$ -	\$ 290,405
Total Federal Financial Assistance	<u>-</u>	<u>290,405</u>
	2016	2015
State Financial Assistance		
Florida Department of Health		
BW262	100,000	100,000
BW380	350,000	350,000
BW373	160,000	160,000
BW381	150,000	150,000
BW459	100,000	91,667
Total State Financial Assistance	<u>860,000</u>	<u>851,667</u>
Grand Total	<u>\$ 860,000</u>	<u>\$ 1,142,072</u>

**THE PRIDE CENTER AT EQUALITY PARK, GAY & LESBIAN COMMUNITY CENTER
OF GREATER FORT LAUDERDALE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015**

Department of Health and Human Services

The Pride Center entered into a five-year agreement with the Department of Health Centers for Disease Control and Prevention (CDC). The project period is from August 1, 2010 through June 30, 2015 with annual funding for the project period of \$308,492.

State of Florida

The Pride Center's Health and Community Services Program (HCSP) provides HIV Prevention Services for MSM that 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. To accomplish these objectives, The Pride Center's Health and Community Services Program utilizes Counseling Testing and Referral Services (CTR), to reach the high-risk segment of the MSM population.

The Pride Center has entered into five (5) contracts with the State of Florida, Department of Health: BW262, BW373, BW380, BW381 AND BW459. 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 contract

NOTE 8 – RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes as of June 30th:

	Balance July 1, 2014	Additions	Usage	Balance June 30, 2015
Mortgage Payments \$	169,324	\$ 102,559	-	\$ 271,883

	Balance July 1, 2015	Additions	Usage	Balance June 30, 2016
Mortgage Payments \$	271,883	-	\$ (156,581)	\$ 115,302

NOTE 9 – 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 5 years adjustable rate plus 200 basis points through the maturity date of May 22, 2023. The mortgage is guaranteed by all the real property at the Organization.

**THE PRIDE CENTER AT EQUALITY PARK, GAY & LESBIAN COMMUNITY CENTER
OF GREATER FORT LAUDERDALE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015**

Maturities of the mortgage note for years after 2016 are as follows:

2017	\$	133,458
2018		117,142
2019		120,946
2020		124,874
2021		128,929
2022 and thereafter		<u>2,288,835</u>
	\$	<u><u>2,914,184</u></u>

NOTE 10 – 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, 2016, \$25,000 of principal remains outstanding.

NOTE 11 - CONCENTRATIONS

The Organization receives a substantial portion of its support from grants administered by a Federal agency. Changes in governmental appropriations could have a material adverse effect on the Organization's ability to continue to provide its services at the same level.

NOTE 12 - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, The Pride Center has evaluated events and transactions for potential recognition or disclosure through January 20, 2017, the date the financial statements were available to be issued.

**THE PRIDE CENTER AT EQUALITY PARK, GAY & LESBIAN COMMUNITY CENTER
OF GREATER FORT LAUDERDALE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2016**

<u>Federal Agency, Pass- Through Grantor, Program Title</u>	<u>Federal CFDA #</u>	<u>Contract / Grant Number</u>	<u>Expenditures</u>
Indirect Programs:			
Department of Health and Human Services:			
Pass-through programs:			
Florida Department of Health:			
Expanded Testing Initiative		BW373	\$ 160,000
HIP LIFE (Learning Immune Function Enhancement) and Healthy Relationships	*	BW380	350,000
HIV Prevention targeting Communities of Color		BW459	100,000
HIV Prevention; ARTAS Program; VOICES HIV Prevention;		BW381	150,000
Social Media Campaign		BW262	<u>100,000</u>
Total Expenditures of State Awards			<u>\$ 860,000</u>

* Denotes a major program

**THE PRIDE CENTER AT EQUALITY PARK, GAY & LESBIAN COMMUNITY CENTER
OF GREATER FORT LAUDERDALE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2015**

<u>Federal Agency, Pass- Through Grantor, Program Title</u>	<u>Federal CFDA #</u>	<u>Contract / Grant Number</u>	<u>Expenditures</u>
Direct Programs:			
Department of Health and Human Services			
Centers for Disease Control and Prevention "CDC":			
Human Immunodeficiency Virus (HIV) Prevention			
Projects for Community Based Organizations			
	93.939	5U65PS002691-03	\$ 290,405
Indirect Programs:			
Department of Health and Human Services:			
Pass-through programs:			
Florida Department of Health:			
Expanded Testing Initiative			
		BW373	160,000
HIP LIFE (Learning Immune Function Enhancement) and Healthy			
	*	BW380	350,000
Relationships			
HIV Prevention targeting Communities of Color			
		BW459	91,667
HIV Prevention; ARTAS Program; VOICES			
		BW381	150,000
HIV Prevention; Social Media Campaign			
		BW262	100,000
			<u>1,142,072</u>
Total Expenditures of Federal Awards			<u>\$ 1,142,072</u>

*Denotes a major program

**THE PRIDE CENTER AT EQUALITY PARK, GAY & LESBIAN COMMUNITY CENTER
OF GREATER FORT LAUDERDALE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2016 AND 2015**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of The Pride Center at Equality Park and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

INTERNAL CONTROLS
AND
COMPLIANCE

Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.650, Rules of the Auditor General (Revised August 2016)

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program and State Project

We have audited The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc.'s compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc.'s major Federal programs and State projects for the years ended June 30, 2016 and June 30, 2015. The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc.'s major Federal programs and State projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs and State projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc.'s major Federal programs and State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program or State project occurred. An audit includes examining, on a test basis, evidence about The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program and State project. However, our audit does not provide a legal determination The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs and State projects for the years ended June 30, 2016 and June 30, 2015.

Report on Internal Control over Compliance

Management of The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc.'s internal control over compliance with the types of requirements that could have a direct material effect on each major Federal program or State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and State project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program or State project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program or State project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or as combination of deficiencies, in internal control over compliance with the type of compliance requirement of a Federal program or State project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses, or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and results of that testing based on the requirements of the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Liggett + Webb, P.A.

LIGGETT & WEBB, P.A.
Certified Public Accountants
Boynton Beach, Florida
January 20, 2017

**THE PRIDE CENTER AT EQUALITY PARK, GAY & LESBIAN COMMUNITY CENTER
OF GREATER FORT LAUDERDALE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS
YEAR ENDED JUNE 30, 2016**

I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

Material weakness(s) identified	_____ Yes	_____ <u>X</u> No
Significant deficiency(s) identified that are not considered to be material weakness(s)	_____ Yes	_____ <u>X</u> None reported
Noncompliance material to financial statements noted	_____ Yes	_____ <u>X</u> No

Federal Awards and State Financial Assistance

Internal control over major programs:

Material weakness(s) identified	_____ Yes	_____ <u>X</u> No
Significant deficiency(s) identified that are not considered to be material weakness(s)	_____ Yes	_____ <u>X</u> None reported

Type of auditor's report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.650

_____ Yes	_____ <u>X</u> No
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Identification of major programs:

Federal and State Awards

Number	Name OF Federal Program or Cluster
BW 380	Organizations Florida Department of Health: L.I.F.E. and

Dollar threshold used to distinguish between type

A and type B federal programs:	\$ <u>300,000</u>
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Auditee qualified as low-risk auditee

_____ <u>X</u> Yes	_____ No
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**THE PRIDE CENTER AT EQUALITY PARK, GAY & LESBIAN COMMUNITY CENTER
OF GREATER FORT LAUDERDALE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS
YEAR ENDED JUNE 30, 2016**

II – FINANCIAL STATEMENT FINDINGS

No matters reported.

**III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE**

No matters reported.

IV - OTHER ISSUES

The prior year single audit disclosed the following findings in the Schedule of Findings and Questioned Costs- Federal Awards and State Financial Assistance Projects.

NONE

The prior year finding and questioned costs – Major State Projects.

NONE