

GLBT COMMUNITY CENTER OF CENTRAL FL, INC. AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2012

GLBT Community Center of Central FL, Inc. and Affiliates

Year Ended September 30, 2012

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
GLBT Community Center of Central FL, Inc. and Affiliates
Orlando, FL

We have audited the accompanying consolidated statements of financial position of GLBT Community Center of Central FL, Inc. and Affiliates (a nonprofit organization), as of September 30, 2012 and the related consolidated statement of activity, functional expenses and cash flows for the year then ended. These consolidated financial statements are the responsibility of the project's management. Our responsibility is to express an opinion on these consolidated 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of GLBT Community Center of Central FL, Inc. and Affiliates, as of September 30, 2012, and the results of its activities and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Carter & Company

Destin, Florida
August 30, 2013

GLBT COMMUNITY CENTER OF CENTRAL FL, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
YEAR ENDED SEPTEMBER 30, 2012

	<u>ASSETS</u>	
CURRENT ASSETS		
Cash		\$ 9,058
Restricted Cash		100
Grant Receivable		8,333
Accounts Receivable		3,770
Prepaid Expenses		<u>5,888</u>
TOTAL CURRENT ASSETS		27,149
 PROPERTY AND EQUIPMENT		
Property and Equipment		659,173
Less: Accumulated Depreciation		<u>(207,252)</u>
TOTAL PROPERTY AND EQUIPMENT		451,921
 OTHER ASSETS		
Deposits		<u>1,224</u>
TOTAL ASSETS		<u>\$ 480,294</u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Mortgage Payable		\$ 327,401
Accounts Payable		7,886
Accrued Liabilities		44,261
Security Deposits		<u>1,500</u>
TOTAL LIABILITIES		381,048
 NET ASSETS		
Unrestricted		90,813
Temporarily restricted		<u>8,433</u>
		99,246
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 480,294</u>

The Notes to Consolidated Financial Statements are an integral part of these Statements.

GLBT COMMUNITY CENTER OF CENTRAL FL, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITY

YEAR ENDED SEPTEMBER 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Rental Income	\$ 59,413	\$ 0	\$ 59,413
Special Event	13,404	0	13,404
Contributions	48,364	0	48,364
Grants	0	54,167	54,167
Membership Dues	4,425	0	4,425
Other Income	<u>1,500</u>	<u>0</u>	<u>1,500</u>
TOTAL REVENUES AND OTHER SUPPORT	<u>127,106</u>	<u>54,167</u>	<u>181,273</u>
EXPENSES			
Program Services	146,262	45,734	191,996
Management and General	23,278	0	23,278
Fundraising	<u>7,441</u>	<u>0</u>	<u>7,441</u>
TOTAL EXPENSES	176,981	45,734	222,715
CHANGE IN NET ASSETS	(49,875)	8,433	(41,442)
NET ASSETS - Beginning of Year	<u>140,688</u>	<u>0</u>	<u>140,688</u>
NET ASSETS - End of Year	<u>\$ 90,813</u>	<u>\$ 8,433</u>	<u>\$ 99,246</u>

The Notes to Consolidated Financial Statements are an integral part of these Statements.

GLBT COMMUNITY CENTER OF CENTRAL FL, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2012

	<u>Program Services</u>	<u>Support Services</u>		<u>Total</u>
		<u>General and Administrative</u>	<u>Fundraising</u>	
Contract Repairs	1,007	1,173	0	2,180
Depreciation	15,843	1,760	0	17,603
Education & Training Expense	316	173	0	489
Fundraising Expense	0	0	785	785
Insurance	5,791	643	0	6,434
Interest	24,159	5,786	0	29,945
Banking	0	42	1,426	1,468
Income Tax	13,003	1,445	0	14,448
Marketing	7,764	0	0	7,764
Occupancy	6,182	1,220	14	7,416
Office Supplies	15,052	1,231	1,633	17,916
Personal Expense	14,491	1,823	959	17,273
Professional Fees	5,094	1,586	0	6,680
Rent	2,418	100	66	2,584
Salaries	72,161	5,812	2,235	80,208
Telephone and Internet	1,696	103	69	1,868
Utilities	7,019	381	254	7,654
TOTAL EXPENSES	<u>\$ 191,996</u>	<u>\$ 23,278</u>	<u>\$ 7,441</u>	<u>\$ 222,715</u>

The Notes to Consolidated Financial Statements are an integral part of these Statements.

GLBT COMMUNITY CENTER OF CENTRAL FL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ (41,442)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (used) by Operating Activities:	
Depreciation	17,603
(Increase) decrease in Assets:	
Accounts Receivable	(10,595)
Prepaid Expenses	230
Increase (Decrease) in Liabilities:	
Accounts Payable	7,626
Accrued Liabilities	11,293
Net Cash Provided (Used) by Operating Activities	<u>(15,285)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Repayments on Mortgage	<u>(14,836)</u>
NET DECREASE IN CASH	(30,121)
CASH - BEGINNING OF YEAR	<u>39,279</u>
CASH - END OF YEAR	<u>\$ 9,158</u>
SUPPLEMENTAL DISCLOSURE	
Interest paid	<u>\$ 26,843</u>

The Notes to Consolidated Financial Statements are an integral part of these Statements.

September 30, 2012

Note 1 – Organization

GLBT Community Center of Central FL, Inc. ("GLBT"), was incorporated as a nonprofit corporation under the laws of the State of Florida on November 27, 1978. The Orlando Center, Inc. ("OCI") is a wholly owned Subchapter S corporation providing leased facilities to third parties. These two organizations ("the Center") are consolidated in these financial statements as they meet the criteria for consolidation.

The Center was formed to help nurture and grow the Gay, Lesbian, Bisexual and Transgender Community in all its aspects, individually and collectively, by providing support, educational, social, referral and other services. The mission of the Center is to promote and empower individuals and groups through information, education, advocacy and support. The Center is managed by dedicated volunteers, staff and board of directors and supported primarily through private donors, grants and rental income.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The consolidated financial statements of the Center have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles in the United States of America.

Consolidated Financial Statement Presentation

The Center has adopted the Financial Accounting Standards Board Accounting Standard, *Not-for-Profit Entities - Presentation of Financial Statements*. Under this standard, the Center is required to report information regarding its financial position and activities according to three classes of net assets:

- Unrestricted net assets - Resources not subject to donor-imposed stipulations. The Center's unrestricted net assets consist of operating funds available for any purpose authorized by the board of directors.
- Temporarily restricted net assets - Resources subject to donor-imposed stipulations that may be met by actions of the Center and/or the passage of time.
- Permanently restricted net assets - Resources subject to donor-imposed stipulations requiring that they be maintained permanently by the Center. As of September 30, 2012, the Center had no permanently restricted assets.

Revenue Recognition

The Center recognizes grants, contracts, and gifts of cash or other assets as restricted support if they are received with grantor or donor stipulations that limit the use of the donated assets. Temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions when a grantor or donor restriction expires, or when a stipulated time restriction ends, or the purpose of restriction is accomplished.

Property and Equipment

It is the Center's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost or, if donated, at the estimated fair value at the date of donations. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

GLBT COMMUNITY CENTER OF CENTRAL FL, INC. AND AFFILIATES

September 30, 2012

Note 2 – Summary of Significant Accounting Policies - continued

Functional Expenses

The costs of providing various services have been summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, certain costs have been allocated among the services benefited. The Center allocates its expenses on a functional basis to its programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are primarily allocated based on the amount of employee time involved.

Tax Status

GLBT is classified as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. GLBT has adopted the provisions of FASB ASC Topic 740, *Accounting for Uncertainty in Income Taxes*, which requires financial statement recognition and disclosure for uncertain tax positions taken or expected to be taken in a tax return. The implementation had no impact on the statement of financial position or statement of activities. GLBT does not believe its consolidated financial statements include any uncertain tax positions. Tax expense related to non business related income is calculated and paid each year.

For the year ended September 30, 2012, tax expense on non-business related income is \$2,107.

OCI is a Subchapter S corporation wholly owned by GLBT. OCI also follows the provisions of FASB ASC Topic 740, *Accounting for Uncertainty in Income Taxes*. As of September 30, 2012, OCI had no uncertain tax positions that qualify for disclosure in the consolidated financial statements. GLBT and OCI's tax returns for 2009 and subsequent remain subject to examination by tax authorities.

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising expense for the year ended September 30, 2012 was \$7,297.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Center considers all highly-liquid investments available for use with an original maturity of three months or less to be classified as cash equivalents.

Estimates

In preparing its consolidated financial statements, management makes estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Impairment

The Center is subject to the provisions of FASB ASC 360-10-35, *Impairment or Disposal of Long-Lived Assets*. This standard has no retroactive impact on the Center's financial statements. The standard requires impairment losses to be recorded on long-lived assets when indicators of impairment are present and when the undiscounted cash flows estimated to be generated by those assets (excluding interest) are less than the carrying amount of the assets. In such cases, the carrying value of assets to be held and used are adjusted to their estimated fair value and assets held for sale are adjusted to their estimated fair value less selling expenses. Impairment losses were not recognized during the year ended September 30, 2012.

Contributed Services

During the year ended September 30, 2012, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Notes to Consolidated Financial Statements - continued

GLBT COMMUNITY CENTER OF CENTRAL FL, INC. AND AFFILIATES

September 30, 2012

Note 3 – Property and Equipment

Property and equipment at September 30, 2012 consist of the following:

Land and	\$	175,800
Buildings and Improvements		480,978
Furniture, Equipment and Vehicles		<u>2,395</u>
		659,173
Less: Accumulated Depreciation		<u>(207,252)</u>
	\$	<u>451,921</u>

Depreciation expense totaled \$17,603 for the year ended September 30, 2012.

Note 4 – Mortgage Payable

The first mortgage payable is due to a private individual and is secured by a deed of trust on the buildings. The note bears interest at eight percent per annum. Principal and interest were payable in equal monthly installments of \$3,473 with a final balloon payment due February 2013.

The mortgage was refinanced with Morningside Capital in February 2013 with an interest rate of six percent. Interest only payments of \$1,643 are payable monthly with a balloon payment due March 2018.

Note 5 - Net Assets - Temporarily Restricted

Temporarily restricted net assets at September 30, 2012 are as follows:

Restricted Cash	\$	100
Grant Receivable		<u>8,333</u>
	\$	<u>8,433</u>

Note 6 - Concentration of Program Fees

The Center's primary source of revenue (62 percent) is through third party rental contracts and a grant from the State of Florida.

Note 7 - Subsequent Event

Management has evaluated subsequent events through August 30, 2013, which is the date the consolidated financial statements are available for issuance.