

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

*NONPROFIT ORGANIZATION*

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**FINANCIAL STATEMENTS  
AND ADDITIONAL  
INFORMATION**

**FOR THE SIX MONTHS ENDED**

**JUNE 30, 2013**

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**LIGGETT, VOGT & WEBB, P.A.**

**CERTIFIED PUBLIC ACCOUNTANTS**

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

JUNE 30, 2013

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
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 statement of financial position as of June 30, 2013 and the related statements of activities, and cash flows for the six months then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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.

**THE PRIDE CENTER AT EQUALITY PARK  
GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**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, 2013, and the changes in the net assets and its cash flows for the six months then ended in accordance with accounting principles generally accepted in the United States of America

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 7 is 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.

*Liggett, Vegt & Webb, P.A.*

LIGGETT, VOGT & WEBB, P.A.  
Certified Public Accountants  
April 25, 2014

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

		<u>As of June 30, 2013</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$	503,110
Unconditional promises and accounts receivable, less allowance for doubtful accounts		109,365
Grants receivable		45,000
Property and equipment, net		5,326,662
Prepaid expenses		29,787
Utility and other deposits		<u>9,867</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>6,023,791</u></b>
Deferred Revenues		
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued expenses	\$	82,021
Notes payable, member		25,000
Mortgage payable		<u>3,226,696</u>
<b>TOTAL LIABILITIES</b>		<b>3,333,717</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
Unrestricted		2,463,360
Temporarily restricted		226,714
Permanently restricted		<u>-</u>
<b>TOTAL NET ASSETS</b>		<b><u>2,690,074</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u>6,023,791</u></b>

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

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

		<b>For the six months ended June 30, 2013</b>
<b>UNRESTRICTED REVENUES AND OTHER SUPPORT</b>		
Founders and members' dues and contributions	\$	201,073
Facility usage fees and rental income		117,444
Grant contracts		96,865
Government grant contracts		449,078
Special events		113,496
Investment income		484
		978,440
Unrestricted revenues and other support		978,440
Net assets released from restriction		40,915
Total unrestricted revenues and other support		1,019,355
<b>EXPENSES</b>		
Program Services		714,554
Management and general		185,550
Fundraising		167,975
Total Expenses		1,068,079
Decrease in unrestricted net assets		(48,724)
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions (Note 8)		226,714
Net assets released from restrictions		(40,915)
Increase in temporarily restricted net assets		185,799
Increase in net assets		137,075
<b>NET ASSETS</b>		
Beginning of period		2,552,999
End of period	\$	2,690,074

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

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

	<b>For the six months ended June 30, 2013</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase in net assets	\$ 137,075
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	60,171
Provision for doubtful accounts	81,121
Contributions restricted for long-term purposes	
(Increase) decrease in operating assets and liabilities	
Unconditional promises to give and accounts receivable	(21,628)
Grants receivable	(8,750)
Prepaid expenses and deferred costs	(731)
Utility and other deposits	1,744
Accounts payable and accrued expenses	34,348
Deferred revenue	(25,834)
Net cash provided by operating activities	257,516
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property and equipment	(22,331)
Net cash used in investing activities	(22,331)
 <b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Payments on mortgage	(23,498)
Net cash used in financing activities	(23,498)
 Net increase in cash and cash equivalents	 211,687
Cash and cash equivalents at the beginning of period	291,423
Cash and cash equivalents at the end of period	\$ 503,110
 Supplemental Information:	
Interest paid	\$ 83,547
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 SIX MONTHS ENDED JUNE 30, 2013**

	Supporting Services									
	DOH/ETI	PALS	CDC	Other	Total Program Service	Management	Fund Raising	Total Expense		
\$	25,005	\$ 97,323	\$ 114,634	\$ 132,478	\$ 369,440	\$ 73,868	\$ 45,550	\$ 488,858		
Salaries	3,407	14,180	11,076	13,560	42,223	18,124	4,348	64,695		
Payroll taxes	3,402	15,437	19,898	18,520	57,257	6,170	2,595	66,022		
Employee benefits	-	4,116	-	17,732	21,848	-	3,056	24,904		
Advertising and community relations	-	-	-	-	0	-	2,200	2,200		
Bank and credit card charges	1,315	15,014	15,655	24,262	56,246	2,770	-	59,016		
Program, supplies and expenses	-	-	37	77	114	-	1,471	1,585		
Postage	-	-	-	6,785	6,785	225	1,491	8,501		
Newsletter, printing and production	553	718	2,019	327	3,617	2,153	2,154	7,924		
Telephone	1,378	2,809	3,471	23,041	30,699	10,292	3,013	44,004		
Utilities	1,106	0	0	25,326	26,432	3,458	-	29,890		
Building repairs and maintenance	688	1,793	627	2,431	5,539	3,624	676	9,839		
Amortization of loan costs	150	-	-	1,265	1,415	61	350	1,826		
Taxes, licenses and fees	3,102	5,123	2,305	8,480	19,010	5,380	2,817	27,207		
Insurance	7,120	15,821	7,120	23,732	53,793	16,610	8,702	79,105		
Interest	-	15,000	-	3,537	18,537	13,119	2,884	34,540		
Professional fees	-	-	-	15,099	15,099	29,696	5,537	50,332		
Depreciation and amortization	-	-	-	-	-	-	81,131	81,131		
Bad debts	-	-	-	-	-	-	-	-		
<b>Total Expenses</b>	<b>\$ 47,226</b>	<b>\$ 187,334</b>	<b>\$ 176,842</b>	<b>\$ 316,652</b>	<b>\$ 728,054</b>	<b>\$ 185,550</b>	<b>\$ 167,975</b>	<b>\$ 1,081,579</b>		

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



**THE PRIDE CENTER AT EQUALITY PARK  
GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**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 gay and lesbian 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 gay and lesbian community. The Pride Center's purpose includes improving the quality of life for and enhancing a sense of unity and communication within the gay and lesbian 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.

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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are 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

Cash received in advance from grants, membership dues 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 includes 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.

**THE PRIDE CENTER AT EQUALITY PARK**  
**GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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 18,000 volunteer hours per year.

Accounting for Long-Lived Assets

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

Promises to Give

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

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

Income Taxes

The Pride Center is a nonprofit organization exempt from federal income taxes under Internal Revenue Code Section 501(c) (3). Accordingly, no provision for federal income taxes has been made.

In June 2006, the Financial Accounting Standards Board (FASB) issued Interpretation No. 48, *Accounting for uncertain; in Income Taxes* (included in FASB ASC 740-10, *Income Taxes, Overall*). ASC 740-10 prescribes a threshold of more-likely than-not for recognition and derecognition of tax positions taken or expected to be taken in a tax return.

ASC 740-10 also provides related guidance on measurement, classification, interest and penalties, and disclosures. As provided in FASB Staff Position FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Non-Public Enterprises*, The Pride Center has implemented ASC 740-10 for the six months ended June 30, 2013. The implementation of ASC 740-10 had no impact on the statements of financial position or statements of activities as there were no unrecognized tax benefits that needed to be recorded.

**THE PRIDE CENTER AT EQUALITY PARK  
 GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2013**

**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.

Seven lease agreements have been entered into, one in 2008, three in 2012, and three in 2013. Terms for six of the leases include additional one year renewal options, and one lease includes a renewal option for an additional 10 years. All leases provide cost of living or annual percentage rental increases.

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

Years Ended June 30:	
2014	\$ 147,580
2015	91,959
2016	74,600
2017	75,704
2018 and thereafter	97,612
Total	\$ <u>487,455</u>

**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.

The Pride Center's investments are in marketable securities. Interest income is included as an increase in unrestricted and temporarily restricted net assets in the accompanying statement of activities. Investments are included in the statement of financial position in the following classifications at June 30:

Investments	2013
	<u>          </u>
	-
	<u>          </u>
\$	<u>          </u>

Unrestricted investment income for the six months ended June 30 consists of:

Interest	2013
	<u>          </u>
	484
	<u>          </u>
\$	<u>          </u>

**THE PRIDE CENTER AT EQUALITY PARK  
GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**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 2013, The Pride Center did not receive any investment income from the Funds and the fund balance (in both Funds as recorded by the Foundation) at June 30, 2013 was \$412,142.

**NOTE 5-PROPERTY AND EQUIPMENT**

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

	<b>2013</b>
Equipment and telephone	\$ 54,327
Furniture and fixtures	39,659
Computer equipment	29,538
Building	2,517,500
Building improvements	959,305
Land	2,232,500
	5,832,829
Less accumulated depreciation	(506,167)
	\$ 5,326,662

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 six months ended June 30, 2013 was \$50,332.

**THE PRIDE CENTER AT EQUALITY PARK  
 GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2013**

**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 six months ended June 30, 2013.

Event	Receipts	Direct Expenses	Net Revenue
Flea Market/Indoor Bazaar	\$ 23,449	\$ 2,810	\$ 20,639
Evening in Paradise	53,931	19,168	34,763
AID's Walk	43,773	-	43,773
Concessions	4,347	2,261	2,086
Bingo	8,347	1,897	7,062
Other	5,965	180	5,173
	<u>\$ 139,812</u>	<u>\$ 26,316</u>	<u>\$ 113,496</u>

**NOTE 7 – ASSISTANCE FROM GOVERNMENTAL AGENCIES**

The following details the reimbursements and receipts from governmental agencies for the six months ended June 30, 2013:

<b>Federal Financial Assistance</b>	<u>2013</u>
Department of Health Services Center for Disease Control Grant No. 5U65PS002691-03	\$ <u>176,025</u>
Total Federal Financial Assistance	<u>176,025</u>
 <b>State Financial Assistance</b>	
Florida Department of Health	
Learning Immune Function Enhancement(L.I.F.E)	178,053
Expanding Testing Initiative (ETI)	45,000
HIV Prevention	<u>50,000</u>
Total State Financial Assistance	<u>273,053</u>
 <b>Grand Total</b>	 <b>\$ <u>449,078</u></b>

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 \$315,836.

**THE PRIDE CENTER AT EQUALITY PARK  
 GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2013**

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), RESPECT Intervention for Behavioral Change, and Comprehensive Risk Counseling Services (CRCS) to reach the high risk segment of the MSM population. The contract began July 1, 2012 and ended June 30, 2013, with a total contract value of \$100,000.

The Pride Center has entered into two fixed price, monthly fee contracts, with the State of Florida, Department of Health. The second contract provides case management funding for a target population of adult HIV-positive men who have sex with men. The contract, FAD12 began January 1, 2009 and ended December 31, 2011, with a \$20,417 monthly fixed fee. The annual program amount is \$245,000 for a total contract amount of \$735,000. The services goals are educational programs, "L.I.F.E." and Healthy Relationship sessions with a defined minimum number of participants. The goals are defined by written protocol including tracking all incentives, counseling, testing and referral activities maintained and reported on a monthly basis.

**NOTE 8 – RESTRICTIONS ON NET ASSETS**

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

	Balance January 1, 2013	Additions	Usage	Balance June 30, 2013
Capital Campaign	\$ 22,215	\$ -	\$ 22,215	\$ -
Program Services	18,700	226,714	18,700	226,714
	<u>\$ 40,915</u>	<u>\$ 226,714</u>	<u>\$ 40,915</u>	<u>\$ 226,714</u>

**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.

On July 22, 2010, the first mortgage and line of credit were combined with a principal sum of \$3,453,076, with terms extending the mortgage payments through May 22, 2013, payable monthly at \$18,901, including interest at 4.35%. The promissory note is secured by a first mortgage and security agreement which grants the financial institution a security in the property, any improvements to the property, The Pride Center rights and interests to any leases with respect to the property, and unsecured bank accounts, as defined. The Pride Center shall maintain an annual debt service coverage ratio of 1:1, as defined, among other debt covenants (See Note 13).

**THE PRIDE CENTER AT EQUALITY PARK  
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NOTES TO FINANCIAL STATEMENTS  
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Maturities of the mortgage note for years after 2013 are as follows:

2014	\$	160,958
2015		283,006
2016		292,197
2017		301,685
2018		311,482
Thereafter		<u>1,871,618</u>
Total	\$	<u>\$3,220,946</u>

**NOTE 10 – NOTES PAYABLE**

Members

The Pride Center entered into a one-year note payable agreement with an individual member dated August 28, 2009 for \$50,000, with interest at 2.5%. The note was uncollateralized and funds were used for working capital. In 2011; \$25,000 of the \$50,000 note payable was converted to a contribution. As of June 30, 2013, \$25,000 of principal remains outstanding.

**NOTE 11 - GRANT OF EASEMENT AND ASSIGNMENT OF TOWER LEASE**

The Pride Center's Wilton Manors property includes a communication facility and tower. On December 24, 2009, the Pride Center entered into a "Grant of Easement and Assignment of Lease" with Crown Castle South LLC ("Crown") whereby The Pride Center received \$230,000 for an exclusive and perpetual use and access to the tower and property as defined. Any sale, mortgage, lease or other conveyance of the defined property is subject to this agreement and Crown's right there under.

**NOTE 12 - 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 13 - DATE OF MANAGEMENT'S REVIEW**

On July 12, 2013, with an effective date of May 22, 2013, the Center refinanced its mortgage note payable with a principle 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.

In preparing the financial statements, The Pride Center has evaluated events and transactions for potential recognition or disclosure through April 25, 2014, the date the financial statements were available to be issued.