

**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 YEAR ENDED

JUNE 30, 2014 AND

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.**

FOR THE YEAR ENDED JUNE 30, 2014 AND THE SIX MONTHS ENDED 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 statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, and cash flows for the year ended June 30, 2014 and the six months ended June 30, 2013, 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, 2014 and 2013, and the changes in the net assets and its cash flows for the year ended June 30, 2014 and the six months ended June 30, 2013 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 awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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.

### **Other Reporting Required by Government Auditing Standards**

In accordance with the Government Auditing Standards, we have also issued our report dated December 16, 2014 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, Vegt & Webb, P.A.*

LIGGETT, VOGT & WEBB, P.A.  
*Certified Public Accountants*  
December 16, 2014

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

**ASSETS**

	<b>June 30, 2014</b>	<b>June 30, 2013</b>
Cash and cash equivalents	\$ 506,755	\$ 503,110
Unconditional promises and accounts receivable, less allowance for doubtful accounts	84,526	109,365
Grants receivable	65,417	45,000
Property and equipment, net	5,410,545	5,326,662
Prepaid expenses	75,341	29,787
Utility and other deposits	4,366	9,867
<b>TOTAL ASSETS</b>	<b>\$ 6,146,950</b>	<b>\$ 6,023,791</b>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	\$ 57,863	\$ 82,021
Notes payable, member	25,000	25,000
Mortgage Payable	3,127,643	3,226,696
<b>TOTAL LIABILITIES</b>	<b>3,210,506</b>	<b>3,333,717</b>

**COMMITMENTS AND CONTINGENCIES**

Unrestricted	2,767,120	2,463,360
Temporarily restricted	169,324	226,714
Permanently restricted	-	-
<b>TOTAL NET ASSETS</b>	<b>2,936,444</b>	<b>2,690,074</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 6,146,950</b>	<b>\$ 6,023,791</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.  
Statements of Activities**

	<b>For the year ended June 30, 2014</b>	<b>For the six months ended June 30, 2013</b>
<b>UNRESTRICTED REVENUES AND SUPPORT</b>		
Founders and members' dues and contributions	\$ 283,475	\$ 201,073
Facility usage fees and rental income	199,244	117,444
Grant Contracts	397,138	97,065
Government grant contracts	981,384	448,878
Special events	129,802	113,496
Other income	13,747	-
Investment income	26,046	484
Total unrestricted revenues and support	2,030,836	978,440
Net assets released from restriction	226,714	40,915
Total unrestricted revenues and other support	2,257,550	1,019,355
<b>EXPENSES</b>		
Program Services	1,416,039	714,554
Management and general	348,586	185,550
Fundraising	189,165	167,975
Total Expenses	1,953,790	1,068,079
Increase (decrease) in unrestricted net assets	303,760	(48,724)
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions (Note 10)	169,324	226,714
Net assets released from restrictions	(226,714)	(40,915)
Increase (decrease) in temporarily restricted net assets	(57,390)	185,799
Increase in net assets	246,370	137,075
<b>NET ASSETS</b>		
Beginning of period	2,690,074	2,552,999
End of period	\$ 2,936,444	\$ 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**

	<u>For the year ended June 30, 2014</u>	<u>For the six months ended June 30, 2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 246,370	\$ 137,075
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	104,040	60,171
Provision for doubtful accounts	14,528	81,121
(Increase) decrease in operating assets and liabilities		
Unconditional promises to give and accounts receivable	10,311	(21,628)
Grants receivable	(20,417)	(8,750)
Prepaid expenses and deferred costs	(45,555)	(731)
Utility and other deposits	5,501	1,744
Accounts payable and accrued expenses	(24,158)	34,348
Deferred revenue	-	(25,834)
Net cash provided by operating activities	<u>290,620</u>	<u>257,516</u>
<b>CASH FLOWS FROM IN INVESTING ACTIVITIES</b>		
Purchase of property and equipment	<u>(187,922)</u>	<u>(22,331)</u>
Net cash used in investing activities	(187,922)	(22,331)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payments on mortgage	<u>(99,053)</u>	<u>(23,498)</u>
Net cash used in financing activities	(99,053)	(23,498)
Net increase in cash and cash equivalents	3,645	211,687
Cash and cash equivalents at the beginning of year	503,110	291,423
Cash and cash equivalents at the end of year	<u>\$ 506,755</u>	<u>\$ 503,110</u>
Supplemental Information:		
Cash paid for interest		
Interest paid	<u>\$ 105,850</u>	<u>\$ 83,547</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

**THE PRIDE CENTER AT EQUALITY PARK**  
**GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.**  
**Statements of Functional Expenses**  
**For the year ended June 30, 2014**

	Supporting Services									
	DOH/ETI	PALS	CDC	Smart Ride	Other	Program Service	Management	Fund Raising	Total Expenses	Total
Salaries	\$ 209,095	\$ 211,808	\$ 198,651	\$ 75,207	\$ 109,946	\$ 804,707	\$ 169,133	\$ 112,669	\$ 1,086,509	\$
Payroll taxes	20,026	18,074	16,609	6,330	17,292	78,331	11,991	10,183	100,505	
Employee benefits	22,802	42,247	31,446	11,788	17,318	125,601	8,015	11,213	144,829	
Advertising and community relations	-	-	-	-	2,468	2,468	4,000	7,610	14,078	
Bank and credit card charges	-	-	-	-	-	-	-	2,150	2,150	
Program, supplies and expenses	27,810	38,704	23,203	18,456	29,290	137,463	1,183	5,840	144,486	
Postage	182	20	78	-	66	346	2,135	564	3,045	
Newsletter, printing and production	-	-	-	-	613	613	427	1,516	2,556	
Telephone	2,511	2,702	3,244	1,135	2,664	12,256	1,809	1,590	15,655	
Utilities	7,588	6,839	3,328	6,092	21,554	45,401	8,370	7,734	61,505	
Building repairs and maintenance	17,448	13,720	15,714	5,819	13,208	65,909	8,170	7,267	81,346	
Security	2,464	3,247	1,377	1,684	2,913	11,685	-	-	11,685	
Taxes, licenses and fees	-	-	-	-	1,763	1,763	1,127	375	3,265	
Insurance	11,301	8,694	4,347	3,477	4,782	32,601	6,520	4,346	43,467	
Interest	-	-	-	-	-	-	105,850	-	105,850	
Professional fees	-	-	-	-	3,488	3,488	8,310	1,580	13,378	
Depreciation and amortization	27,288	20,990	10,495	8,396	26,238	93,407	11,546	-	104,953	
Bad debts	-	-	-	-	-	-	-	14,528	14,528	
<b>Total Liabilities</b>	<b>\$ 348,515</b>	<b>\$ 367,045</b>	<b>\$ 308,492</b>	<b>\$ 138,384</b>	<b>\$ 253,603</b>	<b>\$ 1,416,039</b>	<b>\$ 348,586</b>	<b>\$ 189,165</b>	<b>\$ 1,953,790</b>	<b>\$</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.**  
**Statements of Functional Expenses**  
**For the six months ended June 30, 2013**

	DOH/ETI	Supporting Services						Total	Fund Raising	Total Expenses
		PALS	CDC	Other	Program Service	Management				
Salaries	\$ 25,005	\$ 97,323	\$ 114,634	\$ 132,478	\$ 369,440	\$ 73,868	\$ 45,550	\$ 488,858		
Payroll taxes	3,407	14,180	11,076	13,560	42,223	18,124	4,348	64,695		
Employee benefits	3,402	15,437	19,898	18,520	57,257	6,169	2,595	66,021		
Advertising and community relations	-	4,116	-	17,732	21,848	-	3,056	24,904		
Bank and credit card charges	-	-	-	-	-	-	2,200	2,200		
Program, supplies and expenses	1,315	15,014	15,655	24,262	56,246	2,770	-	59,016		
Postage	-	-	37	77	114	-	1,471	1,585		
Newsletter, printing and production	-	-	-	6,785	6,785	225	1,491	8,501		
Telephone	553	718	2,019	327	3,617	2,153	2,154	7,924		
Utilities	1,378	2,809	3,471	23,041	30,699	10,292	3,013	44,004		
Building repairs and maintenance	1,106	-	-	25,326	26,432	3,458	-	29,890		
Security	688	1,793	627	2,431	5,539	3,624	676	9,839		
Taxes, licenses and fees	150	-	-	1,265	1,415	62	350	1,827		
Insurance	3,102	5,123	2,305	8,480	19,010	5,380	2,817	27,207		
Interest	7,120	15,821	7,120	23,732	53,793	16,610	8,702	79,105		
Professional fees	-	1,500	-	3,537	5,037	13,119	2,884	21,040		
Depreciation and amortization	-	-	-	15,099	15,099	29,696	5,537	50,332		
Bad debts	-	-	-	-	-	-	81,131	81,131		
<b>Total Liabilities</b>	\$ 47,226	\$ 173,834	\$ 176,842	\$ 316,652	\$ 714,554	\$ 185,550	\$ 167,975	\$ 1,068,079		

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**  
**FOR THE YEAR ENDED JUNE 30, 2014 AND FOR THE SIX MONTHS ENDED 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 LGBTQ community. The Pride Center's purpose includes improving the quality of life for and enhancing a sense of unity and communication within the LGBTQ community of Broward County.

The Pride Center's source of funds is primarily from contributions, Federal and Florida grant contracts, fundraising events, membership dues, faculty 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.

**THE PRIDE CENTER AT EQUALITY PARK**  
**GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014 AND FOR THE SIX MONTHS ENDED JUNE 30, 2013**

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 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.

**THE PRIDE CENTER AT EQUALITY PARK**  
**GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014 AND FOR THE SIX MONTHS ENDED JUNE 30, 2013

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 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). 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 2010-2014 remain open to Internal Revenue Services Audit. Accordingly, no provision for federal income taxes has been made.

**THE PRIDE CENTER AT EQUALITY PARK**  
**GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014 AND FOR THE SIX MONTHS ENDED 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.

Five lease agreements have been entered into one in 2008, two in 2012, one in 2013, and one in 2014. Terms for five of the leases include additional one year renewal options, and one lease has a full term of ten years through 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 30:	
2015	\$ 153,048
2016	91,320
2017	69,756
2018	69,756
2019 and thereafter	16,939
Total	\$ 396,818

**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:

	2014	2013
Investments	-	-
	\$ -	\$ -

Unrestricted investment income at June 30 consists of:

	For the year ended 2014	For the six months ended 2013
Interest	\$ 776	\$ 484

**THE PRIDE CENTER AT EQUALITY PARK**  
**GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.**  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2014 AND FOR THE SIX MONTHS ENDED 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 2014 and 2013, The Pride Center received \$25,270 and \$0, respectively from the Funds and the fund balance (in both Funds as recorded by the Foundation) at June 30, 2014 and 2013 was \$563,125.18 and \$412,142, respectively.

**NOTE 5-PROPERTY AND EQUIPMENT**

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

	<u>2014</u>	<u>2013</u>
Equipment and telephone	\$ 54,327	\$ 54,327
Furniture and Fixtures	292,217	39,659
Computer equipment	29,538	29,538
Building	2,517,500	2,517,500
Building improvements	894,670	959,305
Land	2,232,500	2,232,500
	<u>6,020,752</u>	<u>5,832,829</u>
Less accumulated depreciation	<u>(610,207)</u>	<u>(506,167)</u>
	<u>\$ 5,410,545</u>	<u>\$ 5,326,662</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 year ended June 30, 2014 and the six months ended June 30, 2013 was \$104,040 and \$50,332, respectively.

**THE PRIDE CENTER AT EQUALITY PARK**  
**GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.**  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2014 AND FOR THE SIX MONTHS ENDED 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 year ended June 30, 2014.

Event	Receipts	Direct Expenses	Net Revenue
Flea Market	\$ 47,459	\$ 8,643	\$ 38,816
Evening in Paradise	70,273	25,911	44,362
Beach Bear Weekend	12,129	51	12,078
Wicked Manors	21,773	25,339	(3,566)
Concessions	7,061	4,493	2,568
Year End Appeal	9,077	503	8,574
Bingo	14,806	3,221	11,585
Other	15,872	487	5,585
	<u>\$ 198,450</u>	<u>\$ 68,648</u>	<u>\$ 129,802</u>

Special events for the six months ended June 30, 2013\* were as follows:

Event	Receipts	Direct Expenses	Net Revenue
Flea Market	\$ 23,449	\$ 2,810	\$ 20,639
Evening in Paradise	53,931	19,168	34,763
AIDs 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
Total	<u>\$ 139,812</u>	<u>\$ 26,316</u>	<u>\$ 113,496</u>

\*2013 FY was reported as six month stub year.

**THE PRIDE CENTER AT EQUALITY PARK**  
**GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.**  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2014 AND FOR THE SIX MONTHS ENDED JUNE 30, 2013

**NOTE 7 – ASSISTANCE FROM GOVERNMENTAL AGENCIES**

The following details the reimbursements and receipts from governmental agencies for the year ended June 30, 2014 and the six months ended June 30, 2013, respectively:

<b>Federal Financial Assistance</b>	<u>2014</u>	<u>2013*</u>
Department of Health Services Center for Disease Control Grant No. 5U65PS002691-03	\$ 308,492	\$ 175,825
Total Federal Financial Assistance	<u>308,492</u>	<u>175,825</u>
<b>State Financial Assistance</b>		
Florida Department of Health		
BW262	99,558	50,000
BW280	175,000	178,053
BW380	175,000	-
BW272	74,167	-
BW273	-	45,000
BW373	74,167	-
BW381	75,000	-
Total State Financial Assistance	<u>672,892</u>	<u>273,053</u>
<b>Grand Total</b>	<b>\$ <u>981,384</u></b>	<b>\$ <u>448,878</u></b>

\*2013 FY was reported as six month stub year.

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 four (4) contracts with the State of Florida, Department of Health: BW262, BW373, BW380 and BW381. 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



**THE PRIDE CENTER AT EQUALITY PARK**  
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 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2014 AND FOR THE SIX MONTHS ENDED JUNE 30, 2013

**NOTE 8 – RESTRICTIONS ON NET ASSETS**

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

	Balance July 1, 2013	Additions	Usage	Balance June 30, 2014
Program Services	226,714	169,324	226,714	169,324
	\$ 226,714	\$ 169,324	\$ 226,714	\$ 169,324

	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
	\$ 40,915	\$ 226,714	\$ 40,915	\$ 226,714

**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%. Effective May 22, 2013, the Center refinanced this 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.

Maturities of the mortgage note for years after 2014 are as follows:

2015	\$ 280,754
2016	289,872
2017	299,284
2018	309,003
2019	319,038
2020 and thereafter	<u>1,629,692</u>
	<u>\$ 3,127,643</u>

**THE PRIDE CENTER AT EQUALITY PARK  
GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014 AND FOR THE SIX MONTHS ENDED JUNE 30, 2013**

**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, 2014, \$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 December 16, 2014, 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 AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Federal Agency, Pass- Through Grantor, Program Title	Federal CFDA Number	Contract / Grant Number	Expenditures
<b>Direct Programs:</b>			
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	5U65PS002691-04	\$ 308,492
<b>Indirect Programs:</b>			
Department of Health and Human Services:			
Pass-through programs:			
Florida Department of Health:			
HIV Prevention and Social Media Campaign	93.940	BW262	99,558
HIV Prevention targeting Communities of Color	93.940	BW273	74,167
HIV Prevention targeting Communities of Color	93.940	BW373	74,167
LIFE (Learning Immune Function Enhancement) and Healthy Relationships	* 93.940	BW280	175,000
LIFE (Learning Immune Function Enhancement) and Healthy Relationships	* 93.940	BW380	175,000
HIV Prevention; ARTAS Program; VOICES Program	* 93.940	BW381	<u>75,000</u>
<b>Total Expenditures of Federal Awards</b>			<b>\$ <u>981,384</u></b>

\*Denotes a major program

**THE PRIDE CENTER AT EQUALITY PARK**  
**GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2013**

Federal Agency, Pass- Through Grantor, Program Title	Federal CFDA Number	Contract / Grant Number	Expenditures
<b>Direct Programs:</b>			
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	\$ 175,825
<b>Indirect Programs:</b>			
Department of Health and Human Services:			
Pass-through programs:			
Florida Department of Health:			
HIV Prevention targeting Communities of Color	93.940	BW262	50,000
LIFE (Learning Immune Function		BW273	
Enhancement) and Healthy Relationships	93.940		178,053
HIV Prevention; ARTAS Program; VOICES	93.940	BW380	
Program			<u>45,000</u>
Total Expenditures of Federal Awards			<u>\$ 448,878</u>

**NOTE 1    BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal 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 Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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

**Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The Pride Center at Equality Park Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc., as of and for the year ended June 30, 2014 and the six months ended June 30, 2013, and the related notes to the financial statements, which collectively comprise The Pride Center at Equality Park Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc. basic financial statements, and have issued our report thereon dated December 16, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.

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

LIGGETT, VOGT & WEBB, P.A.  
*Certified Public Accountants*

Boynton Beach, Florida  
December 16, 2014

**Independent Auditors' Report on Compliance for each Major Program and on the Internal Control  
Over Compliance Required by OMB Circular A-133**

Board of Directors  
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**

We have audited The Pride Center at Equality Park Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc. compliance with the types of compliance requirements described in the OMB circular A-133 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 for the year ended June 30, 2014 and the six months ended June 30, 2013. The Pride Center at Equality Park Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc. major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management Responsibility**

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

**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 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, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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 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. However, our audit does not provide a legal determination of 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 for the year ended June 30, 2014 and the six months ended June 30, 2013.

## **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 to determine the auditing procedures that are appropriate in the circumstances and for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 allot management or employees, in the normal course of performing their assigned functions, the ability to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program in a timely basis.

A material weakness in internal control over compliance is a deficiency, or combinations 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 will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiency's, in internal control over compliance with a type of compliance requirement of a federal program 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 weakness or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weakness. However, material weakness 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 the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of The Pride Center at Equality Park Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc., as of and for the year ended June 30, 2014 and the six months ended June 30, 2013, and have issued our report thereon dated December 16, 2014, which contained an unmodified opinion on those financial statements. 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 awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of the management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements or 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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

LIGGETT, VOGT & WEBB, P.A.  
*Certified Public Accountants*

Boynton Beach, Florida  
December 16, 2014

**THE PRIDE CENTER AT EQUALITY PARK  
GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2014**

**I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes \_\_\_\_\_ X No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ Yes \_\_\_\_\_ X None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes \_\_\_\_\_ X No

**Federal Awards and State Financial Assistance**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes \_\_\_\_\_ X No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ Yes \_\_\_\_\_ X 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 Section 510(a) of Circular A-133? \_\_\_\_\_ Yes \_\_\_\_\_ X No

Identification of major programs:

**Federal Awards**

CFDA Number(s)	Name OF Federal Program or Cluster
93.939	CDC: HIV Prevention Projects for Community Based
93.940	Organizations Florida Department of Health: L.I.F.E. and
93.940	Healthy Relationships Florida Department of Health
93.940	Expanding Testing Initiative (ETI)

Dollar threshold used to distinguish between type A and type B federal programs: \$ 300,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes \_\_\_\_\_ X No

**THE PRIDE CENTER AT EQUALITY PARK  
GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2014**

**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.

- 1 OMB 133 requires auditee to prepare the Schedule of Expenditures of Federal Awards (SEFA). The Pride Center does not have individuals with experience in preparing the SEFA report. Additional expertise by The Pride Center personnel would be beneficial to The Pride Center.

*Current Status:*

The Schedule of Expenditures of Federal Awards (SEFA) was prepared by management.