

**THE PRIDE CENTER AT EQUALITY PARK, GAY & LESBIAN COMMUNITY CENTER
OF GREATER FORT LAUDERDALE, INC.**
(Non-Profit Organization)

FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019

LIGGETT & WEBB, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

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

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INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc., which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, and cash flows for the years ended June 30, 2020 and June 30, 2019 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 error. In making those risk assessments, the auditor 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 on the effectiveness of the entity's internal control. Accordingly, we express no such 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, 2020 and 2019 and the changes in the net assets and its cash flows for the years ended June 30, 2020 and June 30, 2019 in accordance with accounting principles generally accepted in the United States of America.

Liggett & Webb, P.A.

LIGGETT & WEBB, P.A.
Certified Public Accountants
April 2, 2021

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

Statement of Financial Position

	<u>As of June 30, 2020</u>	<u>As of June 30, 2019</u>
ASSETS		
Cash and cash equivalents	\$ 1,428,090	\$ 1,229,015
Investments	508,388	-
Unconditional promises and accounts receivable, less allowance for doubtful accounts	83,914	480,659
Grants receivable	29,167	29,167
Prepaid expenses	21,568	20,357
Utility and other deposits	9,874	4,673
Deferred loan costs, net	2,745	3,659
Deferred lease costs	12,013	12,200
Property and equipment, net	5,099,586	5,125,440
TOTAL ASSETS	<u>\$ 7,195,345</u>	<u>\$ 6,905,170</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 75,121	\$ 76,935
Deferred lease revenues	492,308	500,000
Notes payable, member	-	25,000
PPP Loan Payable	67,594	-
Mortgage payable	2,536,820	2,601,006
TOTAL LIABILITIES	<u>3,171,843</u>	<u>3,202,941</u>
COMMITMENTS AND CONTINGENCIES		
Without Donor Restrictions	3,800,406	3,564,273
With Donor Restrictions	223,096	137,956
TOTAL NET ASSETS	<u>4,023,502</u>	<u>3,702,229</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,195,345</u>	<u>\$ 6,905,170</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.**

Statement of Activities

	For the year ended June 30, 2020	For the year ended June 30, 2019
WITHOUT DONOR RESTRICTIONS REVENUES AND OTHER SUPPORT		
Founders and members' dues and contributions	\$ 845,630	\$ 722,725
Facility usage fees and rental income	235,611	221,373
Grant contracts	333,958	151,544
Government grant contracts	350,000	585,871
Special events, net	220,847	445,948
Other income	29,242	24,540
Investment income	42,605	28,901
Total without donor restrictions revenues and support	2,057,893	2,180,902
Net assets released from restriction	27,887	25,683
Total Revenues	2,085,780	2,206,585
EXPENSES		
Program Services	1,306,357	1,582,836
Management and general	181,158	266,945
Fundraising	362,132	259,568
Total Expenses	1,849,647	2,109,349
Increase in without donor restrictions net assets	236,133	97,236
WITH DONOR RESTRICTIONS NET ASSETS		
Founders and members' dues and contributions	38,027	-
Grant contracts	75,000	-
Net assets released from restrictions	(27,887)	(25,683)
Increase (Decrease) in with donor restrictions net assets	85,140	(25,683)
Increase in net assets	321,273	71,553
NET ASSETS		
Beginning of period	3,702,229	3,630,676
End of period	\$ 4,023,502	\$ 3,702,229

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

	For the year ended June 30, 2020	For the year ended June 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 321,273	\$ 71,553
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	116,205	115,808
Loss on disposal of assets	-	21,795
Provision for doubtful accounts	23,625	6,868
PPP loan forgiveness	(109,606)	-
Member loan forgiveness	(25,000)	-
Unrealized loss	9,438	-
Realized gain	(13,690)	-
Dividend income	(10,542)	-
Investment expense	6,406	-
(Increase) decrease in operating assets and liabilities:		
Unconditional promises to give and accounts receivable	373,120	(264,412)
Grants receivable	-	53,426
Prepaid expenses and deferred costs	(110)	(11,384)
Utility and other deposits	(5,201)	-
Accounts payable and accrued expenses	(1,814)	19,501
Deferred Revenue	(7,692)	500,000
Net cash provided by operating activities	676,412	513,155
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(500,000)	-
Purchase of property and equipment	(90,351)	(44,330)
Net cash used in investing activities	(590,351)	(44,330)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from PPP loan	177,200	-
Payments on mortgage	(64,186)	(59,947)
Net cash used in financing activities	113,014	(59,947)
Net increase in cash and cash equivalents	199,075	408,878
Cash and cash equivalents at the beginning of year	1,229,015	820,137
Cash and cash equivalents at the end of year	\$ 1,428,090	\$ 1,229,015
 Supplemental Information:		
Cash paid for interest expense:	\$ 140,447	\$ 146,024
Cash paid for income taxes:	\$ -	\$ -

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

Statement of Functional Expenses
For the Year ended June 30, 2020

	Murals at Equality Park	Compass Emory	CODPJ	Other Programs	Community Center Activity	Senior Affordable Housing Project	Total Program Expense	Management	Fundraising	TOTAL
Salaries	\$ 8,800	\$ 6,131	\$ 215,355	\$201,347	\$ 53,559	\$ 54,074	\$ 539,266	\$ 99,670	\$ 175,700	\$ 814,636
Payroll taxes	-	-	18,891	18,672	156	-	37,719	10,394	18,152	66,265
Employee Benefits	-	-	33,022	23,673	3,710	-	60,405	13,588	14,430	88,423
Advertising and Community Relations	432	-	935	845	3,129	-	5,341	-	12,260	17,601
Bank and Credit Card Charges	-	-	-	18	12	-	30	-	93	123
Program Supplies and Expenses	3,000	15,194	71,722	18,391	2,348	19,294	129,949	6,733	7,846	144,528
Postage	-	4,218	62	112	890	99	5,381	-	1,243	6,624
Newsletter Printing and Production	-	-	-	-	370	-	370	-	-	370
Telephone	-	-	1,407	2,100	2,214	588	6,309	140	2,353	8,802
Utilities	-	-	6,937	17,438	20,825	1,509	46,709	6,037	11,498	64,244
Building Repairs and Maintenance	-	-	29,584	46,809	50,971	678	128,042	-	28,214	156,256
Security	-	-	6,903	8,220	12,930	2,155	30,208	-	4,310	34,518
Taxes Licenses and Fees	-	-	2,067	3,753	4,188	-	10,008	-	2,502	12,510
Insurance	-	-	12,285	15,906	20,056	-	48,247	3,595	10,604	62,446
Interest	-	-	11,793	38,596	64,327	-	114,716	-	25,731	140,447
Professional Fees	29,589	-	3,382	3,294	21,992	7,000	65,257	3,938	3,877	73,072
Depreciation	-	-	23,241	34,861	11,621	-	69,723	23,241	23,241	116,205
Bad Debt	-	-	-	-	-	-	-	11,875	11,750	23,625
Office	-	-	1,037	3,647	3,158	835	8,677	1,947	8,328	18,952
	\$ 41,821	\$ 25,543	\$ 438,623	\$437,682	\$ 276,456	\$ 86,232	\$1,306,357	\$ 181,158	\$ 362,132	\$1,849,647

The accompanying notes are an integral part of these financial statements

THE PRIDE CENTER AT EQUALITY PARK
GAY & LESBIAN COMMUNITY CENTER OF GREATER FORT LAUDERDALE, INC.
Statement of Functional Expenses
For the Year ended June 30, 2019

	DOH Testing	PALS	Artas	MSM	KiKi	CODPJ	Other Programs	Community Center Activity	Senior Affordable Housing Project	Total Program Expense	Management	Fundraising	TOTAL
Salaries	\$ 50,142	\$ 103,266	\$ 50,165	\$ 32,699	\$ 77,580	\$ 68,432	\$ 217,888	\$ 136,016	\$ 41,870	\$ 778,058	\$ 67,723	\$ 132,319	\$ 978,100
Payroll taxes	3,730	7,312	3,729	2,268	5,976	5,970	17,811	11,925	3,593	62,314	6,411	11,535	80,260
Employee Benefits	8,640	20,501	5,371	4,185	9,220	13,201	26,833	17,419	3,054	108,424	5,574	13,456	127,454
Advertising and Community Relations	2,933	133	272	2,798	5,252	572	4,332	8,066	409	24,767	1,853	24,256	50,876
Bank and Credit Card Charges	-	-	-	-	-	-	338	390	15	743	-	272	1,015
Program Supplies and Expenses	148	20,209	1,596	2,722	10,838	7,158	18,859	3,180	2,873	67,583	7,137	3,559	78,279
Postage	105	25	39	40	36	47	10	716	-	1,018	-	717	1,735
Newsletter Printing and Production	-	-	-	-	-	-	168	868	-	1,036	130	520	1,686
Telephone	392	740	392	262	435	506	3,378	1,207	195	7,507	389	934	8,830
Utilities	1,952	3,687	1,952	1,301	2,169	2,832	9,235	32,480	-	55,608	11,019	11,019	77,646
Building Repairs and Maintenance	3,937	7,409	4,416	395	7,522	5,728	1,361	91,539	-	122,307	72,400	-	194,707
Security	2,208	4,170	2,208	1,426	2,377	3,082	9,970	7,378	-	32,819	7,378	7,378	47,575
Taxes Licenses and Fees	100	-	-	-	-	-	-	1,799	6,107	8,006	260	-	8,266
Insurance	2,974	1,725	1,725	1,903	1,725	12,491	9,517	7,197	-	39,257	13,681	6,543	59,481
Interest	7,301	4,235	4,235	4,673	4,235	30,665	23,364	17,669	-	96,377	33,585	16,063	146,025
Professional Fees	1,770	3,009	1,593	1,062	1,770	-	-	6,148	62,740	78,092	4,498	1,675	84,265
Depreciation	5,791	3,358	3,358	3,706	3,358	24,320	18,529	14,013	-	76,433	26,636	12,739	115,808
Bad Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Office	1,350	481	-	-	-	1,140	674	4,458	-	8,103	3,258	7,318	18,679
Loss on Disposal of Fixed Assets	1,090	632	632	697	632	4,577	3,487	2,638	-	14,385	5,013	2,397	21,795
	\$ 94,563	\$ 180,892	\$ 81,683	\$ 60,137	\$ 133,125	\$ 180,721	\$ 365,754	\$ 365,106	\$ 120,856	\$ 1,582,837	\$ 266,945	\$ 259,568	\$ 2,109,350

The accompanying notes are an integral part of these financial statements

**THE PRIDE CENTER AT EQUALITY PARK, GAY & LESBIAN COMMUNITY CENTER
OF GREATER FORT LAUDERDALE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019**

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 and for-profit organizations on a short-term and long-term basis.

The Pride Center provides meeting space and other facilities for groups and organizations that fulfill educational, therapeutic, cultural, social, recreational and other needs of the LGBT community of Broward County. The Pride Center strives to foster, create or sponsor programs to fulfill the purposes, as needed specifically by youth, elderly, and minority groups within the LGBT community. The Pride Center's purpose includes improving the quality of life for and enhancing a sense of unity and communication within the LGBT community of Broward County.

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

The Residences at Equality Park: the new 48-unit development on our campus represents Florida's first affordable housing community with customized supportive services for the LGBTQ+ active aging community. This means that South Florida is witnessing the incredible realization of a multi-year process of community assessment and strategic planning coming to fruition. This residential community is managed by Carrfour Supportive Housing, Florida's largest nonprofit affordable housing developer. The Residences will provide permanent affordable housing and supportive services for senior adults living with disabling conditions—such as physical illnesses or disabilities due to complications from diseases including HIV/AIDS – with a special focus on members of the LGBTQ+ community.

Due to the COVID 19 pandemic the Equality Park Campus was closed down to the public on March 18, 2020. The Pride Center has evolved to meet the great needs of our community during the pandemic. We've used social media platforms in creative ways: to gather our community remotely for the L.I.F.E. Program, Transgender Day of Remembrance and the 11th Annual Active Aging Health Expo; to raise historic-level funds for the Back to School Drive or the Making Strides Against Breast Cancer walk; to link people to timely resources on COVID-testing, voting, racial justice, the Census, open enrollment for healthcare, housing assistance, financial help and legal support; and to identify virtual platforms for many of the 60+ groups on campus to facilitate recovery, education and social outlets. Our staff receive over 100 calls a day from community members in need. All fundraising events past March 18th were cancelled for the remainder of the fiscal year.

**THE PRIDE CENTER AT EQUALITY PARK, GAY & LESBIAN COMMUNITY CENTER
OF GREATER FORT LAUDERDALE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019**

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 two classes of net assets: without donor restrictions, and with donor restrictions.

With Donor Restrictions and Without Restrictions Revenue and Support

Contributions received are recorded as without donor restrictions, or with donor restrictions 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 without donor restrictions 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 with donor restrictions net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), with donor restrictions net assets are reclassified to without donor restrictions 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.

Advertising

The Pride Center at Equality Park, Gay & Lesbian Community Center of Greater Fort Lauderdale, Inc. ("The Pride Center") uses advertising to promote its programs to the community it serves. The production costs of advertising are expensed as incurred. Advertising costs totaled \$17,601 and \$50,876 for the years ended June 30, 2020 and 2019, respectively.

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.

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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. Significant estimates include allowance for uncollectible promises to give and useful lives of depreciable assets.

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 \$2,500 are capitalized. Depreciation is being calculated by use of the straight-line method over the estimated useful lives of the related assets, which vary from 3- 39 years.

Maintenance and repairs to property and equipment are charged to expense when incurred. Additions and major renewals are capitalized. When assets are retired or otherwise disposed of, the cost or donated value and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donated Services

The Organization recognized contribution revenue and expense for the year ended June 30, 2020 for donated legal services valued at \$56,384. The revenue from donated services was measured based on the fair value of these services.

Additionally, 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 values of the volunteer services have not been reflected in the financial statements for donated services. The Pride Center receives more than 15,750 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

**THE PRIDE CENTER AT EQUALITY PARK, GAY & LESBIAN COMMUNITY CENTER
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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 2017-2020 remain open to Internal Revenue Service's Audit. Accordingly, no provision for federal income taxes has been made.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In February 2018, the FASB issued ASU 2018-02, "*Leases*", which will amend current lease accounting to require lessees to recognize (i) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and (ii) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. ASU 2017-02 does not significantly change lease accounting requirements applicable to lessors; however, certain changes were made to align, where necessary, lessor accounting with the lessee accounting model. This standard will be effective for fiscal years beginning after December 15, 2021. The Organization is currently reviewing the provisions of this ASU to determine if there will be any material impact on the statement of activities, cash flows or financial position.

In May 2014, the FASB issued ASU 2014-09, "*Revenue from Contracts with Customers*," which establishes a comprehensive revenue recognition standard for virtually all industries in U.S. GAAP, including those that previously followed industry specific guidance. For non-public entities, the new standard was originally effective for annual periods beginning after December 15, 2017. In August 2015, the FASB issued ASU 2015-4, "*Revenue from Contracts with Customers (Topic 606) – Deferral of Effective Date*," which deferred the effective date for one year. Accordingly, this ASU will be effective for the Organization for the year ending December 31, 2020. The ASU has been applied retrospectively to all periods presented.

All other recent accounting pronouncements issued by FASB (including the Emerging Issues Task Force) and the AICPA did not, or are not, believed by the Organization's management, to have a material impact on the Organization's present or future financial statements.

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NOTE 2 – FACILITY RENTAL INCOME

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

Nine lease agreements have been entered into expiring at various dates, the longest of which extends through December 2022. All leases provide cost of living or annual percentage rental increases.

In 2015, the Organization entered into a land lease agreement with a not-for-profit for the lease of land to construct affordable housing. The lease has gone through various amendments and calls for a lease term of 65 years beginning June 20, 2019. The agreement calls for payments of \$500,000 over the lease term and a contingent lease payment of up to \$693,280 based on any changes in the deferred development fee and any distributions of net cash flow as defined in the lease agreement. The Organization will recognize the guarantee revenue and the ground lease over the lease period. The Organization will recognize additional revenues over the remaining term of the lease.

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

<u>FY Years Ended June 30th:</u>		<u>Lease Obligation</u>
2021	\$	195,548
2022		116,052
2023		74,642
2024		7,692
2025 and thereafter		461,538
Total minimum lease payments	\$	<u>855,472</u>

NOTE 3 – LIQUIDITY AND AVAILABILITY

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash	\$	\$	1,428,090
Investments			508,388
Unconditional promises and accounts receivable			83,914
Grants receivable			29,167
Prepaid expenses			21,568
Financial assets at year end	\$		<u>2,071,127</u>
Less those unavailable for general expenditure within one year due to:			
Restricted by donor with time or purpose restrictions			<u>(223,096)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$		<u>1,848,031</u>

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The Organization's financial assets have been reduced by amounts not available for general use because of donor imposed restrictions within one year of the balance sheet date.

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due

NOTE 4 – 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 Organization's investments are in the custody of and managed by Our Fund Foundation. Our Fund Foundation has several investment pools and invests the funds according to the directions of the Organization. At June 30, 2020 the investments are in three investment pools: diversified pool, balanced pool, and money market pool. The diversified pool invests in publicly traded stocks, bonds, mutual funds, money market funds, and cash; the balanced pool invests in publicly traded stocks and equity funds, fixed income mutual funds, and government-backed bond funds; and the money market pool invests in money market funds. Under FASB ASC 958-320 Investments – Debt and Equity Securities, investments in marketable securities with readily determinable fair values are reported at fair value in the Statement of Financial Position with the amount of unrealized gains or losses on investments not previously recognized are reported in the Statement of Activities.

The Following represents the investments carried at fair value as of June 30, 2020 within the fair value hierarchy:

Investments	Level 1	Level 2	Total
Cash and cash equivalents	\$ 70,215	\$ -	\$ 70,215
Equities and equity funds	170,783	-	170,783
Fixed income funds	-	253,859	253,859
Asset backed funds	-	13,531	13,531
Total	\$ 240,998	\$ 267,390	\$ 508,388

Unrestricted investment income at June 30th consists of:

	Year ended 2020	Year ended 2019
Interest	\$ 2,067	\$ 3,556

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NOTE 5 – 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. During the years ended June 30th 2020 and 2019, The Pride Center received \$25,654 and \$25,345, respectively from the Funds and the fund balance (in both Funds as recorded by the Foundation) at June 30, 2020 and 2019 was \$484,705 and \$514,511, respectively.

NOTE 6 – PROPERTY AND EQUIPMENT

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

	2020	2019
Equipment and telephone system	\$ 55,623	\$ 55,623
Furniture and Fixtures	59,614	32,584
Computer equipment	3,043	3,043
Building	2,517,500	2,517,500
Building improvements	1,396,198	1,332,877
Land	2,232,500	2,232,500
	<u>6,264,478</u>	<u>6,174,127</u>
Less accumulated depreciation	(1,164,892)	(1,048,687)
	<u>\$ 5,099,586</u>	<u>\$ 5,125,440</u>

The Pride Center opened their Equality Park location during February 2010, at which time all costs of Construction in Progress were classified as Building and Building Improvements and became depreciable at that time. Depreciation expense for the years ended June 30, 2020 and June 30, 2019 was \$116,205 and \$115,808, respectively.

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NOTE 7 – 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, 2020:

Event	Receipts	Direct Expenses	Net Revenue
Wicked Manors	\$ 229,560	\$ 89,452	\$ 140,108
AIDS Walk	583,638	486,129	97,509
5K Rainbow Run	2,117	1,040	1,077
Other	587	18,434	(17,847)
Total	<u>\$ 815,902</u>	<u>\$ 595,055</u>	<u>\$ 223,847</u>

Special events for the year ended June 30, 2019 were as follows:

Event	Receipts	Direct Expenses	Net Revenue
Wicked Manors	\$ 129,789	\$ 87,087	\$ 42,702
Flea Market	28,712	5,970	22,742
AIDS Walk	664,703	301,416	363,287
5K Rainbow Run	12,848	15,892	(3,044)
Diversity Honors Gala	49,047	8,680	40,367
Bingo	10,209	2,734	7,475
Other	8,606	36,187	(27,581)
Total	<u>\$ 903,914</u>	<u>\$ 457,966</u>	<u>\$ 445,948</u>

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NOTE 8 – ASSISTANCE FROM GOVERNMENTAL AGENCIES

The following details the reimbursements and receipts from governmental agencies for the years ended June 30, 2020 and June 30, 2019, respectively:

Federal Financial Assistance	2020	2019
Pass-through State programs from:		
Florida Department of Health		
BW603	\$ -	\$ 50,000
CODMT	-	148,885
BW373/BW717	-	77,725
BW381/BW720	-	75,000
BW459/BW722	-	115,556
BW613/BW703	-	-
CODPJ	350,000	118,705
	<hr/>	<hr/>
Grand Total	\$ 350,000	\$ 585,871

State of Florida

The Pride Center provides HIV Prevention Services for individuals who 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.

The Pride Center has entered into seven (7) contracts with the State of Florida, Department of Health: BW603, BW373/BW717, COMDT, BW381/BW720, BW613/BW703, BW459/BW722 and CODPJ. 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 contracts.

On January 1, 2019, The State of Florida implemented new restrictions on grant awards which restricts entities to only one grant with a maximum amount of \$400,000. Under the new State of Florida contract, the organization signed a new three year grant of \$350,000 per year totaling \$1,050,000. Due to the decrease in funding, the organization has had to eliminate certain programs not covered under the new grant and reduce its staffing. The organization continues to look for new funding opportunities to replace the lost funding.

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NOTE 9 – RESTRICTIONS ON NET ASSETS

With donor restrictions net assets are available for the following purposes as of June 30, 2020:

	Balance July 1, 2019	Additions	Usage	Balance June 30, 2020
Senior programs	\$ 70,383	\$ 24,202	\$ -	\$ 94,585
SageWorks	2,135	-	-	2,135
Women's program	23,296	-	21,427	1,869
Prep funding	4,479	-	-	4,479
Transgender	1,975	656	-	2,631
PALS	683	-	225	458
Youth	15,259	-	-	15,259
Kiki Culture	11,951	-	-	11,951
Generator repair	6,235	-	6,235	-
Aids Walk	-	3,740	-	3,740
Community Cares	1,460	368	-	1,828
Prevention	100	-	-	100
Murals at Equality Park	-	75,000	-	75,000
Diversity Honors	-	9,061	-	9,061
	<u>\$ 137,956</u>	<u>\$ 113,027</u>	<u>\$ 27,887</u>	<u>\$ 223,096</u>

NOTE 10 – MORTGAGE PAYABLE

In 2008, The Pride Center purchased property located in Wilton Manors, Florida of approximately 38,000 square feet of office/warehouse space located on approximately 6 acres of land for \$4,750,000. In connection with the purchase of the property, The Pride Center entered into a secured mortgage promissory note with a financial institution in the amount of \$3,325,000.

Effective May 22, 2013, the Center refinanced the mortgage note payable monthly at \$17,088 with a principal balance of \$3,220,946 at an initial rate of 3.2% through May 22, 2018 and at the lenders cost of funds for a 5 years adjustable rate plus 200 basis points through the maturity date of May 22, 2023. The new effective rate on the mortgage as of June 30, 2020 is 5.39%. The mortgage is guaranteed by all the real property at the Organization.

Maturities of the mortgage note for fiscal years after 2020 are as follows:

FY 2021	\$ 70,366
FY 2022	74,254
FY 2023	2,392,200
	<u>\$ 2,536,820</u>

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NOTE 11 – 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. On December 19, 2019, the \$25,000 note payable with an individual member was forgiven by the member. The Organization was released from the debts and obligations of the note.

PPP Loan

On May 5, 2020, the Organization entered into a term note (the "PPP Loan") evidencing an unsecured loan in the amount of \$177,200 made to the Company under the Payroll Protection Plan ("PPP"). The PPP is a liquidity facility program established by the U.S. government as part of the CARES Act in response to the negative economic impact of the COVID-19 outbreak. The PPP Loan to the Organization is being administered by Truist Bank. The PPP Loan has a two-year term and bears interest at a rate of 1.0% per annum. Monthly principal and interest payments are deferred for six months. Beginning December 5, 2020, seven months from the date of the PPP Note, the Organization is required to make monthly payments of principal and interest in the amount of \$9,844. Under the terms of the CARES Act, PPP Loan recipients can apply for, and be granted forgiveness for, all or a portion of loans granted under the Paycheck Protection Program. The expenses eligible for forgiveness are payroll costs, rent, utilities, and interest on mortgage obligations incurred during the covered period. The Organization intends to use the entire loan amount for qualifying expenses. The outstanding balance on the PPP Note was \$177,200 and \$0 as of June 30, 2020 and 2019, respectively.

The Organization has chosen to account for the PPP loan as a conditional contribution in accordance with FASB ASC 958-605, Not-for-Profit Entities: Revenue Recognition. The Organization has adopted the approach to recognize contribution income as the qualifying expense are incurred. As of June 30, 2020, the Organization has recognized \$109,606 in contribution income and the remaining PPP loan balance was \$67,594.

NOTE 12 – CONCENTRATIONS

The Organization receives 41% of its support from Founders and members' dues and contributions. Changes in dues and contributions could have a material adverse effect on the Organization's ability to continue to provide its services at the same level.

As of June 30, 2020, the Organization has a cash concentration of \$1,165,820 in excess of the FDIC limit.

As of June 30, 2020, the Organization has a concentration in the Unrecorded Promises to Give and Accounts Receivable of 75% related to founders' pledge receivable.

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NOTE 13 – PROMISES TO GIVE

The balances of unconditional promises to give are as follows as of June 30, 2020 and 2019, respectively:

	<u>FY 2020</u>	<u>FY 2019</u>
Less than one year	\$ 91,966	\$ 490,379
One to five years	5,000	832
Less: Allowance for doubtful accounts	<u>(13,052)</u>	<u>(10,552)</u>
Net Promises to Give	\$ <u>83,914</u>	\$ <u>480,659</u>

At June 30, 2020 and 2019, promises to give includes \$83,914 and \$480,659, respectively, primarily from the AIDS Walk fundraising event and pledges from Pride Center's founders. These promises to give are collected through monthly payments throughout the year.

NOTE 14 – DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, The Pride Center has evaluated events and transactions for potential recognition or disclosure through April 2, 2021, the date the financial statements were available to be issued.