

LGBT + Center Orlando, Inc.
Orlando, Florida

December 31, 2020
With Comparative Totals for
December 31, 2019

Financial Statements
And
Independent Auditor's Report

LGBT + Center Orlando, Inc.
December 31, 2020 and 2019

Table of Contents

Independent Auditor's Report.....	3-4
Financial Statements:	
Statements of Financial Position.....	5
Statements of Activities.....	6-7
Statements of Functional Expenses.....	8-9
Statements of Cash Flows.....	10
Notes to Financial Statements.....	11-15



Laus Consulting Services

879 Outer Rd, Suite B, Orlando, FL 32814

Tel: (407) 401-9768

Fax: (407) 362-1799

Email: pho@lausconsult.com

INDEPENDENT AUDITOR'S REPORT

**To: The Board of Directors
LGBT + Center Orlando, Inc.
Orlando, FL**

Report on the Financial Statements

We have audited the accompanying financial statements of LGBT + Center Orlando, Inc. (a nonprofit organization) (the "Center"), which comprise the statement of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year 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. Management is also responsible for 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.

Auditor's Responsibility

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

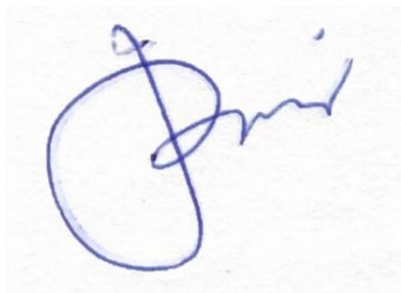
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 Center'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 the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LGBT + Center Orlando, Inc as of December 31, 2020 and 2019, and the change in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in blue ink, appearing to read "Pauline Ho", is centered on the page. The signature is fluid and cursive, with a large initial "P" and "H".

Pauline Ho, CPA
Orlando, Florida
June 18, 2021

Statements of Financial Position

LGBT + Center Orlando, Inc.

ASSETS

	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 172,312	\$ 8,870
Grant and other receivables	77,870	
Total Current Assets	<u>250,182</u>	<u>8,870</u>
<u>PROPERTY AND EQUIPMENT</u>		
Property and Equipment	1,069,443	1,085,237
Less: Accumulated Depreciation	<u>(246,380)</u>	<u>(221,469)</u>
Net Property and Equipment	823,063	863,768
<u>OTHER ASSETS</u>		
Deposits	1,724	1,824
TOTAL ASSETS	<u>\$ 1,074,969</u>	<u>\$ 874,462</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Accrued Liabilities	\$ 12,265	\$ 4,873
Total Current Liabilities	<u>12,265</u>	<u>4,873</u>
<u>LONG TERM LIABILITIES</u>		
SBA EIDL Loan	50,000	0
CDBG Promissory Note	<u>0</u>	<u>23,890</u>
Total Liabilities	62,265	28,763
<u>NET ASSETS</u>		
Without Donor Restrictions	712,745	845,699
With Donor Restrictions	<u>299,959</u>	
	1,012,704	<u>845,699</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,074,969</u>	<u>\$ 874,462</u>

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

Statements of Activities

LGBT + Center Orlando, Inc.

For the Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>REVENUES AND OTHER SUPPORT</u>			
Special Events	\$ 30,251	\$ -	\$ 30,251
Contributions	114,378	75,000	189,378
Grants	0	498,430	498,430
Membership Dues	15,883	0	15,883
Program Income	22,058	68,702	90,760
Other Income	544	66,567	67,111
TOTAL REVENUES AND OTHER SUPPORT	<u>183,114</u>	<u>708,699</u>	<u>891,813</u>
<u>OPERATING EXPENSES</u>			
Program Services	33,973	406,818	440,791
Management and General	259,057	0	259,057
Fundraising	18,063	0	18,063
TOTAL OPERATING EXPENSES	311,093	406,818	717,911
<u>OTHER EXPENSES</u>			
Disposal of Fixed Asset	<u>6,897</u>	<u>0</u>	<u>6,897</u>
CHANGE IN NET ASSETS (DEFICIT)	(134,876)	301,881	167,005
NET ASSETS (DEFICIT) - Beginning of the Year	<u>847,621</u>	<u>(1,922)</u>	<u>845,699</u>
NET ASSETS (DEFICIT) - End of the Year	<u>\$ 712,745</u>	<u>\$ 299,959</u>	<u>\$ 1,012,704</u>

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

Statements of Activities - Continued

LGBT + Center Orlando, Inc.

For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES AND OTHER SUPPORT</u>			
Special Events	\$ 60,335	\$ -	\$ 60,335
Contributions	18,267	0	18,267
Grants	4,750	205,469	210,219
Membership Dues	54,890	0	54,890
Program Income	0	3,584	3,584
Other Income	26,506	0	26,506
TOTAL REVENUES AND OTHER SUPPORT	<u>164,748</u>	<u>209,053</u>	<u>373,801</u>
<u>OPERATING EXPENSES</u>			
Program Services	29,356	238,713	268,069
Management and General	213,317	0	213,317
Fundraising	24,160	0	24,160
TOTAL OPERATING EXPENSES	266,833	238,713	505,546
<u>OTHER EXPENSES</u>			
Unrelated Business Income Tax Expense	<u>0</u>	<u>0</u>	<u>0</u>
CHANGE IN NET ASSETS (DEFICIT)	(102,085)	(29,660)	(131,745)
NET ASSETS (DEFICIT) - Beginning of the Year	<u>949,706</u>	<u>27,738</u>	<u>977,444</u>
NET ASSETS (DEFICIT) - End of the Year	<u>\$ 847,621</u>	<u>\$ (1,922)</u>	<u>\$ 845,699</u>

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

Statements of Functional Expenses

LGBT + Center Orlando, Inc.

For the Year Ended December 31, 2020

	<u>Program Services</u>	<u>Support Services</u>		<u>Total</u>
		<u>General and Administrative</u>	<u>Fundraising</u>	
<u>OPERATING EXPENSES</u>				
Salaries	\$ 149,949	\$ 176,026	\$ -	\$ 325,975
Facility Expenses	25,913	30,420	0	56,333
Office Expenses	19,018	22,325	0	41,343
Financial Expenses	0	312	2,417	2,729
Professional Fees	5,322	6,248	0	11,570
Insurance Expenses	10,789	9,084	0	19,873
Education and Training Expenses	1,175	1,379	0	2,554
Marketing Expenses	3,593	2,560	0	6,153
Programs and Grants Expenses	201,013	599	0	201,612
Events and Fundraising Expenses	316	0	15,646	15,962
Depreciation	23,703	10,104	0	33,807
TOTAL OPERATING EXPENSES	<u>\$ 440,791</u>	<u>\$ 259,057</u>	<u>\$ 18,063</u>	<u>\$ 717,911</u>
<u>OTHER EXPENSES</u>				
Disposal of Fixed Asset	0	6,897	0	6,897
TOTAL EXPENSES	<u>\$ 440,791</u>	<u>\$ 265,954</u>	<u>\$ 18,063</u>	<u>\$ 724,808</u>

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

Statements of Functional Expenses - Continued

LGBT + Center Orlando, Inc.

For the Year Ended December 31, 2019

	<u>Support Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
<u>OPERATING EXPENSES</u>				
Salaries	\$ 150,932	\$ 143,683	\$ -	\$ 294,615
Facility Expenses	24,377	18,971	0	43,348
Office Expenses	20,158	13,771	0	33,929
Financial Expenses	0	20	2,386	2,406
Professional Fees	0	8,873	0	8,873
Insurance Expenses	9,380	6,296	0	15,676
Education and Training Expenses	2,701	3,624	0	6,325
Marketing Expenses	6,324	4,849	0	11,173
Programs and Grants Expenses	30,797	1,492	0	32,289
Events and Fundraising Expenses	3,921	0	21,774	25,695
Depreciation	19,479	11,738	0	31,217
TOTAL OPERATING EXPENSES	<u>\$ 268,069</u>	<u>\$ 213,317</u>	<u>\$ 24,160</u>	<u>\$ 505,546</u>
<u>OTHER EXPENSES</u>				
Unrelated Business Income Tax	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENSES	<u>\$ 268,069</u>	<u>\$ 213,317</u>	<u>\$ 24,160</u>	<u>\$ 505,546</u>

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

Statements of Cash Flows

LGBT + Center Orlando, Inc.

	For the Years Ended December 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets (Deficit)	\$ 167,005	\$ (131,745)
Adjustments to Reconcile Change in Net Assets (Deficit) to Net Cash Provided by Operating Activities:		
Depreciation	33,807	31,217
Decrease (Increase) in:		
Accounts Receivable		
Grant Receivable	(77,870)	0
Deposits	100	
Prepaid Expenses	0	1,825
Increase (Decrease) in:		
Taxes Payable	0	0
Accounts Payable	0	0
Accrued Liabilities	7,393	(2,023)
SBA EIDL Loan	50,000	
CDBG Promissory Note	(23,890)	(23,890)
Net Cash Provided (Used) by Operating Activities	<u>156,545</u>	<u>(124,616)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Disposal of Fixed Assets	<u>6,897</u>	<u>0</u>
Net Cash Provided (Used) by Investing Activities	6,897	0
Net Increase (Decrease) In Cash and Cash Equivalents	163,442	(124,616)
Cash and Cash Equivalents at Beginning of Year	<u>8,870</u>	<u>133,486</u>
Cash and Cash Equivalents at End of Year	<u>\$ 172,312</u>	<u>\$ 8,870</u>
Supplemental Information		
Income Taxes Paid	<u>\$ -</u>	<u>\$ -</u>

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

Notes to financial Statements

LGBT + Center Orlando, Inc.

December 31, 2020 and 2019

Note 1 – Organization

LGBT + Center Orlando, Inc. (fka GLBT Community Center of Central FL, Inc. and Affiliates) (the “Center”) is incorporated as a nonprofit corporation under the laws of the State of Florida since November 27, 1978,

In January 2018, the Center’s name was legally changed to LGBT + Center Orlando, Inc.

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

Note 2 - Summary of Significant Accounting Policies

The Center adopted FASB Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include:

- requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”,
- modifying the presentation of underwater endowment funds and related disclosures,
- requiring the use of the placed in-service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise,
- requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs,
- requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources,
- presenting investment return net of external and direct expenses,
- modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. These two groups are defined as follows:-

- *Net assets without donor restrictions* – consists of amounts that are available for use in carrying out the activities of the Center and are not subject to donor-imposed restrictions. This classification includes board designated or appropriated amounts as the board has the authority to change or withdraw such designations or appropriations.
- *Net assets with donor restrictions* – consists of amounts that are available for use contingent on the satisfaction of donor-imposed restrictions. When a restriction is satisfied, the associated amount is reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Assets are presented in the accompanying statement of financial position according to nearness of conversion to cash, and liabilities according to the nearness of their maturity and resulting use of cash.

Note 2 - Summary of Significant Accounting Policies - continued

Revenue Recognition

Contributions, including sponsorships, are recognized as revenue in the earlier of the period promised or received. Contributions also include voluntary membership dues, which are recognized as unrestricted contributions when received. This portion of the contribution is classified as membership dues on the accompany statements of activities and is recognized as revenue ratably over the membership period.

Grants are recognized as revenue in the period such promises, or agreements are made. Grants and contributions received are considered to be available for unrestricted use unless specifically restricted by the grantor or donor. Amounts received that are designated for a future period or are restricted by the grantor or donor for specific purposes, are reported as restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Net assets with donor restrictions are reported as net assets without donor restrictions if the restrictions are met in the same period as received.

Revenue from the fundraising and other program fees is recognized as revenue when the events or programs are held. All other revenues are recognized when earned.

Property and Equipment

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

Functional Expenses

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

Tax Status

The Center has been granted an exemption from income taxes under Internal Revenue Code, Section 501(c)(3) as a not-for-profit corporation. However, income from certain activities not directly related to the Center's tax-exempt purpose can be subject to taxation as unrelated business income. In addition, the Center qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Federal Form 990, Return of Organization Exempt from Income Tax, is subject to examination by the Internal Revenue Service, generally for three years after it is filed. Tax years since 2017 remain open.

Note 2 - Summary of Significant Accounting Policies - continued

Concentration of Credit Risk

Financial instruments that potentially expose the Center to concentrations of credit and market risk consist primarily of cash equivalents and restricted deposits. The cash equivalents and restricted deposits are maintained at large financial institutions and are insured by the Federal Deposit Insurance Corporation (FDIC). The Center has not historically experienced any losses on its cash equivalents or restricted deposits.

Cash and Cash Equivalents

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

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising expense for the year ended December 31, 2020 and 2019 were \$6,153 and \$11,173, respectively. The reduction reflects the impact of COVID-19 on the marketing activities in 2020.

Estimates

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

Impairment

The Center is subject to the provisions of FASB ASC 360-10-35, *Impairment or Disposal of Long-Lived Assets*. This standard has no retroactive impact on the Center's financial statements. The standard requires impairment losses to be recorded on long-lived assets when indicators of impairment are present and when the undiscounted cash flows estimated to be generated by those assets (excluding interest) are less than the carrying amount of the assets. In such cases, the carrying value of assets to be held and used are adjusted to their estimated fair value and assets held for sale are adjusted to their estimated fair value less selling expenses. Written off the obsolete fixed assets for the year end 2020 was \$6,897, compared to that no loss was recognized during the year ended December 31, 2019.

Contributed Services

During the years ended December 31, 2020 and 2019, contributed services that can meet the requirements for recognition in the financial statements was immaterial to be reflected on the Statement of Activities as donated services revenue.

Note 3 - Liquidity and Availability

The Center has \$250,182 of current assets as at December 31, 2020. Of these amounts \$172,312 are not subject to donor or contractual restrictions, and \$77,870 are grant receivable. Management has already secured grant in 2021 to cover the budgeted operating expenses in 2021. The Center primarily manages liquidity needed for general expenditures and operations through budgeted monthly cash inflows and outflows. Budgeted cash outflows are monitored and adjusted as needed to not exceed expected cash inflows.

Note 4 – Property and Equipment

Property and equipment consist of the following:	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Land	\$ 125,800	\$ 125,800
Buildings and Improvements	901,477	896,827
Furniture, Equipment and Vehicles	42,166	62,610
	<hr/>	<hr/>
	1,069,443	1,085,237
Less: Accumulated Depreciation	(246,380)	(221,469)
	<hr/>	<hr/>
	<u>\$ 823,063</u>	<u>\$ 863,768</u>

Depreciation expense totaled \$33,807 and \$31,217 for the year ended December 31, 2020 and 2019, respectively.

Note 5 - CDBG Loan Agreement and SBA EIDL Loan Agreement

During 2015, the Center obtained a Community Development Block Grant promissory note (the "Agreement") from the City of Orlando (the "City") for a total amount of \$147,563. The note bears no interest and is due September 2020. The purpose of the grant is for the Center to renovate certain property and continue to use the property as described in the Agreement. If the Center fails to comply, the City can demand repayment and take possession of the property. Since the Center fully complied over the five-year period, the note has been forgiven as described in the Agreement in 2020.

The center obtained an SBA EIDL loan of \$50,000 in May 2020 to mitigate the impact of COVID-19. The SBA loan has a long repayment terms up to a maximum of 30 years, with an interest rate of 2.75% per annum for non-profit organizations.

Note 6 – COVID-19 Special Grants and Payroll Protection Program (PPP) Loan Forgiveness

During the COVID-19 epidemic, the Center obtained two special grants in 2020, to administer Central Florida LGBTQ+ Relief Fund program, and the Orange County Cares Act Housing assistance and Mental Health Support program.

The LGBTQ+Relief Fund program provided \$100 cash each to eligible individuals who made an application to the LGBTQ+Relief Fund. A total of \$60,100 was distributed to individuals from the total Funds received \$68,702.08 in 2020, and the remaining balance of \$8,602.08 will continue to disburse in the year 2021.

The Orange County Cares Act Housing assistance and Mental Health Support program was set on reimbursement basis and funded to an upper limit of \$249,992.60 for use in 2020 only. As of December 31, 2020, the program provided \$125,488.82 rental assistance and mental health support to the community. The Orange County issued a CARES monitoring report on January 7, 2021, showing all work performed by the Center is in compliance with the terms of the program.

As at December 31, 2020, \$66,567 was forgiven by the SBA PPP program, and this PPP loan forgiveness is recognized as "Other Income" with donor restriction.

Note 7 - In-Kind

In-Kind contributions is noted (not recorded) based on estimated value on the date of receipt. In-Kind revenues for the year ended December 31, 2020 and 2019 were \$0 and \$10,000, respectively.

Note 8 - Related Party

During the years ended December 31, 2020 and 2019, the Center had no related transactions with a related party.

Note 9 - Subsequent Event

The Center started renting a new location at 1200 Hillcrest St., Suite 102, Orlando in March 2021 to expand its health and counselling services. The rent expense is \$60,000 a year. Despite of the veto of the OUAC grant of \$150,000 by the Governor of Florida in June 2021, the Center has already obtained additional \$135,000 as of June 16, 2021, to continue support its health and counselling services at the level the Center had planned for the 2021 fiscal year.