

ATLANTA PRIDE COMMITTEE, INC.
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2018

William L. Kennemore, CPA, LLC
Certified Public Accountant

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WILLIAM L. KENNEMORE, CPA, LLC
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Atlanta Pride Committee, Inc.

I have audited the accompanying financial statements of Atlanta Pride Committee, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows 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; 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Atlanta Pride Committee, Inc. as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

William L. Kennemore, CPA, LLC

Alpharetta, Georgia

June 21, 2019

ATLANTA PRIDE COMMITTEE, INC.
STATEMENT OF FINANCIAL POSITION

December 31, 2018

ASSETS

CURRENT ASSETS:

Cash	\$ 418,112
Accounts receivable, net of allowance for doubtful accounts of \$-0-	29,250
Prepaid expenses	<u>1,062</u>
Total current assets	448,424

PROPERTY AND EQUIPMENT,

Net, at cost	<u>0</u>
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Total assets	<u>\$ 448,424</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable and accrued expenses	\$ 0
Pose Scholarships	<u>461</u>
Total current liabilities	461

COMMITMENTS

NET ASSETS:

Without donor restrictions	447,963
With donor restrictions	<u>0</u>
Total net assets	<u>447,963</u>
Total liabilities and net assets	<u>\$ 448,424</u>

See independent auditor's report and notes to financial statements.

ATLANTA PRIDE COMMITTEE, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

SUPPORT AND REVENUES:	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Support:</u>			
Contributions	\$ 662,817	\$	\$ 662,817
Special events, net	5,263		5,263
 Total support	 668,080	 0	 668,080
 <u>Revenues:</u>			
Festival and related activities	249,475		249,475
Corporate sponsorships	646,614		646,614
Pride Market	241,034		241,034
Publications	7,565		7,565
Other income	238		238
Interest income	265		265
 Total revenues	 1,145,191	 0	 1,145,191
 Total support and revenues	 1,813,271	 0	 1,813,271
 <u>Net Assets Released from Restrictions:</u>			
Satisfaction of donor restrictions	0	0	0
 Total Support, Revenues and Reclassifications	 1,813,271	 0	 1,813,271
 <u>EXPENSES:</u>			
<u>Program Services:</u>			
Program services	1,546,736		1,546,736
 Total program services	 1,546,736	 0	 1,546,736
 <u>Supporting Services:</u>			
General and administrative	132,209		132,209
Fund raising	90,053		90,053
 Total supporting services	 222,262	 0	 222,262
 Total expenses	 1,768,998	 0	 1,768,998
 Change in net assets	 44,273	 0	 44,273
 Net assets, beginning of year	 403,690	 0	 403,690
 Net assets, end of year	 \$ 447,963	 \$ 0	 \$ 447,963

See independent auditor's report and notes to financial statements.

ATLANTA PRIDE COMMITTEE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2018

	Program Services		Supporting Services			Totals
	Program Services	Total Program Services	General and Administrative	Fund Raising	Total Supporting Services	
Salaries	\$ 107,872	\$ 107,872	\$ 31,757	\$ 29,129	\$ 60,886	\$ 168,758
Fringe benefits	13,212	13,212	3,890	3,567	7,457	20,669
Payroll taxes	9,293	9,293	2,736	2,510	5,246	14,539
	<u>130,377</u>	<u>130,377</u>	<u>38,383</u>	<u>35,206</u>	<u>73,589</u>	<u>203,966</u>
Art and graphics	18,163	18,163			0	18,163
Bad debt		0	5,000		5,000	5,000
Bank and credit card fees		0	9,967		9,967	9,967
Conferences and meetings		0	5,464		5,464	5,464
Computer expense		0	4,254		4,254	4,254
Festival entertainment	257,697	257,697			0	257,697
Festival/events logistics	998,515	998,515			0	998,515
Festival market	25,911	25,911			0	25,911
Fundraising expenses		0		54,847	54,847	54,847
Insurance		0	4,273		4,273	4,273
Legal and accounting		0	15,595		15,595	15,595
License and fees		0	294		294	294
Memberships		0	1,115		1,115	1,115
Office expense		0	7,070		7,070	7,070
Other expense	2,655	2,655	2,313		2,313	4,968
Parade	12,141	12,141			0	12,141
Postage and shipping		0	1,005		1,005	1,005
Public relations & publications	76,646	76,646	1,335		1,335	77,981
Rent		0	19,485		19,485	19,485
Supplies			4,030		4,030	4,030
Telephone		0	3,140		3,140	3,140
Travel		0	9,486		9,486	9,486
Volunteer coordination	17,364	17,364			0	17,364
Webmaster/Web Host	7,267	7,267			0	7,267
	<u>1,416,359</u>	<u>1,416,359</u>	<u>93,826</u>	<u>54,847</u>	<u>148,673</u>	<u>1,565,032</u>
	<u>\$ 1,546,736</u>	<u>\$ 1,546,736</u>	<u>\$ 132,209</u>	<u>\$ 90,053</u>	<u>\$ 222,262</u>	<u>\$ 1,768,998</u>

See independent auditor's report and notes to financial statements.

ATLANTA PRIDE COMMITTEE, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

	<u>2018</u>
Change in net assets	\$ 44,273
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	0
(Increase) decrease in:	
Accounts receivable	(29,250)
Prepaid expenses	2,535
Increase (decrease) in:	
POSE Scholarship	<u>(1,030)</u>
Net cash provided by operating activities	<u>16,528</u>
Net increase in cash	16,528
CASH, at the beginning of the year	<u>401,584</u>
CASH, at the end of the year	<u><u>\$ 418,112</u></u>

See independent auditor's report and notes to financial statements.

ATLANTA PRIDE COMMITTEE, INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

Atlanta Pride Committee, Inc. (APC) is a non-profit organization that was organized to promote unity, visibility, and self-esteem among lesbians, gay men, bisexuals, and transgender persons and to promote a positive image in the Atlanta area and throughout the southeastern United States through community activities and services. Also, the organization provides lesbians, gay men, bisexuals, and transgender persons with educational programs and activities which enhance mental and physical health, provide social support, and foster an awareness of the past and present contributions of lesbians, gay men, bisexuals, and transgender persons, through community activities and services, including an annual Pride Event.

Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Financial Statement Presentation

Atlanta Pride Committee, Inc. 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) based upon the existence or absence of donor - imposed restrictions.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of donor restrictions. During the current year, APC received no contributions with donor-imposed restrictions.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of ninety days or less to be cash equivalents.

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.

ATLANTA PRIDE COMMITTEE, INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Goods, Services and Facilities

Donated in-kind goods, services and facilities are reflected as contributions in the accompanying statements at their estimated values at date of receipt. The agency records the value of donated goods as program expense when there is an objective basis available to determine the fair market value of the goods, services and facilities. \$372,269 for donated materials and \$117,950 for donated services have been reflected in the financial statements. The value of donated facilities amounted to \$96,485. The donated facilities are contributed by hotels and conference venues. Finally, volunteer services which do not meet the criteria for recognition of such volunteer effort have not been satisfied have not been reflected in the statement of activity. Nevertheless, a substantial number of volunteers donated a significant amount of their time to the agency.

Property and Equipment and Depreciation

The agency follows the practice of capitalizing all fixed assets with a life of more than one year and a cost greater than \$500. Property and equipment are recorded at cost or fair market value if contributed. Depreciation of property and equipment is provided on the straight-line method over the estimated useful lives of 5 to 7 years.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

2. FAIR VALUE OF FINANCIAL INSTRUMENTS

The agency has financial instruments, none of which are held for trading purposes, which consists of cash in money market accounts. The carrying amounts reported in the statement financial position approximate fair values.

ATLANTA PRIDE COMMITTEE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. INCOME TAXES

Atlanta Pride Committee, Inc. is exempt from Federal income taxes under Section 501(c)3 of the Internal Revenue Code. It is also exempt from State of Georgia income taxes and, therefore, no provision has been made for federal and/or state income taxes. In addition, Atlanta Pride Committee, Inc. has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Code.

Management has considered the tax positions taken in its tax returns and believes that all the positions taken by the Organization in its federal and state exempt organization tax returns are more likely-than-not to be sustained upon examination. The Organization's returns for the years ended December 31, 2017, 2016 and 2015 could be subject to examination by taxing authorities, generally for 3 years after they are filed.

4. VACATION AND SICK LEAVE PAYABLE

Employees earn vacation and sick leave depending on years of service. Accrued vacation is paid upon an employee's termination. Accrued sick leave is not paid upon employee termination. A liability for accumulated leave is not included in the financial statements because the amount was immaterial.

5. COMMITMENTS

The agency leases general office space under an operating lease. The space lease began in August 1, 2017 for a lease term of 48 months at a base rental of \$1,730 per month with annual increases. Rent for the year ending December 31, 2018 was \$19,485.

Minimum lease payments under the term of the lease are as follows:

<u>Fiscal Year Ended</u>	<u>Amount</u>
2019	\$ 21,355
2020	21,780
2021	12,852
2022	-0-
2023	-0-

ATLANTA PRIDE COMMITTEE, INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2018

6. CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK

The agency had cash of more than \$250,000 in a bank account which is insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2018, the agency had an uninsured cash balance totaling \$51,777.

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 21, 2019, the date on which the financial statements were available to be issued.