

ATLANTA PRIDE COMMITTEE, INC.

FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2019

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, 2019, 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, 2019, 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. Kammannore, CPA, LLC

Alpharetta, Georgia

October 30, 2020

ATLANTA PRIDE COMMITTEE, INC.
STATEMENT OF FINANCIAL POSITION

December 31, 2019

ASSETS

CURRENT ASSETS:

Cash	\$ 414,576
Accounts receivable, net of allowance for doubtful accounts of \$-0-	<u>101,748</u>
Total current assets	516,324

PROPERTY AND EQUIPMENT.

Net, at cost	<u>0</u>
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Total assets	<u><u>\$ 516,324</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable and accrued expenses	\$ 7,414
Accrued leave	<u>1,743</u>

Total current liabilities	9,157
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COMMITMENTS

NET ASSETS:

Without donor restrictions	507,167
With donor restrictions	<u>0</u>

Total net assets	<u>507,167</u>
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Total liabilities and net assets	<u><u>\$ 516,324</u></u>
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See independent auditor's report and notes to financial statements.

ATLANTA PRIDE COMMITTEE, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

SUPPORT AND REVENUES:	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Support:</u>			
Contributions	\$ 444,926	\$	\$ 444,926
Special events, net	19,712		19,712
Total support	<u>464,638</u>	<u>0</u>	<u>464,638</u>
 <u>Revenues:</u>			
Festival and related activities	245,657		245,657
Corporate sponsorships	981,696		981,696
Pride Market	229,550		229,550
Publications	7,600		7,600
Other income	186		186
Total revenues	<u>1,464,689</u>	<u>0</u>	<u>1,464,689</u>
Total support and revenues	<u>1,929,327</u>	<u>0</u>	<u>1,929,327</u>
 <u>Net Assets Released from Restrictions:</u>			
Satisfaction of donor restrictions	<u>0</u>	<u>0</u>	<u>0</u>
Total Support, Revenues and Reclassifications	<u>1,929,327</u>	<u>0</u>	<u>1,929,327</u>
 EXPENSES:			
<u>Program Services:</u>			
Program services	<u>1,402,047</u>		<u>1,402,047</u>
Total program services	<u>1,402,047</u>	<u>0</u>	<u>1,402,047</u>
 <u>Supporting Services:</u>			
General and administrative	200,238		200,238
Fund raising	267,838		267,838
Total supporting services	<u>468,076</u>	<u>0</u>	<u>468,076</u>
Total expenses	<u>1,870,123</u>	<u>0</u>	<u>1,870,123</u>
Change in net assets	59,204	0	59,204
Net assets, beginning of year	<u>447,963</u>	<u>0</u>	<u>447,963</u>
Net assets, end of year	<u>\$ 507,167</u>	<u>\$ 0</u>	<u>\$ 507,167</u>

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

ATLANTA PRIDE COMMITTEE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2019

	Program Services		Supporting Services			Totals
	Program Services	Total Program Services	General and Administrative	Fund Raising	Total Supporting Services	
Salaries	\$ 116,325	\$ 116,325	\$ 49,612	\$ 37,281	\$ 86,893	\$ 203,218
Fringe benefits	15,017	15,017	6,404	4,813	11,217	26,234
Payroll taxes	10,223	10,223	4,360	3,276	7,636	17,859
	<u>141,565</u>	<u>141,565</u>	<u>60,376</u>	<u>45,370</u>	<u>105,746</u>	<u>247,311</u>
Art and graphics	12,430	12,430			0	12,430
Bank and credit card fees		0	13,179		13,179	13,179
Conferences and meetings		0	6,180		6,180	6,180
Computer expense		0	3,529		3,529	3,529
Festival entertainment	241,914	241,914			0	241,914
Festival/events logistics	823,120	823,120			0	823,120
Festival market	38,247	38,247			0	38,247
Fundraising expenses		0		222,468	222,468	222,468
Insurance		0	4,684		4,684	4,684
Legal and accounting		0	54,206		54,206	54,206
License and fees		0	20		20	20
Memberships		0	1,000		1,000	1,000
Office expense		0	4,291		4,291	4,291
Other expense	881	881	5,628		5,628	6,509
Parade	43,866	43,866			0	43,866
Postage and shipping		0	608		608	608
Programs	1,738	1,738			0	1,738
Public relations & publications	57,095	57,095	10,028		10,028	67,123
Rent		0	19,739		19,739	19,739
Supplies	2,300	2,300	2,348		2,348	4,648
Telephone		0	4,204		4,204	4,204
Travel		0	10,218		10,218	10,218
Volunteer coordination	32,736	32,736			0	32,736
Webmaster/Web Host	6,155	6,155			0	6,155
	<u>1,260,482</u>	<u>1,260,482</u>	<u>139,862</u>	<u>222,468</u>	<u>362,330</u>	<u>1,622,812</u>
	<u>\$ 1,402,047</u>	<u>\$ 1,402,047</u>	<u>\$ 200,238</u>	<u>\$ 267,838</u>	<u>\$ 468,076</u>	<u>\$ 1,870,123</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, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 59,204
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
(Increase) decrease in:	
Accounts receivable	(72,498)
Prepaid expenses	1,062
Increase (decrease) in:	
Accounts payable	7,414
POSE Scholarship	(461)
Accrued expenses	<u>1,743</u>
Net cash provided by operating activities	<u>(3,536)</u>
Net decrease in cash	(3,536)
CASH, at the beginning of the year	<u>418,112</u>
CASH, at the end of the year	<u><u>\$ 414,576</u></u>
SUPPLEMENTAL INFORMATION:	
Interest paid	<u><u>\$ 0</u></u>
Taxes paid	<u><u>\$ 0</u></u>

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

ATLANTA PRIDE COMMITTEE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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, 2019

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. \$90,600 for donated materials and \$208,250 for donated services have been reflected in the financial statements. The value of donated facilities amounted to \$29,190. 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 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, 2019

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, 2018, 2017 and 2016 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 of \$1,743 is included in the financial statements at December 31, 2019.

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, 2019 was \$19,739.

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

<u>Fiscal Year Ended</u>	<u>Amount</u>
2020	\$ 21,780
2021	12,852
2022	-0-
2023	-0-
2024	-0-

ATLANTA PRIDE COMMITTEE, INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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, 2019, the agency had an uninsured cash balance totaling \$187,689.

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 30, 2020, the date on which the financial statements were available to be issued.