

**BROOKLYN COMMUNITY
PRIDE CENTER, INC.**

*Financial Statements
For the year ended June 30, 2015*

BROOKLYN COMMUNITY PRIDE CENTER, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Brooklyn Community Pride Center, Inc.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying statements of financial position of Brooklyn Community Pride Center, Inc. (the "Organization") as of June 30, 2015, and the related statements of activities, statement of functional expenses, and cash flows and the related notes to the financial statements for the year then ended.

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.

AUDITOR'S 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 of material misstatements.

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 the 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 Brooklyn Community Pride Center, Inc. as of June 30, 2015, and the results of its activities and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Ellis Del Valle

Brooklyn, New York
December 23, 2015

BROOKLYN COMMUNITY PRIDE CENTER INC

STATEMENT OF FINANCIAL POSITION JUNE 30, 2015

ASSETS

Current Assets:		
Cash (Note B)	\$	49,744
Grant receivables (Note C)		93,827
Account receivable		19,022
Prepaid expense		<u>3,971</u>
Total Current Assets		166,564
Other Assets:		
Security deposit receivable		4,579
Net property and equipment (Note D)		<u>1,223</u>
Total Assets	\$	<u><u>172,366</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accrued expenses	\$	13,211
Loan and Exchange		<u>517</u>
Total Current liabilities		13,728
Net Assets:		
Unrestricted Net Assets		132,874
Temporarily Restricted Net Assets		<u>25,764</u>
Total Net Assets		<u>158,638</u>
Total Liabilities and Net Assets	\$	<u><u>172,366</u></u>

The accompanying notes are an integral part of the financial statements.

BROOKLYN COMMUNITY PRIDE CENTER INC

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenues:			
Foundation & Trust grants	\$ 106,034	\$ 10,966	\$ 117,000
Contributions and Sponsorships	25,776	-	25,776
In-Kind support	51,509	-	51,509
Special event income	84,582	4,798	89,380
Government grants	75,300	-	75,300
Other income	30,542	-	30,542
Releases from restrictions	<u>22,019</u>	<u>(22,019)</u>	<u>-</u>
Total Support and Revenues	\$ 395,762	\$ (6,255)	\$ 389,507
Expenses:			
Program services	289,114	-	289,114
Management and General	<u>82,883</u>	<u>-</u>	<u>82,883</u>
Total expenses	<u>371,997</u>	<u>-</u>	<u>371,997</u>
Change in net assets	23,765	(6,255)	17,510
Net assets unrestricted, at beginning of year	<u>109,109</u>	<u>32,019</u>	<u>141,128</u>
Net assets unrestricted, at end of year	<u>\$ 132,874</u>	<u>\$ 25,764</u>	<u>\$ 158,638</u>

The accompanying notes are an integral part of the financial statements.

BROOKLYN COMMUNITY PRIDE CENTER

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2015

	<u>Total</u>	<u>Program Services</u>		<u>Supporting Services</u>
		<u>Program Expenses</u>	<u>Special Events Expense</u>	<u>Management and General</u>
Accounting - Audit fees	\$ 5,152	\$ 500	\$ -	\$ 4,652
Accounting -Bookkeeping	8,111	2,028	-	6,083
Advertising & Promotions	5,027	2,127	2,900	-
Conferences & Meeting	813	-	813	-
Consulting Fees - In-Kind	5,800	-	5,800	-
Consulting & Professional fees	27,399	5,900	21,499	-
Bank charges	20	20	-	-
Data & Payroll processing fees	4,550	2,207	2,343	-
Depreciation expense	816	-	-	816
Employee benefit	7,554	7,554	-	-
Equipment rental	1,596	1,596	-	-
Filing. fees	75	75	-	-
Insurance	3,505	2,284	600	621
Legal fees -In-Kind	26,581	-	-	26,581
Maintenance & Renovation	52	52	-	-
Meals & Entertainments	4,092	1,126	2,882	84
Memberships & Subscriptions	1,643	891	-	752
Rent	43,506	12,245	16,034	15,227
Payroll taxes & Fringe benefit	15,311	12,750	-	2,561
Postage & Messenger	900	900	-	-
Printing & Photocopying	4,253	1,487	2,766	-
Salary & Wages	166,633	146,931	-	19,702
Special event - In-Kind	19,128	-	19,128	-
Special event expense	3,598	-	3,598	-
Supplies & Office supplies	2,615	800	-	1,815
Staff training	1,275	1,275	-	-
Travel	5,837	3,221	2,616	-
Utilities & Telephone	5,549	1,560	-	3,989
Workers' Comp. & Disability	606	606	-	-
Total expenses	<u>\$ 371,997</u>	<u>\$ 208,135</u>	<u>\$ 80,979</u>	<u>\$ 82,883</u>

The accompanying notes are an integral part of the financial statements.

BROOKLYN COMMUNITY PRIDE CENTER INC

STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2015

Cash flows from operating activities:

Change in net assets	\$	17,510
Depreciation expense		816
Adjustment to reconcile change in net assets to net cash used by operating activities:		
Increase in grant receivable		(43,327)
Increase in account receivable		(18,758)
Decrease in prepaid expense		25
Decrease in account payable		(18,025)
Increase in accrued expense		8,211
Increase in loan and exchange		<u>517</u>
Net cash provided by operating activities		<u>(53,031)</u>
Net decrease in cash and cash equivalents		(53,031)
Cash and cash equivalents at beginning of year		<u>102,775</u>
Cash and cash equivalents at end of year	\$	<u><u>49,744</u></u>

No Supplemental Disclosure of Cash Flows Information

The accompanying notes are an integral part of the financial statements.

BROOKLYN COMMUNITY PRIDE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Brooklyn Community Pride Center, Inc. (BCPC) was organized as a not-for-profit corporation pursuant to the provisions of the Not-For-Profit Corporation Law of the State of New York. The purpose of the Brooklyn Community Pride Center, Inc. is to create, form, and establish a community center for the benefit of the lesbian, gay, bisexual and transgender community and any other interested individuals.

Incorporated in 2008, and granted 501(c)(3) status in 2009, the BCPC operated out of Brooklyn Borough Hall beginning in September 2009. In June 2013, the Organization moved to an interim location on 4 Metrotech, Ground Floor, Brooklyn, New York. This allows BCPC to bring more comprehensive and essential social service delivery and community-building partnerships to Brooklyn's LGBTQ citizens. Special emphasis has been placed on issues concerning youth, transgendered individuals, seniors and the HIV+ populations of the borough.

At present, the BCPC offers programs and events for the LGBTQ community including peer support service for youth, seniors, and trans persons; art and cultural programming celebrating the LGBTQ community; an affirming space for other organizations to provide a variety of services to the community. Our work expands the quantity and quality of LGBTQ services in the community and strengthens our community from the inside out.

Mission Statement

The mission of the Brooklyn Community Pride Center is to provide a safe, common space offering physical and mental health services, social support, recreational and cultural programming, as well as being a hub of information for lesbian, gay, bisexual and transgender individuals and families in Brooklyn.

Method of Accounting

The financial statements of the Organization have been prepared on the accrual basis in accordance with U.S. generally accepted accounting principles (GAAP). The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) is the source of authoritative GAAP. Revenues are recorded when earned and expenses are recorded when materials are received or services are provided. Expenses incurred at fiscal year-end have been accrued, and expenses applicable to future periods have been deferred.

BROOKLYN COMMUNITY PRIDE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation

The Organization is required to report information regarding its financial position and activities to three classes of net assets: unrestricted, temporarily restricted and permanently restricted depending on the existence and/or nature of any donor restrictions. As of June 30, 2015, the Organization had unrestricted net assets and temporarily restricted net assets. Unrestricted net assets include contributions and other funding sources not subject to donor imposed stipulations. Temporarily restricted net assets include contributions that have restrictions on its use and are subject to donor stipulations.

Use of Estimate in the Preparation of Financial Statements

The preparation of financial statements in conformity with the accrual basis of accounting requires management of the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenues and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Fair Value of Financing Instruments

The carrying amounts of cash, note receivable, prepaid expenses, property and equipment and accounts payable approximate fair value because of the short-term maturity of these financial instruments.

Property and Equipment

Property and equipment are recorded at original cost at the date of acquisition or the fair market value at the date of donation in the case of gifts. Depreciation is calculated using the income tax method which does not materially differ from the accrual method. Office equipment is being depreciated over three years.

Gifts-in-Kind (Non-Cash Contribution)

The Organization periodically receives contributions in a form other than cash or investments. If the Organization receives a non-cash contribution, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Organization's capitalization policy. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed.

Revenue and Support

Contributions and grants (support) received is recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor restrictions.

BROOKLYN COMMUNITY PRIDE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Support (continued)

Support that is restricted by the donor is recorded as an increase in unrestricted net assets if the restriction expires within the reporting period in which the support is recorded. 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 expires or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets.

Contributions to the Organization are recognized as revenue in the accompanying statements of activities upon receipt either of cash or other assets or of unconditional pledges.

Government contracts are on cost-reimbursement basis. Revenue is recognized as the service is performed up to the maximum amount allowed by the contract.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain expenses have been allocated among the programs and supporting services in reasonable ratios determined by management.

Grant receivable

The Organization considers government contracts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If amount become uncollectable, they will be charged to operations when that determination is made.

NOTE B. CASH AND CASH EQUIVALENTS

The Organization has one checking account and a saving account with TD bank, New York. The Corporation's bank balances are insured up to \$250,000 in the aggregate by the Federal Deposit Insurance Corporation (the "FDIC"), an independent agency of the United States government, per depositor, per insured bank.

The Organization's cash balances net of reconciling items as of June 30, 2015 are as follows:

TD Bank (checking)	\$	39,244
TD Bank (saving)		10,000
Petty cash		<u>500</u>
Total cash and cash equivalent:	\$	<u>49,744</u>

The Organizations cash balances were fully FDIC insured as of June 30, 2015.

BROOKLYN COMMUNITY PRIDE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE C. GRANT RECEIVABLES

At June 30, 2015, grant receivables consisted of the following:

Receivable from NYC Department for the Aging	\$ 25,500
Receivable from NYC Department of Youth and Community Development	67,167
Receivable from NYC Department of Cultural Affairs	1,160
Total Grant receivables	<u>\$ 93,827</u>

NOTE D. NET PROPERTY AND EQUIPMENT

Property and equipment are carried at cost less applicable accumulated depreciation.

Office equipment	\$ 2,447
Less: accumulated depreciation	<u>(1,224)</u>
	<u>\$ 1,223</u>

Current year depreciation expense is \$816.

NOTE E. RESTRICTIONS ON NET ASSETS

As of June 30, 2015, the organization has restricted temporarily net assets of \$25,764, of which \$10,966 was stipulated by the donors for salaries, wages, and related overhead expenses for interns and \$4,798 was restricted for Out Summer Leaders program. In addition, the Organization holds \$10,000 as a capital fund contribution from previous year.

NOTE F. IN-KIND CONTRIBUTIONS

In-Kind contributions are recorded where there is an objective basis upon which to value these contributions and where these services are an essential part of the Organization's activities. These amounts are recognized as both support and expense in the accompanying financial statements. For the years ending June 30, 2015 in-kind contributions amounted \$51,509. These amounts consisted mainly of special event and legal fees expenses.

BROOKLYN COMMUNITY PRIDE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE G. VOLUNTEER SERVICES

The volunteer services the Organization receives are essential to helping the Organization fulfill its mission. Although substantial, these services do not meet the criteria for recording as revenue and expense under accounting principles generally accepted in the United State of America.

NOTE H. FEDERAL AND STATE TAXES

The Organization is exempt from federal and state income taxes under Section 501(a) of the Internal Revenue Code (the Code) as an organization described in Section 501(c)(3) of the Code. Accordingly, the financial statements do not include an income tax provision, except for certain taxable transactions.

The Organization has adopted the provisions of FASB ASC 740 (*formerly FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes – An Interpretation of FASB Statement N. 109 ("Fin 48")*). Under ASC 740, the Organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. The adoption of ASC 740 had no impact on the Organization's financial statements. Management of the Organization does not believe there are any material uncertain tax positions and accordingly has not recognized any liability for unrecognized tax benefits. Additionally, the Organization has filed Internal Revenue Service Form 990 tax returns as required and all other applicable returns in those jurisdictions where it is required. For the year ended June 30, 2015, there was no interest or penalties recorded on included in the statement of activities and changes in net assets.

There are no earnings from unrelated business activities. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

NOTE I. SUBSEQUENT EVENTS

The Organization has reviewed for subsequent events through December 23, 2015, the date the financial statements were available to be issued.

No subsequent events were identified.

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