

**QUEENS LESBIAN AND GAY COMMUNITY CENTER, INC.
DBA QUEENS PRIDE HOUSE
(A NOT FOR PROFIT CORPORATION)
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2010**

Fernando Gomez

Certified Public Accountant & Consultant

Auditor's report

To the Board of Directors
Queens Lesbian and Gay Community Center, Inc.
DBA Queens Pride House
Queens, New York

I have audited the accompanying statement of financial position of Queens Lesbian and Gay Community Center, Inc., DBA Queens Pride House (a not-for-profit corporation) as of December 31, 2010, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Queens Lesbian and Gay Community Center, Inc. as of December 31, 2010, and the results of its activities and its cash flows for the year then ended in conformity with generally accepted accounting principles.



Fernando Gomez
Certified Public Accountant

February 15, 2011

**QUEENS LESBIAN AND GAY COMMUNITY CENTER, INC.
 DBA QUEENS PRIDE HOUSE
 (A NOT FOR PROFIT CORPORATION)
 STATEMENT OF FINANCIAL POSITION
 DECEMBER 31, 2010**

Assets	
Current assets	
Cash	\$ 15,658
Grants and accounts receivable, net	68,864
Prepaid expenses	2,271
Total current assets	86,793
Fixed assets	
Equipment and leasehold improvements	90,397
Less: accumulated depreciation	26,136
Net fixed assets	64,261
Other assets	
Security deposits	7,898
Total other assets	7,898
Total assets	\$ 158,952

Liabilities and Net Assets	
Current liabilities	
Accounts payable and accrued expenses	\$ 12,080
Advances	23,310
Loans payable	15,000
Total current liabilities	50,390
Total liabilities	50,390
Net assets	
Unrestricted	108,562
Total net assets	108,562
Total liabilities and net assets	\$ 158,952

See the auditor's report, the summary of significant accounting policies, and the accompanying notes to the financial statements

QUEENS LESBIAN AND GAY COMMUNITY CENTER, INC.
DBA QUEENS PRIDE HOUSE
(A NOT FOR PROFIT CORPORATION)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

Support and revenue	
Government contracts and grants	\$ 215,410
Corporate contracts and grants	43,205
Foundation grants	27,345
Individual and event contributions	10,409
Sub-rental income	25,030
Miscellaneous Revenue	<u>2,406</u>

Total revenue **323,805**

Expenses

Personnel expenses

Salaries	127,982
Payroll taxes	10,791
Health, workers comp, unemp & disab insurance	13,315

Non-personnel expenses

Rent	46,643
In-Kind services	16,425
General liability insurance	3,580
Telephone & internet	4,918
Utilities	5,184
Dues & registration	3,496
Office supplies, postage, printing	9,540
Promotion & fundraising expense	1,258
Conference & travel	3,660
Group meeting expense	8,345
Other program expense	10,069
Professional fees	7,500
Depreciation expense	8,033
Consultants & stipends	10,898
Interest and bank charges	2,658
Repairs & Maintenance	6,646

Total expenses **300,941**

Increase in net assets	22,864
Net assets, beginning of year	85,698

Net assets, end of year **\$ 108,562**

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QUEENS LESBIAN AND GAY COMMUNITY CENTER, INC.
DBA QUEENS PRIDE HOUSE
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

Cash flows from operating activities	
Increase in net assets	\$ 22,864
Adjustments to reconcile net income to net cash provided by	
Operating activities	
Depreciation	8,033
Changes in operating assets and liabilities	
Increase in grants and accounts receivable	(6,178)
Increase in prepaid expenses	(121)
Decrease in accounts payable, acc.expenses	(6,013)
Increase in advances	5,911
Decrease in officer loans	(6,000)
Net cash provided by operating activities	18,496
Cash flows from investing activities	
Capital expenditures	(15,814)
Net cash used in investing activities	(15,814)
Cash flows from financing activities	
Increase in loans payable	5,298
Net cash generated by financing activities	5,298
Increase in cash and cash equivalents	
Cash and cash equivalents, beginning of year	7,678
Cash and cash equivalents, end of year	\$ 15,658

See the auditor's report, the summary of significant accounting policies, and the accompanying notes to the financial statements

**QUEENS LESBIAN AND GAY COMMUNITY CENTER, INC.
DBA QUEENS PRIDE HOUSE
(A NOT FOR PROFIT CORPORATION)
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Queens Lesbian and Gay Community Center, Inc., DBA Queens Pride House (“the Organization”), was formed in order to provide education and services to the lesbian and gay community in the Queens, New York area. The Organization is a not-for-profit corporation organized under the laws of the State of New York.

Basis of accounting

The Organization prepares its financial statements on the accrual basis of accounting. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

The financial statements are presented in accordance with Statements of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*, which requires the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted 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 temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, that is, when a stipulation time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash and cash equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents are carried at cost, which approximates market value.

See the auditor’s report and the accompanying notes to the financial statements.

QUEENS LESBIAN AND GAY COMMUNITY CENTER, INC.
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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Fixed assets are stated at cost. Depreciation is computed using straight line methods over the following estimated useful lives:

<i>Description</i>	<i>Estimated useful life</i>
Office equipment	7 years
Leasehold improvements	27.5 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results may differ from these estimates.

Income taxes

In accordance with Internal Revenue Code 501 (c) (3), the Organization is exempt from corporate income taxes.

See the auditor's report and the accompanying notes to the financial statements.

**QUEENS LESBIAN AND GAY COMMUNITY CENTER, INC.
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NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – RENTAL FACILITIES

The Organization rents office space under a lease that expires on June 30, 2011. Rent expense for the year amounted to \$46,643. In addition, the Organization subleases part of the office space to other organizations. Sub-rental income for the year amounted to \$25,030.

Prior to the expiration of the current rental lease agreement, the organization has the option to renew the term of the lease agreement for a period of five years. The annual rental rate for the renewal period shall be the annual rental rate at the renewal date increased by five percent for the first year and 5 percent for every year thereafter.

NOTE 2 – CONTINGENT LIABILITIES

The minimum annual rent obligations are as follows:

\$23,634 for the period January 1, 2011 to June 30, 2011

NOTE 3 – LOANS PAYABLE

The Organization has a \$20,000 cash flow loan agreement with the Fund for the City of New York. The loan agreement calls for borrowings, up to the loan limit of \$20,000, to be repaid within three months from the date of receipt of the loan. The loan is subject to a service charge of one and one-half percent of its principal amount. As of December 31, 2010, the balance outstanding of this loan is \$10,000.

The organization has a revolving line of credit with Chase Bank. The line of credit allows for borrowings up to \$15,000 to be repaid on a monthly basis at an interest rate equal to the prime rate plus 2.15 percentage points. The Organization has provided the lender a security interest on the assets of the Organization as collateral on the line of credit. As of December 31, 2010, the balance outstanding on this line of credit is \$5,000.

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