

**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, 2009**

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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, 2009, 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, 2009, 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

June 22, 2010

**QUEENS LESBIAN AND GAY COMMUNITY CENTER, INC.
DBA QUEENS PRIDE HOUSE
(A NOT FOR PROFIT CORPORATION)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009**

Assets	
Current assets	
Cash	\$ 7,678
Grants and accounts receivable, net	62,686
Prepaid expenses	2,150
Total current assets	72,514
Fixed assets	
Equipment and leasehold improvements	74,583
Less: accumulated depreciation	18,103
Net fixed assets	56,480
Other assets	
Security deposits	7,898
Total other assets	7,898
Total assets	\$ 136,892

Liabilities and Net Assets	
Current liabilities	
Accounts payable and accrued expenses	\$ 18,093
Advances	17,399
Officer loans	6,000
Loans payable	9,702
Total current liabilities	51,194
Total liabilities	51,194
Net assets	
Unrestricted	85,698
Total net assets	85,698
Total liabilities and net assets	\$ 136,892

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, 2009**

Support and revenue	
Government contracts	\$ 277,421
Grants and contributions	38,308
Sub-rental income	<u>20,312</u>
Total revenue	336,041
Expenses	
Salaries	122,717
Rent	45,222
Insurance	3,870
Telephone	2,739
Utilities	5,680
Advertising and promotion	10,907
Payroll taxes	9,388
Office expense	19,015
Professional fees	7,500
Depreciation expense	6,969
Consulting fees	47,786
Unemployment insurance	3,492
Workers compensation insurance	1,359
Postage, shipping	1,762
Printing and copying	8,210
Total expenses	296,616
Increase in net assets	39,425
Net assets, beginning of year	46,273
Net assets, end of year	\$ 85,698

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QUEENS LESBIAN AND GAY COMMUNITY CENTER, INC.
DBA QUEENS PRIDE HOUSE
(A NOT FOR PROFIT CORPORATION)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009

Cash flows from operating activities	
Increase in net assets	\$ 39,425
Adjustments to reconcile net income to net cash provided by Operating activities	
Depreciation	6,969
Changes in operating assets and liabilities	
Decrease in grants and accounts receivable	14,320
Decrease in prepaid expenses	3,141
Decrease in accounts payable, acc.expenses	(25,475)
Increase in advances	12,399
Decrease in officer loans	(4,785)
Decrease in security deposits	(3,151)
Net cash provided by operating activities	42,843
Cash flows from investing activities	
Capital expenditures	(45,321)
Net cash used in investing activities	(45,321)
Cash flows from financing activities	
Increase in bank loans	9,702
Net cash generated by financing activities	9,702
Decrease in cash and cash equivalents	7,224
Cash and cash equivalents, beginning of year	454
Cash and cash equivalents, end of year	\$ 7,678

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**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 \$45,222. In addition, the Organization subleases part of the office space to other organizations. Sub-rental income for the year amounted to \$20,312.

NOTE 2 – CONTINGENT LIABILITIES

The minimum annual rent obligations are as follows:

\$46,578 for the period January 1, 2010 to December 31, 2010

\$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. There is no outstanding principal balance at December 31, 2009.

The organization has a revolving line of credit with Chase Bank. The line of credit allows for borrowings up to \$10,000 to be repaid on a monthly basis at an interest rate determined by the lender. The Organization has provided to the lender a security interest on the assets of the Organization as collateral on the line of credit. As of December 31, 2009, the balance outstanding on this line of credit is \$9,702.