

**ATLANTA PRIDE COMMITTEE, INC.**

**FINANCIAL STATEMENTS**

**WITH**

**INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2020**

**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, 2020, 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, 2020, 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 Kennenore, CPA, LLC*

Alpharetta, Georgia

September 8, 2021



ATLANTA PRIDE COMMITTEE, INC.  
STATEMENT OF FINANCIAL POSITION

December 31, 2020

ASSETS

Cash	\$ 471,559
Accounts receivable, net of allowance for doubtful accounts of \$-0-	88,000
Prepaid expenses	27,934
Property & equipment, net at cost	<u>0</u>
Total assets	<u>\$ 587,493</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable and accrued expenses	\$ 22,713
Accrued leave	3,172
Deferred income	63,975
PPP loan	46,142
EIDL loan	<u>150,000</u>
Total liabilities	286,002

COMMITMENTS

NET ASSETS:

Without donor restrictions	301,491
With donor restrictions	<u>0</u>
Total net assets	<u>301,491</u>
Total liabilities and net assets	<u>\$ 587,493</u>

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

ATLANTA PRIDE COMMITTEE, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

SUPPORT AND REVENUES:	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Support:</u>			
Contributions	\$ 51,942	\$	\$ 51,942
Total support	<u>51,942</u>	<u>0</u>	<u>51,942</u>
<u>Revenues:</u>			
Festival grants, sponsorship and related activities	275,250		275,250
Pride Market income	18,750		18,750
Parade income	27,378		27,378
Program income	2,835		2,835
Investment income	1,110		1,110
Other income	2,001		2,001
Total revenues	<u>327,324</u>	<u>0</u>	<u>327,324</u>
Total support and revenues	<u>379,266</u>	<u>0</u>	<u>379,266</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>379,266</u>	<u>0</u>	<u>379,266</u>
<u>EXPENSES:</u>			
<u>Program Services:</u>			
Program services	<u>326,837</u>		<u>326,837</u>
Total program services	<u>326,837</u>	<u>0</u>	<u>326,837</u>
<u>Supporting Services:</u>			
General and administrative	149,102		149,102
Fund raising	<u>75,955</u>		<u>75,955</u>
Total supporting services	<u>225,057</u>	<u>0</u>	<u>225,057</u>
Total expenses	<u>551,894</u>	<u>0</u>	<u>551,894</u>
Change in net assets	(172,628)	0	(172,628)
Net assets, beginning of year - restated	474,119	0	474,119
Net assets, end of year	<u>\$ 301,491</u>	<u>\$ 0</u>	<u>\$ 301,491</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, 2020

	Program Services		Supporting Services			Totals
	Program Services	Total Program Services	General and Administrative	Fund Raising	Total Supporting Services	
Salaries	\$ 68,988	\$ 68,988	\$ 44,543	\$ 45,939	\$ 90,482	\$ 159,470
Fringe benefits	10,265	10,265	7,319	6,991	14,310	24,575
Payroll taxes	7,435	7,435	5,300	5,065	10,365	17,800
	86,688	86,688	57,162	57,995	115,157	201,845
Art and graphics		0			0	0
Bank and credit card fees		0	4,801		4,801	4,801
Conferences and meetings		0	2,884		2,884	2,884
Computer expense	20,195	20,195			0	20,195
Festival entertainment		0			0	0
Festival/events logistics	122,610	122,610	20,177	2,460	22,637	145,247
Festival market		0			0	0
Fundraising expenses		0		15,500	15,500	15,500
Insurance	1,966	1,966	2,616		2,616	4,582
Legal and accounting		0	14,425		14,425	14,425
License and fees		0	30		30	30
Memberships		0	2,486		2,486	2,486
Office expense		0	7,885		7,885	7,885
Other expense		0	5,561		5,561	5,561
Payroll service fee		0			0	0
Parade		0			0	0
Postage and shipping		0	1,842		1,842	1,842
Programs	1,030	1,030	1,073		1,073	2,103
Public relations & publications	71,453	71,453			0	71,453
Rent	12,648	12,648	21,407		21,407	34,055
Supplies	2,983	2,983			0	2,983
Telephone		0	4,943		4,943	4,943
Travel		0	1,810		1,810	1,810
Volunteer coordination	623	623			0	623
Webmaster/Web Host	6,641	6,641			0	6,641
	240,149	240,149	91,940	17,960	109,900	350,049
	\$ 326,837	\$ 326,837	\$ 149,102	\$ 75,955	\$ 225,057	\$ 551,894

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

ATLANTA PRIDE COMMITTEE, INC.  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (172,628)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
(Increase) decrease in:	
Accounts receivable	13,748
Prepaid expenses	(27,934)
Increase (decrease) in:	
Accounts payable	15,299
Accrued expenses	1,429
Deferred income	<u>63,975</u>
Net cash provided (used) by operating activities	<u>(106,111)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from PPP note payable	46,142
Proceeds from EIDL note payable	<u>150,000</u>
Proceeds from financing activities	<u>196,142</u>
Net increase in cash	90,031
CASH, at the beginning of the year, restated	<u>381,528</u>
CASH, at the end of the year	<u><u>\$ 471,559</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, 2020

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, 2020

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. APC receives donated services from a variety of unpaid volunteers who assist the agency in providing program services. No amounts have been reflected in the statement of activity because the criteria for recognition of such volunteer effort have not been satisfied. 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.

Accounts Receivable

Accounts receivable is stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of contractors to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

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, 2020

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, 2019, 2018 and 2017 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 \$3,172 is included in the financial statements on December 31, 2020.

5. COMMITMENTS

The agency leases general office space under an operating lease. The space lease began on 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, 2020 was \$21,407.

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

<u>Year Ended</u>	<u>Amount</u>
2021	\$ 12,852
2022	-0-
2023	-0-
2024	-0-
2025	-0-

ATLANTA PRIDE COMMITTEE, INC.  
NOTES TO FINANCIAL STATEMENTS

December 31, 2020

6. DEBT OBLIGATIONS

On April 28, 2020, the agency was granted a loan from PayPal through WebBank in the amount of \$46,142, pursuant to the Paycheck Protection Program (the PPP). PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES) provided loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable after eight weeks if the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminated employees or reduce salaries during the eight-week period.

On May 13, 2021, the agency received notice that the PPP loan was forgiven, subject to conditions, in accordance with SBA regulations.

On June 30, 2020, the agency received a \$150,000 Economic Injury and Disaster Loan (EIDL) from the Small Business Administration at an interest of 2.75% per annum. The loan term is 30 years with the first payment due one year after the date of the loan. The loan is secured by of the assets of the agency.

Future scheduled maturities of long-term debt are as follows:

<u>Year Ended</u>	<u>Amount</u>
2021	\$ 1,621
2022	3,309
2023	3,402
2024	3,496
2025	3,594

7. COVID RESPONSE

The agency was not considered an essential business and as such, suspended program activities in 2020. The 2020 Festival and Pride events were cancelled. The agency met all guidelines set out by the CDC. Surfaces were kept clean and sanitized, face covering were provided and worn, and sanitizer was provided to all employees and visitors. Temperatures were taken regularly to minimize the spread of the disease. Employees who could, were allowed to work from home.

As noted above, the agency received a PPP loan and an Economic Injury Disaster Loan (EIDL) under federal programs designed to support small business and nonprofit organizations during the pandemic.

ATLANTA PRIDE COMMITTEE, INC.  
NOTES TO FINANCIAL STATEMENTS

December 31, 2020

8. DEFERRED REVENUE

During the year ending December 31, 2020, sponsors paid fees to sponsor the 2020 Pride Festival and Events. The 2020 Festival was cancelled due to the COVID pandemic. These sponsors elected to have their sponsorship fees paid applied to the 2021 Pride Festival and Parade. Traditionally, the agency has not had deferred revenue as sponsorship fees are applicable to current year only. Deferred revenue on December 31, 2020 is \$63,975.

9. 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. On December 31, 2020, the agency had an uninsured cash balance totaling \$77,741.

10. NET ASSETS RESTATEMENT

In the prior year, errors were made in recording cash disbursements. The result was that 2019 ending cash balance was overstated by \$33,048 and 2019 net assets was overstated by \$33,048. Had the entries been correctly recorded 2019 expenses would have increased by \$33,048. 2020 beginning balances were restated to correct the balances.

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 8, 2021, the date on which the financial statements were available to be issued.