



Metro DC Community Center, Inc.

(a not-for-profit organization)

Financial Statements

For the Years Ended December 31, 2014 and 2013

**Turner, Leins & Gold, LLC**  
**Certified Public Accountants**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Metro DC Community Center Inc.  
Washington, DC

We have audited the accompanying financial statements of Metro DC Community Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and cash flows for the years 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 misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 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, 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 audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Metro DC Community Center as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Turner Lewis Gold LLC".

Vienna, Virginia  
November 30, 2015

**Metro DC Community Center, Inc.**  
**Statement of Financial Position**  
**As of December 31st**

	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 112,310	\$ 102,506
Accounts receivable, net of allowance for uncollectible accounts of \$12,598	-	-
Total current assets	112,310	102,506
<b>PROPERTY AND EQUIPMENT:</b>		
Furniture and fixtures	12,279	7,860
Equipment	5,163	5,163
Computer equipment	45,852	33,346
Total property and equipment	63,294	46,369
Less: accumulated depreciation	(36,224)	(32,985)
Total property and equipment, net	27,070	13,384
Total assets	\$ 139,380	\$ 115,890
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 17,383	\$ 14,367
Payroll taxes payable	902	743
Agent liabilities	38,772	-
Total current liabilities	57,057	15,110
Total liabilities	57,057	15,110
<b>NET ASSETS</b>		
<b>NET ASSETS:</b>		
Unrestricted	82,323	100,780
TOTAL NET ASSETS	82,323	100,780
TOTAL LIABILITIES AND NET ASSETS	\$ 139,380	\$ 115,890

*See accompanying notes*

**Metro DC Community Center, Inc.**

**Statements of Activities**

**For the Years Ended December 31st**

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	<u>2014</u>	<u>2013</u>
SUPPORT AND REVENUE:		
Grants and contributions	\$ 295,134	\$ 240,613
Other revenue	25,766	18,243
Special events income	42,172	25,498
Investment income	63	34
Net assets released	-	24,168
	<hr/>	<hr/>
TOTAL SUPPORT AND REVENUE	363,135	308,556
	<hr/>	<hr/>
EXPENSES:		
Program services	286,224	176,974
General and administrative	81,771	81,692
Fundraising	13,597	7,753
	<hr/>	<hr/>
TOTAL EXPENSES	381,592	266,419
	<hr/>	<hr/>
CHANGE IN UNRESTRICTED NET ASSETS	(18,457)	42,137
TEMPORARY RESTRICTED NET ASSETS		
Grants and contributions	-	-
Net assets released from restriction	-	(24,168)
	<hr/>	<hr/>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	-	(24,168)
CHANGE IN PERMANENTLY RESTRICTED NET NET ASSETS	<hr/>	<hr/>
	-	-
CHANGE IN NET ASSETS	(18,457)	17,969
NET ASSETS		
Beginning of the year	<hr/>	<hr/>
	100,780	82,811
NET ASSETS		
End of the year	<hr/> <hr/>	<hr/> <hr/>
	\$ 82,323	\$ 100,780

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*See accompanying notes*

**Metro DC Community Center, Inc.**  
**Statement of Cash Flows**  
**For the Years Ended December 31**

	<b>2014</b>	<b>2013</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	(\$18,457)	\$17,969
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,239	2,686
Decrease in:		
Receivables	-	18,017
Grant receivable	-	30,000
Security Deposit		2,500
Increase in:		
Accounts payable and accrued expenses	3,016	3,952
Payroll taxes payable	159	106
Agent liabilities	38,772	-
Net cash provided by operating activities	26,729	75,230
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of assets	(16,925)	(3,619)
Net cash (used) by investing activities	(16,925)	(3,619)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	-
<b>NET INCREASE IN CASH</b>	9,804	71,611
CASH, beginning of year	102,506	30,895
CASH, end of year	\$ 112,310	\$ 102,506
<b>CASH PAID DURING THE YEAR FOR:</b>		
Interest	\$ 145	\$ -
Income taxes	\$ -	\$ -

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*See accompanying notes*

**Metro DC Community Center, Inc.**  
**Notes to Financial Statements**  
**For the Years Ending December 31, 2014 and 2013**

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**NOTE 1 – PURPOSE AND PROGRAMS**

**Center’s Purpose:**

The Metro DC Community Center, Inc. (the “Center”) was founded in 2002 to celebrate, strengthen, and support community among the lesbian, gay, bi-sexual and trans-gendered (LGBT) residents and organizations of Metropolitan Washington, DC. It supports the community’s diverse cultural, artistic, social, recreational, spiritual, educational, and civic interests by developing and implementing its own programs, providing communal resources, space for partner organizations, and connecting people and external community-based organizations with each other.

**The Center has the following programs to accomplish its mission:**

**DC Health Link:**

Working with DC Health Link, staff members helped residents of the District of Columbia learn about the Affordable Care Act and sign up for health insurance, and increase awareness of HIV risks, tobacco risks and other health issues.

**GLOV:**

The mission of GLOV is to work to reduce violence against LGBT individuals and those perceived to be LGBT. Activities of GLOV include: monthly organizing meetings, community town hall awareness events, police officer trainings, monitoring of criminal cases, and presenting testimony at sentencing hearings in bias-crime cases. During 2014, GLOV launched a 24/7 LGBTQ violence prevention and response team and held twenty four organizational meetings, five community presentations, and six outreach events.

**Other Programs:**

General program expenses includes costs associated with ongoing smaller programs at the Center including several support and discussion groups that meet monthly or weekly at the Center. This includes: Center Aging, Center Bi, Center Women, Center Trans, Genderqueer DC, Poly Discussion Group, Women in their Twenties, and Gay District.



**Metro DC Community Center, Inc.**  
**Notes to Financial Statements**  
**For the Years Ending December 31, 2014 and 2013**

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES AND PURPOSE**

**Basis of Accounting:**

The Center prepares its financial statements on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles of the United States of America. Revenues are recognized in the period in which they are earned; expenses are recognized in the period in which they are incurred.

**Classes of Net Assets:**

To ensure the observance of limitations and restrictions placed on the use of resources available to the Center, resources are classified for accounting purposes into classes established according to their nature and purpose. The net assets of the Center are divided into three classes: unrestricted, temporarily restricted, and permanently restricted:

Unrestricted Net Assets include all contributions other than endowments that are available for various activities, including:

- Operational and administrative functions.
- Support of community activities and charitable activities at the discretion of the Board of Directors.
- Contributions with donor-imposed restrictions that are met during the same year as the contribution is made are included in unrestricted support that increases unrestricted net assets.

Temporarily Restricted Net Assets represents contributions that are subject to donor-imposed restrictions, either for a specific purpose or subject to the passage of time. Temporarily restricted amounts also include earnings on permanently restricted endowments that are absent of explicit donor stipulations and that have not yet been appropriated for expenditure by the Center. When the restriction expires, the net assets of this fund are reclassified to unrestricted net assets.

**Metro DC Community Center, Inc.**  
**Notes to Financial Statements**  
**For the Years Ending December 31, 2014 and 2013**

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES AND PURPOSE-(continued)**

**Classes of Net Assets-(continued):**

Permanently Restricted Net Assets represent those assets contributed to the Center where the original dollar value is to remain in perpetuity as a permanent endowment of the Center. Income derived from, and appreciation of these funds, fall under the variance power of the Center and are available as unrestricted funds, but not the expenditure or disbursement of the original donation. Accordingly, the Center records such amounts as a component of permanently restricted net assets.

It is also the Center's policy that permanently restricted net assets are reported at their original value at the time of the donation. Management keeps the original donation and realized and unrealized gains and losses on those assets linked for determining the fair value of the fund for administrative purposes. Investment income and realized and unrealized gains and losses on those assets are recorded as temporarily restricted assets until appropriated, and do not impact the amount of the permanently restricted assets.

As of December 31, 2014 and 2013, temporarily restricted net assets were \$0, respectively. As of December 31, 2014 and 2013, permanently restricted net assets were \$0, respectively.

**Use of Estimates:**

The preparation of financial statements in conformity with U.S. 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 reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents:**

The Center considers all assets held by depository institutions to be cash equivalents unless they are held as part of the long term investments of an endowment. At times the Center may at times have deposits in excess of the federally insured limit of \$250,000. Management believes the risk from deposits in excess of insured limits to be minimal.

**Metro DC Community Center, Inc.**  
**Notes to Financial Statements**  
**For the Years Ending December 31, 2014 and 2013**

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES AND PURPOSE-(continued)**

**Pledges Receivable:**

When a donor unconditionally promises to contribute funds to the Center in future periods, the Center recognizes a pledge receivable. Pledges expected to be collected within one year are recorded as support and a receivable at net realizable value. Pledges expected to be collected in future years are recorded as support and a receivable to the present value of expected future cash flows. Discount on those amounts are computed using interest rates applicable to the years in which the promises are received. Amortization of discounts is included in contribution revenue. Conditional promises to give are not included as support until conditions are substantially met.

**Property and Equipment:**

Purchased property and equipment are stated at cost; donated assets are valued at their estimated fair value on the date donated. Gifts of property and equipment with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire property and equipment are reported as temporarily restricted support. Absent explicit donor stipulations about how those assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service.

All assets are depreciated over estimated useful lives on a straight line basis. Repairs and maintenance and small equipment purchases are expensed as incurred. Expenditures that significantly increase asset values or extend useful lives are capitalized. Acquisitions of property and equipment in excess of \$500 that meet the capitalization requirements are capitalized. Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and gains or losses are included in the statement of activities.

The useful lives of the assets presented range from five (5) to seven (7) years. Depreciation for the period ending December 31, 2014 and 2013 was \$3,239 and \$2,686, respectively.

**Metro DC Community Center, Inc.**  
**Notes to Financial Statements**  
**For the Years Ending December 31, 2014 and 2013**

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES AND PURPOSE-(continued)**

**Contributions:**

All contributions are available for unrestricted use unless specifically restricted by the donor. All pledges receivable and amounts received that are donor restricted for future periods or donor restricted for specific purposes are reported as temporarily or permanently restricted, depending upon the nature of the restriction. Temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restriction when the donor stipulated time restrictions ends or the purpose restriction is accomplished by the Center. All gifts granted to the Center are recorded at fair value at the time of the receipt.

**Contributed Services:**

Contributed services are recorded in the financial statements to the extent that those services create or enhance a non-financial asset or meet the following criteria:

- The service requires specialized skills.
- The service is provided by individuals who possess those skills
- The service would typically need to be purchased if not contributed.

For the year ended December 31, 2013, there were no amounts that met the criteria for recognition as described above, despite the considerable value of donated time by volunteers to the mission of the Center.

**Administrative and Management Fees:**

Custodian, investment, administrative, and management fees are recognized in the fiscal year in which they occur.

**Metro DC Community Center, Inc.**  
**Notes to Financial Statements**  
**For the Years Ending December 31, 2014 and 2013**

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES AND PURPOSE-(continued)**

**Income Taxes:**

The Center's activities are generally exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 58.1-401(5) of the Washington DC Model Non-profit Corporation Act; however, unrelated business activities would be subject to income tax. Since the Center is exempt from federal and state income tax liability, no provision is made for current or deferred income tax expense.

For the year ended December 31, 2014, management of the Center believes it has adequate support for all material tax positions and that it is more likely than not, based on the technical merits, that the positions will be sustained upon examination. The Center recognizes interest and penalties, if any, related to taxes in interest expense.

All tax exempt entities are subject to review and audit by federal, state and other applicable agencies. Such agencies may review the taxability of unrelated business income, or the qualification of the tax-exempt entity under the Internal Revenue Code and applicable state statutes. The Center is no longer subject to tax examination for years before 2012.

**Functional Expense Allocations:**

Expenses that can be identified with a specific program or supporting service are charged directly to the program or supporting service. Expenses which apply to more than one functional category have been allocated based on estimates made by management.

**Advertising:**

The Company's policy is to expense advertising costs as the costs are incurred. Advertising costs amounted to \$6,702 and \$1,299 for the years ending December 31, 2014 and 2013, respectively.

**Metro DC Community Center, Inc.**  
**Notes to Financial Statements**  
**For the Years Ending December 31, 2014 and 2013**

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**NOTE 3 – COMMITMENTS AND CONTINGENCIES**

The Center leases office space under an operating lease which expires on October 31, 2028. The lease provides for minimum lease payment which includes a proportionate share of real estate taxes, insurance premiums, janitorial services, repairs and other operational charges.

Total rent expense including proportional shared expenses for the period ending December 31, 2014 and 2013 was \$53,860 and \$41,914, respectively. Future minimum lease payments required during the periods ending December 31st are as follows:

2015	\$ 55,898
2016	57,575
2017	59,302
2018	61,081
2019 and thereafter	<u>707,215</u>
TOTAL	<u>\$ 941,071</u>

**NOTE 4 – RENTAL INCOME**

The Center rents out the conference room and other office space to groups and individuals that help advance the Center's mission on an as needed basis. For the years ended December 31, 2014 and 2013, the Center recognized \$19,566 and \$6,753 in rental income, respectively.

**NOTE 5 – SUBSEQUENT EVENTS**

Management has evaluated all subsequent events after the balance sheet date and through the financial statement issuance date of November 30, 2015 and concluded that no subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.