

**GAY AND LESBIAN ALLIANCE OF THE CENTRAL
COAST**

**INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS**

For the Year Ended
December 31, 2010

GAY AND LESBIAN ALLIANCE OF THE CENTRAL COAST
INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS
For the Years Ended December 31, 2010

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Independent Auditors' Report

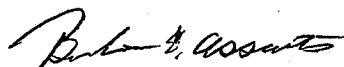
Board of Directors
Gay and Lesbian Alliance of the Central Coast
San Luis Obispo, California

We have audited the accompanying statement of assets, liabilities, and net assets – modified cash basis of the Gay and Lesbian Alliance of the Central Coast as of December 31, 2010, the related statement of revenue, expenses, and other changes in net assets – modified cash basis and the schedule of functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. 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 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. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on a modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Gay and Lesbian Alliance of the Central Coast as of December 31, 2010 and its revenues, expenses and other changes in net assets for the year then ended, on the basis of accounting described in Note 1.



BURKART & ASSOCIATES
an Accountancy Corporation

November 16, 2011

GAY AND LESBIAN ALLIANCE OF THE CENTRAL COAST

STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS For the Year Ended December 31, 2010

ASSETS

Current assets

Cash and cash equivalents (Note 1)

Total current assets

Property and equipment, net (Notes 1 and 2)

Total assets

2010		
Operating Fund Unrestricted	Permanently Restricted	Total
\$ 114,455	\$ 20,185	\$ 134,640
114,455	20,185	134,640
1,420,144		1,420,144
\$ 1,534,599	\$ 20,185	\$ 1,554,784

LIABILITIES AND NET ASSETS

Net assets

Unrestricted

Permanently restricted (Board designated)

Total net assets

Total liabilities and net assets

2010		
Operating Fund Unrestricted	Permanently Restricted	Total
\$ 1,534,599		\$ 1,534,599
	\$ 20,185	20,185
1,534,599	20,185	1,554,784
\$ 1,534,599	\$ 20,185	\$ 1,554,784

GAY AND LESBIAN ALLIANCE OF THE CENTRAL COAST

STATEMENT OF REVENUES, EXPENSES, AND OTHER

CHANGES IN NET ASSETS - MODIFIED CASH BASIS

For the Year Ended December 31, 2010

	2010		
	Operating Fund Unrestricted	Permanently Restricted	Total
Revenue and Support			
Donations	\$ 31,102		\$ 31,102
Membership dues	6,005		6,005
Fundraising and special event income	123,235		123,235
Advertising	3,560		3,560
Rental income	16,785		16,785
Investment income	1,543	\$ 239	1,782
Refunds	1,688		1,688
 Total revenue, gains, and support	 183,918	 239	 184,157
Expenses			
Program services	133,227		133,227
Management and general	43,449		43,449
Fundraising	22,336		22,336
 Total expenses	 199,012		 199,012
 Change in net assets	 \$ (15,094)	 \$ 239	 \$ (14,855)
 Net Assets beginning of the year-December 31, 2009	 1,549,693	 19,946	 1,569,639
 Net Assets end of the year-December 31, 2010	 \$ 1,534,599	 \$ 20,185	 \$ 1,554,784

See accountants' audit report and accompanying notes

GAY AND LESBIAN ALLIANCE OF THE CENTRAL COAST

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2010

	2010			
	Program Services	Management & General	Fund Raising	Total
Functional expenses				
Bank service charge	\$ 445	\$ 444		\$ 889
Business meetings		76		76
Charitable donations	354			354
Depreciation	11,497	11,497		22,994
Dues and subscriptions	1,578			1,578
Equipment rental		4,874		4,874
Fundraising and special event expense	91,480		\$ 22,336	113,816
Insurance -directors and officers	742	742		1,484
Insurance - liability/property	2,671	2,670		5,341
License and permits		1,019		1,019
Miscellaneous expenses		1,080		1,080
Office supplies	1,355	1,354		2,709
Outreach	516			516
Outside contract services	10,967	10,967		21,934
Postage and mailing service	768	767		1,535
Printing	555			555
Professional fees	313	312		625
Program service expense	2,337			2,337
Real estate taxes	1,155	1,155		2,310
Repairs and maintenance	3,209	3,209		6,418
Security	395	394		789
Telephone	787	786		1,573
Utilities	2,103	2,103		4,206
Total functional expenses	\$ 133,227	\$ 43,449	\$ 22,336	\$ 199,012

See accountants' audit report and accompanying notes

GAY AND LESBIAN ALLIANCE OF THE CENTRAL COAST
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The Gay and Lesbian Alliance of the Central Coast is a non-profit 501C(3), non-stock corporation, organized under the laws of the State of California. The objective of the Gay and Lesbian Alliance of the Central Coast is to provide a safe environment for Gays and Lesbians and provide public awareness of the rights of Gays and Lesbians. The organization was incorporated in 1994.

Basis of Accounting

The financial statements of the organization have been prepared on the modified cash basis of accounting. The financial resources are maintained in accordance with the principles of fund accounting.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required 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.

- Unrestricted net assets represent expendable funds available for operations which are not limited otherwise by donor restrictions and net assets released from temporary restrictions due to the terms of the restrictions or contingencies being met.
- Temporarily restricted net assets consist of contributed funds subject to specific donor-imposed restrictions or restrictions voluntarily approved and imposed by the Board of Directors. Temporary restrictions are contingent upon specific performance of a future event or a specific passage of time. The Organization has no temporarily restricted funds at this time.
- Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations. The Organization has permanently restricted funds at this time.

Revenue Recognition

The Organization reports gifts of cash and other assets as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. The Organization reports donor restricted gifts as temporarily restricted or permanently restricted revenues. Temporarily restricted net assets are reclassified to unrestricted net assets when donor restrictions are satisfied. Gifts with restrictions that are satisfied within the same reporting period are recorded as unrestricted contributions.

GAY AND LESBIAN ALLIANCE OF THE CENTRAL COAST
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills provided by individuals possessing those skills that would typically need to be purchased if not provided by donation, if any, are recorded at their fair values in the period received.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is a not-for-profit organization and is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and Cal. Rev. & Tax Dc. Sec. 23701(d).

Cash and Cash Equivalents

Cash and cash equivalents include cash deposited in checking accounts for operational purposes and funds invested in highly liquid money market accounts.

Property and Equipment

Property and equipment are recorded at cost. Repairs and maintenance are charged to expense when incurred. Depreciation expense is calculated on the straight-line method over the useful life of five to forty years.

GAY AND LESBIAN ALLIANCE OF THE CENTRAL COAST
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 2: FIXED ASSETS

Summaries of fixed assets by major classifications at December 31, 2010 are as follows:

	2010
Furniture and equipment	\$ 29,182
Building	1,320,073
Building improvements	111,892
Total fixed assets	1,461,147
Less accumulated depreciation	(41,003)
Net property and equipment	\$ 1,420,144

Depreciation expense for the year ended December 31, 2010 was \$ 22,994.

NOTE 3: EQUIPMENT RENTAL

The Organization entered into a lease agreement dated 10/9/09 with Ricoh for a copier. The lease calls for 60 monthly payments of \$ 352.50 per month. Future lease payments are as follows:

	Year	Amount
For the year ending December 31	2011	\$ 4,230
	2012	4,230
	2013	4,230
	2014	4,230
	2015	353
Total		\$ 17,273

NOTE 4: CONCENTRATION OF RISK

A portion of the Organization's contributions and fundraising revenue is generated from the surrounding businesses and private communities.