

**SAN DIEGO LESBIAN, GAY, BISEXUAL, TRANSGENDER PRIDE
(A NONPROFIT ORGANIZATION)**

REVIEWED FINANCIAL STATEMENTS (UNAUDITED)

DECEMBER 31, 2008 AND 2007

**SAN DIEGO LESBIAN, GAY, BISEXUAL, TRANSGENDER PRIDE
(A NONPROFIT ORGANIZATION)**

**REVIEWED FINANCIAL STATEMENTS (UNAUDITED)
DECEMBER 31, 2008 AND 2007**

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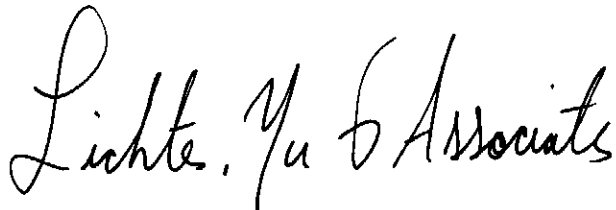
INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors
San Diego Lesbian, Gay, Bisexual, Transgender Pride
San Diego, California

We have reviewed the accompanying statements of financial position of the San Diego Lesbian, Gay, Bisexual, Transgender Pride as of December 31, 2008 and 2007, and the related statements of activities and cash flows for the years ended December 31, 2008 and 2007, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of San Diego Lesbian, Gay, Bisexual, Transgender Pride.

A review consists principally of inquiries of organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Lichter, Yu & Associates
Certified Public Accountants

Encino, California
February 16, 2009

SAN DIEGO LESBIAN, GAY, BISEXUAL, TRANSGENDER PRIDE
(A NONPROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2008 AND 2007

	2008	2007
ASSETS		
Cash	\$ 682,477	\$ 644,096
Investments	385,410	504,617
Accounts receivable	6,461	-
Total Current Assets	1,074,348	1,148,713
Fixed Assets		
Furniture and equipment net of accumulated depreciation of \$6,140 and \$2,938	17,295	10,018
Total Fixed Assets	17,295	10,018
Total Assets	\$ 1,091,643	\$ 1,158,731
LIABILITIES AND NET ASSETS		
Accounts Payable and Accrued Expenses	\$ 18,403	\$ 20,070
Grant payable	-	700
Deposits payable	1,200	1,950
Total Liabilities	19,603	22,720
NET ASSETS		
Unrestricted Net Assets	1,072,040	1,136,012
Total Net Assets	1,072,040	1,136,012
Total Liabilities and Net Assets	\$ 1,091,643	\$ 1,158,732

SAN DIEGO LESBIAN, GAY, BISEXUAL, TRANSGENDER PRIDE
(A NONPROFIT ORGANIZATION)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	Unrestricted	
	2008	2007
REVENUE AND SUPPORT		
Revenue:		
Festival tickets	\$ 472,865	\$ 407,565
Festival booths	241,766	261,231
Beverage sales	196,948	209,438
Sponsorships	158,118	123,019
Publications	31,225	44,271
Merchandise	13,444	10,626
Parade	23,660	21,858
Miscellaneous	19,774	10,089
	1,157,800	1,088,097
Support:		
In-kind contributions	383,745	307,882
Total Revenue and Public Support	1,541,545	1,395,979
Expenses		
Festival	912,474	805,777
Parade	257,956	171,600
Mentorship	13,056	12,247
Fund Raising	66,643	22,379
Administration	156,306	133,173
Total Expenses	1,406,435	1,145,176
Change in Net Assets From Operations	135,110	250,803
Other Income and (Expense)		
Grants to third parties	(96,879)	(135,067)
Interest and dividends	37,588	45,983
Unrealized investment gains (losses), net	(139,791)	(21,696)
Realized investment gains (losses), net	-	6,526
Total Other Income and (Expense)	(199,082)	(104,254)
Change in Net Assets	(63,972)	146,549
NET ASSETS - Beginning of Year	1,136,012	989,463
NET ASSETS - End of Year	\$ 1,072,040	\$ 1,136,012

SAN DIEGO LESBIAN, GAY, BISEXUAL, TRANSGENDER PRIDE
(A NON-PROFIT ORGANIZATION)
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008					
	Festival	Parade	Mentorship	Fund- Raising	Admin.	Total Expenses
Salaries, Payroll Taxes and Benefits	\$ 120,006	\$ 58,596	\$ 13,056	\$ 61,235	\$ 56,118	\$ 309,011
Program expenses	492,686	114,669	-	-	5,109	612,464
In-kind expenses	289,393	81,644	-	5,408	4,300	380,745
Office	-	-	-	-	48,833	48,833
Public Relations and Advertising	-	-	-	-	29,822	29,822
Volunteer expenses	10,389	3,047	-	-	-	13,436
Depreciation expense	-	-	-	-	3,201	3,201
Miscellaneous	-	-	-	-	(4,570)	(4,570)
Travel	-	-	-	-	11,725	11,725
Memberships and dues	-	-	-	-	1,768	1,768
Total Expense	\$ 912,474	\$ 257,956	\$ 13,056	\$ 66,643	\$ 156,306	\$ 1,406,435

	2007					
	Festival	Parade	Mentorship	Fund- Raising	Admin.	Total Expenses
Salaries, Payroll Taxes and Benefits	\$ 82,837	\$ 38,265	\$ 10,375	\$ 20,879	\$ 31,485	\$ 183,841
Program expenses	491,209	63,264	1,663	1,500	319	557,955
In-kind expenses	220,438	67,230	-	-	7,253	294,921
Office	-	-	-	-	50,045	50,045
Public Relations and Advertising	-	-	209	-	28,855	29,064
Volunteer expenses	11,293	2,841	-	-	-	14,134
Depreciation expense	-	-	-	-	2,938	2,938
Miscellaneous	-	-	-	-	1,571	1,571
Travel	-	-	-	-	8,912	8,912
Memberships and dues	-	-	-	-	1,795	1,795
Total Expense	\$ 805,777	\$ 171,600	\$ 12,247	\$ 22,379	\$ 133,173	\$ 1,145,176

SAN DIEGO LESBIAN, GAY, BISEXUAL, TRANSGENDER PRIDE
(A NONPROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (63,972)	\$ 146,549
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation expense	3,201	2,938
Unrealized investment (gains) losses, net	139,791	21,696
(Increase) decrease in accounts receivable	(6,461)	-
(Increase) decrease in deposits and other assets	-	1,113
Increase (decrease) in current liabilities	3,117	18,713
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>75,676</u>	<u>191,009</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	(26,817)	(446,296)
Proceeds from sale of investments	-	362,065
Purchase of fixed assets	(10,478)	(2,575)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	<u>(37,295)</u>	<u>(86,806)</u>
NET INCREASE (DECREASE) IN CASH	38,381	104,203
CASH at beginning of year	<u>644,096</u>	<u>539,893</u>
CASH at end of year	<u>\$ 682,477</u>	<u>\$ 644,096</u>

**SAN DIEGO LESBIAN, GAY, BISEXUAL, TRANSGENDER PRIDE
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

NOTE 1 – NATURE OF OPERATIONS

The San Diego Lesbian, Gay, Bisexual, Transgender Pride (the Organization) is a California not-for-profit corporation.

The Organization coordinates and presents an annual lesbian, gay, bisexual and transgender parade, festival and rally in San Diego, California. The rally promotes civil rights for lesbians and gays. The parade and festival are an educational, cultural and social event to show support for the lesbian and gay community and promote the exchange of ideas.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of accounting – The financial statements have been prepared using the accrual method of accounting.

Financial Statement Presentation - In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations," 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. In addition, the Organization is required to present a statement of cash flows.

Contributions and Pledges - In accordance with Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made," contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Conditional contributions are recorded as support in the period the condition is met. Under SFAS No. 116, such contributions are required to be reported as temporarily restricted support, and are then reclassified to unrestricted net assets upon expiration of the restriction, usually when the funds are spent. All contributions received in the years reviewed were unrestricted support. Pledges are recorded as receivables in the year they are made.

Estimates - Management uses estimates and assumptions in preparing financial statements in accordance with the accrual basis of accounting. Those estimates and assumptions affect the reported amounts of assets and the reported revenues and expenses. Actual results could vary from the estimates that were used.

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**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

Cash and Cash Equivalents – Cash equivalents are stated at cost. Cash equivalents are highly liquid investments readily convertible into cash with an original maturity of three months or less and consist of time deposits with commercial banks

Property and Equipment - Property and equipment are unrestricted and carried at cost or, if donated at the approximate fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Depreciation is computed using the straight-line method over the estimated useful life of the asset, as follows:

Furniture & Fixtures	3 to 10 years
Office Equipment	3 to 10 years

Contributed Property and Services - Contributed property and equipment are recorded at estimated fair market value at the date of the gift. Significant donated services are recognized at fair market value. Contributed auxiliary services are not reflected in the financial statements. The Organization pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs and various committee assignments.

Income Taxes - The Organization is a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code of the State of California. In addition, under 509(a) of the Internal Revenue Code, the Organization is not a private foundation.

Investments - In accordance with Statement of Financial Accounting Standards (SFAS) No. 124 "Accounting for Certain Investments Held by Not for Profit Organizations." Investments in marketable securities with readily determinable fair values are recorded at fair market value. As of December 31, 2008 and 2007, investments consisted of long term certificates of deposit and shares in publicly traded mutual funds.

Advertising - Advertising costs are expensed in the year incurred.

NOTE 3 – CASH

The Organization maintains its cash balances at various banks in the San Diego area that management deems financially secure. Some balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2008 the Organization had \$286,557 that was not insured and was held at various banks.

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**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

NOTE 4 – INVESTMENTS

Investments at fair value at:

	<u>Cost</u>	<u>Fair Value</u>
December 31, 2008		
Mutual funds	\$ 308,050	\$ 172,916
Certificate of deposit	212,494	212,494
	<u>\$ 520,544</u>	<u>\$ 385,410</u>
December 31, 2007		
Mutual funds	\$ 316,937	\$ 299,451
Certificate of deposit	205,166	205,166
	<u>\$ 522,103</u>	<u>\$ 504,617</u>

NOTE 5 – FIXED ASSETS

Fixed assets consist of the following:

	<u>2008</u>	<u>2007</u>
Furniture and equipment	\$ 30,532	\$ 12,956
Accumulated depreciation	(6,140)	(2,938)
Net fixed assets	<u>\$ 24,392</u>	<u>\$ 10,018</u>

NOTE 5 – COMPENSATED ABSENCES

Employees earn annual vacation leave according to the policies of the Organization. At termination, employees are paid for any accumulated unpaid annual vacation leave. As of December 31, 2008 an accrued vacation liability exists in the amount of \$7,097.

NOTE 6 – COMMITMENTS

The Organization leases its office space under an operating lease on a month to month basis in San Diego, California. Rent expense for the years ended December 31, 2008 and 2007 was \$18,000 and \$15,900 respectively.