



GENTLEMEN BY CHOICE COMMUNITY DEVELOPMENT CENTER  
FINANCIAL STATEMENTS

JUNE 30, 2020

(With Report of Certified Public Accountants Thereon)

## Table of Contents

Accountants' Report .....	1
<b>Financial Statements:</b>	
Statements of Financial Position .....	2
Statements of Activities and Changes in Net Assets .....	3
Statements of Functional Expenses.....	4
Notes to Financial Statements.....	5



## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of  
Gentlemen by Choice Community Development Center  
1016 W. Owens Ave.  
Las Vegas, NV 89106

We have reviewed the accompanying financial statements of Gentlemen by Choice Community Development Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities for the year then ended, statement of functional expenses and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the 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.

Management has elected to omit the statement of cash flows as required by accounting principles generally accepted in the United States of America. If the omitted statement was included in the financial statement, they might influence the user's conclusions about the organization's cash flows. Accordingly, the financial statements are not designed for those who are not informed of such matters.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with the Statement on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee for the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide reasonable basis for our conclusion.

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

*Las Vegas CPA Professionals, LLC*

Las Vegas CPA Professionals, LLC  
Las Vegas, NV  
February 8, 2021

Office: (702) 586-1230 | Fax: (702) 586-4355 | Email: [info@lvcapros.com](mailto:info@lvcapros.com)  
732 S. 6<sup>th</sup> Street, Suite #200C, Las Vegas, NV 89101 | [www.LasVegasCPAProfessionals.com](http://www.LasVegasCPAProfessionals.com)

**GENTLEMEN BY CHOICE CDC**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2020**  
**(UNAUDITED)**

ASSETS		
<b>Current assets</b>		
Cash	\$	145,395
Restricted cash		12,606
Accounts receivable (net of allowance for doubtful accounts)		50,002
Other current assets		392
<b>Total current assets</b>		<b>208,396</b>
 <b>Fixed Assets</b>		
Property and equipment, net of accumulated depreciation of \$2,454		71,249
<b>Total fixed assets</b>		<b>71,249</b>
 <b>Total assets</b>		<b>\$ 279,645</b>
LIABILITIES AND STOCKHOLDER'S EQUITY		
 <b>Current liabilities</b>		
Accounts payable	\$	9,722
<b>Total current liabilities</b>		<b>9,722</b>
 <b>Total liabilities</b>		<b>9,722</b>
 <b>Commitments and Contingencies</b>		
 <b>Net Assets</b>		
Without donor restrictions:		257,317
With donor restrictions:		12,606
<b>Total net assets</b>		<b>269,923</b>
 <b>Total liabilities and net assets</b>		<b>\$ 279,645</b>

See accompanying accountant's review report

**GENTLEMEN BY CHOICE CDC**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
**(UNAUDITED)**

	<u>Total</u>
<b>Net assets without donor restrictions</b>	
<b>Support</b>	
Grants	\$ 569,183
Contributions	<u>20,857</u>
<b>Total support</b>	<u>590,040</u>
 <b>Revenues</b>	
Program Services	47,470
Other revenue	5,000
Discounts	<u>(16,590)</u>
<b>Total revenues</b>	<u>35,880</u>
 <b>Total support and revenue</b>	<b>625,920</b>
 <b>Expenses</b>	
Program services	398,865
<b>Total expenses</b>	<u>398,865</u>
 Change in net assets without donor restrictions	227,056
 Change in net assets with donor restrictions	12,606
 Change in net assets	239,662
 Net assets, beginning of year	<u>30,261</u>
 Net assets, end of year	<u>\$ 269,923</u>

See accompanying accountant's review report

**GENTLEMEN BY CHOICE CDC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
**(UNAUDITED)**

	<b>Program Services</b>	<b>Total</b>
Advertising	\$ 8,123	8,123
Support services	13,630	13,630
Depreciation	2,454	2,454
Dues and subscriptions	1,220	1,220
Insurance	2,344	2,344
Professional fees	27,282	27,282
Meals	4,995	4,995
Payroll and related expenses	164,667	164,667
Repairs and maintenance	127,801	127,801
Subgrantee expense	14,683	14,683
Uniforms	11,100	11,100
Utilities	5,557	5,557
<b>Total expenses</b>	<b>\$ 383,859</b>	<b>383,859</b>

See accompanying accountant's review report

GENTLEMEN BY CHOICE COMMUNITY  
DEVELOPMENT CENTER  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020  
(UNAUDITED)

**1. Organization**

Gentlemen by Choice Community Development Center (the "Organization") is a not-for-profit organized under the laws of the State of Nevada for the purpose of providing services to at risk youth. Their mission is to develop tomorrow's leaders today through leadership, image, financial management and etiquette.

**2. Summary of Significant Accounting Policies**

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Accounting Method – The Organization maintains its records on the accrual basis of accounting, which recognizes revenues when earned and expenses when incurred.

Financial Statement Presentation – The Organization has adopted guidance issued by the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) Topic 958, Not-For-Profit Entity. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net Assets- Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Revenue and Support With and Without Restrictions- Support that is restricted by the donor is reported as an increase in net assets without donor restrictions 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 net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions. As of June 30, 2020, the Organization has a balance of \$12,606 in net assets with donor restriction. However, when both net assets without donor restrictions and net assets with donor restrictions are available for use, it is the Organization's policy to use net assets with donor restrictions first, then net assets without donor restrictions.

See Report of Independent Certified Public Accountants

GENTLEMEN BY CHOICE COMMUNITY  
DEVELOPMENT CENTER  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020  
(UNAUDITED)

Summary of Significant Accounting Policies (cont.)

Cash and cash equivalents – The Organization considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents.

Restricted Cash – Cash that is restricted in use by the Board of Directors is separated from other cash balances and noted as such and reflected as Board designated net assets without donor restrictions. As of June 30, 2020 the restricted cash balance was \$12,606.

Special Events and Fundraising – Donations and monies from fundraising and special events are recognized when earned.

Property and Equipment – Furniture, office equipment and leasehold improvements are carried at cost less accumulated depreciation. Major additions and improvements are capitalized, while replacements, maintenance and repairs which do not improve or extend the life of the respective assets, are expensed currently. When assets are retired, the cost and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is included in the income for the year.

Depreciation – Fixed assets are depreciated utilizing the straight-line method with lives of 3-15 years. Depreciation for the 12 months ended June 30, 2020 was \$2,454.

Expense Allocation – The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Therefore, these expenses require allocation on a reasonable basis that is consistently applied.

Use of 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status – The Organization is exempt from federal income tax under Sections 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization has no uncertain tax positions at June 30, 2020. The Organization's tax returns for years after 2016 remain open for possible examination by the Internal Revenue Service.

See Report of Independent Certified Public Accountants

GENTLEMEN BY CHOICE COMMUNITY  
DEVELOPMENT CENTER  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020  
(UNAUDITED)

2. Summary of Significant Accounting Policies (cont.)

Advertising Costs – Advertising costs are expensed as incurred. Advertising expense for the 12 months ended June 30, 2020 was \$8,123.

Accounts Receivable – Management reviews grants receivable balances and performs credit evaluations to determine whether or not an allowance for potential credit losses is necessary. At June 30, 2020 the allowance for uncollectible receivables was \$0.

Recently Issued Accounting Pronouncements – The Organization has adopted all recently issued Accounting Standards Updates ("ASU"). The adoption of the recently issued ASU's, including those not yet effective, is not anticipated to have a material effect on the financial position or results of operations of the Organization.

On August 16, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-profit Entities. The update addresses the complexity and understandability of net assets classifications, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses. The Organization has adopted the provisions of ASU 2016-14 as of the year ended December 31, 2018, and has adjusted the presentation of these statements and the notes to the financial statements accordingly. Under ASC No. 958, the Organization was required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Donor-restricted contributions whose restrictions were met in the same reporting period were reported as unrestricted. Donor-restricted contributions whose restrictions may or would be met in different reporting periods were reported as temporarily restricted. Donor-restricted contributions with stipulations of contributions maintained permanently by the Organization were reported as permanently restricted. ASU 2016-14 reduces the three classes of net assets into two classes; net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions, formerly unrestricted net assets, could include subcategories related to board designated amounts for specific purposes. When no board designated restrictions are present the amount is deemed undesignated for general Organization purposes. Net assets with donor restrictions, formerly temporarily and permanently restricted net assets, represents amounts from donor contributions that have donor-imposed restrictions. These donor-imposed restrictions could be subject related, have time restrictions on use or not be subject to appropriation or expenditure in perpetuity.

See Report of Independent Certified Public Accountants