ONE N TEN

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2012 AND 2011

ONE N TEN
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YEARS ENDED DECEMBER 31, 2012 AND 2011

INDEPENDENT AUDITORS' REPORT

Board of Directors
one n ten
Phoenix, Arizona

We have audited the accompanying financial statements of one n ten (a nonprofit organization), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities, functional expenses 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.

Auditors' 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 auditors' 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 one n ten as of December 31, 2012 and 2011, 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.

CliftonLarsonAllen LLP

Phoenix, Arizona
July 31, 2013

See accompanying Notes to Financial Statements.

ONE N TEN
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011

ASSETS	2012	2011
CURRENT ASSETS		
Cash and Cash Equivalents	$ 89,073	$ 134,420
Accounts Receivable	65,124	52,090
Pledges Receivable	12,132	10,139
Property and Equipment, Net	15,705	-
Other Current Assets	36,266	37,498
Total Current Assets	218,300	234,147
Total Assets	$ 218,300	$ 234,147
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 8,505	$ 11,334
Accrued Payroll and Related Liabilities	6,741	5,779
Other Liabilities	70,801	32,236
Total Current Liabilities	86,047	49,349
NET ASSETS		
Unrestricted	122,620	160,159
Temporarily Restricted	9,633	24,639
Total Net Assets	132,253	184,798
Total Liabilities and Net Assets	$ 218,300	$ 234,147

See accompanying Notes to Financial Statements.

ONE N TEN
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE						
Contributions and Donations, including In-Kinds of $4,902 and $10,113, Respectively	$ 188,059	$ 9,633	$ 197,692	$ 152,938	$ 34,779	$ 187,717
Special Event, Net of Direct Benefit Expenses of $73,642 and $51,907, Respectively	135,388	-	135,388	43,934	-	43,934
Contracts and Fees	145,130	-	145,130	213,436	-	213,436
Other Revenue	21,044	-	21,044	5,164	-	5,164
Net Assets Released from Restriction	24,639	(24,639)	-	20,813	(20,813)	-
Total Revenue	514,260	(15,006)	499,254	436,285	13,966	450,251
EXPENSE						
Program Services	376,499	-	376,499	336,936	-	336,936
Management and General	154,343	-	154,343	81,296	-	81,296
Fundraising	20,957	-	20,957	31,520	-	31,520
Total Expense	551,799	-	551,799	449,752	-	449,752
CHANGE IN NET ASSETS	(37,539)	(15,006)	(52,545)	(13,467)	13,966	499
Net Assets - Beginning of Year	160,159	24,639	184,798	173,626	10,673	184,299
NET ASSETS - END OF YEAR	$ 122,620	$ 9,633	$ 132,253	$ 160,159	$ 24,639	$ 184,798

See accompanying Notes to Financial Statements.

ONE N TEN
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012				2011				
		Support Services				Support Services			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries and Wages	$ 203,435	$ 65,077	$ 13,557	$ 282,069	$ 176,006	$ 15,620	$ 11,564	$ 27,184	$ 203,190
Employee Related Expenses	32,318	17,417	-	49,735	20,003	11,101	982	12,083	32,086
Professional Fees	9,713	35,948	638	46,299	33,390	16,369	6,431	22,800	56,190
Travel	10,341	1,140	-	11,481	6,797	2,366	127		9,290
Communications	13,467	8,752	2,419	24,638	10,140	13,972	-	13,972	24,112
Facilities and Occupancy	61,870	17,877	122	79,869	26,223	16,642	108	16,750	42,973
Community Support	3,860	1,890	200	5,950	3,305	1,637	6,487	8,124	11,429
Group Support Costs	35,618	5,292	965	41,875	59,289	1,076	1,960	3,036	62,325
Meals and Entertainment	3,559	950	3,056	7,565	1,783	2,513	3,861	6,374	8,157
Depreciation	2,318	-	-	2,318	-	-	-	-	-
TOTAL EXPENSE	$ 376,499	$ 154,343	$ 20,957	$ 551,799	$ 336,936	$ 81,296	$ 31,520	$ 110,323	$ 449,752

See accompanying Notes to Financial Statements.

ONE N TEN
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (52,545)	$ 499
Adjustments to Reconcile Change in Net Assets (Deficit) to Net Cash Used by Operating Activities:		
Depreciation	2,318	-
Decrease in Operating Assets:		
Accounts Receivable	(13,034)	(18,471)
Pledges Receivable	(1,993)	534
Other Current Assets	1,232	(25,496)
Decrease in Operating Liabilities:		
Accounts Payable	(2,829)	7,115
Accrued Payroll and Related Benefits	962	5,779
Other Liabilities	38,565	20,937
Net Cash Used by Operating Activities	(27,324)	(9,103)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(18,023)	-
Net Cash Used by Investing Activities	(18,023)	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(45,347)	(9,103)
Cash and Cash Equivalents - Beginning of Year	134,420	143,523
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 89,073	$ 134,420

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

one n ten (Organization) was incorporated in 1993 as a non-profit 501(c)(3) community-based agency dedicated to serving and assisting gay, lesbian, bisexual, transgender and questioning youth in the metropolitan Phoenix area. The Organization's mission is "to serve LGBTQ youth and young adults; enhancing their lives by providing empowering social and service programs that promote self-expression, self-acceptance, leadership development and healthy life choices." The Organization provides services ranging from providing weekly discussion groups designed to cover a wide range of social, educational, health and community issues to offering social networking opportunities appropriate for developing leadership skills. The services are delivered in a variety of formats. one n ten derives program funding from both private donations and contracts and fees.

The financial statements of one n ten have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation

Net assets and revenues, gains and losses are classified based on state and donor imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently Restricted – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Grants from governmental agencies which are restricted are reflected as unrestricted revenue since these funds are received and spent during the same year as permitted by accounting standards related to Accounting for Contributions Received and Contributions Made.

As of December 31, 2012 and 2011, the Organization only had unrestricted and temporarily restricted net assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Support

Support is recognized when received. Support that is restricted by the donor/grantor is reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the support is recognized. All other donor restricted support is reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Support that is permanently restricted by the donor/grantor is reported as increases in permanently restricted net assets.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

The Organization follows the accounting standard for uncertain tax positions. For the year ended December 31, 2012 and 2011, the Organization recognized no liability for uncertain tax positions.

The Organization files as a tax-exempt organization. As of December 31, 2012, the Organization's 2009 through 2011 tax returns are open for examination by the IRS.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

The Organization considers all cash and other highly liquid investments available for current use with an initial maturity of three months or less to be cash and cash equivalents. Cash and cash equivalents did not exceed the Federal Deposit Insurance Corporation (FDIC) insurance limit.

Accounts Receivable and Pledges Receivable

The Organization uses the allowance method to account for uncollectible accounts receivable. The allowance is sufficient to cover both current and anticipated future losses. Uncollectible amounts are charged against the allowance account. Management estimated an allowance of $-0- based upon the Organization's experience. The Organization requires payment upon receipt of invoice.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment with a cost greater than $1,000 are capitalized at historical cost, or estimated historical cost if actual historical cost is not available. Assets donated to the Organization are recorded at their estimated fair value at the time received. Depreciation on property and equipment is computed using the straight-line method over the estimated useful lives of the assets.

Deferred Rent

The Organization accounts for rent expense evenly over the term of the lease using the straight-line method. Unamortized deferred rent as of December 31, 2012 and 2011 was $20,550 and $4,777, respectively.

In-Kinds

The Organization records in-kind donations for goods received in lieu of cash donations. In-kind donations consist of donated materials and professional services.

Reclassifications

Certain reclassifications have been made in the 2011 financial statement footnotes to conform to the 2012 presentation. These reclassifications had no effect on the change in net assets.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 31, 2013, the date the financial statements were available to be issued.

NOTE 2 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted for the following uses:

	2012	2011
Future Years	$ 9,633	$ 24,639

Net assets released from restriction were released due to time restrictions being met.

NOTE 3 OBLIGATIONS UNDER LEASES

Operating Lease

The Organization leases various equipment, program facilities and office space under the provisions of noncancellable operating leases expiring through May 2017. Rental expense under the terms of the operating leases was $26,179 and $8,922 for the years ended December 31, 2012 and 2011, respectively, which include the cost of utilities and applicable taxes.

The future minimum rental payments required under the operating leases at December 31, 2012 is as follows:

Year Ending December 31,		
2013	$	53,992
2014		55,521
2015		57,082
2016		45,702
2017		29,050
Total Minimum Payments Required	$	241,347

NOTE 4 PROPERTY AND EQUIPMENT

Depreciation of furniture and equipment is provided on a straight-line basis over the shorter of the estimated life of the assets or the lease term. Property and equipment consisted of the following as of December 31, 2012:

		2012		2011
Leasehold Improvements	$	18,023	$	-
Less: Accumulated Depreciation		(2,318)		-
Total	$	15,705	$	-

Depreciation expense for the year ended December 31, 2012 and 2011 was $2,318 and $-0-, respectively.