

**GTO CONFERENCES, INC.**

**FINANCIAL STATEMENTS AND  
ACCOUNTANT'S COMPILATION REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2008**

**GTO CONFERENCES, INC.**  
**December 31, 2008**

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JOEL D. PARKS, P.C.  
CERTIFIED PUBLIC ACCOUNTANT

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The Board of Directors  
GTO Conferences, Inc.

I have compiled the accompanying statement of financial position of GTO Conferences, Inc. as of December 31, 2008, and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

*Joel D. Parks, P.C.*

November 13, 2009

**GTO Conferences, Inc.**  
**Statement of Financial Position**  
**December 31, 2008**

**ASSETS**

Current assets:	
Cash and cash equivalents	\$ 12,823
Accounts receivable	697
Inventory	766
	<u>14,286</u>
 Fixed assets	
Vehicles	8,500
Audio visual equipment	7,772
Furniture	1,848
Computer equipment	10,531
Software	299
Subtotal	<u>28,950</u>
Allowance for depreciation	<u>(16,002)</u>
	<u>12,948</u>
	 <u><u>\$ 27,234</u></u>

**LIABILITIES AND NET ASSETS**

Current liabilities:	
Accounts payable	\$ 647
Sales tax payable	62
	<u>709</u>
 Net assets	
Unrestricted	<u>26,525</u>
	<u><u>\$ 27,234</u></u>

See Accompanying Notes and Accountant's Compilation Report

**GTO Conferences, Inc.**  
**Statement of Activities**  
**For the Year Ended December 31, 2008**

Sales	\$ 2,229
Cost of sales	<u>3,515</u>
	<u>(1,286)</u>
Support and other revenue	
Contributions, gifts & grants	73,761
Conference revenue	23,995
Other	<u>290</u>
	<u>98,046</u>
Expenses	
Program services	109,342
Management & general	39,762
Fundraising	<u>11,694</u>
	<u>160,798</u>
Operating loss	<u>(64,038)</u>
Non-operating revenue	
Interest income	<u>64</u>
Decrease in net assets	(63,974)
Unrestricted fund, beginning	85,367
Prior period adjustment	<u>5,132</u>
Unrestricted fund, ending	<u>\$ 26,525</u>

See Accompanying Notes and Accountant's Compilation Report

**GTO Conferences, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2008**

	Program Services	Management & General	Fundraising	Total
Expenses				
Advertising	\$ 4,610	\$ -	\$ 2,270	\$ 6,880
Auto	1,796	885	-	2,681
Bank charges	-	120	-	120
Conference expense	12,729	-	-	12,729
Compensation & benefits	81,243	29,015	5,803	116,061
Depreciation	2,479	1,240	1,239	4,958
Dues & subscriptions	316	155	-	471
Education	-	690	-	690
Fundraising expense	-	-	1,687	1,687
Gifts	-	44	-	44
Insurance	-	651	-	651
Internet	949	339	68	1,356
Meals & entertainment	2,452	1,208	-	3,660
Miscellaneous	75	37	-	112
Office supplies	445	444	222	1,111
Postage	354	354	177	885
Professional services	-	2,967	-	2,967
Taxes	-	542	-	542
Telephone	1,280	457	92	1,829
Travel	614	614	136	1,364
	<u>\$ 109,342</u>	<u>\$ 39,762</u>	<u>\$ 11,694</u>	<u>\$ 160,798</u>

See Accompanying Notes and Accountant's Compilation Report

**GTO Conferences, Inc.**  
**Statement of Activities**  
**For the Year Ended December 31, 2008**

Cash flows from operating activities

Operating loss	\$ (64,038)
Adjustments to reconcile operating loss to net cash used by operations	
Depreciation	4,958
Increase in accounts receivable	(697)
Decrease in inventory	521
Increase in accounts payable	647
Increase in sales tax payable	62
Net cash used by operating activities	<u>(58,547)</u>

Cash flows from investing activities

Interest income	<u>64</u>
Net cash from investing activities	<u>64</u>

Net decrease in cash	(58,483)
Cash and cash equivalents, beginning	<u>71,306</u>
Cash and cash equivalents, ending	\$ <u><u>12,823</u></u>

Required Supplemental Disclosure

Taxes paid	\$ <u><u>-</u></u>
Interest paid	\$ <u><u>-</u></u>

See Accompanying Notes and Accountant's Compilation Report

**GTO CONFERENCES, INC.**  
**Notes to Financial Statements**  
**December 31, 2008**

**Note – 1 Summary of Significant Accounting Policies**

**A. The Reporting Entity**

The Organization is a non-denominational, non-profit Christian organization whose mission is to encourage and assist married couples in “growing toward oneness,” through marriage and re-marriage enrichment conferences, marriage enrichment leaders training, and sales of resource materials to strengthen the marriage. The Organization is managed by a Board of Directors.

**B. Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting where revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**C. Financial Statement Presentation**

The Organization has adopted 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. In addition, the Organization is required to present a statement of cash flows.

Unrestricted fund – Funds that are not subject to donor-imposed stipulations

Temporarily restricted fund – Funds subject to donor-imposed stipulations that may be met either by actions of the Organization and/or the passage of time.

Permanently restricted fund - Funds subject to donor-imposed stipulations that the Organization maintains them permanently. 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.

**D. Contributions**

The Organization has also adopted SFAS No. 116, “Accounting for Contributions Received and Contributions Made,” whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions. Contributions are primarily received from individuals. There were no restricted contributions received during the year ended December 31, 2008



**GTO CONFERENCES, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2008**

**Note 1 – Summary of Significant Accounting Policies (Cont.)**

**E. Donated Assets**

Donated assets are reflected as contributions at their estimated value on the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

No amounts have been reflected in the statements for donated services, as no objective basis was available to measure the value of such services. The contribution of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skill that are proved by individuals possessing those skills and would typically need to be purchased if not provided by donation.

**F. Cash and Cash Equivalents**

Cash as reported is comprised of cash on hand; cash in banks and highly liquid debt instruments purchased with a maturity of three months or less.

**G. Advertising**

Advertising costs consist primarily of brochures and other promotional materials, which are expenses as incurred. For the year ended December 31, 2008, advertising costs amounted to \$6,880.

**H. IRS Filing Status**

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and therefore has no provisions for federal income taxes.

**I. 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 reported period. Actual results could differ from those estimates.

**GTO CONFERENCES, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2008**

**Note 1 – Summary of Significant Accounting Policies (Cont.)**

**J. Functional Allocation of Expenses**

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

**Note 2 – Fixed Assets**

The Organization capitalizes significant purchases of vehicles and equipment which are valued at cost. Significant donations of fixed assets are recorded at estimated fair market value as described in Note 1. Depreciation of fixed assets is calculated on the straight-line basis over their estimated useful lives. Depreciation expense amounted to \$4,958 for the year ended December 31, 2008.

**Note 3 – Restatement of Net Assets**

This item is the amount by which the prior year's net assets figure has been adjusted for a restatement due to a correction of an error in the calculation of depreciation. A restatement to net assets is the difference between the balance sheet net assets as it is originally reported for a year, and the net assets for that year as reported in the following year's balance sheet. The correction for the calculation of depreciation was due to the use of incomplete records in past years. The cumulative effect on net assets amounted to an increase in beginning net assets of \$5,132.