

GTO CONFERENCES, INC.

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

FOR THE YEAR ENDED DECEMBER 31, 2009

GTO CONFERENCES, INC.
December 31, 2009

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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, 2009, 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.

September 30, 2010

GTO Conferences, Inc.
Statement of Financial Position
December 31, 2009

ASSETS

Current assets:

Cash and cash equivalents	\$ 12,283
Accounts receivable	941
Inventory	730
	<u>13,954</u>

Fixed assets

Vehicles	8,500
Audio visual equipment	8,568
Furniture	1,359
Computer equipment	11,481
Software	299
Subtotal	<u>30,207</u>
Allowance for depreciation	<u>(21,143)</u>
	<u>9,064</u>
	<u>\$ 23,018</u>

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 53
Sales tax payable	37
	<u>90</u>

Net assets

Unrestricted	<u>22,928</u>
	<u>\$ 23,018</u>

See Accompanying Notes and Accountant's Compilation Report

GTO Conferences, Inc.
Statement of Activities
For the Year Ended December 31, 2009

Sales	\$ 1,060
Cost of sales	<u>36</u>
	<u>1,024</u>
Support and other revenue	
Contributions, gifts & grants	73,964
Conference revenue	12,177
Other	<u>12</u>
	<u>86,153</u>
Expenses	
Program services	59,829
Management & general	25,052
Fundraising	<u>5,895</u>
	<u>90,776</u>
Operating loss	<u>(3,599)</u>
Non-operating revenue	
Interest income	<u>2</u>
Decrease in net assets	(3,597)
Net assets, beginning	<u>26,525</u>
Net assets, ending	<u><u>\$ 22,928</u></u>

See Accompanying Notes and Accountant's Compilation Report

GTO Conferences, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2009

	Program Services	Management & General	Fundraising	Total
Expenses				
Advertising	\$ 687	\$ -	\$ 338	\$ 1,025
Auto	713	351	-	1,064
Bank charges	-	36	-	36
Charitable donations	171	-	-	171
Conference expense	4,462	-	-	4,462
Compensation & benefits	47,642	17,015	3,404	68,061
Depreciation	2,571	1,285	1,285	5,141
Dues & subscriptions	604	298	-	902
Education	-	99	-	99
Fundraising expense	-	-	383	383
Gifts	-	62	-	62
Insurance	-	1,560	-	1,560
Internet	769	275	55	1,099
Licenses & registration	-	20	-	20
Meals & entertainment	342	169	-	511
Miscellaneous	36	18	-	54
Office supplies	281	281	140	702
Postage	219	219	109	547
Professional services	-	1,485	-	1,485
Taxes	-	624	-	624
Telephone	760	272	54	1,086
Travel	572	572	127	1,271
Realized loss on sale of securities	-	411	-	411
	<u>\$ 59,829</u>	<u>\$ 25,052</u>	<u>\$ 5,895</u>	<u>\$ 90,776</u>

See Accompanying Notes and Accountant's Compilation Report

GTO Conferences, Inc.
Statement of Activities
For the Year Ended December 31, 2009

Cash flows from operating activities

Operating loss	\$ (3,599)
Adjustments to reconcile operating loss to net cash from operations	
Depreciation	5,141
Increase in accounts receivable	(245)
Decrease in inventory	36
Decrease in accounts payable	(594)
Decrease in sales tax payable	(24)
Net cash from operating activities	<u>715</u>

Cash flows from capital and related financing activities

Acquisition of capital assets	<u>(1,257)</u>
Net cash used by financing activities	<u>(1,257)</u>

Cash flows from investing activities

Interest income	<u>2</u>
Net cash from investing activities	<u>2</u>

Net decrease in cash	(540)
Cash and cash equivalents, beginning	<u>12,823</u>
Cash and cash equivalents, ending	<u>\$ 12,283</u>

Required Supplemental Disclosure

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

See Accompanying Notes and Accountant's Compilation Report

GTO CONFERENCES, INC.
Notes to Financial Statements
December 31, 2009

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, 2009

GTO CONFERENCES, INC.
Notes to Financial Statements (Continued)
December 31, 2009

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, 2009, advertising costs amounted to \$1,025.

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, 2009

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 \$5,141 for the year ended December 31, 2009.