

GTO CONFERENCES, INC.

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

FOR THE YEAR ENDED DECEMBER 31, 2010

GTO CONFERENCES, INC.
December 31, 2010

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ACCOUNTANT'S COMPILATION REPORT

The Board of Directors
GTO Conferences, Inc.

I have compiled the accompanying statement of financial position of GTO Conferences, Inc. as December 31, 2010 and the related statements of activities and cash flows for the year then ended. I have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or any other conclusion about whether the financial statement is in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for developing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to GTO Conferences, Inc. as, during the year ended December 31, 2010, I performed certain accounting services that impaired my independence.

Joel D. Parks, P.C.

June 30, 2011

GTO Conferences, Inc.
Statement of Financial Position
December 31, 2010

ASSETS

Current assets:	
Cash and cash equivalents	\$ 9,994
Accounts receivable	757
Inventory	612
	<u>11,363</u>
Fixed assets	
Vehicles	8,500
Audio visual equipment	8,568
Furniture	1,359
Computer equipment	12,434
Software	299
Subtotal	<u>31,160</u>
Allowance for depreciation	<u>(26,172)</u>
	<u>4,988</u>
	<u>\$ 16,351</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 331
Sales tax payable	13
	<u>344</u>
Net assets	
Unrestricted	<u>16,007</u>
	<u>\$ 16,351</u>

See Accompanying Notes and Accountant's Compilation Report

GTO Conferences, Inc.
Statement of Activities
For the Year Ended December 31, 2010

Sales	\$ 2,141
Cost of sales	<u>117</u>
	<u>2,024</u>
Support and other revenue	
Contributions, gifts & grants	58,686
Conference revenue	<u>6,431</u>
	<u>65,117</u>
Expenses	
Program services	48,264
Management & general	20,991
Fundraising	<u>4,936</u>
	<u>74,191</u>
Operating loss	<u>(7,050)</u>
Non-operating revenue	
Interest income	4
Sale of assets - non inventory	<u>125</u>
	<u>129</u>
Decrease in net assets	(6,921)
Net assets, beginning	<u>22,928</u>
Net assets, ending	<u><u>\$ 16,007</u></u>

See Accompanying Notes and Accountant's Compilation Report

GTO Conferences, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2010

	Program Services	Management & General	Fundraising	Total
Expenses				
Advertising	\$ 517	\$ -	\$ 254	\$ 771
Auto	736	363	-	1,099
Charitable donations	200	-	-	200
Conference expense	2,645	-	-	2,645
Compensation & benefits	38,825	13,866	2,773	55,464
Depreciation	2,515	1,257	1,257	5,029
Dues & subscriptions	383	189	-	572
Education	-	392	-	392
Fundraising expense	-	-	285	285
Gifts	-	17	-	17
Insurance	-	1,523	-	1,523
Internet	1,028	367	73	1,468
Meals & entertainment	360	177	-	537
Miscellaneous	86	43	-	129
Office supplies	247	247	124	618
Postage	271	271	136	678
Professional services	-	1,537	-	1,537
Taxes	-	575	-	575
Telephone	442	157	32	631
Travel	9	10	2	21
	<u>\$ 48,264</u>	<u>\$ 20,991</u>	<u>\$ 4,936</u>	<u>\$ 74,191</u>

See Accompanying Notes and Accountant's Compilation Report

GTO Conferences, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2010

<u>Cash flows from operating activities</u>	
Operating loss	\$ (7,050)
Adjustments to reconcile operating loss to net cash from operations	
Depreciation	5,029
Decrease in accounts receivable	184
Decrease in inventory	118
Increase in accounts payable	278
Decrease in sales tax payable	(24)
Net cash used by operating activities	<u>(1,465)</u>
<u>Cash flows from capital and related financing activities</u>	
Acquisition of capital assets	(953)
Sales of capital assets	125
Net cash used by financing activities	<u>(828)</u>
<u>Cash flows from investing activities</u>	
Interest income	4
Net cash from investing activities	<u>4</u>
Net decrease in cash	(2,289)
Cash and cash equivalents, beginning	12,283
Cash and cash equivalents, ending	\$ <u><u>9,994</u></u>
<u>Required Supplemental Disclosure</u>	
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, 2010

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, 2010

GTO CONFERENCES, INC.
Notes to Financial Statements (Continued)
December 31, 2010

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, 2010, advertising costs amounted to \$771.

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, 2010

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 \$5,029 for the year ended December 31, 2010.