

Lavender Youth Recreation & Information Center

Financial Statements &
Independent Auditor's Report
for the Year Ended
June 30, 2019

**COOK &
COMPANY**

A PROFESSIONAL ACCOUNTANCY CORPORATION

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A PROFESSIONAL ACCOUNTANCY CORPORATION

Independent Auditor's Report

To the Board of Directors
Lavender Youth Recreation & Information Center
San Francisco, California

We have audited the accompanying financial statements of Lavender Youth Recreation & Information Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 of 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 auditor's judgment, including an assessment of the risks of the 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lavender Youth Recreation & Information Center, as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the June 30, 2018, financial statements of Lavender Youth Recreation & Information Center and our report dated March 12, 2019, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in blue ink that reads "Cook & Company". The signature is written in a cursive, flowing style.

A Professional Accountancy Corporation
San Francisco, California
June 10, 2020

Lavender Youth Recreation & Information Center

Statement of Financial Position June 30, 2019 with Comparative Totals for June 30, 2018

ASSETS	6/30/2019 <u>Total</u>	6/30/2018 Total (Note 2)
Current Assets:		
Cash & equivalents	\$ 907,885	\$ 1,046,518
Contracts receivable	1,208,728	817,006
Contributions & grants receivable	44,278	-
Other receivable	15,392	-
Prepaid expenses	31,464	28,171
Total current assets	2,207,747	1,891,695
Property & equipment, net (Note 3)	429,936	460,950
Other long-term assets	33,407	34,478
TOTAL ASSETS	\$ 2,671,090	\$ 2,387,123
LIABILITIES & NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 193,361	\$ 86,076
Accrued salaries & payroll taxes	56,270	63,716
Accrued vacation pay	47,304	50,481
Current portion of long-term debt (Note 4)	6,052	5,922
Total current liabilities	302,987	206,195
Long-term debt (Note 4)	44,233	50,257
Other long-term liabilities	39,866	39,768
TOTAL LIABILITIES	387,086	296,220
Net Assets		
Without donor restrictions	2,158,585	2,055,504
With donor restrictions (Note 5)	125,419	35,399
TOTAL NET ASSETS	2,284,004	2,090,903
TOTAL LIABILITIES & NET ASSETS	\$ 2,671,090	\$ 2,387,123

See accompanying notes to financial statements and independent auditor's report.

Lavender Youth Recreation & Information Center

Statement of Activities and Changes in Net Assets for the Year Ended June 30, 2019 with Comparative Totals for the Year Ended June 30, 2018

	Without Donor Restrictions			With Donor Restrictions	2018-19 Total	2017-18 Total (Note 2)
	LYRIC Core Activities	Sponsored Projects	Total			
Support & Revenue:						
Government grants & contracts	\$ 2,315,409		\$ 2,315,409		\$ 2,315,409	\$ 1,714,615
Private grants & contributions	195,139		195,139	\$ 183,098	378,237	336,168
Bequests	81,263		81,263		81,263	30,510
In-kind support			33,762		33,762	-
Net assets released from restriction:						
Satisfaction of donor restrictions	74,980	\$ 18,098	93,078	(93,078)	-	-
Program revenue	10,322		10,322		10,322	8,725
Miscellaneous	3,609		3,609		3,609	2,907
Total support & revenue	2,680,722	18,098	2,732,582	90,020	2,822,602	2,092,925
Expenses:						
Program services	2,109,190	16,082	2,125,272		2,125,272	1,753,115
Management & general	273,496	2,016	275,512		275,512	214,004
Fundraising	228,717		228,717		228,717	198,577
Total expenses	2,611,403	18,098	2,629,501	-	2,629,501	2,165,696
CHANGE IN NET ASSETS	69,319	-	103,081	90,020	193,101	(72,771)
NET ASSETS, July 1	2,055,504	-	2,055,504	35,399	2,090,903	2,163,674
NET ASSETS, June 30	\$ 2,124,823	\$ -	\$ 2,158,585	\$ 125,419	\$ 2,284,004	\$ 2,090,903

See accompanying notes to financial statements and independent auditor's report.

Lavender Youth Recreation & Information Center

**Statement of Functional Expenses
for the Year Ended June 30, 2019
with Comparative Totals for the Year Ended June 30, 2018**

	PROGRAM SERVICES						SUPPORTING SERVICES			2017-2018	
	Access & Engagement	Workforce Development	Fellowship	School-Based Initiative	Policy & Advocacy	Sponsored Projects	Total Programs	Management & General	Fundraising	2018-2019 Total	Total (Note 2)
Salaries, employee benefits & payroll taxes	\$ 456,810	\$ 376,903	\$ 335,306	\$ 228,110	\$ 26,596	\$ 11,247	\$1,434,972	\$ 110,969	\$ 163,232	\$ 1,709,173	1,545,842
Consulting & professional fees	21,958	16,301	8,027	11,511	1,025	1,375	60,197	89,390	23,828	173,415	101,255
Program contractors	140,770	41,626	90,028	75,599	-	-	348,023	-	-	348,023	186,947
In-kind expenses	-	-	-	-	-	-	-	33,443	319	33,762	-
Grants paid	-	-	-	-	-	-	-	-	-	-	14,137
Supplies	41,787	31,584	17,984	16,946	1,449	2,267	112,017	10,084	9,186	131,287	96,730
Telecommunications	6,337	4,037	1,620	3,655	170	-	15,819	1,322	1,263	18,404	11,372
Postage	277	227	61	117	9	-	691	85	75	851	880
Printing & copying	275	2,360	8	206	-	-	2,849	41	205	3,095	2,091
Insurance	6,902	2,153	1,302	1,984	59	667	13,067	3,588	429	17,084	16,677
Subscriptions & reference materials	5,469	3,395	2,114	2,999	57	-	14,034	454	7,486	21,974	19,042
Occupancy	4,063	12,094	2,908	2,110	203	-	21,378	1,580	1,390	24,348	30,019
Travel & meetings	4,707	2,698	1,742	2,695	629	526	12,997	7,936	773	21,706	18,749
Fundraising & marketing	24,632	449	-	-	-	-	25,081	67	15,029	40,177	21,741
Participant expenses	18,915	10,106	3,611	-	-	-	32,632	-	-	32,632	46,037
Depreciation	9,703	7,415	3,225	5,007	492	-	25,842	2,898	3,315	32,055	32,056
Miscellaneous expense	2,019	1,273	461	563	1,357	-	5,673	13,655	2,187	21,515	22,121
TOTAL	\$ 744,624	\$ 512,621	\$ 468,397	\$ 351,502	\$ 32,046	\$ 16,082	\$ 2,125,272	\$ 275,512	\$ 228,717	\$ 2,629,501	2,165,696

See accompanying notes to financial statements and independent auditor's report.

Lavender Youth Recreation & Information Center

Statement of Cash Flows for the Year Ended June 30, 2019 with Comparative Totals for the Year Ended June 30, 2018

	2018-2019	2017-2018 (Note 2)
<i>Cash flows from operating activities:</i>		
Change in net assets	\$ 193,101	\$ (72,771)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	32,055	32,056
Changes in assets and liabilities:		
(Increase) decrease in grants & pledges receivable	(44,278)	23,544
(Increase) decrease in contracts receivable	(391,722)	(357,229)
(Increase) decrease in other receivable	(15,392)	-
(Increase) decrease in other assets	(2,222)	898
Increase (decrease) in accounts payable	107,285	26,489
Increase (decrease) in other liabilities	(10,525)	31,301
Cash provided (used) by operating activities:	(131,698)	(315,712)
<i>Cash flows from investing activities:</i>		
Purchases of fixed assets	(1,042)	-
Cash provided (used) by investing activities:	(1,042)	-
<i>Cash flows from financing activities:</i>		
Principal payments on mortgage	(5,893)	(5,280)
Cash provided (used) by financing activities:	(5,893)	(5,280)
Cash provided (used) during year	(138,633)	(320,992)
Cash & cash equivalents:		
Beginning of year, July 1	1,046,518	1,367,510
End of year, June 30	\$ 907,885	\$ 1,046,518
<u>Additional disclosure:</u>		
Interest paid during the year	\$ 2,778	\$ 2,134

See accompanying notes to financial statements and independent auditor's report.

Lavender Youth Recreation & Information Center

Notes to Financial Statements

June 30, 2019

1. The Organization

Nature of activities

Lavender Youth Recreation & Information Center (LYRIC or the Organization) is a nonprofit organization whose mission is to build community and inspire positive social change through education enhancement, career training, health promotion, and leadership development with lesbian, gay, bisexual, transgender, queer, and questioning (LGBTQQ) youth, their families, and allies of all races, classes, genders, and abilities. Exempt from income taxes under section 501(c)(3) of the Internal Revenue Code, the Organization is governed by a Board of Directors.

LYRIC's major programs consist of:

Access & Engagement

LYRIC's Access and Engagement Program decreases the isolation of LGBTQQ young people and promotes healthy communities of caring peers and adult allies through individualized case management and peer-led groups. At intake, youth report high levels of unemployment, homelessness, and mental health issues. Youth gain access to housing, violence prevention services, educational support, legal services, and healthcare. Case management services are available on-site at LYRIC as well as at the Dimensions Clinic and at numerous SFUSD school sites. LYRIC's youth community faces numerous barriers: most report histories of violence, many are in urgent need of mental health/substance abuse services, and many are homeless / marginally-housed. In FY1819, LGBTQQ youth engaged in a continuum of individualized case management support. Many youth participated in LYRIC's peer-led groups that celebrate and promote the resiliency of various members of our community—youth engaged in sex work, transgender youth, youth survivors of intimate partner violence, youth vulnerable to HIV infection. Additionally, youth participated in peer-led special events, such as dances, holiday gatherings, and an outdoor community brunch.

Workforce Development

LYRIC's Youth Workforce Development program provides LGBTQQ and straight ally youth with the knowledge, skills, abilities, and experiences that prepare them for the work world. Through this program, youth learn to: engage in activities that build their emotional and intellectual capacity; succeed in school and explore post-secondary pathways to cultivate economic self-sufficiency; obtain meaningful work experience that builds their basic job readiness/leadership skills; and develop the means to thrive as individuals, utilizing critical thinking/problem solving skills to contribute to the vitality of their communities. In FY1819, LYRIC supported youth employment placements across the continuum of paid, work-based leadership opportunities including specific job training for undocumented youth and LGBTQQ young leaders.

LYRIC Fellowship

LYRIC's Fellowship is a paid two-year program that engages and provides transitional age youth (TAY) (18-24 years old) Transgender/Gender NonConforming (T/GNC) youth with employment and leadership development opportunities. Through this program, Fellows attain core employment skills through youth-led project-based learning; receive support toward stable housing, mental health well-being, and academic progress; and gain equitable access to long-term trusting relationships with adult mentors to enhance their connectedness with leaders in their

Lavender Youth Recreation & Information Center

Notes to Financial Statements

June 30, 2019

communities. In FY1819, Fellows strengthened their social and emotional skills, enhanced their advocacy and leadership skills, and made progress toward their academic success.

School-Based Initiative

LYRIC's School-Based program empowers youth to create schools where LGBTQ youth can thrive. In FY1819, the program held Q Groups—middle school and high school groups—citywide. These weekly, cohort-based groups increase student awareness of LGBTQ issues through topics such as sexual health, healthy relationships, gender identity development, and community pride. Youth reported increased pride in being part of the LGBTQ community, access to supportive LGBTQ peers, and connection to a positive LGBTQ role model. Students participated in a campaign to educate city policymakers about the disparities facing LGBTQ youth in schools. As a result of this work, we were successful in reaching an incredibly vulnerable and isolated student community of transgender/gender-questioning students and LGBTQ students of color.

Policy & Advocacy

LYRIC's Policy and Advocacy program addresses the institutional barriers that negatively impact LGBTQ youth—exclusion of LGBTQ youth perspectives from civic debates, lack of LGBTQ-inclusive data and research, and fragmented resource networks. Through our advocacy efforts, LGBTQ youth and adult allies inform key decision-makers about the issues impacting LGBTQ youth's lives and communities. Through our high level research partnerships, we identify and disseminate cutting edge practices that advance the field of LGBTQ youth development. Through our coordination of an interagency service collaborative, we leverage a wide range of resources—housing, primary care, behavioral health, workforce development, educational services—that provide LGBTQ with the holistic support that they need to thrive.

Sponsored Projects

The Organization acts as fiscal sponsor for various unincorporated groups whose activities are aligned with LYRIC's mission. Sponsored projects include the Budget Justice Coalition (a collaboration of over community-based and labor organizations serving impoverished people working towards a City budget that prioritizes the unmet needs of the City's most vulnerable populations and poorest communities in San Francisco) and the Service Provider Working Group (a collaborative of youth-serving agencies that advises the San Francisco Department of Children, Youth, and Their Families Oversight and Accountability Committee on funding priorities, policy development, the planning cycle, evaluation design and plans, and any other issues of concern to San Francisco's Children and Youth Fund.

Funding

LYRIC receives funding from foundations, corporations, individuals and local government.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, support is recognized when it is awarded, revenue is recognized when it is earned and expenses are recognized when they are incurred.

Lavender Youth Recreation & Information Center

Notes to Financial Statements

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Basis of Presentation

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

Net assets without donor restrictions, which includes resources not subject to, or no longer subject to, donor-imposed stipulations.

Net assets with donor restrictions, which includes resources whose use is limited by donor-imposed time and/or purpose restrictions.

Revenue and support are reported as increases in *net assets without donor restrictions* unless use of the contributed assets is limited by donor-imposed stipulations. All expenses, including those funded by restricted contributions, are reported as decreases in *net assets without donor restrictions*. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in *net assets without donor restrictions* unless they are encumbered by explicit donor stipulation or by law. Expirations of donor-restrictions (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time-period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank checking, savings and money market accounts.

Contracts Receivable

Receivables from program service contracts with government agencies are reported at the amount management expects to collect on balances outstanding at year-end. As all amounts are deemed fully collectible, there is no allowance for doubtful accounts.

Grants & Pledges Receivable

Grants and pledges receivable are recorded based on formal promises received from donors. Amounts due within one year of the balance sheet date are stated at face value. Amounts due beyond one year are discounted to present value, using an annual rate of 4%, only when such discounts are material to the financial statements. Since there are currently no non-current receivables on the books, there are no discounts reflected in the accompanying financial statements.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, receivables, and accounts payable approximate fair value because of the short maturity of these instruments.

Property & Equipment

Fixed assets with a cost of at least \$5,000 are capitalized and stated at cost. Donated fixed assets are stated at their fair market value at the time of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, which range from 3 to 31.5 years for fixed assets currently on the books.

Functional Expenses

The Organization presents its expenses by natural category (e.g. salaries, office expenses, etc.) and by function. The three major functions included in the accompanying financial statements are *program services, management & general, and fundraising*.

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Notes to Financial Statements

June 30, 2019

Program services include the direct conduct and direct supervision of specific program activities. *Fundraising* includes efforts to solicit monetary and nonmonetary contributions. *Management & general* includes general oversight, recordkeeping, regulatory compliance, governance, financial management, and all other activities that do not constitute the direct conduct or direct supervision of specific *program services* or *fundraising* activities.

Expenses that pertain to a single function are charged directly to the respective cost center in the general ledger based on the underlying nature of the transaction (according to the definitions above). This is performed on a transaction-by-transaction basis.

On a monthly basis, the cost of each employee's compensation is allocated to functional cost centers (classes) according to management's estimate of time and effort expended on each function. This methodology has resulted in the following allocation of personnel costs: 84% to program services, 6% to management & general, and 10% to fundraising.

Other expenses that are common to all functions (primarily consisting of depreciation, information technology, and other shared office / facility expenses) are allocated amongst the major functions based on management's estimate of the percentage of resources used by each function. This methodology has resulted in the following allocation of shared costs: 81% to program services, 9% to management & general, and 10% to fundraising.

The estimates discussed above are compiled during the Organization's budgeting process and require management to make significant judgments. It is at least reasonably possible that the actual results could differ from the estimated amounts recorded.

Sponsored Projects

The Organization acts as fiscal sponsor for various unincorporated groups. Since LYRIC maintains legal, financial, and operational authority over these sponsored projects, they represent programs of LYRIC. As such, revenues, expenses, assets, and liabilities of the projects are included in the accompanying financial statements. The projects' unexpended funding is reflected in the ending balance of temporarily restricted net assets.

Income Taxes

As a public charity, the Organization is exempt from income taxes except on activities unrelated to its mission. As management believes that all of the Organization's activities are directly related to its mission, no provision has been made for income tax expense. The Organization's federal *Return of Organization Exempt from Income Tax* (Form 990) filings for the tax years ending in 2016 through 2019 are subject to examination by the Internal Revenue Service, generally for three years after they were filed. The Organization's *California Exempt Organization Annual Information Return* (Form 199) filings for the tax years ending in 2015 through 2019 are subject to examination by the California Franchise Tax Board, generally for four years after they were filed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Lavender Youth Recreation & Information Center

Notes to Financial Statements June 30, 2019

New Accounting Pronouncement

These financial statements reflect the provisions of Accounting Standards Update No. 2016-14—*Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14), which was issued by the Financial Accounting Standards Board (FASB) in August 2016 and effective for calendar years ending in 2018 and beyond.

This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return amongst not-for-profit entities. A key change required by ASU 2016-14 is the net asset class captions displayed in not-for-profit financial statements. Amounts previously reported as *unrestricted net assets* are now reported as *net assets without donor restrictions*, and amounts previously reported as *temporarily restricted net assets* and *permanently restricted net assets* are now reported as *net assets with donor restrictions*. A footnote on liquidity has also been added (Note 8).

Comparative Data

The financial statement information for the year ended June 30, 2018, presented for comparative purposes, is not intended to be a complete financial statement presentation. For a complete presentation, please refer to the financial statement for that fiscal year.

3. Property & Equipment

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$160,174		\$160,174
Building & improvements	845,691	\$586,733	258,958
Furnishings & equipment	<u>63,035</u>	<u>52,231</u>	<u>10,804</u>
Total	\$1,068,900	\$638,964	\$429,936

4. Long-Term Debt

In 1996, the Organization financed the acquisition of its facility with a thirty-year, variable rate mortgage. The current balance of the mortgage is \$50,285, which is secured by a deed of trust on LYRIC's facility. The annual interest rate is based on the bank's index rate plus 3%. The rate is recalculated by the bank twice per year and may never exceed 12% or fall below 2%. The interest rate in effect at June 30, 2019 was 4% and the total interest paid during the year then ended was \$2,778. Future maturities of principal are anticipated as follows:

<u>Fiscal-year ending</u>	<u>Principal payments</u>
June 30, 2020	\$6,052
June 30, 2021	6,296
June 30, 2022	6,561
June 30, 2023	6,837
June 30, 2024	7,124
Thereafter	<u>17,415</u>
Total mortgage balance at June 30, 2019	\$50,285
Less: current portion	<u>(6,052)</u>
Amount classified as long-term debt	\$44,233

Lavender Youth Recreation & Information Center

Notes to Financial Statements June 30, 2019

5. Net Assets with Donor Restrictions

The balance of net assets with donor restrictions represents donations and grants to LYRIC that have been restricted for a specific purpose or time period. Details are as follows:

Fellowship program	\$60,293
To support FY19-20 activities	40,000
Sponsored projects	20,959
Other activities	<u>4,167</u>
Total net assets with donor restrictions at June 30, 2019	\$125,419

6. Line of Credit

The Organization has available a \$100,000 bank line of credit, which is renewed in September of each year. No amounts had been drawn down as of June 30, 2019. The line charges interest on outstanding balances at a variable annual rate, which was approximately 12% during FY18-19.

7. Contingencies, Risks & Uncertainties

Satisfaction of Funding Source Requirements

The Organization receives grants and contracts that are restricted for a specific program or purpose. If such restrictions are not met in accordance with the funding source agreement, there is the possibility that funds would have to be returned to the funding source. It is management's opinion that all funding source restrictions have been met for amounts that have been either recorded as unrestricted or for which donor restrictions have been released.

Concentration of Risk – Revenue & Support

Approximately one-half of the Organization's revenue and support is derived from contracts with one government agency. Should revenue from this source decrease, LYRIC could experience a significant contraction of its services. Contracts with this agency are funded in five year cycles, with the current cycle scheduled to end in June 2023. As such, management does not expect any near term impact from this funding concentration.

Cash Deposits in Excess of FDIC Insurance Limits

From time to time, LYRIC's cash deposits may exceed the insurance limits provided by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2019, LYRIC held approximately \$660,000 in one bank, exceeding FDIC limits by approximately \$410,000. Management believes the risk of loss is minimal and LYRIC has not experienced any losses in these accounts to date.

8. Management's Liquidity Disclosure

LYRIC has sufficient liquidity to meet ongoing cash needs for general expenditures within one year of the balance sheet date. LYRIC prioritizes preservation of capital for liquidity and investment in new program development over investment gains. LYRIC also conducts vigorous fundraising campaigns throughout the year and has ongoing government contracts. Careful

Lavender Youth Recreation & Information Center

Notes to Financial Statements June 30, 2019

financial planning, diversified revenue composition, and legacy gifts from donors allow the organization to increase its capital resources to support continued innovation in the field of LGBTQQ youth development.

Financial assets available to meet cash needs for general expenditures within one year are as follows:

Cash & equivalents	\$907,885
Grants, contacts and other receivables	1,268,398
Less: purpose-restricted net assets	<u>(85,419)</u>
Total	\$2,090,864

9. Subsequent Events

Contractual Commitments

In connection with the planned renovation of its building facilities, LYRIC has entered into contractual obligations of approximately \$275,000.

Financial Statement Preparation

In preparing these financial statements, management has evaluated events for potential recognition or disclosure through June 10, 2020, the date the financial statements were available to be issued.

COVID-19

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the Organization's ability to deliver program services and/or raise contributions. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. As such, the financial impact of this crisis cannot be reasonably estimated at this time.