

Lavender Youth Recreation & Information Center

Financial Statements &
Independent Auditor's Report
for the Year Ended
June 30, 2021

**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, 2021, 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, 2021, 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, 2020, financial statements of Lavender Youth Recreation & Information Center and our report dated April 8, 2021, 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, 2020, 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
October 4, 2023

Lavender Youth Recreation & Information Center

Statement of Financial Position June 30, 2021 with Comparative Totals for June 30, 2020

ASSETS	6/30/2021 <u>Total</u>	6/30/2020 <u>Total</u> (Note 2)
Current Assets:		
Cash & equivalents	\$ 1,301,052	\$ 1,370,422
Government grants/contracts receivable	1,052,193	645,667
Contributions receivable (Note 3)	21,320	268,929
Other receivables	16,174	11,572
Prepaid expenses	31,237	33,297
Total current assets	<u>2,421,976</u>	<u>2,329,887</u>
Cash designated for capital investment (Notes 2, 4)	1,438,000	500,000
Property & equipment, net (Note 5)	564,106	502,895
Other non-current assets	<u>27,813</u>	<u>42,208</u>
TOTAL ASSETS	<u>\$ 4,451,895</u>	<u>\$ 3,374,990</u>
LIABILITIES & NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 242,267	\$ 137,214
Accrued salaries & payroll taxes	97,345	89,566
Accrued vacation pay	100,149	93,174
Conditional grant advance	-	331,690
Current portion of long-term debt (Note 6)	-	6,352
Total current liabilities	<u>439,761</u>	<u>657,996</u>
Long-term debt (Note 6)	-	37,845
Other long-term liabilities	<u>55,891</u>	<u>53,900</u>
TOTAL LIABILITIES	495,652	749,741
Net Assets		
Without donor restrictions		
Undesignated	2,062,953	2,030,863
Board-designated (Note 7)	279,824	-
Total without donor restrictions	<u>2,342,777</u>	<u>2,030,863</u>
With donor restrictions (Note 8)	1,613,466	594,386
TOTAL NET ASSETS	<u>3,956,243</u>	<u>2,625,249</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 4,451,895</u>	<u>\$ 3,374,990</u>

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, 2021 with Comparative Totals for the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	2020-2021 Total	2019-2020 Total (Note 2)
Support & Revenue:				
Government grants/contracts	\$ 3,168,609	\$ 325,000	\$ 3,493,609	\$ 2,879,089
Private grants & contributions	642,247	1,403,965	2,046,212	991,046
Bequests	24,412	-	24,412	36,833
Net assets released from restriction:				
Satisfaction of donor restrictions	709,885	(709,885)	-	-
Other	23,725	-	23,725	9,489
Total support & revenue	4,568,878	1,019,080	5,587,958	3,916,457
Expenses:				
Program services	2,718,456	-	2,718,456	2,654,415
Management & general	759,012	-	759,012	554,592
Fundraising	779,496	-	779,496	366,205
Total expenses	4,256,964	-	4,256,964	3,575,212
CHANGE IN NET ASSETS	311,914	1,019,080	1,330,994	341,245
NET ASSETS, July 1	2,030,863	594,386	2,625,249	2,284,004
NET ASSETS, June 30	\$ 2,342,777	\$ 1,613,466	\$ 3,956,243	\$ 2,625,249

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, 2021 with Comparative Totals for the Year Ended June 30, 2020

	Program Services	Management & General	Fundraising	2020-2021 Total	2019-2020 Total (Note 2)
Salaries, employee benefits & payroll taxes	\$1,815,749	\$ 496,988	\$ 423,266	\$2,736,003	\$ 2,443,512
Accounting fees	6,331	97,299	270	103,900	147,042
Legal services	-	94,708	140	94,848	107,701
Fund development consultants	-	-	176,897	176,897	90,565
Clinical supervision services	62,350	-	-	62,350	54,350
Program contractors	411,052	-	-	411,052	351,578
Other fees for services	17,688	23,987	8,221	49,896	23,214
Grants paid	26,914	-	-	26,914	-
Advertising & marketing	-	-	3,580	3,580	14,090
Supplies	32,649	2,065	1,694	36,408	62,303
Telecommunications	16,467	1,795	1,311	19,573	26,064
Postage	1,561	252	711	2,524	1,707
Printing & copying	12	-	1,215	1,227	4,992
Occupancy	23,914	4,987	4,447	33,348	50,884
Travel & meetings	8,781	8,980	1,175	18,936	27,995
Insurance	10,403	2,111	2,563	15,077	20,508
Subscriptions & reference materials	32,473	3,555	9,723	45,751	34,778
Client assistance	208,171	-	-	208,171	51,751
Depreciation	23,059	4,795	4,490	32,344	32,056
Bad debt expense	7,201	-	120,400	127,601	-
Miscellaneous expense	13,681	17,490	19,393	50,564	30,122
TOTAL	\$ 2,718,456	\$ 759,012	\$ 779,496	\$ 4,256,964	3,575,212

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, 2021 with Comparative Totals for the Year Ended June 30, 2020

	2020-2021	2019-2020 (Note 2)
<i>Cash flows from operating activities:</i>		
Change in net assets	1,330,994	341,245
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	32,344	32,056
Other non-cash item	(289)	-
Changes in assets and liabilities:		
(Increase) decrease in grants & pledges receivable	247,609	(224,651)
(Increase) decrease in government grants/contracts receivable	(406,526)	563,061
(Increase) decrease in other receivable	(4,602)	3,820
(Increase) decrease in other assets	16,455	(10,634)
Increase (decrease) in accounts payable	105,053	(56,147)
Increase (decrease) in government grant advance	(331,690)	331,690
Increase (decrease) in other liabilities	16,745	93,201
Cash provided (used) by operating activities:	1,006,093	1,073,641
 <i>Cash flows from investing activities:</i>		
Purchases of fixed assets	(93,266)	(105,016)
Cash provided (used) by investing activities:	(93,266)	(105,016)
 <i>Cash flows from financing activities:</i>		
Principal payments on mortgage	(44,197)	(6,088)
Cash provided (used) by financing activities:	(44,197)	(6,088)
 Cash provided (used) during year	868,630	962,537
 Cash & cash equivalents:		
Beginning of year, July 1	1,870,422	907,885
End of year, June 30	2,739,052	1,870,422
 <u>Reconciliation of cash to statement of financial position:</u>		
Cash and cash equivalents	\$ 1,301,052	\$ 1,370,422
Cash designated for capital investment	1,438,000	500,000
	\$ 2,739,052	\$ 1,870,422
 <u>Additional disclosure:</u>		
Interest paid during the year	\$ 1,118	\$ 1,930

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

Lavender Youth Recreation & Information Center

Notes to Financial Statements June 30, 2021

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.

Funding

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

Program Services

The majority of the youth LYRIC serves are living in poverty, with close to half identifying as transgender or gender non-conforming. Many have experienced the foster care system, homelessness, mental health and substance use challenges, and disabilities. To address these diverse needs, LYRIC provides one-on-one support through mentoring, counseling, and informal meetings. For those requiring more comprehensive assistance, the organization offers case management to create tailored service plans.

LYRIC's Youth Advocacy program assists youth in developing service plans related to community engagement, employment, health, legal matters, education, relationships, and housing. Additionally, peer-led groups provide opportunities for skills development and community building, focusing on topics such as health and wellness, identity formation, leadership, and empowerment.

LYRIC's TGNC Youth Health Access Program Model employs evidence-based strategies to address the health disparities faced by transgender and gender non-conforming youth. It offers gender-affirming services, PrEP navigation, and support for gender-affirming healthcare.

LYRIC's housing navigation services aim to address homelessness among youth. The organization collaborates with various partners, providing housing assessments, referrals, case management, financial assistance, and legal support. LYRIC also extends its services to students experiencing housing instability in partnership with local institutions.

Recognizing the prevalence of violence and harassment within the LGBTQQ community, LYRIC offers direct support to survivors and at-risk youth. Collaborations with organizations like Asian Women's Shelter and Young Women's Freedom Center have been established to provide group support and resources for LGBTQQ youth and young women of color.

LYRIC's Youth Workforce Development program, known as the Sequoia Leadership Institute, equips youth with essential skills and work experience to prepare them for the job market. This includes job training for undocumented youth and LGBTQQ young leaders.

Additionally, LYRIC offers the Community Leadership Program, a paid internship program, and the LYRIC Fellowship, a paid opportunity for youth ages 18-24 to gain work experience while focusing on social change through artistic means. Lastly, the LYRIC Mentorship Program provides stipend-based support for youth to develop leadership skills, pursue career goals, and connect with community resources.

Lavender Youth Recreation & Information Center

Notes to Financial Statements June 30, 2021

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.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank checking, savings, and money market accounts. A portion of cash is presented as non-current *cash designated for capital investment* to reflect amounts that are donor-restricted and/or otherwise designated for the Organization's facility renovation (as discussed in Notes 6, 7, and 9).

Government Grants/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.

Contributions Receivable

Contributions receivable from individuals and non-governmental entities are recorded based on formal promises received. 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 only in situations where such discounts would be material to the financial statements. All amounts are due within one year and there are no discounts reflected in the financial statements. An allowance for doubtful accounts has been recognized based on the estimated proportion of promises that will not be fulfilled.

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.

Net Assets

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.

Recognition of Contributions

The Organization recognizes contributions when it receives cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest.

Lavender Youth Recreation & Information Center

Notes to Financial Statements June 30, 2021

Contributions are reported as increases in *net assets without donor restrictions* unless use of the contributed assets is limited by donor-imposed stipulations. 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.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Organization's contracts with government agencies are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at June 30, 2021, conditional contributions approximating \$1.7 million, for which no amounts had been received in advance, have not been recognized in the accompanying financial statements.

Paycheck Protection Program

In connection with economic uncertainties resulting from the Coronavirus pandemic, LYRIC applied for and received a forgivable loan through the U.S. Small Business Administration's Paycheck Protection Program (PPP) during the year ended June 30, 2020. The Organization has treated funding from this program as a conditional government grant per FASB 958. Accordingly, the funding was recognized as revenue as conditions were satisfied (i.e., when allowable costs were incurred).

Intentions to Give

From time to time, the Organization receives written notifications of donors' intentions to give. In accordance with generally accepted accounting principles, such intentions are not considered promises to give. Therefore, these amounts are not recognized until the Organization receives payment, or a conditional or unconditional promise is made, whichever occurs first.

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*.

Program services include the direct conduct and direct supervision of specific program activities.

Fundraising includes efforts to solicit other 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.

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.

Other expenses that are common to all functions (primarily consisting of depreciation, and other shared office / facility expenses) are allocated amongst the major functions based on each function's proportionate share of allocated personnel expense, as described above.

Lavender Youth Recreation & Information Center

Notes to Financial Statements June 30, 2021

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

Client Assistance

Client assistance includes scholarships and housing assistance provided to LYRIC's program participants.

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.

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 2018 through 2021 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 2017 through 2021 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.

Recent Accounting Pronouncements

Accounting Standards Update No. 2014-09— *Revenue from Contracts with Customers (Topic 606)* (ASU 2014-09) was issued by the Financial Accounting Standards Board (FASB) in May 2014 and is effective for nonpublic entities in calendar years ending in 2020 and beyond. This update supersedes or replaces nearly all GAAP revenue recognition guidance for reciprocal transactions. These standards establish a new five-step contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue.

The enactment of this pronouncement is reflected for the first time in the Organization's financial statements for the year ending June 30, 2021. Because LYRIC does not typically engage in contracts with customers, this pronouncement did not have a significant effect on the Organization's financial statements.

These financial statements also reflect the provisions Accounting Standards Update No. 2018-08— *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Made and Contributions Received* (ASU 2018-08), which the FASB enacted in June 2018 in response to concerns and questions relating to the applicability of ASU 2014-09 to nonprofit organizations.

Lavender Youth Recreation & Information Center

Notes to Financial Statements June 30, 2021

This update provides enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal) or exchange transactions (reciprocal) and (2) determining whether a contribution is conditional. The update will result in more governmental contracts being accounted for as contributions and may delay recognition for certain grants and contributions that no longer meet the definition of unconditional. This pronouncement is effective for calendar years ending in 2019 and beyond.

Comparative Data

The financial statement information for the year ended June 30, 2020, 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. Certain amounts in the fiscal year 2020 financial statements have been reclassified to conform to the fiscal year 2021 financial statement presentation.

3. Contributions Receivable

Contributions receivable, current	\$141,720
Less: allowance for doubtful accounts	<u>(120,400)</u>
Contributions receivable, net	\$21,320

4. Cash Designated for Capital Investment

In connection with LYRIC's capital campaign, the Organization has received contributions that are restricted to facility renovation. The Organization has also set aside funds without purpose restrictions for this purpose, as follows:

Amounts restricted to capital improvements (see Note 8)	\$938,000
Amounts with time, but not purpose, restrictions that LYRIC has earmarked for capital improvements (see Note 8)	220,176
Amounts board-designated for capital improvements (Note 7)	<u>279,824</u>
Cash designated for capital investment	\$1,438,000

5. Property & Equipment

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$160,174		\$160,174
Building & improvements	834,006	\$640,040	193,966
Construction in progress	209,966		209,966
Furnishings & equipment	<u>63,035</u>	<u>63,035</u>	<u>0</u>
Total	\$1,267,181	\$703,075	\$564,106

6. Long-Term Debt

In 1996, the Organization financed the acquisition of its facility with a thirty-year, variable rate mortgage secured by a deed of trust on LYRIC's facility. The balance of the mortgage as of June 30, 2020, was \$50,285. The annual interest rate, adjusted twice per year, was based on the bank's index rate plus 3%. The interest rate in effect during the year ended June 30, 2021, was 4%. The total interest paid during the year was approximately \$1,118.

Lavender Youth Recreation & Information Center

Notes to Financial Statements June 30, 2021

In light of a facility renovation and an ongoing capital campaign, LYRIC elected to pay the remaining balance of \$37,889 in full in June 2021 in order to position the Organization for a new mortgage contemplated at approximately \$1 million. (A new mortgage has not been taken as of the date the financial statements were available to be issued.)

7. Board Designated Net Assets

The Organization has elected to set aside a portion of its *net assets without donor restrictions* to support its facility renovation (discussed further in Note 10).

8. 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:

Capital campaign	\$938,000
Housing programs	320,290
To support activities through October 2021	220,176
Violence prevention	100,000
Other activities	<u>35,000</u>
Total net assets with donor restrictions at June 30, 2021	\$1,613,466

9. 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, 2021. The line charges interest on outstanding balances at a variable annual rate, which was approximately 10% during FY20-21.

10. 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 requirements 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 57% of the Organization's revenue and support is derived from the City and County of San Francisco. Should revenue from this source decrease, LYRIC could experience a significant contraction of its services.

Cash Deposits in Excess of FDIC Insurance Limits

As of June 30, 2021, LYRIC held approximately \$2,230,000 in one bank, exceeding FDIC limits by approximately \$1,980,000. Management believes the risk of loss is minimal and LYRIC has not experienced any losses in these accounts to date.

Lavender Youth Recreation & Information Center

Notes to Financial Statements June 30, 2021

Capital Campaign

In the year ended June 30, 2020, LYRIC embarked upon a fundraising campaign to support the renovation of its facilities with the goal of raising approximately \$2.5 million. While determination of the ultimate cost of the renovations is ongoing, approximately \$1.615 million had been secured and designated for this purpose as of June 30, 2021, of which approximately \$1.438 million had not been spent as of that date. The available balance (which is presented as *cash designated for capital investment* on the statement of financial position) includes \$938,000 restricted by donors for capital improvements (and included in the balance of *net assets with donor restrictions*), \$279,824 in *net assets without donor restrictions* that is board-designated for capital improvements. In addition, the Organization plans to spend approximately \$220,176 in time-restricted general support funds that are included in the balance of net assets with donor restrictions. These amounts do not include funds that may become available under a contemplated mortgage on the Organization's facility (as discussed in Note 4).

11. Management's Liquidity Disclosure

LYRIC believes it 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 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 LGBTQ youth development.

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

Cash & equivalents	\$1,301,052
Government grants/contracts receivable	1,052,193
Contributions receivable	21,320
Other receivables	16,174
Less: purpose-restricted net assets	<u>(1,393,290)</u>
Total	\$997,449

12. Subsequent Events

Collective Bargaining Agreement

In the fall of 2021, a collective bargaining agreement was executed between the Organization and its employees following the employees' decision to become members of the Office and Professional Employees International Union Local 29. Aside from managerial, supervisory, short-term, and similar auxiliary categories of staff, most full time employees are covered by the agreement. Management anticipates that the pay raises outlined in the agreement may increase employee compensation costs by 5 to 10% each year through 2024.

Financial Statement Preparation

In preparing these financial statements, management has evaluated events for potential recognition or disclosure through October 4, 2023, the date the financial statements were available to be issued.