

BROOKLYN COMMUNITY PRIDE CENTER, INC.
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

GETTRYMARCUS



Brooklyn Community Pride Center, Inc.

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Year Ended June 30, 2021

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Independent Auditor's Report

To the Board of Directors
Brooklyn Community Pride Center, Inc.
Brooklyn, New York

We have audited the accompanying financial statements of Brooklyn Community Pride Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021 and the related statements of activities, 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 from 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 the assessment of the risks of 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brooklyn Community Pride Center, Inc. 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.

GETTRY MARCUS CPA, P.C.

Gettry Marcus CPA, P.C.
New York, New York
May 16, 2022

Brooklyn Community Pride Center, Inc.
Statement of Financial Position
June 30, 2021

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Assets			
Current assets			
Cash	\$ 354,390	\$ 32,500	\$ 386,890
Government grants receivable	400,125	-	400,125
Contributions receivable	8,500	-	8,500
Other income receivable	6,541	-	6,541
Prepaid expenses and other assets	9,006	-	9,006
	<u>778,562</u>	<u>32,500</u>	<u>811,062</u>
Total current assets			
Other assets			
Property and equipment, net	89,982	-	89,982
Security deposit	41,562	-	41,562
	<u>131,544</u>	<u>-</u>	<u>131,544</u>
Total other assets			
Total assets	<u>\$ 910,106</u>	<u>\$ 32,500</u>	<u>\$ 942,606</u>
Liabilities and Net Assets			
Current liabilities			
Accounts payable and accrued expenses	\$ 33,767	\$ -	\$ 33,767
Deferred rent obligation	9,439	-	9,439
Note payable - Paycheck Protection Program	112,975	-	112,975
	<u>156,181</u>	<u>-</u>	<u>156,181</u>
Total current liabilities			
Net Assets			
Without donor restrictions	753,925	-	753,925
With donor restrictions	-	32,500	32,500
	<u>753,925</u>	<u>32,500</u>	<u>786,425</u>
Total net assets			
Total liabilities and net assets	<u>\$ 910,106</u>	<u>\$ 32,500</u>	<u>\$ 942,606</u>

Brooklyn Community Pride Center, Inc.
Statement of Activities
Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues			
Foundations and trusts	\$ 68,354	\$ 97,500	\$ 165,854
Corporations	26,918	-	26,918
Individuals	79,694	-	79,694
Government grants	483,500	-	483,500
In-kind contributions	144,339	-	144,339
	<hr/>	<hr/>	<hr/>
Total support and revenues	802,805	97,500	900,305
Other income			
Room rental and licensing fees	28,640	-	28,640
Consulting fees	45,014	-	45,014
Paycheck Protection Program loan forgiveness	109,357	-	109,357
Interest income	50	-	50
	<hr/>	<hr/>	<hr/>
Total other income	183,061	-	183,061
Net assets released from restrictions	<hr/>	<hr/>	<hr/>
	107,500	(107,500)	-
Total support, revenues and other income	<hr/>	<hr/>	<hr/>
	1,093,366	(10,000)	1,083,366
Functional expenses			
Program services	617,232	-	617,232
Fundraising services	222,776	-	222,776
Administration services	191,372	-	191,372
	<hr/>	<hr/>	<hr/>
Total functional expenses	1,031,380	-	1,031,380
Increase (decrease) in net assets	61,986	(10,000)	51,986
Net assets - Beginning of year	<hr/>	<hr/>	<hr/>
	691,939	42,500	734,439
Net assets - End of year	<hr/>	<hr/>	<hr/>
	\$ 753,925	\$ 32,500	\$ 786,425

Brooklyn Community Pride Center, Inc.
Statement of Functional Expenses
Year Ended June 30, 2021

	<u>Program Services</u>	<u>Fundraising Services</u>	<u>Administration Services</u>	<u>Total Functional Expenses</u>
Salaries and wages	\$ 324,166	\$ 99,805	\$ 70,664	\$ 494,635
Payroll taxes and fringe benefits	31,960	7,827	5,942	45,729
Employee benefits	31,472	12,843	8,371	52,686
Rent	61,798	13,358	1,820	76,976
Utilities and telephone	7,604	1,807	2,299	11,710
Consulting and professional fees	23,008	68,298	41,442	132,748
Accounting and bookkeeping fees	-	-	43,654	43,654
Advertising and promotion	2,073	11,293	247	13,613
Insurance	3,234	684	2,015	5,933
Depreciation expense	11,671	1,556	2,334	15,561
Equipment and furniture	31,016	-	3,446	34,462
Equipment rental	2,548	540	187	3,275
Supplies	22,812	620	562	23,994
Travel	2,838	-	453	3,291
Conferences & meetings	3,207	-	117	3,324
Meals and entertainment	246	-	-	246
Grants	40,600	-	-	40,600
Video production	12,610	3,150	5,940	21,700
Other office expenses	2,037	494	1,573	4,104
Data and payroll processing fees	2,332	501	306	3,139
Total expenses	<u><u>\$ 617,232</u></u>	<u><u>\$ 222,776</u></u>	<u><u>\$ 191,372</u></u>	<u><u>\$ 1,031,380</u></u>

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

Brooklyn Community Pride Center, Inc.
Statement of Cash Flows
Year Ended June 30, 2021

Cash flows from operating activities	
Increase in net assets	\$ 51,986
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Depreciation	15,561
Deferred rent decrease	(6,239)
Paycheck Protection Program loan forgiveness	(109,357)
(Increase) decrease in operating assets:	
Government grants receivable	(310,621)
Contributions receivable	7,827
Other income receivable	12,124
Prepaid expenses and other assets	11,835
Security deposits	(18,500)
Decrease in operating liabilities:	
Accounts payable and accrued expenses	18,259
Total adjustments	<u>(379,111)</u>
Net cash used in operating activities	(327,125)
Cash flows from financing activity	
Loan proceeds from Paycheck Protection Program	<u>112,975</u>
Net decrease in cash	(214,150)
Cash - Beginning of year	<u>601,040</u>
Cash - End of year	<u>\$ 386,890</u>

Brooklyn Community Pride Center, Inc.
Notes to Financial Statements
June 30, 2021

Note 1 – Summary of Organization and Nature of Activities

Organization and Nature of Activities

Brooklyn Community Pride Center, Inc. (the “Organization”), is a nonprofit organization established in 2008 with the goal to become Brooklyn’s premier network of programs and services for the lesbian, gay, bisexual, transgender and queer (“LGBTQ+”) community of New York City’s largest borough.

At present, the Organization runs a community center offering programs and events for the LGBTQ+ community which focuses on six key areas that align with their mission. The six focus areas are Health and Wellness, Homelessness and Housing, Immigration, Racial Justice, Social Isolation and Workforce Development (Pride Path Program). Across the spectrum from young people to elders, the Brooklyn Community Pride Center enables the community to actively participate in positive, life-affirming activities. They offer a distinctive choice for the residents of Brooklyn to celebrate, heal, learn, create, organize, relax, socialize, and play. The Organization’s work expands the quantity and quality of LGBTQ+ services in the community and strengthens the community from the inside out.

The Organization is supported primarily through donor contributions and grants.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. When a restriction expires (when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions of property and equipment or cash restricted for acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation.

Brooklyn Community Pride Center, Inc.
Notes to Financial Statements
June 30, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Contributions and Expenditures

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give will be recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets will be reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities will be reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets.

Uninsured Cash Balances

The Organization maintains cash balances at a bank in the New York metropolitan area. Cash accounts at the bank are insured by the Federal Deposit Insurance Corporation subject to certain limits. At times, such cash balances may be in excess of the insured limits. The Organization has not experienced any losses in these accounts and does not believe it its exposed to any significant credit risk on its cash.

Grants, Contributions and Other Income Receivable

Grants, contributions, and other income receivable are stated at the amount management expects to collect from outstanding balances and are all due within one year. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the receivable. In the opinion of management, no allowance was necessary at June 30, 2021. The Organization does not charge interest on its receivables.

Property and Equipment and Related Depreciation Methods

Major property and equipment additions are recorded at cost if purchased, or, if in the case of donated property, at the fair value at the date of the gift. Such donations are reported as unrestricted contributions 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 property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long these 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. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the respective assets, which are as follows:

Office equipment	3 years
Leasehold improvements	Lower of lease term or 15 years

Brooklyn Community Pride Center, Inc.
Notes to Financial Statements
June 30, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

In-Kind Contributions

During the year ended June 30, 2021, the value of contributed goods and services meeting the requirements for recognition in the financial statements were included in support and revenues on the statement of activities and allocated among the corresponding functional expenses based on the nature of the goods and services.

Impairment of Long-Lived Assets

The Organization evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision or that the remaining balance of an asset may not be recoverable. The measurement of possible impairment is based on the ability to recover the balance of assets from expected future operating cash flows on an undiscounted basis. Impairment losses, if any, would be determined based on fair value, using the present value of the cash flows with discount rates that reflect the inherent risk of the underlying business. No impairment was required to be recognized for the year ended June 30, 2021.

Financial Instruments

The Organization's financial instruments include cash, contributions receivable, government grants receivable, other income receivable and accounts payable. The recorded values of cash, contributions receivable, government grants receivable, other income receivable and accounts payable approximates their fair values due to their short-term duration.

Tax-Exempt Status

The Organization has been notified by the Internal Revenue Service that it is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code ("Code"). The Organization is further classified as an organization that is not a private foundation under Section 509(a)(3) of the Code. The Organization follows the guidance of Accounting Standards Codification 740, *Accounting for Income Taxes*, related to uncertain income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. All significant tax positions have been considered by management. It has been determined that is more likely than not that all tax positions would be sustained upon examination by taxing authorities. Accordingly, no provision for income taxes has been recorded.

Deferred Rent

The Organization has entered into an operating lease agreement which contains provisions for future rent increases. The total amount of rental payments due over the lease term is being charged to rent expense on the straight-line method over the term of the lease. The difference between rent expense recorded and the amount paid is credited or charged to "Deferred rent obligation", which is included in liabilities in the accompanying statement of financial position.

Government Grants

The Organization is the recipient of various grants from government agencies. Expenses charged to these grants are subject to audit by the government agencies. No provision for any potential liability for the current or prior years has been reflected in these financial statements.

Brooklyn Community Pride Center, Inc.
Notes to Financial Statements
June 30, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Functional Expense Allocations

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions. Accordingly, certain costs have been allocated among the programs and supporting services benefited, using appropriate measurement methodologies. The expenses that are being allocated include salaries and related expenses, which are allocated based on estimates of time and effort, as well as rent and utilities, which are allocated on a square footage basis.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Estimates are based on past experience and other assumptions that management believes are reasonable under the circumstances, and management evaluates these estimates on an ongoing basis. The significant estimates of the Organization include no allowance for uncollectible receivables, no provision for potential recoupment of government grants, and the estimated lives on property and equipment.

Advertising

Advertising costs are expensed as incurred. Advertising expenses amounted to \$13,613 for the year ended June 30, 2021.

Accounting Standards Updates (“ASU”)

The Organization has reviewed recently issued ASUs by the Financial Accounting Standards Board (“FASB”) and based on that review, has determined that those ASUs, with the exceptions below, will not have a significant effect on the Organization’s financial statements.

In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU replaces all current U.S. GAAP guidance on this topic and eliminates industry-specific guidance. The topic, which was amended several times since, contains a core principle, that is, to recognize revenues when promised goods or services are transferred to customers in an amount that reflect the consideration to which an entity is expected to be entitled for those goods or services. The ASU defines a five-step process to achieve this core principle and, in so doing, more judgement and estimates may be required within the revenue recognition process than was previously required. This process includes identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocation the transaction to each performance obligation. The ASU was effective for annual periods beginning after December 15, 2019. Entities could use either one of these methods (a) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within the ASU, or, (b) retrospective with the cumulative effect of initially applying the ASU recognized at the date of initial application and providing certain additional disclosures as defined in the ASU. The Organization adopted this ASU effective July 1, 2020, and the adoption had no impact on its financial statements.

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)* (“ASU 2016-02”). ASU 2016-02 replaced all current U.S. GAAP guidance on this topic. Under ASU 2016-02:

- A lessee would account for both finance leases and operating leases by recognizing a right-of-use asset and a lease liability on the statement of financial position, with an exception for leases that commence at or near the end of the underlying asset’s economic life. Finance leases will recognize amortization of the right-of-use asset

Brooklyn Community Pride Center, Inc.
Notes to Financial Statements
June 30, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

separately from interest on the lease liability, and operating leases will recognize the lease expense on a straight-line basis. Additionally, the ASU only allows for the capitalization of only those costs, as initial direct costs, that are incurred due to the successful execution of a lease.

- Allows for an optional transition method to adopt this ASU for comparative financial statement presentations. Under this transition method, an entity initially applies the new lease standard at the adoption date and recognizes a cumulative-effect adjustment to the opening balance of net assets (deficit) in the year of adoption. Consequently, an entity's reporting for the comparative year presented in the financial statements in which it adopts the new lease standard, will continue to be in accordance with current U.S. GAAP (Topic 840, Leases) although it will not be consistently applied to both years.
- The ASU, as amended, is effective for fiscal years beginning after December 15, 2021.

The Organization is evaluating the impact the adoption of this ASU, as amended, could have on its financial statements.

In June 2018, FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies and improves accounting guidance for contributions received and made. This ASU clarifies (i) the evaluation of transactions that are to be characterized as contributions/grants (nonreciprocal transactions) or as exchange (reciprocal) transactions, and (ii) determining whether a contribution is conditional. The ASU is effective for annual periods beginning after December 15, 2018 for entities that serve as a resource recipient and periods beginning after December 15, 2019 for entities that serve as a resource provider. The adoption of this accounting guidance had no impact on the Organization's financial statements.

In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The intention of this ASU is to increase transparency about nonfinancial gifts in kind, including how they are used and how they are valued. The ASU requires a separate line-item presentation of contributed nonfinancial assets in the statement of activities, apart from the contributions of cash or other financial assets. The ASU requires disclosure of the disaggregation of the amount of nonfinancial gifts in-kind received by category and the organization, and for each category, disclosure of: (i) qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period; (ii) the not-for-profit's policy about monetizing rather than utilizing contributed nonfinancial assets; (iii) a description of any related donor-imposed restrictions associated with the contributed nonfinancial assets; (iv) the valuation techniques and inputs used to arrive at a fair value measure; and (v) the principal market (or most advantageous market) used to arrive at a fair value measure. The ASU is effective for annual reporting periods beginning after June 15, 2021, to be applied on a retrospective basis, and earlier application is permitted. Management has not assessed the impact, if any, this ASU will have on its financial statements.

Brooklyn Community Pride Center, Inc.
Notes to Financial Statements
June 30, 2021

Note 3 – Government Grants

Government grant income consists of the following for the year ending June 30, 2021:

<u>Government Agency</u>	<u>Amount Awarded</u>
New York City Department of Youth & Community Development	\$ 453,500
New York City Department for the Aging	<u>30,000</u>
	<u>\$ 483,500</u>

Government grant income from the New York City Department of Youth & Community Development accounted for approximately 48% of total support for the year ending June 30, 2021.

Government grants receivable at June 30, 2021 was \$400,125 from the two government agencies above and one additional government agency from the year ended June 30, 2020. In the opinion of management, no allowance for doubtful accounts is necessary at June 30, 2021.

Note 4 – Property and Equipment

Property and equipment consist of the following at June 30, 2021:

Office equipment	\$ 28,586
Leasehold improvements	111,138
Less: accumulated depreciation	<u>(49,742)</u>
	<u>\$ 89,982</u>

Depreciation expense for the year ended June 30, 2021 amounted to \$15,561.

Note 5 – Note Payable – Paycheck Protection Program

On April 7, 2020, the Organization obtained a \$109,357 loan from JP Morgan Chase Bank N.A. ("Loan") pursuant to the Paycheck Protection Program ("PPP") under the CARES Act, as administered by the U.S. Small Business Administration ("SBA"). In accordance with the PPP and the SBA, the Loan was available to fund designated expenses ("qualifying expenses"). In addition, up to the entire amount of the funded Loan's principal and accrued interest was eligible to be fully or partially forgiven to the extent the Loan proceeds were used for qualifying expenses during specified time periods, and the Organization met certain other qualitative and quantitative thresholds (collectively, "qualifying criteria"). On June 5, 2020, the PPP Flexibility Act ("Flexibility Act") was signed into law, which amended the qualifying criteria.

In December 2020, the CARES Act was further amended by the Economic Aid Act ("EAA"). The EAA allows certain enterprises that previously received a PPP Loan, to apply for a "Second Draw" PPP Loan that contains similar general forgiveness terms as the original PPP Loan. However, the Second Draw contains additional qualifying criteria, such as that an organization must be able to demonstrate that they experienced a 25 percent reduction in gross receipts (as defined by the SBA) in a 2020 calendar quarter compared to the same quarter in 2019. The Organization applied for \$112,975 in Second Draw PPP and received funding in January 2021.

Brooklyn Community Pride Center, Inc.
Notes to Financial Statements
June 30, 2021

Note 5 – Note Payable – Paycheck Protection Program (continued)

Management has determined that the PPP Loans should be accounted for as debt until forgiven. Accordingly, the forgiveness of the Loans will be recorded as other income entirely in the period(s) that the Organization receives notification from the SBA that the Loans have been forgiven.

In 2021, Management submitted applications for complete forgiveness, and on June 24, 2021, received notification from the SBA that the application for the original PPP Loan was approved and the \$109,357 PPP Loan was considered to be fully forgiven. As such, the \$109,357 forgiveness is included in other income on the Statement of Activities for the year ended June 30, 2021. Interest on the Loan of \$1,244 was also forgiven and therefore not recorded.

Subsequent to the statement of financial position date, Management received notification from the SBA that the Organization's forgiveness application for the Second Draw PPP Loan was approved and the \$112,975 PPP Loan was considered to fully forgiven. Accordingly, the \$112,975 will be recorded as other income in the subsequent period. Loan interest in total of \$809 was also forgiven and therefore no interest was accrued on the Loan as of June 30, 2021.

Note 6 – Net Assets - With Donor Restrictions

Donor restricted net assets as of June 30, 2021 are available for the following specific purposes:

Subject to expenditure for specified purpose:	
Pride path internship program	\$ 20,000
Arts and culture program	5,000
Vocational training for LGBTQ+ women	<u>7,500</u>
Total assets with donor restrictions	<u><u>\$ 32,500</u></u>

Net assets released from donor restrictions were for the following purposes for the year ended June 30, 2021:

Subject to expenditure for specified purpose:	
Pride Path internship program	\$ 35,000
Social isolation programming	10,000
COVID-19 relief	45,000
Vocational training for LGBTQ+ women	<u>7,500</u>
Total subject to expenditure for specified purpose	97,500
Subject to the passage of time:	
General operations	<u>10,000</u>
Total releases from restrictions	<u><u>\$ 107,500</u></u>

Brooklyn Community Pride Center, Inc.
Notes to Financial Statements
June 30, 2021

Note 7 – Commitments

During the year ended June 30, 2018, the Organization entered into an agreement to lease office space at 1360 Fulton Street under a non-cancelable lease that began July 2017 and expires in October 2022. On February 11, 2020, the Organization signed a thirty-year lease on its new Crown Heights satellite location at the newly renovated space in the Bedford-Union Armory (now officially renamed the Major R. Owens Health & Wellness Community Center). The lease was executed on April 22, 2021, however, the Organization did not begin paying rent on the space until the landlord delivered the premises, as per the lease agreement, which took place in September 2021.

The total minimum annual lease payments related to the Organization's two leases, exclusive of escalations for taxes and other operating expenses are as follows:

<u>Years Ending June 30,</u>	
2022	\$ 105,061
2023	29,577
2024	26,677
2025	27,477
2026	28,301
Thereafter	<u>1,082,751</u>
	<u>\$ 1,299,844</u>

Note 8 – Risks and Uncertainties

The Organization is dependent upon contributions from the public for its revenue. The ability of the Organization to continue to raise funds is dependent upon current and future economic conditions as well as income tax efficiencies.

The coronavirus pandemic ("COVID-19") continues to adversely impact the United States and many other parts of the world. Accordingly, the Organization experienced reductions in contributions and grants from donors and canceled its main fundraising events. Further, the Organization could be subject to reduced demand for program services. Currently, the Organization has not been materially impacted by these consequences, however, there could be a significant adverse impact on the Organization's future activities as it is impossible to predict the effect COVID-19 will have on the economy. In response to the COVID-19 outbreak, the Organization has implemented various short-term cost reductions, taken cash flow improvement actions, and is exploring new areas of focus for raising support. As the Organization explored new programming options for the LGBTQ+ community they had to pivot to online programming, which they have since decided to continue utilizing as a major programming platform. Given this uncertainty, the Organization is not able to estimate the potential effects of COVID-19 for near and long term purposes.

Note 9 – Liquidity

As part of its liquidity management, the Organization established a liquid unrestricted net assets fund ("LUNA fund") to maintain financial assets on hand to meet 90 days of normal operating expenses. The Organization's goal is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due by maintaining adequate reserves in the LUNA fund. The Organization does not have a line of credit available to assist with liquidity management.

Brooklyn Community Pride Center, Inc.
Notes to Financial Statements
June 30, 2021

Note 9 – Liquidity (continued)

The Organization's financial assets available within one year of the statement of financial position date for general expenditures, without limitations, are as follows:

Cash	\$ 386,890
Government grants receivable	400,125
Contributions receivable	8,500
Other income receivable	<u>6,541</u>
Financial assets at fiscal year ended June 30, 2021	802,056
Less: those unavailable for general expenditures within one year due to donor restrictions	<u>32,500</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 769,556</u></u>

The Organization's financial assets have been reduced by amounts not available for general use because of donor imposed restrictions within one year of the balance date. In addition to financial assets available to meet general expenditures over the year, the Organization operates with a balanced budget and anticipates covering its general expenditures through special event income, room rental and licensing fees and by utilizing donor-restricted resources from current and prior years.

Note 10 – Subsequent Events

Management has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through May 16, 2022, the date the financial statements were available to be issued.