BROOKLYN COMMUNITY PRIDE CENTER, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

Brooklyn Community Pride Center, Inc.

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Year Ended June 30, 2023

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Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of Brooklyn Community Pride Center, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 8, the Organization adopted Accounting Standards Update No. 2016-02, *Leases*, as amended, on July 1, 2022 using the optimal transition method. Under this adoption method, the new standard is applied only to the most current period presented, and the cumulative effect of applying the new standard to existing lease agreements is recognized at the date of initial application. Our opinion is not modified with respect to this matter.

Responsibility of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted audit standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Citrin Cooperman & Company, LLP

Woodbury, New York
May 13, 2024

Brooklyn Community Pride Center, Inc.
Statement of Financial Position
Year Ended June 30, 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Assets			
Current assets			
Cash	$ 464,514	$ -	$ 464,514
Government grants receivable	240,254	-	240,254
Contributions receivable, net - current portion	55,500	147,500	203,000
IRS employee retention credit receivable	112,381	-	112,381
Other income receivable	42,302	-	42,302
Prepaid expenses and other assets	35,928	-	35,928
Total current assets	950,879	147,500	1,098,379
Other assets			
Contributions receivable, net - long-term portion	-	45,000	45,000
Operating lease right-of-use asset	816,967	-	816,967
Property and equipment, net	71,261	-	71,261
Security deposit	41,562	-	41,562
Total other assets	929,790	45,000	974,790
Total assets	$ 1,880,669	$ 192,500	$ 2,073,169
Liabilities and Net Assets			
Current liabilities			
Accounts payable and accrued expenses	$ 80,440	$ -	$ 80,440
Current portion of operating lease obligation	78,091	-	78,091
Security deposit payable	9,750	-	9,750
Total current liabilities	168,281	-	168,281
Other liabilities			
Long-term portion of operating lease obligation	753,602	-	753,602
Total liabilities	921,883	-	921,883
Net assets			
Without donor restrictions	958,786	-	958,786
With donor restrictions	-	192,500	192,500
Total net assets	958,786	192,500	1,151,286
Total liabilities and net assets	$ 1,880,669	$ 192,500	$ 2,073,169

Brooklyn Community Pride Center, Inc.
Statement of Activities
Year Ended June 30, 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support and revenues			
Public support			
Foundations and trusts	$ 113,459	$ 286,000	$ 399,459
Corporations	84,884	159,000	243,884
Individuals	97,897	-	97,897
Government grants	738,635	-	738,635
In-kind contributions	152,816	-	152,816
Total public support	1,187,691	445,000	1,632,691
Other income			
Room rental and licensing fees	106,135	-	106,135
Consulting fees	49,500	-	49,500
IRS employee retention credit	112,381	-	112,381
Interest income	2,907	-	2,907
Miscellaneous income	1,728	-	1,728
Total other income	272,651	-	272,651
Total support and other income	1,460,342	445,000	1,905,342
Net assets released from restrictions	252,500	(252,500)	-
Total support, other income and reclassifications	1,712,842	192,500	1,905,342
Functional expenses			
Program services	924,544	-	924,544
Fundraising services	294,465	-	294,465
Administration services	320,012	-	320,012
Total functional expenses	1,539,021	-	1,539,021
Increase in net assets	173,821	192,500	366,321
Net assets - beginning of year	784,965	-	784,965
Net assets - end of year	$ 958,786	$ 192,500	$ 1,151,286

Brooklyn Community Pride Center, Inc.
Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services	Fundraising Services	Administration Services	Total Functional Expenses
Salaries and wages	$ 391,291	$ 227,605	$ 73,395	$ 692,291
Payroll taxes and fringe benefits	22,351	14,463	26,272	63,086
Employee benefits	54,659	3,730	8,629	67,018
Program expenses	23,075	-	-	23,075
Lease costs	101,233	` 11,910	5,955	119,098
Repairs and maintenance	85,288	10,034	5,017	100,339
Utilities and telephone	25,230	2,968	1,484	29,682
Insurance	16,290	2,327	8,354	26,971
Consulting and professional fees	33,061	8,334	46,833	88,228
Accounting and bookkeeping fees	-	-	73,136	73,136
Legal fees	87,919	11,723	38,561	138,203
Supplies	23,590	-	12,815	36,405
Dues and subscriptions	18,000	-	2,716	20,716
Equipment rental	4,404	-	4,833	9,237
Other office expenses	9,274	2	5,714	14,990
Advertising and promotion	5,692	628	20	6,340
Meals and entertainment	8,526	-	3,291	11,817
Conferences and meetings	6,634	-	40	6,674
Travel	2,470	-	1,836	4,306
Depreciation expense	5,557	741	1,111	7,409
Total expenses	$ 924,544	$ 294,465	$ 320,012	$ 1,539,021

Brooklyn Community Pride Center, Inc.
Statement of Cash Flows
Year Ended June 30, 2023

Cash flows from operating activities	
Increase in net assets	$ 366,321
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Depreciation	7,409
Amortization of right-of-use assets	89,394
Increase in operating assets:	
Government grants receivable	(44,601)
Contributions receivable	(243,000)
IRS employee retention credit receivable	(112,381)
Other income receivable	(21,061)
Prepaid expenses and other assets	(7,826)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	43,134
Deferred rent	(8,109)
Payments of operating lease obligations	(74,668)
Total adjustments	(371,709)
Net cash used in operating activities	(5,388)
Net decrease in cash	(5,388)
Cash - beginning of year	469,902
Cash - end of year	$ 464,514

Note 1 – Summary of 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.

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 (“FDIC”) subject to certain limits. At times, such cash balances may be in excess of the insured limits. The standard FDIC deposit insurance amount is up to $250,000 per depositor per each ownership category. As of June 30, 2023, the Organization did not have any cash in excess of FDIC limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk of 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, 2023. The Organization does not charge interest on its receivables.

Promises to Give
The Organization receives pledges, or promises to give, for contributions extending over a few years. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Donor-restricted promises to give are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and shown as net assts releases from restrictions. Conditional promise to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

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.

Note 2 – Summary of Significant Accounting Policies (continued)

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 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

In-Kind Contributions
During the year ended June 30, 2023, the Organization received in-kind contributions that met the criteria for being recognized in accordance with GAAP. In-kind legal services are recorded at estimated fair market value based on the current hourly rate of the professional service provider. In-kind travel and related expenses represent unreimbursed costs incurred by individuals involved in promoting the Organization’s programs and fundraising efforts. Other in-kind contributions are valued at fair market value of similar products or 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, 2023.

Financial Instruments
The Organization’s financial instruments include cash, contributions receivable, government grants receivable, other income receivable, accounts payable and accrued expenses and operating lease obligations. The carrying amounts of cash, contributions receivable, government grants receivable, other income receivable and accounts payable and accrued expenses approximates their fair values due to their short-term duration. The recorded value of operating lease obligations payable approximates the fair value, as interest rates and other terms approximate market rates and terms.

Revenue Recognition
The Organization recognizes revenue in accordance with ASC Topic 606*, Revenue from Contracts with Customers ("Topic 606").* Consulting revenue is recognized in the period the service is provided. Room rental licensing fee income is recorded monthly as revenue is earned.

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.

Note 2 – Summary of Significant Accounting Policies (continued)

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 it 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.

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.

Operating Leases
On July 1, 2022, the Organization transitioned from legacy lease accounting to Accounting Standards Codification Topic 842 (or "ASC 842") for the accounting and disclosure of operating leases. Under ASC 842, the Organization determines whether an arrangement is or contains a lease at contract inception. For leases with a lease term greater than one year, the Organization recognizes a lease asset for its right to use the underlying leased asset ("ROU") and a lease liability (current and long-term) for the corresponding lease obligation, calculated at present value. In determining the present value of lease payments, the Organization uses a risk-free rate for a period comparable with that of the lease terms. Operating lease ROU assets and liabilities are adjusted to result in a single straight-line lease expense over the life of the lease. The Organization considers the lease term to be the noncancelable period that it has the right to use the underlying asset, including all periods covered by an option to (1) extend the lease if the Organization is reasonably certain to exercise the option, (2) terminate the lease if the Organization is reasonably certain not to exercise that option, and (3) extend, or not to terminate, the lease in which exercise of the option is controlled by the lessor. Variable lease expenses are recorded when incurred. Under ASC 842, deferred rent obligations are no longer presented, and such balances were incorporated into the underlying calculations at adoption.

Functional Expenses and Allocation Method
The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement 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 lease costs, utilities and telephone, and repairs and maintenance 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, the estimated lives on property and equipment and right-of-use assets.

Note 2 – Summary of Significant Accounting Policies (continued)

Advertising
Advertising costs are expensed as incurred. Advertising expenses amounted to $6,340 for the year ended June 30, 2023.

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

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which has been amended several times since. This ASU (herein referred to as “ASC 842”), replaces virtually all current lease U.S. GAAP guidance on this topic in the following manner.

- A lessee would account for both finance leases and operating leases by recognizing a right-of-use asset and right-of-use liability on the balance sheet, 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 ROU asset separately from interest on the lease liability, and operating leases will recognize the lease costs on a straight-line basis. Additionally, ASC 842 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 ASC 842 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 retained earnings (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.

- ASC 842, as amended, is effective for fiscal years beginning after December 15, 2021 with early adoption permitted.

The Organization adopted this ASU on July 1, 2022 using the optional transition method under which the new standard is applied only to the most current period presented and the cumulative effect adjustment, if any, of applying the new standard to existing lease agreements, is recognized at the date of initial application. Under this adoption method, reporting periods beginning after July 1, 2022 are presented under the new standard, while prior period amounts are not adjusted.

In June 2016, the FASB issued Accounting Standards Update (“ASU”) No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)* (“ASC 326”), along with subsequently issued related ASUs, which requires financial assets (or groups of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected, among other provisions. ASC 326 eliminates the probable initial threshold for recognition of credit losses for financial assets recorded at amortized cost, which could result in earlier recognition of credit losses. It utilizes a lifetime expected credit loss measurement model for the recognition of credit losses at the time the financial asset is originated or acquired. ASU 326 will be effective for the Organization for fiscal year ending June 30, 2024. The Organization is currently evaluating the new guidance to determine the impact of adoption of this guidance will have on the Organization’s result of operations, cash flows and financial condition.

Note 2 – Summary of Significant Accounting Policies (continued)

Subsequent Events
In accordance with the FASB ASC 855, *Subsequent Events*, the Organization has evaluated subsequent events through May 13, 2024, the date on which these financial statements are available to be issued. There were no material subsequent events that required recognition or additional disclosure in the financial statements.

Note 3 – Government Grants

Government grant income consists of the following for the year ending June 30, 2023:

Government Agency	Amount Awarded
New York City Department of Youth & Community Development	$ 678,135
Department of Mental Health and Hygiene	35,500
Brooklyn Borough President	20,000
New York City Department for the Aging	5,000
	$ 738,635

Government grants receivable at June 30, 2023 was $240,254 from the four government agencies above. In the opinion of management, no allowance for doubtful accounts is necessary at June 30, 2023.

Note 4 – Contributions Receivable

Management periodically assesses the collectability of contributions receivable by considering factors such as prior collection history, type of contribution and the nature of fundraising activity and provides allowances for anticipated loses, if any. At June 30, 2023, management expects all contributions receivable to be collected.

Contributions receivable for the following purposes:

General operating support	$ 53,000
HIV prevention and care services	2,500
Restricted for future periods	105,000
Mental health and social service hub for LGBTQ young people	87,500
	$ 248,000

Contributions receivable are scheduled to be collected as follows:

In one year or less	$ 203,000
Between two and five years	45,000
	$ 248,000

Note 5 – Property and Equipment

Property and equipment consist of the following at June 30, 2023:

Office equipment	$	28,586
Leasehold improvements		111,138
Less: accumulated depreciation		(68,463)
	$	71,261

Depreciation expense for the year ended June 30, 2023 amounted to $7,409.

Note 6 – IRS Employee Retention Credit

A provision offered by the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) was an employee retention credit ("ERC"), passed on March 13, 2020 and effective immediately for 2020. This was expanded upon with the passing of the Consolidated Appropriations Act, 2021 ("CAA") on December 27, 2020 and was extended until September 30, 2021. The ERC is a fully refundable tax credit for employers equal to percentages of qualified wages that eligible employers pay their employees, which were legislatively capped per employee. In order to qualify for these credits, an entity must have had operations fully or partially suspended during any calendar quarter in 2020 and 2021 or experienced declines in quarterly gross receipts ranging from 20% to 50%, as compared to the same quarter in 2019. Lastly, the CAA allows for an entity who received a Paycheck Protection Program (“PPP”) loan to be eligible for the ERC, retroactively and prospectively, while the ERC from the CARES Act did not.

In May 2023, the Organization prepared calculations and filed for all qualifying quarters of 2020 and 2021 for ERCs totaling $112,381, which was recorded as other income on the Organization’s statement of activities for the year ended June 30, 2023. The funds were received on September 14, 2023.

Note 7 – Net Assets With Donor Restrictions

Donor restricted net assets as of June 30, 2023 were available for the following specific purposes:

Subject to expenditure for specified purpose:		
Restricted for time	$	90,000
Mental health initiative focused on LGBTQ+ young people		102,500
Total assets with donor restrictions	$	192,500

Net assets released from donor restrictions were for the following purpose for the year ended June 30, 2023:

Subject to expenditure for specified purposes:		
Mental health initiative focused on LGBTQ+ young people	$	102,500
Amida Care Fund		4,000
Brooklyn Ghost Project		2,000
HIV Prevention program		144,000
Total releases from restrictions	$	252,500

Note 8 – Lease Obligations

On July 1, 2022, the Organization adopted ASC 842 using the optimal transition method. Under this method, the net present value of future lease payments is recorded as right-of-use assets and liabilities. In addition, the Organization elected a package of practical expedients permitted under the transition guidance within this new standard, which among other things, allowed the Organization to carry forward the historical lease classifications. The Organization also elected the short-term lease recognition for all leases that qualify. This means, for those leases that qualify, the Organization did not recognize the right-of-use assets or lease liabilities including not recognizing right-of-use assets or lease liabilities for existing short-term leases of those assets in transition. However, the Organization did not elect to utilize the hindsight practical expedient to determine the lease term for existing leases. In determining the present value of lease payments, the Organization elected to use the risk-free rate for a period comparable with that of the lease terms instead of the incremental borrowing rate.

Adoption of ASC 842 on July 1, 2022 resulted in the recording of operating right-of-use asset and operating right-of-use liability of $743,369 for the 1561 Bedford Avenue lease and an operating right-of-use asset and operating right-of-use liability of $162,992 for the 1360 Fulton Street lease. The adoption of ASC 842 did not impact the Organization's accumulated net assets, change in net assets or cash flows.

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. Legal services included in in-kind contributions on the statement of activities, pertained mainly to lease and common area maintenance charge negotiations regarding this new space.

In July 2017, the Organization entered into a five-year lease agreement to lease office space at 1360 Fulton Street. The lease has since been amended and the lease term was extended to October 14, 2024.

The following is a summary of lease-related assets and liabilities recorded as of June 30, 2023:

Assets	Operating lease right-of-use asset	$ 816,967
Liabilities	Operating lease obligation	
	Current portion	$ 78,091
	Long-term portion	753,602
	Total operating lease obligation	$ 831,693
	Lease cost:	
	Amortization expense - right-of-use lease asset	$ 89,394
	Interest expense - right-of-use lease liability	26,173
	Other lease costs	3,531
	Total lease cost	$ 119,098

Note 8 – Lease Obligations (continued)

Other information:		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows	$	74,668
Weighted-average remaining lease term (in years)		
1360 Fulton Street, Brooklyn, NY		1.29
1561 Bedford Avenue, Brooklyn, NY		28.42
Weighted-average discount rate		3.00%

Note 9 – Contingencies

On June 26, 2022, a former patron of the Organization filed a complaint with The New York State Division of Human Rights ("NYSDHR") alleging disability discrimination. The Organization vehemently denied these allegations and filed a position statement with the NYSDHR explaining why the complaint should be dismissed. The NYSDHR investigation of these allegations was completed and the case was closed. No further action was taken against the Organization.

Note 10 – 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.

There are various direct and indirect risks that could impact the Organization, such as a potential global economic slowdown, inflationary pressures, and more. It is also impossible to predict the effect these will have on the Organization's donors, and its impact on the Organization's liquidity, vendors and counterparties. To help minimize the uncertainty of these items, management continues to explore how to best operate in this environment.

Note 11 – Concentrations-Major Contributors

For the fiscal year ended June 30, 2023, the Organization received approximately 52% of its contributions from one government agency and one foundation. Amounts due from one government agency and two foundations represented approximately 82% of unconditional promises to give at June 30, 2023.

Note 12 – Contributed Good and Services

Contributed goods and services for the year ended June 30, 2023 amounting to $152,816 were used to support the following:

	Program Expenses	Fundraising Services	Administration Services	Total Functional Expenses
Food, supplies and materials	$ -	$ -	$ 11,791	$ 11,791
Travel	-	-	800	800
Dues and subscriptions	-	-	18,000	18,000
Computer and software	5,000	-	-	5,000
Professional services	87,919	11,722	17,584	117,225
	$ 92,919	$ 11,722	$ 48,175	$ 152,816

Note 13 – 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.

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	$ 464,514
Government grants receivable	240,254
Contributions receivable	248,000
IRS employee retention credit receivable	112,381
Other income receivable	42,302
Total financial assets	1,107,451
Less: those unavailable for general expenditures within one year due to donor restrictions	132,500
Financial assets available to meet cash needs for general expenditures within one year	$ 974,951

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, licensing fees and other events and by utilizing donor-restricted resources from current and prior years. The statement of cash flows identifies the sources and uses of the Organization's cash.