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OUTRIGHT ACTION INTERNATIONAL, CORP.

Audited Financial Statements

June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Outright Action International, Corp.

Report on the Financial Statements

We have audited the accompanying financial statements of Outright Action International, Corp. ("Outright"), which comprise the statement of financial position as of June 30, 2020, 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.

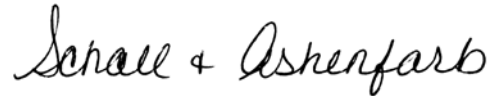
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Outright Action International, Corp. as of June 30, 2020, 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 Outright's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 31, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb
Certified Public Accountants, LLC

February 18, 2021

OUTRIGHT ACTION INTERNATIONAL, CORP.
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2020

(With comparative totals at June 30, 2019)

	6/30/20	6/30/19
Assets		
Cash and cash equivalents	\$3,209,412	\$1,109,639
Investments (Note 3)	748,061	653,334
Contributions receivable, net	949,390	700,000
Government grants receivable	117,307	137,762
Other receivables	54,827	154,794
Prepaid sub-grant expenses	233,807	143,612
Prepaid expenses	48,091	14,599
Fixed assets, net (Note 4)	13,152	11,414
Security deposits	28,234	30,544
Cash restricted for endowment fund (Note 7)	18,354	18,354
	\$5,420,635	\$2,974,052
Total assets		
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$156,215	\$171,427
Deferred revenue	1,162,593	299,020
Paycheck Protection Program loan (Note 5)	175,275	0
Total liabilities	1,494,083	470,447
Net assets:		
Without donor restrictions:		
Board designated (Note 2b)	760,000	640,000
Undesignated	1,353,237	912,527
Total without donor restrictions	2,113,237	1,552,527
With donor restrictions (Note 6)	1,813,315	951,078
Total net assets	3,926,552	2,503,605
Total liabilities and net assets	\$5,420,635	\$2,974,052

The attached notes and auditor's report are an integral part of these financial statements.

OUTRIGHT ACTION INTERNATIONAL, CORP.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020
(With comparative totals for the year ended June 30, 2019)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 6/30/20</u>	<u>Total 6/30/19</u>
Public support and revenue:				
Contributions	\$1,736,835	\$2,799,934	\$4,536,769	\$3,109,508
Government grants	953,111		953,111	408,564
Special events (net of expenses with a direct benefit to donors) (Note 10)	187,486		187,486	213,702
Net investment income (Note 3)	7,341		7,341	3,015
Other income	16,905		16,905	25,580
Net assets released from restrictions	<u>1,937,697</u>	<u>(1,937,697)</u>	<u>0</u>	<u>0</u>
Total public support and revenue	<u>4,839,375</u>	<u>862,237</u>	<u>5,701,612</u>	<u>3,760,369</u>
Expenses:				
Program services:				
Africa	539,136		539,136	76,802
Asia	1,369,357		1,369,357	883,951
Caribbean	477,724		477,724	454,690
Middle East	232,407		232,407	161,805
Research	161,555		161,555	227,671
UN General	<u>424,637</u>		<u>424,637</u>	<u>585,029</u>
Total program services	3,204,816	0	3,204,816	2,389,948
Supporting services:				
Management and general	431,944		431,944	405,707
Fundraising	<u>641,905</u>		<u>641,905</u>	<u>467,140</u>
Total expenses	<u>4,278,665</u>	<u>0</u>	<u>4,278,665</u>	<u>3,262,795</u>
Change in net assets	560,710	862,237	1,422,947	497,574
Net assets - beginning of year	<u>1,552,527</u>	<u>951,078</u>	<u>2,503,605</u>	<u>2,006,031</u>
Net assets - end of year	<u><u>\$2,113,237</u></u>	<u><u>\$1,813,315</u></u>	<u><u>\$3,926,552</u></u>	<u><u>\$2,503,605</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

OUTRIGHT ACTION INTERNATIONAL, CORP.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020
(With comparative totals for the year ended June 30, 2019)

	Program Services						Supporting Services		Total Expenses 6/30/20	Total Expenses 6/30/19*	
	Africa	Asia	Caribbean	Middle East	Research	UN General	Total Program Services	Management and General			Fundraising
Salaries	\$153,060	\$444,884	\$144,628	\$69,756	\$93,445	\$155,865	\$1,061,638	\$143,589	\$420,238	\$1,625,465	\$1,376,970
Payroll taxes and benefits	22,875	74,951	19,282	9,180	6,382	54,454	187,124	26,795	82,624	296,543	278,280
Total salaries, payroll taxes and benefits	<u>175,935</u>	<u>519,835</u>	<u>163,910</u>	<u>78,936</u>	<u>99,827</u>	<u>210,319</u>	<u>1,248,762</u>	<u>170,384</u>	<u>502,862</u>	<u>1,922,008</u>	<u>1,655,250</u>
Travel	58,568	168,344	62,086	41,142	11,256	65,516	406,914		1,206	408,120	499,260
Consultants	31,990	77,194	64,205	30,233	11,543	18,605	233,770	32,089	15,058	280,917	265,587
Accounting							0	179,107		179,107	180,080
Occupancy	17,346	38,247	12,420	6,042	4,200	11,040	89,294	12,750	33,957	136,001	132,552
Direct aid	213,069	421,236	135,733	60,181	23,041	85,562	938,822			938,822	213,161
Printing	1,455	3,744	1,289	1,235	1,661	1,155	10,539	1,425	4,172	16,136	13,512
Meetings	17,144	84,439	15,870	5,685	3,871	13,185	140,194	2,921	2,921	146,035	96,852
Telecommunications	2,337	7,021	2,421	1,008	700	2,401	15,888	2,149	6,289	24,326	27,257
Office and mailing	811	1,970	674	328	228	599	4,611	617	1,805	7,033	6,077
Dues, subscriptions, licenses and permits	6,163	13,852	4,927	2,434	1,624	5,338	34,337	1,950	5,707	41,994	48,287
Supplies	842	2,989	1,980	342	238	414	6,804	920	2,693	10,417	21,363
Equipment rental and purchase	2,988	7,588	2,647	1,288	895	2,353	17,759	2,733	1,411	21,903	11,157
Advertising and promotion	575	1,462	510	248	172	453	3,421	855		4,276	3,409
Insurance	1,677	2,268	791	385	268	703	6,092	824	2,412	9,328	8,944
Event expenses							0		40,750	40,750	72,786
Other expenses	7,359	16,939	7,482	2,543	1,767	6,303	42,393	22,515	18,597	83,505	63,934
Total other expenses	<u>362,323</u>	<u>847,293</u>	<u>313,036</u>	<u>153,093</u>	<u>61,465</u>	<u>213,627</u>	<u>1,950,837</u>	<u>260,855</u>	<u>136,978</u>	<u>2,348,670</u>	<u>1,664,218</u>
Total expenses before depreciation	538,258	1,367,128	476,946	232,029	161,292	423,946	3,199,599	431,239	639,840	4,270,678	3,319,468
Depreciation	878	2,229	778	378	263	691	5,217	705	2,065	7,987	5,048
Total expenses	<u>539,136</u>	<u>1,369,357</u>	<u>477,724</u>	<u>232,407</u>	<u>161,555</u>	<u>424,637</u>	<u>3,204,816</u>	<u>431,944</u>	<u>641,905</u>	<u>4,278,665</u>	<u>3,324,516</u>
Less: direct special event expenses netted with revenue										0	(61,721)
Total expenses for statement of activities	<u>\$539,136</u>	<u>\$1,369,357</u>	<u>\$477,724</u>	<u>\$232,407</u>	<u>\$161,555</u>	<u>\$424,637</u>	<u>\$3,204,816</u>	<u>\$431,944</u>	<u>\$641,905</u>	<u>\$4,278,665</u>	<u>\$3,262,795</u>

*Reclassified for comparative purposes

The attached notes and auditor's report are an integral part of these financial statements.

OUTRIGHT ACTION INTERNATIONAL, CORP.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020
(With comparative totals for the year ended June 30, 2019)

	<u>6/30/20</u>	<u>6/30/19</u>
Cash flows from operating activities:		
Change in net assets	\$1,422,947	\$497,574
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	7,987	5,048
Net realized and unrealized loss on investments	289	2,158
Donated securities	(88,725)	(121,920)
Changes in assets and liabilities:		
Contributions receivable	(249,390)	314,770
Government grants receivable	20,455	(77,104)
Other receivables	99,967	66,353
Prepaid sub-grant expenses	(90,195)	(143,612)
Prepaid expenses	(33,492)	16,461
Security deposits	2,310	767
Accounts payable and accrued expenses	(15,212)	1,423
Deferred revenue	863,573	235,865
Paycheck Protection Program loan	175,275	0
Total adjustments	<u>692,842</u>	<u>300,209</u>
Net cash provided by operating activities	<u>2,115,789</u>	<u>797,783</u>
Cash flows from investing activities:		
Purchases of investments	(94,394)	(123,995)
Sales of investments	88,103	119,779
Purchase of fixed assets	(9,725)	(7,561)
Net cash used for investing activities	<u>(16,016)</u>	<u>(11,777)</u>
Net increase in cash and cash equivalents	2,099,773	786,006
Cash, cash equivalents and restricted cash - beginning of year	<u>1,127,993</u>	<u>341,987</u>
Cash, cash equivalents and restricted cash - end of year	<u><u>\$3,227,766</u></u>	<u><u>\$1,127,993</u></u>
Cash, cash equivalents and restricted cash		
Cash and cash equivalents	\$3,209,412	\$1,109,639
Cash restricted for endowment fund (Note 7)	18,354	18,354
	<u><u>\$3,227,766</u></u>	<u><u>\$1,127,993</u></u>
Supplemental information:		
Total interest and income tax paid	<u>\$0</u>	<u>\$0</u>

The attached notes and auditor's report are an integral part of these financial statements.

OUTRIGHT ACTION INTERNATIONAL, CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 - Nature of Entity

Outright Action International, Corp. (“Outright”), formerly The International Gay and Lesbian Human Rights Commission, Inc., was incorporated in 1991 as a U.S. based not-for-profit organization headquartered in New York City.

Outright works at the international, regional, and national levels to research, defend, and advance human rights for LGBTIQ people around the world.

Outright partners directly with thousands of activists throughout the Global South to produce reliable data on the experiences of LGBTIQ people around the world and to develop effective advocacy and capacity building for LGBTIQ rights.

Outright provides training to partners and activists to develop their skills and expertise, for example, to combat homophobia and transphobia or to respond to violence based on sexual orientation, gender identity, or gender expression.

Outright vigilantly monitors and documents the discriminatory and life-threatening conditions LGBTIQ people face to spur action to stop human rights violations when they occur.

Outright has been notified by the Internal Revenue Service that it is a 501(c)(3) organization that is tax exempt under Section 509(a)(1) of the Internal Revenue Code and a similar provision of the New York State income tax laws.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements of Outright have been prepared using the accrual basis of accounting which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

Effective July 1, 2019, Outright adopted the requirements of the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, “Topic 606”). This provides the framework for recognizing revenue by highlighting the identification of performance obligations of a contract, determining the price, and then allocating the price to each of the performance obligations so that revenue is recognized as each of those performance obligations are satisfied.

Also, effective July 1, 2019, Outright adopted ASU No. 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* ("Topic 605"). Key provisions of this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance for conditional versus unconditional contributions. In accordance with this new standard, Outright evaluates whether a transfer of assets is an exchange transaction in which a resource provider is receiving a commensurate value in return for the transfer of resources or whether it is non-reciprocal. If the transaction is determined to be an exchange transaction, Outright applies guidance under Topic 606. If the transaction is determined to be non-reciprocal, it is treated as a contribution under Topic 605.

Analysis of the various provisions of both standards resulted in no significant changes in the way Outright recognizes revenue.

In addition, effective July 1, 2019, Outright adopted ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. This requires that restricted cash and cash equivalents be included as components of total cash and cash equivalents as presented on the statement of cash flows. The implementation of this standard was applied retrospectively to all years presented on the financial statements.

b. Basis of Presentation

As a not-for-profit organization, Outright is required to report information regarding its financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represents those resources for which there are no restrictions by donors as to their use. They are reflected on the financial statement as without donor restrictions.

The board-designated net assets include resources that have been designated by the Board of Directors to function as a reserve for operating contingences. Any portion of these funds may be expended upon approval of the Board of Directors. Investment income supports the current operations of Outright.

The following summarizes activity of the board designated net assets:

	<u>6/30/20</u>	<u>6/30/19</u>
Balance beginning of year	\$640,000	\$516,000
Additions	<u>120,000</u>	<u>124,000</u>
Balance end of year	<u>\$760,000</u>	<u>\$640,000</u>

- *Net Assets With Donor Restrictions* – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

c. Revenue Recognition

Outright analyzes each source of revenue to determine that it has a contract with the customer that identifies both the performance obligation and the transaction price. Revenue is recognized when the performance obligation is complete.

Revenue from non-exchange transactions may be subject to conditions which are defined under ASU 2018-08 as both a barrier to entitlement and a right of return of payments or release from obligations.

Outright's government grants are primarily conditional non-exchange transactions and fall under the scope of Topic 605. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance related outcomes are achieved, and other conditions under the agreements are met. Payments received in advance of conditions being met are recorded as deferred revenue. At June 30, 2020, all government grants receivables are expected to be collected within one year.

Contributions are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in the net asset classes referred to above depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques. At June 30, 2020 and 2019, all contributions were expected to be received within one year.

Management reviews receivables that are unlikely to be collected based on historical experience and a review of activity subsequent to the statement of financial position date. No allowance for doubtful accounts was deemed necessary based on this review as of June 30, 2020 and 2019. Write-offs will be made directly to operations in the period the receivable is deemed to be uncollectable.

d. Cash and Cash Equivalents

All liquid investments that are not restricted or held by the investment custodian and have an initial maturity of three months or less are considered cash and cash equivalents.

e. Concentration of Credit Risk

Financial instruments, which potentially subject Outright to concentration of credit risk, consist of cash, money market accounts, and investment securities which have been placed with financial institutions that management deems to be creditworthy. The market value of investments is subject to fluctuation; however, management believes that the investment policy is prudent for the long-term welfare of Outright. At year end and at certain times throughout the year, Outright had uninsured balances; however, no losses have been suffered due to the failure of any of these institutions.

- f. Concentration of Grants and Contributions Receivables
Approximately 71% and 82% of grants and contributions receivables were from a small number of private foundations and government agencies at June 30, 2020 and 2019, respectively.
- g. Investments
Investments are recorded at fair value, which refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Unrealized gains and losses are recognized in the statement of activities.
- h. Fixed Assets
Outright capitalizes property and equipment with a cost or fair value exceeding \$2,000 and a useful life of more than one year. Depreciation of property and equipment is charged on the straight-line method over the estimated useful lives of the respective assets as follows:

Computers and equipment - 5 years
Furniture and fixtures – 7 years
In-kind equipment – 3 years
Leasehold improvements – for the life of the lease
- i. Donated Services
Contributions of services that create or enhance non-financial assets, or require specialized skills, are performed by those who possess those skills and would typically have been purchased if they had not been donated, are recognized at fair value.

Most services requiring specific expertise are paid for; however, many individuals volunteer their time and perform a variety of tasks to assist with specific assistance programs, campaign solicitation, and various committee assignments. No amounts have been reflected in the financial statements for these types of donated services because they do not meet the criteria for recognition as outlined above.
- j. Management Estimates
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.
- k. Expense Allocation
The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The following costs are allocated by time and effort:

- Salaries
- Payroll taxes and benefits
- Occupancy
- Printing
- Telecommunications
- Office and mailing
- Supplies
- Insurance
- Depreciation

All other expenses have been charged directly to the applicable program or supporting services.

- l. Accounting for Uncertainty of Income Taxes
Outright does not believe its financial statements include any uncertain tax positions. Tax filings for the period ending June 30, 2017 and later are subject to examination by applicable taxing authorities.
- m. Prior Year Comparative Financial Information
The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Outright's financial statements for the year ended June 30, 2019, from which the summarized information was derived.
- n. New Accounting Pronouncements
FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the June 30, 2022 year with early adoption permitted. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional disclosures.

FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the June 30, 2023 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

Outright is in the process of evaluating the impact these standards will have on future financial statements.

Note 3 - Investments

Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that Outright has the ability to access.
- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

All investments were considered to be level 1 securities and consisted of the following:

	<u>6/30/20</u>	<u>6/30/19</u>
Cash and money balances	\$745,716	\$651,202
Equities	<u>2,345</u>	<u>2,132</u>
Total	<u>\$748,061</u>	<u>\$653,334</u>

Level 1 securities are valued at the closing price reported on the active market they are traded on.

Net investment income consists of the following:

	<u>6/30/20</u>	<u>6/30/19</u>
Interest and dividends	\$7,855	\$5,523
Investment fees	(225)	(350)
Unrealized gain	333	0
Realized loss	<u>(622)</u>	<u>(2,158)</u>
Total investment income	<u>\$7,341</u>	<u>\$3,015</u>

Note 4 - Property and equipment

Fixed assets consist of the following:

	<u>6/30/20</u>	<u>6/30/19</u>
Furniture and equipment	\$136,807	\$127,082
Leasehold improvements	<u>10,918</u>	<u>10,918</u>
	147,725	138,000
Less: accumulated depreciation	<u>(134,573)</u>	<u>(126,586)</u>
Total	<u>\$13,152</u>	<u>\$11,414</u>

Note 5 - Paycheck Protection Program loan

During the year ended June 30, 2020, Outright obtained a loan for \$175,275 from the SBA through the Paycheck Protection Program. Terms of the loan indicate that if certain conditions are met, which include maintaining average work forces during periods subsequent to receipt of the loan funds that are greater than pre-determined historical periods, then the loan, or a portion thereof, will be forgiven. Portions that are not forgiven will be payable over a five-year period, with a ten-month deferral of payments and interest will accrue at 1%. The loan forgiveness amount has not been determined as of the date of these financial statements.

Outright expects to recognize revenue from this loan consistent with ASU 2018-08, as it is considered to have traits similar to a conditional contribution; however, will continue to review whether any new accounting pronouncements may be issued that will provide more definitive guidance.

Note 6 - Net Assets With Donor Restrictions

During 2020 and 2019, net assets were released from restriction for the following:

	<u>6/30/20</u>	<u>6/30/19</u>
Purpose	\$1,509,480	\$1,021,000
Time	<u>428,217</u>	<u>496,589</u>
Total	<u>\$1,937,697</u>	<u>\$1,517,589</u>

At June 30, 2020 and 2019 net assets were restricted by donors for the following:

	<u>6/30/20</u>	<u>6/30/19</u>
Purpose	\$1,563,178	\$512,724
Time	231,783	420,000
Endowment (Note 7)	<u>18,354</u>	<u>18,354</u>
Total	<u>\$1,813,315</u>	<u>\$951,078</u>

Note 7 - Net Assets With Donor Restrictions – Endowment

The Outright endowment in the amount of \$18,354 consist of the funds raised by a group of concerned individuals in the early years of the organization to help to sustain the future of Outright.

Outright maintains endowment assets in its operating account and reflects this as restricted cash on the statement of financial position. Due to the small amount, no spending policy has been established, nor are there any funds with deficiencies that are required to be disclosed.

Note 8 - Employee Benefits

Outright sponsors a retirement plan under Section 403(b) of the Internal Revenue Code. All full-time employees are eligible to participate or make voluntary contributions to the plan on the date of hire. Outright may make a discretionary non-elective contribution. Outright made contributions of \$67,244 and \$62,569 to the plan during the years ended June 30, 2020 and 2019, respectively.

Note 9 - Commitments and Contingencies

Outright has a non-cancelable operating lease agreement for its New York City office space which expired in July 2020. In addition to the base annual rent, Outright was liable for a prorated portion of the real estate tax.

In October 2020, Outright entered into a ten-year lease at a new, New York City location, that is expected to commence on July 1, 2021. Rent payments do not begin until occupancy begins, which is expected to be on July 1, 2021. Future minimum payments under this lease are as follows:

Year ending:	June 30, 2021	\$0
	June 30, 2022	164,000
	June 30, 2023	168,100
	June 30, 2024	172,302
	June 30, 2025	176,610
	Thereafter	<u>1,177,368</u>
Total		<u>\$1,858,380</u>

The amount of rent expense was \$114,026 and \$113,030 for the years ended June 30, 2020 and 2019, respectively.

Note 10 - Special Events

As a result of the COVID-19 pandemic, Outright's main fundraising event was cancelled during the year ended June 30, 2020. Certain donors allowed the organization to keep contributions for this and other smaller events that had been held earlier in the year.

The financial summary of the special events are as follows:

	<u>6/30/20</u>	<u>6/30/19</u>
Net proceeds	\$187,486	\$275,423
Less: expenses with a direct benefit to donors	<u>(0)</u>	<u>(61,721)</u>
	187,486	213,702
Less: other event expenses	<u>(40,750)</u>	<u>(11,065)</u>
Total	<u>\$146,736</u>	<u>\$202,637</u>

Note 11 - Availability and Liquidity

Financial assets are available within one year of the date of the statement of financial position for general expenditure as follows:

Cash and cash equivalents	\$3,209,412	
Investments	748,061	
Contributions receivable, net	949,390	
Government grants receivable	117,307	
Other receivables	<u>54,827</u>	
Total financial assets		\$5,078,997
Less amounts not available for general expenditures:		
Board-designated net assets	(760,000)	
Net assets with donor restrictions - purpose	<u>(1,563,178)</u>	
		<u>(2,323,178)</u>
Financial assets available to meet cash needs for for general expenditures within one year		<u>\$2,755,819</u>

As indicated in Note 2, Outright has a board designated reserve, which is kept in a separate investment account. While these assets are not considered available for general expenditures by management, they can be made available if the need arises.

Note 12 - Other Matters

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which Outright operates. It is unknown how long these conditions will last and what the complete financial effect will be. Management continues to monitor the outbreak, however, as of the date of these financial statements, the potential impact cannot be quantified.

Note 13 - Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through February 18, 2021, the date the financial statements were available to be issued. All events that have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements have been made.