

Outright International

Audited Financial Statements

June 30, 2024

Outright International

Audited Financial Statements

June 30, 2024

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Independent Auditor's Report

Board of Directors of
Outright International

Opinion

We have audited the accompanying financial statements of Outright International ("Outright"), which comprise the statement of financial position as of June 30, 2024, 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 accompanying financial statements present fairly, in all material respects, the financial position of Outright as of June 30, 2024, and the changes in 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 ("GAAS"). 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 Outright 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Outright'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 Responsibilities 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 GAAS 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 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 internal control of Outright. 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 ability of Outright 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.

Report on Summarized Comparative Information

We have previously audited Outright's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 28, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it was derived.

Sax CPAs LLP

New York, NY
March 20, 2025

Outright International

Statement of Financial Position

At June 30, 2024
(With comparative totals at June 30, 2023)

	June 30,	
	2024	2023
ASSETS		
Cash and cash equivalents	\$ 248,891	\$ 808,522
Investments	23,447,825	20,961,102
Contributions receivable	3,945,083	2,301,393
Government grants receivable	1,537,137	1,406,352
Prepaid sub-grant expenses	462,051	771,251
Prepaid expenses	340,069	238,542
Property and equipment, net	61,197	50,956
Security deposits	132,362	68,333
Operating lease right-of-use ("ROU") asset	1,128,012	1,302,736
Cash restricted for endowment fund	18,354	18,354
TOTAL ASSETS	\$ 31,320,981	\$ 27,927,541
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 713,236	\$ 803,885
Grants payable	1,995,229	340,958
Deferred revenue	129,532	81,390
Operating lease liability	1,188,045	1,352,464
Total liabilities	4,026,042	2,578,697
NET ASSETS		
Without donor restrictions:		
Board designated		
Operating reserve	5,087,248	3,995,736
Vision fund	12,924,533	13,797,418
Total board designated	18,011,781	17,793,154
Undesignated	2,698,956	2,698,956
Total without donor restrictions	20,710,737	20,492,110
With donor restrictions	6,584,202	4,856,734
Total net assets	27,294,939	25,348,844
TOTAL LIABILITIES AND NET ASSETS	\$ 31,320,981	\$ 27,927,541

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

Outright International

Statement of Activities

For the Year Ended June 30, 2024
(With comparative totals for the year ended June 30, 2023)

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>6/30/24</u>	<u>6/30/23</u>
PUBLIC SUPPORT AND REVENUE				
Contributions	\$ 4,875,793	\$ 6,334,608	\$ 11,210,401	\$ 9,372,516
Government grants	3,802,397	-	3,802,397	3,184,871
Special events, net	551,927	-	551,927	421,534
Net investment return	2,188,024	-	2,188,024	1,541,857
Other income	-	-	-	20,999
Net assets released from restrictions	4,607,140	(4,607,140)	-	-
Total public support and revenue	16,025,281	1,727,468	17,752,749	14,541,777
EXPENSES				
Program services:				
Africa	514,940	-	514,940	1,641,675
Asia	1,061,107	-	1,061,107	1,042,411
Caribbean	326,874	-	326,874	470,883
Middle East	941,076	-	941,076	603,834
Research	202,962	-	202,962	177,952
Global programs	9,574,987	-	9,574,987	6,377,849
Total program services	12,621,946	-	12,621,946	10,314,604
Supporting services:				
Management and general	1,490,341	-	1,490,341	1,413,418
Fundraising	1,694,367	-	1,694,367	1,703,902
Total expenses	15,806,654	-	15,806,654	13,431,924
Change in net assets	218,627	1,727,468	1,946,095	1,109,853
NET ASSETS, <i>beginning of year</i>	20,492,110	4,856,734	25,348,844	24,238,991
NET ASSETS, <i>end of year</i>	<u>\$ 20,710,737</u>	<u>\$ 6,584,202</u>	<u>\$ 27,294,939</u>	<u>\$ 25,348,844</u>

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

Outright International

Statement of Functional Expenses

For the Year Ended June 30, 2024
(With comparative totals for the year ended June 30, 2023)

	Africa	Asia	Caribbean	Middle East	Research	Global Programs	Total Program Services	Management and General	Fundraising	Total Expenses 6/30/24	Total Expenses 6/30/23
Salaries	\$ 272,331	\$ 417,211	\$ 199,836	\$ 209,067	\$ 107,737	\$ 2,380,422	\$ 3,586,604	\$ 568,859	\$ 862,612	\$ 5,018,075	\$ 4,001,951
Payroll taxes and benefits	18,060	69,880	9,979	49,863	9,336	647,704	804,822	114,741	174,607	1,094,170	808,389
Total salaries, payroll taxes and benefits	290,391	487,091	209,815	258,930	117,073	3,028,126	4,391,426	683,600	1,037,219	6,112,245	4,810,340
Travel	33,520	68,314	18,618	163,194	25,280	702,551	1,011,477	-	130,229	1,141,706	1,363,977
Consultants	69,119	95,365	15,884	128,426	47,799	808,116	1,164,709	128,933	202,527	1,496,169	1,485,218
Accounting	-	-	-	-	-	-	-	504,404	-	504,404	489,624
Occupancy	7,177	15,156	4,468	12,865	2,992	131,779	174,437	25,628	38,862	238,927	232,145
Direct aid	95,000	339,137	64,349	309,852	-	4,488,574	5,296,912	-	-	5,296,912	3,719,967
Printing	440	6,357	279	805	174	8,768	16,823	2,668	4,046	23,537	27,834
Meetings	2,644	5,967	2,910	29,483	1,558	68,778	111,340	46,361	18,489	176,190	348,030
Telecommunications	263	1,707	167	1,027	104	6,357	9,625	1,527	2,315	13,467	11,164
Office and mailing	1,425	3,071	904	2,603	562	26,488	35,053	4,960	7,522	47,535	63,162
Dues, subscriptions, licenses and permits	4,955	12,539	2,982	9,660	2,918	96,510	129,564	18,996	28,805	177,365	185,267
Supplies	551	1,401	350	1,395	217	12,644	16,558	2,387	3,620	22,565	29,994
Equipment rental and purchase	974	3,269	618	1,780	434	21,239	28,314	15,925	8,494	52,733	97,176
Advertising and promotion	366	788	232	669	144	6,809	9,008	2,252	-	11,260	24,828
Insurance	492	837	247	710	153	7,228	9,667	1,533	2,325	13,525	16,529
Event expenses	-	-	-	-	-	-	-	-	440,178	440,178	472,597
Depreciation	275	592	175	503	108	5,113	6,766	1,073	1,627	9,466	6,414
Other expenses	7,348	19,516	4,876	19,174	3,446	155,907	210,267	50,094	46,269	306,630	322,118
Total expenses	514,940	1,061,107	326,874	941,076	202,962	9,574,987	12,621,946	1,490,341	1,972,527	16,084,814	13,706,384
Less: direct special event expenses	-	-	-	-	-	-	-	-	(278,160)	(278,160)	(274,460)
Total expenses for statement of activities	\$ 514,940	\$ 1,061,107	\$ 326,874	\$ 941,076	\$ 202,962	\$ 9,574,987	\$ 12,621,946	\$ 1,490,341	\$ 1,694,367	\$ 15,806,654	\$ 13,431,924

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

Outright International

Statement of Cash Flows

For the Year Ended June 30, 2024
(With comparative totals for the year ended June 30, 2023)

	June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,946,095	\$ 1,109,853
Adjustments to reconcile change in net assets to net cash (used for)/provided by operating activities		
Depreciation	9,466	6,414
Net realized and unrealized (gain)/loss on investments	(1,375,750)	(1,013,563)
Donated securities	-	(15,359)
Donated securities	-	-
Changes in operating lease ROU asset and lease liability	10,305	49,728
Changes in assets and liabilities:		
Contributions receivable	(1,643,690)	626,465
Government grants receivable	(130,785)	(1,094,131)
Other receivables	-	(8,308)
Prepaid sub-grant expenses	309,200	(89,205)
Prepaid expenses	(101,527)	(689)
Security deposits	(64,029)	-
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	1,563,622	414,023
Deferred revenue	48,142	(854,443)
Deferred rent	-	(21,838)
Total adjustments	(1,375,046)	(2,000,906)
Net cash provided/(used for) operating activities	571,049	(891,053)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(5,199,496)	(32,012,045)
Sales of investments	4,088,524	13,462,044
Net transfers from cash	-	-
Purchase of property and equipment	(19,708)	(2,698)
Net cash used for investing activities	(1,130,680)	(18,552,699)
Net decrease in cash, cash equivalents and restricted cash	(559,631)	(19,443,752)
Cash, cash equivalents and restricted cash, <i>beginning of year</i>	826,876	20,270,628
Cash, cash equivalents and restricted cash, <i>end of year</i>	\$ 267,245	\$ 826,876
Cash, cash equivalents and restricted cash:		
Cash and cash equivalents	\$ 248,891	\$ 808,522
Cash restricted for endowment fund	18,354	18,354
Total cash, cash equivalents and restricted cash	\$ 267,245	\$ 826,876
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the year for interest and income tax	\$ -	\$ -

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

Outright International

Notes to Financial Statements

June 30, 2024

Note 1 - Nature of Entity

Outright International ("Outright"), formerly Outright Action International, Corp., was incorporated in 1991 and is 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 activists throughout the world to produce reliable data on the experiences of LGBTIQ people globally and to develop effective advocacy and capacity-building for LGBTIQ rights. Outright also provides training to partners and activists to develop their skills and expertise to combat discrimination and violence.

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 is 501c (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.

b. Recently Adopted Accounting Pronouncement

On July 1, 2023, Outright adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") 2016-13, Financial Instruments-Credit Losses ("Topic 326"). Financial assets, which potentially subject Outright to credit losses. Expected losses are recorded to an allowance for credit losses valuation account that is net against the corresponding asset to present the net amount expected to be collected on the financial asset. The credit loss allowance is determined through analysis of the financial assets and assessments of risk that are based on historical trends and evaluation of the impact of current and projected economic conditions. The adoption of this standard did not have a material impact on the Foundation's financial statements.

Outright International

Notes to Financial Statements

June 30, 2024

Note 2 - Summary of Significant Accounting Policies - Continued

c. Basis of Presentation

The financial statements are presented in accordance with the provisions of the FASB Accounting Standards Codification ("ASC") 958-Presentation of Financial Statement of Not-For-Profit Entities. FASB ASC 958 requires Outright to report information regarding its financial position and activities according to the following specific 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 statements as without donor restrictions.

Board-designated net assets include investments 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. Additionally, the board established the Vision Fund, which is intended to fund special opportunities, investments in infrastructure and one-time initiatives.

The following summarizes activity of the board designated net assets:

	June 30,	
	2024	2023
Balance - beginning of year	\$ 17,793,154	\$ 15,975,697
Additions	218,627	1,817,457
Balance - end of year	<u>\$ 18,011,781</u>	<u>\$ 17,793,154</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.

d. Revenue Recognition

Outright follows the requirements of FASB ASC 606 for recognizing revenue from contracts with customers. 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.

Outright follows FASB ASC 958-605 for recording contributions, which are recognized at the time a contribution becomes unconditional in nature. Contributions that do not contain donor restrictions are recorded in the class of net assets without donor restrictions. Contributions that do contain donor restrictions are recorded in the class of net assets with donor restrictions. 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. If donor restricted contributions are satisfied in the same period they were received, they are classified in the class of net assets without donor restrictions.

Outright International

Notes to Financial Statements

June 30, 2024

Note 2 - Summary of Significant Accounting Policies - Continued

d. Revenue Recognition - Continued

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met.

Outright's government grants are primarily conditional non-exchange transactions and fall under the scope of FASB ASC 958-605. 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.

Special event revenue is comprised of payments received from third parties to support and/or attend fundraising events. Special event revenue includes an exchange transaction component for the value of the goods and services rendered, which follows revenue recognition guidance under FASB ASC 606 - *Revenue from Contracts with Customers*. The amount paid by third parties that is above the value of goods or services is considered a contribution. Revenue is recognized as the time the fundraising event occurs.

Unconditional promises to give that are expected to be received in less than one year are recorded at net realizable value. Those that are due in greater than one year are recorded at fair value which is calculated using risk adjusted present value techniques. Long-term promises to give are treated as time restricted until the period they are due, at which time they will be released from restriction and counted towards operations.

Management has reviewed the collectability of all contributions and government grant receivables, factoring in judgement about the creditworthiness and age of the receivable, as well as historical experience. Based on that evaluation, management has determined that no reserve for doubtful accounts is warranted.

e. 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.

f. Concentration of Credit Risk

Financial instruments, which potentially subject Outright to a 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.

Outright International

Notes to Financial Statements

June 30, 2024

Note 2 - Summary of Significant Accounting Policies - Continued

g. Concentration of Grants and Contributions Receivable

Approximately 60% and 58% of grants and contributions receivable were from a small number of private foundations and government agencies at June 30, 2024 and 2023, respectively.

h. 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.

i. Property and Equipment

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

j. 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.

k. 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.

l. Functional Allocation of Expenses

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.

Outright International

Notes to Financial Statements

June 30, 2024

Note 2 - Summary of Significant Accounting Policies - Continued

l. Functional Allocation of Expenses - Continued

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.

m. Advertising Costs

Advertising costs are expensed as incurred.

n. 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, 2021 and later are subject to examination by applicable taxing authorities.

o. 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, 2023, from which the summarized information was derived.

Note 3 - Investments and Fair Value Measurements

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.

Outright International

Notes to Financial Statements

June 30, 2024

Note 3 - Investments and Fair Value Measurements - Continued

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

	June 30,	
	2024	2023
Cash and money balances	\$ 8,062,062	\$ 8,254,211
Equities	15,385,763	12,706,891
Total	<u>\$ 23,447,825</u>	<u>\$ 20,961,102</u>

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

Net investment return consists of the following:

	June 30,	
	2024	2023
Interest and dividends	\$ 812,274	\$ 528,294
Realized and unrealized gain	1,375,750	1,013,563
Total investment return	<u>\$ 2,188,024</u>	<u>\$ 1,541,857</u>

Note 4 - Contributions Receivable

Contributions receivable is expected in the following periods:

Year ending:

June 30, 2025	\$ 1,164,900
June 30, 2026	1,132,128
June 30, 2027	911,600
June 30, 2028	736,455
Total	<u>\$ 3,945,083</u>

Due to its immaterial nature, a discount to present value has not been recorded.

Note 5 - Property and Equipment, Net

Property and equipment consist of the following:

	June 30,	
	2024	2023
Furniture and equipment	\$ 212,875	\$ 193,167
Leasehold improvements	10,918	10,918
	<u>223,793</u>	<u>204,085</u>
Less: accumulated depreciation	(162,596)	(153,129)
Total property and equipment, net	<u>\$ 61,197</u>	<u>\$ 50,956</u>

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Notes to Financial Statements

June 30, 2024

Note 6 - Net Assets with Donor Restrictions - Endowments

Outright's endowment in the amount of \$18,354 consists 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 7 - Net Assets with Donor Restrictions

Net assets were released from restriction for the following:

	June 30,	
	2024	2023
Program restrictions:		
Africa	\$ 90,000	\$ 100,000
Asia	14,216	-
Caribbean	50,000	37,138
Middle East	87,833	10,492
Research	46,545	9,877
UN general	598,791	94,458
Emergency fund	37,500	17,303
Ukraine	1,087,743	1,690,034
Global	1,642,512	1,874,456
Total program restrictions	3,655,140	3,833,758
Time	952,000	1,235,000
Total	\$ 4,607,140	\$ 5,068,758

Outright International

Notes to Financial Statements

June 30, 2024

Note 7 - Net Assets with Donor Restrictions - Continued

Net assets were restricted by donors for the following:

	June 30,	
	2024	2023
Program restrictions		
Africa	\$ 72,573	\$ 64,780
Asia	8,797	12,315
Caribbean	100	50,100
Middle East	29,069	-
Research	16,393	62,938
UN general	335,195	930,542
Emergency fund	252,450	236,053
Ukraine	511,439	1,254,198
Global	4,336,832	2,107,434
Total program restrictions	5,562,848	4,718,360
Time	1,003,000	120,020
Endowment	18,354	18,354
Total	<u>\$ 6,584,202</u>	<u>\$ 4,856,734</u>

Note 8 - Special Events

Outright held an annual gala during the years ended June 30, 2024 and 2023. The financial summary of the special event is as follows:

	June 30,	
	2024	2023
Net proceeds	\$ 830,087	\$ 695,994
Less: expenses with a direct benefit to donors	(278,160)	(274,460)
	551,927	421,534
Less: other event expenses	(162,018)	(198,137)
Total	<u>\$ 389,909</u>	<u>\$ 223,397</u>

Note 9 - Operating Lease Right-of-Use Asset and Operating Lease Liability

In October 2020, Outright entered into a ten-year lease at a new, New York City location. Rental payments began in July of 2021. The ROU asset represents Outright's right to use the underlying asset for the lease term, and the lease liabilities represent Outright's obligation to make lease payments arising from this lease. The ROU asset and lease liability were calculated based on the present value of future lease payments over the lease terms.

Outright International

Notes to Financial Statements

June 30, 2024

Note 9 - Operating Lease Right-of-Use Asset and Operating Lease Liability - Continued

Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the year ended June 30, 2024 and 2023:

Supplemental cash flow information related to leases was as follows:

Future annual minimum rent payments are as follows:

For the years ending June 30,

2025	\$ 176,610
2026	181,025
2027	189,551
2028	194,290
2029	199,147
Thereafter	<u>413,354</u>
Total lease payments	1,353,977
Less: imputed interest	<u>(165,932)</u>
Total present value of lease liabilities	<u><u>\$ 1,188,045</u></u>

Note 10 - 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 \$192,092 and \$136,161 to the plan during the years ended June 30, 2024 and 2023, respectively.

Outright International

Notes to Financial Statements

June 30, 2024

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	\$ 248,891	
Investments	23,447,825	
Contributions receivable	3,945,083	
Government grants receivable	<u>1,537,137</u>	
Total financial assets		\$ 29,178,936
Less amounts not available for general expenditures:		
Board-designated net assets	(18,011,781)	
Purpose restricted net assets	(5,562,848)	
Long-term time restricted net assets	<u>(1,003,000)</u>	
Total amounts not available for general expenditures		<u>(24,577,629)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u><u>\$ 4,601,307</u></u>

As indicated in Note 2c, 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 - Subsequent Events

Subsequent events have been evaluated through March 20, 2025, the date the financial statements were available to be issued. There were no material events that have occurred that require adjustment to or disclosure to the financial statements.