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OUTRIGHT ACTION INTERNATIONAL, CORP.

Audited Financial Statements

June 30, 2021

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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

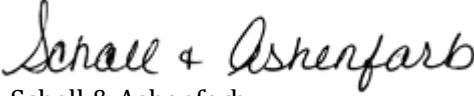
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the OutRight Action International, Corp. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited OutRight's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 18, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.


Schall & Ashenfarb
Certified Public Accountants, LLC

March 24, 2022

OUTRIGHT ACTION INTERNATIONAL, CORP.
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2021
(With comparative totals at June 30, 2020)

	<u>6/30/21</u>	<u>6/30/20</u>
Assets		
Cash and cash equivalents	\$16,735,809	\$3,209,412
Investments (Note 3)	1,020,039	748,061
Contributions receivable, net (Note 4)	1,114,425	949,390
Government grants receivable	257,158	117,307
Other receivables	32,895	54,827
Prepaid sub-grant expenses	502,853	233,807
Prepaid expenses	29,835	48,091
Fixed assets, net (Note 5)	6,754	13,152
Security deposits	68,333	28,234
Cash restricted for endowment fund (Note 8)	<u>18,354</u>	<u>18,354</u>
Total assets	<u><u>\$19,786,455</u></u>	<u><u>\$5,420,635</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$289,709	\$156,215
Deferred revenue	1,155,971	1,162,593
Paycheck Protection Program loan (Note 6)	<u>0</u>	<u>175,275</u>
Total liabilities	<u><u>1,445,680</u></u>	<u><u>1,494,083</u></u>
Net assets:		
Without donor restrictions:		
Board designated (Note 2b)		
Operating reserve	2,230,000	260,000
Vision Fund	<u>10,500,000</u>	<u>500,000</u>
Total board designated	<u>12,730,000</u>	<u>760,000</u>
Undesignated	<u>1,521,832</u>	<u>1,353,237</u>
Total without donor restrictions	<u>14,251,832</u>	<u>2,113,237</u>
With donor restrictions (Note 7)	<u>4,088,943</u>	<u>1,813,315</u>
Total net assets	<u><u>18,340,775</u></u>	<u><u>3,926,552</u></u>
Total liabilities and net assets	<u><u>\$19,786,455</u></u>	<u><u>\$5,420,635</u></u>

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, 2021
(With comparative totals for the year ended June 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total 6/30/21	Total 6/30/20
Public support and revenue:				
Contributions	\$13,147,926	\$5,291,962	\$18,439,888	\$4,536,769
Government grants	745,165		745,165	953,111
Paycheck Protection Program grant (Note 6)	175,275		175,275	0
Special events (Note 11)			0	187,486
Net investment income (Note 3)	1,521		1,521	7,341
Other income	3,222		3,222	16,905
Net assets released from restrictions	3,016,334	(3,016,334)	0	0
Total public support and revenue	<u>17,089,443</u>	<u>2,275,628</u>	<u>19,365,071</u>	<u>5,701,612</u>
Expenses:				
Program services:				
Africa	1,052,473		1,052,473	539,136
Asia	1,171,918		1,171,918	1,369,357
Caribbean	317,717		317,717	477,724
Middle East	445,905		445,905	232,407
Research	328,460		328,460	161,555
UN General	478,952		478,952	424,637
Total program services	<u>3,795,425</u>	<u>0</u>	<u>3,795,425</u>	<u>3,204,816</u>
Supporting services:				
Management and general	471,970		471,970	431,944
Fundraising	683,453		683,453	641,905
Total expenses	<u>4,950,848</u>	<u>0</u>	<u>4,950,848</u>	<u>4,278,665</u>
Change in net assets	12,138,595	2,275,628	14,414,223	1,422,947
Net assets - beginning of year	<u>2,113,237</u>	<u>1,813,315</u>	<u>3,926,552</u>	<u>2,503,605</u>
Net assets - end of year	<u><u>\$14,251,832</u></u>	<u><u>\$4,088,943</u></u>	<u><u>\$18,340,775</u></u>	<u><u>\$3,926,552</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, 2021
(With comparative totals for the year ended June 30, 2020)

	Program Services						Supporting Services		Total Expenses 6/30/21	Total Expenses 6/30/20	
	Africa	Asia	Caribbean	Middle East	Research	UN General	Total Program Services	Management and General			Fundraising
Salaries	\$307,465	\$326,004	\$114,028	\$106,605	\$157,128	\$157,681	\$1,168,911	\$153,725	\$481,055	\$1,803,691	\$1,625,465
Payroll taxes and benefits	60,761	90,814	18,797	37,989	18,571	66,175	293,107	43,945	109,611	446,663	296,543
Total salaries, payroll taxes and benefits	<u>368,226</u>	<u>416,818</u>	<u>132,825</u>	<u>144,594</u>	<u>175,699</u>	<u>223,856</u>	<u>1,462,018</u>	<u>197,670</u>	<u>590,666</u>	<u>2,250,354</u>	<u>1,922,008</u>
Travel	1,447	18,006	431	7,074	445	650	28,053			28,053	408,120
Consultants	86,003	100,288	53,874	62,489	21,925	32,150	356,729	35,858	19,598	412,185	280,917
Accounting							0	187,330		187,330	179,107
Occupancy	3,682	3,884	949	1,332	981	1,431	12,259	14,468	10,010	36,737	136,001
Direct aid	535,235	556,009	111,061	204,494	111,611	190,648	1,709,058			1,709,058	938,822
Printing	848	7,374	256	359	264	386	9,487	1,248	3,903	14,638	16,136
Meetings	9,660	11,520	2,886	4,079	2,984	5,697	36,826	767	766	38,359	146,035
Telecommunications	1,469	2,353	471	983	459	1,629	7,364	968	3,030	11,362	24,326
Office and mailing	961	1,070	290	407	300	437	3,465	436	1,365	5,266	7,033
Dues, subscriptions, licenses and permits	18,093	20,147	5,462	7,666	5,647	10,191	67,206	6,550	20,498	94,254	41,994
Supplies	257	517	77	109	80	117	1,157	152	476	1,785	10,417
Equipment rental and purchase	1,480	4,013	447	649	462	674	7,725	10,891	1,532	20,148	21,903
Advertising and promotion	714	795	216	302	223	325	2,575	643		3,218	4,276
Insurance	1,895	1,717	465	653	481	702	5,913	778	2,434	9,125	9,328
Event expenses							0			0	40,750
Other expenses	21,353	26,127	7,660	10,228	6,540	9,536	81,444	13,666	27,468	122,578	83,505
Total other expenses	<u>683,097</u>	<u>753,820</u>	<u>184,545</u>	<u>300,824</u>	<u>152,402</u>	<u>254,573</u>	<u>2,329,261</u>	<u>273,755</u>	<u>91,080</u>	<u>2,694,096</u>	<u>2,348,670</u>
Total expenses before depreciation	1,051,323	1,170,638	317,370	445,418	328,101	478,429	3,791,279	471,425	681,746	4,944,450	4,270,678
Depreciation	1,150	1,280	347	487	359	523	4,146	545	1,707	6,398	7,987
Total expenses	<u>\$1,052,473</u>	<u>\$1,171,918</u>	<u>\$317,717</u>	<u>\$445,905</u>	<u>\$328,460</u>	<u>\$478,952</u>	<u>\$3,795,425</u>	<u>\$471,970</u>	<u>\$683,453</u>	<u>\$4,950,848</u>	<u>\$4,278,665</u>

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, 2021
(With comparative totals for the year ended June 30, 2020)

	<u>6/30/21</u>	<u>6/30/20</u>
Cash flows from operating activities:		
Change in net assets	\$14,414,223	\$1,422,947
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	6,398	7,987
Net realized and unrealized loss on investments	75	289
Donated securities	(22,114)	(88,725)
Changes in assets and liabilities:		
Contributions receivable	(165,035)	(249,390)
Government grants receivable	(139,851)	20,455
Other receivables	21,932	99,967
Prepaid sub-grant expenses	(269,046)	(90,195)
Prepaid expenses	18,256	(33,492)
Security deposits	(40,099)	2,310
Accounts payable and accrued expenses	133,494	(15,212)
Deferred revenue	(6,622)	863,573
Paycheck Protection Program loan	(175,275)	175,275
Total adjustments	<u>(637,887)</u>	<u>692,842</u>
Net cash provided by operating activities	<u>13,776,336</u>	<u>2,115,789</u>
Cash flows from investing activities:		
Purchases of investments	(22,052)	(94,394)
Sales of investments	22,113	88,103
Net transfers from cash	(250,000)	0
Purchase of fixed assets	0	(9,725)
Net cash used for investing activities	<u>(249,939)</u>	<u>(16,016)</u>
Net increase in cash and cash equivalents	13,526,397	2,099,773
Cash, cash equivalents and restricted cash - beginning of year	<u>3,227,766</u>	<u>1,127,993</u>
Cash, cash equivalents and restricted cash - end of year	<u>\$16,754,163</u>	<u>\$3,227,766</u>
Cash, cash equivalents and restricted cash		
Cash and cash equivalents	\$16,735,809	\$3,209,412
Cash restricted for endowment fund	18,354	18,354
	<u>\$16,754,163</u>	<u>\$3,227,766</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, 2021

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 world 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.

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. 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:

	<u>6/30/21</u>	<u>6/30/20</u>
Balance beginning of year	\$760,000	\$640,000
Additions	<u>11,970,000</u>	<u>120,000</u>
Balance end of year	<u>\$12,730,000</u>	<u>\$760,000</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 follows the requirements of Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“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 earlier of when cash is received or at the time a pledge 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.

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.

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 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.

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 69% and 71% of grants and contributions receivables were from a small number of private foundations and government agencies at June 30, 2021 and 2020, 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, 2018 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, 2020, from which the summarized information was derived.

n. New Accounting Pronouncements

FASB issued Accounting Standards Update (“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 consolidated 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>6/30/21</u>	<u>6/30/20</u>
Cash and money balances	\$1,017,694	\$745,716
Equities	<u>2,345</u>	<u>2,345</u>
Total	<u>\$1,020,039</u>	<u>\$748,061</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>6/30/21</u>	<u>6/30/20</u>
Interest and dividends	\$1,596	\$7,855
Investment fees	0	(225)
Unrealized gain	277	333
Realized loss	<u>(352)</u>	<u>(622)</u>
Total investment income	<u>\$1,521</u>	<u>\$7,341</u>

Note 4 - Contributions Receivable

Contributions receivable is expected in the following periods:

Year ending:	June 30, 2022	\$1,014,425
	June 30, 2023	50,000
	June 30, 2024	<u>50,000</u>
Total		<u>\$1,114,425</u>

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

Note 5 - Property and Equipment

Fixed assets consist of the following:

	<u>6/30/21</u>	<u>6/30/20</u>
Furniture and equipment	\$136,806	\$136,806
Leasehold improvements	<u>10,918</u>	<u>10,918</u>
	147,724	147,724
Less: accumulated depreciation	<u>(140,970)</u>	<u>(134,572)</u>
Total	<u>\$6,754</u>	<u>\$13,152</u>

Note 6 - Paycheck Protection Program loan

During the year ended June 30, 2020, OutRight obtained a loan for \$175,275 from the Small Business Administration (“SBA”) through the Paycheck Protection Program (“PPP”). 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. OutRight accounts for the PPP loan as a contribution in accordance with FASB ASC 958-605. The conditions for forgiveness on this loan were met during the year ended June 30, 2021 and the full amount was recognized as revenue during the year then ended. On June 18, 2021, the loan was forgiven by the SBA.

Note 7 - Net Assets With Donor Restrictions

During 2021 and 2020, net assets were released from restriction for the following:

	<u>6/30/21</u>	<u>6/30/20</u>
Program restrictions:		
Asia	\$97,975	\$97,025
Caribbean	78,397	412,000
Research	15,000	0
UN General	27,900	1,250
Emergency Fund	1,405,083	409,799
Other programs	<u>290,196</u>	<u>589,406</u>
Total program restrictions	1,914,551	1,509,480
Time	<u>1,101,783</u>	<u>428,217</u>
Total	<u>\$3,016,334</u>	<u>\$1,937,697</u>

At June 30, 2021 and 2020 net assets were restricted by donors for the following:

	<u>6/30/21</u>	<u>6/30/20</u>
Program restrictions:		
Africa	\$100,000	\$0
Asia	2,315	100,290
Caribbean	211,703	705,100
Research	75,000	15,000
UN General	92,100	0
Emergency Fund	2,491,860	510,135
Other programs	<u>482,611</u>	<u>232,653</u>
Total program restrictions	3,455,589	1,563,178
Time	615,000	231,783
Endowment (Note 8)	<u>18,354</u>	<u>18,354</u>
Total	<u>\$4,088,943</u>	<u>\$1,813,315</u>

Note 8 - 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 9 - 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 \$74,535 and \$67,244 to the plan during the years ended June 30, 2021 and 2020, respectively.

Note 10 - Commitments and Contingencies

OutRight had a non-cancelable operating lease agreement for its New York City office space which expired in July 2020.

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 amount of rent expense was \$16,714 and \$114,026 for the years ended June 30, 2021 and 2020, respectively.

Future annual minimum rent payments are as follows:

Year ending:	June 30, 2022	\$164,000
	June 30, 2023	168,100
	June 30, 2024	172,302
	June 30, 2025	176,610
	June 30, 2026	181,025
Thereafter		<u>996,342</u>
Total		<u>\$1,858,379</u>

Note 11 - Special Events

As a result of the COVID-19 pandemic, OutRight's main fundraising event was cancelled during the years ended June 30, 2021 and 2020. During June 30, 2020, certain donors allowed OutRight to keep contributions for this and other smaller events that had been held earlier in the year. The financial summary of the special events for June 30, 2020 is as follows:

	<u>6/30/20</u>
Net proceeds	\$187,486
Less: expenses with a direct benefit to donors	<u>0</u>
	187,486
Less: other event expenses	<u>(40,750)</u>
Total	<u>\$172,952</u>

Note 12 - 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	\$16,735,809	
Investments	1,020,039	
Contributions receivable, due in one year	1,014,425	
Government grants receivable	257,158	
Other receivables	<u>32,895</u>	
Total financial assets		\$19,060,326
Less amounts not available for general expenditures:		
Board-designated net assets	(12,730,000)	
Purpose restricted net assets	(3,455,589)	
Long-term time restricted net assets	<u>(100,000)</u>	
		<u>(16,285,589)</u>
Financial assets available to meet cash needs for for general expenditures within one year		<u>\$2,774,737</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 13 - 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 14 - Subsequent Events

Subsequent events have been evaluated through March 24, 2022, 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.