

Audited Financial Statements



December 31, 2020

Quigley & Miron

One in Long Beach, Inc. dba LGBTQ Center of Long Beach
Audited Financial Statements
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Suite 1660
3550 Wilshire Boulevard
Los Angeles, California 90010

Telephone: (213) 639-3550
Facsimile: (213) 639-3555

Suite 700
1999 South Bascom Avenue
Campbell, California 95008

Telephone: (408) 614-0100
Facsimile: (213) 639-3555

Independent Auditor's Report

Board of Directors

One in Long Beach, Inc. dba LGBTQ Center of Long Beach

Long Beach, CA

We have audited the accompanying financial statements of One in Long Beach, Inc. dba LGBTQ Center of Long Beach (Center), a nonprofit organization, which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flow 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 of material misstatement.

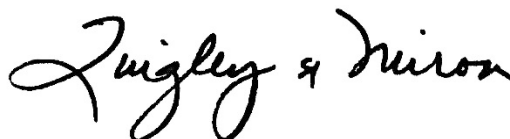
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 One in Long Beach, Inc. dba LGBTQ Center of Long Beach as of December 31, 2020, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Los Angeles, California



One in Long Beach, Inc. dba LGBTQ Center of Long Beach
Statement of Financial Position
December 31, 2020

Assets

Cash and cash equivalents	\$ 672,160
Grants receivable	307,887
Accounts receivable	19,104
Prepaid expenses	21,219
Property and equipment, net — Note 4	<u>582,911</u>

Total Assets \$ 1,603,281

Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	\$ 49,254
Salaries and employee benefits payable	<u>50,600</u>

Total Liabilities **99,854**

Net Assets

Without donor restrictions	1,333,427
With donor restrictions — Note 6	<u>170,000</u>

Total Net Assets 1,503,427

Total Liabilities and Net Assets \$ 1,603,281

See notes to financial statements.

One in Long Beach, Inc. dba LGBTQ Center of Long Beach
Statement of Activities
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities			
Public Support and Revenue			
Public support			
Government grants	\$ 1,024,540	\$	\$ 1,024,540
Grants and contributions	551,015	170,000	721,015
PPP grant—Note 7	218,073		218,073
Program and fee for service	175,987		175,987
Membership fees	23,452		23,452
Fundraising events			
Revenue	122,398		122,398
Less cost of direct benefit to donors	(41,340)		(41,340)
Fundraising Events, Net	81,058		81,058
Interest income	1,118		1,118
Net assets released from restrictions	51,500	(51,500)	
Total Public Support and Revenue	2,126,743	118,500	2,245,243
Expenses			
Program services	1,352,821		1,352,821
Management and general	698,598		698,598
Resource development	49,227		49,227
Total Expenses	2,100,646		2,100,646
Increase in Net Assets from Operations	26,097	118,500	144,597
Nonoperating Activities			
Rental income	11,079		11,079
Other income	4,166		4,166
Total Nonoperating Activities	15,245		15,245
Increase in Net Assets	41,342	118,500	159,842
Net Assets at Beginning of Year	1,292,085	51,500	1,343,585
Net Assets at End of Year	\$ 1,333,427	\$ 170,000	\$ 1,503,427

See notes to financial statements.

One in Long Beach, Inc. dba LGBTQ Center of Long Beach
Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services					Supportive Services				
	Health Services	Legal Services	Domestic Violence	Other Services	Total Program Expenses	Management and General	Fund-Raising	Cost of Benefits	Total Supportive Services	Total
Salaries	\$ 301,256	\$ 213,869	\$ 102,794	\$ 165,368	\$ 783,287	\$ 334,781	\$ 33,478	\$	\$ 368,259	\$ 1,151,546
Employee benefits	15,110	10,354	5,423	6,667	37,554	56,304	5,630		61,934	99,488
Payroll Taxes	45,850	23,359	16,629	22,184	108,022	41,465	4,147		45,612	153,634
Total Personnel	362,216	247,582	124,846	194,219	928,863	432,550	43,255		475,805	1,404,668
Professional services	92,080	15,097	3,191	7,750	118,118	147,985			147,985	266,103
Program supplies	74,154	385	10,005	38,818	123,362					123,362
Health services and STI testing	63,177				63,177					63,177
IT and software	61,073				61,073					61,073
Depreciation and amortization						41,962			41,962	41,962
Cost of direct benefits to donors								41,340		41,340
Occupancy	6,215	2,216	1,337	2,290	12,058	20,256	2,026		22,282	34,340
Insurance	3,555	1,698	1,358	1,476	8,087	19,585	1,958		21,543	29,630
Telephone	7,803	4,250	1,812	2,859	16,724	2,980	298		3,278	20,002
Office supplies	3,464	2,392	541	1,992	8,389	9,730	973		10,703	19,092
Marketing						12,600			12,600	12,600
Dues and subscriptions	738	2,754		532	4,024	3,776			3,776	7,800
Bank and merchant fees	2,773	20		25	2,818	4,474	447		4,921	7,739
Travel		1,021	821	1,796	3,638	2,700	270		2,970	6,608
Other expenses	2,430		60		2,490					2,490
Total Expenses by Function	679,678	277,415	143,971	251,757	1,352,821	698,598	49,227	41,340	747,825	2,141,986
Less expenses included with revenues on the statement of activities										
Cost of direct benefits to donors								(41,340)		(41,340)
Total Expenses	\$ 679,678	\$ 277,415	\$ 143,971	\$ 251,757	\$ 1,352,821	\$ 698,598	\$ 49,227	\$	\$ 747,825	\$ 2,100,646

See notes to financial statements.

One in Long Beach, Inc. dba LGBTQ Center of Long Beach
Statement of Cash Flows
Year Ended December 31, 2020

Cash Flows from Operating Activities

Change in net assets	\$ 159,842
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	41,962
Changes in operating assets and liabilities:	
Grants receivable	99,963
Accounts receivable	(19,104)
Prepaid expenses	(4,470)
Accounts payable and accrued expenses	(102,853)
Salaries and employee benefits payable	11,610

Net Cash Provided by Operating Activities 186,950

Cash Flows from Investing Activities

Purchase of property and equipment	(5,952)
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Net Cash Used in Investing Activities (5,952)

**Increase in
Cash and Cash Equivalents** 180,998

**Cash and Cash Equivalents
at Beginning of Year**

491,162

**Cash and Cash Equivalents
at End of Year** \$ 672,160

Supplementary Disclosures

Cash paid for interest	<u>\$</u>
Cash paid for income taxes	<u>\$</u>

See notes to financial statements.

One in Long Beach, Inc. dba LGBTQ Center of Long Beach
Notes to Financial Statements
December 31, 2020

Note 1—Organization and Summary of Significant Accounting Policies

Organization—One in Long Beach, Inc. dba LGBTQ Center of Long Beach (Center) is a public benefit corporation organized under California law in 1980. The Center advances equity for LGBTQ people through culturally responsive advocacy, education, programs and services. The Center envisions LGBTQ people live in health, wellness, safety, and prosperity.

The Center’s major sources of revenues are local public support in the form of contributions, as well as government reimbursement programs.

Financial Statement Presentation—The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Center recognizes grants and contributions as revenue in the period received. Contributions and net assets are classified on the existence or absence of donor-imposed restrictions. The net assets of the Center and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions—Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of the Center. These net assets may be used at the discretion of the Center’s management and the board of directors.

Net Assets With Donor Restrictions—Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; such restrictions that may or will be met either by actions of the Center and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Generally, the donors of such assets permit the Center to use all or part of the income earned on related investments for general or specific purposes.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a time restriction expires or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. It is the policy of the Center to record contributions that are restricted by the donor as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

Measure of Operations—The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of programs designed to improve the health and well-being of the Long Beach LGBTQ community. Nonoperating activities are limited to rental income and other activities considered to be of a more unusual or nonrecurring nature.

Income Taxes—The Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and exempt from California franchise tax under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for federal or state income taxes is included in the financial statements.

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered ‘more likely than not’ to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at December 31, 2020. Generally, the Center’s information returns remain open for examination for a period of three (federal) or four (state of California) years from the date of filing.

Cash and Cash Equivalents—The Center considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

One in Long Beach, Inc. dba LGBTQ Center of Long Beach
Notes to Financial Statements—Continued

Note 1—Organization and Summary of Significant Accounting Policies—Continued

Property and Equipment—Purchased property and equipment are recorded at cost, and donated assets are recorded at the estimated fair value on the date of receipt. The Center's depreciates its property and equipment using the straight-line-method over the following estimated useful lives:

Building	31.5 years
Leasehold improvements	5-39 years
Furniture and equipment	3-10 years

Repairs and maintenance costs are expensed as incurred. Purchases of equipment in excess of \$1,000 are capitalized.

Concentration of Credit Risk—Financial instruments which potentially subject the Center to concentrations of credit risk consist of cash and cash equivalents and government grants receivable. The Center places its cash and cash equivalents with financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At times, in the normal course of business, such cash balances are in excess of the FDIC insurance limits, however management deems the risk of loss due to these concentrations to be minimal.

Grants receivable are due within one year from various government entities is well known to the Center with a favorable past payment history. The Center's management has assessed the credit risk associated with the deposits and receivables held at December 31, 2020 and has determined that an allowance for potential losses due to credit risk is not necessary.

Government Grants—Revenues from government contracts are reported as increases in net assets without donor restrictions as allowable expenditures under such agreements are incurred. The amounts expended in excess of reimbursements are reported as grants receivable.

Grants and Contributions—Grants and contributions are reported as support in the period received and as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expiration of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions in the accompanying statement of activities. Contributions whose restrictions are met in the same year as the contribution is made are initially classified as net assets with donor restrictions.

Program and Fee for Service—Program and fee for service revenues are recognized at the time services are provided.

Membership Fees—Membership fee revenue is recognized at the time services are provided.

Fundraising Events—The Center conducts special fundraising events in which a portion of the gross proceeds paid by the participants represents payment for the direct cost of benefits received by the participants at the event. The Center values such benefits at actual cost.

Interest Income—Interest income is recognized when received and is reported under public support and revenue in the statement of activities.

Rental Income—Rental income is recognized at the time services are provided.

One in Long Beach, Inc. dba LGBTQ Center of Long Beach
Notes to Financial Statements—Continued

Note 1—Organization and Summary of Significant Accounting Policies—Continued

In-Kind Contributions—Contributed services are recorded at fair value at the date of donation only if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Functional Expenses—The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program services and supporting services benefitted. Professional services, program supplies, health services and STI testing, depreciation and amortization are charged directly to the program or supporting service benefitted. All other functional expenses are allocated on the basis of estimates of time and effort.

Risks and Uncertainties—In early March 2020, the COVID-19 virus was declared a global pandemic. Since then, business continuity, including supply chains and consumer demand across a broad range of industries and countries, has been, and continues to be, severely impacted, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. The Center is continuing to conduct its program activities and to monitor the ongoing impact of the pandemic response on overall operations. At the time of this reporting, the cumulative financial impact of the pandemic on the Center's, if any, cannot be fully determined, therefore no related adjustment has been made to these financial statements.

Use of Estimates—Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported public support, revenues and expenses. Actual results could differ from those estimates and assumptions.

Contingencies—From time to time, the Center's is subject to litigation that arises in the normal course of conducting its operations. In management's opinion, the resolution of litigation matters, if any, would not have a material effect on the financial position of the Center at December 31, 2020.

Note 2—Availability and Liquidity

The Center's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$525,000).

The following represents the availability and liquidity of the Center's financial assets at December 31, 2020 to cover operating expenses for the next fiscal year:

Cash and cash equivalents, net of donor restrictions	\$	502,160
Grants receivable		307,887
Accounts receivable		19,104
		<hr/>
Current Availability of Financial Assets	\$	829,151

One in Long Beach, Inc. dba LGBTQ Center of Long Beach
Notes to Financial Statements—Continued

Note 3—Property and Equipment, Net

Net property and equipment at December 31, 2020 consists of the following:

Building and leasehold improvements	\$ 790,178
Furniture and equipment	<u>196,464</u>
Depreciable Property and Equipment	986,642
Less accumulated depreciation	<u>(551,888)</u>
Depreciable Property and Equipment, Net	434,754
Land	<u>148,157</u>
Property and Equipment, Net	<u>\$ 582,911</u>

Depreciation and amortization expense for the year ended December 31, 2020 amounted to \$41,962.

Note 4—Commitments and Contingencies

The Center receives significant financial assistance from the federal, state, and county contracts and grants. Entitlement to these resources is generally contingent upon compliance with terms and conditions of the contract or grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Failure to fulfill those conditions could result in the return of the funds to the grantor. Although this possibility remains, the Center deems the contingency remote and has recognized all contract services and grants received as income in the year received.

Note 5—Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2020 consist of amounts restricted by donor-imposed stipulations for the following purposes or periods:

Subject to purpose restrictions:	
Building capital campaign	\$ 170,000
Total Net Assets With Donor Restrictions	<u>\$ 170,000</u>

Net assets released from donor restrictions for the year ended December 31, 2020 are as follows:

Satisfaction of passage of time:	
General operations	\$ 50,000
Building fixture	<u>1,500</u>
Total Satisfaction of Net Assets With Donor Restrictions	<u>\$ 51,500</u>

Note 6—PPP Grant

On May 5, 2020, the Center received a Paycheck Protection Program (PPP) grant for \$218,073 from the U.S. Small Business Administration (SBA). The grant is designed to provide a direct incentive for small businesses struggling from the impact off the COVID-19 pandemic to keep their workers on the payroll. The Center elected to record the PPP grant revenue upon receipt of the forgiveness letter from the SBA which was received during the year ended December 31, 2020.

One in Long Beach, Inc. dba LGBTQ Center of Long Beach
Notes to Financial Statements—Continued

Note 7—Subsequent Events

Management evaluated all activities of One in Long Beach, Inc. dba LGBTQ Center of Long Beach through December 16, 2022, which is the date the financial statements were available to be issued, and concluded that no material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.