

Audited Financial Statements



December 31, 2021

Quigley & Miron

One in Long Beach, Inc. dba LGBTQ Center of Long Beach
Audited Financial Statements
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Independent Auditor's Report

Board of Directors

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

Long Beach, California

Opinion

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, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of December 31, 2021, 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.

Basis of 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 the Center 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 the Center's ability to continue as a going concern for one year after the date that the financial statements are 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 Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited One in Long Beach, Inc. dba LGBTQ Center of Long Beach's December 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 16, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Los Angeles, California
November 29, 2023

One in Long Beach, Inc. dba LGBTQ Center of Long Beach
Statement of Financial Position
December 31, 2021
(with comparative totals for 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 656,629	\$ 672,160
Government grants receivable	568,983	307,887
Accounts receivable	47,038	19,104
Prepaid expenses	27,187	21,219
Property and equipment, net—Note 3	564,290	582,911
Total Assets	<u>\$ 1,864,127</u>	<u>\$ 1,603,281</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 85,720	\$ 49,254
Salaries and employee benefits payable	57,666	50,600
Total Liabilities	<u>143,386</u>	<u>99,854</u>
Net Assets		
Without donor restrictions	1,288,241	1,333,427
With donor restrictions—Note 5	432,500	170,000
Total Net Assets	<u>1,720,741</u>	<u>1,503,427</u>
Total Liabilities and Net Assets	<u>\$ 1,864,127</u>	<u>\$ 1,603,281</u>

See notes to financial statements.

One in Long Beach, Inc. dba LGBTQ Center of Long Beach
Statement of Activities
Year Ended December 31, 2021
(with comparative totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Operating Activities				
Public Support and Revenue				
Government grants	\$ 1,149,713	\$	\$ 1,149,713	\$ 1,024,540
Grants and contributions	957,390	262,500	1,219,890	721,015
PPP grant—Note 6				218,073
Program and fee for service revenue	114,174		114,174	175,987
Membership fees	22,059		22,059	23,452
Fundraising events				
Gross revenue	113,621		113,621	122,398
Less cost of direct benefit to donors	(86,804)		(86,804)	(41,340)
Fundraising Events, Net	26,817		26,817	81,058
Interest income	560		560	1,118
Total Public Support and Revenue	2,270,713	262,500	2,533,213	2,245,243
Expenses				
Program services	1,529,775		1,529,775	1,352,821
Management and general	644,521		644,521	698,598
Resource development	187,479		187,479	49,227
Total Expenses	2,361,775		2,361,775	2,100,646
Change in Net Assets from Operations	(91,062)	262,500	171,438	144,597
Nonoperating Activities				
Rental income	32,214		32,214	11,079
Other income	13,662		13,662	4,166
Total Nonoperating Activities	45,876		45,876	15,245
Change in Net Assets	(45,186)	262,500	217,314	159,842
Net Assets at Beginning of Year	1,333,427	170,000	1,503,427	1,343,585
Net Assets at End of Year	\$ 1,288,241	\$ 432,500	\$ 1,720,741	\$ 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, 2021
 (with comparative totals for 2020)

	Program Services					Supportive Services					
	Health Services	Legal and DV Services	Senior Services	Youth and Other Services	Total Program Expenses	Management and General	Fund- Raising	Cost of Benefits	Total Supportive Services	2021 Total	2020 Total
Salaries	\$ 358,679	\$ 262,235	\$ 111,819	\$ 141,941	\$ 874,674	\$ 325,327	\$ 133,334	\$	\$ 458,661	\$ 1,333,335	\$ 1,151,546
Employee benefits	34,651	13,915	5,629	10,385	64,580	29,001	10,398		39,399	103,979	99,489
Payroll taxes and workers comp	56,731	41,844	19,129	22,685	140,389	42,670	20,340		63,010	203,399	153,633
Total Personnel	450,061	317,994	136,577	175,011	1,079,643	396,998	164,072		561,070	1,640,713	1,404,668
Professional services	64,989	2,944	1,495	3,389	72,817	87,302			87,302	160,119	257,353
Program supplies	21,034	9,594	102,590	8,543	141,761		623		623	142,384	123,362
Health services and STI testing	140,367				140,367					140,367	61,838
Cost of direct benefit to donors								86,804	86,804	86,804	41,340
Technology	3,371	1,831	365	299	5,866	43,011			43,011	48,877	61,073
Occupancy	4,419	2,492	1,130	1,745	9,786	31,415	3,180		34,595	44,381	34,340
Depreciation				31,978	31,978	6,362	4,260		10,622	42,600	41,962
Insurance	4,638	12,597	520		17,755	13,583	3,482		17,065	34,820	29,630
Marketing and advertising	2,367				2,367	27,898	4,190		32,088	34,455	13,939
Office supplies	8,195	344	1,132	1,434	11,105	8,995	2,119		11,114	22,219	19,092
Telephone	4,935	2,809	1,047	1,939	10,730	7,622	2,039		9,661	20,391	20,002
Other expenses				27	27	12,892	76		12,968	12,995	11,240
Bank and merchant fees	879	82			961	4,572	3,337		7,909	8,870	7,739
Dues and memberships	403	2,955	232	510	4,100	3,470			3,470	7,570	7,800
Travel	96		382	34	512	401	101		502	1,014	6,608
Total Expenses by Function	705,754	353,642	245,470	224,909	1,529,775	644,521	187,479	86,804	918,804	2,448,579	2,141,986
Less expenses included with revenues											
revenues on the statement of activities											
Cost of direct benefit to donors								(86,804)		(86,804)	(41,340)
Total Expenses	\$ 705,754	\$ 353,642	\$ 245,470	\$ 224,909	\$ 1,529,775	\$ 644,521	\$ 187,479	\$	\$ 918,804	\$ 2,361,775	\$ 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, 2021
(with comparative totals for 2020)

	<u>2020</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 217,314	\$ 159,842
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	42,600	41,962
Changes in operating assets and liabilities:		
Government grants receivable	(261,096)	99,963
Accounts receivable	(27,934)	(19,104)
Prepaid expenses	(5,968)	(4,470)
Accounts payable and accrued expenses	36,466	(102,853)
Salaries and employee benefits payable	7,066	11,610
Net Cash Provided by Operating Activities	<u>8,448</u>	<u>186,950</u>
Cash Flows from Investing Activities		
Purchases of property and equipment	(23,979)	(5,952)
Net Cash Used in Investing Activities	<u>(23,979)</u>	<u>(5,952)</u>
Increase (Decrease) in Cash and Cash Equivalents	(15,531)	180,998
Cash and Cash Equivalents at Beginning of Year	<u>672,160</u>	<u>491,162</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 656,629</u></u>	<u><u>\$ 672,160</u></u>
Supplementary Disclosures		
Cash paid for interest	<u>\$ 26</u>	<u>\$</u>
Cash paid for income taxes	<u>\$</u>	<u>\$</u>

See notes to financial statements.

One in Long Beach, Inc. dba LGBTQ Center of Long Beach
Notes to Financial Statements
December 31, 2021
(with comparative totals for 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, 2021. 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, government grants receivable, and accounts receivable.

The Center places its cash and cash equivalents with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. Such cash balances may exceed FDIC insurance limits during the normal course of business. Cash held in investment accounts at investment custodians is insured by the Securities Investors Protection Corporation (SIPC) up to \$250,000 and the investments in securities are insured up to \$500,000, per institution. SIPC insurance protects the custody function of the investment custodian; it does not provide protection against fluctuations in market value. At times, such balances exceed SIPC coverage limits.

The Center is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. The Center's management has assessed the credit risk associated with its cash deposits and investments held at December 31, 2021 and 2020 and believes it is not exposed to any significant credit risk with its cash and cash equivalents and investments, however, due to the current risk and uncertainties affecting financial institutions (see Note 7), the related impact cannot be reasonably estimated at this time.

Grants receivable consists of balances from various government entities. The Center has determined that no allowance for potential losses due to uncollectible receivables was necessary at December 31, 2021 and 2020.

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.

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

Recently Adopted Accounting Principle—In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, which supersedes most of the current revenue recognition requirements. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The Center opted to adopt ASU No. 2014-09 on a retrospective basis for the year ended December 31, 2020, and noted that there was no material effect on the financial statements.

Contracts with Customers—Accounting standards require an organization to recognize revenue arising from contracts with customers at the time the customer obtains control of a contracted goods or service. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue Recognition—The Center's revenue recognition policies are as follows:

Program and fee for service revenue—Program and fee for service revenue is 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.

In-Kind Contributions—The Center records the value of donated materials and services at their fair value at the date of donation. 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, and depreciation 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.

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

Marketing and Advertising—Marketing and advertising costs are expensed as incurred and amounted to \$34,455 and \$13,939 for the years ended December 31, 2021 and 2020, respectively.

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, 2021 and 2020.

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.

Reclassifications—Certain amounts in 2020 have been reclassified to conform with the 2021 financials statement presentation.

Comparative Totals for 2020—The accompanying financial statements include certain prior-year summarized comparative financial information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Center's audited financial statements for the year ended December 31, 2020, from which the summarized information was derived.

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, 2021 and 2020 to cover operating expenses for the next fiscal year:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents, net of donor restrictions	\$ 224,129	\$ 502,160
Grants receivable	568,983	307,887
Accounts receivable	47,038	19,104
Current Availability of Financial Assets	<u>\$ 840,150</u>	<u>\$ 829,151</u>

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, 2021 and 2020 consists of the following:

	<u>2021</u>	<u>2020</u>
Building and improvements	\$ 848,551	\$ 824,572
Furniture and equipment	157,270	157,270
Vehicles	4,800	4,800
Depreciable Property and Equipment	1,010,621	986,642
Less accumulated depreciation	(594,488)	(551,888)
Depreciable Property and Equipment, Net	416,133	434,754
Land	148,157	148,157
Total Property and Equipment, Net	<u>\$ 564,290</u>	<u>\$ 582,911</u>

Depreciation and amortization expense for the year ended December 31, 2021 and 2020 amounted to \$42,600 and \$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, 2021 and 2020 consist of amounts restricted by donor-imposed stipulations for the following purposes or periods:

	<u>2021</u>	<u>2020</u>
Subject to purpose restrictions:		
Building capital campaign	\$ 170,000	\$ 170,000
Transportation services for elderly adults	75,000	
Mentoring Youth Through Empowerment	70,000	
New van purchase	50,000	
Solar panels	50,000	
General operations—specified time period	17,500	
Total Net Assets with Donor Restrictions	<u>\$ 432,500</u>	<u>\$ 170,000</u>

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

Note 5—Net Assets with Donor Restrictions—Continued

Net assets released from donor restrictions for the year ended December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Satisfaction of passage of time:		
General operations	\$	\$ 50,000
Building fixture		1,500
Total Satisfaction of Net Assets with Donor Restrictions	\$	\$ 51,500

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.

Note 7—Risks and Uncertainties

In March 2023, subsequent to year-end, the shut-down of certain financial institutions raised economic concerns over disruption in the U.S. banking system. The U.S. government took certain actions to strengthen public confidence in the U.S. banking system, however, there can be no certainty that the actions taken by the U.S. government will be effective in mitigating the effects of financial institution failures on the economy, which may include limits on access to short-term liquidity in the near term or other adverse effects. As disclosed in Note 1, at times, the Center maintains cash and cash equivalents and investment balances in excess of federally insured limits. Given the uncertainty of the situation, the related financial impact cannot be reasonably estimated at this time.

Note 8—Recent Accounting Pronouncement

Gifts-in-Kind—In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires increased transparency around the use and valuation of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit entities. Under the updated guidance, gifts-in-kind are required to be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, and to be disaggregated in the notes to the financial statements by the category that depicts the type of contributed nonfinancial assets. There are additional required disclosures regarding qualitative information denoting whether the gifts-in-kind were monetized or utilized during the reporting period; the entity's policy, if any, about monetizing rather than utilizing contributed nonfinancial assets; and the valuation techniques and inputs used to arrive at a fair value measure. ASU No. 2020-07 is to be applied retrospectively and is effective for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. Early adoption is permitted. The Center is currently evaluating the impact that the adoption of ASU 2020-07 will have on its financial statements.

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

Note 8—Recent Accounting Pronouncement—Continued

Leases—In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for nonprofit organizations with fiscal years beginning after December 15, 2021, with early adoption permitted. The Center is currently evaluating the impact that the adoption of ASU No. 2016-02 will have on its financial statements.

Note 9—Subsequent Events

Management evaluated all activities of One in Long Beach, Inc. dba LGBTQ Center of Long Beach through January 29, 2024, which is the date the financial statements were available to be issued, and concluded that, other than the banking crisis disclosed in Note 7, no material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.