Los Angeles LGBT Center and Affiliates

(a nonprofit California corporation)

Consolidated Financial Statements
and Supplemental Information
Years Ended June 30, 2023 and 2022

Los Angeles LGBT Center and Affiliates
(a nonprofit California corporation)

Contents

Description of Organization (Unaudited)

For over 50 years, the Los Angeles LGBT Center (the Center) has been building the health, enriching the lives and advocating for the rights of lesbian, gay, bisexual and transgender (LGBT) people. It was founded as an all-volunteer organization, offering counseling, shelter/support for homeless LGBT youth, senior citizens and a safe space for our community to gather.

McCadden Campus LLC (Campus LLC) is a wholly owned subsidiary of the Center formed as a Delaware limited liability company on February 6, 2014. Campus LLC executed an Agreement of Limited Partnership with an affiliate of Thomas Safran and Associates, an affordable housing developer, to acquire real property and to build a mixed-use development named the Anita May Rosenstein Campus. See Note 23.

AMR Campus QALICB (Qualified Active Low Income Community Business), Inc. (AMR QALICB), is an affiliate nonprofit corporation of the Center and was created for the sole purpose of facilitating a New Markets Tax Credit (NMTC) transaction in June 2017. Its purpose and responsibilities are limited to owning and developing the Anita May Rosenstein Campus, leasing the Center Component to the Center for its operations, and making debt service payments on its loans.

AMR QALICB was formed pursuant to the filing of those certain Articles of Incorporation with the California Secretary of State on February 2, 2017. On November 3, 2017, the Internal Revenue Service issued a letter determining that the AMR QALICB was exempt from federal income tax under Internal Revenue Code (IRS) Section 501(c)(3). See note 24.

GLEH Los Angeles Corporation (GLEH-LA) is a California nonprofit corporation incorporated on May 19, 2005, for the purpose of providing affordable housing and social services for seniors. GLEH-LA is the Managing General Partner of Encore Hall Senior Housing, L.P. (Encore LP), the owner of a 104-unit apartment building in Los Angeles for low- and moderate-income seniors. On February 1, 2023, GLEH-LA acquired the 2.99% interest in Encore LP held by the Development General Partner, MBA Urban Development Co. Following the transfer, GLEH-LA had a combined 3% interest in Encore LP. On April 1, 2023, the Center took over control of GLEH-LA.

Triangle Square LLC (Triangle LLC) is a California limited liability company formed on September 14, 2022, by the Center. On February 1, 2023, Triangle LLC acquired the 97% interest in Encore LP held by the Limited Partner, AH Housing Fund 1262 LP.

The Los Angeles LGBT Center is building a world where LGBT people thrive as healthy, equal and complete members of society.

With total consolidated assets of $232.9 million, today's Center employs over 800 paid staff and has nearly 1,000 volunteers in 10 locations across Los Angeles. The community is served at a rate of nearly 50,000 visits every month. The Center's clients are primarily low and moderate income, and virtually all programs are free or low cost. The Center's many services are tailored specifically for LGBTQ people and include: healthcare and medication with specialties in HIV/AIDS and transgender care and HIV prevention; counseling and addiction recovery; housing, food, education and employment training for youth experiencing homelessness; essential services and affordable housing for seniors; legal services; advocacy and policy work; cultural arts programs and more.

Information about the Los Angeles LGBT Center and its programs and services is available on the Web at www.lalgbtcenter.org.

Tel: 310-557-0300
Fax: 310-557-1777
www.bdo.com

515 Flower Street
47th Floor
Los Angeles CA 90071

Independent Auditor's Report

Board of Directors
Los Angeles LGBT Center and Affiliates
Los Angeles, California

Opinion

We have audited the consolidated financial statements of the Los Angeles LGBT Center and Affiliates (the "Center"), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Los Angeles LGBT Center and Affiliates as of June 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasize of Matter - Change in Accounting Method Related to Leases

As discussed in Note 2 and Note 15 to the consolidated financial statements, the Center has changed its method of accounting for leases during the year ended June 30, 2023 due to adoption of Accounting Standards Codification ("ASC") 842, *Leases*.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.

BDO USA

Los Angeles, California
March 15, 2024

Consolidated Financial Statements

Los Angeles LGBT Center and Affiliates
(a nonprofit California corporation)

Consolidated Statements of Financial Position

June 30,	2023	2022
Current assets		
Cash and cash equivalents	$ 9,680,833	$ 15,098,812
Restricted cash	918,112	929,402
Accounts and other receivables	395,608	218,408
Clinic fees receivable, net	14,340,204	7,752,595
Contracts and grants receivable, net	7,152,137	5,849,029
Pledges receivable, net	475,888	1,715,913
Short-term investments	28,081,538	29,178,452
Inventories	1,064,872	1,563,069
Total current assets	62,109,192	62,305,680
Noncurrent assets		
Contributions receivable - held in trust	2,442,185	2,369,231
Beneficial interests in trusts	2,924,607	2,751,209
Receivable from affiliates	5,988,500	5,791,293
Leverage loan receivable	28,910,100	28,910,100
Pledges receivable, net	423,998	541,875
Long-term investments	26,099,958	28,112,352
Property and equipment, net	98,001,547	87,595,900
Operating lease right of use asset (ROU)	1,851,153	-
Other assets	4,215,833	4,298,297
Total noncurrent assets	170,857,881	160,370,257
Total assets	$ 232,967,073	$ 222,675,937
Current liabilities		
Accounts payable	$ 4,591,908	$ 4,248,691
Accrued expenses and other liabilities	12,354,903	9,728,361
Unearned revenue	4,277,889	4,763,158
Interest payable	2,600,606	964,468
Current portion of annuities payable	239,563	239,563
Current portion of ROU operating lease liability	599,822	-
Current portion of long-term debt	384,445	1,502,800
Total current liabilities	25,049,136	21,447,041
Noncurrent liabilities		
Annuities payable, net of current portion	1,050,754	1,040,551
ROU operating lease liability, net of current portion	1,264,444	-
Long-term debt, net of current portion	57,340,479	54,859,289
Total noncurrent liabilities	59,655,677	55,899,840
Total liabilities	84,704,813	77,346,881
Commitments and Contingencies (Note 16)		
Net assets		
Without donor restrictions	140,031,649	136,023,209
With donor restrictions	8,230,611	9,305,847
Total net assets	148,262,260	145,329,056
Total liabilities and net assets	$ 232,967,073	$ 222,675,937

See accompanying summary of significant accounting policies and notes to the consolidated financial statements.

Los Angeles LGBT Center and Affiliates
(a nonprofit California corporation)

Consolidated Statements of Activities and Changes in Net Assets

Year ended June 30, 2023	Without Donor Restrictions	With Donor Restrictions	Total
Public support and other revenue			
Public support:			
Special events revenue:			
Gross receipts	$ 5,867,218	$ 143,373	$ 6,010,591
Less costs of direct benefits to donors	(224,647)	-	(224,647)
Net special events revenue	5,642,571	143,373	5,785,944
Grants	31,740,242	-	31,740,242
Contributions	13,337,875	255,133	13,593,008
Contributions - Capital Campaign	1,785,657	-	1,785,657
Contributed goods and services	443,709	-	443,709
Program fees	100,090,539	-	100,090,539
Other operating revenue	830,905	-	830,905
Total public support and other revenue	153,871,498	398,506	154,270,004
Net assets released from restrictions:			
Satisfaction of program restrictions	1,584,887	(1,584,887)	-
Total public support and other revenue and net assets released from restrictions	155,456,385	(1,186,381)	154,270,004
Operating expenses			
Program services	156,841,674	-	156,841,674
Supporting services:			
General and administrative	901,801	-	901,801
Fundraising	7,109,672	-	7,109,672
Total supporting services	8,011,473	-	8,011,473
Total operating expenses	164,853,147	-	164,853,147
Change in net assets before non-operating income/gains (losses) and other revenue	(9,396,762)	(1,186,381)	(10,583,143)
Non-operating income/gains (losses) and other revenue			
Investment income	2,431,378	114,562	2,545,940
Unrealized gain on trusts held by third parties	-	246,350	246,350
Change in value of split-interest agreements	-	(249,767)	(249,767)
Other non-operating revenue	10,973,824	-	10,973,824
Total non-operating income/gains (losses) and other revenue	13,405,202	111,145	13,516,347
Change in net assets	4,008,440	(1,075,236)	2,933,204
Net assets, beginning of year	136,023,209	9,305,847	145,329,056
Net assets, end of year	$ 140,031,649	$ 8,230,611	$ 148,262,260

See accompanying summary of significant accounting policies and notes to the consolidated financial statements.

Los Angeles LGBT Center and Affiliates
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Consolidated Statements of Activities and Changes in Net Assets (Continued)

Year ended June 30, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Public support and other revenue			
Public support:			
Special events revenue:			
Gross receipts	$ 8,884,740	$ 307,830	$ 9,192,570
Less costs of direct benefits to donors	(110,236)	-	(110,236)
Net special events revenue	8,774,504	307,830	9,082,334
Grants	28,243,137	-	28,243,137
Contributions	9,131,576	1,351,876	10,483,452
Contributions - Capital Campaign	1,648,065	-	1,648,065
Contributed goods and services	667,383	-	667,383
Program fees	100,083,374	-	100,083,374
Other operating revenue	204,290	-	204,290
Total public support and other revenue	148,752,329	1,659,706	150,412,035
Net assets released from restrictions:			
Satisfaction of program restrictions	785,151	(785,151)	-
Total public support and other revenue and net assets released from restrictions	149,537,480	874,555	150,412,035
Operating expenses			
Program services	139,775,190	-	139,775,190
Supporting services:			
General and administrative	1,558,074	-	1,558,074
Fundraising	7,534,627	-	7,534,627
Total supporting services	9,092,701	-	9,092,701
Total operating expenses	148,867,891	-	148,867,891
Change in net assets before non-operating income/gains (losses) and other revenue	669,589	874,555	1,544,144
Non-operating income/gains (losses) and other revenue			
Investment income	(3,979,060)	-	(3,979,060)
Unrealized gain on trusts held by third parties	-	(1,038,429)	(1,038,429)
Change in value of split-interest agreements	-	(174,518)	(174,518)
Other non-operating revenue	1,096,775	-	1,096,775
Total non-operating income/gains (losses) and other revenue	(2,882,285)	(1,212,947)	(4,095,232)
Change in net assets	(2,212,696)	(338,392)	(2,551,088)
Net assets, beginning of year	138,235,905	9,644,239	147,880,144
Net assets, end of year	$ 136,023,209	$ 9,305,847	$ 145,329,056

See accompanying summary of significant accounting policies and notes to the consolidated financial statements.

Los Angeles LGBT Center and Affiliates
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Consolidated Statement of Functional Expenses

	Program Services										Supporting Services			
Year ended June 30, 2023	Policy & Community Building	Cultural Arts & Education	Senior Services	Health Services	Legal Services	Public Affairs	Children, Youth & Family	Pride Pantry	Culinary Arts	Total Program Services	General and Administrative	Fund-raising	Total Supportive Services	Total
Program Staff Salaries	$ 975,685	$ 350,876	$ 1,622,900	$ 30,589,685	$ 989,159	$ 1,060,720	$ 7,409,707	$ 87,588	$ 1,292,947	$ 44,379,267	$ -	$ 2,409,396	$ 2,409,396	$ 46,788,663
Administration Salaries	151,049	398,502	411,884	1,189,852	84,298	66,657	1,186,198	172,052	142,684	3,803,176	5,683,906	327,424	6,011,330	9,814,506
Employee Benefits	161,687	92,342	355,199	4,978,558	152,148	155,331	1,774,409	54,651	294,031	8,018,356	782,050	363,463	1,145,513	9,163,869
Employer Taxes	95,734	60,853	172,594	2,469,901	84,912	96,371	712,049	21,096	121,603	3,835,113	429,048	217,226	646,274	4,481,387
Medical Supplies	-	-	-	64,428,274	-	-	566	-	-	64,428,840	-	-	-	64,428,840
Supplies	4,459	22,480	51,727	211,774	4,864	7,564	149,668	33,010	222,418	707,964	105,641	22,051	127,692	835,656
Facilities, Repairs and Maintenance	3,054	21,593	302,752	650,047	3,792	1,733	111,156	13,307	30,035	1,137,469	101,924	23,975	125,899	1,263,368
Telephone and Utilities	15,873	43,136	122,455	395,123	11,158	4,565	260,963	27,176	33,636	914,085	602,049	36,758	638,807	1,552,892
Advertising, Printing and Postage	3,004	4,433	63,435	541,939	2,289	64,775	58,389	-	31,695	769,959	131,328	240,881	372,209	1,142,168
Insurance	1,360	13,401	30,495	44,527	11,002	599	42,534	4,742	5,292	153,952	681,537	5,632	687,169	841,121
Travel	36,346	1,304	8,843	38,325	3,001	15,006	45,083	181	5,915	154,004	42,776	51,813	94,589	248,593
Professional Fees and Contracted Services	836,855	764	458,477	2,277,111	21,761	433,471	490,174	1,926	40,470	4,561,009	1,256,520	631,129	1,887,649	6,448,658
Event Expenses	53,335	122,146	54,434	1,064,545	956	87,728	140,315	-	837,087	2,360,546	61,638	1,524,443	1,586,081	3,946,627
Equipment Lease and Repair	12,329	41,125	45,587	924,398	10,442	101,380	133,946	9,143	45,289	1,323,639	886,841	109,473	996,314	2,319,953
Client Services	8,572	460	229,586	709,181	1,765	7	1,126,220	116,656	360,062	2,552,509	257	2,575	2,832	2,555,341
Lab Testing	-	-	-	1,870,135	-	-	-	-	-	1,870,135	-	-	-	1,870,135
Taxes and Licenses	681	5,348	36,974	37,126	1,047	207	13,863	11,598	3,511	110,355	33,080	2,393	35,473	145,828
Educational Materials	-	-	-	32,306	-	-	23,676	-	23,896	79,878	-	-	-	79,878
Staff and Board Development	5,943	3,388	18,335	275,505	-	15,996	64,009	1,833	7,975	392,984	223,699	111,631	335,330	728,314
Interest Expense	4,368	6,464	140,473	1,525	84	4,342	251,908	19,410	33,178	461,752	164,764	23,650	188,414	650,166
Lease Expense - ROU Lease	-	-	-	693,551	-	-	-	-	-	693,551	-	-	-	693,551
Miscellaneous	4,793	-	46,718	28,215	-	46	47,280	-	2,329	129,381	102,330	12,838	115,168	244,549
Contributed Goods and Services	5,720	26,809	488	173,220	12,615	-	6,307	-	-	225,159	504	218,046	218,550	443,709
Bank, Payroll and Investment Fees	-	-	337	118	-	-	-	40	18,208	18,703	546,000	255,930	801,930	820,633
Depreciation and amortization	25,319	135,990	333,589	737,667	21,394	18,758	1,153,348	113,521	150,808	2,690,394	756,499	122,496	878,995	3,569,389
Total expenses	2,406,166	1,351,414	4,507,282	114,362,608	1,416,687	2,135,256	15,201,768	687,930	3,703,069	145,772,180	12,592,391	6,713,223	19,305,614	165,077,794
Allocated General and Administraive	265,910	80,960	420,529	7,515,232	242,668	270,463	1,918,949	23,208	331,575	11,069,494	(11,690,590)	621,096	(11,069,494)	-
Total expense by function	2,672,076	1,432,374	4,927,811	121,877,840	1,659,355	2,405,719	17,120,717	711,138	4,034,644	156,841,674	901,801	7,334,319	8,236,120	165,077,794
Less expenses included with revenues on the statement of activities														
Cost of direct benefit to donors	-	-	-	-	-	-	-	-	-	-	-	(224,647)	(224,647)	(224,647)
Total expenses included in the expense section on the statement of activities	2,672,076	1,432,374	4,927,811	121,877,840	1,659,355	2,405,719	17,120,717	711,138	4,034,644	156,841,674	901,801	7,109,672	8,011,473	164,853,147

See accompanying summary of significant accounting policies and notes to the consolidated financial statements.

Los Angeles LGBT Center and Affiliates
(a nonprofit California corporation)

Consolidated Statement of Functional Expenses (Continued)

	Program Services										Supporting Services			
Year ended June 30, 2022	Policy & Community Building	Cultural Arts & Education	Senior Services	Health Services	Legal Services	Public Affairs	Children, Youth & Family	Pride Pantry	Culinary Arts	Total Program Services	General and Administrative	Fund-raising	Total Supportive Services	Total
Program Staff Salaries	$ 829,246	$ 588,444	$ 1,266,170	$ 26,092,603	$ 1,178,645	$ 662,728	$ 6,655,516	$ 42,251	$ 466,442	$ 37,782,045	$ -	$ 2,335,904	$ 2,335,904	$ 40,117,949
Administration Salaries	256,420	379,255	296,852	1,151,311	82,372	182,104	1,042,696	95,638	104,350	3,590,998	5,789,704	749,301	6,539,005	10,130,003
Employee Benefits	100,528	190,975	306,624	4,304,437	207,111	121,860	1,652,609	34,089	140,151	7,058,384	750,947	340,580	1,091,527	8,149,911
Employer Taxes	77,226	77,729	124,667	2,123,234	100,636	61,410	637,745	11,244	45,618	3,259,509	394,166	208,252	602,418	3,861,927
Medical Supplies	-	-	-	59,440,210	-	-	894	-	-	59,441,104	-	-	-	59,441,104
Supplies	1,684	20,159	51,342	166,006	5,022	4,031	154,924	35,381	148,100	586,649	105,690	13,642	119,332	705,981
Facilities, Repairs and Maintenance	61,290	65,646	54,790	1,148,711	12,681	1,734	139,730	21,482	14,710	1,520,774	122,190	45,635	167,825	1,688,599
Telephone and Utilities	7,888	40,151	46,587	342,953	8,246	3,166	215,456	24,326	25,072	713,845	567,457	22,860	590,317	1,304,162
Advertising, Printing and Postage	5	84	54,528	367,900	1,701	88,522	41,489	4	12,573	566,806	90,570	171,612	262,182	828,988
Insurance	514	12,536	11,467	37,816	10,382	514	36,635	4,081	4,193	118,138	590,684	4,179	594,863	713,001
Travel	8,145	222	1,215	12,781	484	127	22,574	58	60	45,666	42,896	22,063	64,959	110,625
Professional Fees and Contracted Services	550,930	26,975	288,085	2,397,788	10,973	76,316	375,196	1,137	41,472	3,768,872	1,105,015	351,007	1,456,022	5,224,894
Event Expenses	13,510	70,252	67,257	771,833	-	70,385	65,629	-	13,861	1,072,727	24,374	1,796,954	1,821,328	2,894,055
Equipment Lease and Repair	2,053	33,314	46,592	882,912	8,860	107,401	171,731	11,737	31,001	1,295,601	926,843	78,479	1,005,322	2,300,923
Client Services	6,500	-	422,763	673,191	5,923	-	1,594,148	95,286	-	2,797,811	-	-	-	2,797,811
Lab Testing	-	-	-	1,380,558	-	-	-	-	-	1,380,558	-	-	-	1,380,558
Taxes and Licenses	189	5,792	6,779	35,534	5,347	189	14,470	7,956	2,383	78,639	26,731	1,807	28,538	107,177
Educational Materials	-	-	-	28,397	169	-	33,772	-	33,308	95,646	-	-	-	95,646
Staff and Board Development	86,392	1,840	10,366	256,043	4,660	13,243	66,680	282	1,206	440,712	174,812	111,887	286,699	727,411
Interest Expense	4,693	15,091	64,878	27,410	1,701	4,693	277,006	22,206	36,036	453,714	187,208	20,874	208,082	661,796
Miscellaneous	2,036	-	-	82,996	181	7,500	51,070	-	-	143,783	534,019	5,175	539,194	682,977
Contributed Goods and Services	125	-	-	367,051	11,355	-	3,010	119,262	-	500,803	-	166,580	166,580	667,383
Bank, Payroll and Investment Fees	-	-	-	161	-	-	-	-	9,103	9,264	665,224	346,650	1,011,874	1,021,138
Depreciation and amortization	18,180	118,023	255,621	733,460	18,386	18,180	1,104,782	110,157	142,680	2,519,469	753,599	91,040	844,639	3,364,108
Total expenses	2,027,554	1,646,488	3,376,583	102,825,296	1,674,835	1,424,103	14,357,762	636,577	1,272,319	129,241,517	12,852,129	6,884,481	19,736,610	148,978,127
Allocated General and Administrative	271,656	169,822	377,024	7,051,127	323,263	220,356	1,906,782	11,377	202,266	10,533,673	(11,294,055)	760,382	(10,533,673)	-
Total expense by function	2,299,210	1,816,310	3,753,607	109,876,423	1,998,098	1,644,459	16,264,544	647,954	1,474,585	139,775,190	1,558,074	7,644,863	9,202,937	148,978,127
Less expenses included with revenues on the statement of activities														
Cost of direct benefit to donors	-	-	-	-	-	-	-	-	-	-	-	(110,236)	(110,236)	(110,236)
Total expenses included in the expense section on the statement of activities	$ 2,299,210	$ 1,816,310	$ 3,753,607	$ 109,876,423	$ 1,998,098	$ 1,644,459	$ 16,264,544	$ 647,954	$ 1,474,585	$ 139,775,190	$ 1,558,074	$ 7,534,627	$ 9,092,701	$ 148,867,891

See accompanying summary of significant accounting policies and notes to the consolidated financial statements.

Los Angeles LGBT Center and Affiliates
(a nonprofit California corporation)

Consolidated Statements of Cash Flows

Increase (Decrease) in Cash

Years ended June 30,	**2023**	2022
Cash flows from operating activities		
Change in net assets	**$ 2,933,204**	$ (2,551,088)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**3,569,389**	3,364,108
Amortization of right-of-use assets - operating leases	**693,551**	-
Allowance for bad debt	**84,464**	434,784
Realized investment loss (gain)	**1,101,464**	(367,279)
Unrealized investment (gain) loss	**(2,252,647)**	5,550,205
Change in donor restricted split-interest agreements and trusts	**(246,352)**	1,038,427
Forgiveness of paycheck protection program loan	**(10,108,767)**	-
Other income from business acquisitions	**(153,832)**	-
Changes in operating assets and liabilities:		
Accounts and other receivables	**(120,164)**	(417,806)
Receivable from affiliates	**(197,207)**	(267,327)
Clinic fees receivable, net	**(6,655,677)**	577,207
Contracts and grants receivable, net	**(1,414,855)**	914,335
Pledges receivable, net	**(391,648)**	(2,517,226)
Inventories	**498,197**	(419,609)
Other assets	**105,751**	613,952
Operating lease right of use asset (ROU)	**(2,544,704)**	-
Accounts payable	**105,265**	242,895
Accrued expenses and other liabilities	**2,487,967**	(122,352)
Unearned revenue	**(485,269)**	2,885,465
Interest payable	**303,232**	297,207
ROU operating lease liability	**1,864,266**	-
Annuities payable	**10,203**	(68,825)
Net cash (used in) provided by operating activities	**(10,814,169)**	9,187,073
Cash flows from investing activities		
Purchase of property and equipment	**(1,231,119)**	(1,394,090)
Purchase of investments	**(29,515,631)**	(41,342,519)
Proceeds from sale of investments	**34,904,585**	560,704
Interest income reinvested	**(1,128,463)**	(786,174)
Proceeds from business acquisitions	**517,612**	-
Net cash provided by (used in) investing activities	**3,546,984**	(42,962,079)
Cash flows from financing activities		
Cash received from capital campaign contributions	**1,885,359**	1,691,011
Repayments of capital lease obligations	**(2,800)**	(3,810)
Repayments of notes payable obligations	**(44,643)**	-
Net cash provided by financing activities	**1,837,916**	1,687,201
Net decrease in cash and cash equivalents and restricted cash	**(5,429,269)**	(32,087,805)
Cash and cash equivalents and restricted cash, beginning of year	**16,028,214**	48,116,019
Cash and cash equivalents and restricted cash, end of year	**$ 10,598,945**	$ 16,028,214
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	**$ 541,825**	$ 661,796
Supplemental disclosure of non-cash activities		
Forgiveness of paycheck protection program loan	**$ 10,108,767**	$ -
Operating lease right of use asset (ROU) from ASC 842 adoption on July 1, 2022	**2,482,750**	-
Operating lease liability from ASC 842 adoption on July 1, 2022	**2,482,750**	-
Other income from business acquisitions	**153,832**	-

See accompanying summary of significant accounting policies and notes to the consolidated financial statements.

1. Organization

The Los Angeles LGBT Center (the Center) is a nonprofit California corporation formed for the purpose of serving the lesbian, gay, bisexual and transgender communities. The Center is building a world where LGBT people thrive as healthy, equal and complete members of society.

McCadden Campus LLC (Campus LLC) is a wholly owned subsidiary of the Center formed as a Delaware limited liability company on February 6, 2014. Campus LLC executed an Agreement of Limited Partnership with an affiliate of Thomas Safran and Associates, an affordable housing developer, to acquire real property and to build a mixed-use development named the Anita May Rosenstein (AMR) Campus. See Note 23.

AMR Campus QALICB, Inc. (AMR QALICB), is an affiliate nonprofit corporation of the Center and was created for the sole purpose of facilitating a New Markets Tax Credit (NMTC) transaction in June 2017. Its purpose and responsibilities are limited to owning and developing the Anita May Rosenstein Campus, leasing the Center Component to the Center for its operations, and making debt service payments on its loans.

AMR QALICB was formed pursuant to the filing of those certain Articles of Incorporation with the California Secretary of State on February 2, 2017. On November 3, 2017, the Internal Revenue Service issued a letter determining that the AMR QALICB was exempt from federal income tax under IRC Section 501(c)(3). See Note 24.

AMR QALICB maintains separate financial statements apart from the Center and Campus LLC. AMR QALICB's assets and liabilities are not available to satisfy the debts and other obligations of the Center, Campus LLC or any other entity.

GLEH Los Angeles Corporation (GLEH-LA) is a nonprofit California corporation formed on April 12, 2005, for the purpose of identifying and meeting the needs of low- and moderate-income LGBT elders for affordable housing, care, and supportive services and to promote and provide such housing, care and services on a nondiscriminatory basis. On February 1, 2023, Triangle Square LLC acquired 3% of Encore Hall Senior Housing, L.P. (Encore LP). On April 1, 2023, the Center took control of GLEH-LA.

Triangle Square LLC (Triangle LLC) is a California limited liability company wholly owned subsidiary of the Center formed on September 14, 2022. On February 1, 2023, Triangle LLC acquired 97% of Encore LP.

In March and April of 2020, The Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and other legislation was enacted in response to the global health emergency. Consequently, the Center received six Department of Health and Human Services COVID related grants, of which four were for the Health Services Program and two were for the Youth Transitional Living program. The income tax effect of the CARES Act is expected to be immaterial to the consolidated financial statements. The Center will continue to assess the income tax effect of the CARES Act and ongoing government guidance related to COVID-19 that may be issued.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Consolidation

The consolidated financial statements include the accounts of the Center, Campus LLC, and AMR QALICB, GLEH-LA, and Triangle Square LLC. All significant inter-company accounts and transactions have been eliminated in consolidation.

Basis of Presentation

Net assets and changes therein are classified and reported as follows:

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, 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 that limit the use of the donated assets and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Center's management and the Board of Directors and are comprised of undesignated amounts.
- *Net assets with donor restrictions* - Net assets subject to donor-imposed stipulations that restrict the use of the donated assets. The restrictions are satisfied either by actions of the Center and/or the passage of time. As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions. Net assets with donor restrictions that include a stipulation that the amounts contributed be permanently invested in perpetuity provide investment income for general support of Center's programs and operations.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of cash on deposit with banks and investments with original maturities of three months or less. The Center places its temporary cash investments with high credit quality financial institutions, and U.S. Government Treasury Securities. At times cash and cash equivalents may be in excess of the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC) insurance limits. The Center has not experienced any losses related to these balances. All noninterest-bearing and interest-bearing cash balances held in the same ownership category are aggregated and were insured up to at least $250,000 per depositor at each financial institution at June 30, 2023 and 2022.

AMR QALICB, whose financial performance are consolidated with the Center's, is required to keep unspent proceeds from a NMTC transaction (see Note 24) in segregated cash accounts to pay for construction costs of the Anita May Rosenstein Campus (see Note 23) and to pay for ongoing costs of the NMTC transaction. Triangle Square LLC, whose financial performance is also consolidated with the Center's, has restricted cash related to replacement and operating reserves, escrow deposits, and tenant deposits. Total restricted cash of $918,112 and $929,402 as of June 30, 2023 and 2022, respectively, are classified as restricted cash on the accompanying *Consolidated Statements of Financial Position*.

Clinic Fees Receivable, Net

Clinic fees receivable represent balances due to the Center for services provided to clients prior to and including June 30, 2023 and 2022. Payer types include clients, Medi-Cal, Medicare, AIDS Drug Assistance Program, commercial insurance and other public payers. Management provides for probable uncollectible amounts through an allowance based on current status of client accounts. Receivables are written off if collection efforts prove unsuccessful or when management becomes aware of other circumstances that indicate uncollectibility.

Contracts and Grants Receivable, Net

Contracts and grants receivable represent program expenditures incurred by the Center, which have not yet been reimbursed under the terms of the grant agreements. These receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through provisions for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Receivables are written off if collection efforts prove unsuccessful, or when management becomes aware of other circumstances that indicate uncollectibility.

Pledges Receivable, Net

Pledges receivable represent individual and foundation pledges that have been made to the Center's Capital Campaign for the Anita May Rosenstein Campus (see Note 23) for general operations and AIDS LifeCycle. Management provides for probable uncollectible amounts through an allowance based on the current status of individual or foundation pledges.

Inventories

Inventories are stated at the lower of cost or net realizable value. Inventory costs are determined on the first-in, first-out (FIFO) method. Inventories consist of pharmacy drugs.

Split-Interest Agreements

The Center has been designated as the beneficiary for irrevocable split-interest agreements, including charitable remainder trusts and charitable gift annuities. The annuity agreements generally require the Center to make quarterly fixed payments to other beneficiaries for a specified period of time.

The Center is required by the State of California Department of Insurance to maintain minimum reserves related to these annuities. For annuities issued between January 1, 1992 and December 31, 2004, the minimum reserve basis is the a-1983 Table at an interest rate of 6.0%. Effective January 1, 2005, the minimum reserve basis for annuities issued on or after this date is the Annuity 2000 Mortality Table at an interest rate of 4.5%. Annuities payable at June 30, 2023 and 2022 were calculated based on the Annuity 2000 Mortality Table. At June 30, 2023 and 2022, annuities payable were $1,290,317 and $1,280,114, respectively.

The contributed assets of $3,281,290 at June 30, 2023 and 2022, respectively, are recorded at fair value and a corresponding liability has been recorded to reflect the present value of required lifetime payments. The portion of the contributed assets, which represents future annuity payments, is classified in cash and cash equivalents and investments.

The Center is also the beneficiary of assets held in charitable remainder trusts administered by other trustees. These trusts are recorded at the present value of the remainder interest held by the trustee.

The Center uses an interest rate commensurate with the risks involved to discount the charitable remainder trusts. The discount rates for the years ended June 30, 2023 and 2022 are 4.2% and 3.6%, respectively.

Investments

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-320, *Investments-Debt and Equity Securities*, and FASB Accounting Standard Update (ASU) 2016-01, *Financial Instruments – Overall (Subtopic 825-10) – Recognition and Measurement of Financial Assets and Financial Liabilities*, the Center accounts for its investments in equity securities with readily determinable fair values and all investments in debt securities at fair value on the *Consolidated Statements of Financial Position*. The Center records realized and unrealized gains and losses on investments in the *Consolidated Statements of Activities and Changes in Net Assets* as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations and is then recorded as net assets with donor restrictions.

Fair Value Measurements

The Center follows ASC 820, *Fair Value Measurements*, which defines fair value, establishes a framework for measuring fair value under U.S. GAAP and enhances disclosures about fair value measurements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants.

ASC 820 establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entity's own assumptions about how market participants would value an asset or liability based on the best information available.

Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy is based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Center for financial instruments measured at fair value on a recurring basis.

The three levels of inputs are as follows:

Level 1 Quoted prices in active markets for identical assets or liabilities that the Center has the ability to access as of the measurement date.

Level 2 Inputs that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Fair Value of Financial Instruments

The carrying amounts of financial instruments including cash and cash equivalents, restricted cash, accounts receivable, clinic receivables, contract and grant receivables, inventories, other receivables, accounts payable, accrued expenses and other liabilities approximate fair value because of their short maturity.

Pledges are carried at fair value. The fair value of pledges that are expected to be paid in less than one year are measured at net realizable value and all other pledges are recorded at the present value of estimated future cash flows. Pledges to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved, 8.0% and 5.6%, which is 12-month LIBOR rate plus 2%, as of both June 30, 2023 and 2022, respectively. Amortization of discounts is recorded as contribution revenue annually in accordance with donor-imposed restrictions, if any, on the pledges.

Investments are carried at fair value described in Note 9.

Rates currently available to the Center for debt with similar terms and remaining maturities are used to estimate the fair value of the existing long-term debt and line of credit. The carrying amount of the long-term debt approximate the estimated fair value.

Property and Equipment

Property and equipment are recorded at cost if purchased, or if donated, at fair value at the date of donation. Property and equipment acquired with government grant funds are considered to be owned by the Center while used in the program or in future authorized programs. However, the granting agency has a reversionary interest in the property, as well as the right to determine the use of any proceeds from the sale of the assets. Management expects to have continuous use of such property and equipment throughout their useful lives.

The estimated useful lives by classification are as follows:

Buildings and improvements	3-40 years
Furniture, fixtures and equipment	3-12 years
Computers and software	3-5 years

Property and equipment acquired in excess of $5,000 are capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized over the term of the lease or estimated useful life, whichever is shorter. Depreciation and amortization expense includes the depreciation of assets acquired under capital leases.

Repairs and maintenance are charged to expense when incurred.

Impairment of Long-Lived Assets

The Center reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying value of the long-lived assets may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to future net cash flows, undiscounted and without interest, expected to be generated by the asset. If such asset is considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the asset exceeds the fair value of the asset. During 2023 and 2022, there were no events or changes in circumstances indicating that the carrying amount of the long-lived assets may not be recoverable and no impairments were recorded.

Unearned Revenue

Unearned revenue represents a conditional grant or other funds received for services to be performed by the Center, which have not yet been provided under the terms of the agreements. The Center recognizes these amounts as public support and other revenue when such services have been performed or the condition has been met and/or funds expended. Unearned revenue at June 30, 2023 consisted primarily of $543,214 related to grants, $176,113 related to events and $3,558,562 related to conditional private foundation grants. Unearned revenue at June 30, 2022 consisted primarily of $403,326 related to grants, $264,200 related to events and $4,095,632 related to conditional private foundation grants.

Contributions

Unconditional promises to give are recognized as contributions when received at the net present value of the amounts expected to be collected. Contributions are considered available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give expected to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved, 8.0% and 5.6%, which is 12-month LIBOR rate plus 2.00%, as of June 30, 2023 and 2022, respectively. Amortization of discounts is recorded as additional contributions annually in accordance with donor-imposed restrictions, if any. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restricted support that increases those net asset classes.

Conditional promises to give, which depend on the occurrence of a specified future and uncertain event to bind the promisor, shall be recognized when the conditions on which they depend are substantially met. Statements of intent are recognized as revenue when the amounts are collected.

With donor restricted contributions, where the restrictions are satisfied in the same year as the contribution is received, are reported as increases in net assets without donor restrictions.

Special Events

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. We recognize special events revenue equal to the fair value of direct benefits to donors when the special event takes place. We recognize the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place. Special events revenue includes silent auction proceeds, ticket sales, event pledges, raffle income, merchandise revenue and sponsorships.

Contributed Goods and Services

The value of significant contributed goods is reflected as contributed goods and services in the *Consolidated Statements of Activities and Changes in Net Assets* at the fair value of such goods at the date of donation. There were contributed goods of $217,626 and $166,580 for the years ended June 30, 2023 and 2022, respectively. Contributed services are recognized by the Center if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The fair value of such services, which consisted primarily of legal and mental health and medical services, totaled $226,083 and $500,803 for the years ended June 30, 2023 and 2022, respectively, and is included in contributed goods and services in the accompanying consolidated financial statements.

A significant number of volunteers contribute services to the Center that do not meet the criteria described above. Accordingly, the value of this contributed time is not reflected in the accompanying consolidated financial statements. The value of volunteer services qualifying as contributed services is $162,405 and $73,012 for the years ended June 30, 2023 and 2022, respectively.

Program Fees

Program fees are reported at the estimated net realizable amounts from clients, third-party payers and others for services rendered.

Revenue from program fees represents revenue earned under contract with public and private insurance carriers in which the Center bills and collects for medical, mental health, pharmacy, and other support services, and from fee agreements with clients based on the Center's sliding fee scale rendered directly to clients. These services are distinct as the client can benefit from the individual services on their own and they do not need to be bundled with any other goods or services. The performance obligation is satisfied at the point in time when the services are provided, and no contract assets or liabilities are recognized since the client accepts and receives the benefit of the services at the time they are performed.

Revenue from program fees is recorded net of any allowance for contractual adjustments or lack of client payment using the output method, which represents the net revenue expected to be collected from third-party payers, including private and public insurance carriers (such as Medicare and Medicaid/Medi-Cal), and clients. These expected payments are based on fees and negotiated payment rates in the case of private third-party payers, the specific benefits provided for under an individual client's health plan, the sliding scale fee for cash paying clients, the Prospective Payment System (PPS) rate for FQHC's in the Medicare program, a negotiated FQHC PPS rate for the Medi-Cal program, and historical cash collections.

The transaction price from program fees arrangements is variable because fees are based on client encounters and reimbursement of provider costs, all of which can vary from period to period. The Center estimates the transaction price using the most likely method and amounts are only included in the net transaction price to the extent that it is probably that a significant reversal of cumulative revenue will not occur once any uncertainty is resolved. As a practical expedient, the Center uses a portfolio approach based on the types of services provided and payer type to determine the transaction price for the services provided under program service fee arrangements.

The Center periodically assesses the net transaction price by analyzing actual results, including cash collections, against estimates. Significant changes in payer mix, contractual arrangements with payers, general economic conditions, and health care coverage provided by public and private insurance carriers may have a significant impact on estimates and affect the results of activities and cash flows.

Grants

The Center recognizes grant revenue from all contracts to the extent eligible costs are incurred or services are performed up to an amount not to exceed the total contract authorized. Amounts incurred, but not yet reimbursed are reported as Contracts and Grants Receivable (see Note 7). The revenue generated from these contracts meets the criteria to be classified as conditional contributions under U.S. GAAP revenue recognition as they contain barriers related to the incurrence of qualifying expenditures and a right of return or release.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying *Consolidated Statements of Activities and Changes in Net Assets* and detailed in the *Consolidated Statements of Functional Expenses*. The *Consolidated Statements of Functional Expenses* present the natural classification detail of expenses by function. Accordingly, certain expenses have been allocated among the programs based on management's estimates.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, and depreciation and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

Income Taxes

The Center is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes is included in the accompanying consolidated financial statements.

The Center has evaluated its tax positions and the certainty as to whether those positions will be sustained in the event of any audit by taxing authorities at the federal and state levels. The primary tax positions evaluated relate to the Center's continued qualification as a tax-exempt organization and whether there are unrelated business income activities that would be taxable. Management has determined that all income tax positions will more likely than not be sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. For the years ended June 30, 2023 and 2022, there were no interest or penalties recorded or included in the *Consolidated Statements of Activities and Changes in Net Assets* related to taxes.

The tax year ended June 30, 2018 and subsequent years remain open to examination by the taxing jurisdictions to which the Center is subject, and they have not been extended beyond the applicable statute of limitations. No examinations are currently in process.

Non-Operating Income Allocated to Operations

Contributions, except for split-interest agreements and perpetual trusts held by third parties, are reported as operating increases in the appropriate category of net assets. The Board of Directors has designated that split-interest agreements and perpetual trusts held by third parties are not generally available for use in operations; therefore, changes in value are recognized as non-operating activities in the appropriate category of net assets. Investment return, net, including realized and unrealized gains and losses, in excess of amounts utilized in operations, is accounted for as an increase or decrease in non-operating activities. It is classified as net assets without donor restrictions unless its use is restricted by explicit donor stipulations or by law. Other non-operating income includes interest income and expense from various loans held by the Center.

Allocation of Joint Costs

Under U.S. GAAP, entities are required to report the costs of all materials and activities that include a fundraising appeal as fundraising costs, unless certain specific conditions are met, in which case the joint costs may be allocated between fundraising, program, and general and administrative expenses. The Center evaluates all programs that include fundraising to determine which programs would meet the requirements for allocation of costs.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses, including allocations to various program costs, during the reporting period. Actual results may differ from those estimates.

Certain judgments and estimates are considered in determining useful lives and pledge, clinic, and grant allowances, including prior collection history, types of contributions, nature of contributions, the discount rate reflecting the risk inherent in future cash flows, the interpretation of current economic indicators and ability of donors to fulfill their future obligation. Actual results may differ from these judgments and estimates and could have a material adverse effect on the Center's financial condition or operating results.

Endowment

The Center established on June 27, 2023 a permanent endowment to be known as the Gil Garfield Fund for the Creative and Performing Arts to exclusively support programming for the creative and performing arts at the Center. As of June 30, 2023 and 2022, total contributions received are approximately $2 million and are recorded as net assets with donor restrictions. See Note 18.

Return Objectives and Risk Parameters

The investment objectives for the management of the Center's investment portfolio are to produce current income to support the programs of the Center, and to achieve growth of both principal value and income over time sufficient to preserve or increase the purchasing power of the assets, thus protecting the assets against inflation.

Business Combinations

The Center applies the acquisition method of accounting for business combinations in accordance with FASB ASC 958-805, *Not-for-Profit Entities – Business Combinations*, and use estimates and judgments to allocate the purchase price paid for acquisitions to the fair value of the assets and liabilities acquired. Such estimates may be based on significant unobservable inputs and assumptions such as, but not limited to, revenue projections, gross margin projections, customer attrition rates, discount rates and terminal growth rate assumptions. The Center uses established valuation techniques and may engage reputable valuation specialists to assist with the valuations. The Center's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. Fair values are subject to refinement for up to one year after the closing date of an acquisition, as information relative to closing date fair values becomes available. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This update, along with ASU 2018-10, *Codification Improvements to Topic 842: Leases*, ASU 2018-11, *Leases (Topic 842): Targeted Improvements* and ASU 2018-20, *Leases (Topic 842): Narrow-Scope Improvements for Lessors*, establishes a comprehensive leasing standard. These updates require the recognition of lease assets and lease liabilities on the statement of financial position and disclosure of key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The guidance also expands the required quantitative and qualitative lease disclosures as well as provides entities with an additional (and optional) transition method to adopt the new standard. In June 2020, FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)*, that provided an option to defer the effective date for the Center until annual periods beginning after December 15, 2021.

The Center adopted the new lease standard on July 1, 2022, electing the optional transition method that permits the new standard to be applied prospectively, as of the effective date, without restating comparative periods presented. As a result, prior periods continue to be reported in accordance with the historical lease accounting policies. The Center elected the package of practical expedients under the new standard, which allows to not reassess the following:

(a) whether any expired or existing contracts as of the adoption date are or contain a lease;
(b) lease classification for any expired or existing leases as of the adoption date; and,
(c) initial direct costs for any existing leases as of the adoption date.

Some operating lease agreements include an option to extend the lease term. The Center did not elect to use the hindsight practical expedient under the new standard when determining the lease term and assessing any impairment of ROU assets. Additionally, the Center also elected to not separate lease and non-lease components of a contract and elected the short-term lease practical expedient (see Note 15).

The Center evaluates its ROU assets for impairment consistent with its impairment of long-lived assets policy. (See *Impairment of Long-lived Assets)*.

Accounting Pronouncements Issued But Not Yet Adopted

In June 2016, the FASB issued ASU No. 2016-13*, Financial Instruments - Credit Losses (Topic 326)*, with subsequent improvements issued in ASU 2018-19 (Topic 326). Topic 326 requires that credit losses on most financial assets measured at amortized cost and certain other instruments, including trade receivables, be measured using an expected credit loss model. The ASU also replaces the current accounting model for purchased credit-impaired loans and debt securities. Further, the ASU makes certain targeted amendments to the existing impairment model for available-for-sale debt securities. For nonpublic entities, including not-for-profit entities, the amendments are effective for fiscal years beginning after December 15, 2022. The Center will adopt this standard in the fiscal year beginning July 1, 2023 and is currently evaluating the impact on the consolidated financial statements.

3. Clinic Fees Receivable

Clinic fees receivable, which are due within one year, are as follows:

June 30,	**2023**	2022
Medi-Cal	**$ 10,693,296**	$ 3,192,058
Commercial insurance	**2,069,631**	2,821,625
AIDS Drug Assistance Program (ADAP)	**1,517,555**	1,584,963
Enrollment fees	**109,200**	180,840
Medicare	**31,145**	120,224
Client fees	**7,701**	24,567
Other	**27,893**	26,715
Less: allowance for uncollectible clinic fees receivable	**(116,217)**	(198,397)
	$ 14,340,204	$ 7,752,595

4. Pledges Receivable

Pledges receivable, are as follows:

June 30,	**2023**	2022
Pledges receivable	**$ 1,041,394**	$ 2,535,504
Less: unamortized discount	**(111,044)**	(111,443)
Less: allowance for uncollectible pledges	**(30,464)**	(166,273)
Net pledges receivable	**$ 899,886**	$ 2,257,788

Gross pledges receivable, are due as follows:

June 30,	**2023**	2022
Less than one year	**$ 506,352**	$ 1,882,187
One to five years	**525,000**	538,275
More than five years	**10,042**	115,042
Pledges receivable	**$ 1,041,394**	$ 2,535,504

In May 2014, the Center publicly announced a $25,000,000 Capital Campaign (Capital Campaign) to acquire, develop and construct a new site for Center services and housing for LGBT seniors and youth, the Center's administrative headquarters and retail space on property adjacent to the Center's Village at Ed Gould Plaza. This new site was named the Anita May Rosenstein Campus. Early gifts to the Capital Campaign exceeded expectations, and in 2016, the Center's Board of Directors increased the goal to $40,000,000 in two phases: $25,000,000 in Phase 1 and $15,000,000 in Phase 2. In the subsequent two years, construction costs in Los Angeles dramatically escalated and millions of dollars in unexpected costs were imposed on the project by the local and state government for improvements such as upgrading the area's power grid and a bike lane on the portion of Santa Monica Boulevard fronting the Campus. In response, a new milestone was set for the Capital Campaign to exceed $50,000,000. The Center closed the Capital Campaign on June 30, 2019 with approximately $65,000,000 raised, including $9,500,000 from a New Markets Tax Credit transaction (see Note 24), the largest Capital Campaign in the LGBT community's history.

During the year ended June 30, 2023, total cash collected related to the Capital Campaign was $1,885,359. For the year ended June 30, 2023, the Center recognized $1,785,657 as revenue, including an unamortized discount of $298. As of June 30, 2023, the Center had signed Statements of Intent in the amount of $5,236,850 remaining related to the Capital Campaign, which are not recognized as a receivable or revenue until received as they are not legally binding promises to give. During the year ended June 30, 2022, total cash collected related to the Capital Campaign was $1,791,011. For the year ended June 30, 2022, the Center recognized $1,648,065 as revenue, including an unamortized discount of $42,946. As of June 30, 2022, the Center had signed Statements of Intent in the amount of $7,024,428 remaining related to the Capital Campaign, which are not recognized as a receivable or revenue until received as they are not legally binding promises to give.

5. Contributions Receivable – Held in Trust and Beneficial Interest in Trusts

Contributions receivable held in trust at June 30, 2023 and 2022 were $2,442,185 and $2,369,231, respectively. The contributions received during the year are measured at fair value of the underlying assets in the accompanying consolidated financial statements at the time of gift. There were no new contributions held in trust received during the years ended June 30, 2023 and 2022. Subsequent changes in the value of the underlying assets are recorded in the accompanying *Consolidated Statements of Activities and Changes in Net Assets* as a component of non-operating income/gains (losses) and other revenue. Under the trust, income is distributed to the Center each year and is treated as net assets with donor restrictions for youth-oriented programs. Total income distribution for the years ended June 30, 2023 and 2022 was $125,583 and $176,793, respectively. Principal of the trust is distributed to the Center either based on a predetermined schedule or at the discretion of the trustees. There were no trust principal payments received by the Center during the years ended June 30, 2023 and 2022.

The Center is a beneficiary of irrevocable charitable remainder trusts held and administered by third-party trustees; the significant ones are noted below.

On November 9, 2010, the Center was named an irrevocable 89% beneficiary of a charitable remainder trust consisting of a four-unit apartment building in Los Angeles, California. On June 30, 2023 and 2022, independent appraisals were obtained to determine the fair market value. These amounts are classified as net assets with donor restrictions. At June 30, 2023 and 2022, the charitable remainder trust was adjusted to its estimated fair value of $1,520,348 and $1,513,163, respectively, and the change in fair value was classified as unrealized gain/(loss) on trusts held by third parties of $7,185 and $(107,895), respectively, on the *Consolidated Statements of Activities and Changes in Net Assets*.

On December 17, 1993, the Center was named as 100% beneficiary of a charitable remainder trust holding a California limited liability company (LLC). The LLC owned a one-third interest in a shopping center and restaurant site in Montclair, California. On November 14, 2003, the benefactor amended the charitable remainder trust to name the Center as irrevocable beneficiary in exchange for the establishment of a permanent endowment fund in his honor upon death. The benefactor passed away and the LLC's portion in the shopping center and restaurant site were sold and the Center received proceeds of $1,692,138 for their interest. The Center did not recognize a gain on the sale, as the cash proceeds approximated fair value. On June 27, 2023 a permanent endowment was formed and named as the Gil Garfield Fund for the Creative and Performing Arts to exclusively support programming for the creative and performing arts at the Center. Funds received are classified as net assets with donor restrictions and total approximately $2 million.

Beneficial interests in trusts at June 30, 2023 and 2022 were $2,924,607 and $2,751,209, respectively.

6. Leverage Loan Receivable

In June 2017, as part of the NMTC transaction executed (see Note 24), the Center committed to lend $28,910,100 to AMR Campus Investment Fund, LLC, which is an unconsolidated related party.

The leverage loan receivable accrues interest at a fixed rate, with interest-only payable quarterly at a rate of 1.00% over the first seven years and quarterly principal and interest (1.00%) payments are then required through 2041.

The leverage loan receivable at June 30, 2023 and 2022, is as follows:

June 30,	**2023**	2022
AMR Campus Investment Fund, LLC with interest accruing at an annual rate of 1%; 1% interest-only quarterly payments are due through June 15, 2024, and then principal and interest payments of $462,839 are due quarterly through maturity in June 23, 2041.	**$ 28,910,100**	$ 28,910,100

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7. Contracts and Grants Receivable

Receivables expected to be collected within one year under the following contracts and grant awards are:

June 30,	2023	2022
Alliance for Housing and Healing	$ 78,322	$ 26,532
American National Red Cross	-	5,078
Brown University School of Public Health	5,973	7,679
California Department of Health Care Services	7,140	43,785
California Department of Social Services	105,100	40,600
California Office of AIDS	116,287	143,402
California Office of Emergency Services	288,466	316,383
Cepheid	-	8,349
Children's Hospital Los Angeles	-	4,779
City of Los Angeles	153,455	193,835
City of West Hollywood	60,089	112,587
Inner City Law Center	5,269	-
Los Angeles County	3,884,436	2,553,648
Los Angeles Homeless Services Authority	974,906	1,134,830
National Council of Aging	-	9,051
Public Health Foundation Enterprise, Inc. – DBA Heluna Health	96,485	-
Represent LA Program Administrator, Coalition for Humane Immigrant Rights	204,349	-
San Diego State Research University Foundation	76,572	35,526
Santa Clara County	-	52,050
Special Services for Groups, Inc	10,005	6,714
The Board of Trustees of the Leland Stanford Junior University	34,463	68,727
The General Hospital Corporation	4,868	2,004
The People Concern OPCC & LAMP Community United	186,858	263,037
United Way of Greater Los Angeles	65,891	-
University of California, Los Angeles	277,958	226,351
University of North Carolina at Chapel Hill	-	7,952
University of Southern California	8,221	5,343
U.S. Department of Health & Human Services	425,088	527,682
U.S. Department of Justice	276,759	106,360
U.S. Department of State	2,407	66,113
Whitman-Walker Institute	33,885	-
Allowance for Contracts and Grants Receivable	(231,115)	(119,368)
Net Contract and Grant Receivables	$ 7,152,137	$ 5,849,029

8. Investments

Investments consist of the following:

June 30,	**2023**	2022
Mutual funds	**$ 25,078,838**	$ 23,026,900
Equity securities	**11,276,916**	20,630,108
Fixed income securities	**9,789,935**	11,269,677
Non-traditional securities	**8,035,807**	2,364,119
	$ 54,181,496	$ 57,290,804

Net investment return consists of the following:

Years ended June 30,	**2023**	2022
Dividend income	**$ 1,420,590**	$ 1,344,122
Interest income	**154,089**	23,536
Total dividend and interest	**1,574,679**	1,367,658
Gross realized losses from sale of securities	**(2,324,744)**	(36,144)
Gross realized gains from sale of securities	**1,223,279**	403,423
Gross unrealized losses on fixed income securities	**(157,489)**	(130,128)
Gross unrealized gains on fixed income securities	**190,531**	9,850
Gross unrealized losses on equity securities	**(2,431,191)**	(5,036,751)
Gross unrealized gains on equity securities	**3,999,158**	1,312,550
Gross unrealized gains on non-traditional securities	**490,085**	-
Gross unrealized losses on mutual funds	**(1,748,513)**	(1,733,833)
Gross unrealized gains on mutual funds	**1,910,124**	28,107
Investments charges	**(179,979)**	(163,792)
Total realized and unrealized gains, net	**971,261**	(5,346,718)
Net investment return	**$ 2,545,940**	$ (3,979,060)

Fixed income securities consist primarily of agency securities, domestic and international mutual funds and investment-grade corporate securities.

All investments are classified between short-term and long-term investments on the *Consolidated Statements of Financial Position*, based on their maturity date and the Center's intentions.

During the year ended June 30, 2022, the Center transferred an additional $30 million of cash to short-term and long-term investment accounts.

9. Fair Value Measurements

The following tables summarize the Center's fair value measurements by level at June 30, 2023 and 2022 for the assets and liabilities measured at fair value on a recurring basis:

June 30, 2023	*Level 1*	*Level 2*	*Level 3*	*Total*
Mutual funds	**$ 25,078,838**	**$ -**	**$ -**	**$ 25,078,838**
Equity securities	**11,276,916**	**-**	**-**	**11,276,916**
Fixed income securities	**9,789,935**	**-**	**-**	**9,789,935**
Non-traditional securities	**-**	**-**	**8,035,807**	**8,035,807**
Contributions receivable, held in trust	**2,442,185**	**-**	**-**	**2,442,185**
Beneficial interests in trusts	**-**	**-**	**2,924,607**	**2,924,607**
Total assets at fair value	**$ 48,587,874**	**$ -**	**$ 10,960,414**	**$ 59,548,288**
Annuities payable	**$ -**	**$ -**	**$ 1,290,317**	**$ 1,290,317**

June 30, 2022	*Level 1*	*Level 2*	*Level 3*	*Total*
Mutual funds	$ 23,026,900	$ -	$ -	$ 23,026,900
Equity securities	20,630,108	-	-	20,630,108
Fixed income securities	11,269,677	-	-	11,269,677
Non-traditional securities	-	-	2,364,119	2,364,119
Contributions receivable, held in trust	2,369,231	-	-	2,369,231
Beneficial interests in trusts	-	-	2,751,209	2,751,209
Total assets at fair value	$ 57,295,916	$ -	$ 5,115,328	$ 62,411,244
Annuities payable	$ -	$ -	$ 1,280,114	$ 1,280,114

The Center's investments that are measured at fair value on a recurring basis are generally classified within Level 1 of the fair value hierarchy. The fair value of these investments are based on quoted market prices in active markets.

Level 1 measurement valuation techniques: The fair value of mutual funds, equity securities, fixed income securities, and investments underlying the contributions receivable - held in trust are based on the market approach, which utilizes market transaction data for the same or similar instruments. Fair values of financial assets are obtained from an independent pricing service and are based on unadjusted quoted prices for identical assets in active markets.

Level 2 measurement valuation techniques: Inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar investments in markets that are not active, or models based on valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the investment.

Level 3 measurement valuation techniques: For fair value measurements categorized within Level 3, the valuations are based as follows: Non-traditional securities securing the annuities payable are recorded at estimated fair value as liabilities in the *Consolidated Statements of Financial Position* at estimated fair value using present value calculations based on actuarial tables and discount rates established by the IRS. Beneficial interest in trusts are measured based on the discounted present value of the remainder interest for each charitable remainder trust based on the actuarial tables established by the IRS and are adjusted annually through the *Consolidated Statements of Activities and Changes in Net Assets* to reflect estimated fair value.

The following table summarizes the Center's activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2023 and 2022:

June 30,	**2023**	2022
Beginning balance	**$ 5,115,328**	$ 3,968,887
Purchase of non-traditional securities	**5,355,001**	1,533,585
Proceeds from beneficial interests in trusts	**-**	-
Total net gains (losses) included in change in net assets (realized/unrealized)	**490,085**	(387,144)
Ending balance	**$ 10,960,414**	$ 5,115,328

The following table summarizes the Center's activity for liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2023 and 2022:

June 30,	**2023**	2022
Beginning balance	**$ 1,280,114**	$ 1,348,939
Change in value of split-interest agreements	**249,767**	174,518
Receipts	**-**	-
Payments	**(239,564)**	(243,343)
Ending balance	**$ 1,290,317**	$ 1,280,114

There were no changes in the valuation methodologies.

10. Property and Equipment

Property and equipment consist of the following:

June 30,	**2023**	2022
Land	**$ 25,862,136**	$ 17,486,136
Buildings and improvements	**87,808,437**	83,569,468
Leasehold improvements	**3,170,118**	3,158,052
Furniture, fixtures and equipment	**5,046,695**	4,654,677
Computers and software	**4,346,618**	3,851,648
Construction in progress	**723,004**	309,674
Total property and equipment	**126,957,008**	113,029,655
Less: accumulated depreciation and amortization, including $18,679 and $15,877 accumulated depreciation for equipment acquired under capital leases at June 30, 2023 and 2022, respectively.	**(28,955,461)**	(25,4333,755)
Total property and equipment, net of depreciation and amortization	**$ 98,001,547**	$ 87,595,900

For the years ended June 30, 2023 and 2022, the net book value of the assets under capital lease obligations were $0 and $2,800, respectively.

Depreciation and amortization expense was $3,521,705 and $3,317,263 for the years ended June 30, 2023 and 2022, respectively. The Center did not dispose of any assets for the years ended June 30, 2023 and 2022.

11. Note Payable to City of Los Angeles

The City of Los Angeles (City) provided $4,930,159 of Community Development Block Grant (CDBG) funds for the Senior Component of the Project (see Note 23) for the acquisition of the air space parcel on which to build the senior affordable housing. To accomplish this objective, the City executed a 55-year Acquisition and Permanent Loan (City Loan) with the Center on January 16, 2018. Concurrent to this City Loan, the Center entered into a loan agreement with the Partnership (see Note 23), under the same terms and conditions as the City Loan. The Partnership then used these funds to buy the air space parcel from AMR QALICB when the senior affordable housing transaction closed on September 19, 2018. As a result, the Center at June 30, 2023 and 2022 has a receivable from the Partnership for $4,930,159 and $4,930,159, respectively, related to the loan and a payable to the City for the same amount included in Receivable from Affiliates as noncurrent assets in the *Consolidated Statements of Financial Position.*

12. Paycheck Protection Program Loan

On June 18, 2021, the Center received loan proceeds in the amount of $10,000,000 under the Paycheck Protection Program (PPP) and is payable over five years at an interest rate of 1%, with a deferral of payments for the first ten months from the end of the covered period. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after 24 weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the 24-week period.

The Center used the proceeds for purposes consistent with the PPP and applied for full forgiveness during year ended June 30, 2022. On July 15, 2022, the Center submitted the PPP loan forgiveness application to the Small Business Administration (SBA) and, on July 20, 2022, the Center received legal notice from the SBA that the PPP loan and interest in the amount of $10,108,767 was forgiven in its entirety and recognized the gain from extinguishment of debt in fiscal year ended June 30, 2023, and is included in other non-operating revenue in the *Consolidated Statements of Activities and Changes in Net Assets*. The amount is included in non-operating income/gains(losses) and other revenue section of the Statement of Activities and Changes in Net Assets for the year ended June 30, 2023. The SBA has stated that all PPP loans in excess of $2 million will be subject to review by the SBA for compliance with program requirements. If the SBA determines in the course of its review that a borrower lacked an adequate basis for the required certification concerning the necessity of the loan request or the subsequent use of loan proceeds, the SBA will seek repayment of the PPP loan, including interest and potential penalties. While the Center believes its PPP loan was properly forgiven, there can be no assurance regarding the outcome of an SBA review. We have not accrued any liability associated with the risk of an adverse SBA review.

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13. Debt

Notes payable and capital lease obligations are summarized as follows:

June 30,	**2023**	2022
Note payable to City of Los Angeles, collateralized by McCadden Plaza Senior Housing Project Land (Project). The note shall bear simple interest at the rate of 4% percent per annum on the principal amount outstanding. The principal of the loan and all accrued interest thereon shall be repaid from residual receipts of the Project, if any, on an annual basis and due and payable in full on January 2073. See Note 11.	**$ 4,930,159**	$ 4,930,159
Note payable to Housing Community Investment Department (HCID), collateralized by a Deed of Trust and due March 2030. The note is non-interest bearing. The principal of the loan shall be repaid from residual receipts of the operations on an annual basis. Ten percent (10%) of the original loan amount can be forgiven annually upon review, verification and receipt of satisfactory documents by HCID.	**350,954**	350,954
PPP Loan obtained on June 18, 2021 through Lendistry in the amount of $10,000,000 structured as a note payable. There is no principal or interest payment due during the initial deferment period. Interest will continue to accrue with an interest rate of 1.0% during this period. The loan was forgiven on July 20, 2022. See Note 12.	**-**	10,000,000
Note payable A-1 to New Markets Community Capital XX, LLC, collateralized by land and building, due June 2047, at 1.33% interest only payment, payable quarterly until June 2024 then coverts to principal and interest; annual principal payments to be repaid from residual receipts of operations (as defined). See Note 24.	**10,210,500**	10,210,500
Note payable B-1 to New Markets Community Capital XX, LLC, collateralized by land and building, due June 2047, at 1.33% interest only payment, payable quarterly until June 2024 then coverts to principal and interest; annual principal payments to be repaid from residual receipts of operations (as defined). See Note 24.	**4,489,500**	4,489,500

June 30,	**2023**	2022
(continued)		
Note payable A-2 to GLA SUB-CDE XX, LLC, collateralized by land and building, due June 2047, at 1.33% interest only payment, payable quarterly until June 2024 then coverts to principal and interest; annual principal payments to be repaid from residual receipts of operations (as defined). See Note 24.	**6,807,000**	6,807,000
Note payable B-2 to GLA SUB-CDE XX, LLC, collateralized by land and building, due June 2047, at 1.33% interest only payment, payable quarterly until June 2024 then coverts to principal and interest; annual principal payments to be repaid from residual receipts of operations (as defined). See Note 24.	**2,993,000**	2,993,000
Note payable A-3 to LADF XI, LLC, collateralized by land and building, due June 2047, at 1.33% interest only payment, payable quarterly until June 2024 then coverts to principal and interest; annual principal payments to be repaid from residual receipts of operations (as defined). See Note 24.	**6,607,000**	6,607,000
Note payable B-3 to LADF XI, LLC, collateralized by land and building, due June 2047, at 1.33% interest only payment, payable quarterly until June 2024 then coverts to principal and interest; annual principal payments to be repaid from residual receipts of operations (as defined). See Note 24.	**3,393,000**	3,393,000
Note payable A-4 to LIIF SUB-CDE XI, LLC, collateralized by land and building, due June 2047, at 1.33% interest only payment, payable quarterly until June 2024 then coverts to principal and interest; annual principal payments to be repaid from residual receipts of operations (as defined). See Note 24.	**5,285,600**	5,285,600
Note payable B-4 to LIIF SUB-CDE XI, LLC, collateralized by land and building, due June 2047, at 1.33% interest only payment, payable quarterly until June 2024 then coverts to principal and interest; annual principal payments to be repaid from residual receipts of operations (as defined). See Note 24.	**2,474,400**	2,474,400
Note payable to California Housing Finance Agency (CalHFA) in the amount of $2,560,000 and accrues interest at 3% per yare the loan is secured by a first deed of trust on the property, at 3% interest payment and principal payments, payable monthly until June 2033. See Note 17.	**1,257,637**	-

June 30,	**2023**	2022
(continued)		
Note payable Community Redevelopment Agency of the City of Los Angeles (CRA) in the amount of $5,300,000. Effective May 1, 2013, ownership rights of this loan were transferred to the Los Angeles Housing Department (LAHD). All original terms and conditions of this financing will remain in effect. The loan shall not bear interest, and the loan is secured by a second leasehold deed of trust on the property. Commencing April 1, 2008, and continuing through each April 1st thereafter until the loan is repaid, a annual payment in a amount equal to 29.25% of Net Cash Flow, as defined in the loan agreement, shall be paid. Any outstanding principal shall be due on July 1, 2050. See Note 17.	**5,073,121**	-
Note payable First Federal Bank of California in the amount of $515,000. The loan shall not bear interest, and the loan is secured by a fourth leasehold deed of trust on the property, any outstanding principal shall be due and payable on June 1, 2052. See Note 17.	**515,000**	-
Note payable Department of Housing and Community Development Multifamily Housing Program (MHP), a public agency of the state of California, under a loan commitment of $4,493,000. The loan is secured by a fifth leasehold dee of trust on the property. The loan shall accrue interest at 3% per year. Interest payments in the amount of 0.42% per annum on the unpaid principal balance shall be payable on December 31st, continuing annually thereafter up to and including the twenty-ninth anniversary of these interest payments. An annual payment in a amount equal to 34.5% of the Net Cash Flow, as defined in the loan agreement, to the Lender until the loan is repaid in full. Any outstanding principal and accrued by unpaid interest shall be due and payable on July 11, 2063. See Note 17.	**4,493,000**	-
Capital lease obligation, with variable monthly principal and interest payments due through February 8, 2023.	**-**	2,800
Total debt	**58,879,871**	57,543,913
Less: unamortized cost of issuance	**(1,154,947)**	(1,181,824)
Long-term debt, net of unamortized cost of issuance	**57,724,924**	56,362,089
Less: current portion of long-term debt	**(384,445)**	(1,502,800)
Long-term debt, net of current portion	**$ 57,340,479**	$ 54,859,289

Minimum principal payments on notes payable and capital lease obligations are summarized as follows:

June 30,	**2023**	2022
2024	**$ 384,445**	$ 1,502,800
2025	**1,680,472**	2,275,00
2026	**1,704,824**	3,567,698
2027	**1,729,557**	3,588,620
2028	**1,754,683**	3,609,818
Thereafter	**51,625,890**	42,999,977
Total debt	**$ 58,879,871**	$ 57,543,913

Debt issuance costs are amortized over the term of the associated debt and reported as interest expense. The unamortized debt issuance costs of term loans are reported as a reduction to long-term debt. Total amortization of debt issuance costs included in interest expense was $47,684 and $46,845 for the years ended June 30, 2023 and 2022, respectively.

Interest expense related to capital leases and long-term debt, including debt issuance costs, was $736,290 and $860,110 for the years ended June 30, 2023 and 2022, respectively.

14. Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities are as follows:

June 30,	**2023**	2022
Accrued payroll and other employee expenses	**$ 5,614,203**	$ 5,238,882
Medi-Cal refund reserve	**4,788,666**	3,146,621
Accrued expenses	**1,522,241**	666,488
Other liabilities	**209,592**	123,375
Medical insurance payable	**180,799**	180,799
Due to grantors	**39,402**	372,196
Total accrued expenses and other liabilities	**$ 12,354,903**	$ 9,728,361

Medi-Cal Refund Reserve

As a Federally Qualified Health Center (FQHC), the Center files an annual reconciliation report with the State of California Medi-Cal program. The Center determined that a reserve should be established for payback requests once the reconciliation reports have been audited by the State. As of June 30, 2023, and 2022, the total reserve amount is $4,788,666 and $3,146,621, respectively. This reserve amounts are for open annual reconciliation report for fiscal years 2020, 2021, 2022, and 2023.

Medi-Cal Insurance Payable

The Center identified that a small number of pharmacy transactions billed to Medi-Cal from July 2017 through June 2018 were not being adjudicated correctly based on the acquisition cost plus the dispensing fee. The Center estimated the overpayment amount to be $145,007 through June 30, 2020 and established a reserve in that amount.

In August 2017, the State of California Medi-Cal program announced that an increase in the dispensing fee for pharmaceuticals would take effect on April 1, 2017. The Center adjusted the dispensing fee billed per the new guidelines in October 2017. A policy clarification was issued in June 2018, stating that the change would not formally take effect until February 2019 and Medi-Cal would retroactively adjust billings. The Center adjusted the billed dispensing fee pending further guidance from Medi-Cal. A policy clarification was received in January 2019 confirming implementation in February 2019 and that communications related to retro-active implementation would be forthcoming. The Center determined that the payback amount for early implementation of the new dispensing fee from October 2017 through June 2018 was $35,792 and established a reserve in that amount. As of June 30, 2023 and 2022, the total liability was $180,799 and $180,799, respectively, and there have been no adjustments made by the state.

15. Leases – Operating lease right of use

The Center lease certain office facilities at various terms under long-term non-cancelable operating lease agreements. The leases expire at various dates through 2028 and provide for renewal options ranging from one year to five years. We include in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. Our operating lease provides for increases in future minimum annual rental payments.

The Center has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. We have applied the risk-free rate option to the operating leases classes of assets.

The Center has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

We elected the practical expedient to not separate lease and non-lease components for a real estate leases.

The Center executed a lease agreement effective on December 10, 2014 to lease an approximately 2,500 square-feet space in West Hollywood, California. The term was five years and commenced on September 1, 2015. The base rent was $14,000 per month plus $1,500 per month for 10 parking spaces. The fixed rental adjustment of the base rent was set to increase 3% annually, effective one year after the space was occupied. The total amount of rental payments due over the lease term was charged to rent expense on the straight-line method over the term of the lease. The Center extended the lease agreement effective on April 8, 2020. The term is five years and commenced on September 1, 2020. The base rent as of June 30, 2022 is $17,680 per month plus $1,809 per month for 10 parking spaces. The fixed rental adjustment of the base rent is set to increase 4% annually.

The Center executed a lease agreement for approximately 2,000 square-feet space in Boyle Heights area of Los Angeles, California. The Center has extended this lease agreement several times including the most recent amendment on April 1, 2022, which extended the lease for an additional 24 months. The base rent as June 30, 2022 is $6,917 per month for all office units.

The Center executed a lease agreement effective on August 15, 2018 to lease an approximately 5,520 square-feet space in South Los Angeles, California. The term is ten years and four months and commenced on July 1, 2018. The base rent as of June 30, 2023 is $17,434, including parking, and commenced on November 1, 2018. The fixed rental adjustment of the base rent is set to change annually on December 15th, as defined in the lease agreement. The total amount of rental payments due over the lease term is charged to rent expense on the straight-line method over the term of the lease. The Center has a one-time option to terminate the lease by December 14, 2023, the Center did not exercise this option.

Total right-of-use assets and lease liabilities at June 30, 2023 are as follows:

		2023
Lease Assets - Classification in Statement of Financial Position		
Operating right-of-use assets	$	1,851,153
Lease Liability - Classification in Statement of Financial Position		
Operating lease liability	$	1,864,266
Less: Current portion Operating lease liability		(599,822)
Long-term Operating lease liability	$	1,264,444

Total lease costs for the years ended June 30, 2023 and 2022 are as follows:

		2023
Lease Assets - Classification in Statement of Financial Position		
Operating lease cost	$	629,943

The following table summarizes the supplemental cash flow information for the years ended June 30, 2023:

		2023
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$	680,438

The following summarizes the weighted-average remaining lease term and weight-average discount rate:

	2023
Weighted-average remaining lease term in years:	
Operating leases	3.71
Weighted-average discount rate:	
Operating leases	2.87%

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of June 30, 2023:

Years ending June 30,	Amount
2024	$ 645,396
2025	595,032
2026	320,062
2027	165,785
2028	170,759
Thereafter	72,023
Total lease payments	1,969,057
Less interest	(104,791)
Present value of lease liability	$ 1,864,266

Rent expense is as follows:

Years ending June 30,	**2023**	2022
Rent expense	**$ 506,657**	$ 506,657
Sublease rental income	**71,130**	(40,757)
Rent expense, net	**$ 435,527**	$ 465,900

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16. Commitments and Contingencies

Employment Agreements

The Center entered into an employment agreement with the former Chief Executive Officer (CEO) effective June 16, 2012 for a term of ten years. The agreement provided for an annual base salary, various benefits and a possible annual performance bonus. This followed three successive agreements, two two-year and one five-year, under which the CEO accrued an entitlement to severance. The Center also entered into a severance agreement with the Chief of Staff that provided for certain severance payments upon resignation or termination without cause any time after July 1, 2017. The payments ranged between seven months to fourteen months at the current salary depending on the date of resignation or termination. At June 30, 2022 the entire severance was paid out for both CEO and Chief of Staff, except for $155,000. As of June 30, 2022, the Center has accrued $155,000, included in accrued expenses and other liabilities in the *Consolidated Statements of Financial Position*, related to these agreements. The $155,000 was paid in July 2022.

On July 4, 2021, the Center entered into an employment agreement with the current CEO for a term of four years. The agreement provides for an annual base salary, various benefits, a possible annual performance bonus and severance. The agreement provides for certain severance payments upon resignation or termination without cause any time prior to July 5, 2025 for any reason other than a termination for cause, the CEO shall receive a lump sum severance payment equal to one month of the incoming CEO's then current salary for every year worked for the Center since the inception of this agreement. In the event that such termination occurs prior to the completion of an actual year, the month of the current salary severance payment for that year shall be pro-rated accordingly. On June 30, 2023 and 2022, there was $49,690 and $0 of severance liability for the current CEO.

Litigation

The Center is a party to various pending legal actions. The Center's management believes that the ultimate disposition of all such matters will not have a material effect on the consolidated financial position.

Government Regulations

The Center is subject to extensive regulation by numerous government authorities, including federal, state and local jurisdictions. Although the Center believes that it is currently in compliance with applicable laws, regulations and rules, some laws are broadly written and subject to interpretation by courts or administrative authorities. The Center also participates in several federally funded grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of expenditures, if any, which may be disallowed by the granting agencies cannot be determined at this time, although the Center expects such amounts, if any, would not be material to its consolidated financial position.

17. Acquisition - Encore Hall Senior Housing LP

Encore Hall Senior Housing, L.P. (Encore LP), a California limited partnership, was formed on January 17, 2002, by MBA Development Corporation (the Initial General Partner) and Tony M. Salazar (the Initial Limited Partner). The Encore LP Partnership Agreement was amended and restated on July 11, 2005 to evidence the withdrawal of the Initial General Partner and the Initial Limited Partner and the admittance of MBA Urban Development Co., a Missouri corporation (the Development General Partner), GLEH Los Angeles Corporation, a California nonprofit public benefit corporation (the Managing General Partner), and AH Housing Fund 1262 (formerly known as Sun America Housing Fund 1262), a Nevada limited partnership (the Limited Partner).

Encore LP was formed to acquire, own, and operate a 104-unit apartment complex intended for rental to senior persons of low and moderate income, to be known as Encore Hall Senior Apartments (the Project). The property is located in Hollywood, California. Construction was completed in June 2007.

The Project is regulated by the California Housing Finance Agency (CalHFA) as to rent charges, operating methods, and other matters. Additionally, the Project has qualified for and was allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42 which regulates the use of the Project as to occupant eligibility and unit gross rent, among other requirements. The Project must meet the provisions of these regulations during each of 15 consecutive years in order to remain qualified to receive the tax credits. Encore LP will continue to operate until December 31, 2065, unless dissolved earlier in accordance with the Encore LP Partnership Agreement.

On February 1, 2023, a Partnership Interest Purchase Agreement between MBA Urban Development Co. (the former Development General Partner) and GLEH Los Angeles Corporation (GLEH-LA and the Managing General Partner) was finalized by both parties. The former Development General Partner agreed to transfer all of its right, title, and interest in Encore LP, including its Development Partner Interest, to the Managing General Partner. The Managing General Partner paid $274,744 for the transferred assets and an additional $15,000 for the first quarter of 2023 property management fees.

On February 1, 2023, a Partnership Interest Purchase Agreement between AH Housing Fund 1262 LP (Formerly known as Sun America Housing Fund 1262) and Triangle Square LLC (Triangle LLC) was finalized by both parties. Triangle LLC is a California limited liability company wholly owned subsidiary of the Center formed on September 14, 2022. The former Limited Partner agreed to transfer all of its right, title, and interest of its 97% ownership in Encore LP to Triangle LLC. Triangle LLC paid $1 for the transferred assets. The acquisition was determined to be a business combination under FASB ASC 958-805, *Not-for-Profit Entities - Business Combinations*, as ownership and control of the acquired company both changed.

The following table summarizes the allocation of the purchase consideration for the Triangle LLC acquisition of 97% of Encore LP on February 1, 2023:

Cash	$ 152,353
Restricted cash	336,803
Accounts and other receivables	16,432
Property and equipment	12,696,233
Other assets	23,287
Total assets acquired	13,225,108
Accounts payable	237,952
Accrued expenses and other liabilities	138,575
Interest payable	1,441,673
Current portion of long-term debt	107,830
Long-term debt, net of current portion	11,254,762
Total liabilities assumed	13,180,792
Net assets acquired	$ 44,316

The $44,316 net assets acquired is presented as other operating revenue in the *Consolidated Statements of Activities and Changes in Net Assets*. The fair value of the assets acquired includes $12,696,233 in property and equipment that is comprised of land of $8,376,000, building of $4,124,000, and equipment of $196,233. The fair value of the long-term debt acquired consists of a note payable to the California Housing Finance Agency (CalHFA) of $1,302,280, a note payable to the Community Redevelopment Agency of the City of Los Angeles (CRA) of $5,073,121, a note payable to the California Department of Housing and Community Development Multifamily Housing Program (MHP) $4,493,000, and a note payable to First Federal Bank of California in the amount of $515,000. See Note 13 for the terms of the notes payable.

On February 1, 2023, GLEH-LA acquired the 2.99% interest in Encore LP that resulted in a combined 3% interest in Encore LP. On April 1, 2023, the Center took over control of GLEH-LA. Upon change in control, GLEH-LA net assets of $109,516 included cash of $28,456 and accounts and other receivables of $81,060 which has been presented as other operating revenue in the *Consolidated Statements of Activities and Changes in Net Assets*.

18. Endowment

The Center's endowment, Gil Garfield fund for the creative and performing arts (the Endowment), reflects the donor-imposed restriction that the original gifts are maintained and only the income be used for the donors' specified purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Center has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds unless there are explicit donor stipulations to the contrary.

As a result of this interpretation, the Center classifies its perpetual endowments as (a) the original value of the gifts donated to the endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA. The Center's Board authorizes annual distributions of the Endowment income and dividends to be used exclusively to support the Center's performing arts programming.

In accordance with UPMIFA, the following factors are to be considered in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

The Center has adopted investment and spending policies for its endowments that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the endowment investments.

To satisfy this long-term rate-of-return objective, the Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Center targets a diversified asset allocation with a mix of equity-based and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Center to retain as funds of perpetual duration. On June 30, 2023, the Center has no endowment funds with fair values below the original gift amount. Endowment net assets were $2,066,700 at June 30, 2023. No endowment funds were held at June 30, 2022.

Changes in the endowment net assets with donor restrictions included in total investments are as follows:

Year Ended June 30, 2023	Without Donor Restrictions	With Donor Restrictions	Total
Total investments, beginning of year	$ 57,290,804	$ -	$ 57,290,804
Investment Return			
Dividend and interest income	1,574,679	-	1,574,679
Realized and unrealized gains, net	1,036,678	114,562	1,151,240
Investment charges	(179,979)	-	(179,979)
Total investment return	2,431,378	114,562	2,545,940
Investment purchases and sales, net	(7,341,092)	1,952,138	(5,388,954)
Dividend and interest income reinvested, net of dividend and interest income and investment charges	(266,294)	-	(266,294)
Total investments, end of year	$ 52,114,796	$ 2,066,700	$ 54,181,496

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19. Retirement Plans

Defined Contribution Plan

The Center has a defined contribution plan covering substantially all employees who have completed one year of service and have attained the age of 18. Employer contributions are at the discretion of management. There were no employer contributions for the years ended June 30, 2023 and 2022.

Deferred Compensation Plan

The Center has a nonqualified deferred compensation plan (under IRC Section 457(b)) for key executives to defer a portion of their compensation. The deferred amounts and earnings thereon are payable to participants, or designated beneficiaries, upon retirement or death. The Center does not make contributions to this plan. At June 30, 2023 and 2022, the Center holds assets totaling $1,246,801 and $1,186,370, respectively, which are recorded in other assets and a corresponding liability in accrued expenses and other liabilities in the accompanying *Consolidated Statements of Financial Position*. The assets are subject to the claims of general creditors. The investments of the trust are held in separate accounts for investment purposes, but are designated by the Board for use to satisfy this deferred compensation liability. Investment gains and losses from the deferred compensation investments are recorded directly to the asset account and the corresponding liability account.

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20. Net Assets

Net Assets Without Donor Restrictions

	2023	2022
Without donor restrictions net assets	**$ 140,031,649**	$ 136,023,209

Net Assets With Donor Restrictions

Net assets with donor restrictions are subject to the following restrictions at June 30, 2023 and 2022:

	2023	2022
Purpose restrictions		
Development of Anita May Rosenstein Campus	**$ 498,380**	$ 598,082
Health and HIV Prevention Services	**161,163**	307,830
Youth, Seniors and Legal Services	**109,566**	-
Charitable remainder trusts	**2,389,236**	2,388,251
Funds to establish an endowment	**150,000**	2,102,138
Endowment	**2,066,700**	-
Subtotal – purpose restrictions	**5,375,045**	5,396,301
Time restrictions		
Charitable remainder trusts	**2,727,789**	2,557,670
For periods after June 30, 2023 and 2022 - general operations	**127,777**	1,351,876
Subtotal – time restrictions	**2,855,566**	3,909,546
Net assets with donor restrictions	**$ 8,230,611**	$ 9,305,847

Net assets of $1,584,887 and $785,151 were released from donor and time restrictions in 2023 and 2022, respectively, by incurring expenses related to specific programs that satisfied the restricted purposes.

At June 30, 2023 and 2022, net assets with donor restrictions of $4,855,703 and $4,664,907, respectively, are contributions restricted by donors whereby the interest and dividends are used to support operations of the Center. These net assets with donor restrictions are primarily managed by third-party trustees, and the Center does not have control over investment decisions.

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21. Liquidity and Availability of Resources

The Center's financial assets available within one year of the *Consolidated Statements of Financial Position* date for general expenditure are as follows:

Years ended June 30,	**2023**	2022
Cash and cash equivalents	**$ 9,680,833**	$ 15,098,812
Short-term investments	**28,081,538**	29,178,452
Accounts and other receivables	**395,608**	218,408
Clinic fees receivable, net	**14,340,204**	7,752,595
Contracts and grants receivable, net	**7,152,137**	5,849,029
Pledges receivable current, net	**475,888**	1,715,913
Total financial assets available within one year*	**60,126,208**	59,813,209
Less:		
Amounts unavailable for		
general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	**(896,886)**	(2,257,788)
Total amounts unavailable for general expenditures within one year	**(896,886)**	(2,257,788)
Total financial assets available to management for general expenditures within one year	**$ 59,229,322**	$ 57,555,421

**Total current assets, less restricted cash and inventories*

See Note 8 for additional information related to investments.

Liquidity Management

The Center maintains a policy of structuring its financial assets to be available as its general expenses, liabilities and other obligations come due. In addition, the Center invests cash in excess of weekly requirements in short-term investments.

The Center has sufficient cash and cash equivalents to meet operating needs and protect for unanticipated events. Nonetheless, if needed, there are multiple sources of credit the Center has available.

22. Allocation of Joint Costs

The Center conducted activities that include requests for contributions, as well as program, management and general components. Those activities included a special event. The costs of conducting those activities included $4,258,724 and $3,801,900 of joint costs for the years ended June 30, 2023 and 2022, respectively, which are not specifically attributable to components of the activities (joint costs).

These joint costs were allocated as follows:

Years ended June 30,	2023	2022
Fundraising	$ 3,331,975	$ 3,170,723
Health/Education/Prevention Program	926,749	631,177
Total	$ 4,258,724	$ 3,801,900

23. Anita May Rosenstein Campus

McCadden Campus, LLC (Campus LLC) and McCadden Plaza Affordable Housing, LLC (TSA LLC), an unrelated third party, are the General Partners (Partners) of McCadden Plaza, LP (Partnership or LP), a partnership formed in February 2014 to acquire real property located at 1116 North McCadden Place and 6725 Santa Monica Boulevard in Los Angeles (East Property) to build a mixed-use development (Project). The East Property was acquired from the State of California on February 20, 2014 for $12,700,000 with the stipulation that the East Property was to be used for an affordable housing project. Thereafter, the Center donated a small adjacent parcel of land to the Project. The Project scope is to build up to 100 units of affordable housing for seniors, with parking, (Senior Component), as well as Center programming space for seniors and youth, housing for homeless youth, the Center's administrative offices and retail space, with parking, (Center Component). The Project was subsequently named the Anita May Rosenstein Campus.

Campus LLC is wholly owned by the Center. Campus LLC is the Managing General Partner of the Partnership; however, the Partnership is jointly controlled with TSA LLC. The partnership obligations are set forth in the McCadden Plaza LP Limited Partnership Agreement (LPA) and the First Amendment to the LPA (Amendment).

In addition, on April 15, 2017, an Agreement of Limited Partnership of McCadden Plaza TAY Housing LP (TAY LP), a California limited partnership, was executed by an affiliate of TSA LLC. Neither the Center nor any of its affiliates were party to that agreement. On November 14, 2017, the Partners executed an Amended and Restated Agreement of Limited Partnership of McCadden Plaza TAY Housing LP (Amended TAY LPA) to acquire real property located at 1119 North McCadden Place (West Property), which was owned by the Center, and develop up to 26 units of affordable housing for youth (Youth Component) as well as parking.

At the time, the Partners intended for the East Property to be subdivided into legal parcels pursuant to an air-rights subdivision (Subdivision), which subsequently occurred on February 21, 2018.

The Center owns and was primarily responsible for the management and supervision of the construction of the Center Component through an affiliate AMR QALICB. The Center was solely responsible for obtaining financing for the acquisition, construction and development of the Center Component and associated parking.

To the extent the Partnership or TAY LP required funds for the development of the Senior Component and Youth Component, primarily related to the land acquisition, parking and Soft Costs, Center LLC and TSA LLC were responsible for advancing funds. However, to start the Project before the Partnership and TAY LP had secured their respective financings, the Center agreed to advance a substantial portion of their costs and be repaid once their financings were closed and funds were available. The Partners will reconcile existing advances and contributions by the Partners to reflect any updated cost allocation plans and conclude on the final amounts.

On June 14, 2017, the Partnership executed a Guaranteed Maximum Price Contract (Contract) with Swinerton Builders (Contractor). The contract sum was guaranteed by the Contractor not to exceed $57,533,628 without approved change orders. The Contract includes construction of the foundation, approximately 350 underground parking stalls, site work and buildings related to the Center Component. As of June 30, 2021, the Contract was increased to $67,166,632 through additional change orders. Construction on the Project began on June 2017, and the Center's component was substantially completed in April 2019.

As part of financing the development of the Center Component and parking, the Center entered into a New Markets Tax Credit (NMTC) transaction on June 23, 2017, which is fully described in Note 24. As the Subdivision of the East Property was not recorded prior to June 23, 2017, the Partnership was required to transfer the deed of the East Property to AMR QALICB, including the Senior Component of the land, to complete the transaction. The Partners executed the Amendment on June 15, 2017 to transfer the East Property. AMR QALICB executed an Amended and Restated Agreement of Purchase and Sale and Joint Escrow Instructions, effective June 21, 2017, with the Partnership to sell the affordable housing air space parcel of the East Property to the Partnership for development of the Senior Component for $4,930,159 following Subdivision.

In addition, AMR QALICB executed two additional Agreements of Purchase and Sale and Joint Escrow Instructions with the Partnership to sell parking for the Senior Component and Youth Component in an amount equal to $54,557 per parking stall. The number of parking stalls to be sold were subject to negotiation. These agreements were later amended and restated in 2018 with the Partnership to sell 84 parking stalls for the Senior Component in an amount equal to $4,663,982 and $1,835,742 for shared improvements. For the Youth Component, an agreement was reached with TAY LP to sell 12 parking stalls for the Youth Component in an amount equal to $850,594 and $160,263 for shared improvements. In both agreements, the prices may be adjusted for reasonably unforeseen cost increases actually incurred, up to ten percent of the original price.

The Center also secured three credit facilities with Wells Fargo Bank in June 2017 to finance the development of the Center Component and parking: 1) a $5,500,000 Line of Credit; 2) a $19,100,000 Term Loan/Revenue Bond; 3) a $10,000,000 Bridge Loan Note.

On June 20, 2019, the Bridge Loan Note matured and was not renewed. The Center cancelled the Term Loan/Revenue Bond on January 22, 2020. The LOC expired on June 20, 2021 and was not renewed. During the construction of the Anita May Rosenstein Campus, none of the credit facilities were drawn down due to the success of the Capital Campaign, cash generated from operations, proceeds from the NMTC transaction, and cash and investments on hand.

As discussed in Note 4, Pledges Receivable, the Center publicly announced a Capital Campaign in May 2014 that successfully concluded in June 2019 and provided a significant source of funding during construction.

The Center's Component and underground parking was substantially completed on April 6, 2019, at which time the Center received a six-month Temporary Certificate of Occupancy (TCO). The Center has since been granted successive six-month extensions. The Youth Component received a TCO March 2021, and the Senior Component received a TCO July 2021. The permanent Certificate of Occupancy for the Center occurred on July 21, 2023.

TSA LLC was primarily responsible for identifying and negotiating the terms of all debt and equity financing for the development and construction of the Senior and Youth Components as well as related parking. The Partners applied for and secured local, state, and Federal funding and tax credit sources to develop the Senior and Youth Components and related parking. The Partners also syndicated the limited partnership interests in the Partnership and TAY LP to a qualified investor in low-income housing projects (Investor Limited Partners).

To facilitate the Senior and Youth Component financings, the Center donated land that was recorded as an investment in affiliate of $250,000 to the TAY LP and converted $650,000 in receivables from affiliate related to Soft Costs that was subsequently recorded as an investment in affiliate to the Partnership. If residual receipts allow, the $650,000 has the potential to be paid back to the Center.

The City of Los Angeles (City) provided $4,930,159 of Community Development Block Grant (CDGB) funds for the Senior Component of the Project for the acquisition of the air space parcel on which to build the senior affordable housing. To accomplish this objective, the City executed a 55-year Acquisition and Permanent Loan (City Loan) with the Center on January 16, 2018. Concurrent to this City Loan, the Center entered into a loan agreement with the Partnership, under the same terms and conditions as the City Loan. The Partnership then used these funds to buy the air space parcel from AMR QALICB when the senior affordable housing transaction closed on September 19, 2018. As a result, the Center has a receivable from the Partnership for $4,930,159, plus accrued interest, related to the loan and a payable to the City for the same amount (Note 11).

On September 21, 2018, the Partners executed agreements (Youth Housing Close), including a Second Amended and Restated Agreement of Limited Partnership, to build 26 units for the Youth Component of the project on the West Property that was donated by the Center. As part of the transaction, the Center had to agree to guaranties or indemnities to Wells Fargo in an amount not to exceed an aggregate $7,000,000, an environmental indemnity to and for the benefit of Wells Fargo, a mechanic's lien indemnity to and for the benefit of Chicago Title insurance Company, and a guaranty to and for the benefit of Wells Fargo Affordable Housing Community Development Corporation (subject to a liability cap of twenty five percent (25%) of an applicable claim, except for claims related to environmental indemnities, for which no such cap shall apply). As is typical in these types of transactions, Campus LLC's partnership interest was reduced to 0.0051% with the addition of the Investor Limited Partner who took control of TAY LP with 99.99% interest.

On December 19, 2018, the Partners executed agreements (Senior Housing Close), including an Amended and Restated Agreement of Limited Partnership, to build 98 units for the Senior Component of the project on the East Property. As part of the transaction, the Center had to agree to guaranties or indemnities to Wells Fargo in an amount not to exceed an aggregate $25,000,000, an environmental indemnity to and for the benefit of Wells Fargo, a mechanic's lien indemnity to and for the benefit of Chicago Title insurance Company, and a guaranty to and for the benefit of Wells Fargo Affordable Housing Community Development Corporation (subject to a liability cap of twenty five percent (25%) of an applicable claim, except for claims related to environmental indemnities, for which no such cap shall apply). Campus LLC's partnership interest was reduced to 0.0051% with the addition of the Investor Limited Partner who took control of the Partnership with 99.99% interest.

As of June 30, 2023 and 2022, on a consolidated basis, the Center had a receivable of $5,874,555 and $5,791,293, respectively, due from the Partnership and TAY LP, primarily related to the City Loan and the advancement of Hard and Soft Costs incurred during construction. This receivable is presented as receivable due from affiliates in the *Consolidated Statements of Financial Position*.

AMR QALICB had $9,558,063, which consist of land acquisitions, donated land, capitalize interest, and closing cost, as land and land development costs as of June 30, 2023, and 2022, respectively.

As of June 30, 2023, and 2022, AMR QALICB had $68,802,926 recorded as Buildings, including Hard Costs, Soft Costs and Other Costs, related to the Center Component and associated parking. The Center Component was substantially completed on April 6, 2019. The Center contributed $200 and $30,014 for the Center Component to AMR QALICB during the year ended June 30, 2023, and 2022, respectively. During the years ended June 30, 2023, and 2022, Partnership and TAY LP made no payment to the Center and AMR QALICB for their respective Hard and Soft Costs.

As of June 30, 2023, and 2022, AMR QALICB had a payable to the Center for $48,071 and $4,546, respectively, primarily related to Hard and Soft Costs, and the Center had an offsetting receivable from AMR QALICB. In addition, the Center had a payable to AMR QALICB for $495,939 and $145,971, respectively, and AMR QALICB has an offsetting receivable from the Center related to Hard Costs for the Center Component. These two amounts are eliminated in the *Consolidated Statements of Financial Position*.

24. New Market Tax Credits

On June 23, 2017, the Center entered into a New Markets Tax Credit (NMTC) transaction to help finance the construction of the Center Component of the Anita May Rosenstein Campus. The NMTC Program was designed to stimulate investment and economic growth in low-income communities by offering a seven-year, 39% federal tax credit for Qualified Equity Investments (QEI) made through investment vehicles known as Community Development Entities (CDEs). CDEs use capital derived from tax credits to make loans to or investments in businesses and projects in low-income areas under favorable economic terms, typical of this type of tax credits-based deals.

The NMTC transaction is composed of several sub-transactions, as described below:

QALICB: For the sole purpose of facilitating the NMTC transaction as a Qualified Active Low-Income Community Business (QALICB), the Center created AMR QALICB. AMR QALICB was formed pursuant to the filing of those certain Articles of Incorporation with the California Secretary of State on February 2, 2017. On November 3, 2017, the Internal Revenue Service issued a letter determining that the QALICB was exempt from federal income tax under IRC Section 501(c)(3).

Leverage Loan: As part of the transaction, the Center committed to lend $28,910,000 to AMR Campus Investment Fund, LLC, the Investment Fund. The proceeds of this leverage loan were used by the Investment Fund towards making a QEI into four CDEs as listed below. The Leverage Loan bears an interest rate of 1.00% and matures on June 23, 2041.

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Qualified Low-Income Community Investment (QLICI Loan): Under the NMTC transaction, AMR Campus QALICB obtained QLICI Loans from the following CDEs: (i) New Markets Community Capital XX, LLC (NMCC); (ii) GLA Sub-CDE XX, LLC (GLA); (iii) LADF XI, LLC (LADF); and (iv) LIIF Sub-CDE XL, LLC (LIIF). The following QLICI A and B loans were made to AMR QALICB:

	2023	2022
1. QLICI Loan A1 (NMCC)	**$ 10,210,500**	$ 10,210,500
2. QLICI Loan B1 (NMCC)	**4,489,500**	4,489,500
3. QLICI Loan A2 (GLA)	**6,807,000**	6,807,000
4. QLICI Loan B2 (GLA)	**2,993,000**	2,993,000
5. QLICI Loan A3 (LADF)	**6,607,000**	6,607,000
6. QLICI Loan B3 (LADF)	**3,393,000**	3,393,000
7. QLICI Loan A4 (LIIF)	**5,285,600**	5,285,600
8. QLICI Loan B4 (LIIF)	**2,474,400**	2,474,400
Total	**$ 42,260,000**	$ 42,260,000

The QLICI Loans bear interest at a fixed rate equal to 1.33% and mature on June 23, 2047. The QLICI Loans are recorded in the Center's *Consolidated Statements of Financial Position*. The QLICI Loans are secured by a mortgage on the East Property. As discussed in Note 23, at the Senior Housing Close, the Partnership purchased back the air rights parcel from AMR QALICB for the Senior Component, at which point the QLICI Loans are now secured by the Center Component of the Project.

As part of the NMTC transaction, the Center executed a Master Lease Agreement with AMR QALICB. The term of the lease is for 30 years from the date of the NMTC transaction with provisions to cancel it when the put/call agreements are exercised on the seventh-year anniversary as discussed below. Rent commenced on April 1, 2019 at $26,426 and was increased to $173,750 on January 1, 2024. All rental activity is eliminated upon consolidation.

Neither the Center nor AMR QALICB controls or has economic interest in the assets of either the QEI or the CDEs. The QEI is controlled and wholly owned by Wells Fargo Bank, and the Investment Fund funds the CDEs.

To earn the tax credit, the QEI must remain invested in the CDEs until June 23, 2024. AMR QALICB has significant reporting requirements to its lenders, including financial reports and community impact reports. AMR QALICB is restricted against accumulating and holding certain types of assets (including options, stocks, promissory notes and excess cash), having its own employees, or otherwise engaging in activities unrelated to the Center. Provided AMR QALICB satisfies the foregoing requirements and avoids violating the foregoing restrictions, it will remain in substantial compliance with its obligations pursuant to the NMTC financing.

The Center and Wells Fargo Community Investment Holdings, LLC (Wells Fargo Holdings) have executed an Investment Fund Put and Call Agreement to take place at the end of the seven-year compliance period. Under the agreement, Wells Fargo Holdings can exercise a put option to sell all interest in the QEI for $1,000 to the Center. If Wells Fargo Holdings does not exercise the put option within 90 days of the seven-year period, the Center can exercise a call option to purchase the interest of the QEI at an appraised fair market value.

These put/call options do not represent embedded derivatives and, accordingly, have not been accounted for as derivative instruments in the Center's consolidated financial statements.

If the Investment Fund Put and Call Agreement is exercised at the seventh-year anniversary of the NMTC transaction, the Center would gain control of all outstanding loans payable and receivable, there would be no residual amounts due to or from any external third parties, and the Center would record a net gain associated with the dissolution of the $28,910,000 Leverage Loan Receivable and the $42,260,000 QLICI Loans Payable. Including transaction expenses, the Center expects to net approximately $9,500,000 from the NMTC transaction to help finance the construction of the Center Component and associated parking.

25. Gay & Lesbian Elder Housing Corporation

On January 6, 2014, the Center executed a Services Agreement with the Gay & Lesbian Elder Housing Corporation, a California nonprofit public benefit corporation (GLEH) and GLEH Los Angeles Corporation (GLEH-LA), a California nonprofit public benefit corporation. The mission of GLEH and GLEH-LA is to promote and provide decent affordable housing, care and supportive services on a non-discriminatory basis for low and moderate-income persons living in Southern California, with a special emphasis on identifying and servicing the needs of gay and lesbian elders for such housing services. The Services Agreement had a term of one year and called for the Center to provide administrative and back-office services for GLEH and social services to the residents and administrative and back-office services for GLEH-LA.

GLEH merged with and into GLEH-LA on November 12, 2014, and the Center executed a Master Services Agreement (MSA) through December 31, 2016 (Initial Term) with GLEH-LA to replace the Services Agreement on that same date. At the expiration of the Initial Term, this agreement automatically renewed for successive six-month periods unless either party provides the other party with notice of non-renewal at least thirty days prior to expiration of the current term. Under the MSA, the Center agreed to continue to provide social services to the residents and other management, administrative and back-office services for fees commensurate with fair market value. If the cash flow is not adequate to cover the fees charged, the fees will accrue interest free and will carryover and be paid in the next successive year or until such time that monies are available. Under the MSA, the Center is entitled to $0 and $1,702,080 for the years ended June 30, 2023 and 2022, respectively. However, the Center did not recognize revenue due to the uncertainty of collection, and the amount is fully reserved.

On August 27, 2014, the Center executed a Donation and Undertaking Agreement with GLEH. GLEH donated to the Center and the Center accepted GLEH's right, title and interest in and to all of GLEH's assets other than cash, which consisted primarily of a promissory note (GLEH Note), dated as of August 5, 2005, by Encore Hall Senior Housing, L.P. to GLEH in the original principal amount of $1,500,000.

The $1,500,000 GLEH Note was provided by GLEH for construction and permanent financing of a 104-unit apartment complex intended for rental to senior persons of very low-, low- and moderate-income (GLEH Project). The GLEH Note is secured by a third leasehold deed of trust on the property. Interest accrued at a rate of 5.51% from the date of funding through January 2007. According to the terms of the GLEH Note, the GLEH Note shall not bear interest thereafter. Interest on the GLEH Note shall not exceed $120,000, with $60,000 due at Closing, $30,000 upon completion of construction and $30,000 at Final Closing. The Borrower shall pay 0.65% of the Net Cash Flow, as defined in the loan agreement, to the Lender until the loan is repaid in full. Interest of $120,000 was paid on the loan, which was paid prior to the donation of the GLEH Note to the Center. Any outstanding principal and interest shall be due on August 5, 2051.

The GLEH Project is regulated by the California Housing Finance Agency as to rent charges, operating methods and other matters. Additionally, the GLEH Project has qualified for and was allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42, which regulates the use of the Project as to occupant eligibility and unit gross rent, among other requirements. The GLEH Project must meet the provisions of these regulations during each of fifteen consecutive years in order to remain qualified to receive the tax credits.

The Limited Partnership will continue to operate until December 31, 2065, unless dissolved earlier in accordance with the Partnership Agreement.

Due to the lack of marketability of the GLEH Note, the 2051 maturity date and the regulated use of the GLEH Project, management has determined the Center does not have sufficient evidential matter to determine the fair market value of the GLEH Note and has assigned no value to the GLEH Note as of June 30, 2023 and 2022.

On April 1, 2023 the Center took control of GLEH-LA. At that point of time the Center forgave the amount due from GLEH-LA under the MSA. See Note 17.

26. Effect of Economic Conditions on Contributions

The Center depends heavily on contributions from the public for its revenue. The ability of certain of the Center’s contributors to continue giving amounts comparable with prior years may be dependent upon current and future overall economic conditions and the continued deductibility for income tax purposes of contributions to the Center. While the Center’s Board of Directors believes the Center has the resources to continue its programs, its ability to do so and the extent to which certain programs continue, may be dependent on the aforementioned factors.

27. Subsequent Events

The Center evaluated subsequent events through March 15, 2024, which is the date the consolidated financial statements were available to be issued. There were no events that require adjustments to or disclosures in the Center’s consolidated financial statements for the year ended June 30, 2023.

Supplemental Information

Tel: 310-557-0300
Fax: 310-557-1777
www.bdo.com

515 Flower Street
47th Floor
Los Angeles CA 90071

Independent Auditor’s Report on Supplemental Information

Board of Directors
Los Angeles LGBT Center and Affiliates
Los Angeles, California

Our audits of the consolidated financial statements included in the preceding section of this report were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

BDO USA

March 15, 2024

Los Angeles LGBT Center and Affiliates
(a nonprofit California corporation)

Consolidating Statements of Financial Position

June 30, 2023	Los Angeles LGBT Center	AMR Campus QALICB, Inc.	GLEH Los Angeles	Triangle Square LLC	Elimination Entries	Consolidated Financials
Current assets						
Cash and cash equivalents	$ 9,312,118	$ 141,325	$ 41,995	$ 185,395	$ -	$ 9,680,833
Restricted cash	-	654,441	-	263,671	-	918,112
Accounts and other receivables	276,282	-	55,642	63,684	-	395,608
Receivable from affiliates	96,974	495,939	-	-	(592,913)	-
Clinic fees receivable, net	14,340,204	-	-	-	-	14,340,204
Contracts and grants receivable, net	7,152,137	-	-	-	-	7,152,137
Pledges receivable, net	475,888	-	-	-	-	475,888
Short-term investments	28,081,538	-	-	-	-	28,081,538
Inventories	1,064,872	-	-	-	-	1,064,872
Total current assets	60,800,013	1,291,705	97,637	512,750	(592,913)	62,109,192
Noncurrent assets						
Contributions receivable - held in trust	2,442,185	-	-	-	-	2,442,185
Beneficial interests in trusts	2,924,607	-	-	-	-	2,924,607
Receivable from affiliate	6,190,888	-	-	-	(202,388)	5,988,500
Leverage loan receivables	28,910,100	-	-	-	-	28,910,100
Pledges receivable, net	423,998	-	-	-	-	423,998
Long-term investments	26,099,958	-	-	-	-	26,099,958
Property and equipment, net	13,935,815	71,342,731	-	12,723,001	-	98,001,547
Operating lease right of use asset (ROU)	46,182,059	-	-	-	(44,330,906)	1,851,153
Other assets	4,206,358	-	-	9,475	-	4,215,833
Total noncurrent assets	131,315,968	71,342,731	-	12,732,476	(44,533,294)	170,857,881
Total assets	$ 192,115,981	$ 72,634,436	$ 97,637	$ 13,245,226	$ (45,126,207)	$ 232,967,073
Current liabilities						
Accounts payable	$ 4,576,902	$ -	$ -	$ 15,006	$ -	$ 4,591,908
Accrued expenses and other liabilities	12,270,929	-	-	83,974	-	12,354,903
Payable to affiliates	495,939	96,974	-	202,388	(795,301)	-
Unearned revenue	4,277,889	-	-	-	-	4,277,889
Interest payable	1,058,341	33,197	-	1,509,068	-	2,600,606
Current portion of annuities payable	239,563	-	-	-	-	239,563
Current portion of ROU operating lease liability	354,615	-	-	-	245,207	599,822
Current portion of long-term debt	-	275,000	-	109,445	-	384,445
Total current liabilities	23,274,178	405,171	-	1,919,881	(550,094)	25,049,136
Noncurrent liabilities						
Annuities payable, net of current portion	1,050,754	-	-	-	-	1,050,754
Long-term ROU operating lease liability, net of current portion	48,296,906	-	-	-	(47,032,462)	1,264,444
Long-term debt, net of current portion	5,253,305	40,877,829	-	11,209,345	-	57,340,479
Total noncurrent liabilities	54,600,965	40,877,829	-	11,209,345	(47,032,462)	59,655,677
Total liabilities	77,875,143	41,283,000	-	13,129,226	(47,582,556)	84,704,813
Commitments and Contingencies (Note 16)						
Net assets						
Without donor restrictions	106,010,227	31,351,436	97,637	116,000	2,456,349	140,031,649
With donor restrictions	8,230,611	-	-	-	-	8,230,611
Total net assets	114,240,838	31,351,436	97,637	116,000	2,456,349	148,262,260
Total liabilities and net assets	$ 192,115,981	$ 72,634,436	$ 97,637	$ 13,245,226	$ (45,126,207)	$ 232,967,073

Los Angeles LGBT Center and Affiliates
(a nonprofit California corporation)

Consolidating Statements of Financial Position (Continued)

June 30, 2022	Los Angeles LGBT Center	AMR Campus QALICB, Inc.	Elimination Entries	Consolidated Financials
Current assets				
Cash and cash equivalents	$ 14,665,651	$ 433,161	$ -	$ 15,098,812
Restricted cash	-	929,402	-	929,402
Accounts and other receivables	218,408	-	-	218,408
Receivable from affiliates	4,546	145,971	(150,517)	-
Clinic fees receivable, net	7,752,595	-	-	7,752,595
Contracts and grants receivable, net	5,849,029	-	-	5,849,029
Pledges receivable, net	1,715,913	-	-	1,715,913
Short-term investments	29,178,452	-	-	29,178,452
Inventories	1,563,069	-	-	1,563,069
Total current assets	60,947,663	1,508,534	(150,517)	62,305,680
Noncurrent assets				
Contributions receivable – held in trust	2,369,231	-	-	2,369,231
Beneficial interests in trusts	2,751,209	-	-	2,751,209
Receivable from affiliate	5,791,293	-	-	5,791,293
Leverage loan receivables	28,910,100	-	-	28,910,100
Pledges receivable, net	541,875	-	-	541,875
Long-term investments	28,112,352	-	-	28,112,352
Property and equipment, net	14,498,668	73,097,232	-	87,595,900
Other assets	4,298,297	-	-	4,298,297
Total noncurrent assets	87,273,025	73,097,232	-	160,370,257
Total assets	$ 148,220,688	$ 74,605,766	$ (150,517)	$ 222,675,937
Current liabilities				
Accounts payable	$ 4,248,691	$ -	$ -	$ 4,248,691
Accrued expenses and other liabilities	9,728,361	-	-	9,728,361
Payable to affiliates	145,971	4,546	(150,517)	-
Unearned revenue	4,763,158	-	-	4,763,158
Interest payable	964,468	-	-	964,468
Current portion of annuities payable	239,563	-	-	239,563
Current portion of long-term debt	1,502,800	-	-	1,502,800
Total current liabilities	21,593,012	4,546	(150,517)	21,447,041
Noncurrent liabilities				
Annuities payable, net of current portion	1,040,551	-	-	1,040,551
Long-term debt, net of current portion	13,752,753	41,106,536	-	54,859,289
Total noncurrent liabilities	14,793,304	41,106,536	-	55,899,840
Total liabilities	36,386,316	41,111,082	(150,517)	77,346,881
Commitments and Contingencies (Note 16)				
Net assets				
Without donor restrictions	102,528,525	33,494,684	-	136,023,209
With donor restrictions	9,305,847	-	-	9,305,847
Total net assets	111,834,372	33,494,684	-	145,329,056
Total liabilities and net assets	$ 148,220,688	$ 74,605,766	$ (150,517)	$ 222,675,937

Los Angeles LGBT Center and Affiliates
(a nonprofit California corporation)

Consolidating Statements of Activities and Changes in Net Assets

Year ended June 30, 2023	Los Angeles LGBT Center	AMR Campus QALICB, Inc.	GLEH Los Angeles	Triangle Square LLC	Elimination Entries	Consolidated Financials
Public support and other revenue						
Public support:						
Special events revenue:						
Gross receipts	$ 6,010,591	$ -	$ -	$ -	$ -	$ 6,010,591
Less costs of direct benefits to donors	(224,647)	-	-	-	-	(224,647)
Net special events revenue	5,785,944	-	-	-	-	5,785,944
Grants	31,740,242	-	-	-	-	31,740,242
Contributions	13,580,032	-	12,976	-	-	13,593,008
Contributions - Capital Campaign	1,785,657	-	-	-	-	1,785,657
Contributed goods and services	443,709	-	-	-	-	443,709
Program fees	101,534,694	-	-	-	(1,444,155)	100,090,539
Other operating revenue	309,481	349,968	14,004	507,420	(349,968)	830,905
Total public support and other revenue	155,179,759	349,968	26,980	507,420	(1,794,123)	154,270,004
Net assets released from restrictions:						
Satisfaction of program restrictions	-	-	-	-	-	-
Total public support and other revenue and net assets released from restrictions	155,179,759	349,968	26,980	507,420	(1,794,123)	154,270,004
Operating expenses						
Program services	155,305,921	1,573,777	38,861	675,999	(752,884)	156,841,674
Supporting services:						
General and administrative	2,977,411	820,509	-	-	(2,896,119)	901,801
Fundraising	7,612,411	98,730	-	-	(601,469)	7,109,672
Total supporting services	10,589,822	919,239	-	-	(3,497,588)	8,011,473
Total operating expenses	165,895,743	2,493,016	38,861	675,999	(4,250,472)	164,853,147
Change in net assets before non-operating income/gains (losses) and other revenue	(10,715,984)	(2,143,048)	(11,881)	(168,579)	2,456,349	(10,583,143)
Non-operating income/gains (losses) and other revenue						
Net investment return	2,545,940	-	-	-	-	2,545,940
Unrealized gains on trusts held by third parties	246,350	-	-	-	-	246,350
Change in value of split-interest agreements	(249,767)	-	-	-	-	(249,767)
Other nonoperating revenue	10,870,371	-	(181,126)	284,579	-	10,973,824
Donation of construction in progress	(290,444)	(200)	290,644	-	-	-
Total non-operating income/gains (losses) and other revenue	13,122,450	(200)	109,518	284,579	-	13,516,347
Change in net assets	2,406,466	(2,143,248)	97,637	116,000	2,456,349	2,933,204
Net assets, beginning of year	111,834,372	33,494,684	-	-	-	145,329,056
Net assets, end of year	$ 114,240,838	$ 31,351,436	$ 97,637	$ 116,000	$ 2,456,349	$ 148,262,260

Los Angeles LGBT Center and Affiliates
(a nonprofit California corporation)

Consolidating Statements of Activities and Changes in Net Assets (Continued)

Year ended June 30, 2022	Los Angeles LGBT Center	AMR Campus QALICB, Inc.	Elimination Entries	Consolidated Financials
Public support and other revenue				
Public support:				
Special events revenue:				
Gross receipts	$ 9,192,570	$ -	$ -	$ 9,192,570
Less costs of direct benefits to donors	(110,236)	-	-	(110,236)
Net special events revenue	9,082,334	-	-	9,082,334
			-	
Grants	28,243,137	-	-	28,243,137
Contributions	10,483,452	-	-	10,483,452
Contributions - Capital Campaign	1,648,065	-	-	1,648,065
Contributed goods and services	667,383	-	-	667,383
Program fees	100,083,374	-	-	100,083,374
Other operating revenue	224,183	339,774	(359,667)	204,290
Total public support and other revenue	150,431,928	339,774	(359,667)	150,412,035
Net assets released from restrictions:				
Satisfaction of program restrictions	-	-	-	-
Total public support and other revenue and net assets released from restrictions	150,431,928	339,774	(359,667)	150,412,035
Operating expenses				
Program services	138,210,216	1,572,899	(7,925)	139,775,190
Supporting services:				
General and administrative	1,112,869	788,194	(342,989)	1,558,074
Fund-raising	7,468,312	75,068	(8,753)	7,534,627
Total supporting services	8,581,181	863,262	(351,742)	9,092,701
Total operating expenses	146,791,397	2,436,161	(359,667)	148,867,891
Change in net assets before non-operating income/gains (losses) and other revenue	3,640,531	(2,096,387)	-	1,544,144
Non-operating income/gains (losses) and other revenue				
Net investment return	(3,979,060)	-	-	(3,979,060)
Unrealized gains on trusts held by third parties	(1,038,429)	-	-	(1,038,429)
Change in value of split-interest agreements	(174,518)	-	-	(174,518)
Other nonoperating revenue	1,096,775	-	-	1,096,775
Donation of construction in progress	(44,205)	44,205	-	-
Total non-operating income/gains (losses) and other revenue	(4,139,437)	44,205	-	(4,095,232)
Change in net assets	(498,906)	(2,052,182)	-	(2,551,088)
Net assets, beginning of year	112,333,278	35,546,866	-	147,880,144
Net assets, end of year	$ 111,834,372	$ 33,494,684	$ -	$ 145,329,056