

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

**Consolidated Financial Statements  
and Supplemental Information**  
Years Ended June 30, 2024 and 2023

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional service corporation, is the U.S. member of BDO International Limited, a UK company limited by guarantee.



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

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

## Description of Organization (Unaudited)

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

In 1969, during a time when homosexuality was criminalized and classified as a psychiatric disorder, a brave group of Los Angeles social workers and other volunteers began providing food, shelter, and counseling to homeless LGBTQ+ youth and young adults. These volunteers formed The Gay Community Service Center that became the first openly LGBTQ+ organization to achieve nonprofit, tax-exempt status in 1974.

The Center brings over 50 years of experience to dismantling systemic barriers faced by the LGBTQ+ community. The Center helps fight against bigotry and the struggle to build a better world in which LGBTQ+ people can be healthy, equal, and complete members of society. Our holistic model of care addresses the unique needs of the LGBTQ+ community at all stages of their lives.

Today, the Center has a team of over 800 staff members and has nearly 1,000 volunteers who are dedicated to serving more than 35,000 LGBTQ+ youth and adults annually, representing the full ethnic and racial diversity of Los Angeles. Programming is offered at our 10 sites in: Boyle Heights, South Los Angeles, Koreatown, West Hollywood, and six facilities in Hollywood.

The Center offers culturally competent services in the areas of:

**Healthcare** - The agency's Federally Qualified Health Center offers primary care, HIV/AIDS specialty care, sexual health education, HIV/STD prevention services, transgender healthcare, mental health counseling, addiction-recovery treatment, and a clinical research program. In fiscal year 2024, the Center completed nearly 101,000 medical and behavioral health visits across all sites with just over 15,000 unique patients accessing health services, excluding thousands of community members also benefiting from the Center's sexual health education efforts.

**Social Services and Housing** - The Center operates one of California's largest housing-oriented unhoused youth programs, offering individual case management, medical and mental health care, and education and employment programs that reached over 1,900 youth ages 18-24 in fiscal year 2024, with over 50,000 visits to the youth drop-in center. The Center's transgender specialty programs reached more than 2,700 individuals in fiscal year 2024 through support groups, life skills workshops, employment counseling, case management, and more. Senior Services provides affordable housing, case management, housing navigation, support groups, daily lunch and a food pantry, employment counseling with access to intergenerational training programs, and an array of activities to combat social isolation to over 2,800 seniors. Also, in fiscal year 2024, the Center's multigenerational culinary training program trained 47 youth and seniors who prepared and served over 115,000 meals for youth and senior clients.

**Cultural Arts and Education** - Programs in this area include award-winning theatrical productions, exhibitions, LGBTQ+ Pride events, arts education classes, support services for trans and gender non-conforming adults, and a charter school for LGBTQ+ youth. In fiscal year 2024, the Center presented 120 events to 8,913 attendees, a 49% increase from fiscal year 2023 resulting in the highest attendance total since the cultural arts program began 25 years ago. Of that total, 64% were first-time attendees.

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

## Description of Organization (Unaudited)

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**Leadership and Advocacy** - Programmatic areas include youth mentorship and empowerment programs, leadership development for community members, legal services, policy and advocacy efforts, and participation in programs deepening civic engagement. In fiscal year 2024, the Center provided legal services to 855 individuals. The Community Mobilization team reached nearly 2,300 voters in North Carolina and the Glendale (Los Angeles County) Unified School District to reduce anti-transgender bias, while the Center's National LGBTQ Institute on Intimate Partner Violence trained almost 4,600 providers in the domestic violence, intimate partner violence and sexual assault fields. The Center Policy team played a key role in achieving significant legislative and budgetary victories in the areas of crime funding, ADAP (AIDS Drug Assistance Program) funding extensions, access to no-cost preventive sexual health services, state funding for VOCA (Victims of Crime Act) programs, and the passage of the California SAFTEY Act which bans forced outing policies in California schools.

In addition to services for our own clients, the Center has also developed cultural competency trainings that bring change to the places where LGBTQ+ people work, live, and seek services. This includes specialized instruction for healthcare and social service providers, aging-care professionals, child welfare workers, school districts, law enforcement, legal professionals, employers, and more.

Information about the Los Angeles LGBT Center and its programs and services is available on the Web at [www.lalgbtcenter.org](http://www.lalgbtcenter.org).



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

515 Flower Street  
47<sup>th</sup> 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, 2024 and 2023, and the related consolidated statements of activities, 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 Center as of June 30, 2024 and 2023, 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.

### ***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.

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### ***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, P.C.*

Los Angeles, California  
March 19, 2025

## **Consolidated Financial Statements**

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

**Consolidated Statements of Financial Position**

<i>June 30,</i>	2024	2023
<b>Current assets</b>		
Cash and cash equivalents	\$ 3,587,078	\$ 9,680,833
Restricted cash	289,377	918,112
Accounts and other receivables	407,157	395,608
Clinic fees receivable, net	17,003,333	14,340,204
Contracts and grants receivable, net	9,610,526	7,152,137
Pledges receivable, net	1,091,487	475,888
Short-term investments	18,081,194	28,081,538
Inventories	1,329,569	1,064,872
<b>Total current assets</b>	<b>51,399,721</b>	<b>62,109,192</b>
<b>Noncurrent assets</b>		
Contributions receivable - held in trust	2,634,594	2,442,185
Beneficial interests in trusts	2,855,111	2,924,607
Receivable from affiliates	6,199,748	5,988,500
Leverage loan receivable	-	28,910,100
Pledges receivable, net	356,841	423,998
Long-term investments	28,969,318	26,099,958
Property and equipment, net	95,494,037	98,001,547
Operating lease right of use asset (ROU)	1,349,481	1,851,153
Other assets	3,984,980	4,215,833
<b>Total noncurrent assets</b>	<b>141,844,110</b>	<b>170,857,881</b>
<b>Total assets</b>	<b>\$ 193,243,831</b>	<b>\$ 232,967,073</b>
<b>Current liabilities</b>		
Accounts payable	\$ 5,258,885	\$ 4,591,908
Accrued expenses and other liabilities	13,046,674	12,354,903
Unearned revenue	3,993,840	4,277,889
Interest payable	2,880,534	2,600,606
Current portion of annuities payable	268,663	239,563
Current portion of ROU operating lease liability	642,342	599,822
Current portion of long-term debt	112,774	384,445
<b>Total current liabilities</b>	<b>26,203,712</b>	<b>25,049,136</b>
<b>Noncurrent liabilities</b>		
Annuities payable, net of current portion	1,065,535	1,050,754
ROU operating lease liability, net of current portion	698,661	1,264,444
Long-term debt, net of current portion	16,352,443	57,340,479
<b>Total noncurrent liabilities</b>	<b>18,116,639</b>	<b>59,655,677</b>
<b>Total liabilities</b>	<b>44,320,351</b>	<b>84,704,813</b>
<b>Commitments and Contingencies (Note 16)</b>		
<b>Net assets</b>		
Without donor restrictions	139,780,002	140,031,649
With donor restrictions	9,143,478	8,230,611
<b>Total net assets</b>	<b>148,923,480</b>	<b>148,262,260</b>
<b>Total liabilities and net assets</b>	<b>\$ 193,243,831</b>	<b>\$ 232,967,073</b>

*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**

<i>Year ended June 30, 2024</i>	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public support and other revenue</b>			
Public support:			
Special events revenue:			
Gross receipts	\$ 5,867,774	\$ 448,597	\$ 6,316,371
Less costs of direct benefits to donors	(164,551)	-	(164,551)
Net special events revenue	5,703,223	448,597	6,151,820
Grants	32,265,305	-	32,265,305
Contributions	13,885,133	561,294	14,446,427
Contributions - Capital Campaign	1,432,083	-	1,432,083
Contributed goods and services	642,256	-	642,256
Patient service revenues	110,583,072	-	110,583,072
Other operating revenue	2,293,301	-	2,293,301
Total public support and other revenue	166,804,373	1,009,891	167,814,264
Net assets released from restrictions:			
Satisfaction of program restrictions	209,085	(209,085)	-
Total public support and other revenue and net assets released from restrictions	167,013,458	800,806	167,814,264
<b>Operating expenses</b>			
Program services	171,889,785	-	171,889,785
Supporting services:			
General and administrative	4,241,671	-	4,241,671
Fundraising	8,244,767	-	8,244,767
Total supporting services	12,486,438	-	12,486,438
Total operating expenses	184,376,223	-	184,376,223
Change in net assets before non-operating income/gains (losses) and other revenue	(17,362,765)	800,806	(16,561,959)
<b>Non-operating income/gains (losses) and other revenue</b>			
Investment income	4,267,475	208,433	4,475,908
Unrealized gain on trusts held by third parties	-	122,913	122,913
Change in value of split-interest agreements	-	(219,285)	(219,285)
Other non-operating revenue	829,622	-	829,622
Gain on dissolution of New Market Tax Credits	12,014,021	-	12,014,021
Total non-operating income/gains (losses) and other revenue	17,111,118	112,061	17,223,179
Change in net assets	(251,647)	912,867	661,220
Net assets, beginning of year	140,031,649	8,230,611	148,262,260
Net assets, end of year	\$ 139,780,002	\$ 9,143,478	\$ 148,923,480

*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)**

<i>Year ended June 30, 2023</i>	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public support and other revenue</b>			
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
Patient service revenues	99,438,938	-	99,438,938
Other operating revenue	1,482,506	-	1,482,506
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
<b>Operating expenses</b>			
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)
<b>Non-operating income/gains (losses) and other revenue</b>			
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 Statement of Functional Expenses**

	Program Services				Supporting Services			Total
	Health Services	Social Services	Other Programs Services	Total Program Services	General and Administrative	Fundraising	Total Supportive Services	
<i>Year ended June 30, 2024</i>								
Program Staff Salaries	\$ 34,674,060	\$ 12,612,897	\$ 2,593,058	\$ 49,880,015	\$ -	\$ 2,597,463	\$ 2,597,463	\$ 52,477,478
Administration Salaries	1,402,258	2,260,133	614,453	4,276,844	6,670,203	330,536	7,000,739	11,277,583
Employee Benefits	5,789,992	3,022,859	502,593	9,315,444	827,594	433,368	1,260,962	10,576,406
Employer Taxes	2,796,107	1,208,104	244,514	4,248,725	484,334	219,965	704,299	4,953,024
Medical Supplies	68,566,855	-	-	68,566,855	-	-	-	68,566,855
Supplies	229,123	515,381	37,896	782,400	114,600	15,612	130,212	912,612
Facilities, Repairs and Maintenance	897,275	600,363	25,975	1,523,613	77,589	14,479	92,068	1,615,681
Telephone and Utilities	436,162	483,261	62,062	981,485	563,522	29,178	592,700	1,574,185
Advertising, Printing and Postage	520,628	117,929	12,090	650,647	227,821	334,768	562,589	1,213,236
Insurance	50,193	192,716	17,315	260,224	794,373	6,349	800,722	1,060,946
Travel	44,945	55,866	83,649	184,460	43,133	47,670	90,803	275,263
Professional Fees and Contracted Services	2,647,515	992,015	1,021,956	4,661,486	1,742,456	562,923	2,305,379	6,966,865
Event Expenses	1,019,438	476,141	362,119	1,857,698	144,456	2,421,146	2,565,602	4,423,300
Equipment Lease and Repair	1,294,713	442,752	138,378	1,875,843	1,001,989	114,187	1,116,176	2,992,019
Client Services	730,862	2,322,946	2,601	3,056,409	30	780	810	3,057,219
Lab Testing	2,243,345	-	-	2,243,345	-	-	-	2,243,345
Taxes and Licenses	35,491	31,591	6,183	73,265	29,719	2,192	31,911	105,176
Educational Materials	47,339	47,125	-	94,464	424	-	424	94,888
Staff and Board Development	294,651	80,869	109,227	484,747	167,533	46,341	213,874	698,621
Interest Expense	-	506,424	14,443	520,867	161,531	23,131	184,662	705,529
ROU Lease Expense	668,417	-	-	668,417	-	-	-	668,417
Miscellaneous	54,777	83,751	-	138,528	2,792,070	2,270	2,794,340	2,932,868
Contributed Goods and Services	220,763	36,275	44,578	301,616	27,110	313,530	340,640	642,256
Bank, Payroll and Investment Fees	23	22,145	7	22,175	585,061	98,271	683,332	705,507
Depreciation and amortization	683,621	1,992,954	193,787	2,870,362	800,349	130,784	931,133	3,801,495
Total expenses	125,348,553	28,104,497	6,086,884	159,539,934	17,255,897	7,744,943	25,000,840	184,540,774
Allocated General and Administrative	8,471,454	3,219,273	659,124	12,349,851	(13,014,226)	664,375	(12,349,851)	-
Total expense by function	133,820,007	31,323,770	6,746,008	171,889,785	4,241,671	8,409,318	12,650,989	184,540,774
Less expenses included with revenues on the statement of activities								
Cost of direct benefit to donors	-	-	-	-	-	(164,551)	(164,551)	(164,551)
Total expenses included in the expense section on the statement of activities	\$ 133,820,007	\$ 31,323,770	\$ 6,746,008	\$ 171,889,785	\$ 4,241,671	\$ 8,244,767	\$ 12,486,438	\$ 184,376,223

*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)**

Year ended June 30, 2023	Program Services				Supporting Services			Total
	Health Services	Social Services	Other Program Services	Total Program Services	General and Administrative	Fundraising	Total Supportive Services	
Program Staff Salaries	\$ 30,589,685	\$ 11,402,300	\$ 2,387,281	\$ 44,379,266	\$ -	\$ 2,409,396	\$ 2,409,396	\$ 46,788,662
Administration Salaries	1,189,852	1,997,116	616,208	3,803,176	5,683,906	327,424	6,011,330	9,814,506
Employee Benefits	4,978,558	2,630,438	409,360	8,018,356	782,050	363,463	1,145,513	9,163,869
Employer Taxes	2,469,901	1,112,254	252,958	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	211,774	461,687	34,503	707,964	105,641	22,051	127,692	835,656
Facilities, Repairs and Maintenance	650,047	461,042	26,380	1,137,469	101,924	23,975	125,899	1,263,368
Telephone and Utilities	395,123	455,388	63,574	914,085	602,049	36,758	638,807	1,552,892
Advertising, Printing and Postage	541,939	155,808	72,212	769,959	131,328	240,881	372,209	1,142,168
Insurance	44,527	94,065	15,360	153,952	681,537	5,632	687,169	841,121
Travel	38,325	63,023	52,656	154,004	42,776	51,813	94,589	248,593
Professional Fees and Contracted Services	2,277,111	1,012,808	1,271,090	4,561,009	1,256,520	631,129	1,887,649	6,448,658
Event Expenses	1,064,545	1,032,792	263,209	2,360,546	61,638	1,524,443	1,586,081	3,946,627
Equipment Lease and Repair	924,398	244,407	154,834	1,323,639	886,841	109,473	996,314	2,319,953
Client Services	709,181	1,834,289	9,039	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	37,126	66,993	6,236	110,355	33,080	2,393	35,473	145,828
Educational Materials	32,306	47,572	-	79,878	-	-	-	79,878
Staff and Board Development	275,505	92,152	25,327	392,984	223,699	111,631	335,330	728,314
Interest Expense	1,525	445,053	15,174	461,752	164,764	23,650	188,414	650,166
Lease Expense - ROU Lease	693,551	-	-	693,551	-	-	-	693,551
Miscellaneous	28,215	96,327	4,839	129,381	102,330	12,838	115,168	244,549
Contributed Goods and Services	173,220	19,411	32,529	225,160	504	218,046	218,550	443,710
Bank, Payroll and Investment Fees	118	18,585	-	18,703	546,000	255,930	801,930	820,633
Depreciation and amortization	737,667	1,772,660	180,067	2,690,394	756,499	122,496	878,995	3,569,389
Total expenses	114,362,608	25,516,736	5,892,836	145,772,180	12,592,391	6,713,223	19,305,614	165,077,794
Allocated General and Administrative	7,515,232	2,936,929	617,333	11,069,494	(11,690,590)	621,096	(11,069,494)	-
Total expense by function	121,877,840	28,453,665	6,510,169	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	\$ 121,877,840	\$ 28,453,665	\$ 6,510,169	\$ 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 Statements of Cash Flows**

**Increase (Decrease) in Cash**

<i>Years ended June 30,</i>	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 661,220	\$ 2,933,204
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,801,495	3,569,389
Gain on dissolution of New Market Tax Credits	(12,014,021)	-
Amortization of right-of-use assets - operating leases	648,104	693,551
Allowance for bad debt	449,471	84,464
Realized investment loss	245,181	1,101,464
Unrealized investment (gain)	(3,053,952)	(2,252,647)
Change in donor restricted split-interest agreements and trusts	(122,913)	(246,352)
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	(41,364)	(120,164)
Receivable from affiliates	(211,248)	(197,207)
Clinic fees receivable, net	(2,845,869)	(6,655,677)
Contracts and grants receivable, net	(2,580,908)	(1,414,855)
Pledges receivable, net	(2,105,368)	(391,648)
Inventories	(264,697)	498,197
Other assets	230,853	105,751
Operating lease right of use asset (ROU)	(146,432)	(2,544,704)
Accounts payable	666,977	105,265
Accrued expenses and other liabilities	691,771	2,487,967
Unearned revenue	(284,049)	(485,269)
Interest payable	279,928	303,232
ROU operating lease liability	(523,263)	1,864,266
Annuities payable	43,881	10,203
<b>Net cash used in operating activities</b>	<b>(16,475,203)</b>	<b>(10,814,169)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(1,246,134)	(1,231,119)
Purchase of investments	(19,491,289)	(29,515,631)
Proceeds from sale of investments	29,625,411	34,904,585
Interest income reinvested	(194,367)	(1,128,463)
Proceeds from business acquisitions	-	517,612
<b>Net cash provided by investing activities</b>	<b>8,693,621</b>	<b>3,546,984</b>
<b>Cash flows from financing activities</b>		
Cash received from capital campaign contributions	1,442,529	1,885,359
Repayments of capital lease obligations	-	(2,800)
Repayments of notes payable obligations	(383,437)	(44,643)
<b>Net cash provided by financing activities</b>	<b>1,059,092</b>	<b>1,837,916</b>
<b>Net decrease in cash and cash equivalents and restricted cash</b>	<b>(6,722,490)</b>	<b>(5,429,269)</b>
<b>Cash and cash equivalents and restricted cash, beginning of year</b>	<b>10,598,945</b>	<b>16,028,214</b>
<b>Cash and cash equivalents and restricted cash, end of year</b>	<b>\$ 3,876,455</b>	<b>\$ 10,598,945</b>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid during the year for interest	\$ 425,601	\$ 541,825
<b>Supplemental disclosure of non-cash activities</b>		
Gain on dissolution of New Market Tax Credits	\$ 12,014,021	\$ -
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.*

# **Los Angeles LGBT Center and Affiliates**

## **(a nonprofit California corporation)**

### **Notes to the Consolidated Financial Statements**

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#### **1. Organization**

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

##### ***Affiliated Organizations***

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 maintained separate financial statements apart from the Center and Campus LLC. AMR QALICB's assets and liabilities were not available to satisfy the debts and other obligations of the Center, Campus LLC or any other entity. AMR QALICB was dissolved on June 26, 2024, at which time the property assets were transferred to the Los Angeles LGBT Center and the tax credits were recognized as a gain in non-operating revenue.

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 and wholly owned subsidiary of the Center formed on September 14, 2022. On February 1, 2023, Triangle LLC acquired 97% of Encore LP.

#### **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).

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

**Notes to the Consolidated Financial Statements**

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***Consolidation***

The consolidated financial statements include the accounts of the Center, Campus LLC and AMR QALICB, GLEH-LA, and Triangle Square LLC. All significant intercompany 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, 2024 and 2023.

AMR QALICB, whose financial performance are consolidated with the Center's, was 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 \$289,377 and \$918,112 as of June 30, 2024 and 2023, respectively, are classified as restricted cash on the accompanying *Consolidated Statements of Financial Position*.

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

**Notes to the Consolidated Financial Statements**

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***Clinic Fees Receivable, Net***

Clinic fees receivable represent balances due to the Center for services provided to clients prior to and including June 30, 2024 and 2023. 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 for 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, 2024 and 2023 were calculated based on the Annuity 2000 Mortality Table. At June 30, 2024 and 2023, annuities payable were \$1,334,198 and \$1,290,317, respectively.

The contributed assets of \$3,581,290 and \$3,281,290 at June 30, 2024 and 2023, 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.



**Los Angeles LGBT Center and Affiliates**  
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**Notes to the Consolidated Financial Statements**

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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, 2024 and 2023 are 5.6% and 4.2%, 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.

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**Los Angeles LGBT Center and Affiliates**  
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**Notes to the Consolidated Financial Statements**

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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:

- |                |  |
|----------------|--|
| <i>Level 1</i> | Quoted prices in active markets for identical assets or liabilities that the Center has the ability to access as of the measurement date.  |
| <i>Level 2</i> | 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. |
| <i>Level 3</i> | 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, 7.1% and 8.0%, which is 12-month LIBOR rate plus 2%, as of both June 30, 2024 and 2023, 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.

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**Los Angeles LGBT Center and Affiliates**  
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**Notes to the Consolidated Financial Statements**

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***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:

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

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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 2024 and 2023, 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, 2024 consisted of \$779,812 related to grants, \$523,116 related to events and \$2,690,912 related to conditional private foundation grants. Unearned revenue at June 30, 2023 consisted of \$543,214 related to grants, \$176,113 related to events and \$3,558,562 related to conditional private foundation grants.

**Los Angeles LGBT Center and Affiliates**  
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**Notes to the Consolidated Financial Statements**

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***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, 7.1% and 8.0%, which is 12-month LIBOR rate plus 2.00%, as of June 30, 2024 and 2023, 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 \$311,945 and \$217,626 for the years ended June 30, 2024 and 2023, 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 \$330,311 and \$226,083 for the years ended June 30, 2024 and 2023, 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 \$260,640 and \$162,405 for the years ended June 30, 2024 and 2023, respectively.

**Los Angeles LGBT Center and Affiliates**  
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**Notes to the Consolidated Financial Statements**

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***Patient Service Revenues***

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

Revenue from patient services 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 patient services 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 patient services 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 probable 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.

**Los Angeles LGBT Center and Affiliates**  
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**Notes to the Consolidated Financial Statements**

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***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, 2024 and 2023, 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, 2019 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.

**Los Angeles LGBT Center and Affiliates**  
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**Notes to the Consolidated Financial Statements**

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***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 known as the Gil Garfield Fund for the Creative and Performing Arts to exclusively support programming for the creative and performing arts program at the Center. As of June 30, 2024 and 2023, 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.

**Los Angeles LGBT Center and Affiliates**  
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**Notes to the Consolidated Financial Statements**

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***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 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*).

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 adopted this standard in the fiscal year June 30, 2024 with no significant impact.

***Reclassifications***

Certain prior year amounts in the consolidated financial statements and accompanying notes have been reclassified to conform to the current year presentation. The reclassifications had no material effect on previously reported consolidated total assets, total liabilities, total net assets, change in net assets, total functional expenses or total cash flows.



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**3. Clinic Fees Receivable**

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

<i>June 30,</i>	<b>2024</b>	<b>2023</b>
Medi-Cal	\$ 11,907,474	\$ 10,693,296
Commercial insurance	3,164,629	2,069,631
AIDS Drug Assistance Program (ADAP)	1,539,090	1,517,555
Enrollment fees	381,476	109,200
Client fees	200,466	7,701
Medicare	69,508	31,145
Other	39,647	27,893
Less: allowance for uncollectible clinic fees receivable	(298,957)	(116,217)
	<b>\$ 17,003,333</b>	<b>\$ 14,340,204</b>

**4. Pledges Receivable**

Pledges receivable, are as follows:

<i>June 30,</i>	<b>2024</b>	<b>2023</b>
Pledges receivable	\$ 1,559,258	\$ 1,041,394
Less: unamortized discount	(67,729)	(111,044)
Less: allowance for uncollectible pledges	(43,201)	(30,464)
Net pledges receivable	<b>\$ 1,448,328</b>	<b>\$ 899,886</b>

Gross pledges receivable, are due as follows:

<i>June 30,</i>	<b>2024</b>	<b>2023</b>
Less than one year	\$ 1,134,688	\$ 506,352
One to five years	420,000	525,000
More than five years	4,570	10,042
Pledges receivable	<b>\$ 1,559,258</b>	<b>\$ 1,041,394</b>

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.

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During the year ended June 30, 2024, total cash collected related to the Capital Campaign was \$1,442,529. For the year ended June 30, 2024, the Center recognized \$1,432,083 as revenue, including an unamortized discount of \$39,554. As of June 30, 2024, the Center had signed Statements of Intent in the amount of \$3,884,027 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, 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.

**5. Contributions Receivable - Held in Trust and Beneficial Interest in Trusts**

Contributions receivable held in trust at June 30, 2024 and 2023 were \$2,634,594 and \$2,442,185, 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, 2024 and 2023. 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, 2024 and 2023 was \$125,583 and \$125,583, 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, 2024 and 2023.

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, 2024 and 2023, independent appraisals were obtained to determine the fair market value. These amounts are classified as net assets with donor restrictions. At June 30, 2024 and 2023, the charitable remainder trust was adjusted to its estimated fair value of \$1,353,085 and \$1,520,348, respectively, and the change in fair value was classified as unrealized gain/(loss) on trusts held by third parties of \$(167,263) and \$7,185 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. See Note 18.

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Beneficial interests in trusts at June 30, 2024 and 2023 were \$2,855,111 and \$2,924,607, 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 accrued 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. This loan was extinguished during the year ended June 30, 2024 when the dissolution of NMTC transaction occurred. See Note 24.

The leverage loan receivable at June 30, 2024 and 2023, is as follows:

<i>June 30,</i>	<b>2024</b>	<b>2023</b>
AMR Campus Investment Fund, LLC with interest accrued 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 were due quarterly through maturity in June 23, 2041.	\$ -	\$ 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:

<i>June 30,</i>	<b>2024</b>	<b>2023</b>
211LA	\$ 30,267	\$ -
AbbVie Inc.	29,449	-
Alliance for Housing and Healing	43,445	78,322
American Bar Association	20,000	-
Brown University School of Public Health	4,616	5,973
California Department of Health Care Services	38,462	7,140
California Department of Public Health	495,035	-
California Department of Social Services	-	105,100
California Office of AIDS	-	116,287
California Office of Emergency Services	189,450	288,466
City of Los Angeles	306,303	153,455
City of West Hollywood	2,698	60,089
Inner City Law Center	-	5,269
Los Angeles County	4,700,072	3,907,436
Los Angeles Homeless Services Authority	1,652,146	974,906
Public Health Foundation Enterprise, Inc. - DBA Heluna Health	127,179	96,485
Represent LA Program Administrator, Coalition for Humane Immigrant Rights	234,182	204,349
San Diego State Research University Foundation	65,933	76,572
Santa Clara County	16,900	-
Special Services for Groups, Inc	12,629	10,005
The Board of Trustees of the Leland Stanford Junior University	60,855	34,463
The General Hospital Corporation	-	4,868
The People Concern OPCC & LAMP Community United	-	186,858
United Way of Greater Los Angeles	-	65,891
University of California, Los Angeles	846,292	277,958
University of Southern California	11,456	8,221
U.S. Department of Health & Human Services	452,873	425,088
U.S. Department of Justice	620,769	276,759
U.S. Department of State	6,606	2,407
Whitman-Walker Institute	10,000	10,885
Allowance for Contracts and Grants Receivable	(367,091)	(231,115)
Net Contract and Grant Receivables	\$ 9,610,526	\$ 7,152,137

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**8. Investments**

Investments consist of the following:

<i>June 30,</i>	<b>2024</b>	<b>2023</b>
Mutual funds	\$ 21,169,545	\$ 25,078,838
Equity securities	12,218,791	11,276,916
Fixed income securities	4,900,251	9,789,935
Non-traditional securities	8,761,925	8,035,807
	<b>\$ 47,050,512</b>	<b>\$ 54,181,496</b>

Net investment return consists of the following:

<i>Years ended June 30,</i>	<b>2024</b>	<b>2023</b>
Dividend income	\$ 1,724,339	\$ 1,420,590
Interest income	157,834	154,089
Total dividend and interest	<b>1,882,173</b>	<b>1,574,679</b>
Gross realized losses from sale of securities	(727,916)	(2,324,744)
Gross realized gains from sale of securities	482,735	1,223,279
Gross unrealized losses on fixed income securities	(126,309)	(157,489)
Gross unrealized gains on fixed income securities	-	190,531
Gross unrealized losses on equity securities	-	(2,431,191)
Gross unrealized gains on equity securities	1,203,729	3,999,158
Gross unrealized gains on non-traditional securities	959,222	490,085
Gross unrealized losses on mutual funds	-	(1,748,513)
Gross unrealized gains on mutual funds	1,017,310	1,910,124
Investments charges	(215,036)	(179,979)
Total realized and unrealized gains, net	<b>2,593,735</b>	<b>971,261</b>
Net investment return	<b>\$ 4,475,908</b>	<b>\$ 2,545,940</b>

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.

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**9. Fair Value Measurements**

The following tables summarize the Center's fair value measurements by level at June 30, 2024 and 2023 for the assets and liabilities measured at fair value on a recurring basis:

<i>June 30, 2024</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Mutual funds	\$ 21,169,545	\$ -	\$ -	\$ 21,169,545
Equity securities	12,218,791	-	-	12,218,791
Fixed income securities	4,900,251	-	-	4,900,251
Non-traditional securities	-	-	8,761,925	8,761,925
Contributions receivable, held in trust	2,634,594	-	-	2,634,594
Beneficial interests in trusts	-	-	2,855,111	2,855,111
<b>Total assets at fair value</b>	<b>\$ 40,923,181</b>	<b>\$ -</b>	<b>\$ 11,617,036</b>	<b>\$ 52,540,217</b>
<b>Annuities payable</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,334,198</b>	<b>\$ 1,334,198</b>

<i>June 30, 2023</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
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
<b>Total assets at fair value</b>	<b>\$ 48,587,874</b>	<b>\$ -</b>	<b>\$ 10,960,414</b>	<b>\$ 59,548,288</b>
<b>Annuities payable</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,290,317</b>	<b>\$ 1,290,317</b>

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.

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*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, 2024 and 2023:

<i>June 30,</i>	<b>2024</b>	<b>2023</b>
<b>Beginning balance</b>	<b>\$ 10,960,414</b>	<b>\$ 5,115,328</b>
Purchase of non-traditional securities	<b>11,000</b>	<b>5,355,001</b>
Proceeds from beneficial interests in trusts	<b>-</b>	<b>-</b>
Total net gains (losses) included in change in net assets (realized/unrealized)	<b>645,622</b>	<b>490,085</b>
<b>Ending balance</b>	<b>\$ 11,617,036</b>	<b>\$ 10,960,414</b>

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, 2024 and 2023:

<i>June 30,</i>	<b>2024</b>	<b>2023</b>
<b>Beginning balance</b>	<b>\$ 1,290,317</b>	<b>\$ 1,280,114</b>
Change in value of split-interest agreements	<b>219,285</b>	<b>249,767</b>
Receipts	<b>86,064</b>	<b>-</b>
Payments	<b>(261,468)</b>	<b>(239,564)</b>
<b>Ending balance</b>	<b>\$ 1,334,198</b>	<b>\$ 1,290,317</b>

There were no changes in the valuation methodologies.

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**Notes to the Consolidated Financial Statements**

**10. Property and Equipment**

Property and equipment consist of the following:

<i>June 30,</i>	<b>2024</b>	<b>2023</b>
Land	\$ 25,862,136	\$ 25,862,136
Buildings and improvements	88,057,987	87,808,437
Leasehold improvements	3,170,118	3,170,118
Furniture, fixtures and equipment	5,580,683	5,046,695
Computers and software	5,118,699	4,346,618
Construction in progress	413,519	723,004
<b>Total property and equipment</b>	<b>128,203,142</b>	<b>126,957,008</b>
<b>Less: accumulated depreciation and amortization</b>	<b>(32,709,105)</b>	<b>(28,955,461)</b>
<b>Total property and equipment, net of depreciation and amortization</b>	<b>\$ 95,494,037</b>	<b>\$ 98,001,547</b>

Depreciation and amortization expense was \$3,753,644 and \$3,521,705 for the years ended June 30, 2024 and 2023, respectively. The Center did not dispose of any assets for the years ended June 30, 2024 and 2023.

**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, 2024 and 2023 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*.

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**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 obligations are summarized as follows:

<i>June 30,</i>	<b>2024</b>	<b>2023</b>
<hr/>		
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.	<b>\$ 4,930,159</b>	<b>\$ 4,930,159</b>
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.	<b>350,954</b>	<b>350,954</b>
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 converts to principal and interest; annual principal payments to be repaid from residual receipts of operations (as defined). See Note 24.	-	<b>10,210,500</b>
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 converts to principal and interest; annual principal payments to be repaid from residual receipts of operations (as defined). See Note 24.	-	<b>4,489,500</b>

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<i>June 30,</i>	<b>2024</b>	<b>2023</b>
<i>(continued)</i>		
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
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
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
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
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
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
Note payable to California Housing Finance Agency (CalHFA) in the amount of \$2,560,000 and accrues interest at 3% per year; 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.	<b>1,148,192</b>	<b>1,257,637</b>

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<i>June 30,</i>	<b>2024</b>	<b>2023</b>
<i>(continued)</i>		
<p>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 1<sup>st</sup> thereafter until the loan is repaid, an annual payment in an 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.</p>		
	<b>5,073,121</b>	<b>5,073,121</b>
<p>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.</p>		
	<b>515,000</b>	<b>515,000</b>
<p>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 deed 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 31<sup>st</sup>, continuing annually thereafter up to and including the twenty-ninth anniversary of these interest payments. An annual payment in an amount equal to 34.5% of the Net Cash Flow, as defined in the loan agreement, shall be paid to the Lender until the loan is repaid in full. Any outstanding principal and accrued but unpaid interest shall be due and payable on July 11, 2063. See Note 17.</p>		
	<b>4,493,000</b>	<b>4,493,000</b>
Total debt	<b>16,510,426</b>	<b>58,879,871</b>
Less: unamortized cost of issuance	<b>(45,209)</b>	<b>(1,154,947)</b>
Long-term debt, net of unamortized cost of issuance	<b>16,465,217</b>	<b>57,724,924</b>
Less: current portion of long-term debt	<b>(112,774)</b>	<b>(384,445)</b>
Long-term debt, net of current portion	<b>\$ 16,352,443</b>	<b>\$ 57,340,479</b>

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Minimum principal payments on notes payable are summarized as follows:

<i>June 30,</i>	<b>2024</b>	<b>2023</b>
2024	\$ 112,774	\$ 384,445
2025	116,204	1,680,472
2026	119,739	1,704,824
2027	123,381	1,729,557
2028	127,134	1,754,683
Thereafter	15,911,194	51,625,890
<b>Total debt</b>	<b>\$ 16,510,426</b>	<b>\$ 58,879,871</b>

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 \$47,851 and \$47,674 for the years ended June 30, 2024 and 2023, respectively.

Interest expense related to long-term debt, including debt issuance costs, was \$753,380 and \$847,373 for the years ended June 30, 2024 and 2023, respectively.

#### **14. Accrued Expenses and Other Liabilities**

Accrued expenses and other liabilities are as follows:

<i>June 30,</i>	<b>2024</b>	<b>2023</b>
Accrued payroll and other employee expenses	\$ 6,425,634	\$ 5,614,203
Medi-Cal refund reserve	2,812,270	4,788,666
Other liabilities	2,736,223	209,592
Medi-Cal insurance payable	519,289	180,799
Accrued expenses	426,296	1,522,241
Due to grantors	126,962	39,402
<b>Total accrued expenses and other liabilities</b>	<b>\$ 13,046,674</b>	<b>\$ 12,354,903</b>

##### ***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, 2024 and 2023, the total reserve amount is \$2,812,270 and \$4,788,666, respectively. This reserve amounts are for open annual reconciliation report for fiscal years 2020, 2021, 2022, 2023, and 2024.

##### ***Medi-Cal Insurance Payable***

The Center identified some medical claims had been incorrectly billed to Medi-Cal from August 2021 to June 2024 and should be paid back. A reserve was established for fiscal years 2022, 2023 and 2024. As of June 30, 2024 and 2023, the total liability was \$519,289 and \$180,799, respectively.

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**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-foot space in West Hollywood, California. The original term was five years and commenced on September 1, 2015. The Center extended the lease agreement on April 8, 2020 that extended the term for an additional five years commencing on September 1, 2020. The base rent is \$17,000 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 through the end of the lease term.

The Center executed a lease agreement for approximately 2,000 square-foot space in the Boyle Heights area of Los Angeles, California. The Center extended this lease agreement several times including the most recent amendment on April 1, 2022, which extended the lease for an additional 24 months with options to extend. The Center exercised its option to extend the lease term through March 31, 2026. The monthly base rent is \$9,740 and \$9,217 as of June 30, 2024 and 2023, respectively.

The Center executed a lease agreement effective on August 15, 2018 to lease an approximately 5,520 square-foot 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, 2024 is \$17,807, including parking, and commenced on November 1, 2018. The fixed rental adjustment of the base rent is set to change annually on December 15<sup>th</sup>, 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 had a one-time option to terminate the lease by December 14, 2023; the Center did not exercise this option.

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Total right-of-use assets and lease liabilities at June 30 2024 and 2023 are as follows:

	2024	2023
<b>Lease Assets - Classification in Statement of Financial Position</b>		
Operating right-of-use assets	\$ 1,349,481	\$ 1,851,153
<b>Lease Liability - Classification in Statement of Financial Position</b>		
Operating lease liability	\$ 1,341,003	\$ 1,864,266
Less: Current portion Operating lease liability	(642,342)	(599,822)
Long-term Operating lease liability	\$ 698,661	\$ 1,264,444

Total lease costs for the years ended June 30, 2024 and 2023 are as follows:

	2024	2023
<b>Lease Assets - Classification in Statement of Financial Position</b>		
Operating lease cost	\$ 648,104	\$ 629,943

The following table summarizes the supplemental cash flow information for the year ended June 30, 2024 and 2023:

	2024	2023
<b>Cash paid for amounts included in the measurement of lease liabilities</b>		
Operating cash flows from operating leases	\$ 669,695	\$ 680,438

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

	2024	2023
<b>Weighted-average remaining lease term in years:</b>		
Operating leases	1.67	2.71
<b>Weighted-average discount rate:</b>		
Operating leases	3.75%	2.87%

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The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of June 30, 2024:

<i>Years ending June 30,</i>	<i>Amount</i>
2025	\$ 672,718
2026	320,062
2027	165,785
2028	170,759
2029	72,023
Total lease payments	1,401,347
Less interest	(60,344)
Present value of lease liability	\$ 1,341,003

Rent expense is as follows:

<i>Years ending June 30,</i>	<i>2024</i>	<i>2023</i>
Rent expense	\$ 668,417	\$ 693,551
Sublease rental income	(58,964)	(71,130 )
Rent expense, net	\$ 609,453	\$ 622,421

## **16. Commitments and Contingencies**

### ***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.



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**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.

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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
<b>Total assets acquired</b>	<b>13,225,108</b>
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
<b>Total liabilities assumed</b>	<b>13,180,792</b>
<b>Net assets acquired</b>	<b>\$ 44,316</b>

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.

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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 27, 2023, the Center created a permanent endowment known as the Gil Garfield Fund for the Creative and Performing Arts and measured the endowment corpus as \$2,066,700, representing the original gift from the donor. During the year ended June 30, 2024, no additional corpus was contributed to the endowment. On June 30, 2024, the Center has no endowment funds with fair values below the original gift amount. Endowment net assets is \$2,275,133 and \$2,066,700 as of June 30, 2024 and 2023, respectively.

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

<i>Year Ended June 30, 2024</i>	Without Donor Restrictions	With Donor Restrictions	Total
<b>Total investments, beginning of year</b>	\$ 52,114,796	\$ 2,066,700	\$ 54,181,496
<b>Investment Return</b>			
Dividend and interest income	1,846,332	35,841	1,882,173
Realized and unrealized gains, net	2,626,512	182,259	2,808,771
Investment charges	(205,369)	(9,667)	(215,036)
<b>Total investment return</b>	<b>4,267,475</b>	<b>208,433</b>	<b>4,475,908</b>
Investment purchases and sales, net	(10,178,642)	-	(10,178,642)
Dividend and interest income reinvested, net of dividend and interest income and investment charges	(1,428,250)	-	(1,428,250)
<b>Total investments, end of year</b>	<b>\$ 44,775,379</b>	<b>\$ 2,275,133</b>	<b>\$ 47,050,512</b>

## 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, 2024 and 2023.

### *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, 2024 and 2023, the Center holds assets totaling \$1,341,755 and \$1,246,801, 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***

	2024	2023
Without donor restrictions net assets	\$ 139,780,002	\$ 140,031,649

***Net Assets With Donor Restrictions***

Net assets with donor restrictions are subject to the following restrictions at June 30, 2024 and 2023:

	2024	2023
<b>Purpose restrictions</b>		
Development of Anita May Rosenstein Campus	\$ 438,034	\$ 498,380
Health and HIV Prevention Services	493,115	161,163
Youth, Seniors and Legal Services	79,000	109,566
Charitable remainder trusts	2,631,350	2,389,236
Funds to establish an endowment	150,000	150,000
Endowment	2,275,133	2,066,700
<b>Subtotal - purpose restrictions</b>	<b>6,066,632</b>	<b>5,375,045</b>
<b>Time restrictions</b>		
Charitable remainder trusts	2,639,070	2,727,789
For periods after June 30, 2024 and 2023 - general operations	437,776	127,777
<b>Subtotal - time restrictions</b>	<b>3,076,846</b>	<b>2,855,566</b>
<b>Net assets with donor restrictions</b>	<b>\$ 9,143,478</b>	<b>\$ 8,230,611</b>

Net assets of \$209,085 and \$1,584,887 were released from donor and time restrictions in 2024 and 2023, respectively, by incurring expenses related to specific programs that satisfied the restricted purposes.

At June 30, 2024 and 2023, net assets with donor restrictions of \$5,275,768 and \$4,855,703, 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 in charitable remainder trusts and are primarily managed by third-party trustees. 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:

<i>Years ended June 30,</i>	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 3,587,078	\$ 9,680,833
Short-term investments	18,081,194	28,081,538
Accounts and other receivables	407,157	395,608
Clinic fees receivable, net	17,003,333	14,340,204
Contracts and grants receivable, net	9,610,526	7,152,137
Pledges receivable current, net	1,091,487	475,888
Total financial assets available within one year*	49,780,775	60,126,208
Less:		
Amounts unavailable for		
general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	(1,448,328)	(896,886)
Total amounts unavailable for		
general expenditures within one year	(1,448,328)	(896,886)
Total financial assets available to		
management for general expenditures within one year	\$ 48,332,447	\$ 59,229,322

\*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 \$3,871,999 and \$4,258,724 of joint costs for the years ended June 30, 2024 and 2023, respectively, which are not specifically attributable to components of the activities (joint costs).

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These joint costs were allocated as follows:

<i>Years ended June 30,</i>	<b>2024</b>	<b>2023</b>
Fundraising	\$ 3,150,632	\$ 3,331,975
Health/Education/Prevention Program	721,367	926,749
<b>Total</b>	<b>\$ 3,871,999</b>	<b>\$ 4,258,724</b>

### **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 was 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.

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.

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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 included 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 had 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 was then 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.



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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.

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 had 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, 2024 and 2023, on a consolidated basis, the Center had a receivable of \$6,199,747 and \$5,988,500, 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*.

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**Notes to the Consolidated Financial Statements**

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As of June 30, 2024 and 2023, AMR QALICB recorded \$0 and \$9,558,063, respectively, which consist of land acquisitions, donated land, capitalized interest, and closing costs, as land and land development costs. At June 26, 2024, the land was transferred to the Center as a result of the AMR QALICB dissolution (see Note 24).

As of June 30, 2024 and 2023, AMR QALICB had \$0 and \$68,809,640, respectively, recorded as Buildings, including Hard Costs, Soft Costs and Other Costs, related to the Center Component and associated parking. During the years ended June 30, 2024 and 2023, Partnership and TAY LP made no payment to the Center and AMR QALICB for their respective Hard and Soft Costs. At June 26, 2024, the building net of accumulated depreciation was transferred to the Center as a result of the AMR QALICB dissolution. See Note 24.

As of June 30, 2024 and 2023, AMR QALICB had a payable to the Center for \$0 and \$48,071, 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 \$0 and \$495,939, respectively, and AMR QALICB has an offsetting receivable from the Center related to Hard Costs for the Center Component. These two amounts were forgiven as a result of the AMR QALICB dissolution and 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 was 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 bore an interest rate of 1.00% and had an original maturity of June 23, 2041.

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**Notes to the Consolidated Financial Statements**

*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:

	2024	2023
1. QLICI Loan A1 (NMCC)	\$ -	\$ 10,210,500
2. QLICI Loan B1 (NMCC)	-	4,489,500
3. QLICI Loan A2 (GLA)	-	6,807,000
4. QLICI Loan B2 (GLA)	-	2,993,000
5. QLICI Loan A3 (LADF)	-	6,607,000
6. QLICI Loan B3 (LADF)	-	3,393,000
7. QLICI Loan A4 (LIIF)	-	5,285,600
8. QLICI Loan B4 (LIIF)	-	2,474,400
<b>Total</b>	<b>\$ -</b>	<b>\$ 42,260,000</b>

The QLICI Loans bore an interest at a fixed rate equal to 1.33% and was expected to mature on June 23, 2047. The QLICI Loans were recorded in the Center's *Consolidated Statements of Financial Position*. The QLICI Loans were 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 were then 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 was 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 controlled or had 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 have remained invested in the CDEs until June 23, 2024. AMR QALICB had significant reporting requirements to its lenders, including financial reports and community impact reports. AMR QALICB was 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.

The Center and Wells Fargo Community Investment Holdings, LLC (Wells Fargo Holdings) 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 could exercise a put option to sell all interest in the QEI for \$1,000 to the Center. If Wells Fargo Holdings would not exercise the put option within 90 days of the seven-year period, the Center could have exercised a call option to purchase the interest of the QEI at an appraised fair market value.

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**Notes to the Consolidated Financial Statements**

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

On June 26, 2024, Wells Fargo Holdings exercised its put option to sell all interest of the QEI for \$1,000 to the Center. This initiated the dissolution of the NMTC transaction. The Center gained control of all outstanding QLIC Loans payable and the Leverage Loan Receivable. A net gain was earned associated with the dissolution of the \$28,910,100 Leverage Loan Receivable and the \$40,924,121 QLICI Loans Payable, net of debt issuance cost. Including transaction expenses, the Center recorded a \$12,014,021 gain from the NMTC dissolution which helped to finance the construction of the Center Component and associated parking.

Net gain on the dissolution of the New Market Tax Credit transaction consists of the following at June 30, 2024:

	2024
Forgiveness of leverage loan receivable	\$ (28,910,100)
Forgiveness of NMTC QLICI loans payable, net of debt issuance cost	40,924,121
Total	\$ 12,014,021

## **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.

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

**Los Angeles LGBT Center and Affiliates**  
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**Notes to the Consolidated Financial Statements**

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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, 2024 and 2023.

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. 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 some Center 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 19, 2025, 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, 2024.

## Supplemental Information

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

515 Flower Street  
47<sup>th</sup> Floor  
Los Angeles CA 90071

## Independent Auditor's Report on Supplemental Information

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

We have audited the consolidated financial statements of the Los Angeles LGBT Center and Affiliates (the "Center") as of and for the years ended June 30, 2024 and 2023, and have issued our report thereon dated March 19, 2025 which contained an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information, as described in the accompanying table of contents and presented in the following section of this document, is presented for the 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, P.C.*

Los Angeles, California  
March 19, 2025

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**Consolidating Statements of Financial Position**

<i>June 30, 2024</i>	Los Angeles LGBT Center	AMR Campus QALICB, Inc.	GLEH Los Angeles	Triangle Square LLC	Elimination Entries	Consolidated Financials
<b>Current assets</b>						
Cash and cash equivalents	\$ 3,290,147	\$ -	\$ 54,387	\$ 242,544	\$ -	\$ 3,587,078
Restricted cash	-	-	-	289,377	-	289,377
Accounts and other receivables	326,741	-	46,373	34,043	-	407,157
Receivable from affiliates	-	-	-	-	-	-
Clinic fees receivable, net	17,003,333	-	-	-	-	17,003,333
Contracts and grants receivable, net	9,610,526	-	-	-	-	9,610,526
Pledges receivable, net	1,091,487	-	-	-	-	1,091,487
Short-term investments	18,081,194	-	-	-	-	18,081,194
Inventories	1,329,569	-	-	-	-	1,329,569
<b>Total current assets</b>	<b>50,732,997</b>	<b>-</b>	<b>100,760</b>	<b>565,964</b>	<b>-</b>	<b>51,399,721</b>
<b>Noncurrent assets</b>						
Contributions receivable - held in trust	2,634,594	-	-	-	-	2,634,594
Beneficial interests in trusts	2,855,111	-	-	-	-	2,855,111
Receivable from affiliate	6,409,636	-	-	-	(209,888)	6,199,748
Leverage loan receivables	-	-	-	-	-	-
Pledges receivable, net	356,841	-	-	-	-	356,841
Long-term investments	28,969,318	-	-	-	-	28,969,318
Property and equipment, net	82,950,370	-	-	12,543,667	-	95,494,037
Operating lease right of use asset (ROU)	1,349,481	-	-	-	-	1,349,481
Other assets	3,980,746	-	-	4,234	-	3,984,980
<b>Total noncurrent assets</b>	<b>129,506,097</b>	<b>-</b>	<b>-</b>	<b>12,547,901</b>	<b>(209,888)</b>	<b>141,844,110</b>
<b>Total assets</b>	<b>\$ 180,239,094</b>	<b>\$ -</b>	<b>\$ 100,760</b>	<b>\$ 13,113,865</b>	<b>\$ (209,888)</b>	<b>\$ 193,243,831</b>
<b>Current liabilities</b>						
Accounts payable	\$ 5,110,693	\$ -	\$ -	\$ 148,192	\$ -	\$ 5,258,885
Accrued expenses and other liabilities	12,948,154	-	-	98,520	-	13,046,674
Payable to affiliates	-	-	-	209,888	(209,888)	-
Unearned revenue	3,993,840	-	-	-	-	3,993,840
Interest payable	1,255,547	-	-	1,624,987	-	2,880,534
Current portion of annuities payable	268,663	-	-	-	-	268,663
Current portion of ROU operating lease liability	642,342	-	-	-	-	642,342
Current portion of long-term debt	-	-	-	112,774	-	112,774
<b>Total current liabilities</b>	<b>24,219,239</b>	<b>-</b>	<b>-</b>	<b>2,194,361</b>	<b>(209,888)</b>	<b>26,203,712</b>
<b>Noncurrent liabilities</b>						
Annuities payable, net of current portion	1,065,535	-	-	-	-	1,065,535
Long-term ROU operating lease liability, net of current portion	698,661	-	-	-	-	698,661
Long-term debt, net of current portion	5,253,857	-	-	11,098,586	-	16,352,443
<b>Total noncurrent liabilities</b>	<b>7,018,053</b>	<b>-</b>	<b>-</b>	<b>11,098,586</b>	<b>-</b>	<b>18,116,639</b>
<b>Total liabilities</b>	<b>31,237,292</b>	<b>-</b>	<b>-</b>	<b>13,292,947</b>	<b>(209,888)</b>	<b>44,320,351</b>
<b>Commitments and Contingencies (Note 16)</b>						
<b>Net assets</b>						
Without donor restrictions	139,858,324	-	100,760	(179,082)	-	139,780,002
With donor restrictions	9,143,478	-	-	-	-	9,143,478
<b>Total net assets</b>	<b>149,001,802</b>	<b>-</b>	<b>100,760</b>	<b>(179,082)</b>	<b>-</b>	<b>148,923,480</b>
<b>Total liabilities and net assets</b>	<b>\$ 180,239,094</b>	<b>\$ -</b>	<b>\$ 100,760</b>	<b>\$ 13,113,865</b>	<b>\$ (209,888)</b>	<b>\$ 193,243,831</b>



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**Consolidating Statements of Financial Position (Continued)**

June 30, 2023	Los Angeles LGBT Center	AMR Campus QALICB, Inc.	GLEH Los Angeles	Triangle Square LLC	Elimination Entries	Consolidated Financials
<b>Current assets</b>						
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
<b>Total current assets</b>	<b>60,800,013</b>	<b>1,291,705</b>	<b>97,637</b>	<b>512,750</b>	<b>(592,913)</b>	<b>62,109,192</b>
<b>Noncurrent assets</b>						
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
<b>Total noncurrent assets</b>	<b>131,315,968</b>	<b>71,342,731</b>	<b>-</b>	<b>12,732,476</b>	<b>(44,533,294)</b>	<b>170,857,881</b>
<b>Total assets</b>	<b>\$ 192,115,981</b>	<b>\$ 72,634,436</b>	<b>\$ 97,637</b>	<b>\$ 13,245,226</b>	<b>\$ (45,126,207)</b>	<b>\$ 232,967,073</b>
<b>Current liabilities</b>						
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
<b>Total current liabilities</b>	<b>23,274,178</b>	<b>405,171</b>	<b>-</b>	<b>1,919,881</b>	<b>(550,094)</b>	<b>25,049,136</b>
<b>Noncurrent liabilities</b>						
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
<b>Total noncurrent liabilities</b>	<b>54,600,965</b>	<b>40,877,829</b>	<b>-</b>	<b>11,209,345</b>	<b>(47,032,462)</b>	<b>59,655,677</b>
<b>Total liabilities</b>	<b>77,875,143</b>	<b>41,283,000</b>	<b>-</b>	<b>13,129,226</b>	<b>(47,582,556)</b>	<b>84,704,813</b>
<b>Commitments and Contingencies (Note 16)</b>						
<b>Net assets</b>						
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
<b>Total net assets</b>	<b>114,240,838</b>	<b>31,351,436</b>	<b>97,637</b>	<b>116,000</b>	<b>2,456,349</b>	<b>148,262,260</b>
<b>Total liabilities and net assets</b>	<b>\$ 192,115,981</b>	<b>\$ 72,634,436</b>	<b>\$ 97,637</b>	<b>\$ 13,245,226</b>	<b>\$ (45,126,207)</b>	<b>\$ 232,967,073</b>

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**Consolidating Statements of Activities and Changes in Net Assets**

<i>Year ended June 30, 2024</i>	Los Angeles LGBT Center	AMR Campus QALICB, Inc.	GLEH Los Angeles	Triangle Square LLC	Elimination Entries	Consolidated Financials
<b>Public support and other revenue</b>						
Public support:						
Special events revenue:						
Gross receipts	\$ 6,316,371	\$ -	\$ -	\$ -	\$ -	\$ 6,316,371
Less costs of direct benefits to donors	(164,551)	-	-	-	-	(164,551)
Net special events revenue	6,151,820	-	-	-	-	6,151,820
Grants	32,265,305	-	-	-	-	32,265,305
Contributions	14,446,427	-	-	-	-	14,446,427
Contributions - Capital Campaign	1,432,083	-	-	-	-	1,432,083
Contributed goods and services	642,256	-	-	-	-	642,256
Patient service revenues	110,575,222	-	7,850	-	-	110,583,072
Other operating revenue	2,055,121	1,220,070	2,700	1,172,910	(2,157,500)	2,293,301
<b>Total public support and other revenue</b>	<b>167,568,234</b>	<b>1,220,070</b>	<b>10,550</b>	<b>1,172,910</b>	<b>(2,157,500)</b>	<b>167,814,264</b>
<b>Operating expenses</b>						
Program services	169,716,489	1,568,584	7,427	1,467,992	(870,707)	171,889,785
Supporting services:						
General and administrative	6,264,573	814,095	-	-	(2,836,997)	4,241,671
Fundraising	8,182,404	98,404	-	-	(36,041)	8,244,767
<b>Total supporting services</b>	<b>14,446,977</b>	<b>912,499</b>	<b>-</b>	<b>-</b>	<b>(2,873,038)</b>	<b>12,486,438</b>
<b>Total operating expenses</b>	<b>184,163,466</b>	<b>2,481,083</b>	<b>7,427</b>	<b>1,467,992</b>	<b>(3,743,745)</b>	<b>184,376,223</b>
Change in net assets before non-operating income/gains (losses) and other revenue	(16,595,232)	(1,261,013)	3,123	(295,082)	1,586,245	(16,561,959)
<b>Non-operating income/gains (losses) and other revenue</b>						
Net investment return	4,475,908	-	-	-	-	4,475,908
Unrealized gains on trusts held by third parties	122,913	-	-	-	-	122,913
Change in value of split-interest agreements	(219,285)	-	-	-	-	(219,285)
Other nonoperating revenue	829,622	-	-	-	-	829,622
Gain (loss) on dissolution of New Markets Tax Credits	46,147,038	(30,090,423)	-	-	(4,042,594)	12,014,021
<b>Total non-operating income/gains (losses) and other revenue</b>	<b>51,356,196</b>	<b>(30,090,423)</b>	<b>-</b>	<b>-</b>	<b>(4,042,594)</b>	<b>17,223,179</b>
<b>Change in net assets</b>	<b>34,760,964</b>	<b>(31,351,436)</b>	<b>3,123</b>	<b>(295,082)</b>	<b>(2,456,349)</b>	<b>661,220</b>
<b>Net assets, beginning of year</b>	<b>114,240,838</b>	<b>31,351,436</b>	<b>97,637</b>	<b>116,000</b>	<b>2,456,349</b>	<b>148,262,260</b>
<b>Net assets, end of year</b>	<b>\$ 149,001,802</b>	<b>\$ -</b>	<b>\$ 100,760</b>	<b>\$ (179,082)</b>	<b>\$ -</b>	<b>\$ 148,923,480</b>

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

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

<i>Year ended June 30, 2023</i>	<b>Los Angeles LGBT Center</b>	<b>AMR Campus QALICB, Inc.</b>	<b>GLEH Los Angeles</b>	<b>Triangle Square LLC</b>	<b>Elimination Entries</b>	<b>Consolidated Financials</b>
<b>Public support and other revenue</b>						
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
Patient service revenues	99,438,938	-	-	-	-	99,438,938
Other operating revenue	2,405,237	349,968	14,004	507,420	(1,794,123)	1,482,506
<b>Total public support and other revenue</b>	<b>155,179,759</b>	<b>349,968</b>	<b>26,980</b>	<b>507,420</b>	<b>(1,794,123)</b>	<b>154,270,004</b>
<b>Operating expenses</b>						
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
<b>Total supporting services</b>	<b>10,589,822</b>	<b>919,239</b>	<b>-</b>	<b>-</b>	<b>(3,497,588)</b>	<b>8,011,473</b>
<b>Total operating expenses</b>	<b>165,895,743</b>	<b>2,493,016</b>	<b>38,861</b>	<b>675,999</b>	<b>(4,250,472)</b>	<b>164,853,147</b>
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)
<b>Non-operating income/gains (losses) and other revenue</b>						
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	-	-	-
<b>Total non-operating income/gains (losses) and other revenue</b>	<b>13,122,450</b>	<b>(200)</b>	<b>109,518</b>	<b>284,579</b>	<b>-</b>	<b>13,516,347</b>
<b>Change in net assets</b>	<b>2,406,466</b>	<b>(2,143,248)</b>	<b>97,637</b>	<b>116,000</b>	<b>2,456,349</b>	<b>2,933,204</b>
<b>Net assets, beginning of year</b>	<b>111,834,372</b>	<b>33,494,684</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>145,329,056</b>
<b>Net assets, end of year</b>	<b>\$ 114,240,838</b>	<b>\$ 31,351,436</b>	<b>\$ 97,637</b>	<b>\$ 116,000</b>	<b>\$ 2,456,349</b>	<b>\$ 148,262,260</b>