

**LGBT YOUTH OUT LOUD, INC. d/b/a LIVE OUT LOUD**

**REVIEWED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

LGBT YOUTH OUT LOUD, INC. d/b/a LIVE OUT LOUD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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# RIFKIN & COMPANY, LLP

## CERTIFIED PUBLIC ACCOUNTANTS

Daniel E. Rifkin, CPA  
David H. Aron, CPA  
Mitchell L. Gusler, CPA, CVA  
Kevin R. Francis, CPA  
Steven R. Katz, CPA  
Jason C. Lindenbaum, CPA

### INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Trustees of  
LGBT Youth Out Loud, Inc.  
d/b/a Live Out Loud  
New York, New York

We have reviewed the accompanying financial statements of LGBT Youth Out Loud, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

#### **Management's Responsibility for the Financial Statements**

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

#### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

#### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



November 8, 2022

LGBT YOUTH OUT LOUD, INC. d/b/a LIVE OUT LOUD  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2021

Assets

Current Assets

Cash and Cash Equivalents	\$ 333,864
Accounts Receivable	4,580
Contributions Receivable	<u>18,076</u>
Total Current Assets	<u>356,520</u>

Fixed Assets

Fixed Assets	22,027
Accumulated Depreciation	<u>(14,798)</u>
Total Fixed Assets	<u>7,229</u>

Total Assets	<u>\$ 363,749</u>
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Liabilities and Net Assets

Current Liabilities

Accounts Payable and Accrued Expenses	43,808
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Long Term Liabilities

SBA Economic Injury Disaster Loan	<u>150,000</u>
Total Liabilities	<u>193,808</u>

Net Assets

Net Assets without Donor Restrictions	169,941
Net Assets with Donor Restrictions	<u>-</u>
Total Net Assets	<u>169,941</u>

Total Liabilities and Net Assets	<u>\$ 363,749</u>
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LGBT YOUTH OUT LOUD, INC. d/b/a LIVE OUT LOUD  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Without <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<u>Support and Revenue</u>			
Corporate Grants	\$ 74,259	\$ -	\$ 74,259
New York City Programming Fees	127,180	-	127,180
Foundation Contributions	41,287	-	41,287
Individual Contributions	119,433	-	119,433
COVID Related Grants	-	32,840	32,840
Interest	15	-	15
Released from Restrictions	32,840	(32,840)	-
Total Support and Revenue	<u>395,014</u>	<u>-</u>	<u>395,014</u>
 <u>Functional Expenses</u>			
Program Services			
Educational Programming	111,815	-	111,815
Youth Programs	125,648	-	125,648
Total Program Services	<u>237,463</u>	<u>-</u>	<u>237,463</u>
 <u>Supporting Services</u>			
General and Administrative	99,593	-	99,593
Fundraising	31,482	-	31,482
Total Supporting Services	<u>131,075</u>	<u>-</u>	<u>131,075</u>
Total Functional Expenses	<u>368,538</u>	<u>-</u>	<u>368,538</u>
 Increase in Net Assets	26,476	-	26,476
 Net Assets, Beginning of Year	<u>143,465</u>	<u>-</u>	<u>143,465</u>
 Net Assets, End of Year	<u>\$ 169,941</u>	<u>\$ -</u>	<u>\$ 169,941</u>

LGBT YOUTH OUT LOUD, INC. d/b/a LIVE OUT LOUD  
STATEMENT OF FUNCTIONAL SUPPORT AND REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services			Support Services			Total
	<u>Educational Programming</u>	<u>Youth Programs</u>	<u>Total Revenue</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Support</u>	
<u>Support and Revenue</u>							
Corporate Grants	\$ -	\$ -	\$ -	\$ -	\$ 74,259	\$ 74,259	\$ 74,259
New York City Programming Fees	127,180	-	127,180	-	-	-	127,180
Foundation Contributions	-	-	-	-	41,287	41,287	41,287
Individual Contributions	-	-	-	-	119,433	119,433	119,433
COVID Related Grants	-	-	-	32,840	-	32,840	32,840
Interest	-	-	-	15	-	15	15
	<u>-</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>-</u>	<u>15</u>	<u>15</u>
 Total Support and Revenue	 \$ 127,180	 \$ -	 \$ 127,180	 \$ 32,855	 \$ 234,979	 \$ 267,834	 \$ 395,014

LGBT YOUTH OUT LOUD, INC. d/b/a LIVE OUT LOUD  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services			Support Services			Total
	<u>Educational Programming</u>	<u>Youth Programs</u>	<u>Total Expenses</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Support Services</u>	
Functional Expenses							
Salaries	\$ 76,064	\$ 80,031	\$ 156,095	\$ 1,382	\$ -	\$ 1,382	\$ 157,477
Executive Salary	9,612	-	9,612	27,233	27,233	54,466	64,078
Professional services	5,737	5,738	11,475	45,467	-	45,467	56,942
Scholarships	-	20,000	20,000	-	-	-	20,000
Payroll taxes	6,905	5,899	12,804	2,451	2,451	4,902	17,706
Employee Benefits	5,066	4,329	9,395	1,798	1,798	3,596	12,991
Web Design	5,324	5,324	10,648	-	-	-	10,648
Office expense	-	-	-	8,102	-	8,102	8,102
Interest	-	-	-	4,567	-	4,567	4,567
Advertising	2,130	2,130	4,260	-	-	-	4,260
Computer and Internet	-	-	-	3,783	-	3,783	3,783
Insurance	977	977	1,954	878	-	878	2,832
Travel	-	1,220	1,220	1,473	-	1,473	2,693
Depreciation	-	-	-	1,276	-	1,276	1,276
Telephone	-	-	-	1,138	-	1,138	1,138
Bank Fees	-	-	-	45	-	45	45
Total Expenses	<u>\$ 111,815</u>	<u>\$ 125,648</u>	<u>\$ 237,463</u>	<u>\$ 99,593</u>	<u>\$ 31,482</u>	<u>\$ 131,075</u>	<u>\$ 368,538</u>

LGBT YOUTH OUT LOUD, INC. d/b/a LIVE OUT LOUD  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Cash Flows from Operating Activities:

Increase in Net Assets	\$ 26,476
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Adjustments to Reconcile Increase in Net Assets  
to Net Cash provided by (used in) Operating Activities:

Depreciation	1,276
(Increase) Decrease in operating assets:	
Accounts Receivable	(4,580)
Contributions Receivable	(18,076)
Prepaid Expenses	110
Increase (Decrease) in operating liabilities	
Accounts Payable and Accrued Expenses	14,244
Net Cash provided by (used in) Operating Activities	19,450

Cash Flows from Investing Activities:

Purchase of Software	(8,505)
Net Cash provided by (used in) Investing Activities	(8,505)

<u>Increase (Decrease) in Cash</u>	10,945
<u>Cash, Beginning of the Year</u>	322,919
<u>Cash, End of the Year</u>	\$ 333,864



LGBT YOUTH OUT LOUD, INC. d/b/a LIVE OUT LOUD  
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**Note 1:**

**Organization:**

LGBT Youth Out Loud, Inc. d/b/a Live Out Loud ("the Organization") was founded in New York on September 7, 2003, as a not-for-profit organization. The mission of the Organization is to empower, energize, and enable lesbian, gay, bisexual, and transgender youth to live the life of their dreams through the celebration of the richness and diversity of shared experience, visibility of role models, and dissemination of information. The Organization provides programs for gay youth on topical issues, professions, and coming out experiences at New York High Schools. The Organization also provides scholarships to students who are taking charge of their own lives, and who have demonstrated a strong capacity to "Live Out Loud" themselves and make strides in the LGBT community.

**Note 2:**

**Summary of Significant Accounting Policies:**

A summary of the Organization's significant accounting policies follows:

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

**Net Assets Without Donor Restrictions**

Net assets without donor restrictions are available for use at the discretion of the board of trustees (the Board) and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. For example, the Board could designate a portion of net assets without donor restrictions as a quasi-endowment (an amount to be treated by management as if it were part of the donor restricted endowment) for the purpose of securing the Organization's long-term financial viability.

**Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and /or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. Some assets with donor restrictions may include a stipulation that assets provided be maintained permanently (perpetual in nature).

**Summary of Significant Accounting Policies (continued):**

***Contributions, Gifts, and Grants***

The Organization follows the requirements of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards, *Accounting for Contributions Received and Contributions Made*. This financial accounting standard requires that contributions be recorded as receivables and revenues and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, collection items, or promises to give.

***Cash and Cash Equivalents***

The Organization considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of ninety days or less at the time of purchase. Excluded from this definition of cash equivalents are such amounts that represent funds that have been designated by the Board for investment. Money market deposits maintained in checking and saving accounts which are available for current operations.

***Furniture and Equipment***

Furniture and equipment are stated at cost, or, if donated, at fair market value at date of receipt. Maintenance, repairs, and minor renewals are expensed as incurred and major renewals are capitalized. The Organization's policy is to capitalize costs over \$1,000. Depreciation is computed using the straight-line method over the estimated useful lives of three to seven years.

***Use of Estimates and Assumptions***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization's management to make estimates and assumptions. These affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

***Revenue Recognition***

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the condition on which they depend have been met.

***Functional Allocation of Expenses***

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, program expenses are directly allocated to the related activity wherever possible. Salaries are allocated based on the time spent on the various functions. Occupancy expenses are based on the square footage of the space used and all office and administrative expenses, though used throughout the

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**Note 2: Summary of Significant Accounting Policies (continued):**

various functions, have been allocated to general and administrative for ease of financial presentation.

**Income Tax Status**

The Organization is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code except on net income derived from unrelated business activities. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 (b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509 (a)(1). The Organization is also exempt from New York taxes under the provision of Section 7A and the EPTL Section 8-13.4 of the New York State Department of Law Charities Bureau.

However, the Organization remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption.

**Note 3: Fixed Assets:**

At December 31, 2021, fixed assets consisted of the following:

Furniture and Equipment	\$ 13,522
Software	8,505
Less: Accumulated Depreciation	<u>(14,798)</u>
	<hr/>
Net Furniture and Equipment	<u>\$ 7,229</u>

**Note 4: Concentrations of Risk:**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. Management reduces exposure to cash credit risk by placing cash deposits with high credit quality financial institutions. At times, such amounts may exceed federally insured limits.

The Organization receives its funding primarily from individual and corporate contributions, foundation, as well as agreements with the City of New York which require the continued delivery of programming within New York City schools.

**Note 5: Economic Injury Disaster Loan ("EDIL"):**

On June 14, 2020, the Organization borrowed \$150,000 from Small Business Administration. The loan carries an interest rate of 2.75% for thirty years with monthly payments of \$641 deferred until June 14, 2022, twenty-four months from the signing of the promissory note. The balance of the loan is due in full on June 14, 2050. The loan is an Economic Injury Disaster Loan designed to provide economic relief to small businesses that

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**Note 5: Economic Injury Disaster Loan ("EDIL") (continued):**

are experiencing a temporary loss of revenue due to COVID-19, and as such the loan has restrictions on the use of proceeds which the Organization believes it has fulfilled. The Organization's business assets are collateral on the loan.

Maturities of the EIDL are as follows:

2022	\$	1,526
2023		3,125
2024		3,223
2025		3,325
2026		3,430
Thereafter		135,371
Total debt		150,000
Less: current portion		-
Long-term debt	\$	150,000

**Note 6: Liquidity and Funds Available:**

The following table reflects the Organization's financial assets as of December 31, 2021, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, or because the Board has set aside the funds for specific reserve or long-term investments as Board designated. Board designations could be drawn upon if the Board approves that action.

Financial Assets:

Cash and cash equivalent	\$	333,864
Accounts Receivable		4,580
Contributions Receivable		18,076
Financial assets, at year-end		356,520
Less those unavailable for general expenditure within one year due to:		
Board Designated		-
Restricted		-
Financial assets available to meet cash needs for general expenditures within one year	\$	356,520

**Note 7: Date of Management's Review:**

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 8, 2022, the date which the financial statements were available to be issued.

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**Note 8:**            **Impact of COVID-19:**

In December 2019, the novel coronavirus disease (COVID-19) emerged and subsequently spread worldwide. The World Health Organization declared COVID-19 a pandemic in March 2020, resulting in federal, state, and local governments and other authorities mandating various restrictions, quarantines and other social distancing requirements and mandating temporary closure of schools, various businesses, and other organizations. As a result of the outbreak, Live Out Loud ("the Organization") curtailed on-site programming and fundraising activities during 2020 and shifted to virtual formats to safely carry out its mission. The Spring Gala, the Organization's major fundraising event, was cancelled for both 2020 and 2021. Despite these unfortunate developments, the Organization received moderate levels of individual and corporate donor contributions and grants during 2020 and 2021 - a testament to the strength of the relationships with its donor base built through continued impact in the community.

The Organization entered this period of uncertainty with a healthy liquidity position and took actions to enhance its financial flexibility, including minimizing all non-essential operating expenses and optimizing technology to deliver programming and connect with the community in a virtual format and maintain donor outreach initiatives. To support the Organization's investment in the aforementioned, as well as other strategic initiatives in response to the pandemic, the Organization applied for and received a COVID-19 Economic Injury Disaster Loan (EIDL) in the amount of approximately \$150,000 from the U.S. Small Business Administration (refer to Footnote 5). At December 31, 2021, \$150,000 remained outstanding. During February 2021, the Organization applied for and received an additional loan under the Paycheck Protection Program (PPP) in the amount of approximately \$32,840 which was forgiven in 2021 and reflected in income for the year ended December 21, 2021.

**Note 9:**            **Commitments & Contingencies:**

The Organization has maintained an operating lease arrangement for office space since 2019. In light of the impacts associated with the COVID-19 pandemic (refer to Note 8), the Organization requested a concession from its landlord in the form of rent forgiveness for a period of time. At December 31, 2020, negotiation discussions were ongoing, and at that point forgiveness was not fully assured. Accordingly, rent payments had been deferred and were presented as a current liability on the Statement of Financial Position as of December 31, 2020. No additional rent was accrued for fiscal year ended December 31, 2021, since the Organization received an official written notice of forgiveness in 2022 and released this obligation into income in fiscal 2022. No new lease has been signed as of the date of these financial statements.

**Note 10:**          **Subsequent Events:**

As described in Note 9, the Organization was released from its lease agreement and all deferred payments for its New York City office space during 2022 and the rental accrual from 2020 was taken into income at that time.