

**NEW YORK CITY GAY AND LESBIAN  
ANTI-VIOLENCE PROJECT, INC.**

Financial Statements  
with Independent Auditor's Report

June 30, 2023 and 2022

**GALLEROS ROBINSON  
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.**

**JUNE 30, 2023 AND 2022**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
New York City Gay and Lesbian Anti-Violence Project, Inc.

### Opinion

We have audited the accompanying financial statements of New York City Gay and Lesbian Anti-Violence Project, Inc. (the "Agency"), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2023 and 2022, and the changes in its net assets 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency 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.

### Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Agency will continue as a going concern, but as discussed in Note 12 to the financial statements, the Agency incurred a loss of approximately \$1,029,000 during the year ended June 30, 2023. Subsequent to year end, the Agency has also incurred a substantial loss for the eight-month period ended February 29, 2024. The loss is primarily the result of projected shortfalls in contribution revenue. That projected loss combined with the current liquidity level, which has been impacted by delayed payments on government contracts, results in substantial doubt about the Agency's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note 12. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

### **Change in Accounting Principle**

As described in Note 2 to the financial statements, the Agency adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2016-02, *Leases (Topic 842)* for the year ended June 30, 2023. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor’s Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency’s internal control. Accordingly, no such opinion is expressed.

**To the Board of Directors of  
New York City Gay and Lesbian Anti-Violence Project, Inc.  
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- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency'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.

**Galleras Robinson CPAs, LLP**

New York, New York  
April 29, 2024

**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,271,701	\$ 2,120,716
Contributions receivable	306,856	611,856
Government grants and other receivables	1,492,623	1,481,411
Operating lease right-of-use asset	797,505	-
Finance lease right-of-use assets	30,530	-
Prepaid expenses and other assets	89,677	53,546
Property and equipment, net	115,752	126,025
Security deposit	<u>101,722</u>	<u>118,131</u>
 Total Assets	 <u>\$ 4,206,366</u>	 <u>\$ 4,511,685</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accrued expenses and other payables	\$ 521,943	\$ 596,676
Lease liabilities	967,818	-
Deferred rent payable	-	181,524
Deferred revenue	<u>23,063</u>	<u>10,519</u>
 Total Liabilities	 <u>1,512,824</u>	 <u>788,719</u>
 <b>Net Assets</b>		
Without donor restrictions		
Undesignated	1,780,795	2,613,308
Board designated	<u>550,824</u>	<u>550,769</u>
	2,331,619	3,164,077
 With donor restrictions	 <u>361,923</u>	 <u>558,889</u>
 Total Net Assets	 <u>2,693,542</u>	 <u>3,722,966</u>
 Total Liabilities and Net Assets	 <u>\$ 4,206,366</u>	 <u>\$ 4,511,685</u>

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Government grants	\$ 2,757,178	\$ -	\$ 2,757,178	\$ 2,904,780	\$ -	\$ 2,904,780
Contributions	916,784	360,000	1,276,784	1,298,136	480,000	1,778,136
Donated goods and services	171,260	-	171,260	146,673	-	146,673
Trainings and other revenue	843	-	843	37,571	-	37,571
Net assets released from restrictions	556,966	(556,966)	-	434,047	(434,047)	-
Total Support and Revenue	4,403,031	(196,966)	4,206,065	4,821,207	45,953	4,867,160
<b>EXPENSES</b>						
Program services	3,680,514	-	3,680,514	3,344,447	-	3,344,447
Supporting services						
Management and general	946,476	-	946,476	933,382	-	933,382
Fundraising and development	608,499	-	608,499	525,156	-	525,156
Total Expenses	5,235,489	-	5,235,489	4,802,985	-	4,802,985
<b>CHANGE IN NET ASSETS</b>	(832,458)	(196,966)	(1,029,424)	18,222	45,953	64,175
<b>NET ASSETS, BEGINNING OF YEAR</b>	3,164,077	558,889	3,722,966	3,145,855	512,936	3,658,791
<b>NET ASSETS, END OF YEAR</b>	\$ 2,331,619	\$ 361,923	\$ 2,693,542	\$ 3,164,077	\$ 558,889	\$ 3,722,966

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022				
	Program Services	Supporting Services Management and General	Supporting Services Fundraising and Development	Total	Program Services	Supporting Services Management and General	Supporting Services Fundraising and Development	Total
Salaries	\$ 2,095,776	\$ 509,775	\$ 322,828	\$ 2,928,379	\$ 1,968,228	\$ 481,100	\$ 284,437	\$ 2,733,765
Payroll taxes and employee benefits	448,862	109,181	69,142	627,185	393,803	96,258	56,910	546,971
Total salaries and related costs	2,544,638	618,956	391,970	3,555,564	2,362,031	577,358	341,347	3,280,736
Professional fees and consultants	266,753	163,506	8,700	438,959	245,061	205,171	9,546	459,778
Hotline volunteers	171,260	-	-	171,260	146,173	-	-	146,173
Occupancy	306,902	74,651	47,274	428,827	303,689	74,232	43,887	421,808
Special events	3,225	768	93,287	97,280	-	-	84,324	84,324
Program activities	44,733	-	-	44,733	74,133	-	-	74,133
Travel and transportation	28,966	2,698	4,846	36,510	7,668	2,299	1,066	11,033
Printing and design	15,904	1,479	6,589	23,972	1,887	-	4,662	6,549
Equipment rentals	-	3,260	-	3,260	15,289	10,894	2,209	28,392
Software, office and equipment maintenance	142,877	35,315	25,263	203,455	83,153	21,726	11,851	116,730
Telephone and communications	35,029	5,893	3,732	44,654	33,117	6,081	3,595	42,793
Office and program supplies	18,946	5,061	664	24,671	8,930	7,555	166	16,651
Postage and mailing	3,366	899	1,986	6,251	4,112	731	2,230	7,073
Insurance	28,296	1,946	1,233	31,475	22,001	2,425	1,434	25,860
Staff expenses and dues	21,199	14,265	5,641	41,105	16,109	17,700	5,921	39,730
Bank, credit card fees and other	-	6,001	9,855	15,856	807	2,251	9,986	13,044
Depreciation and amortization	48,420	11,778	7,459	67,657	20,287	4,959	2,932	28,178
Total Expenses	\$ 3,680,514	\$ 946,476	\$ 608,499	\$ 5,235,489	\$ 3,344,447	\$ 933,382	\$ 525,156	\$ 4,802,985



**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (1,029,424)	\$ 64,175
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	53,143	28,178
Noncash lease expenses	138,488	-
Noncash adjustment to capital leases	14,514	-
Changes in operating assets and liabilities		
(Increase) decrease in assets		
Contributions receivable	305,000	(64,054)
Government grants and other receivables	(11,212)	160,327
Prepaid expenses and other assets	(36,131)	18,262
Security deposit	16,409	200
Increase (decrease) in liabilities		
Accrued expenses and other payables	(74,733)	162,561
Deferred rent payable	(181,524)	(10,501)
Deferred revenue	12,544	10,519
	<u>(792,926)</u>	<u>369,667</u>
<b>Net cash (used in) provided by operating activities</b>		
<b>Cash Flows From Investing Activities</b>		
Principal payments on lease obligation	(13,218)	-
Property and equipment acquisitions	<u>(42,871)</u>	<u>(40,505)</u>
<b>Net cash used in investing activities</b>	<u>(56,089)</u>	<u>(40,505)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(849,015)	329,162
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>2,120,716</u>	<u>1,791,554</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 1,271,701</u>	<u>\$ 2,120,716</u>
<b>Supplemental Cash Flow Information</b>		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>

# NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2023 AND 2022

### 1. ORGANIZATION

The New York City Gay and Lesbian Anti-Violence Project, Inc. ("AVP" or the "Agency") empowers lesbian, gay, bisexual, transgender, queer ("LGBTQ") and HIV-affected communities and allies to end all forms of violence through organizing and education and supports survivors through counseling and advocacy. AVP operates a free and confidential 24-hour bilingual hotline staffed by AVP staff and trained volunteers, provides crisis intervention, safety planning, counseling and advocacy to individual survivors of violence and engages in community outreach and education to prevent and end violence within and against LGBTQ and HIV-affected communities in New York City. AVP coordinates the New York State Domestic Violence Network which addresses LGBTQ and HIV-affected domestic violence throughout the state. AVP also trains and educates "mainstream service providers" in New York State about violence within and against the LGBTQ and HIV-affected communities. In 2014, AVP launched a Legal Services Program, which provides free holistic, direct legal services to underserved LGBTQ and HIV-affected survivors of intimate partner violence and sexual violence in all five boroughs. AVP also coordinates the National Coalition of Anti-Violence Programs ("NCAVP"), which is a national coalition of programs that addresses the pervasive problem of violence committed against and within the LGBTQ and HIV-affected communities throughout the United States. In 2023, AVP launched a Safe Spaces Project and surveyed LGBTQ organizations and businesses nationwide to examine the harassment and violence they face and began a project to help groups use community safety models to secure and protect LGBTQ Safe Space and advocate for policies that address the needs of LGBTQ organizations and businesses.

AVP receives its principal support and revenue from governmental sources, private individuals, corporations and foundations.

AVP is a not-for-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is located in New York, New York.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Changes in Accounting Principles*

The Agency adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842) for the year ended June 30, 2023. The ASU requires organizations that lease assets to recognize the present value of the assets and liabilities for the rights and obligations created by those leases. The Agency adopted Topic 842 for the year ended June 30, 2023, which required the recognition of right-of-use ("ROU") assets and lease liabilities as of that date. The right-of-use assets and lease liabilities on June 30, 2023, totaled \$828,035 and \$967,818, respectively. The adoption of Topic 842 had no effect on the change in net assets for the year ended June 30, 2022, as previously reported.

## NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.

### NOTES TO FINANCIAL STATEMENTS - CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

##### ***Basis of Accounting***

The Agency prepares its financial statements using the accrual basis of accounting. The Agency follows accounting principles generally accepted in the United States of America ("U.S. GAAP").

##### ***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### ***Fair Value of Financial Instruments***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measurements, a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies, is as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs reflecting the Agency's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

##### ***Cash and Cash Equivalents***

The Agency considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

##### ***Contributions Receivable***

Contributions receivable, which consist of unconditional promises to give, are recognized as revenue in the year received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are discounted to reflect the present value of their estimated future cash flows, unless management deems such discount to be immaterial to the financial statements.

**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Government Grants and Other Receivables***

Government grants and other receivables are recorded when earned based on expenses that have been incurred for the purposes specified by the grantors. To the extent amounts received exceed amounts spent, the Agency establishes advances from government funders. For deliverables and fixed-price contracts, revenue is recorded when the deliverable is met or on the established time interval as described in the contract, respectively.

***Contributions***

Contributions are provided to the Agency either with or without donor restrictions. Revenues and net assets are separately reported to reflect the nature of those gifts - with or without donor restrictions. The value recorded for each contribution or grant is recognized as follows:

<u>Nature of the Gift</u>	<u>Value Recognized</u>
<i>Conditional gifts and grants, with or without restrictions</i>	
Gifts and grants that depend on the Agency overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i.e., the donor-imposed barrier is met
<i>Unconditional gifts and grants, with or without restrictions</i>	
Received at date of gift - cash and other assets	Fair value
Received at date of gift - property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Expected to be collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

# NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### *Property and Equipment*

Property and equipment are stated at cost, less accumulated depreciation and amortization. The Agency capitalizes property and equipment with a useful life of two years or more and a cost of \$1,000 or more. Depreciation and amortization are provided using the straight-line method in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives. Leasehold improvements are amortized over the shorter of their useful lives or the term of the lease.

	<u>Estimated Useful Lives</u>
Computers	5 years
Furniture and equipment	5 to 10 years
Leasehold improvements	10 years

#### *Net Assets*

Net assets without donor restrictions include funds having no restriction as to use or purpose imposed by donors. Net assets without donor restrictions - Board designated represent funds designated by the board of directors for use in the event of an emergency. Net assets with donor restrictions are those whose use has been limited by donors to a specific time period or purpose, or those net assets whose principal may or may not be expended, the income from which is expendable to support general operations.

#### *Donated Goods and Services*

Donated goods and services are recorded at their estimated fair value.

#### *Functional Allocation of Expenses*

The costs of providing the Agency's services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Hotline volunteers and program activities are directly charged to program services. Expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as square footage and time and effort.

#### *Accounting for Uncertainty in Income Taxes*

The Agency applies the provisions pertaining to uncertain tax positions, FASB Accounting Standards Codification (ASC) Topic 740, and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. The Agency believes it is no longer subject to income tax examinations prior to 2020. Currently, there are no audits in progress.

**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**3. CONTRIBUTIONS RECEIVABLE**

Contributions receivable consisted of the following as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Less than one year	\$ 306,856	\$ 461,856
One to five years	<u>-</u>	<u>150,000</u>
	<u>\$ 306,856</u>	<u>\$ 611,856</u>

**4. PROPERTY AND EQUIPMENT, NET**

Property and equipment, net consisted of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Computers	\$ 62,537	\$ 42,647
Furniture and equipment	65,172	65,172
Leasehold improvements	<u>168,314</u>	<u>145,333</u>
	296,023	253,152
Less: Accumulated depreciation and amortization	<u>180,271</u>	<u>127,127</u>
	<u>\$ 115,752</u>	<u>\$ 126,025</u>

For the years ended June 30, 2023 and 2022, depreciation and amortization expense amounted to \$53,143 and \$28,178, respectively.

**5. DONATED GOODS AND SERVICES**

The value of donated services provided during the year ended June 30, 2023, consists of the value of services provided by hotline volunteers in the amount of \$171,260. For the year ended June 30, 2022, donated services consisted of services provided by hotline volunteers in the amount of \$146,173, and donated supplies in the amount of \$500.

**6. CONCENTRATION OF CREDIT RISK**

The Agency maintains cash balances in several financial institutions, which balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per institution. From time to time, the Agency's balances may exceed these limits.

## NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.

### NOTES TO FINANCIAL STATEMENTS - CONTINUED

#### 7. COMMITMENTS AND CONTINGENCIES

A substantial amount of the Agency's revenues are government reimbursements. Revenue and related expenses are subject to audit verification by the funding agencies. The accompanying financial statements make no provision for possible disallowances. Although such disallowance could be substantial in amount, in the opinion of management, any actual disallowance would be immaterial.

#### 8. FINANCE LEASES

The Agency entered into various equipment leases. The leases are classified as financing leases and at the end of the lease term, the Agency has the option to purchase the leased assets at fair market value. For capitalization purposes, the Agency capitalizes leased equipment valued in excess of \$1,000.

As of June 30, 2023, the Agency has recorded a ROU asset of \$30,530 (net of accumulated amortization), and finance leases liabilities of \$31,825. The lease terms ranges from 39 - 120 months and the interest rate is calculated utilizing the risk-free rate 2.88% from T-Bill at the initial adoption date of July 1, 2022. The weighted average remaining lease term is 2 years at June 30, 2023.

The following is a schedule of future minimum lease payments:

<u>Years Ending June 30,</u>	
2024	\$ 16,253
2025	13,844
2026	<u>2,740</u>
Total	32,837
Less amount representing interest	<u>(1,012)</u>
Present value of net minimum lease payments	<u>\$ 31,825</u>

For the year ended June 30, 2023, amortization of ROU asset, included in depreciation and amortization, and interest, included in interest expense, are \$14,514 and \$1,105, respectively.

#### 9. OPERATING LEASE

The Agency entered into a real property lease in February 2015. The lease term began on July 2015 and is scheduled to expire on August 31, 2026. Rental expense for the years ended June 30, 2023 and 2022 amounted to \$382,347.

The Agency assesses whether an arrangement qualifies as a lease at inception and only reassess its determination if the terms and conditions of the arrangements are changed. Operating leases with terms greater than one year are reported as operating lease ROU asset and lease liabilities in the statement of financial position. No comparative information is provided for the amounts reported on the statement of financial position as of June 30, 2022, since the Agency used the modified retrospective method of transition that does not require restating the prior period.

## NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.

### NOTES TO FINANCIAL STATEMENTS - CONTINUED

#### 9. OPERATING LEASE - CONTINUED

As of June 30, 2023, the ROU asset had a balance of \$797,505, and the operating lease liability of \$935,993. The lease liability for the operating lease is calculated utilizing the risk-free rate 2.88% from treasury bill rate at initial adoption date of July 1, 2022.

Future minimum payments for the non-cancellable operating lease for the next five years ending after June 30, 2023, and thereafter are as follows:

<u>Years Ending June 30,</u>	
2024	\$ 438,145
2025	451,290
2026	<u>77,471</u>
Total	966,906
Less amount representing interest	<u>(30,913)</u>
Present value of net minimum lease payments	<u>\$ 935,993</u>

#### 10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Purpose Restrictions:		
NCAVP	\$ 150,000	\$ 150,000
Development consultant	1,500	1,500
Intimate partner violence program support	90,000	76,375
Catalyst program	-	40,000
TGNC program	24,257	44,948
DECRIM	30,973	71,066
Safe Space Project	35,422	-
Criminal Justice	29,771	-
Time-restricted	<u>-</u>	<u>175,000</u>
	<u>\$ 361,923</u>	<u>\$ 558,889</u>

#### 11. AVAILABLE RESOURCES AND LIQUIDITY

The Agency regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Agency has various sources of liquidity at its disposal, including cash and cash equivalents, contributions receivable, and government grants and other receivables.



## NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.

### NOTES TO FINANCIAL STATEMENTS - CONTINUED

#### 11. AVAILABLE RESOURCES AND LIQUIDITY - CONTINUED

The following reflects the Agency's financial assets as of June 30, 2023 and 2022, reduced by amounts not available for general use within one year of the statements of financial position date because of contractual or donor-imposed restrictions or internal designations.

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,271,701	\$ 2,120,716
Contributions receivable	306,856	611,856
Government grants and other receivables	<u>1,492,623</u>	<u>1,481,411</u>
Total financial assets	3,071,180	4,213,983
Less:		
Net assets with donor-imposed restrictions	(361,923)	(558,889)
Board designated net assets*	<u>(550,824)</u>	<u>(550,769)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,158,433</u>	<u>\$ 3,104,325</u>

\*Funds may be withdrawn, with board approval, based on short-term cash needs.

#### 12. GOING CONCERN

The Agency incurred a loss of approximately \$1,029,000 during the year ended June 30, 2023. Subsequent to year end, the Agency has incurred a loss of approximately \$1,111,000 for the eight-month period ended February 29, 2024. The loss is primarily the result of projected shortfalls in contribution revenue. That projected loss combined with the current liquidity level, which has been impacted by delayed payments on government contracts, results in substantial doubt about the Agency's ability to continue as a going concern.

The Agency's ability to continue as a going concern is contingent upon successful execution of management's intended plan over the next twelve months to improve liquidity and eliminate operating losses, which includes, without limitation: reducing expenses, working with government officials and agencies to secure contracted funds, seeking additional funding from private foundations and individual donors, and preparing program specific plans while preserving services to the community. Management and the Board intend to vigorously pursue these attempts to improve the Agency's financial condition and have taken steps to stabilize financial operations in the near term including an initial round of expense cuts and the hiring of an interim Executive Director with turnaround experience.

#### 13. SUBSEQUENT EVENTS

Management has evaluated all events or transactions that occurred after June 30, 2023 through April 29, 2024, which is the date that the financial statements were available to be issued. During this period, other than the matter discussed in Note 12, there were no material subsequent events requiring disclosure.