

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC.**

**Consolidated Financial Statements
and Supplement Information**

With

Independent Auditor's Report

**FOR THE YEARS ENDED
DECEMBER 31, 2023 AND DECEMBER 31, 2022**

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1 - 3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position as of December 31, 2023 and December 31, 2022	4
Consolidated Statement of Activities and Changes in Net Assets for years ending December 31, 2023	5
Consolidated Statement of Activities and Changes in Net Assets for years ending December 31, 2022	6
Consolidated Statement of Functional Expenses for the year ended December 31, 2023	7
Consolidated Statement of Functional Expenses for the year ended December 31, 2022	8
Consolidated Statements of Cash Flows for years ending December 31, 2023 and December 31, 2022	9
Notes to the Financial Statements	10 - 20
SUPPLEMENTAL INFORMATION	
Consolidating Statement of Financial Position as of December 31, 2023	22
Consolidating Statement of Financial Position as of December 31, 2022	23
Consolidating Statements of Activities and Changes in Net Assets for the year ending December 31, 2023	24
Consolidating Statements of Activities and Changes in Net Assets for the year ending December 31, 2022	25

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sacramento LGBT Community Center
Sacramento Pride Properties, Inc.
Sacramento, California

Opinion

We have audited the accompanying consolidated financial statements of Sacramento LGBT Community Center and Sacramento Pride Properties, Inc. (nonprofit organizations) (the Organization), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the consolidating financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and 2022 and the changes in net assets and 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Organization and meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To the Board of Directors
Sacramento LGBT Community Center

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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and Uniform Guidance, we:

- Exercise professional judgement 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Organization's financial statements. The accompanying consolidating financial statements are presented for purpose of additional analysis and are not a required part of the 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Board of Directors
Sacramento LGBT Community Center

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2025 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Richardson & Company, LLP

February 11, 2025

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND DECEMBER 31, 2022**

ASSETS	2023	Restated 2022
Current assets:		
Cash and cash equivalents (Note 2)	\$ 3,718,879	\$ 2,192,322
Investments (Note 3)	550,000	-
Grants receivable	517,499	2,052,575
Contributions receivable current (Note 4)	310,347	253,489
Other receivable	21,330	27,500
Prepays expenses and other assets	<u>101,647</u>	<u>76,244</u>
Total current assets	<u>5,219,702</u>	<u>4,602,130</u>
Noncurrent assets		
Contributions receivable non-current (Note 4)	235,942	581,050
Right of use asset (Note 5)	-	13,031
Fixed assets (net) (Note 6)	4,064,326	4,196,129
Beneficial interest in community foundation assets (Note 7)	25,369	21,931
Security deposits	<u>17,295</u>	<u>17,295</u>
Total noncurrent assets	<u>4,342,932</u>	<u>4,829,436</u>
TOTAL ASSETS	<u>\$ 9,562,634</u>	<u>\$ 9,431,566</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expense	\$ 82,562	\$ 123,871
Accrued payroll liabilities	112,975	100,593
Accrued compensated absences	86,720	53,452
Other liabilities	6,822	100
Deferred revenue	264,088	124,991
Current portion - operating lease liability (Note 5)	-	13,632
Current portion - long term debt (Note 8)	<u>203,847</u>	<u>184,324</u>
Total Current Liabilities	<u>757,014</u>	<u>600,963</u>
Long-term liabilities		
Notes payable (Note 8)	<u>192,553</u>	<u>1,292,437</u>
Total long-term liabilities	<u>192,553</u>	<u>1,292,437</u>
Total liabilities	<u>949,567</u>	<u>1,893,400</u>
Net assets		
Without donor restrictions	7,107,888	5,221,607
With donor restrictions (Note 9)	<u>1,505,179</u>	<u>2,316,559</u>
Total Net Assets	<u>8,613,067</u>	<u>7,538,166</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,562,634</u>	<u>\$ 9,431,566</u>

The accompanying notes to the consolidated financial statements are an integral part of this statement.

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Totals
REVENUE AND SUPPORT			
Government grant revenue	\$ 3,272,108	\$ -	\$ 3,272,108
Capital campaign contributions	-	371,441	371,441
Foundation grant revenue	1,059,243	-	1,059,243
Special event revenue	978,626	-	978,626
Less: cost of direct benefit to donors	(499,089)	-	(499,089)
Contributions	297,841	-	297,841
Program service revenue	16,200	-	16,200
Interest income	7,098	3,438	10,536
Other income	59,158	-	59,158
Net assets released from restrictions	<u>1,186,259</u>	<u>(1,186,259)</u>	<u>-</u>
TOTAL OPERATING REVENUE AND SUPPORT	6,377,444	(811,380)	5,566,064
EXPENSES			
Program services			
Community engagement	358,368	-	358,368
Housing programs	1,239,984	-	1,239,984
Health programs	698,960	-	698,960
Youth programs	443,328	-	443,328
Advocacy, outreach and other programs	653,346	-	653,346
Real estate services	<u>151,531</u>	<u>-</u>	<u>151,531</u>
Total program expenses	3,545,517	-	3,545,517
Supporting services			
General and administrative	429,453	-	429,453
Fundraising	<u>516,193</u>	<u>-</u>	<u>516,193</u>
Total supporting expenses	945,646	-	945,646
Total expenses	4,491,163	-	4,491,163
INCREASE (DECREASE) IN NET ASSETS	<u>1,886,281</u>	<u>(811,380)</u>	<u>1,074,901</u>
NET ASSETS, BEGINNING OF YEAR	<u>5,221,607</u>	<u>2,316,559</u>	<u>7,538,166</u>
NET ASSETS, END OF YEAR	<u>\$ 7,107,888</u>	<u>\$ 1,505,179</u>	<u>\$ 8,613,067</u>

The accompanying notes to the consolidated financial statements are an integral part of this statement.

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Restated Totals
REVENUE AND SUPPORT			
Government grant revenue	\$ 2,450,278	\$ -	\$ 2,450,278
Capital campaign contributions	- 1,641,847	1,641,847	1,641,847
Foundation grant revenue	1,261,650	-	1,261,650
Special event revenue	569,305	-	569,305
Less: cost of direct benefit to donors	(392,206)	-	(392,206)
Contributions	606,405	-	606,405
Program service revenue	56,746	-	56,746
Interest income	538	(4,804)	(4,266)
Other income	49,221	-	49,221
Net assets released from restrictions	<u>914,889</u>	<u>(914,889)</u>	-
TOTAL OPERATING REVENUE AND SUPPORT	5,516,826	722,154	6,238,980
EXPENSES			
Program services			
Community engagement	250,655	-	250,655
Housing programs	1,299,144	-	1,299,144
Health programs	1,169,411	-	1,169,411
Youth programs	454,893	-	454,893
Advocacy, outreach and other programs	572,863	-	572,863
Real estate services	<u>191,211</u>	<u>-</u>	<u>191,211</u>
Total program expenses	3,938,177	-	3,938,177
Supporting services			
General and administrative	294,846	-	294,846
Fundraising	<u>318,730</u>	<u>-</u>	<u>318,730</u>
Total supporting expenses	613,576	-	613,576
Total expenses	4,551,753	-	4,551,753
INCREASE (DECREASE) IN NET ASSETS	<u>965,073</u>	<u>722,154</u>	<u>1,687,227</u>
NET ASSETS, BEGINNING OF YEAR	<u>4,256,534</u>	<u>1,594,405</u>	<u>5,850,939</u>
NET ASSETS, END OF YEAR	<u>\$ 5,221,607</u>	<u>\$ 2,316,559</u>	<u>\$ 7,538,166</u>

The accompanying notes to the consolidated financial statements are an integral part of this statement.

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Community Engagement	Housing Programs	Health Program	Youth Programs	Advocacy, Outreach, and Other	Real Estate Services	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Salaries and wages	\$ 149,933	\$ 678,324	\$ 334,416	\$ 307,216	\$ 362,751	\$ -	\$ 1,832,640	\$ 217,382	\$ 240,124	\$ 457,506	\$ 2,290,146
Payroll taxes	10,357	67,331	26,203	26,193	25,327	-	155,411	15,122	16,614	31,736	187,147
Benefits and other employee expenses	<u>17,451</u>	<u>76,142</u>	<u>54,889</u>	<u>28,969</u>	<u>74,939</u>	<u>-</u>	<u>252,390</u>	<u>109,791</u>	<u>70,958</u>	<u>180,749</u>	<u>433,139</u>
Total personnel costs	177,741	821,797	415,508	362,378	463,017	-	2,240,441	342,295	327,696	669,991	2,910,432
Total program expenses	5,399	281,645	148,783	11,884	44,191	-	491,902	4,052	213	4,265	496,167
Advertising and Marketing	6,286	2,335	4,112	1,390	6,163	-	20,286	6,200	8,690	14,890	35,176
Bank charges and other fees	7,928	-	-	-	-	-	7,928	971	2,432	3,403	11,331
Contract services	-	-	-	-	-	-	-	-	1,752	1,752	1,752
Depreciation	6,246	9,405	5,080	3,882	4,308	96,333	125,254	3,023	3,526	6,549	131,803
Event and fundraising expenses	66,879	-	506	2,661	1,875	-	71,921	1,747	85,708	87,455	159,376
Information technology systems	10,141	33,399	19,302	19,764	33,552	-	116,158	14,116	20,482	34,598	150,756
Insurance	19,271	14,456	7,309	6,374	8,145	-	55,555	6,021	5,764	11,785	67,340
Interest	-	-	-	-	-	46,848	46,848	-	-	-	46,848
Occupancy	11,518	20,655	10,200	6,990	9,855	6,600	65,818	8,987	5,191	14,178	79,996
Office expenses	801	4,451	2,288	1,984	9,323	-	18,847	1,644	1,790	3,434	22,281
Printing and postage	14,036	6,620	4,063	2,932	4,018	-	31,669	2,810	7,016	9,826	41,495
Professional services	22,410	34,344	72,111	19,349	51,969	1,750	201,933	26,072	40,860	66,932	268,865
Travel, and meetings	1,953	546	1,554	53	10,332	-	14,438	7,760	692	8,452	22,890
Utilities	<u>7,759</u>	<u>10,331</u>	<u>8,144</u>	<u>3,687</u>	<u>6,598</u>	<u>-</u>	<u>36,519</u>	<u>3,755</u>	<u>4,381</u>	<u>8,136</u>	<u>44,655</u>
Total Functional Expenses	\$ 358,368	\$ 1,239,984	\$ 698,960	\$ 443,328	\$ 653,346	\$ 151,531	\$ 3,545,517	\$ 429,453	\$ 516,193	\$ 945,646	\$ 4,491,163

The accompanying notes to the consolidated financial statements are an integral part of this statement.

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Community Engagement	Housing Programs	Health Program	Youth Programs	Advocacy, Outreach, and Other	Real Estate Services	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Salaries and wages	\$ 71,399	\$ 815,925	\$ 695,699	\$ 361,894	\$ 326,873	\$ -	\$ 2,271,790	\$ 75,592	\$ 98,336	\$ 173,928	\$ 2,445,718
Payroll taxes	10,503	53,976	68,721	3,165	46,305	-	182,670	12,187	14,621	26,808	209,478
Benefits and other employee expenses	<u>16,855</u>	<u>36,686</u>	<u>112,535</u>	<u>4,355</u>	<u>78,643</u>	<u>-</u>	<u>249,074</u>	<u>35,398</u>	<u>22,880</u>	<u>58,278</u>	<u>307,352</u>
Total personnel costs	98,757	906,587	876,955	369,414	451,821	-	2,703,534	123,177	135,837	259,014	2,962,548
Total program expenses	18,132	282,591	151,630	30,608	22,353	-	505,314	5,880	450	6,330	511,644
Advertising and Marketing	12,333	1,655	2,920	2,373	5,388	-	24,669	14,818	8,124	22,942	47,611
Bank charges and other fees	-	11	-	-	-	-	11	1,376	22,692	24,068	24,079
Contract services	-	-	5,357	-	-	-	5,357	36,630	-	36,630	41,987
Depreciation	966	34,692	9,353	50	7,000	96,333	148,394	572	1,018	1,590	149,984
Event and fundraising expenses	52,047	22	104	10,921	30,896	-	93,990	5	77,614	77,619	171,609
Information technology systems	6,927	25,207	29,277	10,380	14,022	-	85,813	13,869	23,235	37,104	122,917
Insurance	15,622	9,132	8,834	3,721	4,551	-	41,860	1,241	1,368	2,609	44,469
Interest	-	-	-	-	-	88,770	88,770	-	-	-	88,770
Occupancy	22,145	11,440	32,990	16,063	12,985	-	95,623	8,706	9,428	18,134	113,757
Office expenses	464	4,806	5,221	1,577	5,542	-	17,610	476	614	1,090	18,700
Printing and postage	11,583	8,095	13,193	4,309	4,220	-	41,400	1,837	16,167	18,004	59,404
Professional services	3,399	13,099	16,536	4,815	8,691	6,108	52,648	80,736	14,514	95,250	147,898
Travel, and meetings	8,280	1,807	17,041	662	5,394	-	33,184	5,523	7,669	13,192	46,376
Utilities	-	-	-	-	-	-	-	-	-	-	-
Total Functional Expenses	\$ 250,655	\$ 1,299,144	\$ 1,169,411	\$ 454,893	\$ 572,863	\$ 191,211	\$ 3,938,177	\$ 294,846	\$ 318,730	\$ 613,576	\$ 4,551,753

The accompanying notes to the consolidated financial statements are an integral part of this statement.

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2022**

	2023	Restated 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,074,901	\$ 1,687,227
Adjustments to reconcile change in net income to net cash from operating activities:		
Depreciation and amortization	131,803	149,984
Amortization of right-to-use asset	13,031	18,505
Amortization of discount on contributions receivable	(7,268)	(20,371)
Provision for uncollectible pledges	(900)	(71,834)
Investment (gains) losses on beneficial interest assets	(3,438)	4,804
Paycheck protection program loan forgiveness	-	(321,855)
Decrease (increase) in contributions receivables	296,418	(758,220)
Decrease (increase) in grants and other receivables	1,541,246	(450,658)
Decrease (increase) in prepaids and deposits	(25,403)	(19,431)
Increase (decrease) accounts payable and accrued expenses	(34,587)	34,103
Increase (decrease) accrued payroll liabilities	45,650	35,961
Increase (decrease) deferred revenue	139,097	(91,445)
Increase (decrease) operating lease liability	<u>(13,632)</u>	<u>(17,904)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>3,156,918</u>	<u>178,866</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(18,250)
Purchases of fixed interest annuities	<u>(550,000)</u>	<u>-</u>
NET CASH USED FOR INVESTING ACTIVITIES	<u>(550,000)</u>	<u>(18,250)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	<u>(1,080,361)</u>	<u>(501,375)</u>
NET CASH USED FOR FINANCING ACTIVITIES	<u>(1,080,361)</u>	<u>(501,375)</u>
NET INCREASE (DECREASE) IN CASH	<u>1,526,557</u>	<u>(340,759)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,192,322</u>	<u>2,533,081</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,718,879</u>	<u>\$ 2,192,322</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	<u>\$ 34,024</u>	<u>\$ 88,770</u>
Right-of-use asset obtained in exchange for lease liability	<u>\$ -</u>	<u>\$ 31,536</u>
Operating cash outflows from operating leases	<u>\$ 13,891</u>	<u>\$ 13,888</u>

The accompanying notes to the consolidated financial statements are an integral part of this statement.

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND DECEMBER 31, 2022**

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of reporting entity: Sacramento LGBT Community Center (the Organization) is a publicly supported nonprofit corporation whose mission is to create a region where all LGBTQ+ people thrive; we support health and wellness, advocate for equity and justice, and work to uplift our diverse and culturally rich LGBTQ+ community.

Sacramento Pride Properties, Inc. (SPPI) is a nonprofit holding company whose purpose is to hold title to real property being used for the programs of the Organization.

Principles of consolidation: The accompanying consolidated financial statements include the activities of the Organization and SPPI, which is a wholly owned subsidiary of the Organization. Transactions between the two entities have been eliminated in consolidation.

Basis of accounting – The Organization uses the accrual basis of accounting and presents its activities in a statement of financial position, statement of activities and changes in net assets, statement of functional expenses, and a statement of cash flows. These financial statements have been prepared in accordance with generally accepted accounting principles.

Basis of presentation – The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to restrictions by an outside entity 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 Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by outside funders. Some restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other restrictions are perpetual in nature, where by the outside party has stipulated the funds be maintained in perpetuity.

Restricted income is reported as increases in net assets with restrictions. When a restriction expires, net assets are reclassified from net assets with restrictions to net assets without restrictions in the statements of activities.

Cash – For purposes of the statement of cash flows, the Organization considers all highly liquid-debt instruments purchased with a maturity of three months or less to be cash equivalents.

Fair value of financial instruments – The carrying amounts of assets and liabilities that are considered to be financial instruments reported in the accompanying statements of financial position approximate their fair value based upon current market indicators.

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND DECEMBER 31, 2022**

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants receivable – Grants receivable are stated at unpaid balances, less an allowance for expected credit losses. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of funders to meet their obligations. It is the Organization's policy to charge off uncollectible grants receivable based on an analysis of specific funders, taking into consideration the age of past due accounts and an assessment of the funder's ability to pay.

Contributions receivable - Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statement of activities. The Organization determines the allowance for expected credit losses for contributions receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectible. As of December 31, 2023 and December 31, 2022, the allowance was \$174,516 and \$167,249, respectively.

Property and equipment – The Organization capitalizes all expenditures in excess of \$5,000 for property and equipment at cost. Contributed property and equipment is recorded at fair value at the date of donation or purchase.

If property is donated and the donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as an increase in net assets without donor restrictions .

Depreciation is provided on the straight-line method over the estimated useful lives of assets as follows:

Description	Estimated Life
Buildings	30 Year
Infrastructure Improvements	20 Year
Equipment	5 Year
Furniture and Fixtures	5 Year
Computers and Software	3 Year

Routine repairs and maintenance are expensed as incurred. Costs that exceed \$5,000 and significantly improve or extend the life of property and equipment are capitalized. The Organization reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized for the years ended December 31, 2023, or December 31, 2022.

Leases - The Organization determines if an arrangement contains a lease at the inception of a contract. Right-of-use assets and lease liabilities are recognized at the commencement date of the lease or at the effective date of a significant modification to the lease. Lease liabilities are recognized at the present value of the fixed lease payments, reduced by any landlord incentives using a risk-free discounted rate. Leased assets are recognized based on the initial present value of the fixed lease payments, reduced by any landlord incentives. Leasehold

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND DECEMBER 31, 2022**

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

improvements are capitalized at cost and amortized over the lesser of their expected useful life or the lease term. When the Organization has the option to extend the lease term, terminate the lease before the contractual expiration date, or purchase the leased asset, and it is reasonably certain that it will exercise the option, it considers the option in determining the classification and measurement of the lease. The Company elected the short-term lease exception for all classes of assets, and therefore does not apply the recognition requirements for leases of 12 months or less. Lease operating costs are expensed as incurred as variable lease costs.

Compensated absences - The Organization's policy allows employees to accumulate earned but unused vacation leave which will be paid to employees upon separation from the Organization's service. The cost of vacation leave is recorded in the period incurred. Employees are not paid for accumulated sick leave.

Revenue recognition – Government grants and contracts are recognized when qualifying expenses are incurred, or when services are provided, depending on the nature of the contract. Program service fees are recognized in the period earned. Fundraising event revenue is recognized when the related event occurs. Funds received in advance of services being provided, or qualifying expenses being incurred, are recorded as deferred revenue until earned.

Contributions and grants from private foundations are recognized in full when received or unconditionally promised, in accordance with professional standards. All contributions are considered available for unrestricted use unless specifically restricted by donors for future periods or specific purposes. Conditional contributions are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the condition. The Organization receives certain government grants which limit spending to qualifying expenditures as defined in grant agreements, or do not provide funding until specific services are performed for relevant service populations. Amounts received in advance of incurrence of qualifying expenditures or providing services are recorded as deferred revenue and are recognized as revenue as the conditions are met. Outstanding conditional promises to give subject to such requirements were \$343,826 and \$551,038 as of December 31, 2023 and December 31, 2022, respectively, and will be recognized as revenue as the conditions are met.

A portion of the Organization's revenue is derived from cost-reimbursable federal, state, and foundation contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when qualified expenditures have been incurred in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the consolidated statement of financial position and are recognized as revenue when qualifying expense are incurred. The Organization received cost-reimbursable grants of \$2,761,325 and \$2,121,002 as of December 31, 2023 and December 31, 2022, respectively, that have not been recognized because qualifying expenditures have not yet been incurred.

The Organization reports donor-restricted contributions as increases in net assets without donor restrictions when the donor-imposed conditions and restrictions are met in the same year. All other donor-restricted amounts are reported as increases in net assets with donor restrictions.

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND DECEMBER 31, 2022**

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax exempt status – The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and California Revenue and Taxation Code Section 23701(d). Accordingly, no provision for federal or state income taxes is included in the financial statements. SPPI is exempt from income taxes under IRC Section 501(c)(2) and related California code sections. Generally, tax returns remain open for examination for a period of three (federal) or four (state of California) years from the date of filing. As of December 31, 2023, no examinations are in progress.

Functional expenses – The costs of providing the program services have been summarized on a functional basis in the statements of activities and of functional expenses. Accordingly, certain costs have been allocated among the program services. The expenses that are allocated include: salaries and wages, benefits, payroll taxes, program expenses, in-kind, other events, advertising, insurance, and office related expenses, which are allocated on the basis of estimates of the time and effort. Occupancy and other related expenses are allocated on a square footage basis.

Use of estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain disclosures. Accordingly, actual results could differ from those estimates.

Reclassification – Certain 2022 amounts have been reclassified in order to conform to the current year presentation.

NOTE 2: AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2023 and December 31, 2022:

	<u>2023</u>	<u>2022</u>
Financial Assets at Year End		
Cash and cash equivalents	\$ 3,718,879	\$ 2,192,322
Grants receivable	517,499	2,052,575
Current contributions receivable - net	310,347	253,489
Other receivables	21,330	27,500
Beneficial interest in community foundation assets	<u>25,369</u>	<u>21,931</u>
Total Financial Assets	<u>4,568,055</u>	<u>4,525,886</u>
Less amounts not available to be used within one year:		
Net Assets with Restrictions	<u>1,505,179</u>	<u>2,316,559</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,062,876</u>	<u>\$ 2,209,327</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$1,239,000). As part of its liquidity plan, excess cash is sometimes invested in short-term

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND DECEMBER 31, 2022**

NOTE 2: AVAILABILITY AND LIQUIDITY (Continued)

investments, including money market accounts or certificates of deposit.

During the year, the Organization's cash in bank balances exceeded the Federally insured limits of \$250,000 per organization per institution. At December 31, 2023 and December 31, 2022, respectively, the Organization's uninsured cash balances totaled \$3,730,302 and \$1,894,648. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash accounts.

NOTE 3 – INVESTMENTS

In November 2023, the Organization, in accordance with its investment policy, purchased a fixed annuity contract in the amount of \$550,000. The annuity bears interest at 4.7% and matures in November 2026. The annuity contract allows for early withdrawals with a surrender surcharge of 7%. These funds are considered a level 2 investment. In 2024, The Organization invested an additional \$1 million in the fixed annuity contract.

Fair value measurements

The Organization determines the fair market values of certain financial instruments based on a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

The following provides a summary of the hierarchical levels used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 - Observable inputs other than Level 1 prices 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 full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND DECEMBER 31, 2022**

NOTE 4 – CONTRIBUTIONS RECEIVABLE

The Organization has received commitments for contributions, with collection periods through December 2027. Amounts are discounted at a rate of 3% to present value of estimated future cash flows. Unconditional promises to give at December 31, were as follows:

	2023	Restated 2022
Gross unconditional promises to give expected to be collected:		
Less than one year	\$ 310,347	\$ 253,489
One to five years	<u>432,082</u>	<u>769,023</u>
Total unconditional promises to give expected to be collected	<u><u>742,429</u></u>	<u><u>1,022,512</u></u>
Less discount and allowances:		
Pledge discounts at 3%	\$ (21,624)	\$ (20,724)
Allowance for uncollectable pledges	<u>(174,516)</u>	<u>(167,249)</u>
Total discounts and allowances	<u><u>(196,140)</u></u>	<u><u>(187,973)</u></u>
Unconditional promises to give expected to be collected	<u><u>546,289</u></u>	<u><u>834,539</u></u>
Less: current portion	<u>(310,347)</u>	<u>(253,489)</u>
Unconditional promises to give expected to be collected, net	<u><u>\$ 235,942</u></u>	<u><u>\$ 581,050</u></u>

NOTE 5 – LEASE COMMITMENTS

The Organization leases space in Sacramento, California under an operating lease expiring August 2023. On January 1, 2022, the Organization recognized a right-of use asset and lease liability of \$31,536, respectively, related to this lease. The Organization used a discount rate of 6.48% to determine the asset and liability. The asset and liability balances were as follows the December 31:

	2023	2022
Operating Leases		
Right - of - Use Asset	\$ <u><u>-</u></u>	\$ <u><u>13,031</u></u>
Current Portion - Operating Lease Liabilities	\$ <u><u>-</u></u>	\$ <u><u>13,632</u></u>
Total Operating Lease Liabilities	<u><u>\$ <u><u>-</u></u></u></u>	<u><u>\$ <u><u>13,632</u></u></u></u>

Total expenses under operating leases, including month-to-month leases that do not meet the criteria for capitalization, were \$216,656 and \$204,494 for years ended December 31, 2023 and December 31, 2022, respectively.

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND DECEMBER 31, 2022**

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2023 was as follows:

	<u>December 31, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31, 2023</u>
Property and Equipment, being depreciated:				
Building and improvements	\$ 2,890,000	\$ -	\$ -	\$ 2,890,000
Land	1,410,000	-	-	1,410,000
Furniture and equipment	332,531	-	-	332,531
Computer and software	<u>31,173</u>	<u>-</u>	<u>-</u>	<u>31,173</u>
Vehicles	<u>6,876</u>	<u>-</u>	<u>-</u>	<u>6,876</u>
Total Property and Equipment, being depreciated	<u>4,670,580</u>	<u>-</u>	<u>-</u>	<u>4,670,580</u>
Less accumulated depreciation	<u>(474,451)</u>	<u>(131,803)</u>	<u>-</u>	<u>(606,254)</u>
Property and Equipment, net	<u>\$ 4,196,129</u>	<u>\$ (131,803)</u>	<u>\$ -</u>	<u>\$ 4,064,326</u>

Property and equipment as of December 31, 2022 was as follows:

	<u>December 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31, 2022</u>
Property and Equipment, being depreciated:				
Building and improvements	\$ 2,890,000	\$ -	\$ -	\$ 2,890,000
Land	1,410,000	-	-	1,410,000
Furniture and equipment	314,281	18,250	-	332,531
Computer and software	<u>31,173</u>	<u>-</u>	<u>-</u>	<u>31,173</u>
Vehicles	<u>6,876</u>	<u>-</u>	<u>-</u>	<u>6,876</u>
Total Property and Equipment, being depreciated	<u>4,652,330</u>	<u>18,250</u>	<u>-</u>	<u>4,670,580</u>
Less accumulated depreciation	<u>(324,467)</u>	<u>(149,984)</u>	<u>-</u>	<u>(474,451)</u>
Property and Equipment, net	<u>\$ 4,327,863</u>	<u>\$ (131,734)</u>	<u>\$ -</u>	<u>\$ 4,196,129</u>

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND DECEMBER 31, 2022**

NOTE 7 – BENEFICIAL INTEREST IN ASSETS OF COMMUNITY FOUNDATION

The Organization has established an agency endowment fund with the Sacramento Region Community Foundation (the Foundation). Amounts in the fund include perpetually donor-restricted contributions and earnings on those contributions. The agreement states that the assets are the property of the Foundation, and that the Foundation will make distributions of income earned on the fund to the Organization, subject to the Foundation's spending policy. The Organization has granted the Foundation variance power which allows the Foundation, at its sole discretion and subject to certain conditions, to modify any condition or restriction on the distribution of funds. No distributions were received for the years ended December 31, 2023, or December 31, 2022, respectively. The Organization has recorded a beneficial interest in assets held by the Foundation totaling \$25,369 and \$21,931 as of December 31, 2023, and December 31, 2022, respectively. The fair value of the Organization's beneficial interest in assets held by the community foundation is based on the fair value of fund investments as reported by the community foundation. These are considered to be Level 3 measurements as defined in Note 3 above.

NOTE 8 – LONG TERM DEBT

Long-term debt at December 31, consists of the following:

	2023	2022
Mortgage note payable to Bank of Marin, secured by deed of trust. The mortgage note is payable in monthly installments of \$18,184, including an interest rate of 4.65% until November 2025, when the note matures.	396,400	1,476,761
Total Debt	396,400	1,476,761
Less: Current Portion	203,847	184,324
Total Long-Term Debt	\$ 192,553	\$ 1,292,437

Following is a summary of activities of long-term debt for the year ended December 31, 2023:

	<u>December 31, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31, 2023</u>	<u>Portion Due Within One Year</u>
Mortgage - Bank of Marin	\$ 1,476,761	\$ -	\$ (1,080,361)	\$ 396,400	\$ 203,847

Following is a summary of activities of long-term debt for the year ended December 31, 2022:

	<u>December 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31, 2022</u>	<u>Portion Due Within One Year</u>
Mortgage - Bank of Marin	\$ 1,978,136	\$ -	\$ (501,375)	\$ 1,476,761	\$ 184,324

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND DECEMBER 31, 2022**

NOTE 8 – LONG TERM DEBT (Continued)

Payments for the Bank of Marin mortgage for the succeeding two years are as follows:

Year Ended January 31,	Principal	Interest	Total
2024	\$ 203,847	\$ 14,363	\$ 218,210
2025	<u>192,553</u>	<u>4,505</u>	<u>197,058</u>
Total	<u>\$ 396,400</u>	<u>\$ 18,868</u>	<u>\$ 415,268</u>

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions include the following as of December 31:

	2023	Restated 2022
Subject to the passage of time:		
Estimated uncollected contributions that are unavailable for expenditure	\$ 546,289	\$ 834,539
Subject to expenditure for specified purpose:		
Property acquisition and renovation	933,521	1,460,089
Perpetual in nature, not subject to spending policy or appropriation:		
Beneficial interest in assets held by community foundation	<u>25,369</u>	<u>21,931</u>
Total net assets with restrictions	<u>\$ 1,505,179</u>	<u>\$ 2,316,559</u>

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND DECEMBER 31, 2022**

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	2023	2022
Subject to the passage of time:		
Collection of contributions receivable	\$ 290,083	\$ 278,927
Satisfaction of purpose restrictions::		
Property acquisition and renovation	896,176	501,375
Youth and health programs	-	134,587
Total net assets released from restrictions:	\$ 1,186,259	\$ 914,889

NOTE 10 – RETIREMENT PLAN

The Organization sponsors a salary reduction contribution plan pursuant to Section 403(b) of the Internal Revenue Code, covering all employees. Under the plan, employees may contribute a specified percentage of their salary, or a fixed dollar amount according to a salary reduction agreement. These elective deferrals are 100% vested. The Organization may agree to make “nonelective” contributions to their employees’ 403(b) plans. There were no “nonelective” contributions made by the Organization during the years ended December 31, 2023, or December 31, 2022.

NOTE 11 – CONTINGENCIES

The Organization receives grants for specific purposes that are subject to review and audit by the funding source. Such audits could result in the funding source’s request for reimbursement for expenditures disallowed under the terms and conditions of the contracts. Management is of the opinion that no material liabilities will result from such potential audits.

The Organization is a party to certain legal proceedings, arising from the ordinary conduct of its regular business activities. The ultimate resolution of any proceedings is uncertain and inherently difficult to predict. It is possible that the ultimate resolution of these matters, if unfavorable, may be material to our consolidated financial position, statement of activities, or cash flows.

NOTE 12 – SUBSEQUENT EVENT

The Organization evaluated all events or transactions that occurred after December 31, 2023, and up to February 11, 2025, the date the financial statements were issued. During this period, the Organization did not have any recognizable or nonrecognizable subsequent events.

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND DECEMBER 31, 2022**

NOTE 13 – RESTATEMENT

The Organization determined during the year ended December 31, 2023, that certain restricted pledges were omitted in the year ended December 31, 2022. The correction was made retroactively as of January 1, 2022. Due to this correction, pledges receivable, capital campaign contributions, and restricted net assets at December 31, 2022 were increased by \$311,011.

SUPPLEMENTARY INFORMATION

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023**

	Community Center	SPPI	Eliminations	Totals
Current assets:				
Cash and cash equivalents - unrestricted	\$ 3,473,308	\$ 245,571	\$ -	\$ 3,718,879
Cash and cash equivalents - restricted	-	-	-	-
Investments	550,000	-	-	550,000
Grants receivable	517,499	-	-	517,499
Contributions receivable current	310,347	-	-	310,347
Other receivable	21,330	-	-	21,330
Prepays expenses and other assets	<u>101,647</u>	<u>-</u>	<u>-</u>	<u>101,647</u>
Total current assets	<u>4,974,131</u>	<u>245,571</u>	<u>-</u>	<u>5,219,702</u>
Noncurrent assets				
Contributions receivable non-current	235,942	-	-	235,942
Right of use asset	-	-	-	-
Fixed assets (net)	157,687	3,906,639	-	4,064,326
Beneficial interest in community foundation assets	25,369	-	-	25,369
Security deposits	<u>17,295</u>	<u>-</u>	<u>-</u>	<u>17,295</u>
Total noncurrent assets	<u>436,293</u>	<u>3,906,639</u>	<u>-</u>	<u>4,342,932</u>
TOTAL ASSETS	<u>\$ 5,410,424</u>	<u>\$ 4,152,210</u>	<u>\$ -</u>	<u>\$ 9,562,634</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable and accrued expense	\$ 82,562	\$ -	\$ -	\$ 82,562
Accrued payroll liabilities	112,975	-	-	112,975
Accrued compensated absences	86,720	-	-	86,720
Other liabilities	6,822	-	-	6,822
Deferred revenue	260,453	3,635	-	264,088
Current portion - operating lease liability	-	-	-	-
Current portion - long term debt	<u>-</u>	<u>203,847</u>	<u>-</u>	<u>203,847</u>
Total Current Liabilities	<u>549,532</u>	<u>207,482</u>	<u>-</u>	<u>757,014</u>
Long-term liabilities				
Notes payable	<u>-</u>	<u>192,553</u>	<u>-</u>	<u>192,553</u>
Total long-term liabilities	<u>-</u>	<u>192,553</u>	<u>-</u>	<u>192,553</u>
Total liabilities	<u>549,532</u>	<u>400,035</u>	<u>-</u>	<u>949,567</u>
Net assets				
Without donor restrictions	3,355,713	3,752,175	-	7,107,888
With donor restrictions	<u>1,505,179</u>	<u>-</u>	<u>-</u>	<u>1,505,179</u>
Total Net Assets	<u>4,860,892</u>	<u>3,752,175</u>	<u>-</u>	<u>8,613,067</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,410,424</u>	<u>\$ 4,152,210</u>	<u>\$ -</u>	<u>\$ 9,562,634</u>

The accompanying notes to the consolidated financial statements are an integral part of this statement.

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022**

	Restated Community Center	SPPI	Eliminations	Totals
Current assets:				
Cash and cash equivalents - unrestricted	\$ 2,139,886	\$ 52,436	\$ -	\$ 2,192,322
Cash and cash equivalents - restricted	-	-	-	-
Grants receivable	2,052,575	-	-	2,052,575
Contributions receivable current	253,489	-	-	253,489
Other receivable	27,500	-	-	27,500
Prepays expenses and other assets	<u>76,244</u>	<u>-</u>	<u>-</u>	<u>76,244</u>
Total current assets	<u>4,549,694</u>	<u>52,436</u>	<u>-</u>	<u>4,602,130</u>
Noncurrent assets				
Contributions receivable non-current	581,050	-	-	581,050
Right of use asset	13,031	-	-	13,031
Fixed assets (net)	193,157	4,002,972	-	4,196,129
Beneficial interest in community foundation assets	21,931	-	-	21,931
Security deposits	<u>17,295</u>	<u>-</u>	<u>-</u>	<u>17,295</u>
Total noncurrent assets	<u>826,464</u>	<u>4,002,972</u>	<u>-</u>	<u>4,829,436</u>
TOTAL ASSETS	<u>\$ 5,376,158</u>	<u>\$ 4,055,408</u>	<u>\$ -</u>	<u>\$ 9,431,566</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable and accrued expense	\$ 123,871	\$ -	\$ -	\$ 123,871
Accrued payroll liabilities	100,593	-	-	100,593
Accrued compensated absences	53,452	-	-	53,452
Other liabilities	100	-	-	100
Deferred revenue	124,991	-	-	124,991
Current portion - operating lease liability	13,632	-	-	13,632
Current portion - long term debt	<u>-</u>	<u>184,324</u>	<u>-</u>	<u>184,324</u>
Total Current Liabilities	<u>416,639</u>	<u>184,324</u>	<u>-</u>	<u>600,963</u>
Long-term liabilities				
Notes payable	<u>-</u>	<u>1,292,437</u>	<u>-</u>	<u>1,292,437</u>
Total long-term liabilities	<u>-</u>	<u>1,292,437</u>	<u>-</u>	<u>1,292,437</u>
Total liabilities	<u>416,639</u>	<u>1,476,761</u>	<u>-</u>	<u>1,893,400</u>
Net assets				
Without donor restrictions	2,642,960	2,578,647	-	5,221,607
With donor restrictions	<u>2,316,559</u>	<u>-</u>	<u>-</u>	<u>2,316,559</u>
Total Net Assets	<u>4,959,519</u>	<u>2,578,647</u>	<u>-</u>	<u>7,538,166</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,376,158</u>	<u>\$ 4,055,408</u>	<u>\$ -</u>	<u>\$ 9,431,566</u>

The accompanying notes to the consolidated financial statements are an integral part of this statement.

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Community Center	SPPI	Eliminations	Totals
REVENUE AND SUPPORT				
Goverment grant revenue	\$ 3,272,108	\$ -	\$ -	\$ 3,272,108
Capital campaign contributions	371,441	-	-	371,441
Foundation grant revenue	1,059,243	-	-	1,059,243
Special event revenue	978,626	-	-	978,626
Less: cost of direct benefit to donors	(499,089)	-	-	(499,089)
Contributions	297,841	-	-	297,841
Program service revenue	94,200	-	(78,000)	16,200
Interest income	10,536	-	-	10,536
Other income	<u>15,535</u>	<u>403,059</u>	<u>(359,436)</u>	<u>59,158</u>
TOTAL OPERATING REVENUE AND SUPPORT	<u>5,600,441</u>	<u>403,059</u>	<u>(437,436)</u>	<u>5,566,064</u>
EXPENSES				
Program services				
Community engagement	421,655	-	(63,287)	358,368
Housing programs	1,335,294	-	(95,310)	1,239,984
Health programs	750,441	-	(51,481)	698,960
Youth programs	482,668	-	(39,340)	443,328
Advocacy, outreach and other programs	696,999	-	(43,653)	653,346
Real estate services	<u>-</u>	<u>229,531</u>	<u>(78,000)</u>	<u>151,531</u>
Total program expenses	<u>3,687,057</u>	<u>229,531</u>	<u>(371,071)</u>	<u>3,545,517</u>
Supporting services				
General and administrative	460,085	-	(30,632)	429,453
Fundraising	<u>551,926</u>	<u>-</u>	<u>(35,733)</u>	<u>516,193</u>
Total supporting expenses	<u>1,012,011</u>	<u>-</u>	<u>(66,365)</u>	<u>945,646</u>
Total expenses	<u>4,699,068</u>	<u>229,531</u>	<u>(437,436)</u>	<u>4,491,163</u>
INCREASE (DECREASE) IN NET ASSETS	<u>901,373</u>	<u>173,528</u>	<u>-</u>	<u>1,074,901</u>
NET ASSETS, BEGINNING OF YEAR	<u>4,959,519</u>	<u>2,578,647</u>	<u>-</u>	<u>7,538,166</u>
NET ASSETS, END OF YEAR	<u>\$ 5,860,892</u>	<u>\$ 2,752,175</u>	<u>\$ -</u>	<u>\$ 8,613,067</u>

The accompanying notes to the consolidated financial statements are an integral part of this statement.

**SACRAMENTO LGBT COMMUNITY CENTER
SACRAMENTO PRIDE PROPERTIES, INC
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Restated Community Center	SPPI	Eliminations	Totals
REVENUE AND SUPPORT				
Goverment grant revenue	\$ 2,450,278	\$ -	\$ -	\$ 2,450,278
Capital campaign contributions	1,641,847	-	-	1,641,847
Foundation grant revenue	1,261,650	-	-	1,261,650
Special event revenue	569,305	-	-	569,305
Less: cost of direct benefit to donors	(392,206)	-	-	(392,206)
Contributions	606,405	-	-	606,405
Program service revenue	116,746	-	(60,000)	56,746
Interest income	(4,266)	-	-	(4,266)
Other income	<u>10,805</u>	<u>380,742</u>	<u>(342,326)</u>	<u>49,221</u>
TOTAL OPERATING REVENUE AND SUPPORT	<u>6,260,564</u>	<u>380,742</u>	<u>(402,326)</u>	<u>6,238,980</u>
EXPENSES				
Program services				
Community engagement	259,683	-	(9,028)	250,655
Housing programs	1,313,355	-	(14,211)	1,299,144
Health programs	1,222,650	-	(53,239)	1,169,411
Youth programs	623,466	-	(168,573)	454,893
Advocacy, outreach and other programs	586,593	-	(13,730)	572,863
Real estate services	<u>-</u>	<u>191,211</u>	<u>-</u>	<u>191,211</u>
Total program expenses	<u>4,005,747</u>	<u>191,211</u>	<u>(258,781)</u>	<u>3,938,177</u>
Supporting services				
General and administrative	335,690	60,000	(100,844)	294,846
Fundraising	<u>361,431</u>	<u>-</u>	<u>(42,701)</u>	<u>318,730</u>
Total supporting expenses	<u>697,121</u>	<u>60,000</u>	<u>(143,545)</u>	<u>613,576</u>
Total expenses	<u>4,702,868</u>	<u>251,211</u>	<u>(402,326)</u>	<u>4,551,753</u>
INCREASE (DECREASE) IN NET ASSETS	<u>1,557,696</u>	<u>129,531</u>	<u>-</u>	<u>1,687,227</u>
NET ASSETS, BEGINNING OF YEAR	<u>3,401,823</u>	<u>2,449,116</u>	<u>-</u>	<u>5,850,939</u>
NET ASSETS, END OF YEAR	<u>\$ 4,959,519</u>	<u>\$ 2,578,647</u>	<u>\$ -</u>	<u>\$ 7,538,166</u>

The accompanying notes to the consolidated financial statements are an integral part of this statement.